

CITY OF FRAMINGHAM, MASSACHUSETTS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Framingham, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Framingham, Massachusetts (the City), as of and for the year ended June 30, 2022, (except for the Framingham Contributory Retirement System, which is as of and for the year ended December 31, 2021), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, (except for the Framingham Contributory Retirement System, which is as of and for the year ended December 31, 2021), 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Honorable Mayor and City Council
City of Framingham, Massachusetts

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, and certain pension and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 May 30, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
May 30, 2023

**CITY OF FRAMINGHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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, 2022.

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 \$118,294,772 (net position).
- The City's total net position increased \$17,572,606.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$38,230,631, or 11.8%, of total general fund expenditures and transfers out.
- The City's total outstanding debt increased by \$2,677,555, or 0.9%, 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, 2022**

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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.

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."

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 \$118,294,772 at the close of the fiscal year and is summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current Assets	\$ 121,848,151	\$ 127,910,340	\$ 19,976,422	\$ 19,609,161	\$ 141,824,573	\$ 147,519,501
Noncurrent Assets (Excluding Capital Assets)	1,838,877	-	761,899	934,509	2,600,776	934,509
Capital Assets (Net)	300,737,131	291,373,923	263,050,345	263,364,124	563,787,476	554,738,047
Total Assets	424,424,159	419,284,263	283,788,666	283,907,794	708,212,825	703,192,057
DEFERRED OUTFLOWS OF RESOURCES	116,387,540	128,071,833	3,372,559	3,790,837	119,760,099	131,862,670
LIABILITIES						
Current Liabilities (Excluding Debt)	48,035,776	50,876,942	2,098,934	3,175,345	50,134,710	54,052,287
Noncurrent Liabilities (Excluding Debt)	364,138,749	521,324,731	10,582,708	15,523,323	374,721,457	536,848,054
Current Debt	13,567,451	13,150,353	16,702,083	18,776,303	30,269,534	31,926,656
Noncurrent Debt	122,582,683	109,821,813	153,310,450	163,999,169	275,893,133	273,820,982
Total Liabilities	548,324,659	695,173,839	182,694,175	201,474,140	731,018,834	896,647,979
DEFERRED INFLOWS OF RESOURCES	209,167,532	72,069,237	6,081,330	2,204,889	215,248,862	74,274,126
NET POSITION						
Net Investment in Capital Assets	165,937,162	163,151,838	95,013,152	85,602,853	260,950,314	248,754,691
Restricted	28,586,801	30,504,467	-	-	28,586,801	30,504,467
Unrestricted	(411,204,455)	(413,543,285)	3,372,568	(1,583,251)	(407,831,887)	(415,126,536)
Total Net Position	\$ (216,680,492)	\$ (219,886,980)	\$ 98,385,720	\$ 84,019,602	\$ (118,294,772)	\$ (135,867,378)

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 \$407,831,887.

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, 2022**

Government-Wide Financial Analysis (Continued)

Changes in Net Position

For the fiscal year ended June 30, 2022, the City's total net position increased \$17,572,606, compared to an increase of \$10,410,349 in the prior fiscal year. These amounts are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 14,296,187	\$ 14,509,864	\$ 51,209,838	\$ 48,155,216	\$ 65,506,025	\$ 62,665,080
Operating Grants and Contributions	128,270,440	127,636,300	7,479	18,353	128,277,919	127,654,653
Capital Grants and Contributions	10,699,527	17,680,845	93,665	93,795	10,793,192	17,774,640
General Revenues:						
Real Estate and Personal Property Taxes	198,164,281	194,146,192	-	-	198,164,281	194,146,192
Tax Liens	1,118,785	1,863,886	-	-	1,118,785	1,863,886
Motor Vehicle and Other Excise Taxes	8,910,044	9,237,528	-	-	8,910,044	9,237,528
Meals Tax	1,463,767	1,044,805	-	-	1,463,767	1,044,805
Hotel/Motel Tax	760,271	316,382	-	-	760,271	316,382
Penalties and Interest on Taxes	1,063,897	1,122,023	-	-	1,063,897	1,122,023
Payments in Lieu of Taxes	676,373	562,229	-	-	676,373	562,229
Community Preservation Surcharges	1,567,146	-	-	-	1,567,146	-
Grants and Contributions not Restricted to Specific Programs	13,089,438	11,964,842	-	-	13,089,438	11,964,842
Unrestricted Investment Income	(61,386)	2,941,538	-	-	(61,386)	2,941,538
Total Revenues	380,018,770	383,026,434	51,310,982	48,267,364	431,329,752	431,293,798
EXPENSES						
General Government	16,761,696	20,194,233	-	-	16,761,696	20,194,233
Public Safety	53,748,191	53,550,072	-	-	53,748,191	53,550,072
Education	255,870,710	256,014,708	-	-	255,870,710	256,014,708
Public Works	28,743,292	28,534,040	-	-	28,743,292	28,534,040
Health and Human Services	4,519,145	5,414,820	-	-	4,519,145	5,414,820
Culture and Recreation	10,573,163	10,116,836	-	-	10,573,163	10,116,836
Debt Service - Interest	1,729,888	2,236,354	-	-	1,729,888	2,236,354
Utility	-	-	41,811,061	44,822,386	41,811,061	44,822,386
Total Expenses	371,946,085	376,061,063	41,811,061	44,822,386	413,757,146	420,883,449
CHANGE IN NET POSITION BEFORE TRANSFERS	8,072,685	6,965,371	9,499,921	3,444,978	17,572,606	10,410,349
TRANSFERS, NET	(4,866,197)	(3,317,500)	4,866,197	3,317,500	-	-
CHANGE IN NET POSITION	3,206,488	3,647,871	14,366,118	6,762,478	17,572,606	10,410,349
Net Position - Beginning of Year, as Restated	(219,886,980)	(223,534,851)	84,019,602	77,257,124	(135,867,378)	(146,277,727)
NET POSITION - END OF YEAR	\$ (216,680,492)	\$ (219,886,980)	\$ 98,385,720	\$ 84,019,602	\$ (118,294,772)	\$ (135,867,378)

Governmental activities increased the City's net position by \$3,206,488, consistent with the prior year increase of \$3,647,871.

Business-type activities increased the City's net position by \$14,366,118, compared to prior year increase of \$6,762,478. The overall increase is primarily attributed to an interfund transfer.

**CITY OF FRAMINGHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 \$68,712,592, a decrease of \$591,252 in comparison with the prior year. \$32,280,205 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

Nonspendable – \$523,192

Restricted – \$27,562,742

Committed – \$7,360,444

Assigned – \$986,009

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 \$38,230,631, while total fund balance was \$46,577,084. 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 11.8% of total general fund expenditures and transfers out, while total fund balance represents 14.4% of that same amount.

The fund balance of the City's general fund decreased \$1,597,768 during fiscal year 2022, primarily attributed to the use of reserves to fund the budget. The City recognized a positive budget to actual variance (excluding encumbrances and continuing appropriations) totaling approximately \$11,134,000, and used approximately \$12,680,000 of reserves to fund the fiscal year 2022 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 \$3,651,079 during the current fiscal year. The fund recognized \$5,786,617 of intergovernmental revenues and \$17,756,209 of bond proceeds and premiums. Expenditures totaled \$19,891,747.

**CITY OF FRAMINGHAM, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 \$3,372,568. The utility enterprise fund had an increase in net position for the year of \$14,366,118. 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 \$1,942,532. The internal service funds had a decrease in net position for the year of \$1,713,699.

General Fund Budgetary Highlights

The original General Fund budgeted expenditures (including transfers out) totaled \$311,600,703. During the year, supplemental appropriations totaling \$3,365,215 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 \$563,787,476 (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 \$9,049,429.

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

- Various road and sidewalk improvements (approximately \$8,039,000)
- Fuller Middle School building and improvements (approximately \$19,702,000)
- Various utility improvements (approximately \$7,717,000)

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 21,427,127	\$ 20,922,227	\$ 1,491,658	\$ 1,491,658	\$ 22,918,785	\$ 22,413,885
Construction in Progress	4,342,641	10,466,088	6,519,110	6,519,110	10,861,751	16,985,198
Buildings and Improvements	186,084,798	171,030,338	53,410,436	50,524,943	239,495,234	221,555,281
Vehicles, Machinery, and Equipment	23,169,938	21,464,650	3,620,345	4,125,192	26,790,283	25,589,842
Infrastructure	65,712,627	67,490,620	198,008,796	200,703,221	263,721,423	268,193,841
Total Capital Assets	<u>\$ 300,737,131</u>	<u>\$ 291,373,923</u>	<u>\$ 263,050,345</u>	<u>\$ 263,364,124</u>	<u>\$ 563,787,476</u>	<u>\$ 554,738,047</u>

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, 2022**

Capital Assets and Debt Administration (Continued)

Long-Term Debt

At the end of the current fiscal year, total debt outstanding was \$304,410,592, which is backed by the full faith and credit of the City, and is summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds and Notes Payable	\$ 118,046,754	\$ 108,589,194	\$ 119,180,537	\$ 124,159,641	\$ 237,227,291	\$ 232,748,835
Direct Borrowings	286,237	347,587	39,531,183	44,292,361	39,817,420	44,639,948
Unamortized Bond Premiums	12,036,096	11,960,641	10,865,167	12,383,613	22,901,263	24,344,254
Financed Purchases	4,464,618	-	-	-	4,464,618	-
Total Debt	<u>\$ 134,833,705</u>	<u>\$ 120,897,422</u>	<u>\$ 169,576,887</u>	<u>\$ 180,835,615</u>	<u>\$ 304,410,592</u>	<u>\$ 301,733,037</u>

The City's total outstanding debt increased by \$2,677,555, or 0.9%, 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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 79,734,348	\$ 3,296,313	\$ 83,030,661
Investments	27,255,491	-	27,255,491
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	2,031,222	-	2,031,222
Tax, Trash, and Utility Liens	2,337,799	-	2,337,799
Motor Vehicle and Other Excise Taxes	1,349,454	-	1,349,454
Community Preservation Surcharges	41	-	41
User Charges	-	16,677,323	16,677,323
Special Assessments	-	2,786	2,786
Departmental and Other	1,452,229	-	1,452,229
Loans	172,663	-	172,663
Leases	112,532	-	112,532
Intergovernmental	7,312,855	-	7,312,855
Other Assets	89,517	-	89,517
Total Current Assets	121,848,151	19,976,422	141,824,573
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Special Assessments	-	160,178	160,178
Leases	1,724,895	-	1,724,895
Intergovernmental	-	601,721	601,721
Tax Foreclosures	113,982	-	113,982
Capital Assets not being Depreciated	25,769,768	8,010,768	33,780,536
Capital Assets, Net of Accumulated Depreciation	274,967,363	255,039,577	530,006,940
Total Noncurrent Assets	302,576,008	263,812,244	566,388,252
Total Assets	424,424,159	283,788,666	708,212,825
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	104,641,412	3,003,166	107,644,578
Related to Pension	11,746,128	369,393	12,115,521
Total Deferred Outflows of Resources	116,387,540	3,372,559	119,760,099

