

**TOWN OF BRAINTREE, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



FOR THE YEAR ENDED JUNE 30, 2020

On the Cover:

Braintree East Middle School

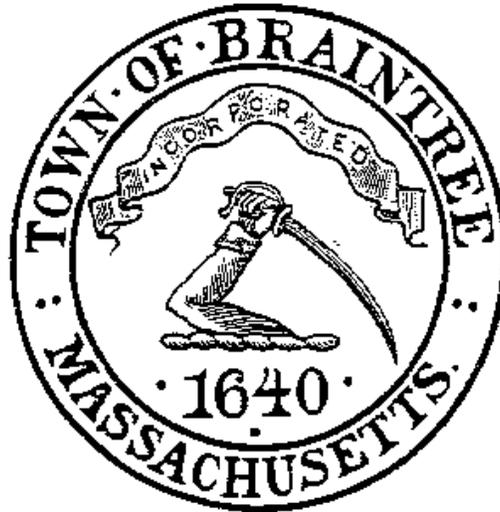
Photo © Chuck Choi Architectural Photography

Fall 2019 — The newly renovated East Middle School was a two-phase project which included an addition to accommodate 5th grade students, implementing a second cafeteria and gymnasium and renovating all existing classrooms and the auditorium. The total cost of the project was \$83.1 million.



March 11, 2020 – Mayor Kokoros’ dodgeball team competed in the Braintree High School annual dodgeball tournament.

**Town of
Braintree, Massachusetts**



**Comprehensive
Annual Financial Report**

**For the Year Ended
June 30, 2020**

**Prepared by:
Edward J. Spellman, Jr.
Director of Municipal Finance**

TOWN OF BRAINTREE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2020

TABLE OF CONTENTS

***Introductory Section*..... 1**

Letter of Transmittal 3

Organizational Chart 8

Principal Town Officials..... 9

Certificate of Achievement for Excellence in Financial Reporting 10

***Financial Section* 11**

Independent Auditor’s Report 13

Management’s Discussion and Analysis 16

Basic Financial Statements..... 26

 Statement of Net Position..... 27

 Statement of Activities 28

 Governmental Funds – Balance Sheet 30

 Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net
 Position 31

 Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances 32

 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities 33

 Proprietary Funds – Statement of Net Position..... 34

 Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position 35

 Proprietary Funds – Statement of Cash Flows 36

 Fiduciary Funds – Statement of Fiduciary Net Position 37

 Fiduciary Funds – Statement of Changes in Fiduciary Net Position..... 38

 Notes to Basic Financial Statements 39

Required Supplementary Information 91

 General Fund Budgetary Comparison Schedule 92

 Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and
 Actual 93

 Pension Plan Schedules – Retirement System..... 96

 Schedule of Changes in the Net Pension Liability and Related Ratios 97

 Schedule of Contributions 98

 Schedule of Investment Return 99

Pension Plan Schedules – Town & Electric Light Department	100
Schedule of the Town’s Proportionate Share of the Net Pension Liability	101
Schedule of the Electric Light Department’s Proportionate Share of the Net Pension Liability	102
Schedule of the Town’s Contributions	103
Schedule of the Special Funding Amounts of the Net Pension Liability.....	104
Other Postemployment Benefits Plan Schedules	105
Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability	106
Schedule of Changes in the Electric Department’s Net Other Postemployment Benefit Liability	107
Schedule of the Town’s Contributions	108
Schedule of Investment Return	109
Notes to Required Supplementary Information	110
Other Supplementary Information.....	116
Combining and Individual Fund Statements	118
Nonmajor Governmental Funds	119
Nonmajor Governmental Funds – Combining Balance Sheet.....	120
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	122
Agency Fund	124
Agency Fund – Statement of Changes in Assets and Liabilities	125
Statistical Section.....	127
Net Position by Component – Last Ten Years.....	128
Changes in Net Position – Last Ten Years.....	129
Fund Balances – Governmental Funds – Last Ten Years.....	130
Changes in Fund Balances – Governmental Funds – Last Ten Years	131
Assessed and Actual Value of Taxable Property by Classification and Tax Rates - Last Ten Years	132
Principal Taxpayers – Current Year and Nine Years Ago	133
Property Tax Levies and Collections – Last Ten Years.....	134
Ratios of Outstanding Debt – Last Ten Years	135
Ratios of General Bonded Debt – Last Ten Years	136
Direct and Overlapping Governmental Activities Debt.....	137
Computation of Legal Debt Margin – Last Ten Years.....	138
Demographic and Economic Statistics – Last Ten Years.....	139
Principal Employers – Current Year and Nine Years Ago	140
Full-Time Equivalent Town Employees by Function – Last Ten Years	141
Operating Indicators by Function/Program – Last Ten Years	142
Capital Asset Statistics by Function/Program – Last Ten Years	143

Introductory Section



January 16, 2020 – Mayor Kokoros honors Ann Toland and Pat Conrad as the Dr. Martin Luther King Jr. Braintree Citizens of the Year in recognition of their 20 years working at the Marge Crispin Center and lifelong commitment to helping people in the community.

Introductory Section

This page intentionally left blank.

Edward J. Spellman, Jr.
Director of Finance



Charles C. Kokoros
Mayor

TOWN OF BRAintree
DEPARTMENT OF MUNICIPAL FINANCE
One JFK Memorial Drive, Braintree, MA 02184
Tel: 781-794-8035 Fax: 781-794-8181

Letter of Transmittal

December 23, 2020

To the Honorable Town Council and Citizens of the Town of Braintree:

At the close of each year, the Town of Braintree is required by state law to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In accordance with that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Braintree, Massachusetts, for the year ended June 30, 2020.

The report is designed to be used by the elected and appointed officials of the Town of Braintree and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters. Just as important, the design and format of this report is aimed at providing the residents and taxpayers of Braintree a more easily readable and, therefore, a more easily understandable financial report.

