



CPA FUND ACCOUNTING

Town of Bridgewater

Community Preservation Fund

Chapter 44B Section 7

- Town Accountant must establish and maintain a separate account on the general ledger called the Community Preservation Fund
- Town Treasurer may pool community preservation cash with other town funds or establish a separate bank account
- Bridgewater's Treasurer's office maintains a separate bank account for the community preservation transactions

Receipts of the CPA Fund

- CPA surcharge collections
- State Trust Fund distribution
- Interest earned
- Proceeds from borrowings made under the community preservation program
- Proceeds from sale of real property acquired with CPA funds
- Proceeds from persons who knowingly damage properties acquired with CPA

Expenditures of the CPA Fund

The CPA Fund is subject to appropriation. A recommendation by the CPC **AND** an appropriation by the legislative body of the town are **BOTH** required to spend any monies belonging to the fund.

Appropriations from any fund financing source, except borrowing, are made by majority vote.

- The acquisition, creation and preservation of open space
- The acquisition, preservation, rehabilitation and restoration of historic resources
- The acquisition, creation and preservation of land for recreational use
- The creation, preservation and support of community housing
- The rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using CPA fund monies

Related Purposes

- Annual administrative and operating expenses of CPC
- Annual principal and interest payments on bonds/notes
- Preparation, issuance and marking costs for bonds/notes
- Damages payable to property owners for real estate interest taken by eminent domain for CPC purposes
- Matching funds for state and federal grants
- Property acquisition related expenses to include
 - Appraisal costs
 - Title search expense
 - Closing fees

Annual Commitment of Current Year Revenues

A community may appropriate from the estimated annual revenues of the CPA Fund to finance community preservation acquisitions and initiatives. It may also reserve those revenues for future appropriation.

□ Q: What are the estimated revenues of the CPA Fund?

□ A: Generally these are going to be the CPA surcharge, state trust fund distribution and interest earned.

The annual estimated revenue (recurring) for the CPA Fund for FY12 in Bridgewater is broken down as follows:

CPA Surcharge	\$424,876
State Trust Fund Distribution	\$106,219
Interest earned	<u>\$ 10,600</u>
	\$541,696

- Each fiscal year, the legislative body must appropriate or reserve at least 10% of the estimated annual fund revenues for acquisitions and initiatives in EACH of the three categories: Open Space, Historic Resources and Community Housing.

The FY12 reservations in Bridgewater were voted as follows:

Reserve - Open Space	\$54,170
Reserve - Historic Resources	\$54,170
Reserve - Community Housing	\$54,170

Each fiscal year, the legislative body may appropriate an annual administrative and operating expense budget. This amount cannot exceed 5% of the year's estimated revenues.

FY12 CPC Administrative Budget is \$27,085

Appropriations or reservation for future appropriation may be made from estimated annual fund revenue UNTIL THE TAX RATE IS SET FOR THE FISCAL YEAR.

There is an extremely useful additional reserve that has been created in FY12 and will be continued to be used in years ahead. This is the budgeted reserve. The amount of the budgeted reserve can be determined by the formula below:

Annual Estimated Revenue	\$541,696
Minus Reserve - Open Space	\$ 54,170
Minus Reserve - Historic Resources	\$ 54,170
Minus Reserve - Community Housing	\$ 54,170
Minus Admin Budget	\$ 27,085
Budgeted Reserve	\$352,101

The budgeted reserve can be used as a funding source for any eligible CPA project. Because of the limitation noted above being that estimated annual revenues can only be appropriated or reserved until the tax rate is set, there is the possibility that if the budgeted reserve were not used there is a period of time during the fiscal year that limits the CPC in recommending projects.

Funding Sources for CPA Projects and Corresponding Availability

- Annual estimated fund revenues – until the tax rate is set
- Undesignated Fund Balance – only after Accountant reports prior fiscal year activities and balances to DOR for approval. Then this balance is available until end of current fiscal year.
- Reserves – anytime
- Borrowing - anytime This is done by submitting the CPA Fund balance sheet and CP-2 report.



□ Q: What is undesignated fund balance?

□ A: The unspent and unencumbered balance as of year end that results from actual collections of revenue that exceed expenditures and reservations.

Review of draft analysis in changes in fund balance.

Comments & Questions

□ Questions???

