

**CITY OF FRAMINGHAM, MASSACHUSETTS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**



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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Framingham, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Framingham, Massachusetts, as of and for the year ended June 30, 2021, (except for the Framingham Contributory Retirement System, which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the City of Framingham, Massachusetts' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

**Opinions**

In our opinion, 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 City of Framingham, Massachusetts, as of June 30, 2021, (except for the Framingham Contributory Retirement System, which is as of and for the year ended December 31, 2020), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

During the fiscal year ended June 30, 2021, the City of Framingham, Massachusetts adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. As a result, the City of Framingham, Massachusetts reported a restatement for the change in accounting principle (see Note 1). Our auditors' opinions were not modified with respect to this matter.


**Other Matters**

*Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 2022, on our consideration of the City of Framingham, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Framingham, Massachusetts's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Framingham, Massachusetts' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
June 15, 2022

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

As management of the City of Framingham, Massachusetts, (the City) we offer readers of these financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2021.

**Financial Highlights**

The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$135,867,378 (net position).

- The City's total net position increased \$10,410,349.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$37,669,198, or 11.0%, of total general fund expenditures and transfers out.
- The City's total outstanding debt increased by \$43,370,856, or 16.8%, during the fiscal year.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the basic financial statements, which consist of the following three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to basic financial statements.

This report also contains required supplementary information in addition to the basic financial statements, consisting of the following:

1. General Fund – Schedule of revenues, expenditures and changes in fund balance – non-GAAP budgetary basis – budget and actual,
2. Other postemployment benefits schedules, and
3. Pension plan schedules.

**Government-Wide Financial Statements**

The government-wide and enterprise fund financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's nonfiduciary assets and deferred outflows, and liabilities and deferred inflows, with the difference between them 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 City is improving or deteriorating.

The *statement of activities* presents information showing how the City'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, earned but unused vacation leave, etc.).

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Overview of the Basic Financial Statements (Continued)**

Government-Wide Financial Statements (Continued)

Both of the government-wide financial statements distinguish functions of the City 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).

Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation and debt service (interest). Business-type activities include the City's utility operations.

The government-wide financial statements can be found on pages 11 to 14 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds,
2. Proprietary funds, and
3. Fiduciary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains hundreds of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and school capital projects fund (capital project), both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation titled nonmajor governmental funds.

The governmental funds basic financial statements can be found on pages 15 to 18 of this report.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility operations. Internal service funds are an accounting device used to accumulate and allocate the costs internally among the City's various functions related to self-insurance activities. The services provided by these funds predominately benefit the governmental rather than the business-type functions. Accordingly, the internal service funds have been included within governmental activities in the government-wide financial statements.

The proprietary funds basic financial statements can be found on pages 19 to 21 of this report.

**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 statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The fiduciary funds provide combined information for the City's pension and OPEB trust funds. Custodial funds are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the caption "custodial funds."

The fiduciary funds basic financial statements can be found on pages 22 to 23 of this report.

**Notes to Basic 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. The notes to the basic financial statements can be found on pages 24 to 68 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the general fund schedule of revenues, expenditures and changes in fund balance (budget and actual) and certain pension and other postemployment benefits information, which can be found on pages 69 to 78.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Government-Wide Financial Analysis**

The following tables present current and prior year data on the government-wide financial statements.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$135,867,378 at the close of the fiscal year and is summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>ASSETS</b>						
Current Assets	\$ 127,910,340	\$ 134,193,090	\$ 19,609,161	\$ 23,978,503	\$ 147,519,501	\$ 158,171,593
Noncurrent Assets (Excluding Capital Assets)	-	-	934,509	1,012,226	934,509	1,012,226
Capital Assets (Net)	291,373,923	240,825,523	263,364,124	262,725,038	554,738,047	503,550,561
Total Assets	<u>419,284,263</u>	<u>375,018,613</u>	<u>283,907,794</u>	<u>287,715,767</u>	<u>703,192,057</u>	<u>662,734,380</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>128,071,833</u>	<u>117,377,891</u>	<u>3,790,837</u>	<u>2,932,660</u>	<u>131,862,670</u>	<u>120,310,551</u>
<b>LIABILITIES</b>						
Current Liabilities (Excluding Debt)	50,876,942	26,902,442	3,175,345	3,463,525	54,052,287	30,365,967
Noncurrent Liabilities (Excluding Debt)	521,324,731	507,717,216	15,523,323	13,233,426	536,848,054	520,950,642
Current Debt	13,150,353	43,009,297	18,776,303	32,192,646	31,926,656	75,201,943
Noncurrent Debt	109,821,813	68,794,259	163,999,169	162,682,060	273,820,982	231,476,319
Total Liabilities	<u>695,173,839</u>	<u>646,423,214</u>	<u>201,474,140</u>	<u>211,571,657</u>	<u>896,647,979</u>	<u>857,994,871</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>72,069,237</u>	<u>70,390,615</u>	<u>2,204,889</u>	<u>1819,646</u>	<u>74,274,126</u>	<u>72,210,261</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	163,151,838	138,305,290	85,602,853	76,658,600	248,754,691	214,963,890
Restricted	30,504,467	22,782,789	-	-	30,504,467	22,782,789
Unrestricted	(413,543,285)	(385,505,404)	(1,583,251)	598,524	(415,126,536)	(384,906,880)
Total Net Position	<u>\$ (219,886,980)</u>	<u>\$ (224,417,325)</u>	<u>\$ 84,019,602</u>	<u>\$ 77,257,124</u>	<u>\$ (135,867,378)</u>	<u>\$ (147,160,201)</u>

The largest portion of the City's net position reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, vehicles, machinery and equipment and infrastructure). These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance represents a net deficit of \$415,126,536.

The City has no unrestricted net position available for the support of governmental activities and business-type activities. Such resources have been consumed with the recognition of net pension and total other postemployment benefits liabilities.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Government-Wide Financial Analysis (Continued)**

**Changes in Net Position**

For the fiscal year ended June 30, 2021, the City's total net position increased \$10,410,349, compared to a decrease of \$8,774,962 in the prior fiscal year. These amounts are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 14,509,864	\$ 13,065,506	\$ 48,155,216	\$ 49,878,665	\$ 62,665,080	\$ 62,944,171
Operating Grants and Contributions	127,636,300	107,299,429	18,353	2,698,166	127,654,653	109,997,595
Capital Grants and Contributions	17,680,845	13,295,394	93,795	94,046	17,774,640	13,389,440
General Revenues:						
Real Estate and Personal Property Taxes	194,146,192	194,810,934	-	-	194,146,192	194,810,934
Tax Liens	1,863,886	1,438,172	-	-	1,863,886	1,438,172
Motor Vehicle and Other Excise Taxes	9,237,528	9,103,500	-	-	9,237,528	9,103,500
Meals Tax	1,044,805	1,405,231	-	-	1,044,805	1,405,231
Hotel/Motel Tax	316,382	1,180,790	-	-	316,382	1,180,790
Penalties and Interest on Taxes	1,122,023	958,472	-	-	1,122,023	958,472
Payments in Lieu of Taxes	562,229	479,660	-	-	562,229	479,660
Grants and Contributions not Restricted to Specific Programs	11,964,842	11,977,698	-	-	11,964,842	11,977,698
Unrestricted Investment Income	2,941,538	1,065,083	-	-	2,941,538	1,065,083
<b>Total Revenues</b>	<b>383,026,434</b>	<b>356,079,869</b>	<b>48,267,364</b>	<b>52,670,877</b>	<b>431,293,798</b>	<b>408,750,746</b>
<b>EXPENSES</b>						
General Government	20,194,233	18,762,426	-	-	20,194,233	18,762,426
Public Safety	53,550,072	50,744,621	-	-	53,550,072	50,744,621
Education	256,014,708	254,290,106	-	-	256,014,708	254,290,106
Public Works	28,534,040	28,307,791	-	-	28,534,040	28,307,791
Health and Human Services	5,414,820	4,185,465	-	-	5,414,820	4,185,465
Culture and Recreation	10,116,836	11,275,768	-	-	10,116,836	11,275,768
Debt Service - Interest	2,236,354	2,386,263	-	-	2,236,354	2,386,263
Utility	-	-	44,822,386	47,573,268	44,822,386	47,573,268
<b>Total Expenses</b>	<b>376,061,063</b>	<b>369,952,440</b>	<b>44,822,386</b>	<b>47,573,268</b>	<b>420,883,449</b>	<b>417,525,708</b>
<b>CHANGE IN NET POSITION BEFORE TR</b>	<b>6,965,371</b>	<b>(13,872,571)</b>	<b>3,444,978</b>	<b>5,097,609</b>	<b>10,410,349</b>	<b>(8,774,962)</b>
<b>TRANSFERS, NET</b>	<b>(3,317,500)</b>	<b>2,922,238</b>	<b>3,317,500</b>	<b>(2,922,238)</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>3,647,871</b>	<b>(10,950,333)</b>	<b>6,762,478</b>	<b>2,175,371</b>	<b>10,410,349</b>	<b>(8,774,962)</b>
Net Position - Beginning of Year, as Restated	(223,534,851)	(213,466,992)	77,257,124	75,081,753	(146,277,727)	(138,385,239)
<b>NET POSITION - END OF YEAR</b>	<b>\$ (219,886,980)</b>	<b>\$ (224,417,325)</b>	<b>\$ 84,019,602</b>	<b>\$ 77,257,124</b>	<b>\$ (135,867,378)</b>	<b>\$ (147,160,201)</b>

Governmental activities increased the City's net position by \$3,647,871, compared to prior year decrease of \$10,950,333. The overall increase is primarily attributed to the timing and recognition of bond proceeds compared to the related assets acquired with bond proceeds.

Business-type activities increased the City's net position by \$6,762,478, compared to prior year increase of \$2,175,371. The overall increase is primarily attributed to a transfer of \$3,317,500 from the General Fund.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Fund Financial Statement Analysis**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$69,303,844, an increase of \$4,239,088 in comparison with the prior year. \$28,508,623 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

Nonspendable – \$523,192

Restricted – \$29,799,331

Committed – \$8,907,222

Assigned – \$1,565,476

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$37,669,198, while total fund balance was \$48,174,852. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents 11.0% of total general fund expenditures and transfers out, while total fund balance represents 14.1% of that same amount.

The fund balance of the City's general fund decreased \$11,107,723 during fiscal year 2021, primarily attributed to approximately \$10,000,000 of transfers to other funds for capital projects. The City recognized a positive budget to actual variance (excluding encumbrances and continuing appropriations) totaling approximately \$9,150,000, and used approximately \$16,010,000 of reserves to fund the fiscal year 2021 budget.

Financial highlights of the City's other major governmental fund are as follows:

The fund balance of the school projects fund (capital projects) increased \$8,118,255 during the current fiscal year. The fund recognized \$14,801,666 of intergovernmental revenues, \$39,541,185 of bond proceeds and premiums, and transfers of \$6,697,147. Expenditures totaled \$51,357,631.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Fund Financial Statement Analysis (Continued)**

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the utility enterprise fund at the end of the year amounted to \$(1,583,251). The utility enterprise fund had an increase in net position for the year of \$6,762,478. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Unrestricted net position of the internal service funds at the end of the year amounted to \$3,656,231. The internal service funds had a decrease in net position for the year of \$1,086,041.

General Fund Budgetary Highlights

The original General Fund budgeted expenditures (including transfers out) totaled \$303,282,663. During the year, supplemental appropriations totaling \$3,192,092 were authorized.

**Capital Assets and Debt Administration**

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at the end of the fiscal year totaled \$554,738,047 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, machinery and equipment and infrastructure. The total net increase in the investment in capital assets for the current fiscal year was \$51,187,486.

Major capital asset events that occurred during the current fiscal year include the following:

- Various road and sidewalk improvements (approximately \$9,520,000)
- Fuller Middle School construction in progress (approximately \$58,610,000)
- Various utility improvements (approximately \$6,160,000)

The following table summarizes the City's capital assets (net of accumulated depreciation):

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 20,922,227	\$ 20,592,724	\$ 1,491,658	\$ 1,486,313	\$ 22,413,885	\$ 22,079,037
Construction in Progress	10,466,088	20,049,266	6,519,110	6,519,110	16,985,198	26,568,376
Buildings and Improvements	17,103,338	113,932,806	50,524,943	50,283,803	22,155,281	164,216,609
Vehicles, Machinery, and Equipment	2,146,650	18,968,608	4,125,192	4,288,887	25,589,842	23,257,495
Infrastructure	67,490,620	67,282,119	200,703,221	200,146,925	268,193,841	267,429,044
<b>Total Capital Assets</b>	<b>\$ 29,137,923</b>	<b>\$ 240,825,523</b>	<b>\$ 263,364,124</b>	<b>\$ 262,725,038</b>	<b>\$ 554,738,047</b>	<b>\$ 503,550,561</b>

Additional information on the City's capital assets can be found in Note 5 of this report.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2021**

**Capital Assets and Debt Administration (Continued)**

Long-Term Debt

At the end of the current fiscal year, total debt outstanding was \$301,733,037, which is backed by the full faith and credit of the City, and is summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds and Notes Payable	\$ 108,589,194	\$ 71,689,141	\$ 124,169,641	\$ 119,528,659	\$ 232,748,835	\$ 191,217,800
Direct Borrowings	347,587	408,316	44,292,361	48,989,339	44,639,948	49,397,655
Unamortized Bond Premiums	11,960,641	7,418,111	12,383,613	10,328,615	24,344,254	17,746,726
<b>Total Debt</b>	<b>\$ 120,897,422</b>	<b>\$ 79,515,568</b>	<b>\$ 180,835,615</b>	<b>\$ 178,846,613</b>	<b>\$ 301,733,037</b>	<b>\$ 258,362,181</b>

The City's total outstanding debt increased by \$43,370,856, or 16.8%, during the fiscal year.