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Warrants Payable	\$ 17,036,411	\$ 1,292,367	\$ 18,328,778
Accrued Payroll	16,173,569	182,387	16,355,956
Tax Refunds Payable	39,745	-	39,745
Other Liabilities	8,129,336	11	8,129,347
Unearned Revenue	2,454,487	-	2,454,487
Accrued Interest	303,861	430,636	734,497
Compensated Absences	3,898,367	193,533	4,091,900
Short Term Notes Payable	1,316,429	435,646	1,752,075
Bonds and Notes Payable	12,251,022	16,266,437	28,517,459
Total Current Liabilities	<u>61,603,227</u>	<u>18,801,017</u>	<u>80,404,244</u>
Noncurrent Liabilities:			
Compensated Absences	79,559	3,950	83,509
Net Pension Liability	47,446,768	1,492,111	48,938,879
Net OPEB Liability	316,612,422	9,086,647	325,699,069
Bonds and Notes Payable	122,582,683	153,310,450	275,893,133
Total Noncurrent Liabilities	<u>486,721,432</u>	<u>163,893,158</u>	<u>650,614,590</u>
Total Liabilities	548,324,659	182,694,175	731,018,834
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	160,329,982	4,601,405	164,931,387
Related to Pension	47,059,281	1,479,925	48,539,206
Leases	1,778,269	-	1,778,269
Total Deferred Inflows of Resources	<u>209,167,532</u>	<u>6,081,330</u>	<u>215,248,862</u>
NET POSITION			
Net Investment in Capital Assets	165,937,162	95,013,152	260,950,314
Restricted for:			
School State Grants	3,856,803	-	3,856,803
School Special Revenue	7,904,454	-	7,904,454
Other Special Revenue	6,300,568	-	6,300,568
Community Preservation	1,567,834	-	1,567,834
Permanent Funds:			
Expendable	3,230,257	-	3,230,257
Nonexpendable	523,192	-	523,192
Other Specific Purposes	5,203,693	-	5,203,693
Unrestricted	<u>(411,204,455)</u>	<u>3,372,568</u>	<u>(407,831,887)</u>
Total Net Position	<u>\$ (216,680,492)</u>	<u>\$ 98,385,720</u>	<u>\$ (118,294,772)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net Expense
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 16,761,696	\$ 2,840,546	\$ 13,323,015	\$ -	\$ (598,135)
Public Safety	53,748,191	7,929,371	1,159,598	-	(44,659,222)
Education	255,870,710	2,032,458	111,686,604	5,786,617	(136,365,031)
Public Works	28,743,292	571,771	512,116	4,662,910	(22,996,495)
Health and Human Services	4,519,145	152,764	509,255	-	(3,857,126)
Culture and Recreation	10,573,163	769,277	1,079,852	250,000	(8,474,034)
Debt Service-Interest	1,729,888	-	-	-	(1,729,888)
Total Governmental Activities	371,946,085	14,296,187	128,270,440	10,699,527	(218,679,931)
Business-Type Activities:					
Utility	41,811,061	51,209,838	7,479	93,665	9,499,921
Total Primary Government	\$ 413,757,146	\$ 65,506,025	\$ 128,277,919	\$ 10,793,192	\$ (209,180,010)

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CHANGES IN NET POSITION			
Net Revenue (Expense) (From Previous Page)	\$ (218,679,931)	\$ 9,499,921	\$ (209,180,010)
General Revenues:			
Real Estate and Personal Property Taxes	198,164,281	-	198,164,281
Tax Liens	1,118,785	-	1,118,785
Motor Vehicle and Other Excise Taxes	8,910,044	-	8,910,044
Meals Tax	1,463,767	-	1,463,767
Hotel/Motel Tax	760,271	-	760,271
Penalties and Interest on Taxes	1,063,897	-	1,063,897
Payments in Lieu of Taxes	676,373	-	676,373
Community Preservation Surcharges	1,567,146	-	1,567,146
Grants and Contributions Not Restricted to Specific Programs	13,089,438	-	13,089,438
Unrestricted Investment Income (Loss)	(61,386)	-	(61,386)
Transfers, Net	(4,866,197)	4,866,197	-
Total General Revenues and Transfers	<u>221,886,419</u>	<u>4,866,197</u>	<u>226,752,616</u>
CHANGE IN NET POSITION	3,206,488	14,366,118	17,572,606
Net Position - Beginning of Year	<u>(219,886,980)</u>	<u>84,019,602</u>	<u>(135,867,378)</u>
NET POSITION - END OF YEAR	<u>\$ (216,680,492)</u>	<u>\$ 98,385,720</u>	<u>\$ (118,294,772)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

ASSETS	General	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 51,998,559	\$ 4,647,113	\$ 23,088,676	\$ 79,734,348
Investments	15,761,374	-	9,608,272	25,369,646
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes	2,031,222	-	-	2,031,222
Real Estate Tax Deferrals	-	-	-	-
Tax and Trash Liens	2,337,799	-	-	2,337,799
Motor Vehicle and Other Excise Taxes	1,349,454	-	-	1,349,454
Community Preservation Surcharges	-	-	41	41
Departmental and Other	475,216	-	897,523	1,372,739
Leases	1,837,427	-	-	1,837,427
Intergovernmental	259,577	103,766	6,949,512	7,312,855
Loans	-	-	172,663	172,663
Other Assets	89,517	-	-	89,517
Tax Foreclosures	113,982	-	-	113,982
Total Assets	\$ 76,254,127	\$ 4,750,879	\$ 40,716,687	\$ 121,721,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Warrants Payable	\$ 6,267,730	\$ 4,682,391	\$ 6,063,487	\$ 17,013,608
Accrued Payroll	15,278,539	-	895,030	16,173,569
Other Liabilities	749,715	-	7,379,621	8,129,336
Unearned Revenue	-	-	2,454,487	2,454,487
Tax Refunds Payable	-	-	39,745	39,745
Short-Term Notes Payable	-	-	1,316,429	1,316,429
Total Liabilities	22,295,984	4,682,391	18,148,799	45,127,174
DEFERRED INFLOWS OF RESOURCES				
Leases	1,778,269	-	-	1,778,269
Unavailable Revenue	5,602,790	-	500,868	6,103,658
Total Deferred Inflows of Resources	7,381,059	-	500,868	7,881,927
FUND BALANCES				
Nonspendable	-	-	523,192	523,192
Restricted	-	68,488	27,494,254	27,562,742
Committed	7,360,444	-	-	7,360,444
Assigned	986,009	-	-	986,009
Unassigned	38,230,631	-	(5,950,426)	32,280,205
Total Fund Balances	46,577,084	68,488	22,067,020	68,712,592
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 76,254,127	\$ 4,750,879	\$ 40,716,687	\$ 121,721,693

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, 2022**

Total Governmental Fund Balances	\$ 68,712,592
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	300,737,131
The balances of the internal service funds is reported within Governmental Activities.	1,942,532
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	6,103,658
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.	(303,861)
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	(134,833,705)
Compensated Absences	(3,977,926)
Net Pension Liability	(47,446,768)
Net OPEB Liability	(316,612,422)
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.	(55,688,570)
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>(35,313,153)</u>
Net Position of Governmental Activities	<u><u>\$ (216,680,492)</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, 2022**

	General	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real Estate and Personal Property Taxes	\$ 198,945,458	\$ -	\$ -	\$ 198,945,458
Motor Vehicle and Other Excise Taxes	9,718,373	-	-	9,718,373
Meals Tax	1,463,767	-	-	1,463,767
Tax and Trash Liens	829,459	-	-	829,459
Payments in Lieu of Taxes	676,373	-	-	676,373
Community Preservation Surcharges	-	-	1,567,105	1,567,105
Fees and Rentals	1,762,245	-	5,156,896	6,919,141
Intergovernmental	72,338,152	5,786,617	48,000,514	126,125,283
State Grant for Teachers' Retirement	20,196,589	-	-	20,196,589
Hotel/Motel Tax	760,271	-	-	760,271
Penalties and Interest on Taxes	1,063,209	-	688	1,063,897
Licenses and Permits	4,085,903	-	76,251	4,162,154
Fines and Forfeitures	481,255	-	84,732	565,987
Departmental and Other	988,635	-	3,883,380	4,872,015
Contributions	-	-	1,443,708	1,443,708
Investment Income (Loss)	103,454	-	(217,568)	(114,114)
Miscellaneous	1,445,098	-	306,562	1,751,660
Total Revenues	<u>314,858,241</u>	<u>5,786,617</u>	<u>60,302,268</u>	<u>380,947,126</u>
EXPENDITURES				
Current:				
General Government	10,147,126	-	2,585,757	12,732,883
Public Safety	33,537,998	-	6,310,532	39,848,530
Education	157,042,415	19,891,747	34,165,993	211,100,155
Public Works	13,761,598	-	9,236,310	22,997,908
Health and Human Services	1,949,587	-	1,321,109	3,270,696
Culture and Recreation	6,241,758	-	2,178,208	8,419,966
Pension Benefits	18,654,134	-	-	18,654,134
Pension Benefits - Teachers' Retirement	20,196,589	-	-	20,196,589
Employee Benefits	39,650,837	-	-	39,650,837
State and County Charges	8,942,227	-	-	8,942,227
Debt Service:				
Principal	9,888,144	-	-	9,888,144
Interest	4,187,566	-	-	4,187,566
Total Expenditures	<u>324,199,979</u>	<u>19,891,747</u>	<u>55,797,909</u>	<u>399,889,635</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,341,738)	(14,105,130)	4,504,359	(18,942,509)
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds and Notes	-	16,228,029	2,707,578	18,935,607
Premium from Issuance of Bonds and Notes	-	1,528,180	1,029,667	2,557,847
Transfers In	7,864,432	-	644,090	8,508,522
Transfers Out	(120,462)	-	(11,530,257)	(11,650,719)
Total Other Financing Sources (Uses)	<u>7,743,970</u>	<u>17,756,209</u>	<u>(7,148,922)</u>	<u>18,351,257</u>
NET CHANGE IN FUND BALANCES	(1,597,768)	3,651,079	(2,644,563)	(591,252)
Fund Balances - Beginning of Year	48,174,852	(3,582,591)	24,711,583	69,303,844
FUND BALANCES - END OF YEAR	<u>\$ 46,577,084</u>	<u>\$ 68,488</u>	<u>\$ 22,067,020</u>	<u>\$ 68,712,592</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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (591,252)
<p>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.</p>	
Capital Outlays	31,265,363
Depreciation	(21,902,155)
<p>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.</p>	
	(981,084)
<p>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.</p>	
Proceeds of Bonds	(18,935,607)
Premium from Issuance of Bonds	(2,557,847)
Bond Maturities	9,888,144
Net Amortization of Bond Premiums	2,482,392
<p>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.</p>	
	(24,714)
<p>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:</p>	
Compensated Absences	571,327
Net Pension Liability	34,439,675
Net OPEB Liability	118,270,264
<p>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.</p>	
	(120,313,025)
<p>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.</p>	
	(26,691,294)
<p>The net activity of internal service funds is reported with Governmental Activities.</p>	
	(1,713,699)
Changes in Net Position of Governmental Activities	\$ 3,206,488