COMMUNITY PRESERVATION FUND ALLOWABLE SPENDING PURPOSES

DEFINITION	OPEN SPACE	HISTORIC RESOURCES	RECREATIONAL LAND	COMMUNITY HOUSING
	Land to protect existing and future well fields, aquifers and recharge areas, watershed land, agricultural land, grasslands, fields, forest land, fresh and salt water marshes and other wetlands, ocean, river, stream, lake and pond frontage, beaches, dunes and other coastal lands, lands to protect scenic vistas, land for wildlife or nature preserve and land for recreational use	Building, structure, vessel or real property listed or eligible for listing on the state register of historic places or determined by the local historic preservation commission to be significant in the history, archeology, architecture or culture of the city or town	Land for active or passive recreational use including, but not limited to, the use of land for community gardens, trails, and noncommercial youth and adult sports, and the use of land as a park, playground or athletic field Does <u>not</u> include horse or dog racing or the use of land for a stadium, gymnasium or similar structure	Housing for low and moderate income individuals and families, including low or moderate income seniors Moderate income is less than 100%, and low income is less than 80%, of US HUD Area Wide Median Income
ACQUIRE	Yes	Yes	Yes	
CREATE	Yes	Yes	Yes	Yes
PRESERVE Means protect from injury, harm or destruction, not maintenance	Yes	Yes	Yes	Yes
SUPPORT				Yes, includes funding for community's affordable housing trust
REHABILITATE/RESTORE Means remodel, reconstruct or repair (extraordinary, not maintenance) to make property functional for intended use, including improvements to comply with federal, state or local building or access codes or with federal standards for rehabilitation of historic properties	Yes if acquired or created with CP funds	Yes	Yes if acquired or created with CP funds	Yes if acquired or created with CP funds

COMMUNITY PRESERVATION FUND FINANCING SOURCES

	ANNUAL FUND REVENUES	FUND BALANCE	BUDGETED RESERVES	BORROWING
Definition	Annual recurring revenues	Unspent funds generated by favorable operations during the previous FY that are available for appropriation	Funds designated by the legislative body for later appropriation for any CPA purpose during the fiscal year and/or for one of the following specific CPA purposes: (1) open space (excluding recreational), (2) historic resources and (3) community housing	Debt repaid with future fund revenues
Source	<p>Surcharges assessed for FY</p> <p>State trust fund distribution received during FY (beginning in 2nd year of fund operation)</p>	<p>Appropriation turn-backs, including unappropriated balance from any annual budgeted reserve</p> <p>Actual receipts in excess of budgeted revenues</p> <p>Investment interest</p> <p>Miscellaneous non-recurring revenues, e.g., proceeds from sale of community preservation fund acquisitions, damages and fines related to the acquisitions, or public/private gifts/grants for non-specific community preservation fund purposes</p> <p>May be appropriated by legislative body for any CPA purpose</p>	<p>Appropriations from annual fund revenues or fund balance</p>	<p>Proceeds from notes, bonds or other debt obligations issued for a CPA purpose</p>
Limitations	<p>Legislative body <i>must</i> appropriate or place in budgeted special purpose reserves at least 10% of each year's annual revenues for each of following CPA purposes: (1) open space (excluding recreational), (2) historic resources and (3) community housing</p> <p>Cannot spend from appropriations until FY begins (i.e., 7/1)</p>		<p>Appropriations to a particular reserve require legislative body vote that states the specific dollar amount and source being reserved</p> <p>Appropriations from the annual budgeted reserve may be made for any CPA purpose during the FY only and any unappropriated balance at year-end closes to fund balance</p> <p>Appropriations from a particular special purpose reserve limited to that CPA purpose</p>	<p>Legislative body <i>must</i> specifically authorize borrowing under CPA (G.L. Ch. 44B)</p> <p>Borrowing limited in amount to debt service payable from estimated surcharge revenues over term</p> <p>Borrowing limited to purposes and terms applicable to municipal borrowing generally under G.L. Ch. 44 §§7 and 8</p> <p>Appropriations from proceeds remaining after purpose completed or abandoned restricted to a CPA purpose for which borrowing may be authorized for same or longer term than original loan</p>
Availability	Until tax rate set for FY. Once rate set, only budgeted reserves, fund balance or borrowing may be used as financing source.	Any time after accounting officer reports prior FY fund activities and balance to DOR until 6/30 close of current FY	<p>Annual budgeted reserve during FY (i.e. 7/1 to 6/30)</p> <p>Special purpose reserves any time (or after 7/1 for new reservations from annual revenues)</p>	Anytime
Similarity	<p>General fund annual tax levy (taxes, state aid, receipts)</p> <p>Enterprise fund annual revenues (user charges and fees)</p>	<p>Free cash</p> <p>Enterprise fund free cash (retained earnings)</p>	<p>Stabilization fund (i.e., general fund monies reserved for later appropriation for municipal purpose)</p> <p>Enterprise fund budgeted surplus</p>	Other municipal debt