The City's most recent bond rating from Moody's Investors Services was Aa2. Additional information on the City's long-term debt can be found in Notes 8 and 9 of this report.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Accountant, 150 Concord Street, Framingham, Massachusetts 01702.

**CITY OF FRAMINGHAM, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 61,352,649	\$ 4,514,108	\$ 65,866,757
Restricted Cash and Cash Equivalents	24,037,268	-	24,037,268
Investments	8,082,446	-	8,082,446
Restricted Investments	18,969,642	-	18,969,642
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	2,920,616	-	2,920,616
Tax, Trash and Utility Liens	2,162,455	-	2,162,455
Motor Vehicle and Other Excise Taxes	2,157,783	-	2,157,783
User Charges	-	15,093,312	15,093,312
Special Assessments	-	1,741	1,741
Departmental and Other	1,312,162	-	1,312,162
Loans	175,030	-	175,030
Intergovernmental	6,657,702	-	6,657,702
Other Assets	82,587	-	82,587
Total Current Assets	<u>127,910,340</u>	<u>19,609,161</u>	<u>147,519,501</u>
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Special Assessments	-	253,500	253,500
Intergovernmental	-	681,009	681,009
Capital Assets not being Depreciated	31,388,315	8,010,768	39,399,083
Capital Assets, Net of Accumulated Depreciation	<u>259,985,608</u>	<u>255,353,356</u>	<u>515,338,964</u>
Total Noncurrent Assets	<u>291,373,923</u>	<u>264,298,633</u>	<u>555,672,556</u>
Total Assets	419,284,263	283,907,794	703,192,057
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to OPEB	117,892,190	3,438,141	121,330,331
Related to Pension	<u>10,179,643</u>	<u>352,696</u>	<u>10,532,339</u>
Total Deferred Outflows of Resources	<u>128,071,833</u>	<u>3,790,837</u>	<u>131,862,670</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities:			
Warrants Payable	\$ 14,857,200	\$ 2,396,929	\$ 17,254,129
Accrued Payroll	14,016,051	154,229	14,170,280
Other Liabilities	10,730,920	1,430	10,732,350
Unearned Revenue	6,186,631	-	6,186,631
Accrued Interest	279,147	450,594	729,741
Capital Lease Obligations	348,725	-	348,725
Compensated Absences	4,458,268	172,163	4,630,431
Short Term Notes Payable	2,074,744	1,939,857	4,014,601
Bonds and Notes Payable	11,075,609	16,836,446	27,912,055
Total Current Liabilities	<u>64,027,295</u>	<u>21,951,648</u>	<u>85,978,943</u>
Noncurrent Liabilities:			
Capital Lease Obligations	4,464,617	-	4,464,617
Compensated Absences	90,985	3,514	94,499
Net Pension Liability	81,886,443	2,837,135	84,723,578
Net OPEB Liability	434,882,686	12,682,674	447,565,360
Bonds and Notes Payable	109,821,813	163,999,169	273,820,982
Total Noncurrent Liabilities	<u>631,146,544</u>	<u>179,522,492</u>	<u>810,669,036</u>
Total Liabilities	695,173,839	201,474,140	896,647,979
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	53,267,735	1,553,470	54,821,205
Related to Pension	18,801,502	651,419	19,452,921
Total Deferred Inflows of Resources	<u>72,069,237</u>	<u>2,204,889</u>	<u>74,274,126</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	163,151,838	85,602,853	248,754,691
Restricted for:			
School State Grants	5,657,709	-	5,657,709
School Special Revenue	6,503,775	-	6,503,775
Other Special Revenue	5,510,636	-	5,510,636
Debt Service	32,956	-	32,956
Permanent Funds:			
Expendable	3,444,996	-	3,444,996
Nonexpendable	523,192	-	523,192
Other Specific Purposes	8,831,203	-	8,831,203
Unrestricted	<u>(413,543,285)</u>	<u>(1,583,251)</u>	<u>(415,126,536)</u>
Total Net Position	<u>\$ (219,886,980)</u>	<u>\$ 84,019,602</u>	<u>\$ (135,867,378)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net Expense
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 20,194,233	\$ 2,842,044	\$ 8,026,956	\$ -	\$ (9,325,233)
Public Safety	53,550,072	7,390,383	707,716	-	(45,451,973)
Education	256,014,708	3,057,397	116,308,571	14,801,666	(121,847,074)
Public Works	28,534,040	568,616	965,875	2,879,179	(24,120,370)
Health and Human Services	5,414,820	156,126	1,134,893	-	(4,123,801)
Culture and Recreation	10,116,836	495,298	492,289	-	(9,129,249)
Debt Service-Interest	2,236,354	-	-	-	(2,236,354)
Total Governmental Activities	<u>376,061,063</u>	<u>14,509,864</u>	<u>127,636,300</u>	<u>17,680,845</u>	<u>(216,234,054)</u>
Business-Type Activities:					
Utility	<u>44,822,386</u>	<u>48,155,216</u>	<u>18,353</u>	<u>93,795</u>	<u>3,444,978</u>
Total Primary Government	<u>\$ 420,883,449</u>	<u>\$ 62,665,080</u>	<u>\$ 127,654,653</u>	<u>\$ 17,774,640</u>	<u>\$ (212,789,076)</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>CHANGES IN NET POSITION</b>			
Net Revenue (Expense) (From Previous Page)	\$ (216,234,054)	\$ 3,444,978	\$ (212,789,076)
General Revenues:			
Real Estate and Personal Property Taxes	194,146,192	-	194,146,192
Tax Liens	1,863,886	-	1,863,886
Motor Vehicle and Other Excise Taxes	9,237,528	-	9,237,528
Meals Tax	1,044,805	-	1,044,805
Hotel/Motel Tax	316,382	-	316,382
Penalties and Interest on Taxes	1,122,023	-	1,122,023
Payments in Lieu of Taxes	562,229	-	562,229
Grants and Contributions Not Restricted to Specific Programs	11,964,842	-	11,964,842
Unrestricted Investment Income	2,941,538	-	2,941,538
Transfers, Net	(3,317,500)	3,317,500	-
Total General Revenues and Transfers	<u>219,881,925</u>	<u>3,317,500</u>	<u>223,199,425</u>
<b>CHANGE IN NET POSITION</b>	3,647,871	6,762,478	10,410,349
Net Position - Beginning of Year (As Restated)	<u>(223,534,851)</u>	<u>77,257,124</u>	<u>(146,277,727)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (219,886,980)</u>	<u>\$ 84,019,602</u>	<u>\$ (135,867,378)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

<b>ASSETS</b>	General	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 61,352,649	\$ -	\$ -	\$ 61,352,649
Investments	8,082,446	-	-	8,082,446
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes	2,920,616	-	-	2,920,616
Tax and Trash Liens	2,162,455	-	-	2,162,455
Motor Vehicle and Other Excise Taxes	2,157,783	-	-	2,157,783
Departmental and Other	227,973	-	1,007,107	1,235,080
Intergovernmental	368,649	2,252,219	4,036,834	6,657,702
Loans	-	-	175,030	175,030
Other Assets	82,587	-	-	82,587
Restricted Assets:				
Cash and Cash Equivalents	32,956	2,420,476	21,583,836	24,037,268
Investments	-	-	15,368,614	15,368,614
<b>Total Assets</b>	<b>\$ 77,388,114</b>	<b>\$ 4,672,695</b>	<b>\$ 42,171,421</b>	<b>\$ 124,232,230</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Warrants Payable	\$ 5,642,435	\$ 6,522,551	\$ 2,670,335	\$ 14,835,321
Accrued Payroll	13,458,915	-	557,136	14,016,051
Other Liabilities	3,209,138	-	7,521,782	10,730,920
Unearned Revenue	-	-	6,186,631	6,186,631
Short-Term Notes Payable	-	1,732,735	342,009	2,074,744
<b>Total Liabilities</b>	<b>22,310,488</b>	<b>8,255,286</b>	<b>17,277,893</b>	<b>47,843,667</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	6,902,774	-	181,945	7,084,719
<b>FUND BALANCES</b>				
Nonspendable	-	-	523,192	523,192
Restricted	32,956	-	29,766,375	29,799,331
Committed	8,907,222	-	-	8,907,222
Assigned	1,565,476	-	-	1,565,476
Unassigned	37,669,198	(3,582,591)	(5,577,984)	28,508,623
<b>Total Fund Balances</b>	<b>48,174,852</b>	<b>(3,582,591)</b>	<b>24,711,583</b>	<b>69,303,844</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 77,388,114</b>	<b>\$ 4,672,695</b>	<b>\$ 42,171,421</b>	<b>\$ 124,232,230</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2021**

Total Governmental Fund Balances	\$ 69,303,844
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	291,373,923
The net activity of the internal service funds is reported within Governmental Activities.	3,656,231
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	7,084,719
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.	(279,147)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and Notes Payable, Net	(120,897,422)
Capital Lease Obligations	(4,813,342)
Compensated Absences	(4,549,253)
Net Pension Liability	(81,886,443)
Net OPEB Liability	(434,882,686)
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to OPEB. This amount represents the net deferrals.	64,624,455
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to pensions. This amount represents the net deferrals.	<u>(8,621,859)</u>
Net Position of Governmental Activities	<u><u>\$ (219,886,980)</u></u>

*See accompanying Notes to Basic Financial Statements.*

**CITY OF FRAMINGHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

	General	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Real Estate and Personal Property Taxes	\$194,388,227	\$ -	\$ -	\$194,388,227
Motor Vehicle and Other Excise Taxes	8,955,920	-	-	8,955,920
Meals Tax	1,044,805	-	-	1,044,805
Tax and Trash Liens	1,932,557	-	-	1,932,557
Payments in Lieu of Taxes	562,229	-	-	562,229
Fees and Rentals	1,680,836	-	4,881,374	6,562,210
Intergovernmental	70,097,209	14,801,666	32,304,461	117,203,336
State Grant for Teachers' Retirement	38,350,495	-	-	38,350,495
Hotel/Motel Tax	316,382	-	-	316,382
Penalties and Interest on Taxes	1,122,023	-	-	1,122,023
Licenses and Permits	3,823,208	-	78,925	3,902,133
Fines and Forfeitures	358,443	-	45,365	403,808
Departmental and Other	888,850	-	1,734,251	2,623,101
Contributions	-	-	932,087	932,087
Investment Income	2,539,398	-	363,473	2,902,871
Miscellaneous	1,636,365	-	182,543	1,818,908
Total Revenues	<u>327,696,947</u>	<u>14,801,666</u>	<u>40,522,479</u>	<u>383,021,092</u>
<b>EXPENDITURES</b>				
Current:				
General Government	11,166,057	-	7,265,239	18,431,296
Public Safety	30,292,561	-	5,356,685	35,649,246
Education	152,544,250	51,357,631	21,928,306	225,830,187
Public Works	13,643,263	-	8,523,349	22,166,612
Health and Human Services	1,988,144	-	1,841,654	3,829,798
Culture and Recreation	5,699,714	-	1,718,271	7,417,985
Pension Benefits	19,766,286	-	-	19,766,286
Pension Benefits - Teachers' Retirement	38,350,495	-	-	38,350,495
Employee Benefits	35,451,858	-	-	35,451,858
State and County Charges	8,549,307	-	-	8,549,307
Debt Service:				
Principal	9,784,180	-	-	9,784,180
Interest	3,457,526	-	-	3,457,526
Total Expenditures	<u>330,693,641</u>	<u>51,357,631</u>	<u>46,633,504</u>	<u>428,684,776</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(2,996,694)	(36,555,965)	(6,111,025)	(45,663,684)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of Bonds and Notes	-	35,443,511	12,107,684	47,551,195
Premium from Issuance of Bonds and Notes	-	2,533,562	2,052,943	4,586,505
Proceeds of Refunding Bonds (Current)	-	1,315,540	4,422,770	5,738,310
Premium from Issuance of Refunding Bonds (Current)	-	248,572	835,686	1,084,258
Transfers In	2,479,832	6,697,147	576,214	9,753,193
Transfers Out	(10,590,861)	-	(1,397,260)	(11,988,121)
Refunded Bonds Redeemed	-	(1,564,112)	(5,258,456)	(6,822,568)
Total Other Financing Sources (Uses)	<u>(8,111,029)</u>	<u>44,674,220</u>	<u>13,339,581</u>	<u>49,902,772</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,107,723)	8,118,255	7,228,556	4,239,088
Fund Balances - Beginning of Year (As Restated)	<u>59,282,575</u>	<u>(11,700,846)</u>	<u>17,483,027</u>	<u>65,064,756</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 48,174,852</u>	<u>\$ (3,582,591)</u>	<u>\$ 24,711,583</u>	<u>\$ 69,303,844</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 4,239,088

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. these amounts represent the related activity of the current period.

Capital Outlays	70,667,998
Depreciation	(20,119,598)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements.

This amount represents the net change in deferred inflows of resources. (33,327)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of material premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities. these amounts represent the related activity of the current period.