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2022**

	Business-Type Activities Enterprise Fund Utility Enterprise	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 3,296,313	\$ -
Investments	-	1,885,845
Receivables, Net of Allowance for Uncollectible Amounts:		
User Charges	16,677,323	-
Special Assessments	2,786	-
Departmental and Other	-	79,490
Total Current Assets	19,976,422	1,965,335
Noncurrent Assets:		
Receivables, Net of Allowance for Uncollectible Amounts:		
Special Assessments	160,178	-
Intergovernmental	601,721	-
Capital Assets not being Depreciated	8,010,768	-
Capital Assets, Net of Accumulated Depreciation	255,039,577	-
Total Noncurrent Assets	263,812,244	-
Total Assets	283,788,666	1,965,335
DEFERRED OUTFLOWS OF RESOURCES		
Related to OPEB	3,003,166	-
Related to Pension	369,393	-
Total Deferred Outflows of Resources	3,372,559	-
LIABILITIES		
Current Liabilities:		
Warrants Payable	1,292,367	22,803
Accrued Payroll	182,387	-
Other Liabilities	11	-
Accrued Interest	430,636	-
Compensated Absences	193,533	-
Short-Term Notes Payable	435,646	-
Long-Term Bonds and Notes Payable	16,266,437	-
Total Current Liabilities	18,801,017	22,803
Noncurrent Liabilities:		
Compensated Absences	3,950	-
Net Pension Liability	1,492,111	-
Net OPEB Liability	9,086,647	-
Long-Term Bonds and Notes Payable	153,310,450	-
Total Noncurrent Liabilities	163,893,158	-
Total Liabilities	182,694,175	22,803
DEFERRED INFLOWS OF RESOURCES		
Related to OPEB	4,601,405	-
Related to Pension	1,479,925	-
Total Deferred Inflows of Resources	6,081,330	-
NET POSITION		
Net Investment in Capital Assets	95,013,152	-
Unrestricted	3,372,568	1,942,532
Total Net Position	\$ 98,385,720	\$ 1,942,532

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, 2022**

	Business-Type Activities Enterprise Fund Utility Enterprise	Internal Service Funds
	<u>Enterprise</u>	<u>Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 51,209,838	\$ -
Employee Contributions	-	890,474
Total Operating Revenues	<u>51,209,838</u>	<u>890,474</u>
OPERATING EXPENSES		
Cost of Service and Administration	2,457,082	-
MWRA Assessment	23,071,698	-
Salaries and Wages Expenses	5,271,896	-
Depreciation	8,030,760	-
Employee Benefits	-	932,901
Total Operating Expenses	<u>38,831,436</u>	<u>932,901</u>
OPERATING INCOME (LOSS)	12,378,402	(42,427)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	7,479	52,728
Interest Expense	(2,979,625)	-
Total Nonoperating Revenues (Expenses), Net	<u>(2,972,146)</u>	<u>52,728</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	9,406,256	10,301
CAPITAL CONTRIBUTIONS and TRANSFERS		
Capital Contributions	93,665	-
Transfers In	8,373,991	-
Transfers Out	(3,507,794)	(1,724,000)
Total Capital Contributions and Transfers	<u>4,959,862</u>	<u>(1,724,000)</u>
CHANGE IN FUND NET POSITION	14,366,118	(1,713,699)
Fund Net Position - Beginning of Year	<u>84,019,602</u>	<u>3,656,231</u>
FUND NET POSITION - END OF YEAR	<u>\$ 98,385,720</u>	<u>\$ 1,942,532</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Utility Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 49,625,827	\$ -
Receipts from Interfund Services Provided	-	888,066
Payments to Vendors	(27,109,525)	924
Payments to Employees	(5,221,932)	-
Payments for Interfund Services Used	-	(932,901)
Net Cash Provided (Used) by Operating Activities	<u>17,294,370</u>	<u>(43,911)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers In	8,373,991	-
Transfers Out	(3,507,794)	-
Net Cash Provided by Noncapital Financing Activities	<u>4,866,197</u>	<u>-</u>
CASH FLOWS FROM CAPITAL and RELATED FINANCING ACTIVITIES		
Proceeds from the Issuance of Bonds and Notes	11,498,166	-
Premium from the Issuance of Bonds and Notes	902,173	-
Acquisition and Construction of Capital Assets	(7,716,981)	-
Principal Payments on Bonds and Notes	(22,742,659)	-
Interest Paid	(5,326,540)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(23,385,841)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	-	(8,817)
Investment Income	7,479	52,728
Net Cash Provided by Investing Activities	<u>7,479</u>	<u>43,911</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,217,795)</u>	<u>-</u>
Cash and Cash Equivalents - Beginning of Year	<u>4,514,108</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,296,313</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 12,378,402	\$ (42,427)
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	8,030,760	-
Net Pension Liability	(1,345,024)	-
Deferred Outflows Related to Pension	(16,697)	-
Deferred Inflows Related to Pension	828,506	-
Net OPEB Liability	(3,596,027)	-
Deferred Outflows Related to OPEB	434,975	-
Deferred Inflows Related to OPEB	3,047,935	-
Effect of Changes in Operating Assets and Liabilities:		
User Charges	(1,584,011)	-
Special Assessments	92,277	-
Departmental and Other	-	(2,408)
Intergovernmental	79,288	-
Warrants Payable	(1,104,559)	924
Accrued Payroll	28,158	-
Other Liabilities	(1,419)	-
Compensated Absences	21,806	-
Total Adjustments	<u>4,915,968</u>	<u>(1,484)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 17,294,370</u>	<u>\$ (43,911)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital-Related Accounts Payable	<u>\$ 831,788</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022***

	Pension and OPEB Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 8,642,003	\$ 980,050
Investments:		
Equity Mutual Funds	2,504,677	-
Fixed Income Mutual Funds	855,027	-
Equity Securities	3,525,150	-
Fixed Income Securities	1,240,084	-
External Investment Pool (PRIT)	454,595,982	-
Other Assets	345,574	-
Total Assets	471,708,497	980,050
LIABILITIES		
Warrants Payable	135,071	-
Accrued Payroll	-	10,526
Other Liabilities	-	969,524
Total Liabilities	135,071	980,050
NET POSITION		
Restricted for Pension and OPEB Benefits	471,573,426	-
Restricted for Custodial Purposes	-	-
Total Net Position	\$ 471,573,426	\$ -

* Except for the Pension Trust Fund (December 31, 2021)

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

	Pension and OPEB Trust Funds	Custodial Funds
	<u>Trust Funds</u>	<u>Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 35,549,008	\$ -
Plan Members	7,768,601	-
Transfers from Other Systems	1,695,103	-
Total Contributions	<u>45,012,712</u>	<u>-</u>
Net Investment Income:		
Net Appreciation in Fair Value of Investments	66,506,171	-
Interest	9,051,302	-
Total Investment Income	<u>75,557,473</u>	<u>-</u>
Less: Investment Expense	<u>(2,047,796)</u>	<u>-</u>
Net Investment Income	<u>73,509,677</u>	<u>-</u>
Intergovernmental	168,791	-
Collected for Other Governments	-	275,113
Other	<u>-</u>	<u>15,446</u>
Total Additions	118,691,180	290,559
DEDUCTIONS		
Administration	367,689	-
Retirement Benefits, Including Reimbursements and Refunds	44,847,088	-
Transfers to Other Systems	2,537,348	-
Remitted to Other Governments	-	275,113
Other	<u>-</u>	<u>15,446</u>
Total Deductions	<u>47,752,125</u>	<u>290,559</u>
CHANGE IN NET POSITION	70,939,055	-
Net Position - Beginning of Year	<u>400,634,371</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 471,573,426</u></u>	<u><u>\$ -</u></u>

* Except for the Pension Trust Fund (December 31, 2021)

See accompanying Notes to Basic Financial Statements.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Implementation of New Accounting Principles

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period.

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Continued)

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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, 2022**

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

Leases

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

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable (Continued)

Government-Wide and Fund Financial Statements (Continued)

User Charges (Utility)

User charges are levied quarterly based on 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. 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 grants are applied for and received annually. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met.

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,
- Tax Foreclosures, and
- Departmental and other.

At June 30, 2022, 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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 or are imposed by law through constitutional provisions or enabling legislation.

K. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets 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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Receivables and Payables (Continued)

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The following deferred inflows of resources are reported:

- 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 GAAP.
- Deferred inflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statement of net position.
- Deferred inflows of resources for leases are reported in the government-wide statement of net position and governmental funds balance sheet.

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:

School State Grants, School Special Revenue and Other Special Revenue represents restrictions placed on assets from outside parties for school state grants and other school and City special funds.

Community Preservation represents restrictions placed on assets accumulated from the Community Preservation Act.

Permanent Funds – Expendable and Permanent Funds – Nonexpendable represents amounts held in trust.

Other Specific Purposes represents restrictions 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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position and Fund Balances (Continued)

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).

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Long-Term Debt (Continued)

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.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Other Postemployment Benefits

Government-Wide and Proprietary Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 15, the City provides health and life insurance coverage for current and future retirees and their spouses.