Schedule of Continued Appropriations

Project Description	6/30/10 Balance	6/30/11 Balance
Mount Prospect Cemetery Fencing	40,000.00	-
Iron Wks Phase I Renovations	32,000.00	32,000.00
CPA Liaison FY07	745.00	745.00
Bridge/Town River	8,750.00	5,250.00
Unitarian University Church	27,000.00	24,714.30
Restore Town Records	12,891.19	12,891.19
Consultant Historic	20,000.00	16,807.70
Handicap Accessible	15,000.00	960.00
Restore Town Hall/Academy	880,160.69	169,288.44
Library HVAC	26,000.00	1,436.90
Clerk of the Works	21,500.00	-
CPA Planner/Grant Writer	16,154.45	-
CPA Planner/Grant Writer		44,629.08
Schematic Design Academy		72,500.00
Clerk of the Works		6,783.00
Keith Homestead		1,297,000.00
	<u>1,100,201.33</u>	<u>1,685,005.61</u>

CPA Current Year Activities
CP-2 Page 1

Description	FY06	FY07	FY08	FY09	FY10	FY11
Beginning Fund Balance		355,021.87	1,116,723.74	1,868,042.39	2,384,081.17	2,654,856.39
Revenues:						
Surcharge	352,010.21	379,972.39	398,002.40	411,290.19	406,384.81	448,213.96
State Distributions	-	359,734.00	384,874.00	271,380.00	144,396.00	111,315.00
Earnings on Investments	3,011.66	26,474.96	42,837.28	31,051.13	15,109.10	10,238.75
Bond/Note Proceeds						
Total Revenue	355,021.87	766,181.35	825,713.68	713,721.32	565,889.91	569,767.71
Expenditures:						
Open Space	-	-	7,480.00	190,450.16	155,391.34	35,025.37
Historic	-	-	56,967.50	154.02	129,999.65	809,670.35
Community Housing	-	-	-	-	-	-
Debt Service:						
Open Space	-	-	-	-	-	-
Historic	-	-	-	-	-	-
Community Housing	-	-	-	-	-	-
Administrative Expenses	-	4,479.48	9,947.53	7,078.36	9,723.70	14,813.34
Total Expenditures	-	4,479.48	74,395.03	197,682.54	295,114.69	859,509.06
Ending Fund Balance	355,021.87	1,116,723.74	1,868,042.39	2,384,081.17	2,654,856.39	2,365,115.04