Proceeds of Bonds	(47,551,195)
Premium from Issuance of Bonds	(4,586,505)
Proceeds of Refunding Bonds	(5,738,310)
Premium from Issuance of Refunding Bonds	(1,084,258)
Retirement of Refunded Bonds	6,822,568
Bond Maturities	9,784,180
Net Amortization of Bond Premiums	1,128,233
Capital Lease Maturities	577,029
Other	(156,566)

In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable. 92,939

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

These amounts represent the net changes:

Compensated Absences	(8,096)
Net Pension Liability	17,592,969
Net OPEB Liability	(35,908,557)

In the statement of activities, deferred outflows and inflows of resources related to OPEB are amortized and recognized as OPEB expense. This amount represents the net change in deferred outflows and inflows of resources related to OPEB. 21,317,012

In the statement of activities, deferred outflows and inflows of resources related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows and inflows related to pensions. (12,301,692)

The net activity of internal service funds is reported with Governmental Activities. (1,086,041)

Changes in Net Position of Governmental Activities \$ 3,647,871

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Business-Type Activities <u>Enterprise Fund</u> Utility <u>Enterprise</u>	Internal Service Funds <u>Funds</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 4,514,108	\$ -
Restricted Investments	-	3,601,028
Receivables, Net of Allowance for Uncollectible Amounts:		
User Charges	15,093,312	-
Special Assessments	1,741	-
Departmental and Other	-	77,082
Total Current Assets	<u>19,609,161</u>	<u>3,678,110</u>
Noncurrent Assets:		
Receivables, Net of Allowance for Uncollectible Amounts:		
Special Assessments	253,500	-
Intergovernmental	681,009	-
Capital Assets not being Depreciated	8,010,768	-
Capital Assets, Net of Accumulated Depreciation	<u>255,353,356</u>	<u>-</u>
Total Noncurrent Assets	<u>264,298,633</u>	<u>-</u>
Total Assets	<u>283,907,794</u>	<u>3,678,110</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to OPEB	3,438,141	-
Related to Pension	352,696	-
Total Deferred Outflows of Resources	<u>3,790,837</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Warrants Payable	2,396,929	21,879
Accrued Payroll	154,229	-
Other Liabilities	1,430	-
Accrued Interest	450,594	-
Compensated Absences	172,163	-
Short-Term Notes Payable	1,939,857	-
Long-Term Bonds and Notes Payable	<u>16,836,446</u>	<u>-</u>
Total Current Liabilities	<u>21,951,648</u>	<u>21,879</u>
Noncurrent Liabilities:		
Compensated Absences	3,514	-
Net Pension Liability	2,837,135	-
Net OPEB Liability	12,682,674	-
Long-Term Bonds and Notes Payable	<u>163,999,169</u>	<u>-</u>
Total Noncurrent Liabilities	<u>179,522,492</u>	<u>-</u>
Total Liabilities	<u>201,474,140</u>	<u>21,879</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to OPEB	1,553,470	-
Related to Pension	651,419	-
Total Deferred Inflows of Resources	<u>2,204,889</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	85,602,853	-
Unrestricted	<u>(1,583,251)</u>	<u>3,656,231</u>
Total Net Position	<u>\$ 84,019,602</u>	<u>\$ 3,656,231</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Fund Utility Enterprise	Internal Service Funds
	<u>Enterprise</u>	<u>Funds</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 48,155,216	\$ -
Employee Contributions	-	506,382
Total Operating Revenues	<u>48,155,216</u>	<u>506,382</u>
<b>OPERATING EXPENSES</b>		
Cost of Service and Administration	5,089,547	-
MWRA Assessment	22,063,752	-
Salaries and Wages Expenses	5,437,834	-
Depreciation	8,322,658	-
Employee Benefits	-	548,518
Total Operating Expenses	<u>40,913,791</u>	<u>548,518</u>
<b>OPERATING INCOME (LOSS)</b>	7,241,425	(42,136)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	18,353	38,667
Interest Expense	(3,908,595)	-
Total Nonoperating Revenues (Expenses), Net	<u>(3,890,242)</u>	<u>38,667</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	3,351,183	(3,469)
<b>CAPITAL CONTRIBUTIONS and TRANSFERS</b>		
Capital Contributions	93,795	-
Transfers In	3,317,500	-
Transfers Out	-	(1,082,572)
Total Capital Contributions and Transfers	<u>3,411,295</u>	<u>(1,082,572)</u>
<b>CHANGE IN FUND NET POSITION</b>	6,762,478	(1,086,041)
Fund Net Position - Beginning of Year	<u>77,257,124</u>	<u>4,742,272</u>
<b>FUND NET POSITION - END OF YEAR</b>	<u>\$ 84,019,602</u>	<u>\$ 3,656,231</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Utility Fund	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 46,789,765	\$ -
Receipts from Interfund Services Provided	-	510,006
Payments to Vendors	(24,990,826)	9,297
Payments to Employees	(5,533,781)	-
Payments for Interfund Services Used	-	(548,518)
Net Cash Provided (Used) by Operating Activities	<u>16,265,158</u>	<u>(29,215)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers In	3,317,500	-
<b>CASH FLOWS FROM CAPITAL and RELATED FINANCING ACTIVITIES</b>		
Proceeds from the Issuance of Bonds and Notes	27,902,925	-
Proceeds from the Issuance of Refunding Bonds	7,691,690	-
Premium from the Issuance of Bonds and Notes	1,759,714	-
Premium from Issuance of Refunding Bonds	1,453,351	-
Acquisition and Construction of Capital Assets	(8,961,744)	-
Principal Payments on Bonds and Notes	(49,748,847)	-
Interest Paid	(5,433,241)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(25,336,152)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	-	(9,452)
Investment Income	18,353	38,667
Net Cash Provided by Investing Activities	<u>18,353</u>	<u>29,215</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	(5,735,141)	-
Cash and Cash Equivalents - Beginning of Year	10,249,249	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,514,108</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 7,241,425	\$ (42,136)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Changes in Assets and Liabilities Not Requiring Current Cash Flows:		
Depreciation	8,322,658	-
Net Pension Liability	(1,347,616)	-
Deferred Outflows Related to Pension	355,422	-
Deferred Inflows Related to Pension	98,099	-
Total OPEB Liability	3,855,009	-
Deferred Outflows Related to Pension	(1,213,599)	-
Deferred Inflows Related to Pension	287,144	-
Effect of Changes in Operating Assets and Liabilities:		
User Charges	(1,365,451)	-
Special Assessments	(349)	-
Departmental and Other	-	3,624
Intergovernmental	77,717	-
Warrants Payable	59,617	9,297
Accrued Payroll	(46,104)	-
Other Liabilities	(8,971)	-
Compensated Absences	(49,843)	-
Total Adjustments	<u>9,023,733</u>	<u>12,921</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 16,265,158</u>	<u>\$ (29,215)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, and FINANCING ACTIVITIES</b>		
Capital-Related Accounts Payable	<u>\$ 1,850,924</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021\***

	Pension and OPEB Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 7,887,080	\$ 810,762
Investments:		
Equity Mutual Funds	2,639,618	-
Fixed Income Mutual Funds	782,273	-
Equity Securities	4,151,448	-
Fixed Income Securities	1,070,545	-
External Investment Pool (PRIT)	367,255,826	-
Receivables, Net of Allowance for Uncollectible Amounts:		
Employer	17,428,939	-
Other Assets	14,904	-
Total Assets	401,230,633	810,762
<b>LIABILITIES</b>		
Warrants Payable	596,262	123,620
Accrued Payroll	-	8,008
Other Liabilities	-	679,134
Total Liabilities	596,262	810,762
<b>NET POSITION</b>		
Restricted for Pension and OPEB Benefits	400,634,371	-
Restricted for Custodial Purposes	-	-
Total Net Position	\$ 400,634,371	\$ -

\* Except for the Pension Trust Fund (December 31, 2020)

**CITY OF FRAMINGHAM, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2021\***

	Pension and OPEB Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 34,011,453	\$ -
Plan Members	7,650,006	-
Transfers from Other Systems	1,838,509	-
Total Contributions	43,499,968	-
Net Investment Income:		
Net Appreciation in Fair Value of Investments	33,462,280	-
Interest	9,528,103	-
Total Investment Income	42,990,383	-
Less: Investment Expense	(1,637,562)	-
Net Investment Income	41,352,821	-
Intergovernmental	194,734	-
Collected for Other Governments	-	263,779
Other	-	56,466
Total Additions	85,047,523	263,779
<b>DEDUCTIONS</b>		
Administration	360,402	-
Retirement Benefits, including Reimbursements and Refunds	43,290,691	-
Transfers to Other Systems	2,873,427	-
Remitted to Other Governments	-	263,779
Other	-	56,466
Total Deductions	46,524,520	263,779
<b>CHANGE IN NET POSITION</b>	38,523,003	-
Net Position - Beginning of Year	362,111,368	-
<b>NET POSITION - END OF YEAR</b>	\$ 400,634,371	\$ -

\* Except for the Pension Trust Fund (December 31, 2020)

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General**

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

**B. Reporting Entity**

The City of Framingham, Massachusetts, (the City) is a municipal corporation that is governed by an elected Mayor and the City Council.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions, and institutions that are not legally separate from the City.

The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

Fiduciary Fund Component Unit

The City has included the Framingham Contributory Retirement System (the System) as a component unit (blended) in the reporting entity because of the significance of its operational and financial relationship with the City. Fiduciary fund component units are entities that are legally separate from the City, but are so related that they are, in substance, the same as the City or entities providing services entirely or almost entirely for the benefit of the City.

The System was established to provide retirement benefits to City employees and their respective beneficiaries. The System is governed by a five-member board comprised of the City Accountant (ex-officio), two members elected by the System's participants, a fourth member appointed by the City Council and a fifth member appointed by the Retirement Board's members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary funds financial statements.

The System does not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 150 Concord Street, Framingham, Massachusetts 01702.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Implementation of New Accounting Principles**

For the year ended June 30, 2021, the City implemented the following pronouncements issued by the GASB:

- GASB Statement No. 84, *Fiduciary Activities*
- GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

The implementation of GASB Statement No. 84 resulted in certain activities formerly reported in the agency fund to be reported in the custodial fund of the fiduciary funds, the nonmajor governmental funds of the governmental funds and the governmental activities of the government-wide statements. As a result, the City has restated its 2020 beginning net position and fund balance to reflect the implementation of this statement. The effect of the change in accounting principle and reclassifications are as follows:

	Governmental Activities	Custodial Funds	Nonmajor Funds
Net Position/Fund Balance as of June 30, 2020, as Previously Reported	\$(224,417,325)	\$ -	\$16,600,553
Cumulative Effect of Application of GASB 84, Fiduciary Activities	882,474	-	882,474
Net Position/Fund Balance as of June 30, 2020, as Restated	\$(223,534,851)	\$ -	\$17,483,027

**D. Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are primarily supported by user fees.

Fund Financial Statements

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

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus, Basis of Accounting, and Basis of Presentation**

Government-Wide Financial Statements

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 the liabilities are incurred. Real estate and personal 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 have been met.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

**Governmental funds** financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means 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, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

Real estate and personal property tax revenues are considered available if they are collected within 60 days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *General fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *School Capital Projects fund* is a capital projects fund used to account for and report financial resources that are restricted to expenditures for school capital outlays, including the acquisition or construction of major capital facilities and other capital assets of the governmental funds.

The nonmajor governmental funds consist of other special revenue, capital projects, 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:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

*Permanent funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

**Proprietary funds** financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

The *Utility fund* is used to account for water and sewer activities.

The *Internal Service fund* is used to account for risk financing activities related to employees' dental insurance, life insurance, and used to account for unanticipated run-off claims from when the City converted from a self-insured employee health program to GIC insurance plan in fiscal year 2015.

**Internal service funds** of the City (which provide services primarily to other funds of the City) are presented, in summary form, as part of the proprietary funds financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of the internal service funds are presented in the governmental activities column when presented at the government-wide level.

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

The following fiduciary fund types are reported:

The *pension and OPEB trust funds* are used to account for the activities of the System and OPEB trust fund, which accumulate resources to provide pension and OPEB benefits to eligible retirees and their beneficiaries.

The *custodial fund* is used to account for assets held in a custodial capacity.

**F. Cash and Investments**

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on-hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value, net asset value (NAV), or amortized cost, as further discussed in Note 3.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Accounts Receivable**

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

**Real Estate Taxes, Personal Property Taxes, and Tax Liens**

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st, and May 1st and are subject to penalties and interest if they are not paid by the respective due date.

Real estate tax liens are processed in accordance with Massachusetts General Law (MGL) on delinquent properties and are recorded as receivables in the fiscal year they are processed.

**Motor Vehicle Excise Taxes**

Motor vehicle excise taxes are assessed annually for each vehicle registered in the City and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles to the City. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

**User Charges (Utility)**

User charges are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Utility liens are processed in accordance with MGL and are included as a lien on the property owner's tax bill. Utility charges are recorded as receivables when levied.

**Departmental and Other**

Departmental and other receivables consist primarily of uncollected trash fees and police details and are recorded as receivables in the fiscal year accrued.

**Intergovernmental**

Various state and federal operating and capital grants are applied for and received annually. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Allowance for Uncollectible Amounts**

Government-Wide and Fund Financial Statements

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes,
- Motor vehicle and other excise taxes, and
- Departmental and other.

At June 30, 2021, the allowances for uncollectible amounts for departmental and other receivables are immaterial and therefore not reported.

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens,
- User charges (utility), and
- Utility liens.

Intergovernmental receivables are considered 100% collectible.

**I. Inventories**

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements and therefore are not reported.

**J. Restricted Assets**

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Capital Assets**

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which consist of land, construction in progress, land improvements, buildings, machinery, vehicles and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements and the proprietary fund financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

All purchases and construction costs are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives and capitalization thresholds of capital assets are as follows:

Buildings	10 to 40 Years
Land Improvements	15 to 40 Years
Machinery, Vehicles and Equipment	5 to 20 Years
Infrastructure	10 to 60 Years

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

**L. Interfund Receivables and Payables**

During the course of its operations, transactions occur between and within funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as Internal Balances.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Interfund Receivables and Payables (Continued)**

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as Due from Other Funds or Due to Other Funds on the balance sheet.