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.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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.

An annual budget is adopted for the General Fund in conformity with the guidelines described above. The original fiscal year 2022 approved budget for the General Fund authorized \$311,600,703 in appropriations. During fiscal year 2022, supplemental appropriations totaling \$3,365,215 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, 2022, the following temporary fund deficits exist:

Fund	Amount	Funding Source
FEMA-Grant	\$ 5,061,945	Federal Grant
Municipal Equipment	843,523	Issuance of Long-Term Debt
Chapter 90	44,958	State Grant
Total Deficits	\$ 5,950,426	

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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 at amortized cost.

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.

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, 2022, \$11,452,948 of the City's bank balance of \$77,523,433 was uninsured and uncollateralized.

Investments Summary

The City's investments at June 30, 2022, 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. Treasuries	\$ 11,796,510	\$ 1,501,886	\$ 141,417	\$ 13,439,813
U.S. Agencies	-	1,630,597	523,799	2,154,396
Corporate Bonds	49,921	2,915,143	111,612	3,076,676
Money Market Mutual Funds	3,520,667	-	-	3,520,667
Fixed Income Securities	1,540,530	-	-	1,540,530
Certificates of Deposit	246,636	245,192	-	491,828
External Investment Pool (MMDT)	1,797,343	-	-	1,797,343
Total Debt Securities	<u>\$ 18,951,607</u>	<u>\$ 6,292,818</u>	<u>\$ 776,828</u>	<u>\$ 26,021,253</u>
<u>Other Investments:</u>				
Equity Securities				10,868,676
Equity Mutual Funds				3,808,510
Total Other Investments				<u>14,677,186</u>
Total Investments				<u>\$ 40,698,439</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

City (Excluding the Pension Trust Fund) (Continued)

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, 2022, 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, 2022, the City's investments in debt securities were rated A+ (\$181,428), AA+ (\$976,938), AAA (\$14,617,270), BBB (\$1,511,289) and BBB+ (\$891,446) by nationally recognized statistical rating organizations. \$7,842,882 of debt securities were unrated.

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, 2022, 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, 2022, the City was not exposed to foreign currency risk.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

City (Excluding the Pension Trust Fund) (Continued)

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	\$ 3,520,667	\$ -	\$ 3,520,667
Equity Securities	10,868,676	-	10,868,676
Equity Mutual Funds	3,808,510	-	3,808,510
U.S. Treasuries	13,439,813	-	13,439,813
U.S. Agencies	2,154,396	-	2,154,396
Corporate Bonds	-	3,076,676	3,076,676
Fixed Income Securities	462,747	1,077,783	1,540,530
Total Investments by Fair Value Level	<u>\$ 34,254,809</u>	<u>\$ 4,154,459</u>	<u>\$ 38,409,268</u>
<u>Investments Measured at Amortized Cost:</u>			
External Investment Pool (MMDT)			1,797,343
Certificates of Deposit			491,828
Total Investments			<u>\$ 40,698,439</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.

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, 2021, the System was not exposed to custodial credit risk.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Trust Fund (The System) (Continued)

Investment Summary

The System's investments at December 31, 2021, are presented below. All investments are presented by investment type, with debt securities presented by maturity:

<u>Investment Type</u>	<u>Investment Maturities Less than 1 Year</u>	<u>Total Amount</u>
Debt Securities:		
PRIT	<u>\$ 454,595,982</u>	<u>\$ 454,595,982</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 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, 2021, 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, 2021, 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, 2021, 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, 2021, the System was not exposed to foreign currency risk.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Trust Fund (The System) (Continued)

Investments – Fair Value Measurements

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. Level 1 is quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

Investments measured at the NAV:

External Investment Pool (PRIT)	<u><u>\$ 454,595,982</u></u>
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PRIT investments are measured at the net asset value (NAV) per share. PRIT 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). Investments can be redeemed on a monthly basis with 24-hours' notice.

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2022, receivables (except for leases) for the governmental funds are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real Estate and Personal Property Taxes	\$ 2,704,669	\$ (673,447)	\$ 2,031,222
Real Estate Tax Deferrals	-	-	-
Tax Liens	2,337,799	-	2,337,799
Motor Vehicle and Other Excise Taxes	3,485,786	(2,136,332)	1,349,454
Community Preservation Surcharges	41	-	41
Departmental and Other	1,372,739	-	1,372,739
Loans	172,663	-	172,663
Intergovernmental	7,312,855	-	7,312,855
Total	<u>\$ 17,956,461</u>	<u>\$ (3,265,706)</u>	<u>\$ 14,690,755</u>

At June 30, 2022, receivables for the enterprise funds are reported in the Proprietary Statement of Net Position. They do not include any allowance for doubtful accounts.

Leases

The City, acting as lessor, leases property under long-term noncancellable lease agreements. The lease expires in fiscal year 2033. During the year ended June 30, 2022, the City recognized approximately \$163,000 and \$75,000 in lease revenue and interest revenue, respectively, pursuant to the contract.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 ACCOUNTS RECEIVABLE (CONTINUED)

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 112,532	\$ 70,838	\$ 183,370
2024	121,802	66,152	187,954
2025	131,566	61,087	192,653
2026	141,849	55,621	197,470
2027	152,672	49,734	202,406
2028-2032	946,519	143,994	1,090,513
2033-2037	230,487	4,242	234,729
Total	<u>\$ 1,837,427</u>	<u>\$ 451,668</u>	<u>\$ 2,289,095</u>

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 20,922,227	\$ 504,900	\$ -	\$ 21,427,127
Construction in Progress	10,466,088	-	(6,123,447)	4,342,641
Total Capital Assets Not Being Depreciated	31,388,315	504,900	(6,123,447)	25,769,768
Capital Assets Being Depreciated:				
Building and Improvements	276,099,054	21,653,117	-	297,752,171
Vehicles, Machinery, and Equipment	81,962,035	7,191,658	-	89,153,693
Infrastructure	141,940,385	8,039,135	-	149,979,520
Total Capital Assets Being Depreciated	500,001,474	36,883,910	-	536,885,384
Less Accumulated Depreciation for:				
Building and Improvements	(105,068,716)	(6,598,657)	-	(111,667,373)
Vehicles, Machinery, and Equipment	(60,497,385)	(5,486,370)	-	(65,983,755)
Infrastructure	(74,449,765)	(9,817,128)	-	(84,266,893)
Total Accumulated Depreciation	<u>(240,015,866)</u>	<u>(21,902,155)</u>	<u>-</u>	<u>(261,918,021)</u>
Total Capital Assets Being Depreciated, Net	259,985,608	14,981,755	-	274,967,363
Total Governmental Activities Capital Assets	<u>\$ 291,373,923</u>	<u>\$ 15,486,655</u>	<u>\$ (6,123,447)</u>	<u>\$ 300,737,131</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

Capital Assets Not Being Depreciated:

Land	\$ 1,491,658	\$ -	\$ -	\$ 1,491,658
Construction in Progress	6,519,110	-	-	6,519,110
Total Capital Assets Not Being Depreciated	<u>8,010,768</u>	<u>-</u>	<u>-</u>	<u>8,010,768</u>

Capital Assets Being Depreciated:

Building and Improvements	66,719,447	4,707,274	-	71,426,721
Vehicles, Machinery, and Equipment	14,416,972	168,616	-	14,585,588
Infrastructure	298,035,021	2,841,091	-	300,876,112
Total Capital Assets Being Depreciated	<u>379,171,440</u>	<u>7,716,981</u>	<u>-</u>	<u>386,888,421</u>

Less Accumulated Depreciation for:

Building and Improvements	(16,194,504)	(1,821,781)	-	(18,016,285)
Vehicles, Machinery, and Equipment	(10,291,780)	(673,463)	-	(10,965,243)
Infrastructure	(97,331,800)	(5,535,516)	-	(102,867,316)
Total Accumulated Depreciation	<u>(123,818,084)</u>	<u>(8,030,760)</u>	<u>-</u>	<u>(131,848,844)</u>

Total Capital Assets Being Depreciated, Net	<u>255,353,356</u>	<u>(313,779)</u>	<u>-</u>	<u>255,039,577</u>
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Total Utility Enterprise Capital Assets, Net	<u>\$ 263,364,124</u>	<u>\$ (313,779)</u>	<u>\$ -</u>	<u>\$ 263,050,345</u>
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 1,796,928
Public Safety	1,717,639
Education	8,302,390
Public Works	8,414,313
Health and Human Services	137,745
Culture and Recreation	1,533,140
Total Depreciation Expense - Governmental Activities	<u>\$ 21,902,155</u>

Business-Type Activities:

Utility	<u>\$ 8,030,760</u>
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NOTE 6 INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the fiscal year ended June 30, 2022, are summarized below:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Fund	Utility Enterprise Funds	
General Fund (1)	\$ -	\$ 120,090	\$ 372	\$ 120,462
Nonmajor Governmental Funds (2) (3)	3,156,638	-	8,373,619	11,530,257
Utility Enterprise Funds (4)	3,507,794	-	-	3,507,794
Internal Service Fund (5)	1,200,000	524,000	-	1,724,000
Total	<u>\$ 7,864,432</u>	<u>\$ 644,090</u>	<u>\$ 8,373,991</u>	<u>\$ 16,882,513</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 INTERFUND TRANSFERS AND BALANCES (CONTINUED)

- (1) Represents transfer to the Municipal Capital Project Funds (\$120,090) and Utility Enterprise Fund (\$372).
- (2) Represents budgeted transfer from the ARPA Grant Fund (\$2,400,000), Maynard Debt Service Fund (\$130,866), Cable TV Fund (\$586,281), Receipts Reserve Fund (\$22,613), Municipal Equipment Capital Project Fund (\$11,878), and Consumer and Merchant Protection Fund (5,000).
- (3) Represents budgeted transfers from ARPA Fund.
- (4) Represents indirect cost transfers from the Utility Enterprise Fund.
- (5) Represents transfer from the Internal Service Funds.