This report consists of management's representations concerning the finances of the Town of Braintree. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. In order to provide a reasonable basis for making these financial representations, management continues to review and improve its established comprehensive internal controls. The framework for these controls is designed to protect, to the extent possible, the government's assets from loss, theft or misuse; however, the cost of internal controls should not outweigh their benefits. As a result, the Town of Braintree's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the year ended June 30, 2020, are fairly presented in conformity with GAAP.

The Town of Braintree's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Braintree for the year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Braintree's financial statements for the year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Braintree was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Braintree's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Braintree's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Braintree is a suburban community with a strong residential character located twelve miles south of Boston, with a land area of 14.52 square miles. Incorporated in 1640, Braintree has a rich history. For example, old Braintree was the birthplace of two presidents, John Adams and John Quincy Adams, as well as John Hancock and General Sylvanus Thayer, the founder of West Point. The Town is ideally situated at the crossroads of Route I-93 (128) and Route 3 for easy access to the Greater Boston area and Cape Cod as well as having excellent public transportation to Boston and Logan International Airport.

There is a strong business base which includes one of the largest regional shopping centers in the northeast, the South Shore Plaza. Attractive office and industrial parks are located throughout the Town as well because of its ideal location.

The Town offers a full range of services including police and fire protection, education, maintenance of streets and infrastructure, solid waste collection and disposal, health and human services, cultural and recreational, administrative and financial services.

The Town operates under a Mayor and Town Council form of government. A nine-member Town Council, with three members at large and six district members, serves as representative legislature.

The School Committee consisting of six elected members and the Mayor, appoint the School Superintendent who administers the public school system of the Town.

Factors Affecting Financial Condition

The Town of Braintree continues to reflect a strong local economic condition. The per capita income continues to rise and outpace the state averages. The Town also has a low comparable unemployment rate.

The Town remains a very desirable community as reflected in the strong residential sales market, which has regained its pre-fiscal crisis levels. The Town offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The Town also offers a broad range of high quality services and an attractive quality of life.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2½ and can only be overridden by a majority vote at a Town election. While revenue increases have been limited in recent years, tax base growth was enhanced by commercial construction. This helped offset the steady increases in fixed costs, including health insurance and pension costs, both of which have increased substantially. On the Town's operating side, the FY2021 budgets and service level were maintained through a 2.83% increase in the operating budget. Funded with a 3.45% increase in real estate and personal property tax revenue and \$2.388 million use of

free cash, the Town was able to continue to provide high quality services while minimizing the impact on the property tax burden.

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. It has maintained a high bond rating even with the overall unsettled economy. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances despite tight budgets; investing in technology to ensure efficient operations; negotiating sustainable collective bargaining agreements; and maintaining an aggressive pay as you go financing strategy for capital improvements. The Town's long-term policies will preserve its strong financial position for the foreseeable future.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the operating budget to ensure availability of resources for ongoing operations.

The Town remains committed to the ongoing and continuous repair and improvement of our infrastructure. Ongoing major projects of note are the 1) East Middle School (EMS) renovation and addition; 2) New South Middle School (SMS) to be located behind the existing South Middle School; and 3) Tri Town Regional Water Treatment Plant.

The school projects are part of a town wide enhancement of the school system. By adding classrooms to both EMS and SMS, twenty two (22) classrooms will become available at the six (6) elementary schools, alleviating some of the pressures caused by increased enrollment and educational requirements such as ELL programming at these schools. Upon completion of both middle school projects, grades K-4 will attend the elementary schools, grades 5-8 will attend the middle schools and grades 9-12 will remain at the high school. The middle schools will operate as two academies, grades 5-6 and 7-8, which will provide fifth graders access to additional programs not currently available at the elementary level. Finally, this redevelopment will allow us to continue offering neighborhood schools while providing our youth access to quality educational programming.

East Middle School opened to faculty and students in September 2020. The eighty three million dollar (\$83,000,000.00) renovation was made possible through a partnership with the Massachusetts School Building Authority (MSBA) and their forty one million dollar (\$41,000,000.00) contribution to the total cost of the project.

On January 1, 2020, the new administration under the direction of Charles C. Kokoros, took office. As part of his review of the Town's finances and infrastructure, Mayor Kokoros determined that a debt exclusion was necessary in order to fund the SMS project. The following school related projects were identified for placement on the ballot during a special election, originally scheduled to be held in March 2020:

1) South Middle School	\$86,585,919
2) School Roofs	\$5,000,000
3) High School Feasibility Study	\$1,500,000
4) School Security Enhancements	\$1,000,000

The corresponding appropriations were approved by the Town Council in February 2020; however, due to COVID-19 the special election was postponed. With the approval of the court, the special election was continued first to June 30 and then to September 26, 2020, when all four questions passed with overwhelming support from the voters. With this approval, the Town was able to secure its partnership with the MSBA and their commitment of thirty one million dollars (\$31,000,000.00) towards the SMS project.

The Tri-Town Regional Water Treatment plant is a regional effort between Braintree, Randolph and Holbrook, furthering the current partnership supporting water treatment for the three communities. Through this project a new larger regional water treatment plant will replace the two smaller plants built in the 1930's, one owned and operated by Braintree and the other jointly owned by Randolph and Holbrook. This new state of the art plant will allow all three communities to more efficiently serve their residents while benefiting from shared construction and operating costs. Additionally, by using a regional approach, the communities have access to low interest rate funds through the Massachusetts Water Abatement Trust, resulting in significant interest related savings over the term of the bonds.