**M. Interfund Transfers**

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as Transfers, Net.

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

**N. Unearned Revenue**

Unearned revenue is presented in the governmental-wide statement of net position and governmental funds balance sheet and represents federal grants received by the City in advance of meeting eligibility requirements for revenue recognition.

**O. Deferred Outflows of Resources**

Government-Wide and Fund Financial Statements

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 represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred outflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statements of net position.

**P. Deferred Inflows of Resources**

Government-Wide and Fund Financial Statements

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. Deferred Inflows of Resources (Continued)**

Unavailable revenue is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.

Deferred inflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statement of net position.

**Q. Net Position and Fund Balances**

Government-Wide Financial Statements and Proprietary Fund Financial Statements (Net Position)

Net position represents the residual difference between assets and deferred outflows less liabilities and deferred inflows.

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use. Net position has been “restricted” for the following:

*Debt Service* represents amounts that have been restricted to offset future debt service costs.

*Permanent Funds – Expendable* represents amounts held in trust for which the expenditures are restricted by various trust agreements.

*Permanent Funds – Nonexpendable* represents amounts held in trust for which only investment earnings may be expended.

*Other Specific Purposes* represents restrictions placed on assets from outside parties.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding borrowings attributable to those assets.

Unrestricted net position is the difference between total net position, net investment in capital assets and restricted net position.

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

*Nonspendable* – represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Net Position and Fund Balances (Continued)**

*Restricted* – Represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Represents amounts that can be used only for specific purposes imposed by a formal action of City Council, which is the highest level of decision-making authority for the City. Committed amounts may be established, modified, or rescinded only through actions approved by City Council.

*Assigned* – Represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the City's structure, only authorized assignments for noncontractual encumbrances can be made by individual department heads.

*Unassigned* – Represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

**R. Long-Term Debt**

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statements of net position. Material bond premiums and discounts are deferred and amortized (through interest expense) over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium/discount.

Governmental Funds Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Investment Income**

Government-Wide and Fund Financial Statements

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the General Fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from the proprietary funds is retained in the proprietary funds.

**T. Compensated Absences**

Government-Wide and Proprietary Fund Financial Statements

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws, and executive policies.

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Funds Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

**U. Pensions**

Government-Wide and Proprietary Fund Financial Statements

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**V. Other Postemployment Benefits**

Government-Wide and Proprietary Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 16, the City provides health and life insurance coverage for current and future retirees and their spouses.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**W. Use of Estimates**

Government-Wide and Fund Financial Statements

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.

**X. Total Column**

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the City Council. The Mayor presents an annual operating and capital budget to the City Council which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The City Council, which has the full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between departments to the original budget subsequent to the approval of the annual budget requires City Council approval.

The majority of appropriations are noncontinuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the level of spending (salaries, expenses, and capital) authorized for an appropriation account. However, the City is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

An annual budget is adopted for the General Fund in conformity with the guidelines described above. The original fiscal year 2021 approved budget for the General Fund authorized \$303,282,663 in appropriations. During fiscal year 2021, supplemental appropriations totaling \$3,192,092 were authorized.

The City Accountant’s office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

The General Fund schedule of revenues, expenditures, and changes in fund balance – non-GAAP budgetary basis – budget and actual, presented in the accompanying Required Supplementary Information, presents comparison of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

**B. Fund Deficits**

At June 30, 2021, the following temporary fund deficits exist:

Fund	Amount	Funding Source
FEMA-Grant	\$ 4,546,554	Federal Grant
School Capital Projects	3,582,591	Issuance of Long-Term Debt
Municipal Equipment	829,876	Issuance of Long-Term Debt
ESSER 2	201,554	Federal Grant
Total Deficits	\$ 9,160,575	

**NOTE 3 DEPOSITS AND INVESTMENTS**

**City (Excluding the Pension Trust Fund)**

The municipal finance laws of the Commonwealth authorize the City to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. Treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer’s investment pool – the Massachusetts Municipal Depository Trust (MMDT). The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds, private purpose trust funds, and the pension trust fund are held separately from other City funds.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**City (Excluding the Pension Trust Fund) (Continued)**

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City does not have a policy for custodial credit risk of deposits. As of June 30, 2021, \$20,684,073 of the City's bank balance of \$76,975,121 was uninsured and uncollateralized.

Investments Summary

The City's investments at June 30, 2021, are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Investment Maturities			Total Amount
	Less than 1 Year	1 to 5 Years	6 to 10 Years	
<u>Debt Securities:</u>				
U.S. Agencies	\$ 2,624,587	\$ 2,555,174	\$ 642,914	\$ 5,822,675
Corporate Bonds	254,560	6,127,532	28,467	6,410,559
Money Market Mutual Funds	11,018,897	-	-	11,018,897
Fixed Income Securities	1,874,205	-	-	1,874,205
Certificates of Deposit	1,492,215	521,150	-	2,013,365
External Investment Pool (MMDT)	7,848,072	-	-	7,848,072
Total Debt Securities	<u>\$ 25,112,536</u>	<u>\$ 9,203,856</u>	<u>\$ 671,381</u>	<u>\$ 34,987,773</u>
<u>Other Investments:</u>				
Equity Securities				15,374,776
Equity Mutual Funds				4,200,392
Total Other Investments				<u>19,575,168</u>
Total Investments				<u>\$ 54,562,941</u>

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The City has a policy that the fixed income portion of the portfolio shall have an average maturity of not more than 10 years.

Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk of investments. As of June 30, 2021, the City was not exposed to custodial credit risk.

Investments – Credit Risk of Debt Securities

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. As of June 30, 2021, the City's investments in debt securities were unrated by a nationally recognized statistical rating organization.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**City (Excluding the Pension Trust Fund) (Continued)**

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. As of June 30, 2021, the City was not exposed to concentration of credit risk.

Investments – Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or deposit. As of June 30, 2021, the City was not exposed to foreign currency risk.

Investments – Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Type	Fair Value Measurements Using		Total Amount
	Level 1	Level 2	
<u>Investments by Fair Value Level:</u>			
Money Market Mutual Funds	\$ 11,018,897	\$ -	\$ 11,018,897
Equity Securities	15,374,776	-	15,374,776
Equity Mutual Funds	4,200,392	-	4,200,392
U.S. Agencies	5,822,675	-	5,822,675
Corporate Bonds	-	6,410,559	6,410,559
Fixed Income Securities	839,598	1,034,607	1,874,205
Total Investments by Fair Value Level	<u>\$ 37,256,338</u>	<u>\$ 7,445,166</u>	<u>\$ 44,701,504</u>
<u>Investments Measured at Amortized Cost:</u>			
External Investment Pool (MMDT)			7,848,072
Certificates of Deposit			2,013,365
Total Investments			<u>\$ 54,562,941</u>

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Pension Trust Fund (The System)**

The System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee and provides regulatory oversight. The reported value of the pool is the same as the fair value of the System's position in pool shares.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**City (Excluding the Pension Trust Fund) (Continued)**

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the System’s deposits may not be recovered. The System does not have a policy for custodial credit risk of deposits. As of December 31, 2020, the System was not exposed to custodial credit risk.

Investment Summary

The System’s investments at December 31, 2020, are presented below. All investments are presented by investment type, with debt securities presented by maturity:

Investment Type	Investment Maturities Less than 1 Year	Total Amount
Debt Securities:		
PRIT	\$ 367,255,826	\$ 367,255,826

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The System does not have a policy for interest rate risk of debt securities.

Investments – Custodial Credit Risk

The Pension System does not have an investment policy for custodial credit risk. At December 31, 2020, the System’s investments are not subject to custodial credit risk exposure because they are not evidenced by securities that exist in physical or book entry form.

Investments – Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The System does not have a policy for credit risk of debt securities. As of December 31, 2020, the System’s investments in debt securities were unrated by a nationally recognized statistical rating organization.

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System’s investment in a single issuer. As of December 31, 2020, the System was not exposed to concentration of credit risk.

Investments – Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or deposit. As of December 31, 2020, the System was not exposed to foreign currency risk.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**City (Excluding the Pension Trust Fund) (Continued)**

Investments – Fair Value Measurements

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments measured at the NAV:

External Investment Pool (PRIT)	<u>\$ 367,255,826</u>
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PRIT investments are measured at the net asset value (NAV) per share or its equivalent. The PRIT fund is an external investment pool that is not registered with the Securities and Exchange Commission, but is subject to oversight provided by the Pension Reserves Investment Management Board (the PRIM Board). The PRIM Board was created by legislation to provide general supervision of the investments and management of PRIT. The fair value of the PRIT pooled fund is based on unit value (NAV) as reported by management of the PRIT fund. Investments can be redeemed on a monthly basis with 24-hours' notice.

**NOTE 4 ACCOUNTS RECEIVABLE**

At June 30, 2021, receivables for the governmental funds are as follows:

	Gross Amount	Allow ance for Uncollectibles	Net Amount
Receivables:			
Real Estate and Personal Property Taxes	\$ 3,594,063	\$ (673,447)	\$ 2,920,616
Tax Liens	2,162,455	-	2,162,455
Motor Vehicle and Other Excise Taxes	4,100,819	(1,943,036)	2,157,783
Departmental and Other	1,235,080	-	1,235,080
Loans	175,030	-	175,030
Intergovernmental	6,657,702	-	6,657,702
Total	<u>\$ 17,925,149</u>	<u>\$ (2,616,483)</u>	<u>\$ 15,308,666</u>

At June 30, 2021, receivables for the enterprise funds consist of the following:

	Gross Amount	Allow ance for Uncollectibles	Net Amount
Receivables:			
Utility User Charges	\$ 15,093,312	\$ -	\$ 15,093,312
Utility Special Assessments	255,241	-	255,241
Intergovernmental	681,009	-	681,009
Total	<u>\$ 16,029,562</u>	<u>\$ -</u>	<u>\$ 16,029,562</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 20,592,724	\$ 329,503	\$ -	\$ 20,922,227
Construction in Progress	20,049,266	6,123,447	(15,706,625)	10,466,088
Total Capital Assets Not Being Depreciated	40,641,990	6,452,950	(15,706,625)	31,388,315
Capital Assets Being Depreciated:				
Building and Improvements	213,204,883	62,894,171	-	276,099,054
Vehicles, Machinery, and Equipment	74,450,015	7,512,020	-	81,962,035
Infrastructure	132,424,903	9,515,482	-	141,940,385
Total Capital Assets Being Depreciated	420,079,801	79,921,673	-	500,001,474
Less Accumulated Depreciation for:				
Building and Improvements	(99,272,077)	(5,796,639)	-	(105,068,716)
Vehicles, Machinery, and Equipment	(55,481,407)	(5,015,978)	-	(60,497,385)
Infrastructure	(65,142,784)	(9,306,981)	-	(74,449,765)
Total Accumulated Depreciation	(219,896,268)	(20,119,598)	-	(240,015,866)
Total Capital Assets Being Depreciated, Net	200,183,533	59,802,075	-	259,985,608
Total Governmental Activities Capital Assets, Net	\$ 240,825,523	\$ 66,255,025	\$ (15,706,625)	\$ 291,373,923
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,486,313	\$ 5,345	\$ -	\$ 1,491,658
Construction in Progress	6,519,110	-	-	6,519,110
Total Capital Assets Not Being Depreciated	8,005,423	5,345	-	8,010,768
Capital Assets Being Depreciated:				
Building and Improvements	64,736,372	2,149,234	(166,159)	66,719,447
Vehicles, Machinery, and Equipment	13,850,766	643,592	(77,386)	14,416,972
Infrastructure	292,042,054	6,163,573	(170,606)	298,035,021
Total Capital Assets Being Depreciated	370,629,192	8,956,399	(414,151)	379,171,440
Less Accumulated Depreciation for:				
Building and Improvements	(14,452,569)	(1,908,094)	166,159	(16,194,504)
Vehicles, Machinery, and Equipment	(9,561,879)	(807,287)	77,386	(10,291,780)
Infrastructure	(9,189,129)	(5,607,277)	170,606	(97,331,800)
Total Accumulated Depreciation	(33,193,577)	(8,322,658)	414,151	(41,101,084)
Total Capital Assets Being Depreciated, Net	254,719,615	633,741	-	255,353,356
Total Utility Enterprise Capital Assets, Net	\$ 262,725,038	\$ 639,086	\$ -	\$ 263,364,124

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 1,620,824
Public Safety	1,670,842
Education	7,059,935
Public Works	8,103,528
Health and Human Services	130,637
Culture and Recreation	<u>1,533,832</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 20,119,598</u></u>
Business-Type Activities:	
Utility	<u><u>\$ 8,322,658</u></u>

**NOTE 6 INTERFUND TRANSFERS AND BALANCES**

Interfund transfers for the fiscal year ended June 30, 2021, are summarized below:

Transfers Out	Transfers In				Total
	General Fund	School Capital Projects	Nonmajor Governmental Fund	Utility Enterprise Funds	
General Fund (1)	\$ -	\$ 6,697,147	\$ 576,214	\$ 3,317,500	\$10,590,861
Nonmajor Governmental Funds (2)	1,397,260	-	-	-	1,397,260
Internal Service Fund (3)	1,082,572	-	-	-	1,082,572
Total	<u><u>\$ 2,479,832</u></u>	<u><u>\$ 6,697,147</u></u>	<u><u>\$ 576,214</u></u>	<u><u>\$ 3,317,500</u></u>	<u><u>\$13,070,693</u></u>

- (1) Represents budgeted transfer to the School Capital Project Funds (\$6,697,147), Municipal Buildings Capital Project Fund (\$571,214), Utility Enterprise Fund (\$3,317,500) capital projects funds and Conservation Trust Fund (\$5,000).
- (2) Represents budgeted transfer from the Maynard Debt Service Fund (\$137,124), Cable TV Fund (\$590,136), Affordable Housing Units Fund (\$600,000), Receipts Ride Reserve Fund (\$65,000), and Consumer and Merchant Protection Fund (5,000).
- (3) Represents transfer in from the Internal Service Funds.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN), and
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund and Enterprise Funds, respectively.