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, 2022 are as follows:

Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
BAN	School Buildings	6/25/21	12/17/21	1.00 %	\$ 654,528	\$ -	\$ (654,528)	\$ -
BAN	Other BANS	6/25/21	12/17/21	1.00 %	1,420,216	-	(1,420,216)	-
BAN	School Buildings	12/17/21	6/17/22	1.50 %	-	16,788	(16,788)	-
BAN	Other BANS	12/17/21	6/17/22	1.50 %	-	55,965	(55,965)	-
BAN	Buildings	12/17/21	6/17/22	1.50 %	-	336,456	(336,456)	-
BAN	School Buildings	6/17/22	8/19/22	2.00 %	-	14,921,593	(14,921,593)	-
BAN	Other BANS	6/17/22	8/19/22	2.00 %	-	4,347,778	(3,031,349)	1,316,429
	Total				<u>\$ 2,074,744</u>	<u>\$ 19,678,580</u>	<u>\$ (20,436,895)</u>	<u>\$ 1,316,429</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 SHORT-TERM FINANCING (CONTINUED)

Enterprise Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
BAN	Sewer	6/25/21	12/17/21	1.00 %	\$ 1,245,651	\$ -	\$ (1,245,651)	\$ -
BAN	Water	6/25/21	12/17/21	1.00 %	694,206	-	(694,206)	-
BAN	Water	12/17/21	6/17/22	1.50 %	-	261,732	(261,732)	-
BAN	Sewer	12/17/21	6/17/22	1.50 %	-	842,574	(842,574)	-
BAN	Water	6/17/22	8/19/22	2.00 %	-	3,283,968	(3,279,904)	4,064
BAN	Sewer	6/17/22	8/19/22	2.00 %	-	1,535,787	(1,104,205)	431,582
Total					<u>\$ 1,939,857</u>	<u>\$ 5,924,061</u>	<u>\$ (7,428,272)</u>	<u>\$ 435,646</u>

Subsequent Events

In August 2022, the City issued \$27,425,000 of long-term bonds. Of this amount, \$22,337,051 was used to retire short-term notes that were outstanding at June 30, 2022. As a result, the \$22,337,051 is reported as long-term debt as of June 30, 2022.

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, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities:					
Bonds and Notes Payable	\$ 108,589,194	\$ 18,935,630	\$ (9,478,070)	\$ 118,046,754	\$ 9,920,552
Direct Borrowings	347,587	-	(61,350)	286,237	61,981
Unamortized Bond Premiums	11,960,641	2,557,847	(2,482,392)	12,036,096	1,896,548
Financed Purchases (Direct Borrowings)	<u>4,813,342</u>	<u>-</u>	<u>(348,724)</u>	<u>4,464,618</u>	<u>371,941</u>
Total Bonds and Notes Payable	125,710,764	21,493,477	(12,370,536)	134,833,705	12,251,022
Compensated Absences	<u>4,549,253</u>	<u>-</u>	<u>(571,327)</u>	<u>3,977,926</u>	<u>3,898,367</u>
Total Governmental	<u>\$ 130,260,017</u>	<u>\$ 21,493,477</u>	<u>\$ (12,941,863)</u>	<u>\$ 138,811,631</u>	<u>\$ 16,149,389</u>
Business-Type Activities:					
Bonds and Notes Payable	\$ 124,159,641	\$ 5,574,105	\$ (10,553,209)	\$ 119,180,537	\$ 9,970,728
Direct Borrowings	44,292,361	-	(4,761,178)	39,531,183	4,674,780
Unamortized Bond Premiums	12,383,613	902,173	(2,420,619)	10,865,167	1,620,929
Total Bonds and Notes Payable	<u>180,835,615</u>	<u>6,476,278</u>	<u>(17,735,006)</u>	<u>169,576,887</u>	<u>16,266,437</u>
Compensated Absences	<u>175,677</u>	<u>21,806</u>	<u>-</u>	<u>197,483</u>	<u>193,533</u>
Total Business-Type	<u>\$ 181,011,292</u>	<u>\$ 6,498,084</u>	<u>\$ (17,735,006)</u>	<u>\$ 169,774,370</u>	<u>\$ 16,459,970</u>
Total	<u>\$ 311,271,309</u>	<u>\$ 27,991,561</u>	<u>\$ (30,676,869)</u>	<u>\$ 308,586,001</u>	<u>\$ 32,609,359</u>

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. Also, the City has entered into a financed purchase agreement for technology and energy upgrades for governmental activities. Title to the upgrades transfers ownership to the City upon delivery.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2022, and the debt service requirements are as follows:

Bonds and Notes Payable – Governmental Funds

Original Issue	Project	Maturity Date	Interest Rate	Outstanding - Beginning of Year	Issued	Redeemed	Outstanding - End of Year
\$ 477,029	MCWT Bonds of 2005	2023	3.00-5.00%	\$ 60,000	\$ -	\$ (30,000)	\$ 30,000
307,600	MCWT Bonds 2010	2028	2.00%	118,166	-	(15,885)	102,281
325,000	MCWT Bonds 2012	2031	2.00%	169,421	-	(15,465)	153,956
8,333,940	General Obligation Bonds 2013	2033	2.00-5.00%	2,415,000	-	(310,000)	2,105,000
12,179,750	General Obligation Refunding Bonds 2013	2025	2.00-5.00%	1,108,800	-	(332,800)	776,000
12,380,745	General Obligation Bonds 2014	2034	2.00-5.00%	3,810,000	-	(545,000)	3,265,000
7,270,120	General Obligation Bonds 2015	2035	2.50-5.00%	3,405,000	-	(465,000)	2,940,000
19,734,325	General Obligation Bonds 2016	2041	3.00-5.00%	8,295,000	-	(855,000)	7,440,000
10,728,765	General Obligation Bonds 2017	2037	2.00-4.00%	4,950,890	-	(913,360)	4,037,530
16,968,474	General Obligation Bonds 2018	2038	2.50-4.00%	11,475,000	-	(1,565,000)	9,910,000
13,071,921	General Obligation Bonds 2019	2039	4.00-5.00%	10,040,000	-	(1,305,000)	8,735,000
11,004,951	General Obligation Bonds 2020	2040	2.125-5.00%	9,800,000	-	(940,000)	8,860,000
38,540,000	General Obligation Bonds 2021	2041	2.00-5.00%	27,751,560	-	(1,256,560)	26,495,000
13,430,000	General Obligation Refunding Bonds 2021	2041	4.00-5.00%	5,738,310	-	(990,350)	4,747,960
27,695,000	General Obligation Bonds 2022	2042	2.00-5.00%	19,799,634	982,688	-	20,782,322
27,425,000	General Obligation Bonds 2023	2043	5.00%	-	17,952,942	-	17,952,942
	Subtotal			108,936,781	18,935,630	(9,539,420)	118,332,991
	Add: Unamortized Premiums			11,960,641	2,557,847	(2,482,392)	12,036,096
	Add: Energy Improvements Financed Purchase			4,813,342	-	(348,724)	4,464,618
	Total Governmental Funds			<u>\$ 120,897,422</u>	<u>\$ 21,493,477</u>	<u>\$ (12,021,812)</u>	<u>\$ 134,833,705</u>

*Direct borrowings

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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
2023	\$ 9,920,552	\$ 3,530,954	\$ 433,922	\$ 102,380	\$ 10,354,474	\$ 3,633,334
2024	10,627,183	2,328,682	428,787	93,254	11,055,970	2,421,936
2025	9,671,870	4,109,113	454,706	83,540	10,126,576	4,192,653
2026	8,758,080	3,055,285	481,719	73,212	9,239,799	3,128,497
2027	8,229,980	2,726,816	509,864	62,244	8,739,844	2,789,060
2028	7,633,240	2,430,035	539,187	50,610	8,172,427	2,480,645
2029	7,132,020	2,148,235	551,455	38,280	7,683,475	2,186,515
2030	6,794,350	1,884,970	582,891	25,225	7,377,241	1,910,195
2031	6,392,640	1,642,036	615,628	11,416	7,008,268	1,653,452
2032	6,025,000	1,437,249	152,696	607	6,177,696	1,437,856
2033	5,615,000	1,263,553	-	-	5,615,000	1,263,553
2034	5,195,000	1,094,875	-	-	5,195,000	1,094,875
2035	4,990,000	927,439	-	-	4,990,000	927,439
2036	4,520,000	776,668	-	-	4,520,000	776,668
2037	4,125,000	639,317	-	-	4,125,000	639,317
2038	3,770,000	512,241	-	-	3,770,000	512,241
2039	2,941,839	394,431	-	-	2,941,839	394,431
2040	2,475,000	294,387	-	-	2,475,000	294,387
2041	2,265,000	205,769	-	-	2,265,000	205,769
2042	965,000	131,900	-	-	965,000	131,900
2043	-	78,750	-	-	-	78,750
2044	-	28,250	-	-	-	28,250
Total	<u>\$ 118,046,754</u>	<u>\$ 31,640,954</u>	<u>\$ 4,750,855</u>	<u>\$ 540,768</u>	<u>\$ 122,797,609</u>	<u>\$ 32,181,722</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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%	\$ 57,150	\$ -	\$ (19,049)	\$ 38,101
MCWT Bonds of 2009	2029	2.00%	959,558	-	(111,718)	847,840
MCWT Bonds of 2010	2028	2.00%	3,638,540	-	(489,129)	3,149,411
MCWT Bonds of 2010	2031	2.00%	4,647,111	-	(424,013)	4,223,098
MCWT Bonds of 2011	2029	2.00%	196,903	-	(22,925)	173,978
MCWT Bonds of 2012	2031	2.00%	5,020,795	-	(461,399)	4,559,396
MCWT Bonds of 2012	2033	2.00%	15,476,928	-	(1,142,897)	14,334,031
MCWT Bonds of 2013	2031	2.00%	933,982	-	(84,623)	849,359
GOB Bonds of 2013	2033	2.00-5.00%	12,465,000	-	(1,080,000)	11,385,000
GOB Bonds of 2013 Refunding	2025	2.00-5.00%	871,200	-	(267,200)	604,000
MWRA Bonds of 2013	2023	0.00%	1,140,888	-	(570,444)	570,444
MCWT Bonds of 2014	2033	2.00%	213,009	-	(15,728)	197,281
GOB Bonds of 2014	2039	2.00-5.00%	7,200,000	-	(495,000)	6,705,000
MCWT Bonds of 2015	2035	2.00%	4,480,408	-	(277,245)	4,203,163
GOB Bonds of 2015	2040	2.50-5.00%	9,880,000	-	(585,000)	9,295,000
MWRA Bonds of 2015 - 2	2025	0.00%	588,559	-	(147,140)	441,419
MCWT Bonds of 2016	2036	2.00%	1,724,887	-	(101,046)	1,623,841
GOB Bonds of 2016	2041	3.00-5.00%	17,390,000	-	(1,045,000)	16,345,000
GOB Bonds of 2017	2037	2.00-4.00%	10,704,110	-	(1,281,640)	9,422,470
MWRA Bonds of 2017	2027	0.00%	1,034,778	-	(299,079)	735,699
GOB Bonds of 2018	2038	2.50-5.00%	13,640,000	-	(1,655,000)	11,985,000
GOB Bonds of 2019	2039	4.00-5.00%	14,605,000	-	(985,000)	13,620,000
MWRA Bonds of 2019	2029	0.00%	3,831,015	-	(556,093)	3,274,922
GOB Bonds 2020	2039	0.00%	13,201,520	-	(1,211,280)	11,990,240
MWRA Bonds of 2020	2029	0.00%	347,850	-	(38,650)	309,200
GOB Bonds 2021	2041	2.00-5.00%	10,788,439	-	(1,183,439)	9,605,000
GOB Bonds of 2021 Refunding	2041	4.00-5.00%	7,691,690	-	(764,650)	6,927,040
GOB Bonds 2022	2042	2.00-5.00%	5,722,682	1,189,996	-	6,912,678
GOB Bonds 2023	2043	5.00%	-	4,384,109	-	4,384,109
Subtotal			168,452,002	5,574,105	(15,314,387)	158,711,720
Add: Unamortized Premiums			12,383,613	902,173	(2,420,619)	10,865,167
Total Utility Enterprise Fund			<u>\$ 180,835,615</u>	<u>\$ 6,476,278</u>	<u>\$ (17,735,006)</u>	<u>\$ 169,576,887</u>