Financial and Management Systems

Internal Controls

The Mayor and Director of Municipal Finance are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Director of Municipal Finance is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

Budgetary Controls

The Mayor is responsible for preparing and presenting the budget to the Town Council. The Council, having the authority to amend down and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

The level of budgetary control is established by Town Council and defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department program level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved by Town Council throughout the year.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the year ended June 30, 2019. This was the eighth time that the Town submitted a CAFR to the GFOA. The Town was awarded this Certificate in all eight years. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

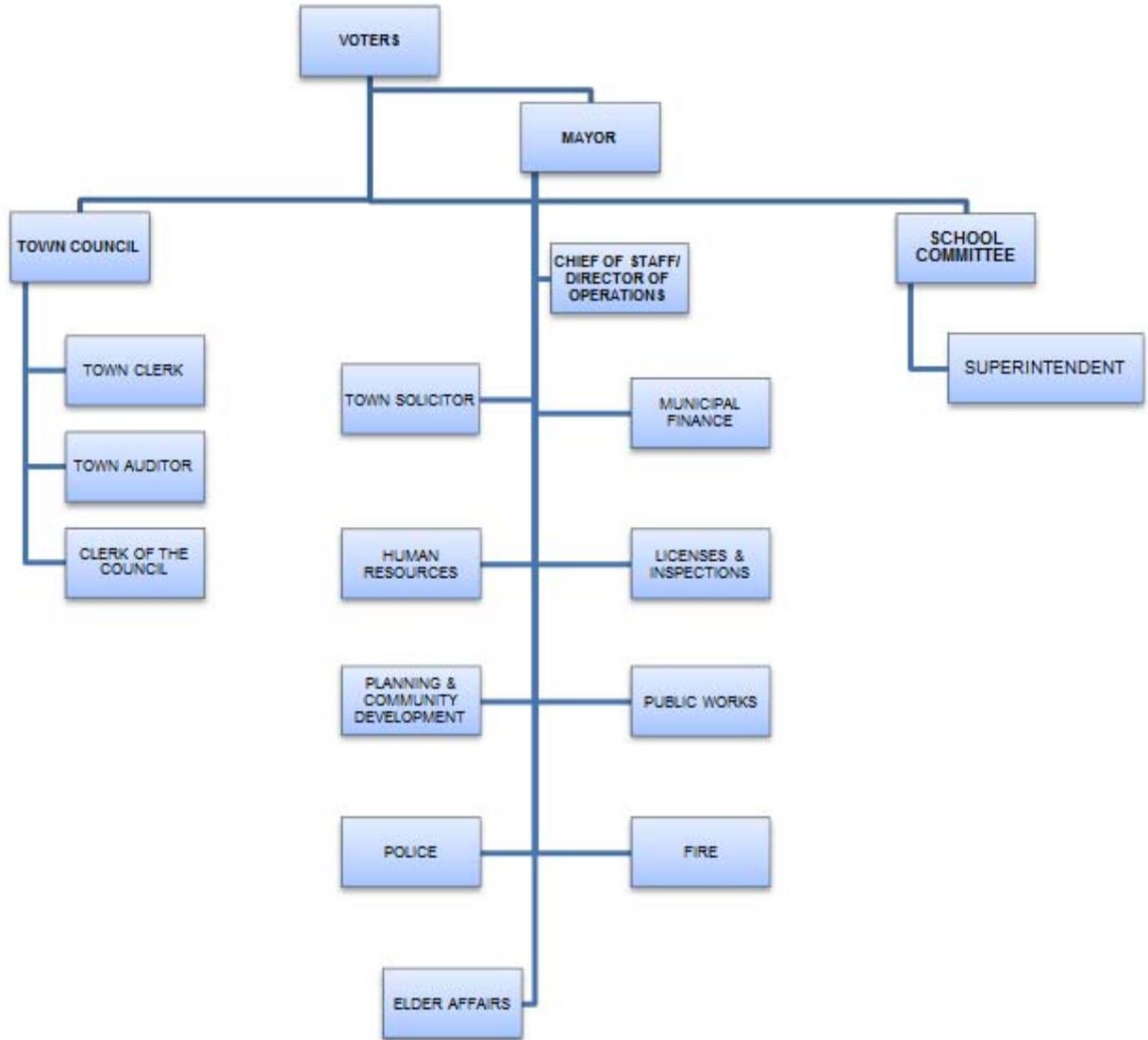
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation of this report. I would also like to acknowledge and give credit to the Mayor and the Town Council for their constant support to uphold the highest standards of professionalism in the management of the Town of Braintree's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Edward J. Spellman, Jr.", written in a cursive style.

Edward J. Spellman, Jr.
Director of Municipal Finance

Town of Braintree Organizational Chart



Principal Town Officials – As of June 30, 2020

Elected Officials		Term Expires
Mayor	Charles C. Kokoros	2024
Town Council	<u>Councilors-at-Large</u>	
	Shannon Hume, President	2022
	David Ringius, Jr., Vice President	2022
	Charles B. Ryan	2022
	<u>District Councilors</u>	
	Julia Flaherty	2022
	Steven Sciascia	2022
	Donna Connors	2022
	Stephen C. O'Brien	2022
	Meredith Boericke	2022
	Lawrence Mackin, Jr.	2022
School Committee	Thomas Devin, Chairperson	2024
	Cyril Chafe, Vice Chairperson	2022
	George Kokoros	2022
	Jennifer Aborn-Dolan	2022
	Kelly Cobb-Lemiere	2024
	Karla Psaros	2024
	Charles C. Kokoros, Mayor	2024

Appointed Officials

Appointed by the Mayor

Chief of Staff and Director of Operations	Nicole I. Taub
Director of Municipal Finance	Edward J. Spellman, Jr.
Town Solicitor	Nicole I. Taub
Director of Human Resources	Karen M. Shanley
Director of Inspectional Services	Marybeth McGrath
Director of Department of Public Works	James Arsenault
Director of Planning & Community Development	Christine Stickney
Police Chief	Mark W. Dubois
Fire Chief	James O'Brien
Director of Elder Affairs	Sharmila Biswas
Assessor	Robert Brinkmann
Treasurer/Collector	Barbara Walls
Town Accountant	Mark Lin

Appointed by the Town Council

Town Clerk	James M. Casey
Clerk of the Council	Susan M. Cimino

Appointed by the School Committee

School Superintendent	Frank Hackett, Ed. D
School Assistant Superintendent	James Lee
School Business Manager	Edward Cronin



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Braintree
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section



March 5, 2020 – Mayor Kokoros and Police Chief Mark Dubois join Deputy Police Chief Timothy Cohoon and Deputy Police Chief Michael Want on the night of their swearing-in ceremony.