Details related to the short-term debt activity for the fiscal year ended June 30, 2021, are as follows:

**Governmental Funds**

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
BAN	Buildings	6/18/20	12/18/20	125 %	\$ 306,460	\$ -	\$ (306,460)	\$ -
BAN	School Buildings	6/18/20	12/18/20	125 %	23,183,401	-	(23,183,401)	-
BAN	Other BANS	6/18/20	12/18/20	125 %	8,798,127	-	(8,798,127)	-
BAN	Buildings	12/18/20	6/25/21	100 %	-	38,550	(38,550)	-
BAN	School Buildings	12/18/20	6/25/21	100 %	-	357,984	(357,984)	-
BAN	Other BANS	12/18/20	6/25/21	100 %	-	799,598	(799,598)	-
BAN	Buildings	6/25/21	12/17/21	100 %	-	133,950	(133,950)	-
BAN	School Buildings	6/25/21	12/17/21	100 %	-	15,628,475	(14,973,947)	654,528
BAN	Other BANS	6/25/21	12/17/21	100 %	-	6,111,953	(4,691,737)	1,420,216
Total					<u>\$ 32,287,988</u>	<u>\$ 23,070,510</u>	<u>\$ (53,283,754)</u>	<u>\$ 2,074,744</u>

**Enterprise Funds**

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
BAN	Sewer	6/18/20	12/18/20	125 %	\$ 3,942,944	\$ -	\$ (3,942,944)	\$ -
BAN	Water	6/18/20	12/18/20	125 %	12,085,149	-	(12,085,149)	-
BAN	Sewer	12/18/20	6/25/21	100 %	-	1,111,159	(1,111,159)	-
BAN	Water	12/18/20	6/25/21	100 %	-	2,618,106	(2,618,106)	-
BAN	Sewer	6/25/21	12/17/21	100 %	-	2,551,344	(1,305,693)	1,245,651
BAN	Water	6/25/21	12/17/21	100 %	-	5,111,195	(4,416,989)	694,206
Total					<u>\$ 16,028,093</u>	<u>\$ 11,391,804</u>	<u>\$ (25,480,040)</u>	<u>\$ 1,939,857</u>

**Subsequent Events**

In December 2021, the City issued \$27,695,000 of long-term bonds. Of this amount, \$25,522,316 was used to retire short-term notes that were outstanding at June 30, 2021. As a result, the \$25,522,316 is reported as long-term debt as of June 30, 2021.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 LONG-TERM OBLIGATIONS**

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
<b>Governmental Activities:</b>					
Bonds and Notes Payable	\$ 71,689,141	\$ 53,289,504	\$ (16,389,451)	\$ 108,589,194	\$ 9,478,070
Direct Borrowings	408,316	-	(60,729)	347,587	61,350
Unamortized Bond Premiums	7,418,111	5,670,763	\$ (1,128,233)	11,960,641	1,536,189
Total Bonds and Notes Payable	<u>79,515,568</u>	<u>58,960,267</u>	<u>(17,578,413)</u>	<u>120,897,422</u>	<u>11,075,609</u>
Capital Leases	5,390,371	-	(577,029)	4,813,342	348,725
Compensated Absences	4,541,157	8,096	-	4,549,253	4,458,268
Total Governmental	<u>\$ 89,447,096</u>	<u>\$ 58,968,363</u>	<u>\$ (18,155,442)</u>	<u>\$ 130,260,017</u>	<u>\$ 15,882,602</u>
<b>Business-Type Activities:</b>					
Bonds and Notes Payable	\$ 19,528,659	\$ 24,202,811	\$ (19,571,829)	\$ 24,159,641	\$ 10,553,209
Direct Borrowings	48,989,339	-	(4,696,978)	44,292,361	4,761,178
Unamortized Bond Premiums	10,328,615	3,213,065	(1,158,067)	12,383,613	1,522,059
Total Bonds and Notes Payable	<u>78,846,613</u>	<u>27,415,876</u>	<u>(25,426,874)</u>	<u>80,835,615</u>	<u>16,836,446</u>
Compensated Absences	225,520	-	(49,843)	175,677	172,163
Total Business-Type	<u>\$ 79,072,133</u>	<u>\$ 27,415,876</u>	<u>\$ (25,476,717)</u>	<u>\$ 81,011,292</u>	<u>\$ 17,008,609</u>
Total	<u>\$ 268,519,229</u>	<u>\$ 86,384,239</u>	<u>\$ (43,632,159)</u>	<u>\$ 311,271,309</u>	<u>\$ 32,891,211</u>

The governmental activities long-term liabilities are generally liquidated by the General Fund. The business-type long-term liabilities are liquidated by the Utility Enterprise Fund.

For direct borrowings, there are no terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 LONG-TERM DEBT**

Details related to the outstanding indebtedness at June 30, 2021, and the debt service requirements are as follows:

**Bonds and Notes Payable – Governmental Funds**

Original Issue	Project	Maturity Date	Interest Rate	Outstanding -			Outstanding - End of Year
				Beginning of Year	Issued	Redeemed	
\$ 477,029	MCWT Bonds of 2005*	2023	3.00-5.00%	\$ 90,000	\$ -	\$ (30,000)	\$ 60,000
7,591,420	General Obligation Bonds 2009	2028	2.00-5.00%	1,390,000	-	(1,390,000)	-
3,07,600	MCWT Bonds 2010*	2028	2.00%	133,736	-	(15,570)	118,166
4,976,272	General Obligation Bonds 2010	2030	2.00-5.00%	1,498,000	-	(1,498,000)	-
17,440,000	General Obligation Bonds 2011	2031	2.00-5.00%	5,090,000	-	(5,090,000)	-
325,000	MCWT Bonds 2012*	2031	2.00%	184,580	-	(15,159)	169,421
8,333,940	General Obligation Bonds 2013	2033	2.00-5.00%	2,725,000	-	(310,000)	2,415,000
12,179,750	General Obligation Refunding Bonds 2013	2025	2.00-5.00%	1,441,750	-	(332,950)	1,108,800
12,380,745	General Obligation Bonds 2014	2034	2.00-5.00%	4,360,000	-	(550,000)	3,810,000
7,270,120	General Obligation Bonds 2015	2035	2.50-5.00%	3,880,000	-	(475,000)	3,405,000
19,734,325	General Obligation Bonds 2016	2041	3.00-5.00%	9,505,000	-	(1,210,000)	8,295,000
10,728,765	General Obligation Bonds 2017	2037	2.00-4.00%	6,214,440	-	(1,263,550)	4,950,890
16,968,474	General Obligation Bonds 2018	2038	2.50-4.00%	13,145,000	-	(1,670,000)	11,475,000
13,071,921	General Obligation Bonds 2019	2039	4.00-5.00%	11,435,000	-	(1,395,000)	10,040,000
11,004,951	General Obligation Bonds 2020	2040	2.125-5.00%	11,004,951	-	(1,204,951)	9,800,000
38,540,000	General Obligation Bonds 2021	2041	2.00-5.00%	-	27,751,560	-	27,751,560
13,430,000	General Obligation Refunding Bonds 2021	2041	4.00-5.00%	-	5,738,310	-	5,738,310
27,695,000	General Obligation Bonds 2022	2042	2.00-5.00%	-	19,799,634	-	19,799,634
Subtotal				72,097,457	53,289,504	(16,450,180)	108,936,781
Add: Unamortized Premiums				7,418,111	5,670,763	(1,128,233)	11,960,641
Total Governmental Funds				<u>\$79,515,568</u>	<u>\$58,960,267</u>	<u>\$ (17,578,413)</u>	<u>\$120,897,422</u>

\*Direct borrowings

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

Debt service requirements (gross) for principal and interest for governmental bonds and notes payable in future fiscal years are as follows:

Fiscal Year	Bonded Debt		Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 9,478,070	\$ 3,342,045	\$ 61,350	\$ -	\$ 9,539,420	\$ 3,342,045
2023	9,920,552	3,497,142	61,981	-	9,982,533	3,497,142
2024	9,406,080	2,685,792	32,626	-	9,438,706	2,685,792
2025	8,371,870	2,303,961	33,284	-	8,405,154	2,303,961
2026	7,493,080	1,993,447	33,955	-	7,527,035	1,993,447
2027	7,004,980	1,732,025	34,639	-	7,039,619	1,732,025
2028	6,498,240	1,502,177	35,338	-	6,533,578	1,502,177
2029	6,022,020	1,283,131	17,778	-	6,039,798	1,283,131
2030	5,674,350	1,085,977	18,136	-	5,692,486	1,085,977
2031	5,247,640	908,872	18,500	-	5,266,140	908,872
2032	4,875,000	769,534	-	-	4,875,000	769,534
2033	4,450,000	656,282	-	-	4,450,000	656,282
2034	4,005,000	547,480	-	-	4,005,000	547,480
2035	3,780,000	439,703	-	-	3,780,000	439,703
2036	3,290,000	349,600	-	-	3,290,000	349,600
2037	2,870,000	273,567	-	-	2,870,000	273,567
2038	2,800,000	208,616	-	-	2,800,000	208,616
2039	2,680,000	146,431	-	-	2,680,000	146,431
2040	2,475,000	90,512	-	-	2,475,000	90,512
2041	2,247,312	42,019	-	-	2,247,312	42,019
2042	-	9,650	-	-	-	9,650
Total	<u>\$ 108,589,194</u>	<u>\$ 23,867,963</u>	<u>\$ 347,587</u>	<u>\$ -</u>	<u>\$ 108,936,781</u>	<u>\$ 23,867,963</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**Bonds and Notes Payable – Utility Enterprise Fund**

Project	Maturity Date	Interest Rate	Outstanding - Beginning of Year	Issued	Redeemed	Outstanding - End of Year
MCWT Bonds of 2007*	2024	0.00%	\$ 76,199	\$ -	\$ (19,049)	\$ 57,150
MCWT Bonds of 2009*	2029	2.00%	1,069,064	-	(109,506)	959,558
GOB Bonds of 2009	2025	2.00% to 5.00%	25,000	-	(25,000)	-
MCWT Bonds of 2010*	2028	2.00%	4,117,983	-	(479,443)	3,638,540
MCWT Bonds of 2010*	2031	2.00%	5,062,727	-	(415,616)	4,647,111
GOB Bonds of 2010	2030	2.00% to 5.00%	2,907,000	-	(2,907,000)	-
MCWT Bonds of 2011*	2029	2.00%	219,374	-	(22,471)	196,903
GOB Bonds of 2011	2031	2.00% to 5.00%	7,250,000	-	(7,250,000)	-
MCWT Bonds of 2012*	2031	2.00%	5,473,237	-	(452,442)	5,020,795
MCWT Bonds of 2012*	2033	2.00%	16,595,513	-	(1,118,585)	15,476,928
MCWT Bonds of 2013*	2031	2.00%	1016,805	-	(82,823)	933,982
GOB Bonds of 2013	2033	2.00% to 5.00%	13,565,000	-	(1,100,000)	12,465,000
GOB Bonds of 2013 Refunding	2025	2.00% to 5.00%	1,138,250	-	(267,050)	871,200
MWRA Bonds of 2013*	2023	0.00%	1711,332	-	(570,444)	1,140,888
MCWT Bonds of 2014*	2033	2.00%	228,402	-	(15,393)	213,009
GOB Bonds of 2014	2039	2.00% to 5.00%	7,695,000	-	(495,000)	7,200,000
MCWT Bonds of 2015*	2035	2.00%	4,751,756	-	(271,348)	4,480,408
GOB Bonds of 2015	2040	2.50% to 5.00%	10,470,000	-	(590,000)	9,880,000
MWRA Bonds of 2015 - 2*	2025	0.00%	735,699	-	(147,140)	588,559
MCWT Bonds of 2016*	2036	2.00%	1,823,783	-	(98,896)	1,724,887
GOB Bonds of 2016	2041	3.00% to 5.00%	18,540,000	-	(1,150,000)	17,390,000
GOB Bonds of 2017	2037	2.00% to 4.00%	12,360,560	-	(1,656,450)	10,704,110
MWRA Bonds of 2017*	2027	0.00%	1,333,857	-	(299,079)	1,034,778
GOB Bonds of 2018	2038	2.50% to 5.00%	15,345,000	-	(1,705,000)	13,640,000
GOB Bonds of 2019	2039	4.00% to 5.00%	15,610,000	-	(1,005,000)	14,605,000
MWRA Bonds of 2019*	2029	0.00%	4,387,108	-	(556,093)	3,831,015
GOB Bonds 2020	2039	0.00%	14,622,849	-	(1,421,329)	13,201,520
MWRA Bonds of 2020*	2029	0.00%	386,500	-	(38,650)	347,850
GOB Bonds 2021	2041	2.00-5.00%	-	10,788,439	-	10,788,439
GOB Bonds of 2021 Refunding	2041	4.00-5.00%	-	7,691,690	-	7,691,690
GOB Bonds 2022	2042	2.00-5.00%	-	5,722,682	-	5,722,682
Subtotal			168,517,998	24,202,811	(24,268,807)	168,452,002
Add: Unamortized Premiums			10,328,615	3,213,065	(1,158,067)	12,383,613
Total Utility Enterprise Fund			\$ 178,846,613	\$ 27,415,876	\$ (25,426,874)	\$ 180,835,615

\*Direct borrowings

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

Debt service requirements for the utility enterprise fund bonds and notes payable in future years are as follows:

Fiscal Year	Bonded Debt		Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 10,553,209	\$ 5,394,678	\$ 4,761,178	\$ -	\$ 15,314,387	\$ 5,394,678
2023	9,970,728	5,038,727	4,674,780	-	14,645,508	5,038,727
2024	9,525,200	4,389,964	4,171,256	-	13,696,456	4,389,964
2025	9,014,410	3,895,745	4,096,982	-	13,111,392	3,895,745
2026	8,058,200	3,452,631	4,019,593	-	12,077,793	3,452,631
2027	7,716,300	3,063,403	4,090,808	-	11,807,108	3,063,403
2028	7,483,040	2,690,848	4,016,378	-	11,499,418	2,690,848
2029	7,179,260	2,329,025	3,519,260	-	10,698,520	2,329,025
2030	7,021,930	1,978,729	2,992,478	-	10,014,408	1,978,729
2031	6,567,360	1,641,641	3,009,194	-	9,576,554	1,641,641
2032	5,960,000	1,350,770	1,897,881	-	7,857,881	1,350,770
2033	5,910,000	1,115,750	1,939,129	-	7,849,129	1,115,750
2034	4,840,000	913,617	482,134	-	5,322,134	913,617
2035	4,765,000	745,253	492,612	-	5,257,612	745,253
2036	4,640,000	579,533	128,698	-	4,768,698	579,533
2037	4,545,000	428,903	-	-	4,545,000	428,903
2038	4,085,004	289,722	-	-	4,085,004	289,722
2039	3,155,000	168,013	-	-	3,155,000	168,013
2040	2,065,000	77,513	-	-	2,065,000	77,513
2041	1,105,000	24,484	-	-	1,105,000	24,484
2042	-	2,800	-	-	-	2,800
Total	\$ 124,159,641	\$ 39,571,749	\$ 44,292,361	\$ -	\$ 168,452,002	\$ 39,571,749

**Refunding Transaction**

The City issued \$13,430,000 of general obligation refunding bonds (with a premium of \$2,537,609) to provide deposits that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$15,855,000 of previously issued general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by approximately \$157,000 and is recognized as interest expense on the government wide financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$2,328,552 and resulted in an economic gain of \$2,223,385.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**Authorized and Unissued Debt**

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2021, the City had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Dennison Renovation & Remediation	\$ 19,463,015
Fuller Middle School	16,437,587
Worcester Road Pump Station	14,709,029
Warren Road & Prindiville Water Main	3,212,670
Public Safety Replacement	2,989,476
Intersection Edgell/Water/Edmands	2,456,025
Exterior Envelope	2,453,209
Flagg Drive Design & Construction	2,094,680
Union Ave Water Mains	2,000,000
Worcester Road Improvements	1,340,000
Synthetic Turf Field	1,310,817
Memorial Building Exterior Repairs	1,200,000
Union Ave Construction	1,113,306
Carlson Road Water	1,100,000
Exterior Envelope	1,005,095
Roadways	1,001,676
Main Library Roof and Floor	1,000,000
Various Other Projects	18,560,886
Total	<u>\$ 93,447,471</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 CAPITAL LEASES**

The City has entered into capital lease agreements as lessee for technology upgrades and improvements and energy conservation and energy related improvements for governmental activities.

Capital assets and the related accumulated depreciation under capital leases is as follows:

	<u>Governmental Activities</u>
Asset:	
Vehicles, Machinery, and Equipment	\$ 1,252,753
Infrastructure	5,965,757
Less: Accumulated Amortization	<u>(2,405,168)</u>
Total	<u>\$ 4,813,342</u>

The following schedule presents future minimum lease payments as of June 30, 2021:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2022	\$ 459,667
2023	474,321
2024	489,415
2025	504,962
2026	520,976
2027	537,469
2028	554,459
2029	571,957
2030	589,980
2031	608,544
2032	153,302
Total Minimum Lease Payments	5,465,052
Less: Amounts Representing Interest	<u>(651,710)</u>
Present Value of Minimum Lease Payments	<u>\$ 4,813,342</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 FUND BALANCE**

The constraints on fund balances in the Governmental Funds Balance Sheet are detailed as follows:

	General	School Capital	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Permanent Fund Principal	\$ -	\$ -	\$ 523,192	\$ 523,192
<b>Restricted:</b>				
Debt Service	32,956	-	-	32,956
City Federal Grants	-	-	2,172,605	2,172,605
City State Grants	-	-	1,381,504	1,381,504
School State Grants	-	-	5,657,709	5,657,709
School Federal Grants	-	-	838,505	838,505
School Special Revenue	-	-	6,503,775	6,503,775
Other Special Revenue	-	-	5,510,636	5,510,636
Other Capital Projects	-	-	4,245,342	4,245,342
Highway Improvement Fund	-	-	11,303	11,303
Cemetery Trust	-	-	1,597,429	1,597,429
Expendable Trust Funds	-	-	1,668,864	1,668,864
Other Permanent Funds	-	-	178,703	178,703
Subtotal - Restricted	32,956	-	29,766,375	29,799,331
<b>Committed:</b>				
Subsequent Year's Expenditures	6,000,000	-	-	6,000,000
Continuing Appropriations	2,907,222	-	-	2,907,222
Subtotal - Committed	8,907,222	-	-	8,907,222
<b>Assigned:</b>				
Encumbrances	1,565,476	-	-	1,565,476
<b>Unassigned</b>				
	37,669,198	(3,582,591)	(5,577,984)	28,508,623
<b>Total</b>	<b>\$ 48,174,852</b>	<b>\$ (3,582,591)</b>	<b>\$ 24,711,583</b>	<b>\$ 69,303,844</b>

**NOTE 12 STABILIZATION FUNDS**

The City maintains general, open space, capital and special education reserve stabilization funds that were established under MGL Chapter 40, Section 5B. Appropriations in and out of the stabilization funds require two-thirds vote of City Meeting. Investment income is retained by the funds.

The balance of the general, open space, capital and special education reserve stabilization funds at June 30, 2021 total \$18,033,909, \$165,695, \$3,486,481 and \$1,184,459, respectively, and are reported as unassigned fund balance in the general fund.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 13 RISK FINANCING**

**Plan Description** - The City 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 City carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

**Health Insurance** - On July 1, 2014, the City joined the Commonwealth of Massachusetts' Group Insurance Commission (GIC) plan which is a premium based health insurance plan. Since then the City's share of the health insurance premium has been paid directly from the governmental and enterprise funds. Prior to joining the GIC plan the City was self-insured and maintained an internal service fund to receive employer and employee premiums and pay for the related expenses. The City has maintained the net position in the internal service fund to first pay for any claims covered under the self-insured plan submitted after June 30, 2014, and to keep in reserve the remaining net position in the event the City elected to leave the GIC plan and reestablish the self-insured plan. The City does not expect to receive any additional significant claims and at the end of the current fiscal year \$3,656,231 of net position is reserved for health insurance.

The City accounts for employee life insurance in the internal service fund in which the employee pays 100% of the premium. There is no net position reserved for life insurance.

**NOTE 14 PENSION PLAN**

**Plan Description** - The City is a member of the Framingham Contributory Retirement System (FCRS), a cost-sharing multiemployer defined benefit pension plan covering eligible employees of the three-member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 PENSION PLAN (CONTINUED)**

**Benefits Provided** - The System provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

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. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There have been no changes in benefit terms as of December 31, 2020.

**Plan Membership** - At December 31, 2020, The System's membership consists of the following:

Active Members	877
Retirees and Beneficiaries Entitled to But Not Yet	
Receiving Benefits	364
Retirees and Beneficiaries Currently Receiving Benefits	1,237
Total	2,478

**Contributions** - Chapter 32 of MGL governs the contributions of plan members and the City. Plan members are required to contribute to the System at rates ranging from 5% to 9% of annual covered compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the FCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2020, was an actuarially determined amount of \$18,545,370. This amount when combined with plan member contributions is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's proportionate share of the required contribution was \$17,428,939, which equaled its actual contribution.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - The components of the net pension liability of the System at December 31, 2020, were as follows:

Total Pension Liability	\$ 481,976,000
Plan Fiduciary Net Position	(391,825,354)
Net Pension Liability	<u>\$ 90,150,646</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.30 %
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At June 30, 2021, the City reported a liability of \$84,723,578 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, that was rolled forward to the December 31, 2020, measurement date. The City's proportion of the net pension liability is the proportionate share of employer contributions to the System as of December 31, 2020, actuarially determined. At December 31, 2020, the City's proportion was 93.98%, compared to a proportion of 93.94% as of December 31, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$11,242,828. At June 30, 2021, the City 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 Difference between Projected and Actual Earnings on Pension Plan Investments	\$ -	\$ 18,468,010
Changes in Assumptions	8,075,702	-
Differences Between Expected and Actual Experience	2,456,637	984,911
Total	<u>\$ 10,532,339</u>	<u>\$ 19,452,921</u>

The net amount reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (1,788,439)
2023	349,606
2024	(5,735,599)
2025	(1,746,150)
Total	<u>\$ (8,920,582)</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 PENSION PLAN (CONTINUED)**

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, that was rolled forward to the December 31, 2020, measurement date:

Valuation Date:	January 1, 2020
Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method UAAL:	Total payments increase 6.95% per year until FY29, with a final amortization payment in FY30.
Remaining Amortization Period:	9 Years from July 1, 2021
Asset Valuation Method:	Market Value for GASB 67/68. For funding purposes, gains and losses each year are recognized over five years beginning with this valuation.
Investment Rate of Return:	7.25%
Discount Rate:	7.25%
Salary Increases:	Select and Ultimate by Job Group; Ultimate Rates 4.25% for Group 1 and 4.75% for Group 4.
Cost of Living Adjustment:	3% of the First \$12,000 in Benefits
Mortality Rates:	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2018 (gender distinct). Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2018 (gender distinct). For disabled retirees, the rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward one year projected generationally with Scale MP-2018 (gender distinct).

Investment Policies and Rates of Return

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 PENSION PLAN (CONTINUED)**

Investment Policies and Rates of Return (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00 %	4.38 %
Fixed Income	23.00	1.40
Private Equity	13.00	8.00
Portfolio Completion Strategies	11.00	3.00
Real Estate	10.00	3.80
Timber/Natural Resources	4.00	4.40
Total	100.00 %	

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan'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.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 PENSION PLAN (CONTINUED)**

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

The following presents the net pension liability of the System calculated using the discount rate of 7.25%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
System's Net Pension Liability	<u>\$ 143,435,000</u>	<u>\$ 90,150,646</u>	<u>\$ 44,941,000</u>

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 134,800,213</u>	<u>\$ 84,723,578</u>	<u>\$ 42,235,552</u>

**NOTE 15 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM**

**Plan Description** - Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multiemployer defined benefit pension plan administered by the Massachusetts Teachers' Retirement Board. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth's audited financial statements that can be found at:

<https://mtrs.state.ma.us/service/financial-reports/>

**Benefits Provided** - MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. MGL establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)**

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

**Contributions** - The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5% to 11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2.0% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, Accounting and Financial Reporting for Pensions and the Commonwealth is a nonemployer contributing entity in MTRS.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - Since the City does not contribute directly to MTRS, the City does not report a proportionate share of the net pension liability of the MTRS at June 30, 2021. The Commonwealth's net pension liability associated with the City was \$310,494,304.

The MTRS' net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$38,350,495 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)**

Actuarial Assumptions

The MTRS' total pension liability for the June 30, 2020, measurement date was determined by an actuarial valuation as of January 1, 2019, rolled forward to June 30, 2020. This valuation used the following assumptions:

Investment Rate of Return:	7.15%
Salary Increases:	Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
Mortality Rates:	Pre-retirement reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct). Post-retirement reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally Scale MP-2018 (gender distinct). Disability is assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2018 (gender distinct)
Other:	3.5% interest rate credited to the annuity savings fund; 3.0% cost of living increase on the first \$13,000 per year.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00 %	4.80 %
Core Fixed Income	15.00	0.70
Private Equity	13.00	8.20
Portfolio Completion Strategies	11.00	3.20
Real Estate	10.00	3.50
Value Added Fixed Income	8.00	4.20
Timber/Natural Resources	4.00	4.10
Totals	<u>100.00 %</u>	

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)**

Discount Rate

The discount rate used to measure the MTRS' total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Detailed information about the MTRS' fiduciary net position is available in the Commonwealth's audited financial statements.