*Direct borrowings

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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
2023	\$ 9,970,728	\$ 5,004,915	\$ 4,674,780	\$ -	\$ 14,645,508	\$ 5,004,915
2024	10,074,097	4,747,075	4,171,256	-	14,245,353	4,747,075
2025	9,404,410	4,091,791	4,096,982	-	13,501,392	4,091,791
2026	8,423,200	3,631,293	4,019,593	-	12,442,793	3,631,293
2027	8,051,300	3,226,112	4,090,808	-	12,142,108	3,226,112
2028	7,768,040	2,840,740	4,016,378	-	11,784,418	2,840,740
2029	7,454,260	2,467,171	3,519,260	-	10,973,520	2,467,171
2030	7,291,930	2,112,861	2,992,478	-	10,284,408	2,112,861
2031	6,837,360	1,772,227	3,009,194	-	9,846,554	1,772,227
2032	6,220,000	1,476,680	1,897,881	-	8,117,881	1,476,680
2033	6,160,000	1,231,479	1,939,129	-	8,099,129	1,231,479
2034	5,080,000	1,018,597	482,134	-	5,562,134	1,018,597
2035	5,000,000	838,767	492,612	-	5,492,612	838,767
2036	4,870,000	661,840	128,698	-	4,998,698	661,840
2037	4,775,000	499,903	-	-	4,775,000	499,903
2038	4,315,212	349,222	-	-	4,315,212	349,222
2039	3,455,000	216,013	-	-	3,455,000	216,013
2040	2,355,000	114,388	-	-	2,355,000	114,388
2041	1,395,000	50,609	-	-	1,395,000	50,609
2042	280,000	18,300	-	-	280,000	18,300
2043	-	5,125	-	-	-	5,125
Total	<u>\$ 119,180,537</u>	<u>\$ 36,375,108</u>	<u>\$ 39,531,183</u>	<u>\$ -</u>	<u>\$ 158,711,720</u>	<u>\$ 36,375,108</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, the City had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Dennison Renovation & Remediation	\$ 19,463,015
Worcester Road Pump Station	14,462,734
Fuller Middle School	11,910,007
Freeman Rail Trail	6,000,000
Property Purchase	6,000,000
Farley Roof Replacement	3,375,000
Warren Road & Prindiville Water Main	2,989,476
Exterior Envelope	2,453,209
Intersection Edgell/Water/Edmands	2,246,435
Memorial Building Exterior Repairs	2,094,680
Roadway Improvements	2,000,000
Exterior Envelope	1,894,200
Cedar Street Area Water	1,765,500
Tennis and Basketball	1,448,399
Union Ave Construction	1,340,000
Flagg Drive Design & Construction	1,292,976
Exterior Envelope	1,161,705
Exterior Envelope	1,100,000
Garvey Road Sewer Pump	1,100,000
Various Other Projects	<u>27,358,187</u>
Total	<u><u>\$ 111,455,523</u></u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 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
Nonspendable:				
Permanent Fund Principal	\$ -	\$ -	\$ 523,192	\$ 523,192
Restricted:				
City Federal Grants	-	-	962,727	962,727
City State Grants	-	-	1,885,674	1,885,674
School State Grants	-	-	3,856,803	3,856,803
School Federal Grants	-	-	627,630	627,630
School Special Revenue	-	-	7,904,454	7,904,454
School Capital Projects	-	68,488	-	68,488
Other Special Revenue	-	-	6,300,568	6,300,568
Community Preservation	-	-	1,567,793	1,567,793
Other Capital Projects	-	-	1,158,348	1,158,348
Cemetery Trust	-	-	1,614,894	1,614,894
Expendable Trust Funds	-	-	1,430,958	1,430,958
Other Permanent Funds	-	-	184,405	184,405
Subtotal - Restricted	-	68,488	27,494,254	27,562,742
Committed:				
Subsequent Year's Expenditures	4,609,000	-	-	4,609,000
Continuing Appropriations	2,751,444	-	-	2,751,444
Subtotal - Committed	7,360,444	-	-	7,360,444
Assigned:				
Encumbrances	986,009	-	-	986,009
Unassigned				
	38,230,631	-	(5,950,426)	32,280,205
Total	<u>\$ 46,577,084</u>	<u>\$ 68,488</u>	<u>\$ 22,067,020</u>	<u>\$ 68,712,592</u>

NOTE 11 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, 2022 total \$18,099,658, \$175,296, \$3,342,466 and \$1,253,146, respectively, and are reported as unassigned fund balance in the general fund.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 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 \$1,942,532 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 13 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, 2022**

NOTE 13 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, 2021.

Plan Membership - At December 31, 2021, The System's membership consists of the following:

Active Members	1,271
Retirees and Beneficiaries Entitled to But Not Yet Receiving Benefits	540
Retirees and Beneficiaries Currently Receiving Benefits	901
Total	2,712

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, 2021, was an actuarially determined amount of \$19,834,273. 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 \$18,654,134, which equaled its actual contribution.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 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, 2021, were as follows:

Total Pension Liability	\$ 515,355,000
Plan Fiduciary Net Position	<u>(463,320,042)</u>
Net Pension Liability	<u>\$ 52,034,958</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.90 %
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At June 30, 2022, the City reported a liability of \$48,938,879 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, that was rolled back to the December 31, 2021, 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, 2021, actuarially determined. At December 31, 2021, the City's proportion was 94.05%, compared to a proportion of 93.98% as of December 31, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$10,356,786. At June 30, 2022, 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	\$ -	\$ 46,254,732
Changes in Assumptions	10,668,092	-
Differences Between Expected and Actual Experience	<u>1,447,429</u>	<u>2,284,474</u>
Total	<u>\$ 12,115,521</u>	<u>\$ 48,539,206</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>
2023	\$ (7,033,059)
2024	(13,121,856)
2025	(9,130,374)
2026	(7,382,927)
2027	244,531
Total	<u>\$ (36,423,685)</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, that was rolled back to the December 31, 2021, measurement date:

Valuation Date:	January 1, 2022
Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method UAAL:	Total payments increase 5.50% per year until FY29, with a final amortization payment in FY30.
Remaining Amortization Period:	8 Years from July 1, 2022
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:	7.00%
Discount Rate:	7.00%
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 \$16,000 in Benefits
Mortality Rates:	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 (gender distinct). Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 (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-2020 (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, 2022**

NOTE 13 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	38.00 %	4.22 %
Fixed Income	23.00	0.70
Private Equity	15.00	7.70
Real Estate	10.00	3.60
Portfolio Completion Strategies	10.00	3.00
Timber/Natural Resources	4.00	4.20
Total	100.00 %	

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.00%. 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 7.00%. 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, 2022**

NOTE 13 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 7.00%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
System's Net Pension Liability	\$ 108,050,000	\$ 52,034,958	\$ 4,600,000

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's Proportionate Share of the Net Pension Liability	\$ 101,621,026	\$ 48,938,879	\$ 4,326,300

NOTE 14 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, 2022**

NOTE 14 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, 2022. The Commonwealth's net pension liability associated with the City was \$251,683,946.

The MTRS' net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of \$20,196,589 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, 2022**

NOTE 14 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

The MTRS' total pension liability for the June 30, 2021, measurement date was determined by an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2021. This valuation used the following assumptions:

Investment Rate of Return:	7.00%
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-2020 (gender distinct). Post-retirement reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally Scale MP-2020 (gender distinct). Disability is assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	39.00 %	4.80 %
Core Fixed Income	15.00	0.30
Private Equity	13.00	7.80
Portfolio Completion Strategies	11.00	2.90
Real Estate	10.00	3.70
Value Added Fixed Income	8.00	3.90
Timber/Natural Resources	4.00	4.30
Totals	<u>100.00 %</u>	

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM (CONTINUED)

Discount Rate

The discount rate used to measure the MTRS' total pension liability was 7.00%. 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 15 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, 2022, the balance of this fund totaled \$8,253,384.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Employees Covered by Benefit Terms

At June 30, 2022, 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, 2022:

Total OPEB Liability	\$ 333,952,453
Plan Fiduciary Net Position	(8,253,384)
Net OPEB Liability	\$ 325,699,069

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	2.5 %
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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, 2022, 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:	4.09%
Healthcare Trend Rate:	8% Decreasing to an Ultimate Rate of 5%
Inflation Rate:	3% per Annum
Salary Increases:	3% per Annum
Mortality Rates:	RP-2006 Mortality Table with MP-2020 Projection