Financial Section

This page intentionally left blank.



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Mayor and the Town Council
Town of Braintree, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Braintree, Massachusetts as of and for the year ended June 30, 2020 (except for the Braintree Contributory Retirement System which is as of and for the year ended December 31, 2019), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Braintree Electric Light Department as of December 31, 2019, which is both a major fund and 67%, 58%, and 74%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities of the Braintree Electric Light Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Braintree, Massachusetts, as of June 30, 2020 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of and for the year ended December 31, 2019), 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Braintree, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the Town of Braintree, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Braintree, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Powers + Juliani, LLC". The signature is written in a cursive, flowing style.

December 23, 2020

Management's Discussion and Analysis

Management's Discussion and Analysis

This analysis, prepared by the Finance Director, offers readers of the Town's financial statements a narrative overview and analysis of the financial activities of the Town of Braintree for the year ended June 30, 2020. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town's financial statements have significant departures from GAAP the independent auditors may issue a modified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

Financial Highlights

- The Town's government-wide assets and deferred outflows of resources were less than liabilities and deferred inflows of resources for governmental activities at the close of the most recent year by \$36.3 million. Business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of activities at the close of the most recent year by \$111.2 million. The business-type activities include the activities of the water and sewer, golf course, stormwater, PEG access, and the electric light enterprise funds.
- At the close of the current year the Town of Braintree's general fund reported an ending fund balance of \$15.2 million, a decrease of \$3.6 million from the prior year. Total fund balance represents 9.5% of total general fund expenditures. Approximately \$11.6 million of this total amount is available for appropriation at the Town's discretion.
- The Town's governmental long-term debt, net of unamortized premiums, increased by \$3.1 million during the current year as a result of new issuances of \$8.4 million, including premiums, and scheduled principal payments and premium amortizations of \$5.4 million.
- **COVID-19** – On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary due to the public health emergency with respect to COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. As of June 30, 2020, the District incurred COVID-19 related expenses totaling \$314,000. The Town anticipates being reimbursed for these costs through the Coronavirus Relief Fund and the Federal Emergency Management Agency and has recorded receivables related to the anticipated reimbursements.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all 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 is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, sanitation, community preservation, human services, culture and recreation, COVID-19, and interest. The business-type activities include the water and sewer, golf course, stormwater, PEG access, and electric light activities.

The government-wide financial statements include not only the Town of Braintree itself (known as the *primary government*), but also a legally separate public employee retirement system for which the Town of Braintree is financially accountable. Financial information for this *component unit* is reported separately within the fiduciary fund statements.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and 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 fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Braintree adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The Town's general fund and Town capital projects are shown separately, and the remaining governmental funds are aggregated and shown as nonmajor governmental funds.

Proprietary funds. The Town maintains two types of propriety funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer, golf course, stormwater, PEG access, and electric light activities.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the 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.

Financial Highlights.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources for governmental activities by \$36.3 million. Key components of the Town's activities are presented on the following page.

Governmental Activities

	2020	2019
Assets:		
Current assets.....	\$ 82,753,115	\$ 96,400,214
Capital assets, non depreciable.....	94,781,926	71,522,749
Capital assets, net of accumulated depreciation....	75,094,723	72,073,040
Total assets.....	252,629,764	239,996,003
Deferred outflows of resources.....	40,646,733	22,182,537
Liabilities:		
Current liabilities (excluding debt).....	15,827,667	21,785,074
Noncurrent liabilities (excluding debt).....	219,084,363	191,974,813
Current debt.....	7,845,081	6,150,974
Noncurrent debt.....	74,606,308	71,648,899
Total liabilities.....	317,363,419	291,559,760
Deferred inflows of resources.....	12,228,646	5,111,894
Net position:		
Net investment in capital assets.....	96,555,315	76,180,050
Restricted.....	28,354,464	26,924,401
Unrestricted.....	(161,225,347)	(137,597,565)
Total net position.....	\$ (36,315,568)	\$ (34,493,114)

Net investment in capital assets of \$96.6 million reflects our investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets 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 its 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 net position, \$28.4 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* resulted in a deficit of \$161.2 million. The primary reason for this deficit balance is the recognition of the net pension and net OPEB liabilities in the amounts of \$72.1 million and \$143.1 million, respectively.

	2020	2019
Program Revenues:		
Charges for services.....	\$ 7,338,814	\$ 8,689,943
Operating grants and contributions.....	47,937,389	43,665,849
Capital grants and contributions.....	15,384,751	20,303,255
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	96,095,096	90,051,214
Tax and other liens.....	160,375	716,826
Motor vehicle and other excise taxes.....	6,290,629	6,667,855
Hotel/motel tax.....	1,524,976	1,728,984
Meals tax.....	1,114,427	1,249,555
Community preservation tax.....	806,576	764,993
Penalties and interest on taxes.....	211,740	298,708
Payments in lieu of taxes.....	625,299	602,234
Grants and contributions not restricted to specific programs.....	6,344,909	6,399,260
Unrestricted investment income.....	1,584,473	1,682,743
Total revenues.....	185,419,454	182,821,419
Expenses:		
General government.....	5,625,729	6,388,587
Public safety.....	27,258,809	32,268,620
Education.....	140,454,843	118,055,819
Public works.....	7,732,810	10,746,722
Human services.....	1,126,029	1,617,032
Sanitation.....	2,478,776	2,475,231
Culture and recreation.....	1,633,423	3,292,243
Community preservation.....	137,004	195,951
COVID-19.....	313,784	-
Interest.....	2,038,982	1,555,926
Total expenses.....	188,800,189	176,596,131
Excess (Deficiency) before transfers.....	(3,380,735)	6,225,288
Transfers.....	1,558,281	1,328,516
Change in net position.....	(1,822,454)	7,553,804
Net position, beginning of year.....	(34,493,114)	(42,046,918)
Net position, end of year.....	\$ (36,315,568)	\$ (34,493,114)

The governmental net position decreased by \$1.8 million during the current year as compared to a \$7.6 million increase in the prior year. The Town's revenue increased \$2.6 million and expenses increased \$12.2 million. The key reasons for these changes are described in the following paragraphs.

