

# TOWN OF LITTLETON, MASSACHUSETTS



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
For the Fiscal Year  
July 1, 2021 – June 30, 2022**



**On the cover and below:** The newly constructed Reuben Hoar Library opened on November 5, 2021, to a wonderful celebration and ribbon cutting. The opening marked the completion of a process that began in 2009 with the creation of the Library Trustees New Building Fund. The \$14.7 million state-of-the-art facility was funded from a \$5.8 million construction grant from the State Board of Library Commissioners, \$6.2 million from a debt excluded borrowing, \$1.1 million raised by the Friends of the Reuben Hoar Library and the remainder from Town appropriated funds.

Photo credit: Johnson Roberts and Associates



# **TOWN OF LITTLETON, MASSACHUSETTS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2022



*Prepared by the Office of  
Aleesha Nunley Benjamin,  
Finance Director/Town Accountant*



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**TOWN OF LITTLETON, MASSACHUSETTS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022**

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# INTRODUCTORY SECTION



Above, a scene from a recent accident involving a vehicle hitting a pole. The Littleton Police Department was at the scene providing aid and rerouting traffic.

Photo credit – Littleton Police Department Facebook



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# Town of Littleton, Massachusetts

37 SHATTUCK STREET  
LITTLETON, MA 01460

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TOWN ADMINISTRATOR  
ANTHONY M. ANSALDI, JR.

FINANCE DIRECTOR  
ALEESHA NUNLEY BENJAMIN

## Letter of Transmittal

February 28, 2023

Honorable Select Board and Citizens of the Town of Littleton, Massachusetts:

We are pleased to acknowledge that the Town of Littleton has completed its first *Annual Comprehensive Financial Report* (ACFR). The report is for the fiscal year ended June 30, 2022, and we are proud that we were able to prepare a report that communicates to our constituents and investors the highest degree of transparency in financial reporting for municipalities.

The Town is responsible for the accuracy, completeness and fairness of the data presented in the ACFR. This letter of transmittal and the management's discussion and analysis, located in the financial section of the ACFR, provide a comprehensive financial overview of the Town and ensure that the financial and general operations of Town government remain open for easy viewing.

The ACFR represents a complete set of financial statements in conformity with generally accepted accounting principles 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. This ACFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the Town.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and rating agencies as well as the citizens and taxpayers of the Town of Littleton.

Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all of the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Littleton'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.

The Town's financial statements have been audited by Roselli, Clark and Associates, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance on an annual basis that the financial statements of the Town are free of material misstatement. The independent audit involved (1) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessing the accounting principles used and significant estimates made by management; and (3) evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2022 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 Reports Pursuant to Title 2 of the US "*Code of Federal Regulations*" (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

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 that analysis and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.



## Profile of the Town

Littleton was first settled in 1686 and was officially incorporated by the Massachusetts General Court in 1714. Minutemen and Militia of Littleton fought at Concord and Battle Road on April 19, 1775. The Town's governing Bylaws was enacted by the Legislature shortly after 1714, amended by annual and special town meetings. Bylaw amendments passed by town meeting are approved by the Attorney General under Massachusetts General Law Chapter 40, Section 32. The Bylaws authorize an Open Town Meeting-Select Board-Town Administrator form of government.

Littleton is located in Middlesex County in Massachusetts, approximately 40 miles north of Boston. Littleton is bisected by two major highway systems, route 2 and 495, and a number of secondary roadways offering residents quick and easy access into Boston. The population of the Town of Littleton was 10,141 per the 2020 census. Because of Littleton's great geographic location and business friendly environment, many business have chosen to relocate to the town. Littleton has a land area of approximately 17.57 square miles and 64.4 miles of roadways. In our opinion, Littleton is one of the best places to live in Massachusetts.



Public transportation is available via the commuter rail service station from Littleton to the metropolitan Boston area provided by the Massachusetts Bay Transportation Authority (MBTA). MBTA commuter rail train on the Fitchburg Line passes through Littleton. This line runs from Fitchburg to Porter Square in Cambridge and North Station in Boston. This provides excellent support to both local and regional employers whose employees live in Boston or Cambridge areas and do a reverse commute to Littleton and the region each day.

The Town has a rich farming heritage, known for its apple orchards, food and dairy farms. Presently many of those same farms are still in operation today. In fact the Town owns the Nagog Apple Orchard adding to the community's small-town charm.

Many of the Town's lakes, ponds and wetlands have been protected and preserved for present enjoyment and future generations. Among the protected areas are Oak Hill, Mill Hill, Newtown, and Bumble Park.



Littleton has small town New England charm with well-preserved architecture and open space. Littleton has over 2,000 acres of conservation land for hiking and exploration. Our parks, playgrounds, and lakes provide passive and active recreation for all ages. Littleton is bordered on the north by the towns of Ayer and Groton, on the east by the town of Westford, on the south by the towns of Boxborough and Acton, and on the west by the town of Harvard.

Littleton prides itself on its high quality school system, as it is favored by residents for our high quality of education and as a great town for raising families. The Town is within close proximity to the Nashoba

Valley Technical High School which provides expanded vocational education opportunities for high school students of Littleton and other member communities. An elected, five-member School Committee appoints a School Superintendent who administers the public school system of the Town. School Committee members, like the Select Board, are elected at-large to three-year staggered terms. For the 2022 school year, there are 4 public schools serving 1,553 students in the Littleton School District. This district's average testing ranking is 9/10, which is in the top 20% of public schools in Massachusetts. The school district's graduation rate of 95% has increased from 90-94% over five school years. Littleton students consistently perform well on national and state tests and over 90% of students graduating from the high school go on to higher education.

The Town operates under the Select Board, Town Administrator, and Open Town Meeting form of government. The five elected Select Board members make policy decisions, and the Town Administrator is responsible for carrying out the policies of the Select Board and for managing the day-to-day operations of the Town. The policies and procedures of the Select Board are detailed in their policy document that will continue to evolve and be updated over time to best serve the community. There are also various appointed boards and committees which have specific responsibilities concerning various aspects of Town governance. Town Meeting, which is generally unique to New England, serves as Littleton's legislative body. It offers all registered voters of the community the opportunity to participate in the major decisions of the Town. Town Meeting is facilitated by an elected Town Moderator. Littleton has a seven-member Finance Committee, which is responsible for advising on Town related financial matters as well as preparation of the Annual Town Budget with the Finance Director and Town Administrator.

An annual operating budget is approved by Town Meeting two months prior to the start of the fiscal year. This annual budget serves as the foundation for the Town's financial planning and control. The budget is prepared by fund, function (e.g. general government) and department (e.g. finance) allowing the department heads to allocate resources within the department to provide quality services to the residents. Transfers between departments, however, need special approval by Town Meeting unless specifically exempted by state statute.

Littleton is known for its community based Town Meeting form of government, committed to excellence, proactive planning, and service. The Town provides a full array of high quality services to the residents, including: full-time police and fire protection; schools for grades kindergarten through 12, (two elementary, one middle, and one high school); solid waste disposal and recycling; street maintenance and snow removal; health and human services; community development and planning; veteran services; a full service library; and various parks, playgrounds, conservation lands, and recreational programs.



### **Factors Affecting Economic Condition**

Littleton continues to take a pro-active approach encouraging well planned economic development. The Town fully appreciates the significance of commercial and industrial growth and development (and redevelopment) especially in terms of long-term fiscal stability. The Town continues its focus on future growth, which is sustainable and “complimentary” for economic development including employment opportunities and affordable housing for our residents.

Municipal officials continue to work closely with the State and receive valuable support from both the State and the Metropolitan Area Planning Council (MAPC). The Town strives to take full advantage of the latest initiatives and incentives made available and was awarded a Mass Works Grant toward the



construction of a new sewer system. The Town was awarded a Green Communities grant for the purchase of hybrid vehicles, charging stations, and to purchase thermostat controls for the Public Works building.

The Town will be submitting an application for a grant to update the 2017 Hazard Mitigation Plan. FEMA/MEMA Grants would allow the Town to contract with regional planning agency, MAPC, to complete the required Hazard Mitigation Planning process. Having an up-to-date Hazard Mitigation Plan not only allows the Town to better understand and prioritize the steps that should be taken to address the vulnerabilities to natural disasters, but also keeps the Town qualified to apply for Federal grants to mitigate identified hazards. The Town anticipate this will be an interdisciplinary effort with Fire, Police, Public Works, Health, and Planning all participating.

There are approximately 500 acres of developable commercial and industrial land remaining in Town, as well as significant office space rental opportunities, suitable for accommodating almost any business need. The Town offers several industrial parks, a thriving downtown central business district, and a number of mixed-use commercial areas. Littleton is a highly sought-after location for large companies representing major industries.

The Town continues to update and publish a Town Master Plan. Littleton's Master Plan Initiative requires a careful review and analysis of existing conditions balanced with a vision for the future. The Master Plan will include planning, engineering reports and documents that have been reviewed and a written report, which summarizes their major issues and relevant recommendations. The overall objective of the Master Plan initiative was to develop a sustainable residential and business development strategy for the Town.

Littleton is a leader in housing best practices with its affordable housing trust fund. The Town voted to establish an Affordable Housing Trust in 2018 in order to proactively protect and expand affordable housing units in the Town. The Town has surpassed its required 10% affordable housing goal as required by State regulation and adopted cluster subdivision regulations and a demonstrated pattern of approving open space subdivisions. The Town also adopted both an inclusionary zoning bylaw and senior residential development bylaw.



In December 2021, Littleton's work on developing and adopting Form Based Code for the Littleton Common area was recognized on a State-wide level, earning the only American Planning Association – Massachusetts Chapter "Planning Project Award for 2021" awarded. This accomplishment was made possible by Town Meeting voters, and residents who participated in the process to provide input on how Littleton Common area should look, feel, and function. The next step in spurring redevelopment and new development to create a mixed-use, walkable, and environmentally sound town center is to address infrastructure needs – the October 2021 Town Meeting vote to fund final design and construction of Town Sewer, the rezoning for the new King Street Common District, and additional to allow for redevelopment of 5 parcels owned by Northern Bank are all significant steps forward in this process.





The Town support of commercial, industrial, and residential development in fiscal year 2022 included quick action to respond to the decision of IBM to leave their long-term software campus at 550 King Street – and the Real Estate Investment Trust (REIT) that owned that property’s decision to sell it. The



former IBM campus, located at 550 King St., was once one of the largest software labs in North America. Thanks to the community leadership, involvement and hard work by Littleton residents, and staff support across numerous Departments, the Town adopted the new “King Street Common” zoning district in October 2021 to allow mixed-use redevelopment of this important cornerstone of Littleton Common. We are working with the new property owner, Lupoli Companies to support the redevelopment of this site consistent with community goals as outlined in the Littleton Master Plan and the Littleton Common

Revitalization Roadmap. The Planning Board approved a Master Plan Special Permit, including 780 units of multifamily housing, reuse of 582,000 square feet of commercial/office/R&D space, 70,000 square feet of retail/restaurant, and 20,000 square feet of new office space. In addition, affordable housing will be created primarily targeting commuting students and young families looking for a starter home.

The Town’s commitment to sound economic development is further demonstrated by creating partnerships with MAPC and the Littleton Electric Light Water Department (LELWD) to ensure coordination and resource allocation on key planning issues facing the Town. Recently, the Town approved the Littleton Sewer System Expansion Project. The Sewer system was 60% designed as of the end of fiscal 2022. The system will bring sewer to the greater Littleton Common area in a district that encompasses more than 100 properties (53 commercial properties and 58 residential properties). The Lupoli Companies partnership with the Town showed commitment to stay in Littleton by expanding the development into the Town’s Sewer District. The Town is currently the only user of the Sewer with this development the Town is no longer the largest user of the system.

A \$25 million bond was authorized at Town Meeting to build a new municipal sewer system and cost would shift based on estimated gallons per day 60% to King Street Common, 20% Municipal Buildings, and 20% to all other users in the sewer district. Lupoli Companies is an award winning and community driven organization spearheaded by social impact entrepreneur, Sal Lupoli. Sewer will support the Town’s goal of economic development and help to protect the environment and Littleton’s water resources. LELWD expects to complete design and permitting of the 244,000-gallons-per-day sewer system in the fall of 2022, put the project out to bid in the winter months, and start construction in the spring of 2023.

The Lupoli Companies also worked with the Town on a redevelopment proposal for the 410 Great Road site, a 4.2-acre underutilized former mill complex. The Planning Board approved the “Residences at King Street Common” Master Planned Special Permit with 285 units of multifamily housing to replace existing tired structures. Commercial development proposals in permitting, approved, under construction, and/or completed in fiscal year 2022 included the now-operational Amazon Last Mile Distribution Facility on Taylor Street, several Adult Use Marijuana Establishments on Ayer Road and Great Road, site updates for 30 Taylor Street, a new 98,000 square foot warehouse under construction at Monarch Drive, approval of the Town Sewer treatment facility, completion of the new water treatment plant, and a redevelopment proposal for 5 parcels along Great Road at Robinson Road for Northern Bank.

There were no new applications for single-family residential subdivisions in fiscal year 2022, but buildout of Croft Corner, Kaye Estates, Gray Farm, and Wellington Drive continues as well as several new lots along Grimes Lane. Construction at the Hager Homestead Senior Residential Development started in fall 2021. This unique multifamily development, includes 26 units of senior housing in 1 and 2-bedroom

units, with universal design, a common house for gatherings and meals, community gardens, open space, and a public access easement to connect the Town Office campus with the Castle in the Trees recreation area.

Construction permit applications in Littleton remain robust, with 1,468 permits issued, reflecting an estimated “building/structure” increase of \$30 million of residential value and \$14 million of commercial improvements. Value-added for infrastructure, site improvements, roadways, landscaping, etc. is not included in this estimate.

The Town is in the process of evaluating the opportunities and or impacts of the MBTA Communities compliance model in evaluating existing zoning districts and strategically planning new districts to meet the MBTA Communities requirements. The State Department of Housing and Community Development (DHCD) has published draft guidelines for MBTA Communities to comply with the January 2021 Economic Development Legislation - in effect, Littleton will be required to update zoning before December 2024 to allow buildout of 750 units of multi-family housing within 1/2 mile of the Foster Street MBTA Commuter Rail Station. Littleton’s minimum MBTA zoning district size is still 50 acres, and the minimum number of housing units required within the district is still 750, however “only” 20% of the district is required to be within 0.5 miles of our Foster Street commuter rail station.

This will allow the Town to better reflect on the Master Plan goals of focusing first on Littleton Common while taking the time necessary for a thoughtful discussion on the goals for the Littleton Station Area. Recalling that Littleton received a \$50,000 Executive Office of Energy and Environmental Affairs (EEA) Planning Assistance Grant for planning for the MBTA Communities Zoning/Littleton Station Area, this funding and timeline allows the Town the opportunity to meet the goals by the December 2024 deadline. In addition, the Town Select Board in 2017 secured first refusal rights to purchase the property known as Indian Hill at 32 and 36 King Street for general municipal purposes if it was to be sold.

In summary, Town leaders recognize the importance of maintaining a stable tax situation for its residents. Development on the residential and commercial side helps accomplish this goal and the Town continues to seek out growth opportunities in this area.

**Property Taxes** The growth of the Town’s main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden through a ballot by the voters. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased more proportionally. As a result, balancing the annual budget is a challenge. The Town attempts to mitigate this impact by conservatively forecasting revenues thus creating free cash in the subsequent year to maintain at least 5% of the operating budget in fund balance, funding of various stabilization funds, and to cover capital expenditures per the Town’s Financial Policies.

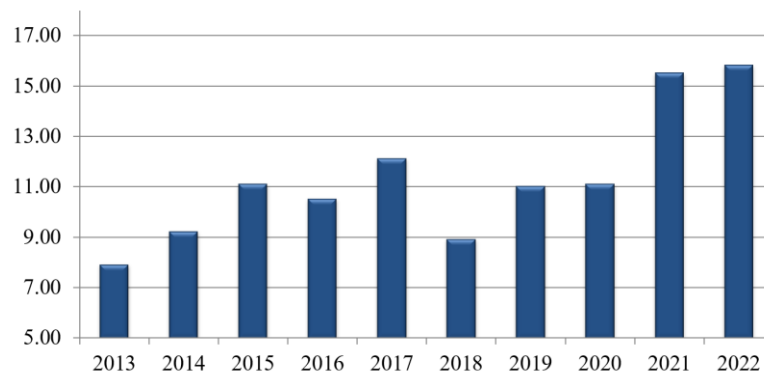
In March 2021, the Federal Government passed the American Plan Rescue Act (ARPA) which provides stimulus payments to State and local government to assist recovery from the pandemic. The Town expects to receive \$3 million from this program by the end of fiscal 2023. The grant proceeds are required to be obligated by December 31, 2024 and spent by December 31, 2026. The Town intends to dedicate \$2 million to the new sewer system project, \$911,000 to the new senior center, \$32,672 funded a new police officer for six months, \$21,950 for signage, \$85,000 to rehab the Town owned Nagog Orchard, and \$6,298 for Covid supplies as needed.

The Town’s available reserves on a GAAP basis represent the amount in unassigned fund balance. The Town’s reserves have been increasing on an annual basis due to prudent utilization of additional federal grant funding due to the health pandemic. These strong reserve levels, when combined with the Town’s strong financial management policies, desirable location, assessed valuations and strong wealth factors

directly contribute to the Town's bond rating of 'AAA'. Standard and Poor's (S&P) has affirmed the Town of Littleton's bond rating of AAA, its highest rating. S&P defines its AAA rating as "Extremely strong capacity to meet financial commitments."

The rating reflects S&P's assessment of the following factors for the Town:

- Very strong economy, with access to a broad and diverse metropolitan statistical area;
- Very strong management, with strong financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level;
- Very strong budgetary flexibility;
- Very strong liquidity and access to external liquidity with strong credit and adequate debt;
- The Town is committed to maintaining its reserves at a level expected from communities that engender the highest bond rating.



### Long-term Financial Planning

Several years ago, the Town implemented a policy of preparing rolling projections. The Town believes this will provide better insight when preparing annual budgets and will also alert the Town to any potential budgeting issues far ahead of when these situations become real issues.

The following represents the Town's summarized budgets for each of the next five years:  
(These are estimates subject to change based on economic factors and budgetary needs by year.)

	2023	2024	2025	2026	2027
Real Estate and Personal Property Taxes	\$ 48,008,996	\$ 49,649,473	\$ 51,468,210	\$ 53,332,415	\$ 55,243,225
Intergovernmental Revenue - Local Aid	5,975,445	6,096,429	6,157,394	6,218,968	6,281,157
Local Receipts	3,919,790	3,515,325	3,635,720	3,908,864	4,385,637
Recurring transfers from special revenue	14,671,190	4,426,893	5,052,137	2,144,380	1,998,763
<b>Total Revenues</b>	<b>\$ 72,575,421</b>	<b>\$ 63,688,120</b>	<b>\$ 66,313,461</b>	<b>\$ 65,604,627</b>	<b>\$ 67,908,782</b>

	2023	2024	2025	2026	2027
Education budget	\$ 23,050,247	\$ 24,433,262	\$ 25,654,925	\$ 26,937,671	\$ 28,284,555
Town budget	15,539,313	15,657,013	16,283,294	16,934,625	17,612,010
Fixed costs	11,247,675	11,328,627	12,234,917	13,213,710	14,270,807
State and County Charges	1,909,440	1,946,696	1,966,163	1,985,825	2,005,683
Capital costs and special appropriations	20,828,746	10,322,522	10,174,162	6,532,796	5,735,727
<b>Total Revenues</b>	<b>\$ 72,575,421</b>	<b>\$ 63,688,120</b>	<b>\$ 66,313,461</b>	<b>\$ 65,604,627</b>	<b>\$ 67,908,782</b>

## **Capital Improvements and Financing**

The Town continues to invest in infrastructure improvements such as roads, sewer, and municipal facilities, as well as various municipal and school facility upgrades. These include: Town Hall, Library, Public Safety facilities, Public Works, Recreational facilities and School building improvement projects. Taking advantage of State programs such as Chapter 90 for street and sidewalk improvements and Massachusetts School Building Authority grants for school construction are part of this plan.

An integral part of this initiative was to create a comprehensive ten-year financial plan which was completed in 2022 to be implemented in 2023. This will allow the Town to more accurately plan and prioritize capital projects.

As part of the annual budget process, the Finance Director and Town Administrator recommend the capital budget for the upcoming year and annually revise the ten-year plan to address the long-term capital needs of the Town. The capital spending plan for the next ten years is over \$90 million. This is funded from stabilization funds, free cash, bond issuances and other revenue sources such as gifts, grants, trust funds, enterprise funds, revolving funds or CPC funding.

The Town's target set aside to finance its capital plan is 2.5% of the operating budget. A portion of its annual capital plan funds smaller capital projects on a pay-as-you-go basis through recurring revenues while larger capital projects are financed through borrowing.

Recently, the Town completed construction on a \$14.7 million library. The state-of-the-art facility was opened in November 2021 and has been met with much enthusiasm.



In addition, the Town supported \$2.6 million in capital spending, which included a \$1 million borrowing authorization for the feasibility and design of the new Senior Center which will be located at Shattuck Street to address the growing, aging population in need of expanded and updated senior services.

The Town is also planning construction on a new sewer system expansion project which was approved at Fall Special Town Meeting in the amount of \$25 million. Currently the Town is the only user of the Sewer. With the new expansion project, the Town will no longer be the only user and will not be the largest user.

Many other significant capital improvements are being considered and will be brought to Town meeting over time for approval.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. This is a very prestigious award and in order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

This is Littleton's first submission to the GFOA requesting a review of its annual comprehensive financial report for consideration of this award. This was a large undertaking for the Finance Director and Town Administrator and we are confident that our report meets the guidelines for award established by the GFOA.

The publication of this annual comprehensive financial report represents an important achievement in the ability of the Town of Littleton to provide enhanced financial information and accountability to its citizens, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the Finance team.

Special thanks also goes to the certified public accounting firm of Roselli, Clark and Associates for their advice and assistance in the preparation of this report.

Respectfully submitted,



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Anthony M. Ansaldi, Jr.  
Town Administrator



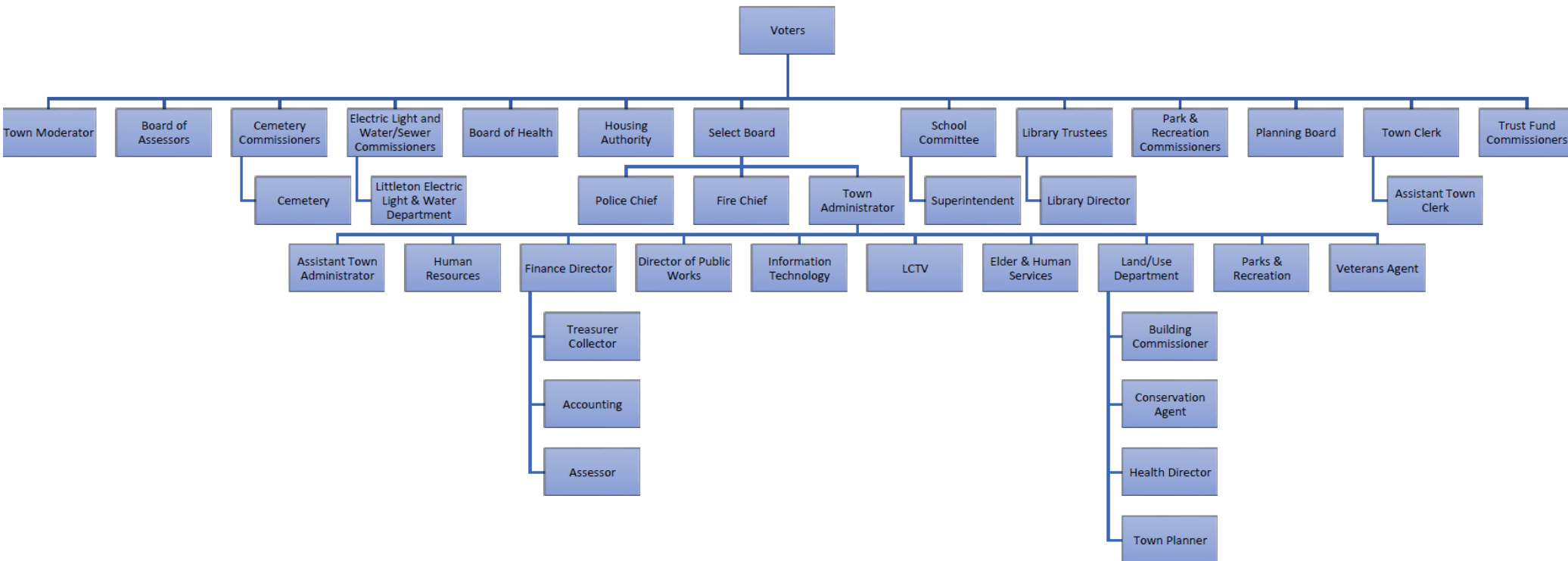
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Aleesha Nunley Benjamin  
Finance Director





# TOWN OF LITTLETON ORGANIZATIONAL CHART



**PRINCIPAL TOWN OFFICIALS**  
**As of June 30, 2022**

Elected Officials

Select Board	Matthew Nordhaus, Chairperson Gary Wilson, Vice Chairperson Charles DeCoste, Clerk Cynthia Napoli Mark Rambacher
Town Clerk	Diane Crory

Key Principal Officers

Town Administrator	Anthony Ansaldi
Assistant Town Administrator	Ryan Ferrara
Finance Director/Accountant	Aleesha Nunley Benjamin
Tax Collector	Deborah Richards
Town Assessor	Katherine Miller
Superintendent of Schools	Dr. Kelly Clenchy

# FINANCIAL SECTION



The former IBM campus, located at 550 King St., was once one of the largest software labs in North America. Thanks to the community leadership, involvement, and hard work by Littleton residents, and staff support across numerous departments, the Town adopted the new “King Street Common” zoning district in October 2021 to allow mixed-use redevelopment of this important cornerstone of Littleton Common.

Photo credit - Cube 3 Architects



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## INDEPENDENT AUDITOR'S REPORT

Honorable Select Board  
Town of Littleton, Massachusetts

### Opinions

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 Littleton, Massachusetts, (the "Town") as of and for the year ended June 30, 2022 (except for the Littleton Electric Light Department, (the "Light Department" or "Electric Light Department") which is as of December 31, 2021), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Light Department which represented 48.5% and 82.9% of the assets and revenues of the combined enterprise funds; the Water Department which represented 44.6% and 13.6% of the assets and revenues of the combined enterprise funds; or the Sewer Department which represented 6.1% and 0.01% of the assets and revenues of the combined enterprise funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to those amounts is based solely on the report of the other auditors.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2022 (except for the Light Department, which is as of December 31, 2021), and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Restatements

The Town's basic financial statements for the year ended June 30, 2021 were audited by other auditors, who issued an unmodified opinion dated June 17, 2022. As described in Note IV to the financial statements, the Town restated the previously reported net positions in the governmental activities as well as the fund balances in the library project major fund, nonmajor governmental funds and fiduciary funds. We audited the adjustments described in Note IV that were applied to restate the June 30, 2021 basic financial statements. In our opinion, such adjustments were appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2021 basic financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2021 basic financial statements taken as a whole.



## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 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, contract, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance

with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Roselli Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
February 28, 2023

## **Management's Discussion and Analysis**



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town of Littleton, Massachusetts (The Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information found in this report.

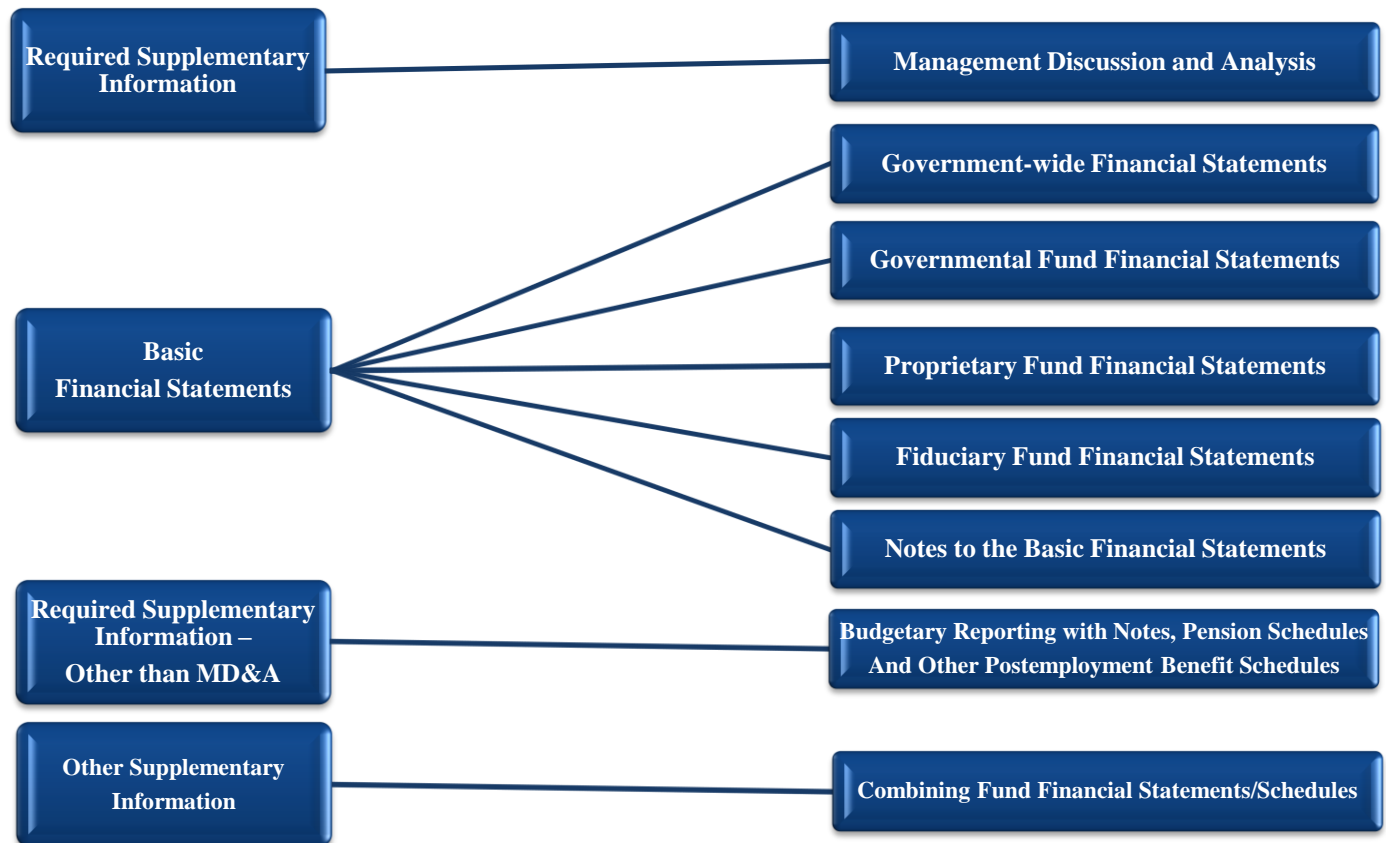
### **Financial Highlights**

- The assets and deferred outflows of financial resources of the Town exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by over \$155.8 million (*total net position*). Almost \$101.0 million represented net position of governmental activities and almost \$54.9 million represented net position of the business-type activities.
- The government's total net position increased by nearly \$17.1 million; \$10.5 million was related to governmental activities and \$6.6 million was related to business-type activities.
- The Town's Unassigned Fund Balance reported in the General Fund was over \$15.8 million (about 29.2% of General Fund expenditures), while total fund balance in the General Fund was over \$27.1 million (50.1% of General Fund expenditures).
- The Town reported restricted fund balances of approximately \$2.5 million and \$13.7 million in the Capital Projects Fund, and the combined Nonmajor Governmental Funds, respectively. A balance of \$1.2 million is included as nonspendable in the Nonmajor Governmental Funds and an unassigned amount of \$0.9 million deficit is reported in the Library Project Fund.
- The Federal Government passed the American Plan Rescue Act (ARPA) which provides stimulus payments to State and local government to assist recovery from the pandemic. The Town expects to receive \$3 million from this program by the end of fiscal 2023. The grant proceeds are required to be obligated by December 31, 2024 and spent by December 31, 2026.
- The Town's debt increased by over \$4.3 million. Details of the transactions that contributed to this change are summarized in the long-term debt section of this Management, Discussion and Analysis.

### **Overview of the Financial Statements**

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

The layout and relationship of the financial statements and supplementary information is visually illustrated in the diagram on the following page.



**Government-wide Financial Statements** – The *government-wide financial statements* are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Town’s assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise 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 government-wide financial statements distinguish functions of the Town 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 of the Town include general government, public safety, highways and streets, education, health and human services, sewer services, debt service, fringe benefits and culture and recreation. The business-type activities of the Town are comprised completely of the water, sewer, recreation and electricity 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. The Town, like other state

and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted—amounts constrained by external parties, constitutional provision, or enabling legislation
- Committed—amounts constrained by a government using its highest level of decision-making authority
- Assigned—amounts a government intends to use for a particular purpose
- Unassigned—amounts that are not constrained at all will be reported in the general fund or in other major funds if negative

**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 government's near-term financing decisions.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Library Project Fund, and Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes after the footnotes to the financial statements.

**Proprietary Funds** – The Town maintains three types of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Town uses proprietary funds to account for its water, sewer, recreation and electricity services.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement

because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the 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 concerning:

- The Town's proportionate share of net pension liability (NPL)
- Contributions to its pension plan
- The Commonwealth's collective share of NPL to the Massachusetts Teachers' Retirement System
- The Schedule of Net Other Postemployment Benefits Liability and Related Ratios,
- The Schedule of Contributions to its Other Postemployment Benefits Plan
- The Schedule of Investment Returns – Other Postemployment Benefits Plan
- The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$152.9 million at the close of the most recent fiscal year.

Data regarding net position is presented as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30		June 30		June 30	
	2022	2021	2022	2021	2022	2021
<b><u>Assets</u></b>						
Current and other assets	\$ 56,263,796	\$ 53,048,552	\$ 37,705,492	\$ 31,751,559	\$ 93,969,288	\$ 84,800,111
Capital assets, net	98,623,623	95,111,986	69,093,831	50,069,572	167,717,454	145,181,558
<b>Total assets</b>	<b>154,887,419</b>	<b>148,160,538</b>	<b>106,799,323</b>	<b>81,821,131</b>	<b>261,686,742</b>	<b>229,981,669</b>
<b>Deferred outflows of resources</b>	<b>9,107,335</b>	<b>7,715,470</b>	<b>1,221,772</b>	<b>2,141,398</b>	<b>10,329,107</b>	<b>9,856,868</b>
<b><u>Liabilities</u></b>						
Long-term liabilities	43,145,611	42,247,022	18,056,733	15,904,449	61,202,344	58,151,471
Other liabilities	10,015,878	10,666,616	26,145,154	17,981,999	36,161,032	28,648,615
<b>Total liabilities</b>	<b>53,161,489</b>	<b>52,913,638</b>	<b>44,201,887</b>	<b>33,886,448</b>	<b>97,363,376</b>	<b>86,800,086</b>
<b>Deferred inflows of resources</b>	<b>9,853,808</b>	<b>12,131,848</b>	<b>8,967,155</b>	<b>1,796,789</b>	<b>18,820,963</b>	<b>13,928,637</b>
<b><u>Net Position</u></b>						
Net investment in capital assets	74,247,884	72,873,287	43,624,384	41,503,188	117,872,268	114,376,475
Restricted	14,046,583	19,447,537	2,568,610	2,336,977	16,615,193	21,784,514
Unrestricted	12,684,990	(1,490,302)	8,659,059	4,439,127	21,344,049	2,948,825
<b>Total Net Position</b>	<b>\$ 100,979,457</b>	<b>\$ 90,830,522</b>	<b>\$ 54,852,053</b>	<b>\$ 48,279,292</b>	<b>\$ 155,831,510</b>	<b>\$ 139,109,814</b>

By far, the largest portion (almost \$117.9 million) of the Town's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, 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 the Town's net position (over \$16.6 million) represents resources that are subject to external restriction on how they may be used.

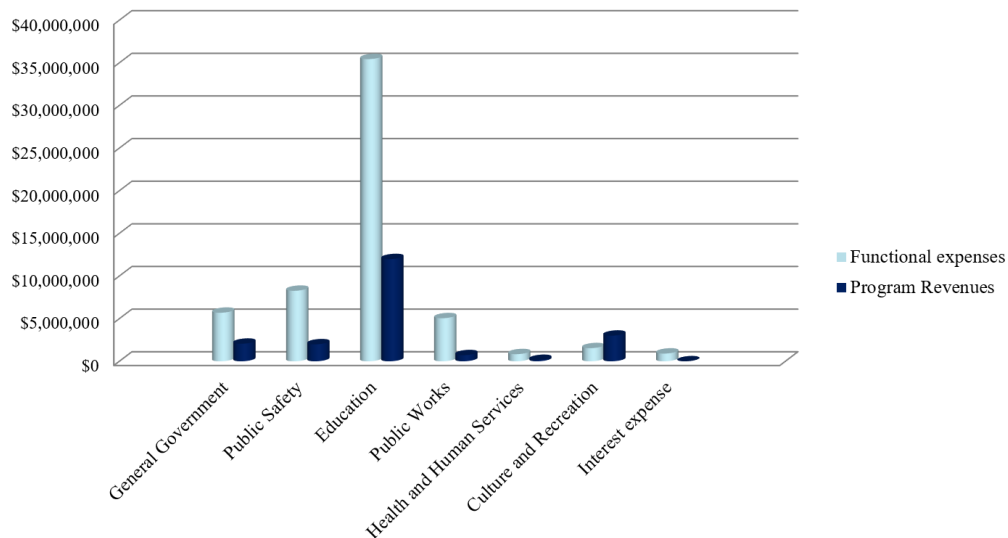
Unrestricted net position is over \$21.3 million. This represents unencumbered funds that may be spent at the Town's discretion. This increased over \$17 million primarily due to a benefit recognized in the actuarial results for pension in the current year as well as favorable operations in the governmental funds.

The condensed statement of changes is as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30		June 30		June 30	
	2022	2021	2022	2021	2022	2021
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services	\$ 5,049,901	\$ 6,769,240	\$ 35,649,348	\$ 34,280,816	\$ 40,699,249	\$ 41,050,056
Operating grants and contributions	11,764,503	13,193,394	328,350	254,703	12,092,853	13,448,097
Capital grants and contributions	3,114,854	2,914,838	750,190	-	3,865,044	2,914,838
General revenues:						
Property taxes	45,706,250	43,664,988	-	-	45,706,250	43,664,988
Unrestricted grants and contributions	787,956	1,099,470	-	-	787,956	1,099,470
Other	2,060,533	1,943,376	1,726,488	2,092,432	3,787,021	4,035,808
<b>Total Revenues</b>	<b>68,483,997</b>	<b>69,585,306</b>	<b>38,454,376</b>	<b>36,627,951</b>	<b>106,938,373</b>	<b>106,213,257</b>
<b><u>Expenses</u></b>						
General government	5,695,173	5,686,902	-	-	5,695,173	5,686,902
Public safety	8,271,955	9,099,782	-	-	8,271,955	9,099,782
Education	35,438,306	34,971,059	-	-	35,438,306	34,971,059
Public works	5,052,584	4,119,207	-	-	5,052,584	4,119,207
Health and human services	837,523	527,781	-	-	837,523	527,781
Culture and recreation	1,540,884	593,079	-	-	1,540,884	593,079
Debt service	909,321	766,522	-	-	909,321	766,522
Water	-	-	3,457,640	3,599,037	3,457,640	3,599,037
Sewer	-	-	310,955	137,519	310,955	137,519
Recreation	-	-	1,054,606	740,774	1,054,606	740,774
Electric Light	-	-	27,318,375	27,845,369	27,318,375	27,845,369
<b>Total Expenses</b>	<b>57,745,746</b>	<b>55,764,332</b>	<b>32,141,576</b>	<b>32,322,699</b>	<b>89,887,322</b>	<b>88,087,031</b>
Change in net position before transfers	10,738,251	13,820,974	6,312,800	4,305,252	17,051,051	18,126,226
Transfers	(259,961)	373,450	259,961	(373,450)	-	-
Change in net position	10,478,290	14,194,424	6,572,761	3,931,802	17,051,051	18,126,226
Net position, beginning of year	90,830,522	76,906,219	48,279,292	44,074,249	139,109,814	120,980,468
Reclassify pension liability	-	(273,241)	-	273,241	-	-
Restate capital assets	485,015	3,120	-	-	485,015	3,120
Reclassify debt premiums	(98,417)	-	-	-	(98,417)	-
Reclassify custodial funds	208,673	-	-	-	208,673	-
Reclassify scholarship funds	(924,626)	-	-	-	(924,626)	-
Net position, beginning of year, as restated	90,501,167	76,636,098	48,279,292	44,347,490	138,780,459	120,983,588
Net position, end of year	<u>\$ 100,979,457</u>	<u>\$ 90,830,522</u>	<u>\$ 54,852,053</u>	<u>\$ 48,279,292</u>	<u>\$ 155,831,510</u>	<u>\$ 139,109,814</u>

**Governmental Activities** – The governmental activities increased net position by approximately \$10.5 million as revenues outpaced expenses for the sixth consecutive year. Detail regarding the activities is included below.

Fiscal Year 2022 Expenses and Program Revenues – governmental activities are graphically presented as follows:

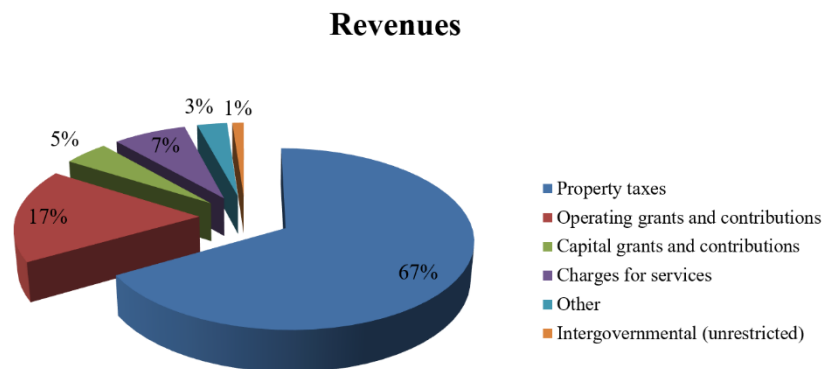


Major revenue sources of governmental activities consist of the following revenue:

(1) Property taxes represented 66.7% of total revenues. This was an increase of \$2.0 million over the prior year, which is reasonable under Massachusetts General Laws; communities are allowed to assess taxes at 2 ½% of the prior year plus any new growth. The Town experienced approximately \$0.9 million increase in new growth. Therefore, this increase met an increase that was expected from year to year.

(2) Operating grants which comprised approximately 20.3% of the total governmental activity revenues; the dollar amount was modestly lower (about \$1.4 million) than the prior year. The Town continues to be the beneficiary of operating grants from the Federal and State

Government which included grants related to the pandemic. However, these were offset by the significant reduction in the pass-through pension benefits for the Town's teachers who belong to the Massachusetts Teacher's Retirement System. The latter is a special funding situation as defined under GASB 68. This amount was \$2.0 million less than the prior year and made up the majority of this decrease. This also has a similar collateral impact on expenses.





(3) The remainder of the Town's revenues were either consistent with the prior year or not material in relation to the revenues as a whole.

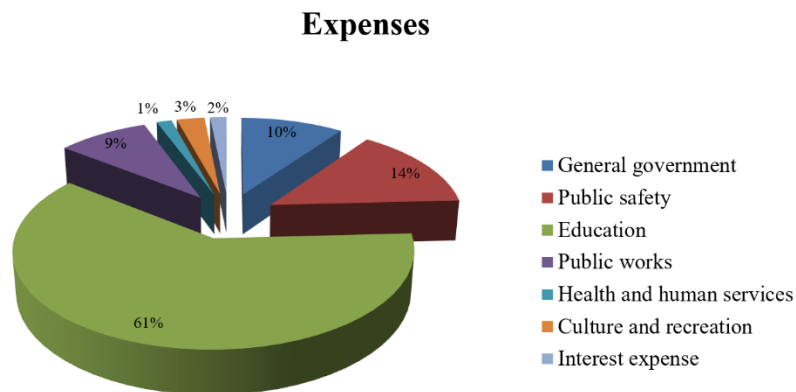
The Town's total expenses were 3.6% lower than the prior year.

Major expenses consist of the following:

Education costs represent the Town's largest expense category as education continues to be an area in which the Town devotes substantial resources. Approximately 61.4% of the Town's total disbursements are related to education.

During the fiscal year, there was a minor increase in education costs primarily related to increased grant activity and cost of living increases however a reduction to the special funding situation described under revenues above of about \$2.0 million in addition to favorable Town pension results that contributed to benefits

expenses being lower than the prior year caused education expenses to be fairly consistent with the prior year. Public Safety expenses represented approximately 14.3% of total expenses. Dollar decreases in this functional category was due primarily to lower allocations of pension cost in the current year as previously described. This was consistent with the majority of functional expenses.



All other functional expense categories combined were less than 10% and their impacts are not material to the overall operating discussion.

**Business-type Activities** – Net position of the business-type activities increased \$6.3 million when compared to the prior year. The majority of this was reflected in the water and electric light funds as favorable rate structures in both funds led to increased revenues. This was the fourth consecutive year of positive operations for the funds.

### **Fund-wide Financial Analysis of the Governmental Funds**

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

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

The following discussion summarizes the highlights in Governmental Funds:

**General Fund** – The General Fund is the Town's operating fund. Typically, the operating fund is designed for revenues to equal expenditures. Given the robust economy in Massachusetts particularly in Middlesex County, which is designated as a Metropolitan Statistical Area, operating funds have been generating a surplus for the last several years. This continued in despite the impacts of the pandemic.

Revenues in the General Fund exceeded forecasts by \$3.4 million; experiences were observed through all revenue categories. The Town chose to forecast in a conservative manner due to the pandemic, however revenues surprisingly maintained their robust pace due mostly in part to the significant stimulus injected into the economy by the Federal Government. Excise, user charges, licenses, permits and investment income all outpaced their estimates.

Strong budget management and conservative estimates had a similar impact on expenditures. Across the board favorable results caused expenditures to end below budget by about \$1.9 million. These savings were observed in many categories with benefits, public safety, public works and general government being the largest beneficiaries.

This favorable budget operating result of \$5.3 million was offset by appropriations from surplus, mostly for capital which led to the General Fund increasing over the prior year by about \$2.0 million.

The Town's Unassigned Fund Balance reported in the General Fund was over \$15.8 million (29.2% of General Fund expenditures). Total Fund Balance in the General Fund was approximately \$27.1 million (50.1% of General Fund expenditures).

*Library Project Fund* increased by about \$4.4 million. The Library was completed during fiscal 2022 and final bond issuances were incurred to refinance short-term notes. In addition, transfers from the general and combined nonmajor governmental funds to close out the project were recorded. A small deficit remains which will be cured in fiscal 2023.

*Capital Projects Fund* increased by almost \$0.8 million. Other financing sources and revenues exceeded expenditures due to timing of capital projects. The restricted fund balance is almost \$2.5 million at year-end.

*Nonmajor Governmental Funds* decreased by over \$3.0 million. The majority of this decrease was due to transfers into the Town's capital projects and library projects funds. Fund balance at the end of the year included \$13.7 million categorized as restricted and \$1.2 million categorized as nonspendable.

***Proprietary Funds*** – The Town's proprietary funds consist completely of water, sewer, recreation and electric services. These provide the same type of information found in the government-wide financial statements under Business-type activities. At the end of the year, net position of the water, sewer, recreation and electric light fund were \$13.3 million, \$0.2 million, \$0.8 million and \$40.6 million respectively.

***Fiduciary Funds*** – The Town's fiduciary funds are comprised of the Town's Private Purpose Trust Funds, and its Other Postemployment Benefits Trust.

The Private Purpose Trust Funds make up about \$2.4 million of the net position balance at year-end; These assets are used strictly for purposes outside of the public domain such as scholarships and public assistance. The funds experienced a decrease due to market conditions resulting in a loss in investments.

In addition, the Town has elected to establish a trust under Chapter 32B Section 20 of the MGL whose sole purpose is to accumulate funds to reduce the Town's unfunded net postemployment liability. This fund decreased by approximately \$1.2 million to about \$23.5 million due to market conditions resulting in a loss in investments.

## **General Fund Budgetary Highlights**

The final amended budget of \$52.5 million did not include any major increase or decrease to the initial adopted budget.

Major budget to actual differences on the revenue side were experienced in all revenue categories as actual revenues exceeded forecasted revenues by about \$3.4 million. Continued conservative forecasting due to the pandemic, in addition to robust economic activities led to this unusual situation.

The Town also experienced favorable variances in almost all budget categories as budget monitoring controls implemented in the prior year were very effective. The largest beneficiaries were general government, public works, public safety, and benefits. Total favorable budget variances were approximately \$1.9 million.

Further detail of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to this report.

## **Capital Asset and Debt Administration**

**Capital Assets** – The Town’s investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to approximately \$167.7 million (net of accumulated depreciation) an increase from the previous year’s balance of over \$22.5 million as additions exceeded depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, and equipment. The total increase is primarily due infrastructure improvements in the proprietary funds as well as the completion of the library.

Additional information on the Town capital assets can be found in Note II. Subsection D, of this report.

**Long-Term Debt** – At the end of the current fiscal year, the Town had total debt outstanding, inclusive of unamortized premiums, of approximately \$30.6 million (\$22.6 million Governmental activities and \$8.0 million Business-type activities). The entire amount comprises debt backed by the full faith and credit of the government. The Town’s credit rating from Standard and Poor was maintained at “AAA”. This is the highest investment grade issued by this agency.

The increase in long-term debt from the prior year to the current year is summarized as follows:

Additions:	
Governmental Activities	\$ 5,205,000
Business-Type Activities	4,150,000
Regular Scheduled Maturities:	
Governmental Activities	(5,406,575)
Business-Type Activities	(348,000)
Bond Premiums Received:	
Governmental Activities	710,704
Business-Type Activities	184,751
Amortization of Bond Premium	
Governmental Activities	(137,362)
Business-Type Activities	(16,464)
	<u>\$ 4,342,054</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0 % of its total assessed valuation. The current debt limitation for the Town is approximately \$122.4 million, which is in excess of the Town's outstanding general obligation debt classified as inside the debt limit. The Town also holds a proportionate share of debt of other governmental units that provide services within the Town's boundaries. The debt service from such arrangements is assessed annually to the Town.

Additional information on the Town's short-term and long-term debt can be found in Note E. and F. of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The Town's real estate tax base is made up predominantly of residential taxes, which comprise nearly 70.3% of the Town's real estate tax base. The Town also relies to a lesser but moderate extent on its commercial and industrial real estate tax base, which in aggregate comprise 26% of the Town's real estate tax base. The remainder of the Town's tax base is made up of personal property taxes. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town's ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The Town's housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Current actions by the Federal Open Market Committee to soften the economy due to inflation have caused mortgage rates to spike during fiscal year 2023. Such trends may have an adverse effect on the housing market, and the Town is monitoring this.
- Inflation is peaking near 40-year historic highs. This is having adverse impacts on the Town. Wage inflation cannot guarantee that the Town will be able to maintain employees without increasing wages. Energy inflation is causing a spike in energy costs. Price inflation is causing a spike in the price of the delivery and cost of goods and services. The construction building index is nearing historic highs which may cause the estimates of major capital projects to increase, in addition to the financing costs of these projects. The Town continues to monitor this situation.
- The Town anticipates state aid for 2023 to remain consistent or greater than the prior year.

All of the above items were considered when the Town developed its budget for fiscal year 2023. The budget was adopted in May 2022 and the tax rate was approved in December 2022.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 37 Shattuck Street, Littleton, MA 01460.