Detail of CPA Fund Balance
CP-2 Form Page 2

Fund Balance	FY06	FY07	FY08	FY09	FY10	FY11
Open Space Reserve:						
Beginning Balance	-	-	51,000.00	128,000.00	199,500.00	257,900.00
Plus Reservations	-	71,000.00	77,000.00	71,500.00	58,400.00	45,000.00
Minus Appropriations	-	(20,000.00)	-	-	-	(302,900.00)
Ending Balance	-	51,000.00	128,000.00	199,500.00	257,900.00	
Historic Reserve:						
Beginning Balance	-	-	-	77,000.00	-	10,900.00
Plus Reservations	-	71,000.00	77,000.00	71,500.00	58,400.00	45,000.00
Minus Appropriations	-	(71,000.00)	-	(148,500.00)	(47,500.00)	(55,900.00)
Ending Balance	-	-	77,000.00	10,900.00	10,900.00	
Community Housing Reserve:						
Beginning Balance	-	-	71,000.00	148,000.00	219,500.00	277,900.00
Plus Reservations	-	71,000.00	77,000.00	71,500.00	58,400.00	45,000.00
Minus Appropriations	-	-	-	-	-	-
Ending Balance	-	71,000.00	148,000.00	219,500.00	277,900.00	322,900.00
Fund Balance Reserve for Continued Appropriations:						
Beginning Balance	-	-	442,350.00	376,852.50	974,088.32	1,100,201.33
Set up CY Appropriations	-	442,350.00	376,852.50	974,088.32	1,100,201.33	1,685,005.61
Minus close out to Undesignated FB	-	442,350.00	376,852.50	974,088.32	1,100,201.33	1,685,005.61
Ending Balance	-	-	-	-	-	-
Fund Balance Reserve for Encumbrances:						
Beginning Balance	-	-	-	-	-	5,000.00
Reverse prior year	-	-	-	-	-	(5,000.00)
Record current year	-	-	-	-	5,000.00	521.00
Ending Balance	-	-	-	-	5,000.00	521.00
Undesignated Fund Balance:						
Beginning Balance	-	355,021.87	552,373.74	1,138,189.89	990,992.85	1,002,955.06
Plus Revenue closed out	355,021.87	766,181.35	825,713.68	713,721.32	565,889.91	569,767.71
Plus Continued Appropriations closed out	-	-	442,350.00	376,852.50	974,088.32	1,100,201.33
Plus Encumbrance from prior year	-	(4,479.48)	(74,395.03)	(197,682.54)	(295,114.69)	(859,509.06)
Minus Expenditures	-	-	(231,000.00)	(66,000.00)	(127,700.00)	(705,700.00)
Minus Transfers to Set Asides	-	-	-	-	(5,000.00)	(521.00)
Minus Reserve for Encumbrances	-	-	(376,852.50)	(974,088.32)	(1,100,201.33)	(755,505.61)
Minus Reserve for Continued Appropriations	-	-	1,138,189.89	990,992.85	1,002,955.06	356,688.43
Ending Balance	355,021.87	552,373.74	1,138,189.89	2,384,081.17	2,654,856.39	2,365,115.04
TOTAL FUND BALANCE	355,021.87	1,116,723.74	1,868,042.39	2,384,081.17	2,654,856.39	2,365,115.04

Schedule of Expenditures
To support CP-2

Fiscal Year	Project	Admin Expenses	Open Space	Historic Resources	Affordable Housing	Total Expenditures
						4,479.48
FY07	Committee Expenses	4,479.48				4,479.48
		4,479.48				
						9,947.53
FY08	Committee Expenses	9,947.53				9,947.53
	Town River		7,480.00			7,480.00
	Community Development Use Study			56,967.50		56,967.50
		9,947.53	7,480.00	56,967.50		74,395.03
						7,078.36
FY09	Committee Expenses	7,078.36				7,078.36
	Town River		7,520.00			7,520.00
	Recreation Softball '07		152,332.66			152,332.66
	GIS Consultant		5,000.00			5,000.00
	Community Development Use Study		9,000.00			9,000.00
	CPA Liaison		12,555.00			12,555.00
	Softball Field 2009		4,042.50			4,042.50
	Restore Town Records			154.02		154.02
		7,078.36	190,450.16	154.02		197,682.54
						9,723.70
FY10	Committee Expenses	9,723.70				9,723.70
	Recreation Softball '07		47,667.34			47,667.34
	CPA Liaison		8,732.50			8,732.50
	Bridge/Town River		4,250.00			4,250.00
	Softball Field 2009		94,741.50			94,741.50
	CPA Grant Writer		13,845.55			13,845.55
	Iron Works			18,000.00		18,000.00
	Restore Town Records			21,954.79		21,954.79
	Restore Town Hall/Academy Building			76,199.31		76,199.31
		9,723.70	169,236.89	116,154.10		295,114.69
						14,813.34
FY11	Committee Expenses	14,813.34				14,813.34
	Mt. Prospect Fencing			40,000.00		40,000.00
	Bridge/Town River		3,500.00			3,500.00
	Unitarian First Parish Church			2,285.70		2,285.70
	Consulting Historic Registry			3,192.30		3,192.30
	Handicap Access			14,040.00		14,040.00
	Restore Town Hall/Academy Building			692,257.25		692,257.25
	Library HVAC			24,563.10		24,563.10
	Clerk of the Works - Town Hall			21,500.00		21,500.00
	CPA Grant Writer		16,154.45			16,154.45
	CPA Grant Writer		15,370.92			15,370.92
	Clerk of the Works - Town Hall			11,832.00		11,832.00
		14,813.34	35,025.37	809,670.35		859,509.06