Charges for services came in lower than the previous year due to the COVID-19 shutdowns that took place statewide starting in March 2020. Some of the programs affected included preschool, summer school and continuing education programs.

Operating grant revenue came in higher from the previous year due to increased state financing for the Massachusetts's Teachers' Retirement System, which increased revenue and the corresponding expense by \$4.3 million over the prior year.

Capital grant revenue came in lower than the previous year mainly due to the prior year reimbursements from the Massachusetts School Building Authority for the East Middle School project which is now nearing completion.

Property taxes are the most significant revenue source for the Town's governmental activities. They comprise 52% of all resources.

Education is by far the largest governmental activity of the Town. A total of \$140.5 million was expended for education, of which \$61.7 million was funded by program revenues. The remaining \$78.8 million was funded by taxes and other revenue. The increase in expense is directly related to the increase in the net OPEB liability.

During FY2020 the Commonwealth received federal funding that they allotted to each community based on population. The communities could use these funds to offset the costs associated with the novel Coronavirus (COVID-19). The Town had expenditures of \$314,000 of which the full amount will be reimbursed with federal and state grants.

Business-type Activities. Business-type activities increased the Town's net position by \$7.7 million compared to an increase of \$6.9 million in the prior year. The results of operations for the business-type activities are discussed in the following paragraphs and tables.

The water and sewer fund was established in 1984 pursuant to an act establishing the water and sewer commission. Water and sewer business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47.7 million at the close of 2020. Net investment in capital assets was \$39.0 million while unrestricted net position was \$8.7 million. There was an increase of \$5.4 million in net position compared to an increase of \$3.4 million in the prior year, mainly from increases in user chargers and capital contributions received in 2020.

Golf Course business-type activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1.4 million at the close of 2020. Net investment in capital assets was \$767,000 while unrestricted net position was in a deficit in the amount of \$2.2 million. There was a decrease of \$431,000 in net position compared to an increase of \$330,000 in the prior year. The golf course was required to cease operations for 53 days in the Spring of 2020 due to the COVID-19 pandemic. Revenues increased just over \$100,000 due to the new golf simulator revenue and the associated concession revenue, but operating expenses continued to be incurred and actually increased by approximately \$607,000.

The stormwater assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,000 at the close of 2020, which was reported as unrestricted net position. There was an increase of \$196,000 in net position compared to a decrease of \$159,000 in the prior year, mainly from lower operating costs in this second year of operations.

The Town established the PEG Access business-type activity in FY20. The PEG Access assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$119,000. at the close of 2020, which was reported as unrestricted net position.

Electric light business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$64.8 million at December 31, 2019. Net investment in capital assets was \$69.5 million, restricted net position was \$4.3 million and unrestricted net position was in a deficit in the amount of \$9.0 million. There was an increase of \$2.4 million in net position compared to an increase of \$3.3 million in the prior year, mainly from capital contributions received in the prior year.

Business Type Activities

	2020	2019
Assets:		
Current assets.....	\$ 61,103,143	\$ 55,886,535
Noncurrent assets (excluding capital).....	2,229,823	2,013,762
Capital assets, non depreciable.....	5,107,948	14,658,384
Capital assets, net of accumulated depreciation....	190,387,867	182,812,356
Total assets.....	258,828,781	255,371,037
Deferred outflows of resources.....	15,688,738	13,453,029
Liabilities:		
Current liabilities (excluding debt).....	9,859,300	9,961,316
Noncurrent liabilities (excluding debt).....	41,609,758	38,323,821
Current debt.....	10,441,603	10,490,901
Noncurrent debt.....	88,752,747	95,815,146
Total liabilities.....	150,663,408	154,591,184
Deferred inflows of resources.....	12,633,647	10,723,104
Net position:		
Net investment in capital assets.....	109,275,236	104,641,964
Restricted.....	4,302,744	5,038,499
Unrestricted.....	(2,357,516)	(6,170,685)
Total net position.....	\$ 111,220,464	\$ 103,509,778
	2020	2019
Program Revenues:		
Charges for services.....	\$ 91,548,045	\$ 93,310,462
Capital grants and contributions.....	1,303,905	1,380,189
General Revenues:		
Unrestricted investment income.....	376,950	534,440
Total revenues.....	93,228,900	95,225,091
Expenses:		
Water and sewer.....	17,177,811	17,432,168
Golf course.....	2,226,131	1,603,029
Stormwater.....	447,540	792,701
PEG Access.....	420,746	-
Municipal Light.....	63,687,705	67,166,267
Total expenses.....	83,959,933	86,994,165
Excess (Deficiency) before transfers.....	9,268,967	8,230,926
Transfers.....	(1,558,281)	(1,328,516)
Change in net position.....	7,710,686	6,902,410
Net position, beginning of year.....	103,509,778	96,607,368
Net position, end of year.....	\$ 111,220,464	\$ 103,509,778

Financial Analysis of the Government's Funds

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

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

At the end of the current year governmental funds reported combined ending fund balances of \$52.5 million, which represents a decrease of \$9.6 million from the prior year. The general fund decreased by \$3.6 million, the Town capital project fund decreased by \$7.4 million, and the nonmajor funds increased by \$1.4 million.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$11.6 million, while total fund balance was \$15.2 million. 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 fund expenditures. Unassigned fund balance represents 7.2% of total general fund expenditures, while total fund balance represents 9.5% of that same amount.