## **Basic Financial Statements**

**TOWN OF LITTLETON, MASSACHUSETTS**

**STATEMENT OF NET POSITION  
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 44,514,598	\$ 16,609,877	\$ 61,124,475
Investments	7,793,078	6,845,130	14,638,208
Receivables, net:			
Property taxes	1,315,461	-	1,315,461
Tax liens and deferrals	732,511	-	732,511
User fees	-	3,793,851	3,793,851
Betterments	-	726,450	726,450
Departmental and other	604,265	46,973	651,238
Leases	-	6,620,031	6,620,031
Intergovernmental	1,303,883	-	1,303,883
Prepaid expenses	-	2,026,066	2,026,066
Inventory	-	1,037,114	1,037,114
Capital assets not being depreciated	18,631,496	5,944,465	24,575,961
Capital assets, net of accumulated depreciation	79,992,127	63,149,366	143,141,493
<b>Total Assets</b>	<b>154,887,419</b>	<b>106,799,323</b>	<b>261,686,742</b>
<b>Deferred Outflows of Resources</b>			
Related to net other postemployment benefit liability	2,222,533	959,244	3,181,777
Related to net pension liability	6,884,802	262,528	7,147,330
<b>Total Deferred Outflows of Resources</b>	<b>9,107,335</b>	<b>1,221,772</b>	<b>10,329,107</b>
<b>Liabilities</b>			
Warrants and accounts payable	3,230,966	4,068,414	7,299,380
Accrued payroll and withholdings	2,691,057	273,220	2,964,277
Unearned revenue	1,423,070	-	1,423,070
Other liabilities	351,785	200,002	551,787
Bond anticipation notes payable	2,319,000	21,603,518	23,922,518
Noncurrent liabilities:			
Due within one year	2,497,755	672,559	3,170,314
Due in more than one year	40,647,856	17,384,174	58,032,030
<b>Total Liabilities</b>	<b>53,161,489</b>	<b>44,201,887</b>	<b>97,363,376</b>
<b>Deferred Inflows of Resources</b>			
Related to leases	-	6,620,031	6,620,031
Related to net other postemployment benefit liability	7,820,689	881,800	8,702,489
Related to net pension liability	2,033,119	1,465,324	3,498,443
<b>Total Deferred Inflows of Resources</b>	<b>9,853,808</b>	<b>8,967,155</b>	<b>18,820,963</b>
<b>Net Position</b>			
Net investment in capital assets	74,247,884	43,624,384	117,872,268
Restricted for:			
Nonexpendable permanent funds	1,217,758	-	1,217,758
Expendable permanent funds	1,461,938	-	1,461,938
Community preservation	1,900,942	-	1,900,942
Federal and State grants	4,399,080	-	4,399,080
Gift funds	428,517	-	428,517
Depreciation fund	-	2,568,610	2,568,610
Other specific purposes	4,638,348	-	4,638,348
Unrestricted	12,684,990	8,659,059	21,344,049
<b>Total Net Position</b>	<b>\$ 100,979,457</b>	<b>\$ 54,852,053</b>	<b>\$ 155,831,510</b>

See accompanying notes to basic financial statements.



**TOWN OF LITTLETON, MASSACHUSETTS**

**STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 5,695,173	\$ 1,262,419	\$ 750,955	\$ 49,860	\$ (3,631,939)		\$ (3,631,939)
Public safety	8,271,955	1,948,190	45,279	-	(6,278,486)		(6,278,486)
Education	35,438,306	1,240,587	10,744,380	-	(23,453,339)		(23,453,339)
Public works	5,052,584	457,246	-	260,223	(4,335,115)		(4,335,115)
Health and human services	837,523	61,865	99,137	-	(676,521)		(676,521)
Culture and recreation	1,540,884	79,594	124,752	2,804,771	1,468,233		1,468,233
Interest expense	909,321	-	-	-	(909,321)		(909,321)
Total governmental activities	57,745,746	5,049,901	11,764,503	3,114,854	(37,816,488)		(37,816,488)
Business-type activities:							
Water	3,457,640	4,728,599	328,350	713,198		\$ 2,312,507	2,312,507
Sewer	310,955	-	-	-		(310,955)	(310,955)
Recreation	1,054,606	1,239,275	-	-		184,669	184,669
Electric Light (as of December 31, 2021)	27,318,375	29,681,474	-	36,992		2,400,091	2,400,091
Total business-type activities	32,141,576	35,649,348	328,350	750,190		4,586,312	4,586,312
Total Primary Government	\$ 89,887,322	\$ 40,699,249	\$ 12,092,853	\$ 3,865,044	(37,816,488)	4,586,312	(33,230,176)
General Revenues:							
					45,706,250	-	45,706,250
					2,257,849	-	2,257,849
					787,956	-	787,956
					177,030	-	177,030
					(374,346)	609,429	235,083
					-	1,117,059	1,117,059
					(259,961)	259,961	-
					48,294,778	1,986,449	50,281,227
					10,478,290	6,572,761	17,051,051
				</			

See accompanying notes to basic financial statements.

TOWN OF LITTLETON, MASSACHUSETTS

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	General Fund	Library Project	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 28,357,804	\$ 254,666	\$ 2,475,754	\$ 13,426,374	\$ 44,514,598
Investments	4,636,064	-	-	3,157,014	7,793,078
Receivables, net of allowance for uncollectibles:					
Property taxes	1,303,343	-	-	12,118	1,315,461
Tax liens and deferrals	732,511	-	-	-	732,511
Departmental and other	263,920	-	-	340,345	604,265
Intergovernmental	13,200	1,168,951	-	121,732	1,303,883
<b>Total Assets</b>	<b>35,306,842</b>	<b>1,423,617</b>	<b>2,475,754</b>	<b>17,057,583</b>	<b>56,263,796</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 35,306,842</b>	<b>\$ 1,423,617</b>	<b>\$ 2,475,754</b>	<b>\$ 17,057,583</b>	<b>\$ 56,263,796</b>
<b>Liabilities</b>					
Warrants and accounts payable	\$ 2,968,729	\$ -	\$ 5,759	\$ 256,478	\$ 3,230,966
Accrued payroll and withholdings	2,573,392	-	-	117,665	2,691,057
Unearned revenue	-	-	-	1,423,070	1,423,070
Other liabilities	319,395	-	-	32,390	351,785
Bond anticipation notes payable	-	2,319,000	-	-	2,319,000
<b>Total Liabilities</b>	<b>5,861,516</b>	<b>2,319,000</b>	<b>5,759</b>	<b>1,829,603</b>	<b>10,015,878</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues - property taxes	2,035,854	-	-	12,118	2,047,972
Unavailable revenues - other	263,920	-	-	290,007	553,927
<b>Total Deferred Inflows of Resources</b>	<b>2,299,774</b>	<b>-</b>	<b>-</b>	<b>302,125</b>	<b>2,601,899</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	1,217,758	1,217,758
Restricted	55,167	-	2,469,995	13,708,097	16,233,259
Committed	5,569,078	-	-	-	5,569,078
Assigned	5,708,123	-	-	-	5,708,123
Unassigned	15,813,184	(895,383)	-	-	14,917,801
<b>Total Fund Balances</b>	<b>27,145,552</b>	<b>(895,383)</b>	<b>2,469,995</b>	<b>14,925,855</b>	<b>43,646,019</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 35,306,842</b>	<b>\$ 1,423,617</b>	<b>\$ 2,475,754</b>	<b>\$ 17,057,583</b>	<b>\$ 56,263,796</b>

See accompanying notes to basic financial statements.

**TOWN OF LITTLETON, MASSACHUSETTS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

<b>Total Governmental Fund Balances</b>	<b>\$ 43,646,019</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	98,623,623
Other long-term assets are unavailable to pay current-period expenditures	2,601,899
Deferred outflows and inflows of resources to be recognized in future pension and OPEB expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net other postemployment benefits liability	2,222,533
Deferred outflows related to net pension liability	6,884,802
Deferred inflows related to net other postemployment benefits liability	(7,820,689)
Deferred inflows related to net pension liability	<u>(2,033,119)</u>
Net effect of reporting deferred outflows and inflows of resources	(746,473)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the government funds:	
Bonds and notes payable	(20,681,767)
Unamortized premiums on bonds	(1,928,698)
Compensated absences	(120,639)
Net pension liability	(11,822,256)
Net other postemployment benefits liability	<u>(8,592,251)</u>
Net effect of reporting long-term liabilities	<u>(43,145,611)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 100,979,457</u></b>

See accompanying notes to basic financial statements.

**TOWN OF LITTLETON, MASSACHUSETTS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022**

	General Fund	Library Project	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 44,938,390	\$ -	\$ -	\$ 366,076	\$ 45,304,466
Intergovernmental	8,307,195	2,396,718	49,860	4,580,047	15,333,820
Motor vehicle and other excises	2,435,576	-	-	-	2,435,576
Licenses and permits	754,640	-	-	-	754,640
Penalties and interest on taxes	177,030	-	-	-	177,030
Fines and forfeitures	51,917	-	-	-	51,917
Departmental and other revenue	1,064,741	-	-	2,935,494	4,000,235
Investment income (loss)	102,074	-	-	(476,420)	(374,346)
Contributions and donations	-	-	-	333,493	333,493
<b>Total Revenues</b>	<b>57,831,563</b>	<b>2,396,718</b>	<b>49,860</b>	<b>7,738,690</b>	<b>68,016,831</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	4,108,593	-	777,100	837,264	5,722,957
Public safety	5,126,795	-	1,170,666	728,095	7,025,556
Education	23,319,021	-	151,576	3,340,007	26,810,604
Public works	3,711,724	-	145,773	286,865	4,144,362
Health and human services	451,171	-	79,502	158,608	689,281
Culture and recreation	730,363	4,195,553	-	313,509	5,239,425
Pension benefits and fringe benefits	12,092,935	-	-	-	12,092,935
State and county assessments	1,281,010	-	-	-	1,281,010
<b>Debt service:</b>					
Principal	2,266,575	-	-	-	2,266,575
Interest	1,046,683	-	-	-	1,046,683
<b>Total Expenditures</b>	<b>54,134,870</b>	<b>4,195,553</b>	<b>2,324,617</b>	<b>5,664,348</b>	<b>66,319,388</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,696,693</b>	<b>(1,798,835)</b>	<b>(2,274,757)</b>	<b>2,074,342</b>	<b>1,697,443</b>
<b>Other Financing Sources (Uses):</b>					
Issuance of bonds and notes	-	2,497,500	-	-	2,497,500
Premiums from bonds and notes	-	225,810	484,894	-	710,704
Issuance of refunding bonds	-	-	2,707,500	-	2,707,500
Payments on refunding bonds	-	-	(3,140,000)	-	(3,140,000)
Transfers in	1,819,516	3,517,995	2,975,294	111,954	8,424,759
Transfers out	(3,489,409)	-	-	(5,195,311)	(8,684,720)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,669,893)</b>	<b>6,241,305</b>	<b>3,027,688</b>	<b>(5,083,357)</b>	<b>2,515,743</b>
<b>Net Change in Fund Balances</b>	<b>2,026,800</b>	<b>4,442,470</b>	<b>752,931</b>	<b>(3,009,015)</b>	<b>4,213,186</b>
<b>FUND BALANCES - Beginning of year, as restated (see Note IV)</b>	<b>25,118,752</b>	<b>(5,337,853)</b>	<b>1,717,064</b>	<b>17,934,870</b>	<b>39,432,833</b>
<b>FUND BALANCES - End of year</b>	<b>\$ 27,145,552</b>	<b>\$ (895,383)</b>	<b>\$ 2,469,995</b>	<b>\$ 14,925,855</b>	<b>\$ 43,646,019</b>

See accompanying notes to basic financial statements.

**TOWN OF LITTLETON, MASSACHUSETTS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

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**Net Change in Fund Balances - Total Governmental Fund Balances** **\$ 4,213,186**

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. The net amounts are reflected here as reconciling items:

Capital outlays	7,928,490
Disposal of capital assets	(10,400)
Depreciation expense	<u>(4,891,468)</u>

Net effect of reporting capital assets	3,026,622
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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 has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. The net amounts are reflected here as reconciling items:

Issuances of general obligation bonds and notes	(2,497,500)
Issuances of refunding bonds	(2,707,500)
Premiums from long-term general obligation bonds and notes	(710,704)
Amortization of premiums on bonds and notes payable	137,362
Repayments of refunded debt	3,140,000
Repayments of debt	<u>2,266,575</u>

Net effect of reporting long-term debt	(371,767)
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Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances.

Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. The amount presented represents the difference in unavailable revenue. 467,166

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:

Compensated absences	324,316
Pension benefits	1,024,201
Other postemployment benefits	<u>1,794,566</u>

Net effect of reporting long-term liabilities	<u>3,143,083</u>
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**Change in Net Position of Governmental Activities** **\$ 10,478,290**

See accompanying notes to basic financial statements.

## TOWN OF LITTLETON, MASSACHUSETTS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	Business-Type Activities				Total Enterprise Funds
	Water	Sewer	Recreation	(December 31, 2021) Electric Light	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 6,144,473	\$ 2,785,221	\$ 878,125	\$ 6,802,058	\$ 16,609,877
Investments	-	-	-	6,845,130	6,845,130
Receivables (net):					
User charges	759,124	-	-	3,034,727	3,793,851
Departmental and other	32,024	-	-	14,949	46,973
Leases	422,927	-	-	-	422,927
Prepaid expenses	-	-	-	2,026,066	2,026,066
Inventory	99,131	-	-	937,983	1,037,114
Total current assets	7,457,679	2,785,221	878,125	19,660,913	30,781,938
Noncurrent assets:					
Receivables (net):					
Betterments	726,450	-	-	-	726,450
Leases	6,197,104	-	-	-	6,197,104
Nondepreciable capital assets	934,228	3,697,561	-	1,312,676	5,944,465
Capital assets (net of depreciation)	32,284,949	-	-	30,864,417	63,149,366
Total noncurrent assets	40,142,731	3,697,561	-	32,177,093	76,017,385
Total Assets	47,600,410	6,482,782	878,125	51,838,006	106,799,323
<b>Deferred Outflows of Resources</b>					
Related to net other postemployment benefit liability	281,583	-	-	677,661	959,244
Related to net pension liability	79,677	-	-	182,851	262,528
Total Deferred Outflows of Resources	361,260	-	-	860,512	1,221,772
<b>Liabilities</b>					
Current liabilities:					
Warrants and accounts payable	1,611,284	118,364	25,096	2,313,670	4,068,414
Accrued payroll and withholdings	96,281	1,447	72,024	103,468	273,220
Other liabilities	-	-	-	200,002	200,002
Bond anticipation notes payable	16,961,918	4,641,600	-	-	21,603,518
Compensated absences	34,517	-	-	49,340	83,857
Bonds and notes payable	510,509	78,193	-	-	588,702
Total current liabilities	19,214,509	4,839,604	97,120	2,666,480	26,817,713
Noncurrent liabilities:					
Compensated absences	46,842	-	-	161,358	208,200
Bonds and notes payable	6,027,038	1,420,658	-	-	7,447,696
Net other postemployment benefits liability	505,124	-	-	1,408,433	1,913,557
Net pension liability	1,607,534	-	-	6,207,187	7,814,721
Total noncurrent liabilities	8,186,538	1,420,658	-	7,776,978	17,384,174
Total Liabilities	27,401,047	6,260,262	97,120	10,443,458	44,201,887
<b>Deferred Inflows of Resources</b>					
Related to leases	6,620,031	-	-	-	6,620,031
Related to net other postemployment benefit liability	339,413	-	-	542,387	881,800
Related to net pension liability	317,999	-	-	1,147,325	1,465,324
Total Deferred Inflows of Resources	7,277,443	-	-	1,689,712	8,967,155
<b>Net Position</b>					
Net investment in capital assets	11,217,793	229,498	-	32,177,093	43,624,384
Restricted for:					
Depreciation fund	-	-	-	2,568,610	2,568,610
Unrestricted	2,065,387	(6,978)	781,005	5,819,645	8,659,059
<b>Total Net Position</b>	\$ 13,283,180	\$ 222,520	\$ 781,005	\$ 40,565,348	\$ 54,852,053

See accompanying notes to basic financial statements.



**TOWN OF LITTLETON, MASSACHUSETTS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities				Total Enterprise Funds
	Water	Sewer	Recreation	(December 31, 2021) Electric Light	
Operating Revenues:					
Charges for services	\$ 3,184,044	\$ -	\$ 1,239,275	\$ 29,515,034	\$ 33,938,353
Other	1,544,555	-	-	166,440	1,710,995
Total Operating Revenues	4,728,599	-	1,239,275	29,681,474	35,649,348
Operating Expenses:					
Purchase power	-	-	-	19,184,859	19,184,859
Operating and maintenance costs	1,247,598	93,102	1,054,606	2,402,512	4,797,818
General and administrative	1,352,791	55,259	-	3,896,427	5,304,477
Depreciation	754,993	-	-	1,461,058	2,216,051
Total Operating Expenses	3,355,382	148,361	1,054,606	26,944,856	31,503,205
Operating Income (Loss)	1,373,217	(148,361)	184,669	2,736,618	4,146,143
Nonoperating Revenues (Expenses):					
Intergovernmental	-	-	-	36,992	36,992
Investment income	44,451	193	12,772	552,013	609,429
Cell tower leasing	383,198	-	-	-	383,198
Other nonoperating revenue	-	48,616	-	1,068,443	1,117,059
Contribution of services from Electric Light	328,350	-	-	-	328,350
Contribution of services to Water Fund	-	-	-	(319,103)	(319,103)
Contribution of services to Town	-	-	-	(35,970)	(35,970)
Interest expense	(162,594)	-	-	-	(162,594)
Other nonoperating expense	(102,258)	-	-	(18,446)	(120,704)
Total Nonoperating Revenues (Expenses)	491,147	48,809	12,772	1,283,929	1,836,657
Income (Loss) Before Capital Contributions and Transfers	1,864,364	(99,552)	197,441	4,020,547	5,982,800
Capital contributions	330,000	-	-	-	330,000
Transfers in	528,411	246,550	245,000	-	1,019,961
Transfers out	-	-	-	(760,000)	(760,000)
Total Capital Contributions and Transfers	858,411	246,550	245,000	(760,000)	589,961
Change in Net Position	2,722,775	146,998	442,441	3,260,547	6,572,761
Total Net Position - Beginning of the Year	10,560,405	75,522	338,564	37,304,801	48,279,292
<b>Total Net Position - End of the Year</b>	<b>\$ 13,283,180</b>	<b>\$ 222,520</b>	<b>\$ 781,005</b>	<b>\$ 40,565,348</b>	<b>\$ 54,852,053</b>

See accompanying notes to basic financial statements.

**TOWN OF LITTLETON, MASSACHUSETTS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities				Total Enterprise Funds
	Water	Sewer	Recreation	(December 31, 2021) Electric Light	
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 5,049,572	\$ -	\$ 1,239,275	\$ 29,929,345	\$ 36,218,192
Payments to vendors and employees	(2,996,817)	(89,514)	(1,042,153)	(26,360,297)	(30,488,781)
Net Cash Provided by (Used in) Operating Activities	2,052,755	(89,514)	197,122	3,569,048	5,729,411
Cash Flows from Noncapital Financing Activities:					
Other	(9,825)	48,616	-	694,924	733,715
Transfers in	528,411	246,550	245,000	-	1,019,961
Transfers out	-	-	-	(760,000)	(760,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	518,586	295,166	245,000	(65,076)	993,676
Cash Flows from Capital and Related Financing Activities:					
Proceeds from intergovernmental capital grants	-	-	-	36,992	36,992
Proceeds from capital contributions	330,000	-	-	-	330,000
Proceeds from cell tower leasing	383,198	-	-	-	383,198
Proceeds from the issuance of bonds and notes	14,224,002	1,435,000	-	-	15,659,002
Premiums from the issuance of bonds and notes	-	63,851	-	-	63,851
Acquisition and construction of capital assets	(14,887,887)	(3,245,393)	-	(1,683,000)	(19,816,280)
Principal payments on bonds and notes	(3,399,400)	(1,639,800)	-	-	(5,039,200)
Interest payments on bonds and notes	(179,058)	-	-	-	(179,058)
Net Cash (Used in) Capital and Related Financing Activities	(3,529,145)	(3,386,342)	-	(1,646,008)	(8,561,495)
Cash Flows from Investing Activities:					
Investment income	44,451	193	12,772	552,013	609,429
Investment of operating cash	-	-	-	(587,129)	(587,129)
Net Cash Provided by (Used in) Investing Activities	44,451	193	12,772	(35,116)	22,300
Net Change in Cash and Cash Equivalents	(913,353)	(3,180,497)	454,894	1,822,848	(1,816,108)
Cash and Cash Equivalents:					
Beginning of the year	7,057,826	5,965,718	423,231	4,979,210	18,425,985
End of the year	\$ 6,144,473	\$ 2,785,221	\$ 878,125	\$ 6,802,058	\$ 16,609,877
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating Loss	\$ 1,373,217	\$ (148,361)	\$ 184,669	\$ 2,736,618	\$ 4,146,143
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	754,993	-	-	1,461,058	2,216,051
Contribution of services by Electric Light	328,350	-	-	-	328,350
Changes in assets, deferred outflows, liabilities, and deferred inflows:					
Receivables	(7,377)	-	-	239,219	231,842
Prepaid and other assets	-	-	-	(740,639)	(740,639)
Inventory	(7,197)	-	-	(46,888)	(54,085)
Deferred outflows	88,184	-	-	831,442	919,626
Accounts payable and accrued expenses	(289,446)	58,847	12,453	159,285	(58,861)
Other liabilities	-	-	-	8,652	8,652
Accrued employee benefit liabilities	(194,520)	-	-	(169,216)	(363,736)
Other	-	-	-	(7,011)	(7,011)
Deferred inflows	6,551	-	-	(903,472)	(896,921)
Net Cash Provided by (Used in) Operating Activities	\$ 2,052,755	\$ (89,514)	\$ 197,122	\$ 3,569,048	\$ 5,729,411

See accompanying notes to basic financial statements.

**TOWN OF LITTLETON MASSACHUSETTS**

**FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	Other Postemployment Benefit Trust Funds	Private Purpose Trust Funds
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 116,775	\$ 1,500
Investments:		
Equity mutual funds	16,524,888	2,388,415
Fixed income mutual funds	<u>6,905,697</u>	<u>-</u>
<b>Total Assets</b>	<u>23,547,360</u>	<u>2,389,915</u>
<b>Liabilities</b>		
Warrants and accounts payable	<u>-</u>	<u>1,500</u>
<b>Total Liabilities</b>	<u>-</u>	<u>1,500</u>
<b>Net Position</b>		
Restricted for other postemployment benefits	23,547,360	-
Held in trust for private purposes	<u>-</u>	<u>2,388,415</u>
<b>Total Net Position</b>	<u>\$ 23,547,360</u>	<u>\$ 2,388,415</u>

See accompanying notes to basic financial statements.

**TOWN OF LITTLETON, MASSACHUSETTS**

**FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2022**

	Other Postemployment Benefit Trust Funds	Private Purpose Trust Funds
	<u>                    </u>	<u>                    </u>
<b>Additions</b>		
Contributions:		
Employer	\$ 3,629,673	\$ -
Total contributions	<u>3,629,673</u>	<u>-</u>
Investment income:		
Interest and dividends	240,472	-
Net depreciation in fair value of investments	(3,417,908)	(351,943)
Less - investment management fees	(40,948)	-
Net investment earnings	<u>(3,218,384)</u>	<u>(351,943)</u>
<b>Total Additions</b>	<u>411,289</u>	<u>(351,943)</u>
<b>Deductions</b>		
Benefit payments to pensioners and beneficiaries	1,568,208	-
Educational scholarships	<u>-</u>	<u>155,200</u>
<b>Total Deductions</b>	<u>1,568,208</u>	<u>155,200</u>
CHANGE IN NET POSITION	(1,156,919)	(507,143)
NET POSITION AT BEGINNING OF YEAR, as restated (See Note IV)	<u>24,704,279</u>	<u>2,895,558</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 23,547,360</u></u>	<u><u>\$ 2,388,415</u></u>

See accompanying notes to basic financial statements.

## TOWN OF LITTLETON, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

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#### **I. Summary of Significant Accounting Policies**

The accompanying basic financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the Town:

##### **A. Reporting Entity**

The Town is located in Middlesex County, twenty-five miles northwest of Boston and was incorporated as a Town in 1715. An elected five-member Select Board (“the Board”) governs the Town and an appointed Town Administrator oversees the Town’s daily executive and administrative duties. The Town follows the open town meeting form of government. The Town provides governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, electric, water and sewer services, street maintenance, parks and recreational facilities.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria. Pursuant to these criteria there are no component units required to be included in the financial statements.

Availability of Financial Information of Town Enterprise Funds – The Littleton Electric Light and Water Departments (“LELWD”) issue separate stand-alone audited financial statements for the Water Enterprise Fund, the Sewer Enterprise Fund, and the Electric Light Enterprise Fund, respectively. These financial statements may be obtained by contacting the Accounting/Business Manager, LELWD, 39 Ayer Road, Littleton, Massachusetts, 01460.

##### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support.

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

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least ten percent of the corresponding element (assets and deferred outflows, liabilities and deferred inflows, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding element for all governmental and enterprise funds combined.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. 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. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town considers property tax revenues to be available if they are material and collected within 60 days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.



The government reports the following major Governmental Funds:

General Fund – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Library Project Fund – is used to account for financial resources that are restricted, committed or assigned to expenditures for the construction of the new Littleton Town Library.

Capital Projects Fund – is used to account for financial resources that are restricted, committed or assigned to expenditures for other capital outlays.

Nonmajor Governmental Funds – consist of special revenue and permanent funds that are aggregated and presented in the Nonmajor Governmental Funds column on the Governmental Funds financial statements. The following describes the general use of these fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Permanent Funds are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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 the 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 are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major proprietary funds:

Water Enterprise Fund – is used to account for the operation of the Town’s water activities. Costs associated with maintaining the related infrastructure and providing services to the general public on a continuing basis, including depreciation, are financed or recovered primarily through user charges.

Sewer Enterprise Fund – is used to account for the operation of the Town’s sewer activities. Costs associated with maintaining the related infrastructure and providing services to the general public on a continuing basis, including depreciation, are financed or recovered primarily through user charges.

Recreation Enterprise Fund – is used to account for the operation of the Town’s recreation activities financed through user charges.

Electric Light Enterprise Fund – is used to account for the operation of the Town’s electric light activities. Costs associated with maintaining the related infrastructure and providing services to the general public on a continuing basis, including depreciation, are financed or recovered primarily through user charges.

Fiduciary fund financial statements are reported using the *economic resources measurement focus* and use the *accrual basis of accounting*. Fiduciary funds are used to account for assets held in a trustee capacity and cannot be used to support the governmental programs.

The government reports the following fiduciary funds:

Other Postemployment Benefits Trust Fund – is used to accumulate funds for future payments of other post-employment benefits for retirees such as health and life insurance.

Private-Purpose Trust Fund – is used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. This fund is primarily used for educational scholarships.

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Equity**

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

Investments of the Town are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Motor vehicle excise are billed annually for each vehicle registered in the Town based on vehicles reported to the Town by the Commonwealth of Massachusetts. Water and sewer user fees are billed quarterly based on individual meter readings and are subject to interest and penalties if not paid by the respective due dates. Property taxes, motor vehicle excise taxes and water and sewer user fees are recorded as receivables in the fiscal year of the levy.

Real estate taxes and enterprise fund user fees are secured through a lien process within 60 days after the due date and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax and excise tax receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old. Other departmental receivables are shown net of an allowance for uncollectible balances based on historical trends and specific account analysis.

The Water Department recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the Department initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease

term on a straight-line basis over its useful life. The Department uses its estimated incremental borrowing rate as the discount rate for the leases. The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

*Inventories and Prepaid Expenses* – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. The Light Department’s prepaid expenses represent a deposit used to facilitate timely payments of certain monthly power invoices.

*Capital Assets* – Capital assets, which include land, buildings and improvements, plant, machinery and equipment, vehicles, plant and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than one year. 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.