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -6.32%. 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 4.09% as of June 30, 2022. 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 4.09% municipal bond rate, based on the S&P Municipal Bond 20-Year High Grade Bond index rate as of June 30, 2022, was applied to all periods to determine the total OPEB liability.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 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	\$ 456,374,377	\$ 8,809,017	\$ 447,565,360
Changes for the Year:			
Service Cost	20,697,804	-	20,697,804
Interest	9,585,634	-	9,585,634
Differences between Expected and Actual Experience	(1,175,325)	-	(1,175,325)
Changes of Assumptions	(135,815,302)	-	(135,815,302)
Benefit Payments	(15,714,735)	(15,714,735)	-
Employer Contributions	-	15,714,735	(15,714,735)
Net Investment Income	-	(555,633)	555,633
Net Changes	<u>(122,421,924)</u>	<u>(555,633)</u>	<u>(121,866,291)</u>
Balance - End of Year	<u>\$ 333,952,453</u>	<u>\$ 8,253,384</u>	<u>\$ 325,699,069</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 (3.09)	Current Discount Rate (4.09%)	1% Increase (5.09)
Net OPEB Liability	<u>\$ 396,801,467</u>	<u>\$ 325,699,069</u>	<u>\$ 254,596,670</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>\$ 263,587,479</u>	<u>\$ 325,699,069</u>	<u>\$ 401,080,621</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 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, 2022, the City recognized OPEB expense of \$17,836,416. At June 30, 2022, the City reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 20,389,992	\$ 45,588,997
Changes of Assumptions	87,254,586	118,838,389
Net Difference Between Projected and Actual Earnings on OPEB Trust Investments	-	504,001
Total	<u>\$ 107,644,578</u>	<u>\$ 164,931,387</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>
2023	\$ (12,416,689)
2024	(12,299,676)
2025	(12,300,785)
2026	(11,971,671)
2027	(12,121,205)
Thereafter	3,823,217
Total	<u>\$ (57,286,809)</u>

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 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, 2021)	OPEB Trust Fund (as of June 30, 2022)	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,513,557	\$ 128,446	\$ 8,642,003
Investments:			
Equity Mutual Funds		2,504,677	2,504,677
Fixed Income Mutual Funds	-	855,027	855,027
Equity Securities	-	3,525,150	3,525,150
Fixed Income Securities	-	1,240,084	1,240,084
External Investment Pool (PRIT)	454,595,982	-	454,595,982
Receivables, Net of Allowance for Uncollectible Amounts:			-
Other Assets	345,574	-	345,574
Total Assets	463,455,113	8,253,384	471,708,497
LIABILITIES			
Warrants Payable	135,071	-	135,071
NET POSITION			
Restricted for Pensions and OPEB	\$ 463,320,042	\$ 8,253,384	\$ 471,573,426

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 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, 2021)	OPEB Trust Fund (Year Ended June 30, 2022)	Total
ADDITIONS			
Contributions:			
Employer	\$ 19,834,273	\$ 15,714,735	\$ 35,549,008
Plan Members	7,768,601	-	7,768,601
Transfers from Other Systems	1,695,103	-	1,695,103
Total Contributions	<u>29,297,977</u>	<u>15,714,735</u>	<u>45,012,712</u>
Net Investment Income:			
Net Appreciation in Fair Value of Investments	66,506,171	-	66,506,171
Interest and Dividends	<u>9,606,935</u>	<u>(555,633)</u>	<u>9,051,302</u>
Total Investment Income	76,113,106	(555,633)	75,557,473
Less: Investment Expense	<u>(2,047,796)</u>	<u>-</u>	<u>(2,047,796)</u>
Net Investment Income	74,065,310	(555,633)	73,509,677
Intergovernmental	<u>168,791</u>	<u>-</u>	<u>168,791</u>
Total Additions	103,532,078	15,159,102	118,691,180
DEDUCTIONS			
Administration	367,689	-	367,689
Retirement Benefits and Refunds	29,132,353	-	29,132,353
Other Postemployment Benefits	-	15,714,735	15,714,735
Transfers to Other Systems	<u>2,537,348</u>	<u>-</u>	<u>2,537,348</u>
Total Deductions	<u>32,037,390</u>	<u>15,714,735</u>	<u>47,752,125</u>
CHANGE IN NET POSITION	71,494,688	(555,633)	70,939,055
Net Position - Beginning of Year	<u>391,825,354</u>	<u>8,809,017</u>	<u>400,634,371</u>
NET POSITION - END OF YEAR	<u>\$ 463,320,042</u>	<u>\$ 8,253,384</u>	<u>\$ 471,573,426</u>

NOTE 17 COMMITMENTS

The City is entering into, or is planning to enter into, various capital projects totaling approximately \$111,000,000.

**CITY OF FRAMINGHAM, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 18 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, 2022, 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, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

**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, 2022**

	Prior Year Encumbrances and Continuing Appropriations	Current Year Initial Budget	Original Budget	Final Budget
REVENUES				
Real Estate and Personal Property Taxes	\$ -	\$ 198,283,604	\$ 198,283,604	\$ 198,283,604
Motor Vehicle and Other Excise Taxes	-	9,199,500	9,199,500	9,199,500
Hotel/Motel Tax	-	600,000	600,000	600,000
Tax Liens	-	-	-	-
Payments in Lieu of Taxes	-	604,302	604,302	604,302
Meals Tax	-	1,400,000	1,400,000	1,400,000
Fees and Rentals	-	2,306,837	2,306,837	2,306,837
Intergovernmental	-	74,396,483	74,396,483	74,396,483
Penalties and Interest on Taxes	-	1,448,200	1,448,200	1,448,200
Licenses and Permits	-	3,838,800	3,838,800	3,838,800
Fines and Forfeitures	-	387,100	387,100	387,100
Departmental and Other	-	990,470	990,470	990,470
Investment Income	-	499,157	499,157	499,157
Miscellaneous	-	291,865	291,865	291,865
Total Revenues	-	294,246,318	294,246,318	294,246,318
EXPENDITURES				
Current:				
General Government	120,534	4,680,875	4,801,409	4,665,805
City Council	32,137	304,930	337,067	303,893
Finance Division	22,759	2,178,042	2,200,801	2,224,959
Technology Services Division	-	2,158,701	2,158,701	2,118,701
Human Resources Division	50,091	469,507	519,598	574,689
Planning and Economic Development	22,411	695,039	717,450	684,862
Police Division	32,422	16,231,852	16,264,274	16,019,947
Fire Division	24,226	14,884,992	14,909,218	16,489,444
Public Works Division	97,369	12,428,481	12,525,850	12,287,705
Snow and Ice Appropriation	-	1,654,688	1,654,688	2,125,168
Parks/Recreation/Cultural Affairs	159,115	5,462,314	5,621,429	5,357,902
Inspectional Services Division	-	1,259,717	1,259,717	1,193,717
Framingham Public Schools	1,775	146,923,895	146,925,670	146,942,445
Keefe Technical Assessment	-	9,987,504	9,987,504	9,987,504
Framingham Public Library	24,220	3,286,389	3,310,609	3,142,143
City Clerk/Elections	3	268,631	268,634	204,217
City Clerk/Stipend	949	376,301	377,250	333,199
Reserve Fund	-	400,000	400,000	120
Miscellaneous Unclassified	992,464	38,511,147	39,503,611	40,820,075
Retirement Appropriation	-	18,654,134	18,654,134	18,654,138
Debt Service	-	12,423,666	12,423,666	13,906,912
Nonappropriated Items	-	10,670,125	10,670,125	10,706,850
Articles	2,892,222	521,614	3,413,836	3,526,061
Total Expenditures	4,472,697	304,432,544	308,905,241	312,270,456
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,472,697)	(10,186,226)	(14,658,923)	(18,024,138)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	8,039,432	8,039,432	8,039,432
Transfers Out	-	(2,695,462)	(2,695,462)	(2,695,462)
Total Other Financing Sources (Uses)	-	5,343,970	5,343,970	5,343,970
NET CHANGE IN FUND BALANCE	(4,472,697)	(4,842,256)	(9,314,953)	(12,680,168)
Fund Balance - Beginning of Year	25,594,827	25,594,827	25,594,827	25,594,827
FUND BALANCE - END OF YEAR	<u>\$ 21,122,130</u>	<u>\$ 20,752,571</u>	<u>\$ 16,279,874</u>	<u>\$ 12,914,659</u>

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, 2022**

	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive (Negative)
REVENUES				
Real Estate and Personal Property Taxes	\$ 198,945,459	\$ -	\$ 198,945,459	\$ 661,855
Motor Vehicle and Other Excise Taxes	9,718,373	-	9,718,373	518,873
Hotel/Motel Tax	760,271	-	760,271	160,271
Tax Liens	829,459	-	829,459	829,459
Payments in Lieu of Taxes	676,373	-	676,373	72,071
Meals Tax	1,463,767	-	1,463,767	63,767
Fees and Rentals	1,762,245	-	1,762,245	(544,592)
Intergovernmental	74,738,152	-	74,738,152	341,669
Penalties and Interest on Taxes	1,063,209	-	1,063,209	(384,991)
Licenses and Permits	4,085,903	-	4,085,903	247,103
Fines and Forfeitures	481,255	-	481,255	94,155
Departmental and Other	1,004,639	-	1,004,639	14,169
Investment Income	203,269	-	203,269	(295,888)
Miscellaneous	1,445,098	-	1,445,098	1,153,233
Total Revenues	<u>297,177,472</u>	<u>-</u>	<u>297,177,472</u>	<u>2,931,154</u>
EXPENDITURES				
Current:				
General Government	4,255,658	36,023	4,291,681	374,124
City Council	220,431	18,629	239,060	64,833
Finance Division	2,097,985	257	2,098,242	126,717
Technology Services Division	2,057,726	-	2,057,726	60,975
Human Resources Division	466,925	13,879	480,804	93,885
Planning and Economic Development	601,755	1,786	603,541	81,321
Police Division	15,727,503	10,279	15,737,782	282,165
Fire Division	16,324,684	9,561	16,334,245	155,199
Public Works Division	11,602,148	147,420	11,749,568	538,137
Snow and Ice Appropriation	2,120,255	-	2,120,255	4,913
Parks/Recreation/Cultural Affairs	5,123,833	22,795	5,146,628	211,274
Inspectional Services Division	1,176,967	76	1,177,043	16,674
Framingham Public Schools	146,936,463	760	146,937,223	5,222
Keefe Technical Assessment	9,987,504	-	9,987,504	-
Framingham Public Library	3,066,160	5,628	3,071,788	70,355
City Clerk/Elections	212,821	-	212,821	(8,604)
City Clerk/Stipend	313,739	-	313,739	19,460
Reserve Fund	-	-	-	120
Miscellaneous Unclassified	39,769,284	718,917	40,488,201	331,874
Retirement Appropriation	18,654,138	-	18,654,138	-
Debt Service	13,726,986	-	13,726,986	179,926
Nonappropriated Items	8,942,227	-	8,942,227	1,764,623
Articles	682,615	2,751,443	3,434,058	92,003
Total Expenditures	<u>304,067,807</u>	<u>3,737,453</u>	<u>307,805,260</u>	<u>4,465,196</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,890,335)	(3,737,453)	(10,627,788)	7,396,350
OTHER FINANCING SOURCES (USES)				
Transfers In	8,039,432	-	8,039,432	-
Transfers Out	<u>(2,695,462)</u>	<u>-</u>	<u>(2,695,462)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,343,970</u>	<u>-</u>	<u>5,343,970</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,546,365)	(3,737,453)	(5,283,818)	7,396,350
Fund Balance - Beginning of Year	<u>25,594,827</u>	<u>-</u>	<u>25,594,827</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 24,048,462</u>	<u>\$ (3,737,453)</u>	<u>\$ 20,311,009</u>	<u>\$ 7,396,350</u>

See accompanying Note to Required Supplementary Information.