The Town capital projects fund is used to account for the acquisition, construction or improvement of major capital assets. At the end of the current year, total fund balance was \$9.1 million which represents a decrease of \$7.4 million from the prior year. The fund received \$14.8 million of school construction grants, issued general obligation bonds of \$7.4 million, and spent \$32.2 million primarily for the East Middle School and various roadway projects.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The Town of Braintree adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided as required supplementary information for the general fund to demonstrate compliance with this budget.

During 2020, the Town Council approved supplemental appropriations totaling approximately \$2.6 million for various police and fire expenditures.

Actual revenues came in lower than budget by approximately \$2.7 million or 1.9%. The largest deficit was departmental and other revenue of \$2.1 million, followed by \$614,000 for motor vehicle and other excise taxes. This was offset by a surplus in unbudgeted tax liens of \$400,000 and other intergovernmental revenue of \$368,000.

Actual expenditures and encumbrances came in \$2.9 million less than budgeted. Virtually all departments realized budgetary savings.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares capital budgets for the upcoming year.

During 2020, the Town expended \$30.7 million on governmental activities capital assets. The expenditures consisted mainly of roadway improvements, construction in progress primarily of the East Middle School and the School ESCO project. The business type activities expended \$8.7 million during 2020. This consisted mainly of \$3.9 million in the electric light plant and \$4.4 million for the water distribution system.

Outstanding long-term debt of the governmental activities, as of June 30, 2020, totaled \$74.6 million, of which \$59.1 million relates to public building construction, \$11.2 million relates to road construction, \$900,000 relates to land acquisition, and \$3.3 million relates to other projects.

The enterprise funds had \$28.3 million in water and sewer debt, \$182,000 in golf course debt, and \$58.8 million in Electric Light debt that is fully supported by the rates and do not rely on a general fund subsidy.

During 2020, the Town issued long-term bonds in the amounts of \$7.4 million for governmental funds. Water and sewer enterprise fund issued \$3.1 million in long term bonds. Golf enterprise fund issued \$5,000 in long term bonds.

During 2020, the Town issued \$2.5 million of bond anticipation notes for governmental funds related to the East Middle School renovations and the South Middle School feasibility study.

Please refer to Notes 4, 6, 7, and 8 of the notes to the financial statements for further discussion of the major capital and debt activity, respectively.

Requests for Information

This financial report is designed to provide a general overview of the Town of Braintree's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Municipal Finance, Town Hall, One JFK Memorial Drive, Braintree, Massachusetts 02184.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 62,836,290	\$ 40,759,714	\$ 103,596,004
Investments.....	7,491,596	-	7,491,596
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	2,371,167	-	2,371,167
Tax liens.....	1,058,438	80,939	1,139,377
Motor vehicle and other excise taxes.....	712,977	-	712,977
User charges.....	-	11,769,725	11,769,725
Departmental and other.....	1,144,377	743,990	1,888,367
Intergovernmental.....	6,357,019	-	6,357,019
Community preservation state share.....	89,150	-	89,150
Tax foreclosures.....	78,281	-	78,281
Internal balances.....	38,220	(38,220)	-
Inventory.....	-	5,025,971	5,025,971
Other assets.....	575,600	2,761,024	3,336,624
Total current assets.....	82,753,115	61,103,143	143,856,258
NONCURRENT:			
Other assets.....	-	2,229,823	2,229,823
Capital assets, nondepreciable.....	94,781,926	5,107,948	99,889,874
Capital assets, net of accumulated depreciation.....	75,094,723	190,387,867	265,482,590
Total noncurrent assets.....	169,876,649	197,725,638	367,602,287
TOTAL ASSETS.....	252,629,764	258,828,781	511,458,545
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	-	6,153,486	6,153,486
Deferred outflows related to pensions.....	3,738,064	8,497,573	12,235,637
Deferred outflows related to other postemployment benefits.....	36,908,669	1,037,679	37,946,348
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	40,646,733	15,688,738	56,335,471
LIABILITIES			
CURRENT:			
Warrants payable.....	3,716,705	5,216,659	8,933,364
Accrued payroll.....	6,958,140	81,382	7,039,522
Health claims payable.....	925,000	-	925,000
Tax refunds payable.....	128,400	-	128,400
Accrued interest.....	264,023	112,946	376,969
Other liabilities.....	-	1,333,179	1,333,179
Fees collected in advance.....	696,843	2,236,648	2,933,491
Capital lease obligations.....	-	81,364	81,364
Compensated absences.....	3,120,814	871,428	3,992,242
Workers' compensation.....	17,742	7,058	24,800
Notes payable.....	2,538,490	-	2,538,490
Bonds payable.....	5,306,591	10,360,239	15,666,830
Total current liabilities.....	23,672,748	20,300,903	43,973,651
NONCURRENT:			
Customer deposits.....	-	1,092,695	1,092,695
Capital lease obligations.....	-	21,769	21,769
Compensated absences.....	3,727,561	304,936	4,032,497
Workers' compensation.....	159,682	63,526	223,208
Net pension liability.....	72,075,901	32,523,278	104,599,179
Net other postemployment benefits liability.....	143,121,219	7,625,323	150,746,542
Bonds payable.....	74,606,308	88,730,978	163,337,286
Total noncurrent liabilities.....	293,690,671	130,362,505	424,053,176
TOTAL LIABILITIES.....	317,363,419	150,663,408	468,026,827
DEFERRED INFLOWS OF RESOURCES			
Rate stabilization reserve.....	-	10,466,161	10,466,161
Deferred inflows related to pensions.....	9,398,870	2,020,198	11,419,068
Deferred inflows related to other postemployment benefits.....	2,829,776	147,288	2,977,064
TOTAL DEFERRED INFLOWS OF RESOURCES.....	12,228,646	12,633,647	24,862,293
NET POSITION			
Net investment in capital assets.....	96,555,315	109,275,236	205,830,551
Restricted for:			
Depreciation.....	-	4,302,744	4,302,744
Permanent funds:			
Expendable.....	7,693,949	-	7,693,949
Nonexpendable.....	2,564,529	-	2,564,529
Gifts and grants.....	9,695,119	-	9,695,119
Community preservation.....	8,400,867	-	8,400,867
Unrestricted.....	(161,225,347)	(2,357,516)	(163,582,863)
TOTAL NET POSITION.....	\$ (36,315,568)	\$ 111,220,464	\$ 74,904,896