Capital assets of non-Electric Light activities (excluding land and construction-in-process) are depreciated by the Town on a straight-line-basis over the following estimated useful lives below. Massachusetts General Laws (MGL) allow utility plants in service to be depreciated at an annual percentage rate. Changes in the annual depreciation rate must be approved by the Commonwealth. The Electric Light Department used a depreciation rate of 3.0% for 2021.

Buildings, improvements and infrastructure	20-40 years
Vehicles, machinery and equipment	5-15 years

*Interfund Balances* – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

*Interfund Transfers* – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as *transfers, net*.

Investment Income – Excluding the permanent endowment funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is voluntarily assigned to the general fund. Net appreciation on permanent endowment funds is reported in expendable permanent funds in the governmental activities.

Compensated Absences – It is the Town's policy to permit employees to accumulate earned but unused vacation and sick-pay benefits. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

Long-term Obligations – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond anticipation notes payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of items that are reported on the government-wide statement of net position which relate to outflows from changes in the net pension liability and the other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four items that are reported as deferred inflows of resources. The first arises under a modified accrual basis of accounting and, accordingly, the item *unavailable revenue* is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are reported on the government-wide statement of net position and relate to inflows from leases, changes in the net pension liability and changes in the other postemployment benefit liability. The deferred lease revenues will be recognized in charges for services and investment income in future years as more fully described in Note II, subsection B. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

*Net Position* – In the government-wide financial statements, net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted* for the following:

*Nonexpendable permanent funds* represent the endowment portion of donor restricted trusts that support governmental programs.

*Expendable permanent funds* represent the spendable portion of donor restricted trusts that support governmental programs.

*Community preservation* represents assets that are restricted by state law for the purposes of acquiring or developing open space and recreational facilities, historic resources and affordable housing.

*Federal and State grants* represent assets that have restrictions placed on them from federal and state granting agencies.

*Gift funds* represent assets that are restricted by donors for specific governmental programs and uses.

*Depreciation fund* represent assets that are restricted by a requirement to reserve 3.0% of capital assets each year to fund capital improvements.

*Other specific purposes* represent assets that are restricted by third parties for specific governmental programs and uses.

*Fund Equity* – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily to the extent in which the Town is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

*Nonspendable* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

*Restricted* represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* represents amounts that can only be used for specific purposes pursuant to formal action of the Town Meeting through Town Meeting Articles, which represent the most binding constraint that give rise to committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (through Town Meeting Articles) it employed previously to commit those amounts.

*Assigned* represents amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Select Board has by ordinance authorized the Finance Director to assign fund balance. The Town Meeting may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

*Unassigned* represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a *negative* unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed.

The Town has not established financial policies with respect to maintaining minimum fund balance amounts.

*Stabilization Funds* – The Town maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for any municipal purpose upon the condition of a two-thirds vote of the Town Meeting. The balance of the fund totals \$3,825,024 at June 30, 2022 and is reported as unassigned fund balance in the General Fund. Amounts are appropriated into the fund by a majority vote of the Town Meeting. There are no requirements to make annual contributions to this fund.

The Town maintains three special purpose stabilization funds, in accordance with Massachusetts General Law Chapter 40, Section 5B. The funds may be used for the intended municipal purposes upon the condition of a two-thirds vote of the Town Meeting. The balance of the capital stabilization, debt exclusion stabilization and senior center stabilization funds total \$1,686,646, \$241,165 and \$3,046,805, respectively, at June 30, 2022 and are reported as committed fund balance in the General Fund. Amounts are appropriated into the funds by a majority vote of the Town Meeting. There are no requirements to make annual contributions to these funds.

*Encumbrances* – The Town's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Finance Department as assigned, and (2) classify encumbrances that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted, or committed are included within the classification of those fund balances and not reported separately. The Town reports \$922,570 of encumbrances from normal purchasing activity in the general fund as assigned and \$594,462 of encumbrances from Town Meeting Articles in the general fund as committed. There are no encumbrances reported in any other fund.

The following table reflects the Town's fund equity categorizations:

	General	Library Project	Capital Projects	Nonmajor Governmental	Total
Nonspendable:					
Nonexpendable trust funds	\$ -	\$ -	\$ -	\$ 1,217,758	\$ 1,217,758
Restricted:					
Town grants	-	-	-	461,973	461,973
School grants	-	-	-	3,937,107	3,937,107
Ambulance	-	-	-	574,152	574,152
Community preservation	-	-	-	1,888,824	1,888,824
Cable revolving	-	-	-	371,618	371,618
Other Town revolving	-	-	-	1,096,020	1,096,020
School revolving	-	-	-	1,650,377	1,650,377
Gifts and donations	-	-	-	428,517	428,517
Building improvements	-	-	1,199,948	946,181	2,146,129
Roadway improvements	-	-	318,760	-	318,760
Public works equipment	-	-	300,472	-	300,472
Other capital outlay	-	-	650,815	-	650,815
Library trust funds	-	-	-	958,080	958,080
Education trust funds	-	-	-	577,119	577,119
Affordable housing trust funds	-	-	-	390,194	390,194
Cemetery trust funds	-	-	-	314,271	314,271
Other trust funds	-	-	-	113,664	113,664
Debt service	55,167	-	-	-	55,167
Committed:					
Public works	129,986	-	-	-	129,986
Public buildings	343,344	-	-	-	343,344
Senior center stabilization	3,046,805	-	-	-	3,046,805
Capital and other stabilization	1,927,811	-	-	-	1,927,811
Other purposes	121,132	-	-	-	121,132
Assigned:					
Purchase orders	922,570	-	-	-	922,570
Subsequent years' budget	4,785,553	-	-	-	4,785,553
Unassigned	15,813,184	(895,383)	-	-	14,917,801
	<u>\$27,145,552</u>	<u>\$ (895,383)</u>	<u>\$ 2,469,995</u>	<u>\$14,925,855</u>	<u>\$43,646,019</u>

#### E. Excess of Expenditures Over Appropriations and Deficits

During fiscal year 2022, expenditures exceeded appropriations for snow and ice removal by \$308,810. The overage will be funded from available funds in the subsequent fiscal year.

The Town incurred individual fund deficits totaling \$895,383 in the Library Project major fund. These deficits will be funded through grants and other available funds in future fiscal years.

#### F. Use of Estimates

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

## **II. Detailed Notes to All Funds**

### **A. Deposits and Investments**

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

State laws and regulations require the Town to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and the State Treasurer's investment pool (the Pool). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation.

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

*Custodial Credit Risk: Deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town has adopted a policy that requires the due diligence necessary to affirm the financial strength, capital adequacy, and reputation of any financial institution in which the Town places deposits. Due diligence includes reviewing the institution's financial statements and the background of the sales representative on a quarterly basis. At June 30, 2022, the Town (excluding the Water, Sewer and Light Department's) had bank deposits totaling \$34,995,168, with a carrying value of \$32,938,925. Of the bank balance, \$21,876,821 was not insured by the Federal Deposit Insurance Corporation ("FDIC"), the depositors' insurance fund or collateralization agreements and therefore exposed to custodial credit risk. Included in the carrying amount of cash is \$4,782,011 of short-term bank certificates of deposit.

Bank deposits of the Water, Sewer and Light Department's are pooled with, or in the same financial institution as, Town operated funds and therefore specific collateralization information on these deposits is not available.

*Custodial Credit Risk: Investments* – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The Town's policies for the custodial credit risk for investments is the same as described above for its deposits. In addition, all securities not held directly by the Town shall be held in the Town's name and tax identification number by a third-party custodian approved by the Town Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security. The investments in the MMDT are not exposed to custodial credit risk as their existence is not evidenced by securities that exist in physical or book form. The Town's investments in negotiable certificates of deposit are fully covered by federal depository insurance. The Town's remaining investments are not subject to custodial credit risk as all assets were held in the Town's name.



*Fair Value of Investments* – The Town reports its investments at fair value. The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability.

The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the Town’s best estimate of what market participants would use in pricing the investment at the measurement date.

The following table presents the Town’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2022 (excluding Electric Light):

		Fair Value Measurements Using		
	Amount	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
U.S. government obligations	\$ 1,891,748	\$ 1,688,289	\$ 203,459	\$ -
Corporate fixed income securities	1,099,256	-	1,099,256	-
Bond mutual funds	8,167,270	-	8,167,270	-
Negotiable certificates of deposit	235,882	-	235,882	-
Total debt securities	11,394,156	1,688,289	9,705,867	-
Equity securities:				
Equity mutual funds	17,643,420	471,132	17,172,288	-
Common stock	1,167,562	1,167,562	-	-
Total equity securities	18,810,982	1,638,694	17,172,288	-
Total investments by fair value level	\$ 30,205,138	\$ 3,326,983	\$ 26,878,155	\$ -
Investments measured at amortized cost				
State investment pool (MMDT)	12,552,297			
Total investments	\$ 42,757,435			

Debt and 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 based on the securities’ relationship to benchmark quoted prices. The State Treasurer’s investment pool (MMDT) is valued at amortized cost. The MMDT’s investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool. There are no restrictions or limits on withdrawals from the pool and no direct fees are charged to participants.

The following table presents the Town's Electric Light Department's investments carried at fair value on a recurring basis in the statement of net position at December 31, 2021:

		Fair Value Measurements Using		
	Amount	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Corporate bonds	\$ 1,735,133	\$ -	\$ 1,735,133	\$ -
Federal agency securities	498,024	-	498,024	-
Fixed income mutual funds	1,660,288	787,894	872,394	-
Negotiable certificates of deposit	161,375	-	161,375	-
U.S. Treasury notes	1,392,638	1,392,638	-	-
Total debt securities	5,447,458	2,180,532	3,266,926	-
Equity securities:				
Equity mutual funds	4,804,612	4,804,612	-	-
Total equity securities	4,804,612	4,804,612	-	-
Total investments by fair value level	\$ 10,252,070	\$ 6,985,144	\$ 3,266,926	\$ -

Electric Light investments are valued in the same manner as Town investments.

**Interest Rate Risk** – The Town manages its interest rate risk by managing duration in the account. The Town's policy requires investment of operating funds to have a maturity of one year or less from the date of purchase.

At June 30, 2022, the Town (excluding Electric Light) had the following investments with maturities:

Investment Type	Amount	Time Until Maturity (Years)			
		Less Than 1	1-5	6-10	Thereafter
U.S. government obligations	\$ 1,891,748	\$ 1,254,030	\$ 637,718	\$ -	\$ -
Corporate fixed income securities	1,099,256	83,929	1,015,327	-	-
Bond mutual funds	8,167,270	-	3,122,762	5,044,508	-
Negotiable certificates of deposit	235,882	235,882	-	-	-
State investment pool (MMDT)	12,552,297	12,552,297	-	-	-
Total investments with maturities	\$ 23,946,453	\$ 14,126,138	\$ 4,775,807	\$ 5,044,508	\$ -

At December 31, 2021, the Town's Electric Light Department had the following investments with maturities:

Investment Type	Amount	Time Until Maturity (Years)			
		Less Than 1	1-5	6-10	Thereafter
Corporate bonds	\$ 1,735,133	\$ 192,765	\$ 1,364,216	\$ 178,152	\$ -
Federal agency securities	498,024	150,098	347,926	-	-
Fixed income mutual funds	1,660,288	46,900	727,310	631,688	254,390
Negotiable certificates of deposit	161,375	125,987	35,388	-	-
U.S. Treasury notes	1,392,638	256,386	769,392	366,860	-
Total investments with maturities	\$ 5,447,458	\$ 772,136	\$ 3,244,232	\$ 1,176,700	\$ 254,390

**Concentration of Credit Risk** – The Town minimizes concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Specific investment amounts and/or issuer limitations are addressed in the policy. At June 30, 2022, Town (not including Electric Light) had 29% of its investments in the MMDT.

**Credit Risk** – The Town’s investments in fixed income securities, other than trust funds under the direction of the Commissioners of Trust Funds, will be made principally for capital preservation and income potential. Corporate debt must be rated investment grade by either S&P or Moody’s rating services. If a security falls below investment grade, the security will be monitored by the Treasurer and advisor, if applicable. The security will be noted as an exception to the policy if held in the portfolio. The Treasurer and/or advisor may sell the security if a further decline in value is expected.

At June 30, 2022, the credit quality ratings of the Town’s investments were as follows (excluding Electric Light):

	Moody's Ratings				Total
	Corporate Bonds	U.S. Government Obligations	Fixed Income Mutual Funds	Negotiable Certificates of Deposit	
Aaa	\$ -	\$ 1,891,748	\$ -	\$ -	\$ 1,891,748
A1 - A3	695,616	-	-	-	695,616
Baa1 - Baa2	403,640	-	-	-	403,640
Not Rated	-	-	8,167,270	235,882	8,403,152
Total	<u>\$ 1,099,256</u>	<u>\$ 1,891,748</u>	<u>\$ 8,167,270</u>	<u>\$ 235,882</u>	<u>\$ 11,394,156</u>

The Town’s investments in the MMDT are unrated.

At December 31, 2021, the credit quality ratings of the investments of the Town’s Electric Light Department were as follows:

	Moody's Ratings				Total
	Corporate Bonds	Federal Agency Securities	Fixed Income Mutual Funds	Negotiable Certificates of Deposit	
Aaa	\$ 101,450	\$ 88,684	\$ 323,365	\$ -	\$ 513,499
A1 - A3	358,848	-	-	-	358,848
Baa1 - Baa2	435,386	-	-	-	435,386
Not Rated	839,449	409,340	1,336,923	161,375	2,747,087
Total	<u>\$ 1,735,133</u>	<u>\$ 498,024</u>	<u>\$ 1,660,288</u>	<u>\$ 161,375</u>	<u>\$ 4,054,820</u>

## B. Receivables

Receivables as of year-end for the Town's individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	\$ 1,315,461	\$ -	\$ 1,315,461
Tax liens and deferrals	732,511	-	732,511
Excise	208,987	-	208,987
Ambulance	864,111	(574,104)	290,007
Public safety details	50,338	-	50,338
Other	54,933	-	54,933
Intergovernmental	1,303,883	-	1,303,883
Total Governmental Receivables	<u>\$ 4,530,224</u>	<u>\$ (574,104)</u>	<u>\$ 3,956,120</u>

Receivables as of year-end for Town's proprietary funds are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Water user charges, billed	\$ 373,791	\$ -	\$ 373,791
Water user charges, unbilled	385,333	-	385,333
Water betterments	726,450	-	726,450
Water leases	6,620,031	-	6,620,031
Water other	32,024	-	32,024
Electric Light user charges, billed	2,058,182	(204,728)	1,853,454
Electric Light user charges, unbilled	1,181,273	-	1,181,273
Electric Light other	14,949	-	14,949
Total Business-Type Receivables	<u>\$ 11,392,033</u>	<u>\$ (204,728)</u>	<u>\$ 11,187,305</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The following identifies the components of deferred inflows of resources in the governmental funds:

	General Fund	Other Governmental Funds	Total
Receivable type:			
Real estate and personal property taxes	\$ 1,303,343	\$ 12,118	\$ 1,315,461
Tax liens and deferrals	732,511	-	732,511
Excise	208,987	-	208,987
Ambulance	-	290,007	290,007
Other departmental	54,933	-	54,933
Total deferred inflows	<u>\$ 2,299,774</u>	<u>\$ 302,125</u>	<u>\$ 2,601,899</u>

**Lease Receivable** – The Town’s Water Department has entered into numerous lease agreements with wireless communication companies for leases of portions of Department owned land. As of June 30, 2022, the Department’s receivable and deferred inflow of resources for lease payments was \$6,620,031. The Department recognized lease revenue of \$383,198 in fiscal year 2022. These leases are summarized as follows:

	Lease Receivable	Lease Revenue
Cedar Hill - Wireless PCS	\$ 787,101	\$ 59,657
Great Road - T-Mobile	244,821	22,703
Great Road - Verizon	211,185	19,585
Newtown Road - Wireless PCS	323,605	20,572
Newtown Road - Sprint	125,351	73,848
Oak Hill - Acquisitions Partners II	1,040,845	34,703
Spectacle Pond - T-Mobile	1,927,682	68,799
Spectacle Pond - OmniPoint	1,749,791	65,958
Spectacle Pond - Verizon	209,650	17,373
Total	<u>\$ 6,620,031</u>	<u>\$ 383,198</u>

### C. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2022, are summarized as follows (in thousands):

Transfers Out	Transfers In							Total
	General Fund	Library Project	Capital Projects	Nonmajor Governmental	Recreation Enterprise	Water Enterprise	Sewer Enterprise	
General Fund	\$ -	\$ -	\$2,975	\$ 23	\$ 245	\$ -	\$ 247	\$ 3,490 (1)
Nonmajor Governmental	1,060	3,518	-	89	-	528	-	5,195 (2)
Electric Light Enterprise	760	-	-	-	-	-	-	760 (3)
Total	<u>\$1,820</u>	<u>\$ 3,518</u>	<u>\$2,975</u>	<u>\$ 112</u>	<u>\$ 245</u>	<u>\$ 528</u>	<u>\$ 247</u>	<u>\$ 9,445</u>

- (1) Transfers to capital projects for various capital outlays; transfers to nonmajor for closing deficits; and transfers to enterprise to supplement operations.
- (2) Transfers to general fund to supplement operating budgets and close out fund surpluses; transfers to library project for capital outlays; transfers between nonmajor funds for affordable housing purposes; and transfers to water enterprise to supplement operations.
- (3) Transfers to general fund to supplement operating budgets.

## D. Capital Assets

Capital asset activity for the year ended June 30, 2022 for the Town's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land *	\$ 14,465,795	\$ -	\$ -	\$ 14,465,795
Construction in process *	15,506,772	274,664	(11,615,735)	4,165,701
Total capital assets not being depreciated	29,972,567	274,664	(11,615,735)	18,631,496
Capital assets being depreciated:				
Buildings	88,185,834	16,309,072	-	104,494,906
Improvements other than buildings	1,319,042	-	-	1,319,042
Infrastructure *	32,846,050	962,945	-	33,808,995
Machinery, equipment and vehicles *	13,750,212	1,997,544	(256,497)	15,491,259
Total capital assets being depreciated	136,101,138	19,269,561	(256,497)	155,114,202
Less accumulated depreciation for:				
Buildings *	(43,308,709)	(3,235,121)	-	(46,543,830)
Improvements other than buildings	(493,017)	(77,939)	-	(570,956)
Infrastructure	(16,835,556)	(456,316)	-	(17,291,872)
Machinery, equipment and vehicles *	(9,839,422)	(1,122,092)	246,097	(10,715,417)
Total accumulated depreciation	(70,476,704)	(4,891,468)	246,097	(75,122,075)
Total capital assets being depreciated, net	65,624,434	14,378,093	(10,400)	79,992,127
Governmental activities capital assets, net	\$ 95,597,001	\$ 14,652,757	\$ (11,626,135)	\$ 98,623,623

\* As restated (see Note IV)

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
General government	\$ 202,015	Water	\$ 754,993
Public safety	1,268,217	Sewer	-
Education	2,136,120	Electric Light	1,461,058
Public works	853,207	Total Business-Type Activities	\$ 2,216,051
Health and human services	8,220		
Culture and recreation	423,689		
Total Governmental Activities	\$ 4,891,468		

Capital asset activity for the year ended June 30, 2022 for the Town's business-type activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u><i>Business-type Activities: Water</i></u>				
Capital assets not being depreciated:				
Land	\$ 934,228	\$ -	\$ -	\$ 934,228
Construction in process	1,778,675	1,563,255	(3,341,930)	-
Total capital assets not being depreciated	2,712,903	1,563,255	(3,341,930)	934,228
Capital assets being depreciated:				
Buildings and improvements	15,176,364	17,047,684	-	32,224,048
Infrastructure	7,229,967	858,572	-	8,088,539
Machinery, equipment and vehicles	2,881,239	184,336	-	3,065,575
Total capital assets being depreciated	25,287,570	18,090,592	-	43,378,162
Less accumulated depreciation for:				
Buildings and improvements	(5,258,517)	(439,655)	-	(5,698,172)
Infrastructure	(2,882,937)	(211,247)	-	(3,094,184)
Machinery, equipment and vehicles	(2,196,766)	(104,091)	-	(2,300,857)
Total accumulated depreciation	(10,338,220)	(754,993)	-	(11,093,213)
Total Water capital assets being depreciated, net	14,949,350	17,335,599	-	32,284,949
Water capital assets, net	<u>\$ 17,662,253</u>	<u>\$ 18,898,854</u>	<u>\$ (3,341,930)</u>	<u>\$ 33,219,177</u>
<u><i>Business-type Activities: Sewer</i></u>				
Capital assets not being depreciated:				
Land	\$ 21,301	\$ 1,498,851	\$ -	\$ 1,520,152
Construction in process	430,867	1,746,542	-	2,177,409
Total capital assets not being depreciated	452,168	3,245,393	-	3,697,561
Sewer capital assets, net	<u>\$ 452,168</u>	<u>\$ 3,245,393</u>	<u>\$ -</u>	<u>\$ 3,697,561</u>

Capital asset activity for the year ended December 31, 2021 for the Town's Electric Light's business-type activities was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities: Electric Light</u>				
Capital assets not being depreciated:				
Land	\$ 1,313	\$ -	\$ -	\$ 1,313
Total capital assets not being depreciated	1,313	-	-	1,313
Capital assets being depreciated:				
Buildings and improvements	19,915	317	-	20,232
Infrastructure	17,234	873	(19)	18,088
Machinery, equipment and vehicles	11,553	493	-	12,046
Total capital assets being depreciated	48,702	1,683	(19)	50,366
Less accumulated depreciation for:				
Buildings and improvements	(4,790)	(548)	-	(5,338)
Infrastructure	(7,134)	(474)	19	(7,589)
Machinery, equipment and vehicles	(6,136)	(439)	-	(6,575)
Total accumulated depreciation	(18,060)	(1,461)	19	(19,502)
Total Electric Light capital assets being depreciated, net	30,642	222	-	30,864
Electric Light capital assets, net	\$ 31,955	\$ 222	\$ -	\$ 32,177

## E. Temporary Debt

The Town is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to collection of revenues, expenditures may be financed through the issuance of revenue or tax anticipation notes (RANS or TANS).

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the Town and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively.



Temporary notes outstanding at June 30, 2022, are payable as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
BAN	2.00%	matured	\$ 7,140,800	\$ -	\$ (7,140,800)	\$ -
BAN	2.00%	11/18/22	-	2,319,000	-	2,319,000
Total Governmental Notes			<u>7,140,800</u>	<u>2,319,000</u>	<u>(7,140,800)</u>	<u>2,319,000</u>
BAN	2.00%	matured	3,282,200	-	(3,282,200)	-
BAN	1.50%	matured	10,834,400	-	(10,834,400)	-
BAN	2.00%	11/18/22	-	4,150,000	-	4,150,000
BAN	3.00%	11/18/22	-	6,233,500	-	6,233,500
MCWT	0.00%	06/30/23	669,116	20,014	-	689,130
MCWT	0.00%	06/30/23	-	10,530,888	-	10,530,888
Total Business-Type Notes			<u>14,785,716</u>	<u>20,934,402</u>	<u>(14,116,600)</u>	<u>21,603,518</u>
Total Notes Payable			<u>\$ 21,926,516</u>	<u>\$ 23,253,402</u>	<u>\$(21,257,400)</u>	<u>\$ 23,922,518</u>

Upon maturity the Town paid down the governmental notes from available funds and grant proceeds. The business-type notes were paid down from available funds and the issuance of new BAN's that totaled \$8,804,500, maturing on May 17, 2023 and paying interest at 4.0% per annum.

#### F. Long-Term Obligations and Debt

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the Town incurs various other long-term obligations relative to associated personnel costs.

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5.0 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, the Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Current Refunding – On November 18, 2021, the Town issued general obligation refunding bonds of \$2,707,500, paying interest at rates of 4% - 5% per annum. The proceeds, along with \$484,895 of premiums and \$374,732 of available funds, were used to retire \$3,490,000 of callable general obligation bonds. As a result of the current refunding, the Town reduced its total debt service requirements by \$477,639, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$430,716.

The following reflects the current year activity in the long-term liability accounts:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 19,791,000	\$ 5,205,000	\$ (5,287,000)	\$ 19,709,000	\$ 2,152,000
Unamortized bond premiums	1,355,356	710,704	(137,362)	1,928,698	195,748
Notes from direct borrowings and placements	1,092,342	-	(119,575)	972,767	119,847
Compensated absences	444,955	98,304	(422,620)	120,639	30,160
Net other postemployment benefits liability	5,658,575	13,932,824	(10,999,148)	8,592,251	-
Net pension liability	13,904,794	4,322,482	(6,405,020)	11,822,256	-
Total Governmental Activities	<u>\$ 42,247,022</u>	<u>\$ 24,269,314</u>	<u>\$ (23,370,725)</u>	<u>\$ 43,145,611</u>	<u>\$ 2,497,755</u>
<i>Business-type Activities: Water:</i>					
General obligation bonds	\$ 3,964,000	\$ 2,715,000	\$ (348,000)	\$ 6,331,000	\$ 488,000
Unamortized bond premiums	102,111	120,900	(16,464)	206,547	22,509
Compensated absences	84,986	70,268	(73,895)	81,359	34,517
Net other postemployment benefits liability	403,537	101,587	-	505,124	-
Net pension liability	1,900,013	-	(292,479)	1,607,534	-
Total Water	<u>6,454,647</u>	<u>3,007,755</u>	<u>(730,838)</u>	<u>8,731,564</u>	<u>545,026</u>
<i>Business-type Activities: Sewer:</i>					
General obligation bonds	-	1,435,000	-	1,435,000	75,000
Unamortized bond premiums	-	63,851	-	63,851	3,193
Total Sewer	<u>-</u>	<u>1,498,851</u>	<u>-</u>	<u>1,498,851</u>	<u>78,193</u>
<i>Business-type Activities: Electric Light:</i>					
Compensated absences	149,780	60,918	-	210,698	49,340
Net other postemployment benefits liability	1,638,568	-	(230,135)	1,408,433	-
Net pension liability	7,661,454	-	(1,454,267)	6,207,187	-
Total Electric Light	<u>9,449,802</u>	<u>60,918</u>	<u>(1,684,402)</u>	<u>7,826,318</u>	<u>49,340</u>
Total Business-type Activities	<u>\$ 15,904,449</u>	<u>\$ 4,567,524</u>	<u>\$ (2,415,240)</u>	<u>\$ 18,056,733</u>	<u>\$ 672,559</u>

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the enterprise fund reporting the liabilities.