**NOTE 16 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

Plan Description

The City of Framingham administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City's health insurance plan, which covers both active and retired members, including teachers. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the City and the unions representing City employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended through collective bargaining. The required contribution is based on projected pay-as-you-go financing requirements. The City contributes between 77.5% and 84% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish a postemployment benefit trust fund and to enable the City to raise taxes necessary to begin pre-funding its OPEB liabilities. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2021, the balance of this fund totaled \$8,809,017.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 16 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by benefit terms:

Active Members	1,740
Inactive Members Currently Receiving Benefits	1,328
Total	3,068

Components of the Net OPEB Liability

The following table represents the components of the Plan's Net OPEB liability as of the measurement date of June 30, 2021:

Total OPEB Liability	\$ 456,374,377
Plan Fiduciary Net Position	(8,809,017)
Net OPEB Liability	\$ 447,565,360

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	1.9 %
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Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2021, to be in accordance with GASB Statement No. 75:

Valuation Date:	July 1, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Discount Rate/Investment Rate of Return:	2.18%
Healthcare Trend Rate:	8% Decreasing to an Ultimate Rate of 5%
Inflation Rate:	3% per Annum
Salary Increases:	3% per Annum
Mortality Rates:	RP-20006 Mortality Table with MP-2020 Projection

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 16 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Investment Policy

The City's policy in regard to the allocation of invested assets is established and may be amended by City Council by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The City's OPEB investments were invested using the City's investment policy. The City maintains their OPEB trust funds in a portfolio that is invested to achieve a specific real rate of return. For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 26.2%. The money-weighted rate of return expresses investment performance, net of investment expense. The projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	6.50 %
Fixed Income	1.50 %
Private Equity	6.00 %
Real Estate	5.50 %
Cash	0.00 %

Discount Rate

The discount rate used to measure the total OPEB liability was 2.18% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore the 2.18% municipal bond rate, based on the S&P Municipal Bond 20-Year High Grade Bond index rate as of June 30, 2021, was applied to all periods to determine the total OPEB liability.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 16 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Changes in the Net OPEB Liability**

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - Beginning of Year	\$ 414,779,623	\$ 6,977,829	\$ 407,801,794
Changes for the Year:			
Service Cost	18,002,690	-	18,002,690
Interest	10,641,829	-	10,641,829
Differences between Expected and Actual Experience	(3,835,078)	-	(3,835,078)
Changes of Assumptions	32,251,396	-	32,251,396
Benefit Payments	(15,466,083)	(15,466,083)	-
Employer Contributions	-	15,466,083	(15,466,083)
Net Investment Income	-	1,831,188	(1,831,188)
Net Changes	<u>41,594,754</u>	<u>1,831,188</u>	<u>39,763,566</u>
Balance - End of Year	<u>\$ 456,374,377</u>	<u>\$ 8,809,017</u>	<u>\$ 447,565,360</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (1.18)	Current Discount Rate (2.18%)	1% Increase (3.18)
Net OPEB Liability	<u>\$ 514,750,866</u>	<u>\$ 447,565,360</u>	<u>\$ 380,379,854</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 365,878,352</u>	<u>\$ 447,565,360</u>	<u>\$ 547,043,727</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 16 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the City recognized OPEB expense of \$33,171,792. At June 30, 2021, the City reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 22,655,546	\$ 53,243,717
Changes of Assumptions	98,674,785	-
Net Difference Between Projected and Actual Earnings on OPEB Trust Investments	-	1,577,488
Total	<u>\$ 121,330,331</u>	<u>\$ 54,821,205</u>

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 4,527,273
2023	4,557,606
2024	4,674,619
2025	4,673,510
2026	5,002,624
Thereafter	43,073,494
Total	<u>\$ 66,509,126</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 17 COMBINING FIDUCIARY FUND FINANCIAL STATEMENTS**

The City's Pension Trust Fund and OPEB Trust Fund statements of fiduciary net position are as follows:

	Pension Trust Fund (as of December 31, 2020)	OPEB Trust Fund (as of June 30, 2021)	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,721,947	\$ 165,133	\$ 7,887,080
Investments:			
Equity Mutual Funds		2,639,618	2,639,618
Fixed Income Mutual Funds	-	782,273	782,273
Equity Securities	-	4,151,448	4,151,448
Fixed Income Securities	-	1,070,545	1,070,545
External Investment Pool (PRIT)	367,255,826	-	367,255,826
Receivables, Net of Allowance for Uncollectible Amounts:			-
Employer	17,428,939	-	17,428,939
Other Assets	14,904	-	14,904
Total Assets	<u>392,421,616</u>	<u>8,809,017</u>	<u>401,230,633</u>
<b>LIABILITIES</b>			
Warrants Payable	<u>596,262</u>	<u>-</u>	<u>596,262</u>
<b>NET POSITION</b>			
Restricted for Pensions and OPEB	<u>\$ 391,825,354</u>	<u>\$ 8,809,017</u>	<u>\$ 400,634,371</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 17 COMBINING FIDUCIARY FUND FINANCIAL STATEMENTS (CONTINUED)**

The City's Pension Trust Fund and OPEB Trust Fund statements of changes in fiduciary net position are as follows:

	Pension Trust Fund (Year Ended December 31, 2020)	OPEB Trust Fund (Year Ended June 30, 2021)	Total
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 18,545,370	\$ 15,466,083	\$ 34,011,453
Plan Members	7,650,006	-	7,650,006
Transfers from Other Systems	1,838,509	-	1,838,509
Total Contributions	<u>28,033,885</u>	<u>15,466,083</u>	<u>43,499,968</u>
Net Investment Income:			
Net Appreciation in Fair Value of Investments	33,462,280	-	33,462,280
Interest and Dividends	7,696,915	1,831,188	9,528,103
Total Investment Income	<u>41,159,195</u>	<u>1,831,188</u>	<u>42,990,383</u>
Less: Investment Expense	<u>(1,637,562)</u>	-	<u>(1,637,562)</u>
Net Investment Income	39,521,633	1,831,188	41,352,821
Intergovernmental	<u>194,734</u>	-	<u>194,734</u>
Total Additions	67,750,252	17,297,271	85,047,523
<b>DEDUCTIONS</b>			
Administration	360,402	-	360,402
Retirement Benefits and Refunds	27,824,608	-	27,824,608
Other Postemployment Benefits	-	15,466,083	15,466,083
Transfers to Other Systems	2,873,427	-	2,873,427
Total Deductions	<u>31,058,437</u>	<u>15,466,083</u>	<u>46,524,520</u>
<b>CHANGE IN NET POSITION</b>	36,691,815	1,831,188	38,523,003
Net Position - Beginning of Year	<u>355,133,539</u>	<u>6,977,829</u>	<u>362,111,368</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 391,825,354</u>	<u>\$ 8,809,017</u>	<u>\$ 400,634,371</u>

**NOTE 18 COMMITMENTS**

The City is entering into, or is planning to enter into, various capital projects totaling approximately \$93,000,000.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 19 CONTINGENCIES**

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2021, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-GAAP BUDGETARY BASIS – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2021**

	Prior Year Encumbrances and Continuing Appropriations	Current Year Initial Budget	Original Budget	Final Budget
<b>REVENUES</b>				
Real Estate and Personal Property Taxes	\$ -	\$ 193,847,696	\$ 193,847,696	\$ 193,847,696
Motor Vehicle and Other Excise Taxes	-	9,255,000	9,255,000	9,255,000
Hotel/Motel Tax	-	440,000	440,000	440,000
Tax Liens	-	-	-	-
Payments in Lieu of Taxes	-	657,949	657,949	657,949
Meals Tax	-	1,208,167	1,208,167	1,208,167
Fees and Rentals	-	2,092,323	2,092,323	2,092,323
Intergovernmental	-	72,775,636	72,775,636	72,775,636
Penalties and Interest on Taxes	-	1,091,344	1,091,344	1,091,344
Licenses and Permits	-	4,100,000	4,100,000	4,100,000
Fines and Forfeitures	-	400,050	400,050	400,050
Departmental and Other	-	1,255,000	1,255,000	1,255,000
Investment Income	-	560,000	560,000	560,000
Miscellaneous	-	301,600	301,600	301,600
Total Revenues	-	287,984,765	287,984,765	287,984,765
<b>EXPENDITURES</b>				
Current:				
General Government	16,183	4,701,573	4,863,446	4,951,005
City Council	31,933	213,039	244,972	293,409
Finance Division	22,597	2,183,966	2,206,563	2,337,546
Technology Services Division	-	2,234,487	2,234,487	2,234,487
Human Resources Division	38,710	534,613	573,323	597,033
Planning and Economic Development	22,088	804,122	826,210	763,298
Police Division	25,496	16,491,709	16,517,205	16,266,666
Fire Division	24,226	14,672,360	14,696,586	14,711,793
Public Works Division	60,281	11,811,651	11,871,932	11,592,776
Snow and Ice Appropriation	-	1,654,688	1,654,688	2,359,970
Parks/Recreation/Cultural Affairs	13,783	5,504,564	5,518,347	5,237,619
Inspectional Services Division	-	12,145,549	12,145,549	1,196,549
Framingham Public Schools	-	14,104,434	14,104,434	14,344,434
Keefe Technical Assessment	-	9,468,116	9,468,116	9,468,116
Framingham Public Library	19,064	2,977,169	2,996,233	3,015,297
City Clerk/Elections	-	209,047	209,047	209,047
City Clerk/Stipend	306	319,307	319,613	319,919
Reserve Fund	-	400,000	400,000	-
Miscellaneous Unclassified	873,411	36,476,575	37,349,986	38,961,497
Retirement Appropriation	-	17,421,521	17,421,521	17,428,939
Debt Service	-	12,917,057	12,917,057	13,343,250
Nonappropriated Items	-	10,772,671	10,772,671	10,895,428
Articles	2,333,817	1,036,999	3,370,816	3,355,816
Total Expenditures	3,627,585	295,064,217	298,691,802	301,883,894
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,627,585)	(7,079,452)	(10,707,037)	(13,899,129)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	2,479,832	2,479,832	2,479,832
Transfers Out	-	(4,590,861)	(4,590,861)	(4,590,861)
Total Other Financing Sources (Uses)	-	(2,111,029)	(2,111,029)	(2,111,029)
<b>NET CHANGE IN FUND BALANCE</b>	(3,627,585)	(9,190,481)	(12,818,066)	(16,010,158)
Fund Balance - Beginning of Year	32,455,288	32,455,288	32,455,288	32,455,288
<b>FUND BALANCE - END OF YEAR</b>	\$ 28,827,703	\$ 23,264,807	\$ 19,637,222	\$ 16,445,130

See accompanying Note to Required Supplementary Information.



**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-GAAP BUDGETARY BASIS – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive (Negative)
<b>REVENUES</b>	\$ 194,388,228	\$ -	\$ 194,388,228	\$ 540,532
Real Estate and Personal Property Taxes	8,955,920	-	8,955,920	(299,080)
Motor Vehicle and Other Excise Taxes	316,382	-	316,382	(123,618)
Hotel/Motel Tax	1,932,557	-	1,932,557	1,932,557
Tax Liens	562,229	-	562,229	(95,720)
Payments in Lieu of Taxes	1,044,805	-	1,044,805	(163,362)
Meals Tax	1,680,836	-	1,680,836	(411,487)
Fees and Rentals	70,097,209	-	70,097,209	(2,678,427)
Intergovernmental	1,122,023	-	1,122,023	30,679
Penalties and Interest on Taxes	3,823,208	-	3,823,208	(276,792)
Licenses and Permits	358,443	-	358,443	(41,607)
Fines and Forfeitures	888,850	-	888,850	(366,150)
Departmental and Other	496,141	-	496,141	(63,859)
Investment Income	1,636,365	-	1,636,365	1,334,765
Miscellaneous	287,303,196	-	287,303,196	(681,569)
<b>Total Revenues</b>				
<b>EXPENDITURES</b>				
Current:	4,443,665	120,534	4,564,199	386,806
General Government	248,160	32,137	280,297	13,112
City Council	2,211,725	22,759	2,234,484	103,062
Finance Division	2,211,380	-	2,211,380	23,107
Technology Services Division	532,949	50,091	583,040	13,993
Human Resources Division	672,281	22,411	694,692	68,606
Planning and Economic Development	14,590,031	32,422	14,622,453	644,213
Police Division	14,510,351	24,226	14,534,577	177,216
Fire Division	11,283,293	97,369	11,380,662	212,114
Public Works Division	2,359,970	-	2,359,970	-
Snow and Ice Appropriation	4,895,181	159,115	5,054,296	183,323
Parks/Recreation/Cultural Affairs	1,187,498	-	1,187,498	9,051
Inspectional Services Division	142,900,091	1,775	142,901,866	442,568
Framingham Public Schools	9,468,116	-	9,468,116	-
Keefe Technical Assessment	2,792,678	24,220	2,816,898	198,399
Framingham Public Library	194,303	3	194,306	14,741
City Clerk/Elections	294,830	949	295,779	24,140
City Clerk/Stipend	-	-	-	-
Reserve Fund	37,929,583	992,464	38,922,047	39,450
Miscellaneous Unclassified	17,428,935	-	17,428,935	4
Retirement Appropriation	13,241,706	-	13,241,706	101,544
Debt Service	8,549,307	-	8,549,307	2,346,121
Nonappropriated Items	106,595	2,892,222	2,998,817	356,999
Articles	292,052,628	4,472,697	296,525,325	5,358,569
<b>Total Expenditures</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,749,432)	(4,472,697)	(9,222,129)	4,677,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,479,832	-	2,479,832	-
Transfers Out	(4,590,861)	-	(4,590,861)	-
<b>Total Other Financing Sources (Uses)</b>	(2,111,029)	-	(2,111,029)	-
<b>NET CHANGE IN FUND BALANCE</b>	(6,860,461)	(4,472,697)	(11,333,158)	4,677,000
Fund Balance - Beginning of Year	32,455,288	-	32,455,288	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 25,594,827	\$ (4,472,697)	\$ 21,122,130	\$ 4,677,000

See accompanying Note to Required Supplementary Information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**OTHER POST-EMPLOYMENT BENEFITS SCHEDULE**

**SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND  
RELATED RATIOS (PLAN) (1)**

	2021	2020	2019	2018	2017
Total OPEB Liability:					
Service Cost	\$ 18,002,690	\$ 17,053,088	\$ 16,611,848	\$ 12,759,696	\$ 11,789,210
Interest	10,641,829	10,812,538	12,845,070	9,480,391	12,026,552
Differences Between Expected and Actual Experience	(3,835,078)	(2,634,351)	(7,1678,729)	77,235,384	-
Changes of Assumptions	32,251,396	8,828,091	12,189,449	31,502,378	-
Benefit Payments	(15,466,083)	(13,651,855)	(13,276,318)	(12,590,312)	(10,372,642)
Net Change in Total OPEB Liability	41,594,754	20,407,511	(43,308,680)	18,387,537	13,443,120
Total OPEB Liability - Beginning of Year	414,779,623	394,372,112	437,680,792	319,293,255	305,850,135
Total OPEB Liability - End of Year (a)	<u>\$ 456,374,377</u>	<u>\$ 414,779,623</u>	<u>\$ 394,372,112</u>	<u>\$ 437,680,792</u>	<u>\$ 319,293,255</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 15,466,083	\$ 13,651,855	\$ 13,276,318	\$ 12,590,312	\$ 10,372,642
Contributions - Member	-	-	250,000	500,600	751,710
Net Investment Income	1831,188	183,989	402,053	317,806	341,405
Benefit Payments	(15,466,083)	(13,651,855)	(13,276,318)	(12,590,312)	(10,372,642)
Net Change in Plan Fiduciary Net Position	1831,188	183,989	652,053	818,406	1,093,115
Plan Fiduciary Net Position - Beginning of Year	6,977,829	6,793,840	6,141,787	5,323,381	4,230,266
Plan Fiduciary Net Position - End of Year (b)	<u>8,809,017</u>	<u>6,977,829</u>	<u>6,793,840</u>	<u>6,141,787</u>	<u>5,323,381</u>
Net OPEB Liability - End of Year (a) - (b)	<u>\$ 447,565,360</u>	<u>\$ 407,801,794</u>	<u>\$ 387,578,272</u>	<u>\$ 431,539,005</u>	<u>\$ 313,969,874</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	193 %	168 %	172 %	140 %	167 %
Covered Payroll	<u>\$ 155,995,058</u>	<u>\$ 152,441,729</u>	<u>\$ 146,418,000</u>	<u>\$ 113,300,000</u>	<u>\$ 110,000,000</u>
Net OPEB Liability as a Percentage of Covered Payroll	286.91 %	267.51 %	264.71 %	380.88 %	285.43 %

(1) Data is being accumulated annually to present 10 years of the reported information.