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 5,625,729	\$ 921,204	\$ 480,919	\$ -	\$ (4,223,606)
Public safety.....	27,258,809	2,205,597	693,226	-	(24,359,986)
Education.....	140,454,843	1,631,643	45,293,875	14,768,789	(78,760,536)
Public works.....	7,732,810	928,774	395,297	422,304	(5,986,435)
Human services.....	1,126,029	22,561	647,080	-	(456,388)
Sanitation.....	2,478,776	1,492,414	-	-	(986,362)
Culture and recreation.....	1,633,423	136,621	113,208	-	(1,383,594)
Community preservation.....	137,004	-	-	193,658	56,654
COVID-19.....	313,784	-	313,784	-	-
Interest.....	2,038,982	-	-	-	(2,038,982)
Total Governmental Activities.....	188,800,189	7,338,814	47,937,389	15,384,751	(118,139,235)
<i>Business-Type Activities:</i>					
Water and sewer.....	17,177,811	21,141,059	-	1,303,905	5,267,153
Golf course.....	2,226,131	1,693,037	-	-	(533,094)
Stormwater.....	447,540	639,852	-	-	192,312
PEG access.....	420,746	539,569	-	-	118,823
Municipal Light.....	63,687,705	67,534,528	-	-	3,846,823
Total Business-Type Activities.....	83,959,933	91,548,045	-	1,303,905	8,892,017
Total Primary Government.....	\$ 272,760,122	\$ 98,886,859	\$ 47,937,389	\$ 16,688,656	\$ (109,247,218)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page..... \$	(118,139,235)	\$ 8,892,017	\$ (109,247,218)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	96,095,096	-	96,095,096
Tax and other liens.....	160,375	-	160,375
Motor vehicle and other excise taxes.....	6,290,629	-	6,290,629
Hotel/motel tax.....	1,524,976	-	1,524,976
Meals tax.....	1,114,427	-	1,114,427
Community preservation tax.....	806,576	-	806,576
Penalties and interest on taxes.....	211,740	-	211,740
Payments in lieu of taxes.....	625,299	-	625,299
Grants and contributions not restricted to specific programs.....	6,344,909	-	6,344,909
Unrestricted investment income.....	1,584,473	376,950	1,961,423
<i>Transfers, net</i>	1,558,281	(1,558,281)	-
Total general revenues and transfers.....	<u>116,316,781</u>	<u>(1,181,331)</u>	<u>115,135,450</u>
Change in net position.....	(1,822,454)	7,710,686	5,888,232
<i>Net position:</i>			
Beginning of year.....	<u>(34,493,114)</u>	<u>103,509,778</u>	<u>69,016,664</u>
End of year..... \$	<u><u>(36,315,568)</u></u>	<u><u>111,220,464</u></u>	<u><u>74,904,896</u></u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2020

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 20,937,883	\$ 11,166,258	\$ 21,007,248	\$ 53,111,389
Investments.....	-	-	7,491,596	7,491,596
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	2,360,209	-	10,958	2,371,167
Tax liens.....	1,058,438	-	-	1,058,438
Motor vehicle and other excise taxes.....	712,977	-	-	712,977
Departmental and other.....	121,667	-	-	121,667
Intergovernmental.....	1,644,368	2,466,674	2,245,977	6,357,019
Community preservation state share.....	-	-	89,150	89,150
Tax foreclosures.....	78,281	-	-	78,281
Due from other funds.....	706,872	-	-	706,872
TOTAL ASSETS.....	\$ 27,620,695	\$ 13,632,932	\$ 30,844,929	\$ 72,098,556
LIABILITIES				
Warrants payable.....	\$ 1,095,970	\$ 2,036,203	\$ 551,631	\$ 3,683,804
Accrued payroll.....	6,951,276	247	6,617	6,958,140
Tax refunds payable.....	128,400	-	-	128,400
Due to other funds.....	-	-	668,652	668,652
Fees collected in advance.....	696,843	-	-	696,843
Notes payable.....	-	2,538,490	-	2,538,490
TOTAL LIABILITIES.....	8,872,489	4,574,940	1,226,900	14,674,329
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	3,513,206	-	1,363,672	4,876,878
FUND BALANCES				
Nonspendable.....	-	-	2,564,529	2,564,529
Restricted.....	-	10,565,742	25,689,828	36,255,570
Committed.....	2,613,165	-	-	2,613,165
Assigned.....	1,026,762	-	-	1,026,762
Unassigned.....	11,595,073	(1,507,750)	-	10,087,323
TOTAL FUND BALANCES.....	15,235,000	9,057,992	28,254,357	52,547,349
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 27,620,695	\$ 13,632,932	\$ 30,844,929	\$ 72,098,556