The following represents authorized and unissued debt as of June 30, 2022:

Projects	Amount
Senior center	\$ 13,500,000
Roads	1,000,000
Other governmental	233,100
Water treatment	20,500,000
Water projects and wells	2,897,228
Sewer projects	25,000,000
	<u>\$ 63,130,328</u>

The following is a summary of outstanding long-term debt obligations as of June 30, 2022:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	2.00 - 5.00%	\$ 14,510,000	\$ 2,497,500	\$ (4,275,000)	\$ 12,732,500
Refunding bonds	2.00 - 5.00%	5,281,000	2,707,500	(1,012,000)	6,976,500
Total General Obligation Bonds		19,791,000	5,205,000	(5,287,000)	19,709,000
Add: Unamortized bond premium		1,355,356	710,704	(137,362)	1,928,698
Total General Obligation Bonds, net		<u>\$ 21,146,356</u>	<u>\$ 5,915,704</u>	<u>\$ (5,424,362)</u>	<u>\$ 21,637,698</u>
Massachusetts Clean Water Trust (MCWT) notes	0.00%	\$ 235,422	\$ -	\$ (12,459)	\$ 222,963
Other direct bonds	3.00 - 5.00%	856,920	-	(107,116)	749,804
Total notes from direct borrowings and placements		1,092,342	-	(119,575)	972,767
Total Governmental Activities debt		<u>\$ 22,238,698</u>	<u>\$ 5,915,704</u>	<u>\$ (5,543,937)</u>	<u>\$ 22,610,465</u>
<i>Business-type Activities - Water:</i>					
General obligation bonds	3.00 - 5.00%	\$ 3,755,000	\$ 2,715,000	\$ (270,000)	\$ 6,200,000
Refunding bonds	2.00 - 5.00%	209,000	-	(78,000)	131,000
Total General Obligation Bonds		3,964,000	2,715,000	(348,000)	6,331,000
Add: Unamortized bond premium		102,111	120,900	(16,464)	206,547
Total Water debt		<u>\$ 4,066,111</u>	<u>\$ 2,835,900</u>	<u>\$ (364,464)</u>	<u>\$ 6,537,547</u>
<i>Business-type Activities - Sewer:</i>					
General obligation bonds	3.00 - 5.00%	\$ -	\$ 1,435,000	\$ -	\$ 1,435,000
Add: Unamortized bond premium		-	63,851	-	63,851
Total Sewer debt		<u>\$ -</u>	<u>\$ 1,498,851</u>	<u>\$ -</u>	<u>\$ 1,498,851</u>
<b>Total Business-Type Activities</b>		<u>\$ 4,066,111</u>	<u>\$ 4,334,751</u>	<u>\$ (364,464)</u>	<u>\$ 8,036,398</u>

Payments on outstanding bond balances due in future years consist of the following:

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
<i>Governmental Activities</i>				
2023	\$ 2,152,000	\$ 763,234	\$ 119,847	\$ 19,455
2024	1,987,000	675,034	120,124	17,059
2025	1,961,000	583,084	120,407	14,655
2026	1,881,000	492,183	120,695	12,247
2027	1,781,000	404,359	120,991	9,833
2028-2032	5,247,000	1,047,370	288,265	19,176
2033-2037	3,150,000	418,838	82,438	5,016
2038-2042	1,550,000	70,710	-	-
Total	<u>\$ 19,709,000</u>	<u>\$ 4,454,812</u>	<u>\$ 972,767</u>	<u>\$ 97,441</u>

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
<i>Business-Type Activities - Water</i>				
2023	\$ 488,000	\$ 222,906	\$ -	\$ -
2024	418,000	207,889	-	-
2025	419,000	191,589	-	-
2026	414,000	175,239	-	-
2027	414,000	159,139	-	-
2028-2032	1,983,000	564,395	-	-
2033-2037	1,480,000	234,250	-	-
2038-2042	715,000	72,364	-	-
Total	<u>\$ 6,331,000</u>	<u>\$ 1,827,771</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Business-Type Activities - Sewer</i>				
2023	\$ 75,000	\$ 58,610	\$ -	\$ -
2024	75,000	56,363	-	-
2025	75,000	52,613	-	-
2026	75,000	48,863	-	-
2027	75,000	45,113	-	-
2028-2032	360,000	170,065	-	-
2033-2037	350,000	93,013	-	-
2038-2042	350,000	36,838	-	-
Total	<u>\$ 1,435,000</u>	<u>\$ 561,478</u>	<u>\$ -</u>	<u>\$ -</u>

#### Direct Borrowings and Placements

The Town has one outstanding note from direct borrowings and placements issued to the MCWT under its State Revolving Loan Fund. The note was issued for \$282,674, pays interest at 2.0% per annum and matures on January 15, 2037. The financing agreements with the MCWT contain a provision that in the event of default, outstanding amounts due and payable shall be paid from any undisbursed proceeds on account or be deducted from any state local aid distributions owed to the Town. This provision also allows the MCWT to declare the entire outstanding principal amount due immediately.

The Town also has an outstanding direct borrowing issued through the Massachusetts State Building Authority which was issued for \$2,142,297, pays interest at 2.0% and matures on November 1, 2028.

### **III. Other Information**

#### **A. Retirement System**

Retirement System Description – The Town contributes to the Middlesex Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan. The System was established under Chapter 32 of the Commonwealth of Massachusetts General Laws (MGL) and is administered by Middlesex County Retirement Board (the “Board”). Standalone audited financial statements for the year ended December 31, 2021 were issued and are available at the Middlesex Retirement System, 25 Linnell Circle, Billerica, MA 01865.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund directly. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Contributions Requirements – The System has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The Town contributed \$4,061,166 to the System in fiscal year 2022, which equaled the actuarially-determined contribution requirement for the fiscal year plus additional contributions of \$1,330,639.

Net Pension Liability – At June 30, 2022, the Town reported a liability of \$19,636,977 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Material changes in the valuation included a decrease in the investment rate of return assumption from 7.30% to 7.15%.

The Town’s proportion of the net pension liability is based on a projection of the Town’s long-term share of contributions to the System relative to the projected contributions of all employers. The Town’s proportion was approximately 1.46% at December 31, 2021, which was consistent with the prior valuation.

Fiduciary Net Position –The System’s fiduciary net position was determined using the accrual basis of accounting. The System’s accounting records are maintained on a calendar-year basis in accordance with the standards and procedures established by PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Pension Expense – The Town recognized \$2,222,142 in pension expense in the statement of activities in fiscal year 2022; which was allocated to all functional expenses that applied.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2022, 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>
Net differences between projected and actual earnings on pension plan investments	\$ -	\$ 3,338,837
Differences between expected and actual experience	334,663	-
Changes in assumptions	699,205	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,451,193	159,606
Total	<u>\$ 2,485,061</u>	<u>\$ 3,498,443</u>

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the Town's pension expense as follows:

<u>Year ended June 30,</u>	
2023	\$ 349,254
2024	(393,914)
2025	(615,099)
2026	(353,623)
Total	<u>\$ (1,013,382)</u>

Actuarial Valuation – The measurement of the System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022. The significant actuarial assumptions used in the actuarial valuation included:

Actuarial cost method	Individual entry age normal
Investment rate of return	7.15%, previously 7.30%
Projected salary increases	4% for Group 1 and 4.25% for Group 2
Inflation	3.25%
Cost of living adjustments	3.0% of the first \$16,000 of retirement income
Asset valuation method	The difference between the expected return and the actual investment return on a market value basis is recognized over a five year period. Asset value is adjusted as necessary be within 20% of the market value.
Mortality rates:	
Pre-Retirement	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Post-Retirement	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

The investment rate of return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns and professional judgment. The market expectations analysis used a building-block approach, which included expected returns by asset class and the target asset allocation. The target allocation and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	6.11%
International developed markets equity	11.5%	6.49%
International emerging markets equity	4.5%	8.12%
Core fixed income	15.0%	0.38%
High-yield fixed income	8.0%	2.48%
Real estate	10.0%	3.72%
Timber	4.0%	3.44%
Hedge funds, GTAA, risk parity	10.0%	2.63%
Private equity	15.0%	9.93%
	100.0%	

Discount Rate – The discount rate used to measure the total pension liability in the January 1, 2022 actuarial valuation report was 7.15%, which was lower than the 7.30% from the previous actuarial valuation. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially-determined contribution rates and the

member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.15% as well as the Town's proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
Town's proportionate share of net pension liability	\$ 25,401,077	\$ 19,636,977	\$ 14,782,293

## B. Massachusetts Teachers' Retirement System

Teachers and certain administrative employees of the School Department participate in the Massachusetts Teachers' Retirement System ("MTRS"), a cost-sharing multiple employer defined benefit pension plan. The MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the System, MTRS was established under Chapter 32 of Massachusetts General Laws. The Commonwealth's legislature has the authority to amend or modify the MTRS's funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

For the year ended June 30, 2022, the Commonwealth contributed \$2,897,560 to the MTRS on behalf of the Town. The Town's proportionate share of the collective MTRS net pension liability at this reporting date was 0.165719%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Town as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The table below presents the Town's proportionate share of the following:

	Commonwealth Portion	Paid (or assumed) On Behalf of the Town	Town Portion
Net pension liability	\$ 37,629,497	\$ (37,629,497)	\$ -
Pension expense	3,019,610	(3,019,610)	-

In addition to pension expense reported as previously discussed, the Town has recognized intergovernmental revenue and pension expense of \$3,019,610 associated with this arrangement.



## C. Other Postemployment Benefits (OPEB)

### *Town OPEB Plan*

The Town administers a single employer defined benefit healthcare plan (the “OPEB Plan”). The OPEB Plan provides health, dental and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town’s premium-based insurance program. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the Town’s financial statements.

With respect to OPEB plan reporting, GASB issued GASB Statement No.’s 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, and Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Reporting requirements for governments who administer an OPEB plan as defined under the accounting standard are required to present disclosures under both GASB 74 and GASB 75.

GASB 74 requires specific disclosures and required supplementary information that relate directly to the fiduciary fund in which the OPEB Plan is recorded. GASB 75 address disclosures related to the net OPEB liability required to be recorded by the government in its applicable financial statements. A number of these disclosures are identical, especially if the measurement date under GASB 75 is the same as the plan year-end date. When a different measurement date is used different assumptions and calculations will result.

For the year ended June 30, 2022, the Town elected to use a measurement date that was the same as the plan year-end date thus the majority of the same disclosures are used and will not be repeated.

### *GASB Statement No. 75*

OPEB Plan disclosures that impact the Town’s net OPEB liability using a measurement date of June 30, 2022 are summarized as follows:

*Employees Covered by Benefit Terms* – The following employees were covered by the benefit terms as of June 30, 2022:

Active employees	394
Inactive employees	<u>164</u>
Total	<u><u>558</u></u>

*Contributions* – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contribute 25% of the set premium for medical, dental and life insurance plans. The remainder of the cost is funded by general revenues of the Town. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the OPEB Plan are paid by the Town.

Net OPEB Liability – The Town’s net OPEB liability was measured as of June 30, 2022 using an actuarial valuation as of July 1, 2020. The components of the net OPEB liability of the Town as of June 30, 2022 were as follows:

Total OPEB liability	\$ 29,221,422
Plan fiduciary net position	<u>(20,124,047)</u>
Net OPEB liability	<u>\$ 9,097,375</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.87%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.5%, compounded annually, net of investment expense
Municipal bond rate	3.54% as of June 30, 2022
Discount Rate	6.50%, net of OPEB plan investment expense including inflation.
Inflation	2.40%
Health Care Trend Rate	7.00% decreasing annually to 4.00%
Salary Increases	3.50% per year
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected with generational mortality improvement using Scale MP-2017.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected with generational mortality improvement using Scale MP-2017.
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Employees set forward one year with full generational mortality improvement using Scale MP-2017.
Actuarial Cost Method	Individual entry age normal

Key assumption changes effective Fiscal Year ending June 30, 2022

Single Equivalent Discount Rate	6.50% previously 6.75%
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**Long Term Expected Rate of Return** – 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 OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Investment Rate of Return</u>
Domestic Equity	40.00%	4.66%
International Equity	20.00%	5.88%
Domestic Bond	25.00%	1.30%
Alternative	10.00%	5.28%
International Bond	5.00%	1.33%
	<u>100.00%</u>	

**Sensitivity Analyses** – The following presents the Town’s net OPEB liability as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

	<u>Discount Rate</u>			
	<u>Current Rate</u>	<u>1% Decrease</u>	<u>At Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	6.50%	\$ 13,525,689	\$ 9,097,375	\$ 5,527,843

	<u>Health Care Trend Rate</u>			
	<u>Current Rate</u>	<u>1% Decrease</u>	<u>At Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	7.00% decreasing to 4.00%	\$ 4,728,515	\$ 9,097,375	\$ 14,666,011

**Changes in the Net OPEB Liability** – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2022:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$ 27,713,069	\$ 21,650,957	\$ 6,062,112
Changes for the year:			
Service cost	1,062,792	-	1,062,792
Interest	1,828,880	-	1,828,880
Changes of assumptions	(104,824)	-	(104,824)
Net investment income	-	(3,538,375)	3,538,375
Employer contributions	-	3,289,960	(3,289,960)
Benefit payments withdrawn from trust	-	(1,278,495)	1,278,495
Benefit payments	(1,278,495)	-	(1,278,495)
Net changes	1,508,353	(1,526,910)	3,035,263
Balances at June 30, 2022	<u>\$ 29,221,422</u>	<u>\$ 20,124,047</u>	<u>\$ 9,097,375</u>

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the year ended June 30, 2022, the Town recognized OPEB expense of \$1,420,391. Deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2022 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings	\$ 2,359,441	\$ -
Changes of assumptions	4,806,944	90,847
Differences between expected and actual experience	-	8,069,255
	<u>\$ 7,166,385</u>	<u>\$ 8,160,102</u>

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

June 30	
2023	\$ (24,641)
2024	(39,727)
2025	(180,161)
2026	463,324
2027	(667,780)
Thereafter	<u>(544,732)</u>
	<u>\$ (993,717)</u>

#### **GASB Statement No. 74**

OPEB Plan disclosures that impact the Town's net OPEB liability using a measurement date of June 30, 2022 are summarized in this section except disclosures under GASB 74 that are identical to GASB 75 are not repeated.

**Investment Custody** – In accordance with Massachusetts General Laws, the Town Treasurer is the custodian of the OPEB Plan and since the Town has not designated a Board of Trustees, the Town Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the Town.

**Investment Policy** – The OPEB Plan has a formal investment policy to invest in Domestic Equity, Domestic Fixed Income, International Equity, International Fixed Income, Alternative Investments and Cash Equivalents with target allocations highlighted previously under the caption *long-term expected rate of return*.

**Investment Rate of Return** – For the year ended June 30, 2022 the annual money-weighted rate of return on investments, net of investment expense, was (15.59)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### ***Electric Light OPEB Plan***

The Electric Light Department administers a single employer defined benefit healthcare plan (the "Light OPEB Plan"). The Light OPEB Plan provides healthcare benefits for retired employees through the plan in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Department's Board of Commissioners has the authority to establish and amend benefit terms.

**Contributions** – The Electric Light Department is not required by law or contractual agreement to provide funding for the Light OPEB Plan other than "pay-as-you-go" cost of providing current benefits to eligible retirees, spouses and dependents. The Department may make additional contributions based on the administration budget.

**Employees Covered by Benefit Terms** – The following employees were covered by the benefit terms as of January 1, 2020 (actuarial valuation date):

Active employees	27
Inactive employees	26
Total	<u>53</u>

Net OPEB Liability – The Electric Light Department’s net OPEB liability was measured as of December 31, 2021 using an actuarial valuation as of January 1, 2020. The components of the net OPEB liability of the Electric Light Department as of June 30, 2022 were as follows:

Total OPEB liability	\$ 4,831,746
Plan fiduciary net position	<u>(3,423,313)</u>
Net OPEB liability	<u>\$ 1,408,433</u>
Plan fiduciary net position as a percentage of the total OPEB liability	70.85%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.50%, net of OPEB plan investment expense, including inflation
Discount Rate	6.50%, net of OPEB plan investment expense, including inflation
Inflation	2.20%
Health Care Trend Rate	7.00% decreasing by 0.4% per year to 5.4% then graduating down to an ultimate trend rate of 4.0%, using the Getzen Medical Trend Model.
Salary Increases	3.50% per year
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected with generational mortality improvement using Scale MP-2017.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected with generational mortality improvement using Scale MP-2017.
Actuarial Cost Method	Individual entry age normal

Long Term Expected Rate of Return – 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 OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Domestic Equity	40.00%	5.34%
Domestic Bond	25.00%	1.62%
International Equity	20.00%	6.10%
International Bond	5.00%	1.26%
Alternative	10.00%	4.21%
	<u>100.00%</u>	

Sensitivity Analyses – The following presents the Electric Light Department’s net OPEB liability as well as what the Electric Light Department’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

	Discount Rate			
	Current Rate	1% Decrease	At Current Rate	1% Increase
Net OPEB liability	6.50%	\$ 2,090,274	\$ 1,408,433	\$ 854,521

	Health Care Trend Rate			
	Current Rate	1% Decrease	At Current Rate	1% Increase
Net OPEB liability	7.00% decreasing to 4.00%	\$ 723,269	\$ 1,408,433	\$ 2,276,776

Changes in the Net OPEB Liability – The following table summarizes the changes in the Electric Light Department’s net OPEB liability for the year ended June 30, 2022:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2020	\$ 4,691,890	\$ 3,053,322	\$ 1,638,568
Changes for the year:			
Service cost	125,833	-	125,833
Interest	303,736	-	303,736
Changes of assumptions	-	-	-
Net investment income	-	319,991	(319,991)
Employer contributions	-	339,713	(339,713)
Benefit payments withdrawn from trust	-	(289,713)	289,713
Benefit payments	(289,713)	-	(289,713)
Net changes	139,856	369,991	(230,135)
Balances at December 31, 2021	<u>\$ 4,831,746</u>	<u>\$ 3,423,313</u>	<u>\$ 1,408,433</u>

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the year ended December 31, 2021, the Electric Light Department recognized OPEB expense of \$269,650. Deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2021 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings	\$ -	\$ 247,438
Changes of assumptions	677,661	-
Differences between expected and actual experience	-	294,949
	<u>\$ 677,661</u>	<u>\$ 542,387</u>

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

December 31	
2022	\$ 38,546
2023	(19,735)
2024	28,761
2025	44,864
2026	42,838
	<u>\$ 135,274</u>

*Investment Rate of Return* – For the year ended December 31, 2021 the annual money-weighted rate of return on investments, net of investment expense, was 10.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



#### D. Other Employee Benefit Trust Funds

The Town reports two other employee benefit trust funds in a single column in the Statement of Net Position and Statement of Changes in Net Position in the Fiduciary Funds. The Town's Other Postemployment Benefits Trust Fund and the Electric Light Other Postemployment Benefits Trust Fund do not issue stand-alone financial statements and must be reported separately.

The Statement of Net Position of the Town's other employee benefit trust funds are as follows:

	(December 31, 2021)		
	Town Other Postemployment Benefits Trust Fund	Electric Light Other Postemployment Benefits Trust Fund	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 100,402	\$ 16,373	\$ 116,775
Investments (at fair value):			
Equity mutual funds	13,990,342	2,534,546	16,524,888
Fixed income mutual funds	6,033,303	872,394	6,905,697
Total Investments	20,023,645	3,406,940	23,430,585
<b>Total Assets</b>	<b>20,124,047</b>	<b>3,423,313</b>	<b>23,547,360</b>
<b>Liabilities:</b>			
Warrants and accounts payable	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>			
Restricted for other postemployment benefits	20,124,047	3,423,313	23,547,360
<b>Total Net Position</b>	<b>\$ 20,124,047</b>	<b>\$ 3,423,313</b>	<b>\$ 23,547,360</b>

The Statement of Changes in Net Position of the Town's other employee benefit trust funds are as follows:

	(December 31, 2021)		
	Town Other Postemployment Benefits Trust Fund	Electric Light Other Postemployment Benefits Trust Fund	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 3,289,960	\$ 339,713	\$ 3,629,673
Total Contributions	3,289,960	339,713	3,629,673
Investment income:			
Interest and dividends	240,472	-	240,472
Net appreciation in fair value of investments	(3,737,899)	319,991	(3,417,908)
Less - investment management fees	(40,948)	-	(40,948)
Net investment earnings	(3,538,375)	319,991	(3,218,384)
<b>Total Additions (net)</b>	<b>(248,415)</b>	<b>659,704</b>	<b>411,289</b>
<b>Deductions</b>			
Benefit payments to pensioners and beneficiaries	1,278,495	289,713	1,568,208
<b>Total Deductions</b>	<b>1,278,495</b>	<b>289,713</b>	<b>1,568,208</b>
<b>CHANGE IN NET POSITION</b>	<b>(1,526,910)</b>	<b>369,991</b>	<b>(1,156,919)</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>21,650,957</b>	<b>3,053,322</b>	<b>24,704,279</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 20,124,047</b>	<b>\$ 3,423,313</b>	<b>\$ 23,547,360</b>

#### E. Risk Financing

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

#### F. Commitments and Contingencies

*General* – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2022, cannot be determined, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2022.

*Grant Compliance* – Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The Town expects such amounts, if any, to be immaterial.

*Arbitrage* – The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The Town expects the amount if any, in these situations, to be immaterial.

*Electric Light Department* – The Town of Littleton acting through its Electric Light Department is a Participant in certain Projects of 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 (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC operates the Stony Brook Intermediate Project and Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has the Nuclear Mix One project, Nuclear Project Three, Nuclear Project Four, Nuclear Project Five and Project Six, which comprise an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit operated by Dominion Nuclear Connecticut, Inc. The operating license for Seabrook Station extends to March 15, 2050. The operating license for Millstone Unit 3 extends to November 25, 2045.

MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other Utilities (Project Participants) under Power Sales Agreements (PSAs). The Department has entered into PSAs with MMWEC. Under the PSAs, the Department is required to make certain payments to MMWEC solely from Department revenues. Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project. In addition, should a Project Participant fail to make payment when due, other Projects Participants may be required to increase (step-up) their payments and correspondingly their Participants' share of Project Capability. Project Participants have covenanted to fix, revise, and collect rates at least sufficient to meet their obligations under the PSAs. Each Participant is unconditionally obligated to make payments due to MMWEC whether or not the Project(s) is completed or operating and notwithstanding the suspension and interruption of the output of the Project(s).

Pursuant to the PSAs, the MMWEC Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. The Seabrook and Millstone Project Participants are also liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act through the end of 2025.

MMWEC is involved in various legal actions. In the opinion of MMWEC management, the outcome of such litigation or claims will not have a material adverse effect on the financial position of the company.

The total capital expenditures and annual capacity, fuel and transmission costs (which include debt service and decommissioning expenses discussed above) associated with the Light Department's Project Capability of the Projects in which it participates was \$15,820,739 for the year ended December 31, 2021.

MELD purchases its power through contracts with various power suppliers, including MMWEC. These contracts are subject to certain market factors. Based on current market conditions, the Department anticipates some stability to its power cost expenses over the next few years.

## **G. Tax Abatements**

The Town enters into property tax abatement agreements subject to Massachusetts General Laws Chapter 23A, Section 3A-3F. The Economic Development Incentive program is designed to promote increased business development and expansion. The Town has one material agreement.

The recipient of the agreement agreed to invest approximately \$35 million in soft and hard construction development costs and \$14 million for personal property and other investment expenses. In addition, the company agreed to create and retain 130 full time employees within seven years. Consideration to hiring town residents and vendors will be subject to applicable laws and equal qualifications. In addition, the recipient will relocate 227 current employees to the project. The tax abatement agreement is a twelve-year agreement. The abatement is granted by reducing the company's real estate taxation by 62.1% year one with reductions in the percentages to a 33.9% reduction in year twelve.

The company is required to provide the Town with an annual report. The report shall provide specific information that will allow the Town to verify that the agreed to conditions have been met. If the company fails to meet the obligations specified in the agreement, the Town may request decertification of the agreement by the Massachusetts Economic Assistance Coordinating Council. If the agreement is decertified, the Town may revoke the remainder of the agreement.

For the fiscal year ended June 30, 2022, the company received a tax abatement of \$558,888.

## **H. Implementation of GASB pronouncements**

### *Current Year Implementations –*

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefined the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement became effective in fiscal year 2022. See Note II, Subsection B for the impact on the Town's financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement established accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The objective of this Statement was to (1) increase consistency and comparability related to the reporting of fiduciary component units in

circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement became effective in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

*Future Implementations –*

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

## I. Subsequent Events

On November 18, 2022, the Water Department issued short-term BAN's totaling \$4,180,900, that mature on May 17, 2023 and pay interest at 4.0% per annum. The BAN's were issued for wells and water treatment purposes.

On November 18, 2022, the Sewer Department issued short-term BAN's totaling \$4,623,600, that mature on May 17, 2023 and pay interest at 4.0% per annum. The BAN's were issued for sewer design and construction.

## IV. Restatements and Reclassifications

The following restatements and reclassifications were made to the Town's beginning balances:

	Governmental Activities	Library Project	Capital Projects	Nonmajor Governmental Funds	Private Purpose Trust Funds	Custodial Funds
Prior year as presented	\$ 90,830,522	\$ (5,239,436)	\$ -	\$20,367,887	\$ 1,970,932	\$ 105,275
Restate capital assets	485,015	-	-	-	-	-
Reclassify debt premiums	(98,417)	(98,417)	-	-	-	-
Reclassify custodial funds	208,673	-	-	208,673	-	(105,275)
Reclassify scholarship funds	(924,626)	-	-	(924,626)	924,626	-
Reclassify major fund	-	-	1,717,064	(1,717,064)	-	-
As restated	<u>\$ 90,501,167</u>	<u>\$ (5,337,853)</u>	<u>\$ 1,717,064</u>	<u>\$17,934,870</u>	<u>\$ 2,895,558</u>	<u>\$ -</u>

## **Required Supplementary Information**

**TOWN OF LITTLETON, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2022	1.46%	\$ 19,636,977	\$ 14,917,191	131.64%	61.14%
June 30, 2021	1.53%	23,466,261	13,713,395	171.12%	53.42%
June 30, 2020	1.63%	26,056,612	13,118,371	198.63%	49.45%
June 30, 2019	1.62%	25,332,249	12,191,742	207.78%	46.40%
June 30, 2018	1.51%	21,432,789	11,686,136	183.40%	49.27%
June 30, 2017	1.69%	23,959,114	11,081,928	216.20%	45.49%
June 30, 2016	1.66%	21,397,309	10,782,598	198.44%	46.13%
June 30, 2015	1.58%	19,021,595	10,367,883	183.47%	47.65%

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO PENSION PLAN**

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2022	\$ 2,730,527	\$ 4,061,166	\$ (1,330,639)	\$ 14,917,191	27.22%
June 30, 2021	2,355,174	3,281,774	(926,600)	13,713,395	23.93%
June 30, 2020	2,206,947	3,086,111	(879,164)	13,118,371	23.53%
June 30, 2019	2,185,944	2,185,944	-	12,191,742	17.93%
June 30, 2018	2,054,283	3,555,064	(1,500,781)	11,686,136	30.42%
June 30, 2017	1,875,271	2,575,271	(700,000)	11,081,928	23.24%
June 30, 2016	1,762,316	1,762,316	-	10,782,598	16.34%
June 30, 2015	1,711,410	1,711,410	-	10,367,883	16.51%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.