See accompanying Note to Required Supplementary Information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**OTHER POST-EMPLOYMENT BENEFITS SCHEDULE**

**SCHEDULE OF CITY CONTRIBUTIONS - OTHER POST EMPLOYMENT BENEFITS PLAN (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Required Contribution	\$ 45,013,382	\$ 43,049,169	\$ 45,564,423	\$ 22,240,087	\$ 23,815,762
Contributions in Relation to the Actuarially Required Contribution	<u>(15,466,083)</u>	<u>(13,651,855)</u>	<u>(13,526,318)</u>	<u>(13,090,912)</u>	<u>(11,124,352)</u>
Contribution Deficiency	<u>\$ 29,547,299</u>	<u>\$ 29,397,314</u>	<u>\$ 32,038,105</u>	<u>\$ 9,149,175</u>	<u>\$ 12,691,410</u>
City's Covered Payroll	<u>\$ 155,995,058</u>	<u>\$ 152,441,729</u>	<u>\$ 146,418,000</u>	<u>\$ 113,300,000</u>	<u>\$ 110,000,000</u>
Contributions as a Percentage of Covered Payroll	28.86 %	28.24 %	9.24 %	11.55 %	10.11 %

**SCHEDULE OF INVESTMENT RETURNS- OTHER POST EMPLOYMENT BENEFITS PLAN (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	26.29 %	2.71 %	6.30 %	5.70 %	3.00 %

(1) Data is being accumulated annually to present 10 years of the reported information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
(SYSTEM) (1)**

	December 31, 2020	December 31, 2019	December 31, 2018
Total Pension Liability:			
Service Cost	\$ 11,096,000	\$ 10,607,000	\$ 10,150,000
Interest	33,532,000	32,065,000	30,897,000
Changes in Benefit Terms	-	-	-
Change in Assumptions	-	6,700,000	-
Difference Between Expected and Actual Experience	-	3,385,000	-
Benefit Payments, including Refunds of Member Contributions	<u>(28,137,000)</u>	<u>(25,859,000)</u>	<u>(25,349,000)</u>
Net Change in Total Pension Liability	<u>16,491,000</u>	<u>26,898,000</u>	<u>15,698,000</u>
Total Pension Liability - Beginning of Year	<u>465,485,000</u>	<u>438,587,000</u>	<u>422,889,000</u>
Total Pension Liability - End of Year (a)	<u>\$ 481,976,000</u>	<u>\$ 465,485,000</u>	<u>\$ 438,587,000</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 18,589,000	\$ 17,625,000	\$ 16,420,000
Contributions - Member	7,078,815	7,171,539	6,940,000
Net Investment Income	39,521,000	48,399,000	(7,079,000)
Benefit Payments, Including Refunds of Member Contributions and Net of Transfers to or from Other Systems	<u>(28,137,000)</u>	<u>(25,779,000)</u>	<u>(25,771,000)</u>
Administrative Expense	<u>(360,000)</u>	<u>(355,000)</u>	<u>(382,000)</u>
Net Change in Plan Fiduciary Net Position	<u>36,691,815</u>	<u>47,061,539</u>	<u>(9,872,000)</u>
Plan Fiduciary Net Position - Beginning of Year	<u>355,133,539</u>	<u>308,072,000</u>	<u>317,944,000</u>
Plan Fiduciary Net Position - End of Year (b)	<u>391,825,354</u>	<u>355,133,539</u>	<u>308,072,000</u>
Net Pension Liability - End of Year (a) - (b)	<u>\$ 90,150,646</u>	<u>\$ 110,351,461</u>	<u>\$ 130,515,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.30 %	76.29 %	70.24 %
Covered Payroll	<u>\$ 71,607,000</u>	<u>\$ 71,607,000</u>	<u>\$ 66,275,000</u>
Net Pension Liability as a Percentage of Covered Payroll	125.9 %	154.1 %	196.9 %

(1) Data is being accumulated annually to present 10 years of the reported information.

See accompanying Note to Required Supplementary Information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
(SYSTEM) (1) (CONTINUED)**

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Total Pension Liability:				
Service Cost	\$ 9,884,000	\$ 9,458,000	\$ 8,051,000	\$ 7,704,000
Interest	29,959,000	27,295,000	27,088,000	26,082,000
Changes in Benefit Terms	-	-	-	-
Change in Assumptions	9,520,000	17,370,000	-	-
Difference Between Expected and Actual Experience	(4,041,000)	4,294,000	-	-
Benefit Payments, including Refunds of Member Contributions	(24,002,000)	(22,645,000)	(21,633,000)	(20,678,000)
Net Change in Total Pension Liability	<u>21,320,000</u>	<u>35,772,000</u>	<u>13,506,000</u>	<u>13,108,000</u>
Total Pension Liability - Beginning of Year	<u>401,569,000</u>	<u>365,797,000</u>	<u>352,291,000</u>	<u>339,183,000</u>
Total Pension Liability - End of Year (a)	<u>\$ 422,889,000</u>	<u>\$ 401,569,000</u>	<u>\$ 365,797,000</u>	<u>\$ 352,291,000</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 15,525,000	\$ 13,756,000	\$ 13,103,000	\$ 12,470,000
Contributions - Member	6,618,000	6,492,000	6,086,000	5,653,000
Net Investment Income	46,481,000	18,969,000	1,423,000	18,194,000
Benefit Payments, including Refunds of Member Contributions and Net of Transfers to or from Other Systems	(24,365,000)	(22,635,000)	(21,618,000)	(20,655,000)
Administrative Expense	(364,000)	(327,000)	(327,000)	(351,000)
Net Change in Plan Fiduciary Net Position	<u>43,895,000</u>	<u>16,255,000</u>	<u>(1,333,000)</u>	<u>16,311,000</u>
Plan Fiduciary Net Position - Beginning of Year	<u>274,049,000</u>	<u>257,794,000</u>	<u>259,127,000</u>	<u>243,816,000</u>
Plan Fiduciary Net Position - End of Year (b)	<u>317,944,000</u>	<u>274,049,000</u>	<u>257,794,000</u>	<u>259,127,000</u>
Net Pension Liability - End of Year (a) - (b)	<u>\$ 104,945,000</u>	<u>\$ 127,520,000</u>	<u>\$ 108,003,000</u>	<u>\$ 93,164,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.18 %	68.24 %	70.47 %	73.55 %
Covered Payroll	<u>\$ 66,275,000</u>	<u>\$ 64,070,000</u>	<u>\$ 55,766,000</u>	<u>\$ 55,766,000</u>
Net Pension Liability as a Percentage of Covered Payroll	158.3 %	199.0 %	193.7 %	167.1 %

(1) Data is being accumulated annually to present 10 years of the reported information.

See accompanying Note to Required Supplementary Information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM) (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 18,545,370	\$ 17,578,549	\$ 16,371,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(18,545,370)</u>	<u>(17,578,549)</u>	<u>(16,420,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,000)</u>
Covered Payroll	<u>\$ 71,607,000</u>	<u>\$ 71,607,000</u>	<u>\$ 66,275,000</u>
Contributions as a Percentage of Covered Payroll	25.90 %	24.55 %	24.70 %

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 15,525,000	\$ 13,686,000	\$ 13,035,000	\$ 12,444,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(15,525,000)</u>	<u>(13,686,000)</u>	<u>(13,035,000)</u>	<u>(12,444,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 66,275,000</u>	<u>\$ 64,070,000</u>	<u>\$ 55,766,000</u>	<u>\$ 55,766,000</u>
Contributions as a Percentage of Covered Payroll	23.43 %	21.36 %	23.37 %	22.26 %

**SCHEDULE OF INVESTMENT RETURNS (SYSTEM) (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.20 %	15.78 %	(2.26)%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	17.66 %	7.45 %	0.06 %
			<u>2014</u>
			7.69 %

(1) Data is being accumulated annually to present 10 years of the reported information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (1) (2)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	93.98 %	93.94 %	94.15 %
City's Proportionate Share of the Net Pension Liability	\$ 84,723,578	\$ 103,664,163	\$ 122,880,000
City's Covered Payroll	\$ 67,296,259	\$ 67,267,544	\$ 62,397,913
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	125.90 %	154.11 %	196.93 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.30 %	76.29 %	70.24 %
	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	94.30 %	94.56 %	95.19 %
City's Proportionate Share of the Net Pension Liability	\$ 98,963,000	\$ 120,583,000	\$ 102,808,000
City's Covered Payroll	\$ 62,497,325	\$ 60,584,138	\$ 55,714,767
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.35 %	199.03 %	184.53 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.18 %	68.24 %	70.47 %

**SCHEDULE OF CITY'S CONTRIBUTIONS (1) (2)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Required Contribution	\$ 17,428,939	\$ 16,513,289	\$ 15,412,744
Contributions in Relation to the Actuarially Required Contribution	(17,428,939)	(16,513,289)	(15,458,744)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,000)</u>
City's Covered Payroll	<u>\$ 67,296,259</u>	<u>\$ 67,267,544</u>	<u>\$ 62,397,913</u>
Contributions as a Percentage of Covered Payroll	25.90 %	24.55 %	24.77 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Required Contribution	\$ 14,584,129	\$ 12,941,893	\$ 12,407,731
Contributions in Relation to the Actuarially Required Contribution	(14,584,129)	(12,941,893)	(12,407,731)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 64,372,245</u>	<u>\$ 62,402,662</u>	<u>\$ 57,386,210</u>
Contributions as a Percentage of Covered Payroll	22.66 %	20.74 %	21.62 %

(1) Data is being accumulated annually to present 10 years of the reported information.

(2) The amounts presented were determined as of December 31 of the applicable fiscal year.

See accompanying Note to Required Supplementary Information.

**CITY OF FRAMINGHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (MTRS)  
(1)(2)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Town's Share of Net Pension Liability	\$ -	\$ -	\$ -
Commonwealth's Share of the Town's Net Pension Liability	<u>310,494,304</u>	<u>273,039,022</u>	<u>255,481,136</u>
Total	<u>\$ 310,494,304</u>	<u>\$ 273,039,022</u>	<u>\$ 255,481,136</u>
Town's Expense and Revenue Recognized for the Commonwealth's Support	<u>\$ 38,350,495</u>	<u>\$ 33,110,720</u>	<u>\$ 25,889,314</u>
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	50.67 %	53.95 %	54.84 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town's Share of Net Pension Liability	\$ -	\$ -	\$ -
Commonwealth's Share of the Town's Net Pension Liability	<u>245,297,947</u>	<u>237,979,362</u>	<u>214,722,934</u>
Total	<u>\$ 245,297,947</u>	<u>\$ 237,979,362</u>	<u>\$ 214,722,934</u>
Town's Expense and Revenue Recognized for the Commonwealth's Support	<u>\$ 25,602,461</u>	<u>\$ 24,275,455</u>	<u>\$ 17,415,941</u>
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	54.25 %	52.73 %	55.38 %
			61.64 %

(1) Data is being accumulated annually to present 10 years of the reported information.

(2) The amounts presented were determined as of June 30 of the previous year.

*See accompanying Note to Required Supplementary Information.*



**CITY OF FRAMINGHAM, MASSACHUSETTS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

**BUDGETARY – GAAP RECONCILIATION**

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2021, is presented below:

	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance
Budgetary Basis as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	\$ 287,303,196	\$ 296,525,325	\$ (2,111,029)	\$ 21,122,130
Adjustments and Reclassifications:				
To Record MTRS On-Behalf Payments	38,350,495	38,350,495	-	-
Stabilization Fund Activities	2,043,256	-	(6,000,000)	22,870,543
To Record Accruals	-	290,518	-	(290,518)
To Record Encumbrances and Continuing Appropriations	-	(4,472,697)	-	4,472,697
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 327,696,947</u>	<u>\$ 330,693,641</u>	<u>\$ (8,111,029)</u>	<u>\$ 48,174,852</u>