CPA Fund
Changes in Fund Balance
6/30/11

Description	Undesignated Fund Balance	Fund Balance Reserve for Encumbrances	Fund Balance Reserve for Expenditures	Fund Balance Reserve for Continued Appropriations	Fund Balance Reserve for Open Space	Fund Balance Reserve for Historic Resources	Fund Balance Reserve for Affordable Housing	Total Fund Balance
7/1/10 Certified balances per CP-2:	1,002,955.06	5,000.00		1,100,201.33	257,900.00	10,900.00	277,900.00	2,654,856.39
To reclassify amount allocated to annual reserves	(135,000.00)				45,000.00	45,000.00		
To record FATM 11/8/10 Grant Writer	(60,000.00)		60,000.00					
To record FATM 11/8/10 Schematic Design	(16,600.00)		72,500.00			(55,900.00)		
To record Order #2011-018 Keith Homestead	(494,100.00)		797,000.00		(302,900.00)			
To reverse FY10 year end continued appropriation entry	1,100,201.33			(1,100,201.33)				
To record FY11 year end continued appropriation entry	(755,505.61)		(929,500.00)	1,685,005.61				
To reverse FY10 year end encumbrance entry	5,000.00	(5,000.00)						
To record FY11 year end encumbrance entry	(521.00)	521.00						
Total FY11 Revenues	569,767.71							569,767.71
Total FY11 Expenditures	(859,509.06)							(859,509.06)
Ending 6/30/11 balances to be submitted	356,688.43	521.00	-	1,685,005.61	-	-	322,900.00	2,365,115.04

Return by October 31 to:

Bureau of Accounts
 Division of Local Services
 P.O. Box 9569
 Boston, MA 02114-9569

COMMUNITY PRESERVATION FUND REPORT
 City/Town of Bridgewater
 Fiscal Year Ended June 30, 2010
 Surcharge 2%

1 Total fund balance from prior year (PY) report (Form CP-2)	\$2,384,081.17
--------------------------------------------------------------	----------------

New Revenues/OFS

2 Proceeds from bonds and OFS	-
3 Collections from community preservation surcharge	406,384.81
4 Distributions from State trust fund	144,396.00
5 Earnings on investments	15,109.10
6 Gifts, Grants, Donations	-
7 Other	-
Total New Revenue/OFS:	565,889.91

Expenditures/OFU

8 Expenditures:			
a. Open Space	155,391.34		
b. Historic Resources	129,999.65		
c. Community Housing	-		
d. Other (Community Recreation)	-		285,390.99
9 Expenditures for Debt Service:			
a. Open Space			
b. Historic Resources			
c. Community Housing			
d. Other (Community Recreation)			-
10 Administrative Expenses			9,723.70
11 Other			
Total Expenditures/OFU:			295,114.69

Total Fund Balance June 30, _____ (Detail Following):	\$2,654,856.39
--------------------------------------------------------------	----------------

City/Town of Bridgewater
Detail of Community Preservation Fund Total Fund Equity

1 Fund Balance Reserved for Encumbrances (3211)	5,000.00
2 Fund Balance Reserved for Expenditures (3240)	1,100,201.33
3 Fund Balance Reserved for Open Space (3241)	257,900.00
4 Fund Balance Reserved for Historic Resources (3242)	10,900.00
5 Fund Balance Reserved for Community Housing (3243)	277,900.00
6 Fund Balance Reserved for Special Purposes (3280)	-
7 Fund Balance Reserved for Community Preservation Act (3320)/Undesignated (3590)	1,002,955.06
8 Total Community Preservation Fund Balance June 30, _____ (Total must equal total fund balance page 1)	\$ 2,654,856.39

	Yes	No
Has the community met the requirement to either appropriate or reserve for future appropriation at least 10% of the estimated annual fund revenue for open space, historic resources and community housing?	X	
If no , explain how the town plans to meet the requirement?		

Additional Comments:

 Auditor/Accountant

 Date