**CITY OF FRAMINGHAM, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

OTHER POST-EMPLOYMENT BENEFITS SCHEDULE

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	\$ 20,697,804	\$ 18,002,690	\$ 17,053,088	\$ 16,611,848	\$ 12,759,696	\$ 11,789,210
Interest	9,585,634	10,641,829	10,812,538	12,845,070	9,480,391	12,026,552
Differences Between Expected and Actual Experience	(1,175,325)	(3,835,078)	(2,634,351)	(71,678,729)	77,235,384	-
Changes of Assumptions	(135,815,302)	32,251,396	8,828,091	12,189,449	31,502,378	-
Benefit Payments	(15,714,735)	(15,466,083)	(13,651,855)	(13,276,318)	(12,590,312)	(10,372,642)
Net Change in Total OPEB Liability	(122,421,924)	41,594,754	20,407,511	(43,308,680)	118,387,537	13,443,120
Total OPEB Liability - Beginning of Year	456,374,377	414,779,623	394,372,112	437,680,792	319,293,255	305,850,135
Total OPEB Liability - End of Year (a)	<u>\$ 333,952,453</u>	<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	\$ 15,714,735	\$ 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	(555,633)	1,831,188	183,989	402,053	317,806	341,405
Benefit Payments	(15,714,735)	(15,466,083)	(13,651,855)	(13,276,318)	(12,590,312)	(10,372,642)
Net Change in Plan Fiduciary Net Position	(555,633)	1,831,188	183,989	652,053	818,406	1,093,115
Plan Fiduciary Net Position - Beginning of Year	8,809,017	6,977,829	6,793,840	6,141,787	5,323,381	4,230,266
Plan Fiduciary Net Position - End of Year (b)	<u>8,253,384</u>	<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>\$ 325,699,069</u>	<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	2.47 %	1.93 %	1.68 %	1.72 %	1.40 %	1.67 %
Covered Payroll	<u>\$ 162,468,228</u>	<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	200.47 %	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, 2022**

OTHER POST-EMPLOYMENT BENEFITS SCHEDULE

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

	2022	2021	2020	2019	2018	2017
Actuarially Required Contribution	\$ 49,095,272	\$ 45,013,382	\$ 43,049,169	\$ 45,564,423	\$ 22,240,087	\$ 23,815,762
Contributions in Relation to the Actuarially Required Contribution	(15,714,735)	(15,466,083)	(13,651,855)	(13,526,318)	(13,090,912)	(11,124,352)
Contribution Deficiency	<u>\$ 33,380,537</u>	<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>\$ 162,468,228</u>	<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	9.67 %	9.91 %	8.96 %	9.24 %	11.55 %	10.11 %

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

	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	(6.32)%	26.29 %	2.71 %	6.30 %	5.70 %	3.00 %

(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, 2022**

PENSION PLAN SCHEDULES

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

	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Total Pension Liability:				
Service Cost	\$ 11,595,000	\$ 11,096,000	\$ 10,607,000	\$ 10,150,000
Interest	34,732,000	33,532,000	32,065,000	30,897,000
Changes in Benefit Terms	9,300,000	-	-	-
Change in Assumptions	9,400,000	-	6,700,000	-
Difference Between Expected and Actual Experience	(2,637,000)	-	3,385,000	-
Benefit Payments, including Refunds of Member Contributions	(29,011,000)	(28,137,000)	(25,859,000)	(25,349,000)
Net Change in Total Pension Liability	<u>33,379,000</u>	<u>16,491,000</u>	<u>26,898,000</u>	<u>15,698,000</u>
Total Pension Liability - Beginning of Year	<u>481,976,000</u>	<u>465,485,000</u>	<u>438,587,000</u>	<u>422,889,000</u>
Total Pension Liability - End of Year (a)	<u>\$ 515,355,000</u>	<u>\$ 481,976,000</u>	<u>\$ 465,485,000</u>	<u>\$ 438,587,000</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 19,891,000	\$ 18,589,000	\$ 17,625,000	\$ 16,420,000
Contributions - Member	6,908,688	7,078,815	7,171,539	6,940,000
Net Investment Income	74,066,000	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	(29,011,000)	(28,137,000)	(25,779,000)	(25,771,000)
Administrative Expense	(360,000)	(360,000)	(355,000)	(382,000)
Net Change in Plan Fiduciary Net Position	<u>71,494,688</u>	<u>36,691,815</u>	<u>47,061,539</u>	<u>(9,872,000)</u>
Plan Fiduciary Net Position - Beginning of Year	<u>391,825,354</u>	<u>355,133,539</u>	<u>308,072,000</u>	<u>317,944,000</u>
Plan Fiduciary Net Position - End of Year (b)	<u>463,320,042</u>	<u>391,825,354</u>	<u>355,133,539</u>	<u>308,072,000</u>
Net Pension Liability - End of Year (a) - (b)	<u>\$ 52,034,958</u>	<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	89.90 %	81.30 %	76.29 %	70.24 %
Covered Payroll	<u>\$ 74,592,000</u>	<u>\$ 71,607,000</u>	<u>\$ 71,607,000</u>	<u>\$ 66,275,000</u>
Net Pension Liability as a Percentage of Covered Payroll	69.8 %	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, 2022**

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	21,320,000	35,772,000	13,506,000	13,108,000
Total Pension Liability - Beginning of Year	401,569,000	365,797,000	352,291,000	339,183,000
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	43,895,000	16,255,000	(1,333,000)	15,311,000
Plan Fiduciary Net Position - Beginning of Year	274,049,000	257,794,000	259,127,000	243,816,000
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, 2022**

PENSION PLAN SCHEDULES

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM) (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 19,834,273	\$ 18,545,370	\$ 17,578,549	\$ 16,371,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(19,834,273)</u>	<u>(18,545,370)</u>	<u>(17,578,549)</u>	<u>(16,420,000)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,000)</u>
Covered Payroll	<u>\$ 74,592,000</u>	<u>\$ 71,607,000</u>	<u>\$ 71,607,000</u>	<u>\$ 66,275,000</u>
Contributions as a Percentage of Covered Payroll	26.59 %	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	\$ 12,414,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(15,525,000)</u>	<u>(13,686,000)</u>	<u>(13,035,000)</u>	<u>(12,414,000)</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)

Annual Money-Weighted Rate of Return, Net of Investment Expense			
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
19.00 %	11.20 %	15.78 %	(2.26)%
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
17.66 %	7.45 %	0.06 %	7.69 %

(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, 2022**

PENSION PLAN SCHEDULES

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of the Net Pension Liability	94.05 %	93.98 %	93.94 %	94.15 %
City's Proportionate Share of the Net Pension Liability	\$ 48,938,879	\$ 84,723,578	\$ 103,664,163	\$ 122,880,000
City's Covered Payroll	\$ 70,153,776	\$ 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	69.76 %	125.90 %	154.11 %	196.93 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.90 %	81.30 %	76.29 %	70.24 %
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	94.30 %	94.56 %	95.19 %	95.11 %
City's Proportionate Share of the Net Pension Liability	\$ 98,963,000	\$ 120,583,000	\$ 102,808,000	\$ 88,609,000
City's Covered Payroll	\$ 62,497,325	\$ 60,584,138	\$ 55,714,767	\$ 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 %	159.04 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.18 %	68.24 %	70.47 %	73.55 %

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Required Contribution	\$ 18,654,134	\$ 17,428,939	\$ 16,513,289	\$ 15,412,744
Contributions in Relation to the Actuarially Required Contribution	<u>(18,654,134)</u>	<u>(17,428,939)</u>	<u>(16,513,289)</u>	<u>(15,458,744)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,000)</u>
City's Covered Payroll	<u>\$ 70,153,776</u>	<u>\$ 67,296,259</u>	<u>\$ 67,267,544</u>	<u>\$ 62,397,913</u>
Contributions as a Percentage of Covered Payroll	26.59 %	25.90 %	24.55 %	24.77 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Required Contribution	\$ 14,584,129	\$ 12,941,893	\$ 12,407,731	\$ 11,806,955
Contributions in Relation to the Actuarially Required Contribution	<u>(14,584,129)</u>	<u>(12,941,893)</u>	<u>(12,407,731)</u>	<u>(11,806,955)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<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>	<u>\$ 57,386,210</u>
Contributions as a Percentage of Covered Payroll	22.66 %	20.74 %	21.62 %	20.57 %

(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, 2022**

PENSION PLAN SCHEDULES

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

	<u>2022</u>	<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>251,683,946</u>	<u>310,494,304</u>	<u>273,039,022</u>	<u>255,481,136</u>
Total	<u>\$ 251,683,946</u>	<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>\$ 20,196,589</u>	<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	62.03 %	50.67 %	53.95 %	54.84 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</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>	<u>164,027,046</u>
Total	<u>\$ 245,297,947</u>	<u>\$ 237,979,362</u>	<u>\$ 214,722,934</u>	<u>\$ 164,027,046</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>	<u>\$ 11,395,746</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, 2022**

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, 2022, 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	\$ 297,177,472	\$ 307,805,260	\$ 5,343,970	\$ 20,311,009
Adjustments and Reclassifications:				
To Record MTRS On-Behalf Payments	20,196,589	20,196,589	-	-
Stabilization Fund Activities	(174,978)	-	-	22,870,566
To Record Accruals	(2,340,842)	(64,417)	2,400,000	(341,944)
To Record Encumbrances and Continuing Appropriations	-	(3,737,453)	-	3,737,453
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 314,858,241</u>	<u>\$ 324,199,979</u>	<u>\$ 7,743,970</u>	<u>\$ 46,577,084</u>