**TOWN OF LITTLETON, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2022**

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**SCHEDULE OF THE COMMONWEALTH'S COLLECTIVE SHARE  
OF THE NET PENSION LIABILITY  
MASSACHUSETTS TEACHER'S RETIREMENT SYSTEM**  
*(dollar amounts are in thousands)*

<u>Year Ended *</u>	<u>Commonwealth's Proportion of the Collective Net Pension Liability</u>	<u>Town's Proportion of the Collective Net Pension Liability</u>	<u>Commonwealth's Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth's Actuarially Determined Contribution</u>
June 30, 2022	100%	0%	\$ 22,706,876	\$ 1,748,483
June 30, 2021	100%	0%	28,544,844	1,553,433
June 30, 2020	100%	0%	25,214,020	1,443,710
June 30, 2019	100%	0%	23,711,289	1,314,783
June 30, 2018	100%	0%	22,885,391	1,235,515
June 30, 2017	100%	0%	22,357,928	1,124,583
June 30, 2016	100%	0%	20,489,643	1,021,930
June 30, 2015	100%	0%	15,896,354	937,379

\* Amounts determined for the previous year ended June 30.

Contributions to MTRS are the responsibility of the Commonwealth of Massachusetts.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

## TOWN OF LITTLETON, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2022TOWN (EXCLUDING ELECTRIC LIGHT)  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	\$ 1,062,792	\$ 1,225,955	\$ 1,022,757	\$ 923,015	\$ 887,514	\$ 853,379
Interest	1,828,880	2,285,218	2,157,973	1,949,574	1,818,827	1,690,414
Changes in benefit terms	-	-	(406,443)	-	-	-
Differences between expected and actual experience	-	(9,876,472)	-	(1,661,369)	-	-
Changes in assumptions	(104,824)	2,019,866	3,264,788	2,595,779	-	-
Benefit payments	(1,278,495)	(1,141,254)	(1,179,063)	(1,077,132)	(919,952)	(811,562)
Net change in total OPEB liability	1,508,353	(5,486,687)	4,860,012	2,729,867	1,786,389	1,732,231
Total OPEB liability - beginning of year	27,713,069	33,199,756	28,339,744	25,609,877	23,823,488	22,091,257
Total OPEB liability - end of year (a)	<u>\$ 29,221,422</u>	<u>\$ 27,713,069</u>	<u>\$ 33,199,756</u>	<u>\$ 28,339,744</u>	<u>\$ 25,609,877</u>	<u>\$ 23,823,488</u>
Plan fiduciary net position:						
Contributions - employer	\$ 3,289,960	\$ 3,839,864	\$ 3,441,437	\$ 3,498,393	\$ 2,352,890	\$ 1,959,853
Net investment income	(3,538,375)	4,325,944	274,805	664,043	461,845	541,215
Benefit payments	(1,278,495)	(1,141,254)	(1,179,063)	(1,077,132)	(919,952)	(811,562)
Net change in Plan fiduciary net position	(1,526,910)	7,024,554	2,537,179	3,085,304	1,894,783	1,689,506
Plan fiduciary net position - beginning of year	21,650,957	14,626,403	12,089,224	9,003,920	7,109,137	5,419,631
Plan fiduciary net position - end of year (b)	<u>\$ 20,124,047</u>	<u>\$ 21,650,957</u>	<u>\$ 14,626,403</u>	<u>\$ 12,089,224</u>	<u>\$ 9,003,920</u>	<u>\$ 7,109,137</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 9,097,375</u>	<u>\$ 6,062,112</u>	<u>\$ 18,573,353</u>	<u>\$ 16,250,520</u>	<u>\$ 16,605,957</u>	<u>\$ 16,714,351</u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.87%	78.13%	44.06%	42.66%	35.16%	29.84%
Covered-employee payroll	Not available	\$ 22,079,971	\$ 23,272,636	\$ 21,401,305	\$ 19,528,449	\$ 20,907,161
Net OPEB liability as a percentage of covered-employee payroll	Not available	27.46%	79.81%	75.93%	85.03%	79.95%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

TOWN OF LITTLETON, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2022

ELECTRIC LIGHT DEPARTMENT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Year Ended December 31,				
	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	\$ 125,833	\$ 85,486	\$ 73,224	\$ 72,190	\$ 69,247
Interest	303,736	292,609	296,496	294,181	289,872
Changes in benefit terms	-	-	(35,012)	-	-
Differences between expected and actual experience	-	(284,358)	-	(237,629)	-
Changes in assumptions	-	589,480	313,653	225,921	-
Benefit payments	(289,713)	(354,999)	(329,482)	(320,182)	(289,069)
Net change in total OPEB liability	139,856	328,218	318,879	34,481	70,050
Total OPEB liability - beginning of year	4,691,890	4,363,672	4,044,793	4,010,312	3,940,262
Total OPEB liability - end of year (a)	<u>\$ 4,831,746</u>	<u>\$ 4,691,890</u>	<u>\$ 4,363,672</u>	<u>\$ 4,044,793</u>	<u>\$ 4,010,312</u>
Plan fiduciary net position:					
Contributions - employer	\$ 339,713	\$ 404,999	\$ 379,482	\$ 370,182	\$ 539,069
Net investment income	319,991	369,616	402,179	(121,795)	235,555
Benefit payments	(289,713)	(354,999)	(329,482)	(320,182)	(289,069)
Net change in Plan fiduciary net position	369,991	419,616	452,179	(71,795)	485,555
Plan fiduciary net position - beginning of year	3,053,322	2,633,706	2,181,527	2,253,322	1,767,767
Plan fiduciary net position - end of year (b)	<u>\$ 3,423,313</u>	<u>\$ 3,053,322</u>	<u>\$ 2,633,706</u>	<u>\$ 2,181,527</u>	<u>\$ 2,253,322</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 1,408,433</u>	<u>\$ 1,638,568</u>	<u>\$ 1,729,966</u>	<u>\$ 1,863,266</u>	<u>\$ 1,756,990</u>
Plan fiduciary net position as a percentage of the total OPEB liability	70.85%	65.08%	60.36%	53.93%	56.19%
Covered-employee payroll	\$ 2,928,053	\$ 2,724,512	\$ 2,668,751	\$ 2,298,919	\$ 2,238,651
Net OPEB liability as a percentage of covered-employee payroll	48.10%	60.14%	64.82%	81.05%	78.48%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

**TOWN OF LITTLETON, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB**  
**YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF CONTRIBUTIONS TO OPEB PLAN**  
**TOWN (EXCLUDING ELECTRIC LIGHT)**

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
June 30, 2022	\$ 1,642,881	\$ 3,289,960	\$ (1,647,079)	Not Available	Not Available
June 30, 2021	2,843,309	3,839,864	(996,555)	22,079,971	17.39%
June 30, 2020	2,519,732	3,441,437	(921,705)	23,272,636	14.79%
June 30, 2019	2,657,431	3,498,393	(840,962)	21,401,305	16.35%
June 30, 2018	2,383,507	2,352,890	30,617	19,528,449	12.05%
June 30, 2017	2,602,241	1,959,853	642,388	20,907,161	9.37%

**SCHEDULE OF INVESTMENT RETURNS**  
**TOWN (EXCLUDING ELECTRIC LIGHT)**

Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
June 30, 2022	-15.59%
June 30, 2021	26.99%
June 30, 2020	2.11%
June 30, 2019	6.73%
June 30, 2018	5.90%
June 30, 2017	8.66%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

**TOWN OF LITTLETON, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF CONTRIBUTIONS TO OPEB PLAN  
ELECTRIC LIGHT DEPARTMENT**

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
December 31, 2021	\$ 279,193	\$ 339,713	\$ (60,520)	\$ 2,928,053	11.60%
December 31, 2020	245,767	404,999	(159,232)	2,724,512	14.87%
December 31, 2019	251,092	379,482	(128,390)	2,668,751	14.22%
December 31, 2018	237,533	370,182	(132,649)	2,298,919	16.10%
December 31, 2017	279,074	539,069	(259,995)	2,238,651	24.08%

**SCHEDULE OF INVESTMENT RETURNS  
ELECTRIC LIGHT DEPARTMENT**

Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
December 31, 2021	10.48%
December 31, 2020	13.99%
December 31, 2019	18.40%
December 31, 2018	-5.38%
December 31, 2017	12.89%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

TOWN OF LITTLETON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<b>Revenues:</b>						
Property taxes	\$ 43,974,399	\$ 43,974,399	\$ 44,938,390		\$ 44,938,390	\$ 963,991
Intergovernmental	5,139,316	5,139,316	5,287,585		5,287,585	148,269
Motor vehicle and other excises	1,416,500	1,416,500	2,435,576		2,435,576	1,019,076
Licenses and permits	240,000	240,000	754,640		754,640	514,640
Departmental and other revenue	475,000	475,000	1,064,741		1,064,741	589,741
Penalties and interest on taxes	50,000	50,000	177,030		177,030	127,030
Fines and forfeitures	30,000	30,000	51,917		51,917	21,917
Investment income	100,000	100,000	74,421		74,421	(25,579)
Total Revenues	51,425,215	51,425,215	54,784,300		54,784,300	3,359,085
<b>Expenditures:</b>						
<i>General Government:</i>						
Town Report / Town Meeting:						
Salaries	12,000	6,500	5,469	-	5,469	1,031
Expenses	14,370	19,870	18,557	-	18,557	1,313
	26,370	26,370	24,026	-	24,026	2,344
Moderator:						
Expenses	100	100	-	-	-	100
	100	100	-	-	-	100
Select Board:						
Salaries	14,000	14,000	13,761	-	13,761	239
Expenses	44,824	30,311	16,597	-	16,597	13,714
Articles	286,402	195,915	56,139	139,776	195,915	-
	345,226	240,226	86,497	139,776	226,273	13,953
Town Administrator:						
Salaries	379,790	378,219	374,918	-	374,918	3,301
Expenses	12,500	47,500	27,846	-	27,846	19,654
Articles	57,250	57,250	24,658	32,592	57,250	-
	449,540	482,969	427,422	32,592	460,014	22,955
Finance Committee:						
Salaries	800	800	702	-	702	98
Expenses	500	500	180	-	180	320
	1,300	1,300	882	-	882	418
Reserve Fund:						
Expenses	295,000	91,457	-	-	-	91,457
	295,000	91,457	-	-	-	91,457
Town Accountant:						
Salaries	215,504	223,326	201,099	-	201,099	22,227
Expenses	25,634	40,634	28,519	11,161	39,680	954
Articles	42,792	97,792	22,917	74,875	97,792	-
	283,930	361,752	252,535	86,036	338,571	23,181
Audit:						
Expenses	45,000	45,000	44,000	-	44,000	1,000
	45,000	45,000	44,000	-	44,000	1,000
Assessor:						
Salaries	204,394	204,394	199,238	-	199,238	5,156
Expenses	41,190	41,190	36,758	-	36,758	4,432
	245,584	245,584	235,996	-	235,996	9,588
Treasurer:						
Salaries	236,159	237,029	237,028	-	237,028	1
Expenses	23,025	23,016	10,026	9,900	19,926	3,090
	259,184	260,045	247,054	9,900	256,954	3,091

## TOWN OF LITTLETON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Tax Collector:						
Salaries	84,419	85,119	83,906	-	83,906	1,213
Expenses	24,958	24,958	22,331	-	22,331	2,627
	109,377	110,077	106,237	-	106,237	3,840
Town Counsel:						
Expenses	350,000	355,985	348,729	9,519	358,248	(2,263)
	350,000	355,985	348,729	9,519	358,248	(2,263)
Human Resources:						
Salaries	159,295	190,186	159,462	-	159,462	30,724
Expenses	127,025	123,025	109,002	9,388	118,390	4,635
	286,320	313,211	268,464	9,388	277,852	35,359
Information Systems:						
Salaries	179,204	179,204	179,190	-	179,190	14
Expenses	470,434	464,449	440,204	-	440,204	24,245
	649,638	643,653	619,394	-	619,394	24,259
Tax Title:						
Expenses	16,000	1,009	1,009	-	1,009	-
	16,000	1,009	1,009	-	1,009	-
Town Clerk:						
Salaries	142,732	142,732	117,902	-	117,902	24,830
Expenses	5,500	5,500	3,230	-	3,230	2,270
	148,232	148,232	121,132	-	121,132	27,100
Elections & Registrations:						
Salaries	3,000	3,000	1,112	-	1,112	1,888
Expenses	19,200	16,200	11,816	-	11,816	4,384
	22,200	19,200	12,928	-	12,928	6,272
Conservation Commission:						
Salaries	48,331	48,331	48,117	-	48,117	214
Expenses	1,600	3,700	2,293	-	2,293	1,407
	49,931	52,031	50,410	-	50,410	1,621
Planning Board:						
Salaries	115,490	115,490	108,697	-	108,697	6,793
Expenses	4,600	4,600	2,269	-	2,269	2,331
Articles	34,511	34,511	5,751	28,760	34,511	-
	154,601	154,601	116,717	28,760	145,477	9,124
Appeals Board:						
Salaries	5,300	5,300	4,454	-	4,454	846
Expenses	400	400	83	-	83	317
	5,700	5,700	4,537	-	4,537	1,163
Municipal Building Committee:						
Salaries	5,000	5,000	514	-	514	4,486
Expenses	20,000	10,000	9,900	-	9,900	100
Articles	300,069	345,069	24,325	320,744	345,069	-
	325,069	360,069	34,739	320,744	355,483	4,586
Public Buildings:						
Salaries	66,189	66,189	66,189	-	66,189	-
Expenses	413,330	595,599	495,211	30,571	525,782	69,817
	479,519	661,788	561,400	30,571	591,971	69,817
Property & Liability Insurance:						
Expenses	471,500	436,113	425,733	-	425,733	10,380
	471,500	436,113	425,733	-	425,733	10,380
Central Communications:						
Expenses	121,262	121,263	118,752	-	118,752	2,511
Articles	22,600	22,600	-	22,600	22,600	-
	143,862	143,863	118,752	22,600	141,352	2,511
<i>Total General Government</i>	5,163,183	5,160,335	4,108,593	689,886	4,798,479	361,856

(continued)

## TOWN OF LITTLETON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
<i>Public Safety:</i>						
Police:						
Salaries	2,078,380	2,052,377	1,984,022	-	1,984,022	68,355
Expenses	230,704	203,742	187,428	1,341	188,769	14,973
Articles	753	753	753	-	753	-
	<u>2,309,837</u>	<u>2,256,872</u>	<u>2,172,203</u>	<u>1,341</u>	<u>2,173,544</u>	<u>83,328</u>
Crossing Guards:						
Salaries	5,000	5,000	4,590	-	4,590	410
	<u>5,000</u>	<u>5,000</u>	<u>4,590</u>	<u>-</u>	<u>4,590</u>	<u>410</u>
Fire / EMS Department:						
Salaries	1,859,803	1,868,803	1,837,936	-	1,837,936	30,867
Expenses	241,491	285,455	182,754	32,357	215,111	70,344
Articles	194	194	-	194	194	-
	<u>2,101,488</u>	<u>2,154,452</u>	<u>2,020,690</u>	<u>32,551</u>	<u>2,053,241</u>	<u>101,211</u>
Dispatch:						
Salaries	573,095	572,670	570,640	-	570,640	2,030
Expenses	7,450	7,875	6,375	-	6,375	1,500
	<u>580,545</u>	<u>580,545</u>	<u>577,015</u>	<u>-</u>	<u>577,015</u>	<u>3,530</u>
Buiding Department:						
Salaries	359,121	359,121	306,446	-	306,446	52,675
Expenses	11,980	11,980	8,082	-	8,082	3,898
	<u>371,101</u>	<u>371,101</u>	<u>314,528</u>	<u>-</u>	<u>314,528</u>	<u>56,573</u>
Emergency Management:						
Expenses	6,671	6,671	3,361	-	3,361	3,310
	<u>6,671</u>	<u>6,671</u>	<u>3,361</u>	<u>-</u>	<u>3,361</u>	<u>3,310</u>
Canine Control:						
Expenses	36,651	36,652	34,408	-	34,408	2,244
	<u>36,651</u>	<u>36,652</u>	<u>34,408</u>	<u>-</u>	<u>34,408</u>	<u>2,244</u>
<i>Total Public Safety</i>	<u>5,411,293</u>	<u>5,411,293</u>	<u>5,126,795</u>	<u>33,892</u>	<u>5,160,687</u>	<u>250,606</u>
<i>Education:</i>						
Littleton School Department:						
Salaries and Expenses	22,988,199	22,988,199	22,645,798	342,120	22,987,918	281
Articles	24,520	24,520	1,108	23,412	24,520	-
	<u>23,012,719</u>	<u>23,012,719</u>	<u>22,646,906</u>	<u>365,532</u>	<u>23,012,438</u>	<u>281</u>
Technical School Expenditures						
Expenses - assessments	675,000	675,000	672,115	-	672,115	2,885
	<u>675,000</u>	<u>675,000</u>	<u>672,115</u>	<u>-</u>	<u>672,115</u>	<u>2,885</u>
<i>Total Education</i>	<u>23,687,719</u>	<u>23,687,719</u>	<u>23,319,021</u>	<u>365,532</u>	<u>23,684,553</u>	<u>3,166</u>
<i>Public Works:</i>						
DPW:						
Salaries	810,148	810,148	795,023	-	795,023	15,125
Expenses	100,485	100,484	87,990	5,215	93,205	7,279
Articles	289,715	232,997	182,527	50,470	232,997	-
	<u>1,200,348</u>	<u>1,143,629</u>	<u>1,065,540</u>	<u>55,685</u>	<u>1,121,225</u>	<u>22,404</u>
Roadway Repairs:						
Expenses	954,316	954,316	740,106	194,405	934,511	19,805
	<u>954,316</u>	<u>954,316</u>	<u>740,106</u>	<u>194,405</u>	<u>934,511</u>	<u>19,805</u>
Snow and Ice:						
Salaries	68,000	68,000	107,914	-	107,914	(39,914)
Expenses	132,000	132,000	400,896	-	400,896	(268,896)
	<u>200,000</u>	<u>200,000</u>	<u>508,810</u>	<u>-</u>	<u>508,810</u>	<u>(308,810)</u>
Street Lighting:						
Expenses	18,200	18,200	13,638	-	13,638	4,562
	<u>18,200</u>	<u>18,200</u>	<u>13,638</u>	<u>-</u>	<u>13,638</u>	<u>4,562</u>



## TOWN OF LITTLETON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Parks:						
Salaries	195,614	195,614	156,751	-	156,751	38,863
Expenses	77,000	77,000	62,019	3,511	65,530	11,470
	272,614	272,614	218,770	3,511	222,281	50,333
Transfer Station:						
Salaries	138,969	146,219	145,689	-	145,689	530
Expenses	450,765	465,265	366,322	27,816	394,138	71,127
	589,734	611,484	512,011	27,816	539,827	71,657
Waterwater/Stormwater Management:						
Expenses	246,550	246,550	246,550	-	246,550	-
Articles	79,516	79,516	-	79,516	79,516	-
	326,066	326,066	246,550	79,516	326,066	-
B&M Crossing:						
Expenses	2,900	2,900	2,806	-	2,806	94
	2,900	2,900	2,806	-	2,806	94
Cemetery Department:						
Salaries	131,709	131,709	128,082	-	128,082	3,627
Expenses	15,750	15,749	10,284	-	10,284	5,465
Articles	2,075	-	-	-	-	-
	149,534	147,458	138,366	-	138,366	9,092
Fuel:						
Expenses	145,000	198,000	181,677	-	181,677	16,323
	145,000	198,000	181,677	-	181,677	16,323
<i>Total Public Works</i>	3,858,712	3,874,667	3,628,274	360,933	3,989,207	(114,540)
<i>Health and Human Services:</i>						
Health Department:						
Salaries	26,048	26,048	20,040	-	20,040	6,008
Expenses	1,330	1,330	100	-	100	1,230
	27,378	27,378	20,140	-	20,140	7,238
Nashoba Associated Board of Health:						
Expenses - Assessment	26,250	26,650	26,573	-	26,573	77
	26,250	26,650	26,573	-	26,573	77
Nursing Services:						
Expenses - Assessment	9,975	13,575	12,126	-	12,126	1,449
	9,975	13,575	12,126	-	12,126	1,449
Mental Health Services:						
Expenses - Assessment	20,000	16,000	16,000	-	16,000	-
	20,000	16,000	16,000	-	16,000	-
Elder and Human Services:						
Salaries	242,798	255,304	235,821	-	235,821	19,483
Expenses	24,005	24,005	17,189	-	17,189	6,816
Articles	34,350	34,350	2,077	32,273	34,350	-
	301,153	313,659	255,087	32,273	287,360	26,299
Veterans Agent:						
Salaries	8,087	8,087	8,086	-	8,086	1
Expenses	1,910	1,910	1,304	-	1,304	606
	9,997	9,997	9,390	-	9,390	607
Veterans Benefits:						
Expenses	185,000	185,000	111,855	-	111,855	73,145
	185,000	185,000	111,855	-	111,855	73,145
<i>Total Health and Human Services</i>	579,753	592,259	451,171	32,273	483,444	108,815

(continued)

## TOWN OF LITTLETON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
<i>Culture and Recreation:</i>						
Reuben Hoar Library:						
Salaries	550,828	550,828	541,448	-	541,448	9,380
Expenses	185,600	185,600	166,849	-	166,849	18,751
Articles	33,014	33,014	13,498	19,516	33,014	-
	769,442	769,442	721,795	19,516	741,311	28,131
Historical Commission:						
Expenses	4,480	4,480	190	-	190	4,290
	4,480	4,480	190	-	190	4,290
Memorial Day:						
Expenses	750	750	405	-	405	345
	750	750	405	-	405	345
Cultural Council:						
Expenses	5,600	5,600	5,600	-	5,600	-
	5,600	5,600	5,600	-	5,600	-
Disability Commission:						
Expenses	1,200	1,200	-	-	-	1,200
	1,200	1,200	-	-	-	1,200
Shade Tree Committee:						
Expenses	3,500	3,500	2,373	-	2,373	1,127
	3,500	3,500	2,373	-	2,373	1,127
<i>Total Culture and Recreation</i>	<i>784,972</i>	<i>784,972</i>	<i>730,363</i>	<i>19,516</i>	<i>749,879</i>	<i>35,093</i>
<i>State and County Assessments</i>	<i>1,279,436</i>	<i>1,279,436</i>	<i>1,281,010</i>	<i>-</i>	<i>1,281,010</i>	<i>(1,574)</i>
<i>Debt Service:</i>						
Debt principal	2,266,576	2,266,576	2,266,575	-	2,266,575	1
Debt interest	1,330,997	1,330,997	1,046,683	5,000	1,051,683	279,314
<i>Total Debt Service</i>	<i>3,597,573</i>	<i>3,597,573</i>	<i>3,313,258</i>	<i>5,000</i>	<i>3,318,258</i>	<i>279,315</i>
<i>Pension and Fringe Benefits:</i>						
Retirement:						
Contributory pension	2,443,511	2,443,511	2,443,511	-	2,443,511	-
	2,443,511	2,443,511	2,443,511	-	2,443,511	-
Group Health Insurance:						
Expenses	4,879,032	4,819,917	4,006,834	-	4,006,834	813,083
	4,879,032	4,819,917	4,006,834	-	4,006,834	813,083
Group Life Insurance:						
Expenses	24,000	21,726	19,603	-	19,603	2,123
	24,000	21,726	19,603	-	19,603	2,123
Unemployment/Workers' Compensation:						
Expenses	365,000	420,345	234,595	10,000	244,595	175,750
	365,000	420,345	234,595	10,000	244,595	175,750
Other employee benefits:						
Expenses	418,000	424,044	407,317	-	407,317	16,727
	418,000	424,044	407,317	-	407,317	16,727
<i>Total Pension and Fringe Benefits</i>	<i>8,129,543</i>	<i>8,129,543</i>	<i>7,111,860</i>	<i>10,000</i>	<i>7,121,860</i>	<i>1,007,683</i>
<b>Total Expenditures</b>	<b>52,492,184</b>	<b>52,517,797</b>	<b>49,070,345</b>	<b>1,517,032</b>	<b>50,587,377</b>	<b>1,930,420</b>

TOWN OF LITTLETON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,454,121	1,480,321	1,980,653	-	1,980,653	500,332
Transfers out	(5,389,030)	(6,152,824)	(6,152,824)	-	(6,152,824)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,934,909)</b>	<b>(4,672,503)</b>	<b>(4,172,171)</b>		<b>\$ (4,172,171)</b>	<b>500,332</b>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>	<u>(5,001,878)</u>	<u>(5,765,085)</u>	<u>\$ 1,541,784</u>			<u>\$ 5,789,837</u>
<b>Other Budgetary Items</b>						
Use of unreserved fund balance	\$ 3,575,565	\$ 4,275,565				
Prior year encumbrances and articles	1,784,217	1,784,217				
Snow and ice deficit	(224,067)	(224,067)				
Miscellaneous	<u>(133,837)</u>	<u>(70,630)</u>				
Total other budgetary items	<u>5,001,878</u>	<u>5,765,085</u>				
Net budget and actual	<u>\$ -</u>	<u>\$ -</u>				

(Concluded)

The notes to the financial statements are an integral part of this statement.

The notes to the required supplementary information are and integral part of this statement.

## TOWN OF LITTLETON, MASSACHUSETTS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2022

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#### I. Pension Plan

Pension Contributions – The Town contributes to the Middlesex Retirement System (the System), a cost-sharing multiple-employer contributory defined benefit pension plan established under Chapter 32 of Massachusetts General Law Chapter 32. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

Changes in Assumptions – The investment rate of return decreased from 7.30% to 7.15%.

#### II. Other Postemployment Benefit Plan

The Town administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Town is not required to fully fund the actuarially determined contribution.

Methods and assumptions used to determine contribution rates are as follows:

Investment rate of return	6.5%, compounded annually, net of investment expense
Municipal bond rate	3.54% as of June 30, 2022
Discount Rate	6.50%, net of OPEB plan investment expense including inflation.
Inflation	2.40%
Health Care Trend Rate	7.00% decreasing annually to 4.00%
Salary Increases	3.50% per year
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected with generational mortality improvement using Scale MP-2017.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected with generational mortality improvement using Scale MP-2017.
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Employees set forward one year with full generational mortality improvement using Scale MP-2017.
Actuarial Cost Method	Individual entry age normal

Changes in Assumptions – The discount rate decreased from 6.75% to 6.50%.

