

TOWN OF ACTON
ACTON COMMUNITY HOUSING CORPORATION

FUND FINANCIAL STATEMENTS

JUNE 30, 2012

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF ACTON
ACTON COMMUNITY HOUSING CORPORATION

FUND FINANCIAL STATEMENTS

JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Town of Acton
Acton Community Housing Corporation
Acton, MA 01720

We have audited the accompanying balance sheet of Acton Community Housing Corporation as of June 30, 2012 and the related statements of revenues, expenditures changes in fund balance for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acton Community Housing Corporation at June 30, 2012 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Borgatti Harrison & Co.

Borgatti Harrison & Co.

Framingham, Massachusetts
January 14, 2013

Certified Public Accountants

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TOWN OF ACTON
ACTON COMMUNITY HOUSING CORPORATION

BALANCE SHEET

JUNE 30, 2012

ASSETS

Cash and cash equivalents	\$ 140,691
Due from Town of Acton	560,000
Accounts receivable	<u>200,000</u>

Total assets	\$ 900,691
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LIABILITIES AND FUND BALANCES

Funds held in escrow	\$ <u>5,100</u>
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Total liabilities	<u>5,100</u>
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Fund balances:

Nonspendable	\$ 200,000
Restricted	-
Committed	270,000
Assigned	425,591
Unassigned	<u>-</u>

Total fund balances	<u>895,591</u>
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Total liabilities and fund balances	\$ 900,691
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See accompanying note to financial statements

TOWN OF ACTON
ACTON COMMUNITY HOUSING CORPORATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2012

REVENUES	
Donations	\$ 100
Interest income	<u>320</u>
Total revenues	<u>420</u>
EXPENDITURES	
Administrative expenses	858
Small grant expenses	100
Program expenses -	
Closing cost assistance	9,000
68 River Road	29,980
Capital improvements	<u>432</u>
Total expenditures	<u>40,370</u>
Excess (deficiency) of revenue over expenditures	<u>(39,950)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	(39,950)
Fund balance, beginning of year	<u>935,541</u>
Fund balance, end of year	\$ 895,591 =====

See accompanying note to financial statements

TOWN OF ACTON
ACTON COMMUNITY HOUSING CORPORATION

NOTE TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - General Statement

The Acton Community Housing Corporation is a Municipal Affordable Housing Corporation, established under Massachusetts General Laws, Chapter 143 of the Acts of 1996 and authorized pursuant to town meeting of the Town of Acton.

The purpose of the Corporation is to provide affordable housing for persons of low and moderate income in the Town of Acton, Massachusetts.

The Corporation is governed by a Board of Directors consisting of not less than five members who shall be appointed by the Town of Acton Board of Selectmen.

The Board's Treasurer is the custodian of the Corporation's funds and maintains separate accounts and records for said funds. The Treasurer shall invest the Corporation's funds in the manner authorized by MGL Chapter 44, Section 55 (Public Funds on Deposit; Limitations; Investments, Section 55A, Liability of Depositor for Losses Due to Bankruptcy, and 55B, Investment of Public Funds).

The Corporation shall continue so long as authorized under the Laws of the Commonwealth of Massachusetts. Notwithstanding the foregoing, the Corporation may be terminated by a majority vote of the Board and all assets shall be transferred to the Town of Acton.

Accounting Method

The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units, and by the Financial Accounting Standards Board (when applicable).

B. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

TOWN OF ACTON
ACTON COMMUNITY HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS
(Continued)

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Chapter 143 of the ACTS of 1966).

Enabling legislation authorizes the Corporation to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Corporation can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Corporation Board. Those committed amounts cannot be used for any other purpose unless the Corporation Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classifications may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Corporation Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Corporation Board or a Corporation Board Member delegated that authority by Chapter 143 of the ACTS of 1966 or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

TOWN OF ACTON
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NOTES TO FINANCIAL STATEMENTS
(Continued)

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

C - Use of estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2 - DUE FROM TOWN OF ACTON

This represents funds held by the Town for the benefit of the Corporation. At June 30, 2012, the balance consists of CPA funds from 2011 and 2010 in the amount of \$200,000, Robbins Brook mitigation funds in the amount of \$30,000 and Concord Mews mitigation funds in the amount of \$330,000.

3 - ACCOUNTS RECEIVABLE

On March 22, 2010, the Corporation Board voted to allow the removal of three affordable housing units at the Residences at Robbins Brook in return for a contribution to ACHC in the amount of \$60,000. At June 30, 2012, \$30,000 remains unpaid.

On October 6, 2008, the Board of Selectmen of the Town of Acton reached an agreement with a developer of a 350 unit multi-family housing project in the Town of Concord whereby the developer agreed to mitigate various potential impacts on the Town of Acton and to promote the creation of affordable housing and the public welfare. The developer agreed, among other payments to the Town of Acton, to contribute \$500,000 to ACHC, of which, \$170,000 is outstanding at June 30, 2012.

4 - COMMITMENTS AND CONTINGENCIES

At June 30, 2012, the Corporation has committed \$20,000 for landscaping at the Acton Housing Authority's McCarthy Village II development. The Corporation has also committed \$250,000 to the Acton Housing Authority to assist in the purchase of a duplex building in the proposed Acton Meadows affordable housing development.

5 - EVALUATION OF SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through January 14, 2013, the date which the financial statements were available to be issued.