### III. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund and the Enterprise Fund. The budget is recommended by the Finance Committee and approved by Town Meeting at the Town’s annual meeting in May. Changes subsequent to the approved Town Meeting budget require majority Town Meeting approval at a Special Town Meeting. Expenditures may not legally exceed appropriations at the department level. Department heads may transfer, without Town Meeting approval, appropriation balances from one account to another within their department or budget, and within the categories of salaries and expenses. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2022, Town Meeting approved various supplemental budgetary appropriations which resulted in a net increase of approximately \$0.7 million from the original voted budget primarily used for capital outlays. The Town Accountant has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted by Town Meeting. Budgetary control is exercised through the Town’s accounting system.

Budgetary-to-GAAP Reconciliation – The Town’s general fund is prepared on a basis of accounting other than GAAP. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2022, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenue on a budgetary basis			\$ 54,784,300
Stabilization revenues	\$ -	\$ 27,653	27,653
On-behalf pension payments	3,019,610	-	3,019,610
Revenue on a GAAP basis	<u>\$ 3,019,610</u>	<u>\$ 27,653</u>	<u>\$ 57,831,563</u>
Expenditures on a budgetary basis			\$ 49,070,345
OPEB contributions	\$ -	\$ 1,961,465	1,961,465
On-behalf pension payments	3,019,610	-	3,019,610
Water contributed capital	330,000	-	330,000
Sewer budgetary funding	(246,550)	-	(246,550)
Expenditures on a GAAP basis	<u>\$ 3,103,060</u>	<u>\$ 1,961,465</u>	<u>\$ 54,134,870</u>
Transfers on a budgetary basis (net)			\$ (4,172,171)
OPEB contributions	\$ -	\$ 1,961,465	1,961,465
Stabilization transfers	-	457,363	457,363
Water contributed capital	330,000	-	330,000
Sewer budgetary funding	(246,550)	-	(246,550)
Transfers on a GAAP basis (net)	<u>\$ 83,450</u>	<u>\$ 2,418,828</u>	<u>\$ (1,669,893)</u>

Excess of Expenditures Over Appropriations – During fiscal year 2022, expenditures exceeded appropriations for snow and ice removal by \$308,810. The overage will be funded from available funds in the subsequent fiscal year.



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## **Combining Statements**

## **Nonmajor Governmental Fund**

### ***Special Revenue Funds –***

Special revenue funds are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specific purpose. From the Town's financial ledgers, these activities can be distinctly categorized into the following groupings:

*Town Grants* – This fund accounts for non-school grant programs received either directly from federal and state agencies or indirectly through pass-through entities.

*School Grants* – This fund accounts for educational-based grant programs received either directly from federal and state agencies or indirectly through pass-through entities.

*Ambulance* – This fund accounts for the fees generated by the operations of the fire department's ambulance service that are used to fund specific operating costs of the department.

*Community Preservation* – This fund accounts for assets that are restricted by state law for the purposes of acquiring or developing open space and recreational facilities, historic resources and affordable housing.

*Town Revolving* – This fund accounts for the non-school related activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

*School Revolving* – This fund accounts for educational-based activities within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71.

*Gifts and other* – This fund accounts for activity of donated and other restricted funds used to support governmental programs.



*Permanent Funds* –

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

*Cemetery Trust Funds* – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

*Library Trust Funds* – This fund accounts for contributions earmarked for the support of the Town's library.

*Education Trust Funds* – This fund accounts for contributions earmarked for the support of the Town's school system.

*Other Trust Funds* – This fund accounts 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 cemetery and library activities.

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2022

	<b>Special Revenue Funds</b>			
	<u>Town Grants</u>	<u>School Grants</u>	<u>Ambulance</u>	<u>Community Preservation</u>
<b>Assets:</b>				
Cash and short-term investments	\$ 2,027,710	\$ 3,882,749	\$ 574,152	\$ 1,888,824
Investments	-	-	-	-
Receivables, net of allowance for doubtful accounts:				
Property taxes	-	-	-	12,118
Other	-	-	290,007	-
Intergovernmental	-	121,732	-	-
<b>Total Assets</b>	<u>2,027,710</u>	<u>4,004,481</u>	<u>864,159</u>	<u>1,900,942</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 2,027,710</u>	<u>\$ 4,004,481</u>	<u>\$ 864,159</u>	<u>\$ 1,900,942</u>
<b>Liabilities:</b>				
Warrants and accounts payable	\$ 131,011	\$ 45,250	\$ -	\$ -
Accrued payroll and withholdings	11,656	22,124	-	-
Unearned revenue	1,423,070	-	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<u>1,565,737</u>	<u>67,374</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	-	-	-	12,118
Unavailable revenue - other	-	-	290,007	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>290,007</u>	<u>12,118</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	<u>461,973</u>	<u>3,937,107</u>	<u>574,152</u>	<u>1,888,824</u>
<b>Total Fund Balances</b>	<u>461,973</u>	<u>3,937,107</u>	<u>574,152</u>	<u>1,888,824</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 2,027,710</u>	<u>\$ 4,004,481</u>	<u>\$ 864,159</u>	<u>\$ 1,900,942</u>

<u>Town Revolving</u>	<u>School Revolving</u>	<u>Gifts and Other</u>	<u>Sub-total Special Revenue Funds</u>
\$ 1,452,819	\$ 1,801,541	\$ 1,384,507	\$ 13,012,302
-	-	-	-
-	-	-	12,118
50,338	-	-	340,345
-	-	-	121,732
<u>1,503,157</u>	<u>1,801,541</u>	<u>1,384,507</u>	<u>13,486,497</u>
-	-	-	-
<u>\$ 1,503,157</u>	<u>\$ 1,801,541</u>	<u>\$ 1,384,507</u>	<u>\$ 13,486,497</u>
\$ 12,151	\$ 58,257	\$ 9,809	\$ 256,478
23,368	60,517	-	117,665
-	-	-	1,423,070
-	32,390	-	32,390
35,519	151,164	9,809	1,829,603
-	-	-	12,118
-	-	-	290,007
-	-	-	302,125
-	-	-	-
<u>1,467,638</u>	<u>1,650,377</u>	<u>1,374,698</u>	<u>11,354,769</u>
1,467,638	1,650,377	1,374,698	11,354,769
<u>\$ 1,503,157</u>	<u>\$ 1,801,541</u>	<u>\$ 1,384,507</u>	<u>\$ 13,486,497</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2022

	<b>Permanent Funds</b>		
	Cemetery Trust Funds	Library Trust Funds	Education Trust Funds
<b>Assets:</b>			
Cash and short-term investments	\$ -	\$ -	\$ -
Investments	624,799	1,547,388	862,464
Receivables, net of allowance for uncollectibles			
Property taxes	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
<b>Total Assets</b>	<u>624,799</u>	<u>1,547,388</u>	<u>862,464</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$ 624,799</u></u>	<u><u>\$ 1,547,388</u></u>	<u><u>\$ 862,464</u></u>
<b>Liabilities:</b>			
Warrants and accounts payable	\$ -	\$ -	\$ -
Accrued payroll and withholdings	-	-	-
Unearned revenue	-	-	-
Other liabilities	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - other	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Nonspendable	310,528	589,308	285,345
Restricted	<u>314,271</u>	<u>958,080</u>	<u>577,119</u>
<b>Total Fund Balances</b>	<u>624,799</u>	<u>1,547,388</u>	<u>862,464</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u><u>\$ 624,799</u></u>	<u><u>\$ 1,547,388</u></u>	<u><u>\$ 862,464</u></u>

		<b>Total</b>	
Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds	
\$ 414,072	\$ 414,072	\$ 13,426,374	
122,363	3,157,014	3,157,014	
-	-	12,118	
-	-	340,345	
-	-	121,732	
536,435	3,571,086	17,057,583	
-	-	-	
<u>\$ 536,435</u>	<u>\$ 3,571,086</u>	<u>\$ 17,057,583</u>	
\$ -	\$ -	\$ 256,478	
-	-	117,665	
-	-	1,423,070	
-	-	32,390	
-	-	1,829,603	
-	-	12,118	
-	-	290,007	
-	-	302,125	
32,577	1,217,758	1,217,758	
503,858	2,353,328	13,708,097	
536,435	3,571,086	14,925,855	
<u>\$ 536,435</u>	<u>\$ 3,571,086</u>	<u>\$ 17,057,583</u>	

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022

	<b>Special Revenue Funds</b>			
	<u>Town Grants</u>	<u>School Grants</u>	<u>Ambulance</u>	<u>Community Preservation</u>
<b>Revenues:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 366,076
Intergovernmental	1,230,348	2,455,710	-	151,941
Departmental and other revenue	-	-	594,836	-
Investment income (loss)	-	-	-	1,817
Contributions and donations	-	-	-	-
<b>Total Revenues</b>	<u>1,230,348</u>	<u>2,455,710</u>	<u>594,836</u>	<u>519,834</u>
<b>Expenditures:</b>				
General government	244,843	-	-	24,579
Public safety	81,798	-	200,254	-
Education	-	1,603,713	-	-
Public works	279,151	-	-	-
Health and human services	32,901	-	-	-
Culture and recreation	208,905	-	-	-
<b>Total Expenditures</b>	<u>847,598</u>	<u>1,603,713</u>	<u>200,254</u>	<u>24,579</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	382,750	851,997	394,582	495,255
<b>Other Financing Sources (Uses):</b>				
Transfers in	22,565	-	-	-
Transfers out	(3,542,931)	-	(525,000)	(161,527)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,520,366)</u>	<u>-</u>	<u>(525,000)</u>	<u>(161,527)</u>
<b>Net Change in Fund Balance</b>	(3,137,616)	851,997	(130,418)	333,728
Fund Balances - Beginning of Year, as restated	<u>3,599,589</u>	<u>3,085,110</u>	<u>704,570</u>	<u>1,555,096</u>
Fund Balances - End of Year	<u>\$ 461,973</u>	<u>\$ 3,937,107</u>	<u>\$ 574,152</u>	<u>\$ 1,888,824</u>

<u>Town Revolving</u>	<u>School Revolving</u>	<u>Gifts and Other</u>	<u>Sub-total Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 366,076
-	742,048	-	4,580,047
1,100,071	1,240,587	-	2,935,494
-	-	-	1,817
-	-	276,490	276,490
<u>1,100,071</u>	<u>1,982,635</u>	<u>276,490</u>	<u>8,159,924</u>
565,342	-	2,500	837,264
436,992	-	9,051	728,095
-	1,697,650	33,924	3,335,287
5,214	-	-	284,365
34,494	-	14,415	81,810
6,626	-	92,857	308,388
<u>1,048,668</u>	<u>1,697,650</u>	<u>152,747</u>	<u>5,575,209</u>
51,403	284,985	123,743	2,584,715
-	-	4,000	26,565
(935,653)	-	-	(5,165,111)
<u>(935,653)</u>	<u>-</u>	<u>4,000</u>	<u>(5,138,546)</u>
(884,250)	284,985	127,743	(2,553,831)
<u>2,351,888</u>	<u>1,365,392</u>	<u>1,246,955</u>	<u>13,908,600</u>
<u>\$ 1,467,638</u>	<u>\$ 1,650,377</u>	<u>\$ 1,374,698</u>	<u>\$ 11,354,769</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2022**

	<b>Permanent Funds</b>		
	<b>Cemetery Trust Funds</b>	<b>Library Trust Funds</b>	<b>Education Trust Funds</b>
<b>Revenues:</b>			
Property taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Departmental and other revenue	-	-	-
Investment income (loss)	(94,840)	(235,038)	(129,991)
Contributions and donations	-	46,691	-
<b>Total Revenues</b>	<b>(94,840)</b>	<b>(188,347)</b>	<b>(129,991)</b>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	-	-
Education	-	-	4,720
Public works	2,500	-	-
Health and human services	-	-	-
Culture and recreation	-	5,121	-
<b>Total Expenditures</b>	<b>2,500</b>	<b>5,121</b>	<b>4,720</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(97,340)</b>	<b>(193,468)</b>	<b>(134,711)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	(30,200)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(30,200)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(97,340)</b>	<b>(223,668)</b>	<b>(134,711)</b>
Fund Balances - Beginning of Year, as restated	722,139	1,771,056	997,175
Fund Balances - End of Year	<u>\$ 624,799</u>	<u>\$ 1,547,388</u>	<u>\$ 862,464</u>



		<b>Total</b>
<b>Other Trust Funds</b>	<b>Sub-total Permanent Funds</b>	<b>Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ 366,076
-	-	4,580,047
-	-	2,935,494
(18,368)	(478,237)	(476,420)
10,312	57,003	333,493
<u>(8,056)</u>	<u>(421,234)</u>	<u>7,738,690</u>
-	-	837,264
-	-	728,095
-	4,720	3,340,007
-	2,500	286,865
76,798	76,798	158,608
-	5,121	313,509
<u>76,798</u>	<u>89,139</u>	<u>5,664,348</u>
(84,854)	(510,373)	2,074,342
85,389	85,389	111,954
-	(30,200)	(5,195,311)
<u>85,389</u>	<u>55,189</u>	<u>(5,083,357)</u>
535	(455,184)	(3,009,015)
<u>535,900</u>	<u>4,026,270</u>	<u>17,934,870</u>
<u>\$ 536,435</u>	<u>\$ 3,571,086</u>	<u>\$ 14,925,855</u>



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# STATISTICAL SECTION



In September, firefighters from the Littleton and Westford Fire Departments fly a flag over King Street to help pay respects to all the veterans who served during the Vietnam War, as the Veteran Memorial Tribute, the Wall That Heals made its way through Town.

Photo credit – Littleton Fire Department Facebook



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# Statistical Section

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

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets.....	\$ 48,419,774	\$ 48,118,678	\$ 52,035,393	\$ 53,555,710	\$ 59,180,719	\$ 62,178,943	\$ 64,392,179	\$ 66,084,694	\$ 72,873,287	\$ 74,247,887
Restricted.....	9,834,786	10,291,336	10,141,446	12,146,212	12,738,262	13,178,594	14,897,896	16,834,205	19,447,537	14,046,580
Unrestricted.....	(1,442,714)	(1,975,187)	(12,644,607)	(10,361,002)	(12,288,655)	(10,746,991)	(10,365,347)	(6,012,680)	(1,490,302)	12,684,990
Total governmental activities net position.....	<u>\$ 56,811,846</u>	<u>\$ 56,434,827</u>	<u>\$ 49,532,232</u>	<u>\$ 55,340,920</u>	<u>\$ 59,630,326</u>	<u>\$ 64,610,546</u>	<u>\$ 68,924,728</u>	<u>\$ 76,906,219</u>	<u>\$ 90,830,522</u>	<u>\$ 100,979,457</u>
Business-type activities:										
Net investment in capital assets.....	\$ 25,744,283	\$ 25,865,569	\$ 26,054,444	\$ 26,497,323	\$ 29,534,345	\$ 32,330,576	\$ 32,725,903	\$ 34,865,693	\$ 41,503,188	\$ 43,624,384
Restricted.....	644,833	1,038,686	1,389,785	1,688,222	-	-	-	2,744,281	2,336,977	2,568,610
Unrestricted.....	17,634,956	16,468,448	17,562,565	12,909,288	13,353,489	11,804,845	9,096,856	6,464,275	4,439,127	8,659,059
Total business-type activities net position.....	<u>\$ 44,024,072</u>	<u>\$ 43,372,703</u>	<u>\$ 45,006,794</u>	<u>\$ 41,094,833</u>	<u>\$ 42,887,834</u>	<u>\$ 44,135,421</u>	<u>\$ 41,822,759</u>	<u>\$ 44,074,249</u>	<u>\$ 48,279,292</u>	<u>\$ 54,852,053</u>
Primary government:										
Net investment in capital assets.....	\$ 74,164,057	\$ 73,984,247	\$ 78,089,837	\$ 80,053,033	\$ 88,715,064	\$ 94,509,519	\$ 97,118,082	\$ 100,950,387	\$ 114,376,475	\$ 117,872,271
Restricted.....	10,479,619	11,330,022	11,531,231	13,834,434	12,738,262	13,178,594	14,897,896	19,578,486	21,784,514	16,615,190
Unrestricted.....	16,192,242	14,493,261	4,917,958	2,548,286	1,064,834	1,057,854	(1,268,491)	451,595	2,948,825	21,344,049
Total primary government net position.....	<u>\$ 100,835,918</u>	<u>\$ 99,807,530</u>	<u>\$ 94,539,026</u>	<u>\$ 96,435,753</u>	<u>\$ 102,518,160</u>	<u>\$ 108,745,967</u>	<u>\$ 110,747,487</u>	<u>\$ 120,980,468</u>	<u>\$ 139,109,814</u>	<u>\$ 155,831,510</u>

**NOTES:**

In fiscal year 2013, beginning governmental activities net position was decreased \$941,905 for the restatement of intergovernmental receivables and the beginning business-type activities net position was decreased \$410,463 to restate capital assets in the Electric Light Enterprise Fund.

In fiscal year 2015, beginning governmental activities net position was decreased \$9,703,148 for the implementation of GASB 65 and 68 and to restate capital assets and the business-type activities beginning net position was decreased \$1,348,398 for the implementation of GASB 68 in the Water and Park and Recreation Enterprise Funds and to restate compensated absences in the Park and Recreation Enterprise Fund.

In fiscal year 2016, beginning governmental activities net position was increased \$309,366 to restate deferred outflows related to debt refunding and the business-type activities beginning net position was decreased \$5,800,880 for the implementation of GASB 68 in the Electric Light Enterprise Fund.

In fiscal year 2017, beginning business-type activities net position was decreased \$1,853,817 for the reclassification of Water Enterprise OPEB funds and the restatement of the net pension liability in the Electric Light Enterprise Fund.

In fiscal year 2018, beginning governmental activities net position was decreased \$179,378 and the beginning business-type activities net position was decreased \$580,971 for the implementation of GASB 75.

In fiscal year 2019, beginning business-type activities net position was decreased \$2,270,735 for the implementation of GASB 75 in the Electric Light Enterprise Fund.

In fiscal year 2022, beginning governmental activities net position was decreased \$329,355 for the impact of restating capital assets and the reclassification of scholarship and other funds.

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses -</b>										
<b>Governmental activities:</b>										
General government.....	\$ 2,985,771	\$ 3,608,457	\$ 3,357,089	\$ 3,265,748	\$ 3,795,118	\$ 4,304,463	\$ 5,368,117	\$ 5,741,221	\$ 5,686,902	\$ 5,695,173
Public safety.....	3,202,675	3,741,045	3,953,466	3,956,482	4,109,942	4,518,318	6,736,177	8,739,746	9,099,782	8,271,955
Education.....	24,881,469	26,044,317	25,020,450	26,642,641	28,437,988	30,181,197	37,471,164	35,789,128	34,971,059	35,438,306
Public works.....	4,655,278	4,018,704	2,838,607	2,460,655	3,393,127	3,557,040	4,085,280	3,489,855	4,119,207	5,052,584
Health and human services.....	209,506	255,121	490,895	676,353	450,889	529,160	612,614	624,029	527,781	837,523
Culture and recreation.....	1,245,732	1,400,448	567,870	721,470	753,037	838,401	938,339	990,524	593,079	1,540,884
Employee benefits.....	6,341,083	6,533,963	6,866,287	7,249,113	8,747,978	6,975,110	-	-	-	-
Debt Service.....	1,283,921	856,188	740,230	717,133	691,695	827,400	543,504	606,225	766,522	909,321
Total government activities expenses.....	<u>44,805,435</u>	<u>46,458,243</u>	<u>43,834,894</u>	<u>45,689,595</u>	<u>50,379,774</u>	<u>51,731,089</u>	<u>55,755,195</u>	<u>55,980,728</u>	<u>55,764,332</u>	<u>57,745,746</u>
<b>Business-type activities:</b>										
Electric.....	29,525,675	30,191,689	31,911,819	29,976,443	29,273,708	31,755,060	33,441,179	30,466,265	27,845,369	27,318,375
Water.....	2,239,833	2,538,722	2,810,370	2,742,923	2,884,680	2,821,808	3,167,608	3,759,953	3,599,037	3,457,640
Sewer.....	-	-	-	-	-	-	-	-	137,519	310,955
Parks and recreation.....	-	-	899,620	835,770	736,635	960,516	1,034,368	957,770	740,774	1,054,606
Total business-type activities expenses.....	<u>31,765,508</u>	<u>32,730,411</u>	<u>35,621,809</u>	<u>33,555,136</u>	<u>32,895,023</u>	<u>35,537,384</u>	<u>37,643,155</u>	<u>35,183,988</u>	<u>32,322,699</u>	<u>32,141,576</u>
Total primary government expenses.....	<u>\$ 76,570,943</u>	<u>\$ 79,188,654</u>	<u>\$ 79,456,703</u>	<u>\$ 79,244,731</u>	<u>\$ 83,274,797</u>	<u>\$ 87,268,473</u>	<u>\$ 93,398,350</u>	<u>\$ 91,164,716</u>	<u>\$ 88,087,031</u>	<u>\$ 89,887,322</u>
<b>Program Revenues -</b>										
<b>Governmental activities:</b>										
<b>Charges for services</b>										
General government.....	\$ 726,937	\$ 707,911	\$ 871,049	\$ 1,108,815	\$ 963,883	\$ 1,054,106	\$ 1,720,123	\$ 1,592,666	\$ 4,125,777	\$ 1,262,419
Public safety.....	833,413	681,926	1,192,624	920,769	940,422	874,932	1,134,268	1,190,711	1,082,291	1,948,190
Education.....	1,275,964	1,450,160	1,275,690	1,330,514	1,389,436	1,630,097	1,813,051	1,259,485	563,185	1,240,587
Public works.....	482,685	457,939	503,424	527,955	574,301	551,592	558,234	657,572	678,608	457,246
Health and human services.....	3,991	4,134	87,837	106,595	75,818	67,831	44,676	44,551	51,387	61,865
Culture and recreation.....	570,269	669,012	10,532	15,704	79,905	21,757	117,026	239,535	267,992	79,594
Operating grants and contributions.....	11,514,191	10,321,449	9,089,830	10,476,306	11,872,220	11,532,061	10,799,632	11,619,950	13,193,394	11,764,503
Capital grants and contributions.....	-	-	-	-	100,251	-	58,345	2,388,842	2,914,838	3,114,854
Total government activities program revenues.....	<u>15,407,450</u>	<u>14,292,531</u>	<u>13,030,986</u>	<u>14,486,658</u>	<u>15,996,236</u>	<u>15,732,376</u>	<u>16,245,355</u>	<u>18,993,312</u>	<u>22,877,472</u>	<u>19,929,258</u>
<b>Business-type activities:</b>										
Charges for services - electric.....	29,176,165	29,466,297	34,252,915	30,929,895	31,842,705	31,374,983	31,696,396	31,428,901	29,682,634	29,681,474
Charges for services - water.....	2,077,601	2,125,749	2,756,909	2,994,480	3,007,725	2,898,661	2,815,049	3,683,917	4,083,613	4,728,599
Charges for services - parks and recreation.....	-	-	791,992	801,836	773,294	726,848	758,065	417,293	514,569	1,239,275
Operating grants and contributions.....	469,157	528,414	534,895	605,841	785,474	2,196,683	214,303	96,157	254,703	328,350
Capital grants and contributions.....	-	-	-	-	-	-	870,000	-	-	750,190
Total business-type activities program revenues.....	<u>31,722,923</u>	<u>32,120,460</u>	<u>38,336,711</u>	<u>35,332,052</u>	<u>36,409,198</u>	<u>37,197,175</u>	<u>36,353,813</u>	<u>35,626,268</u>	<u>34,535,519</u>	<u>36,727,888</u>
Total primary government program revenues.....	<u>\$ 47,130,373</u>	<u>\$ 46,412,991</u>	<u>\$ 51,367,697</u>	<u>\$ 49,818,710</u>	<u>\$ 52,405,434</u>	<u>\$ 52,929,551</u>	<u>\$ 52,599,168</u>	<u>\$ 54,619,580</u>	<u>\$ 57,412,991</u>	<u>\$ 56,657,146</u>
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (29,397,985)	\$ (32,165,712)	\$ (30,803,908)	\$ (31,202,937)	\$ (34,383,538)	\$ (35,998,713)	\$ (39,509,840)	\$ (36,987,416)	\$ (32,886,860)	\$ (37,816,488)
Business-type activities.....	(42,585)	(609,951)	2,714,902	1,776,916	3,514,175	1,659,791	(1,289,342)	442,280	2,212,820	4,586,312
Total primary government net (expense)/program revenue.....	<u>\$ (29,440,570)</u>	<u>\$ (32,775,663)</u>	<u>\$ (28,089,006)</u>	<u>\$ (29,426,021)</u>	<u>\$ (30,869,363)</u>	<u>\$ (34,338,922)</u>	<u>\$ (40,799,182)</u>	<u>\$ (36,545,136)</u>	<u>\$ (30,674,040)</u>	<u>\$ (33,230,176)</u>

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and other Changes in Net Position -										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 27,694,354	\$ 29,557,541	\$ 30,701,563	\$ 33,419,801	\$ 34,780,236	\$ 37,063,578	\$ 39,966,517	\$ 41,543,776	\$ 43,664,988	\$ 45,706,250
Motor vehicle excise taxes.....	1,193,485	1,328,933	1,357,550	1,584,328	2,047,348	2,175,063	1,743,643	1,767,811	1,903,352	2,257,849
Payments in lieu of taxes.....	703,103	790,364	875,381	857,048	864,250	857,226	857,264	852,588	-	-
Penalties and interest on taxes.....	77,543	127,646	86,747	123,704	118,066	93,042	39,366	17,148	40,024	177,030
Grants and contributions not restricted to specific programs.....	631,130	667,647	717,568	659,687	778,847	779,382	1,404,342	1,397,344	1,099,470	787,956
Unrestricted investment income (loss).....	80,812	91,838	115,773	158,824	170,509	269,345	-	-	-	(374,346)
Other.....	22,399	38,722	17,466	867	35,331	92,344	-	-	-	-
Transfers.....	(689,835)	(813,998)	(267,587)	(102,000)	(121,643)	(171,669)	(187,110)	(609,760)	373,450	(259,961)
Total governmental activities.....	29,712,991	31,788,693	33,604,461	36,702,259	38,672,944	41,158,311	43,824,022	44,968,907	47,081,284	48,294,778
Business-type activities:										
Unrestricted investment income (loss).....	-	-	-	-	-	-	-	-	-	609,429
Other.....	-	-	-	10,003	11,000	(2,902)	1,060,305	1,199,450	2,092,432	1,117,059
Transfers.....	-	-	267,587	102,000	121,643	171,669	187,110	609,760	(373,450)	259,961
Total business-type activities.....	-	-	267,587	112,003	132,643	168,767	1,247,415	1,809,210	1,718,982	1,986,449
Total primary government general revenues and other changes in net position.....	\$ 29,712,991	\$ 31,788,693	\$ 33,872,048	\$ 36,814,262	\$ 38,805,587	\$ 41,327,078	\$ 45,071,437	\$ 46,778,117	\$ 48,800,266	\$ 50,281,227
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 315,006	\$ (377,019)	\$ 2,800,553	\$ 5,499,322	\$ 4,289,406	\$ 5,159,598	\$ 4,314,182	\$ 7,981,491	\$ 14,194,424	\$ 10,478,290
Business-type activities.....	(42,585)	(609,951)	2,982,489	1,888,919	3,646,818	1,828,558	(41,927)	2,251,490	3,931,802	6,572,761
Total primary government changes in net position.....	\$ 272,421	\$ (986,970)	\$ 5,783,042	\$ 7,388,241	\$ 7,936,224	\$ 6,988,156	\$ 4,272,255	\$ 10,232,981	\$ 18,126,226	\$ 17,051,051



**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted.....	\$ 493,364	\$ 407,632	\$ 349,512	\$ 295,445	\$ 263,845	\$ 138,167	\$ 112,818	\$ 106,780	\$ 87,671	\$ 55,167
Committed.....	1,249,564	1,890,100	2,416,399	5,856,753	3,176,314	7,315,518	6,714,624	8,649,431	8,800,046	5,569,078
Assigned.....	1,122,875	1,065,633	887,898	1,891,621	2,036,012	1,714,789	908,915	1,346,839	706,455	5,708,123
Unassigned.....	7,890,974	9,182,560	11,059,020	10,489,439	12,145,643	8,857,244	10,991,702	11,142,422	15,524,580	15,813,184
Total general fund.....	<u>\$ 10,756,777</u>	<u>\$ 12,545,925</u>	<u>\$ 14,712,829</u>	<u>\$ 18,533,258</u>	<u>\$ 17,621,814</u>	<u>\$ 18,025,718</u>	<u>\$ 18,728,059</u>	<u>\$ 21,245,472</u>	<u>\$ 25,118,752</u>	<u>\$ 27,145,552</u>
All Other Governmental Funds:										
Nonspendable.....	\$ 1,313,020	\$ 1,510,563	\$ 1,510,563	\$ 1,510,563	\$ 1,571,636	\$ 1,367,524	\$ 1,408,521	\$ 1,583,679	\$ 1,462,267	\$ 1,217,758
Committed.....	987,432	1,353,201	1,460,320	1,543,686	1,579,995	1,924,506	105,383	463,076	1,386,962	-
Restricted.....	6,384,405	6,242,120	6,366,019	7,658,210	9,572,621	9,818,736	11,907,275	19,122,297	17,985,269	16,178,092
Assigned.....	160,695	-	-	-	-	-	-	-	-	-
Unassigned.....	(716,567)	(438,730)	-	(637,839)	(979,529)	(1,006,364)	(468,522)	(984,165)	(5,706,047)	(895,383)
Total all other governmental funds.....	<u>\$ 8,128,985</u>	<u>\$ 8,667,154</u>	<u>\$ 9,336,902</u>	<u>\$ 10,074,620</u>	<u>\$ 11,744,723</u>	<u>\$ 12,104,402</u>	<u>\$ 12,952,657</u>	<u>\$ 20,184,887</u>	<u>\$ 15,128,451</u>	<u>\$ 16,500,467</u>

**NOTES:**

In fiscal year 2021, the beginning other governmental fund balances were increased by \$156,000 for the reclassification of sewer capital projects.

In fiscal year 2022, the beginning other governmental fund balances were decreased by \$814,370 for the net impact of reclassifications of scholarship and other funds.

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 27,506,760	\$ 29,478,331	\$ 30,607,321	\$ 32,941,974	\$ 34,866,750	\$ 37,036,810	\$ 39,441,982	\$ 41,177,663	\$ 43,232,844	\$ 45,304,466
Tax title.....	81,884	209,380	91,764	143,329	197,467	93,384	-	-	-	-
Intergovernmental.....	11,822,365	10,352,323	9,035,030	9,996,675	11,872,599	11,442,030	11,120,704	12,989,990	13,966,656	15,333,820
Payments in lieu of taxes.....	703,103	790,364	875,381	857,048	864,250	857,226	857,264	852,588	-	-
Motor vehicle and other excise taxes.....	1,218,977	1,340,396	1,350,388	1,582,527	2,039,256	2,180,009	1,572,241	1,744,573	1,750,727	2,435,576
Departmental and other.....	3,638,950	3,962,478	3,439,614	3,801,967	3,722,968	3,960,269	3,771,080	3,422,730	4,387,228	4,000,235
Licenses and permits.....	481,311	349,251	921,243	594,118	708,360	533,383	544,806	604,127	511,877	754,640
Penalties and interest on taxes.....	88,047	127,734	86,800	123,704	118,066	121,126	214,944	154,162	203,653	177,030
Fines and forfeitures.....	78,208	80,679	61,915	55,951	54,529	58,049	48,479	37,883	36,646	51,917
Investment income (loss).....	366,114	526,393	107,470	251,072	480,054	469,574	800,396	523,973	1,315,108	(374,346)
Contributions.....	497,593	419,515	536,637	431,911	639,741	259,271	104,764	359,848	410,547	333,493
Total Revenue.....	<u>46,483,312</u>	<u>47,636,844</u>	<u>47,113,563</u>	<u>50,780,276</u>	<u>55,564,040</u>	<u>57,011,131</u>	<u>58,476,660</u>	<u>61,867,537</u>	<u>65,815,286</u>	<u>68,016,831</u>
<b>Expenditures:</b>										
General government.....	3,134,310	3,431,063	3,468,488	3,474,095	4,740,398	5,531,586	5,081,872	4,951,897	6,705,533	5,722,957
Public safety.....	3,400,246	3,630,853	3,564,805	3,449,198	6,761,857	9,881,033	5,582,050	5,108,267	5,216,123	7,025,556
Education.....	22,994,786	23,521,339	22,327,291	24,061,899	26,422,697	30,236,927	26,301,879	26,643,814	27,402,021	26,810,604
Public works.....	4,363,520	3,540,995	3,857,764	3,872,871	3,956,006	5,575,567	4,328,965	4,229,771	3,796,019	4,144,362
Health and human services.....	209,383	253,249	486,032	672,734	463,316	520,347	540,987	536,846	470,113	689,281
Culture and recreation.....	1,241,184	1,387,853	581,065	716,967	744,078	825,766	854,642	1,982,372	10,083,724	5,239,425
Pension and fringe benefits.....	4,121,907	4,394,193	5,356,781	5,601,512	7,784,364	8,166,110	9,344,770	8,804,757	9,471,935	12,092,935
State and county charges.....	971,972	878,686	1,040,000	1,113,315	1,102,802	1,117,118	1,210,087	1,110,793	1,134,663	1,281,010
Debt service:										
Principal.....	3,026,076	2,575,237	2,543,704	2,393,368	2,285,101	2,167,169	2,634,251	2,305,440	2,351,697	2,266,575
Interest.....	1,674,701	882,061	762,394	764,170	705,793	851,739	859,451	915,193	896,064	1,046,683
Total Expenditures.....	<u>45,138,085</u>	<u>44,495,529</u>	<u>43,988,324</u>	<u>46,120,129</u>	<u>54,966,412</u>	<u>64,873,362</u>	<u>56,738,954</u>	<u>56,589,150</u>	<u>67,527,892</u>	<u>66,319,388</u>
Excess of revenues over (under) expenditures.....	<u>1,345,227</u>	<u>3,141,315</u>	<u>3,125,239</u>	<u>4,660,147</u>	<u>597,628</u>	<u>(7,862,231)</u>	<u>1,737,706</u>	<u>5,278,387</u>	<u>(1,712,606)</u>	<u>1,697,443</u>
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds and notes.....	-	-	-	-	282,674	8,305,100	-	4,595,000	-	2,497,500
Issuance of refunding bonds.....	-	-	-	-	-	4,090,000	-	2,672,000	-	2,707,500
Premiums from debt issuances.....	-	-	-	-	-	792,383	-	909,016	-	710,704
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	-	(3,095,000)	-	-
Payments on refunded bonds.....	-	-	-	-	-	(4,390,000)	-	-	-	(3,140,000)
Transfers in.....	1,191,102	1,365,066	1,744,899	1,736,013	5,318,311	3,394,451	2,127,141	3,795,614	3,978,209	8,424,759
Transfers out.....	(1,880,937)	(2,179,064)	(2,033,486)	(1,838,013)	(5,439,954)	(3,566,120)	(2,314,251)	(4,405,374)	(3,604,759)	(8,684,720)
Total other financing sources (uses).....	<u>(689,835)</u>	<u>(813,998)</u>	<u>(288,587)</u>	<u>(102,000)</u>	<u>161,031</u>	<u>8,625,814</u>	<u>(187,110)</u>	<u>4,471,256</u>	<u>373,450</u>	<u>2,515,743</u>
Net change in fund balance.....	<u>\$ 655,392</u>	<u>\$ 2,327,317</u>	<u>\$ 2,836,652</u>	<u>\$ 4,558,147</u>	<u>\$ 758,659</u>	<u>\$ 763,583</u>	<u>\$ 1,550,596</u>	<u>\$ 9,749,643</u>	<u>\$ (1,339,156)</u>	<u>\$ 4,213,186</u>
Debt service as a percentage of noncapital expenditures.....	10.41%	7.77%	7.52%	6.85%	5.44%	4.65%	6.16%	5.69%	4.81%	5.00%

(concluded)

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASSIFICATION AND TAX RATES**

**LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value							Ratio of Assessed to Equalized Value	Tax Rates		
	Residential Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Total Town Value	State Equalized Value		Residential Tax Rate	Commercial Tax Rate	Average Tax Rate
2013	\$ 1,151,110,972	\$ 70,133,451	\$ 199,485,700	\$ 45,349,070	\$ 314,968,221	\$ 1,466,079,193	\$ 1,580,731,700	92.75%	16.99	27.24	22.12
2014	1,163,778,547	70,620,708	197,233,600	39,838,270	307,692,578	1,471,471,125	1,526,463,100	96.40%	17.42	29.23	23.33
2015	1,182,909,167	70,587,681	195,098,000	35,966,810	301,652,491	1,484,561,658	1,526,463,100	97.25%	18.10	29.89	24.00
2016	1,280,786,864	90,447,543	201,894,900	52,237,500	344,579,943	1,625,366,807	1,710,179,700	95.04%	17.69	28.04	22.87
2017	1,331,660,553	117,404,179	206,502,900	52,152,577	376,059,656	1,707,720,209	1,710,179,700	99.86%	18.15	28.37	23.26
2018	1,404,648,240	124,934,849	216,025,000	61,428,670	402,388,519	1,807,036,759	1,969,238,900	91.76%	18.14	28.03	23.09
2019	1,500,388,264	138,638,900	225,638,900	61,389,570	425,667,370	1,926,055,634	1,969,238,900	97.81%	18.24	28.27	23.26
2020	1,606,645,605	148,418,047	247,129,600	58,665,340	454,212,987	2,060,858,592	2,226,110,600	92.58%	17.77	28.49	23.13
2021	1,689,273,315	156,105,153	269,001,800	63,296,210	488,403,163	2,177,676,478	2,226,110,600	97.82%	17.70	27.44	22.57
2022	1,812,860,459	156,160,468	247,996,225	61,290,790	465,447,483	2,278,307,942	2,447,845,900	93.07%	17.71	28.05	22.88

Source: Official Statements, State Division of Local Services

Note: All property in the Commonwealth of Massachusetts is assessed at 100% of full and fair cash value. The State estimates this "equalized valuation" for all municipalities every two years. Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2% of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2%, subject to an exception for property added to the tax rolls and for certain valuation increases. This secondary limit may be exceeded in any fiscal year by majority approval of the voters, however, it cannot exceed the primary limitation.

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Nature of Business	2022			2013		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
550 King Street LLC	Commercial/Industrial	\$ 42,204,000	1	1.85%	\$ 58,523,800	1	3.99%
EGMR 3 Distribution Ctr LLC	Warehouse	41,885,200	2	1.84%	20,215,900	2	1.38%
1 Distribution CTR CIR INV	Warehouse	34,701,900	3	1.52%			
LML Littleton LLC (BHX LLC)	Warehouse	30,888,700	4	1.36%	6,321,900	9	0.43%
TRPF 19 Boxwood Dr. LLC	Apartment Building	30,021,900	5	1.32%			
Five K Littleton LLC	Industrial	23,578,200	6	1.03%			
Patriot Beverages LLC	Manufacturing (5 parcels)	17,491,900	7	0.77%	12,684,700	3	0.87%
John K. Grady, David B. Rice	Res & Dev	12,394,600	8	0.54%	6,710,300	8	0.46%
DSM MB II LLC	Super Market (2 parcels)	12,314,100	9	0.54%			
First Littleton LP	Apartment Building	12,061,900	10	0.53%	5,957,400	10	0.41%
Hewlett-Packard Co.	Computers				10,799,900	4	0.74%
Foster St. Acquisitions LLC	Land Holding				9,397,100	5	0.64%
225 Fret Road LLC	Automotive Sales and Service				7,488,800	6	0.51%
FPK Realty, LLC	Real Estate Holdings				6,974,400	7	0.48%
	Totals	<u>\$ 257,542,400</u>		<u>11.30%</u>	<u>\$ 145,074,200</u>		<u>7.53%</u>

Source: Official Statements

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy			Collections				Percent of Total Tax Collections to Net Tax Levy
	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	
2013	\$ 28,122,449	\$ 289,781	\$ 27,832,668	\$ 27,467,784	98.69%	\$ 28,660	\$ 27,496,445	98.79%
2014	29,252,162	128,820	29,123,341	28,791,774	98.86%	13,717	28,805,491	98.91%
2015	30,427,049	162,876	30,264,173	29,867,283	98.69%	18,748	29,886,030	98.75%
2016	32,319,141	253,138	32,066,004	31,857,667	99.35%	35,684	31,893,350	99.46%
2017	34,838,451	225,918	34,612,533	34,301,858	99.10%	16,662	34,318,520	99.15%
2018	36,759,269	273,346	36,485,923	36,175,328	99.15%	15,544	36,190,871	99.19%
2019	39,385,788	405,439	38,980,349	38,376,711	98.45%	43,280	38,419,991	98.56%
2020	41,490,620	448,835	41,041,785	40,249,159	98.07%	48,427	40,297,587	98.19%
2021	43,301,920	126,906	43,175,014	42,165,005	97.66%	59,151	42,224,156	97.80%
2022	45,161,561	147,451	45,014,110	44,154,051	98.09%		44,154,051	98.09%

Source: Accounting Records and Official Statements

# **RATIOS OF OUTSTANDING DEBT BY TYPE**

## **LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-type Activities		Total Outstanding Debt	Personal Income	Percentage of Personal Income	U.S Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowings and Placements	General Obligation Bonds (1)	Direct Borrowings and Placements					
2013	\$ 26,212,362	\$ 1,929,098	\$ 2,241,760	\$ -	\$ 30,383,220	\$ 341,601,796	8.89%	9,233	\$ 3,291
2014	23,765,693	1,729,186	1,832,539	49,241	27,376,659	372,807,288	7.34%	9,169	2,986
2015	21,377,290	1,593,449	6,034,093	33,465	29,038,297	384,146,712	7.56%	9,203	3,155
2016	19,062,154	1,457,426	5,500,193	17,060	26,036,833	404,891,586	6.43%	9,233	2,820
2017	16,855,286	1,611,531	4,970,674	-	23,437,491	423,772,452	5.53%	9,418	2,489
2018	23,264,165	1,482,629	5,342,239	-	30,089,033	502,419,456	5.99%	9,750	3,086
2019	20,674,972	1,353,479	4,833,772	-	26,862,223	467,063,352	5.75%	9,550	2,813
2020	23,496,899	1,223,039	4,441,576	-	29,161,514	491,228,808	5.94%	9,711	3,003
2021	21,146,356	1,092,342	4,066,111	-	26,304,809	559,240,528	4.70%	9,800	2,684
2022	21,637,698	972,767	8,036,398	-	30,646,863	554,681,799	5.53%	10,141	3,022

Source: U. S. Census, State Division of Local Services

(1) Presented net of original issuance discounts and premiums.

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

### LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Assessed Value	Percentage of Assessed Value	U.S Census Population	Debt Per Capita
2013	\$ 28,454,122	\$ 1,466,079,193	1.94%	8,924	\$ 3,188
2014	25,598,232	1,471,471,125	1.74%	9,036	2,833
2015	27,411,383	1,484,561,658	1.85%	9,132	3,002
2016	24,562,347	1,625,366,807	1.51%	9,246	2,657
2017	21,825,960	1,707,720,209	1.28%	9,404	2,321
2018	28,606,404	1,807,036,759	1.58%	9,912	2,886
2019	25,508,744	1,926,055,634	1.32%	9,912	2,574
2020	27,938,475	2,060,858,592	1.36%	9,912	2,819
2021	25,212,467	2,177,676,478	1.16%	10,241	2,462
2022	29,674,096	2,278,307,942	1.30%	10,227	2,902

Source: U. S. Census, State Division of Local Services

(1) General obligation bonds consist of debt of both governmental and business-type activities, net of original issuance discounts and premium

**COMPUTATION OF LEGAL DEBT MARGIN**

**LAST TEN FISCAL YEARS**

(Amounts in Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Equalized Valuation.....	\$ 1,580,732	\$ 1,526,463	\$ 1,526,463	\$ 1,710,180	\$ 1,710,180	\$ 1,969,239	\$ 1,969,239	\$ 2,226,111	\$ 2,226,111	\$ 2,447,846
Debt Limit.....	79,037	76,323	76,323	85,509	85,509	98,462	98,462	111,306	111,306	122,392
Outstanding debt.....	30,383	27,377	29,038	26,037	23,437	30,089	26,862	29,162	26,305	30,647
Authorized and unissued debt.....	13,498	16,638	4,440	4,440	14,827	4,897	11,500	24,900	25,630	63,130
Debt not applicable to debt limit.....	<u>2,064</u>	<u>1,997</u>	<u>1,943</u>	<u>1,895</u>	<u>1,531</u>	<u>1,409</u>	<u>1,344</u>	<u>1,336</u>	<u>1,295</u>	<u>1,255</u>
Legal debt margin.....	<u>\$ 37,220</u>	<u>\$ 34,305</u>	<u>\$ 44,788</u>	<u>\$ 56,927</u>	<u>\$ 48,776</u>	<u>\$ 64,885</u>	<u>\$ 61,444</u>	<u>\$ 58,580</u>	<u>\$ 60,666</u>	<u>\$ 29,870</u>
Total debt applicable to the limit as a percentage of debt limit.....	58.13%	60.29%	46.41%	37.86%	46.54%	36.96%	40.33%	49.77%	47.82%	77.65%

Source: State Division of Local Services, Accounting Records



**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****AS OF JUNE 30, 2022**

	<u>Debt Outstanding *</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Nashoba Valley Technical High School.....	\$ 650,300	5.55%	<u>\$ 36,092</u>
Subtotal, overlapping debt.....			<u>36,092</u>
Town direct governmental activities debt.....			<u>22,610,465</u>
Total direct and overlapping governmental activities debt.....			<u><u>\$ 22,646,557</u></u>

\* Debt is as of June 30, 2021.

Source: Official Statements, Accounting Records

The estimated percentage applicable is based on the Town's weighted percentage of total school enrollment as provided in the enabling acts.

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

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Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	8,924	341,601,796	38,279	44.1	1,576	5.40%
2014	9,036	372,807,288	41,258	43.6	1,584	4.80%
2015	9,132	384,146,712	42,066	44.5	1,596	3.70%
2016	9,246	404,891,586	43,791	45.2	1,623	3.20%
2017	9,404	423,772,452	45,063	44.4	1,646	3.20%
2018	9,912	502,419,456	50,688	43.7	1,658	2.80%
2019	9,912	467,063,352	47,121	44.7	1,653	2.30%
2020	9,912	491,228,808	49,559	43.5	1,663	6.00%
2021	10,241	559,240,528	54,608	41.7	1,553	2.70%
2022	10,227	554,681,799	54,237	41.7	1,642	2.20%

Source: U. S. Census, Division of Local Services, Massachusetts  
Department of Elementary and Secondary Education  
Median age is based on most recent census data

**PRINCIPAL EMPLOYERS (EXCLUDING TOWN)**

**CURRENT YEAR AND NINE YEARS AGO**

Employer	Nature of Business	2022			2013		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Middlesex Corp	Residential Building Construction	499	1	6.88%	250	1	5.39%
Acton Toyota of Littleton	Motor Vehicle and Parts Dealer	249	2	3.44%	100	2	2.16%
Aggregate Industries	Lumber & Construction Wholesaler	249	2	3.44%	100	2	2.16%
Concord Lumber Corp	Building Materials & Supplies Dealer	249	2	3.44%	100	2	2.16%
Dolphin Enterprise Solutions	Software Publisher	249	2	3.44%	100	2	2.16%
Donelan's Supermarkets Inc	Grocery and Convenience Retailer	249	2	3.44%	100	2	2.16%
Dover Saddlery Inc	Sporting Goods Retailer	249	2	3.44%	100	2	2.16%
Hanscom Federal Credit Union	Commercial Banking	249	2	3.44%	100	2	2.16%
Life Care Ctr of Nashoba Vly	Vocational Rehabilitation Services	249	2	3.44%	100	2	2.16%
Market Basket	Grocery and Convenience Retailer	249	2	3.44%	100	2	2.16%
Mevion Medical Systems	Professional and Commercial Equipment	249	2	3.44%			
		<u>2,989</u>		<u>41.2%</u>	<u>1,150</u>		<u>24.8%</u>

Source: MA Department of Economic Research

**FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government.....	19	19	18	18	19	20	21	23	25	26
Public safety.....	35	35	37	38	39	43	47	51	47	48
Education.....	176	176	172	180	181	183	183	201	195	202
Public works.....	14	14	14	14	16	17	17	18	18	18
Health and human services.....	2	2	2	2	2	3	2	2	3	3
Culture and recreation.....	5	5	6	5	4	5	6	4	5	5
Sub-total .....	251	251	249	257	261	271	276	299	293	302
Electric.....	28	27	29	26	28	30	29	28	28	27
Water.....	10	10	9	10	10	10	10	10	10	11
Sewer.....	-	-	-	-	-	-	-	-	-	-
Parks and recreation.....	6	6	4	4	5	5	5	6	6	6
Total Town employees.....	295	294	291	297	304	316	320	343	337	346

Source: Town personnel records

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Town Clerk										
Registered voters.....	3,899	4,063	4,254	4,946	5,227	5,805	6,216	7,125	7,429	7,493
Public Safety:										
Police										
Criminal offenses										
Homocide.....	-	-	-	-	-	-	-	-	-	-
Rape.....	5	3	3	7	5	1	6	4	3	3
Robbery.....	-	1	-	-	-	-	-	-	-	1
Aggravated Assault.....	1	3	5	4	3	4	2	1	2	3
Burglary.....	15	23	11	11	20	5	5	3	2	25
Larceny.....	93	55	65	85	63	67	65	46	52	110
Motor Vehicle Theft.....	2	-	4	4	4	1	1	2	4	3
Arson.....	1	2	-	-	-	-	-	-	-	-
Non-Criminal offenses										
Adult Arrest.....	204	255	141	103	131	155	116	86	79	77
Juvenile Arrest.....	3	15	9	2	3	4	-	1	-	-
Incident Reports.....	1,061	1,113	854	945	882	931	1,014	983	933	797
Citations.....	1,570	886	1,001	1,162	1,222	1,304	1,036	525	668	466
Total criminal offenses.....	117	87	88	111	95	78	79	56	63	145
Fire										
Fire Incidents										
Chimney Fires.....	2	-	7	3	-	1	-	-	1	5
Structure Fires.....	9	7	11	13	9	17	10	11	12	17
Brush Fires.....	26	13	25	14	6	1	5	14	13	13
Car Fires.....	14	6	6	6	10	12	13	7	8	14
Other Fires.....	91	159	123	208	258	114	227	239	236	196
Smoke Scares.....	27	20	24	26	15	39	22	32	26	24
Fire Alarm Investigations.....	136	177	188	204	212	307	251	190	213	251
Electrical Hazards.....	19	17	21	16	11	7	16	22	17	20
Cover Assignments.....	15	14	27	21	10	75	61	11	13	19
Oil Burner Malfunctions.....	5	5	3	1	2	1	2	2	2	2
Illegal Burning.....	10	9	19	10	1	3	13	16	2	4
Flammable Gas Release.....	45	28	37	31	25	18	20	17	19	3
Flammable Liquid Spills.....	8	8	5	5	2	5	9	7	6	23
Non-Fire Incidents										
Medicals.....	769	826	941	970	926	1,067	1,126	1,064	1,194	1,330
Motor Vehicle Accidents.....	127	152	173	158	152	183	204	145	209	185
Service Calls.....	58	12	52	83	90	117	80	65	69	153
Carbon Monoxide Investigations.....	33	25	19	33	29	20	8	23	27	21
Lock Outs.....	28	40	37	33	21	16	26	14	14	21
Motor Vehicle Entrapment.....	3	-	3	5	3	5	2	6	2	5
Citizen Complaints.....	2	2	2	2	-	2	-	3	2	2
Total fire calls.....	1,427	1,520	1,723	1,842	1,782	2,010	2,095	1,888	2,085	2,308
Inspectional Services:										
Number of building permits.....	361	443	532	549	493	486	518	592	658	514
Education: **										
Number of students.....	1,576	1,584	1,596	1,623	1,646	1,658	1,653	1,663	1,553	1,684
Public Works:										
Highway										
Roads paved (miles).....	1	1	1	2	1	11	10	10	7	11
Water Mains										
Water Mains replaced (miles).....	1	0	2	1	2	1	0	0	4	0
Culture and Recreation:										
Libraries										
Circulation.....	187,523	180,048	177,784	186,972	179,795	166,164	137,952	121,870	137,773	187,338
Holdings.....	95,512	93,432	234,678	236,620	244,474	243,795	313,705	315,496	320,729	322,111
Number of Visits.....	58,524	59,006	52,208	55,457	55,653	60,715	98,539	36,529	81,442	62,896

N/A - Information not available

Source: Various Town Departments and State websites.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Number of buildings.....	7	7	7	7	7	7	7	7	7	7
Public Safety:										
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Education:										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works:										
Road miles.....	64	64	64	64	64	64	64	64	64	64
Sewer main lines (miles).....	2	2	2	2	2	2	2	2	2	2
Number of cemeteries.....	2	2	2	2	2	2	2	2	2	2
Culture and Recreation:										
Number of libraries.....	1	1	1	1	1	1	1	1	1	1
Number of public parks.....	3	3	3	3	3	3	3	3	3	3

Source: Various Town Departments



Above, Long Pond the home of Long Lake Beach. A premiere spot for beachgoers and summer lovers. A great venue to swim, fish, paddle, sunbathe or just check out the scenery.



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