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2020

Total governmental fund balances.....		\$ 52,547,349
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		169,876,649
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		4,876,878
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		28,418,087
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		10,365,310
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(264,023)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(79,912,899)	
Net pension liability.....	(72,075,901)	
Other postemployment benefits.....	(143,121,219)	
Workers' compensation.....	(177,424)	
Compensated absences.....	<u>(6,848,375)</u>	
Net effect of reporting long-term liabilities.....		<u>(302,135,818)</u>
Net position of governmental activities.....		<u>\$ (36,315,568)</u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 95,446,571	\$ -	\$ -	\$ 95,446,571
Tax liens.....	400,226	-	834	401,060
Motor vehicle and other excise taxes.....	6,059,140	-	-	6,059,140
Hotel/motel tax.....	1,524,976	-	-	1,524,976
Meals tax.....	1,114,427	-	-	1,114,427
Penalties and interest on taxes.....	211,740	-	-	211,740
Payments in lieu of taxes.....	625,299	-	-	625,299
Intergovernmental - state aid.....	24,876,581	-	-	24,876,581
Intergovernmental - Teachers Retirement.....	19,520,106	-	-	19,520,106
Intergovernmental - other.....	368,091	14,755,953	7,957,671	23,081,715
Intergovernmental - COVID-19 relief.....	-	-	313,784	313,784
Departmental and other.....	5,900,415	-	2,563,268	8,463,683
Community preservation taxes.....	-	-	806,576	806,576
Community preservation state match.....	-	-	183,375	183,375
Contributions and donations.....	-	-	800,430	800,430
Investment income.....	1,061,397	-	523,076	1,584,473
TOTAL REVENUES.....	157,108,969	14,755,953	13,149,014	185,013,936
EXPENDITURES:				
Current:				
General government.....	4,217,186	760,824	684,541	5,662,551
Public safety.....	22,173,952	1,010,831	561,470	23,746,253
Education.....	72,106,940	28,530,620	8,019,800	108,657,360
Public works.....	5,914,433	1,677,793	1,131,753	8,723,979
Human services.....	925,062	-	221,146	1,146,208
Sanitation.....	2,515,491	-	-	2,515,491
Culture and recreation.....	1,450,623	189,580	410,010	2,050,213
Community preservation.....	-	-	315,602	315,602
COVID-19.....	-	-	313,784	313,784
Pension benefits - Town.....	8,362,266	-	-	8,362,266
Pension benefits - Teachers Retirement.....	19,520,106	-	-	19,520,106
Property and liability insurance.....	761,135	-	-	761,135
Employee benefits.....	11,742,868	-	-	11,742,868
State and county charges.....	3,958,845	-	-	3,958,845
Debt service:				
Principal.....	4,636,500	-	-	4,636,500
Interest.....	2,657,276	-	-	2,657,276
TOTAL EXPENDITURES.....	160,942,683	32,169,648	11,658,106	204,770,437
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(3,833,714)	(17,413,695)	1,490,908	(19,756,501)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	7,377,000	-	7,377,000
Premium from issuance of bonds.....	23,093	887,000	86,463	996,556
Insurance proceeds.....	180,000	-	-	180,000
Transfers in.....	2,157,481	1,718,229	489,726	4,365,436
Transfers out.....	(2,159,838)	-	(647,317)	(2,807,155)
TOTAL OTHER FINANCING SOURCES (USES)...	200,736	9,982,229	(71,128)	10,111,837
NET CHANGE IN FUND BALANCES.....	(3,632,978)	(7,431,466)	1,419,780	(9,644,664)
FUND BALANCES AT BEGINNING OF YEAR.....	18,867,978	16,489,458	26,834,577	62,192,013
FUND BALANCES AT END OF YEAR.....	\$ 15,235,000	\$ 9,057,992	\$ 28,254,357	\$ 52,547,349

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds.....		\$ (9,644,664)
<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.</p>		
Capital outlay.....	30,720,116	
Depreciation expense.....	<u>(4,439,256)</u>	
Net effect of reporting capital assets.....		26,280,860
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		225,518
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of bonds.....	(7,377,000)	
Premium from issuance of bonds.....	(996,556)	
Net amortization of premium from issuance of bonds.....	624,030	
Debt service principal payments.....	<u>4,636,500</u>	
Net effect of reporting long-term debt.....		(3,113,026)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(1,470,127)	
Net change in accrued interest on long-term debt.....	(5,736)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(20,371,857)	
Net change in net pension liability.....	16,902,646	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	31,719,301	
Net change in other postemployment benefits liability.....	(42,947,576)	
Net change in workers' compensation liability.....	<u>(61,928)</u>	
Net effect of recording long-term liabilities.....		(16,235,277)
The net activity of internal service funds is reported with Governmental Activities.....		<u>664,135</u>
Change in net position of governmental activities.....		\$ <u><u>(1,822,454)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2020

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Stormwater	PEG Access	Electric Light December 31, 2019	Total	
ASSETS							
CURRENT:							
Cash and cash equivalents.....	\$ 15,634,092	\$ -	\$ 348,831	\$ 118,823	\$ 24,657,968	\$ 40,759,714	\$ 9,724,901
Receivables, net of allowance for uncollectibles:							
Liens - user charges.....	80,939	-	-	-	-	80,939	-
User charges.....	5,373,378	-	106,842	-	6,289,505	11,769,725	-
Departmental and other.....	-	-	-	-	743,990	743,990	1,022,710
Inventory.....	-	36,796	-	-	4,989,175	5,025,971	-
Other assets.....	-	-	-	-	2,761,024	2,761,024	575,600
Total current assets.....	21,088,409	36,796	455,673	118,823	39,441,662	61,141,363	11,323,211
NONCURRENT:							
Other assets.....	-	-	-	-	2,229,823	2,229,823	-
Capital assets, non depreciable.....	3,842,274	375,876	-	-	889,798	5,107,948	-
Capital assets, net of accumulated depreciation.....	58,262,839	572,912	-	-	131,552,116	190,387,867	-
Total noncurrent assets.....	62,105,113	948,788	-	-	134,671,737	197,725,638	-
TOTAL ASSETS.....	83,193,522	985,584	455,673	118,823	174,113,399	258,867,001	11,323,211
DEFERRED OUTFLOWS OF RESOURCES							
Deferred loss on refunding.....	319,500	-	-	-	5,833,986	6,153,486	-
Deferred outflows related to pensions.....	190,865	55,219	17,206	-	8,234,283	8,497,573	-
Deferred outflows related to other postemployment benefits.....	539,188	243,886	-	-	254,605	1,037,679	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	1,049,553	299,105	17,206	-	14,322,874	15,688,738	-
LIABILITIES							
CURRENT:							
Warrants payable.....	418,597	48,680	15,721	-	4,733,661	5,216,659	32,901
Accrued payroll.....	42,652	29,734	8,996	-	-	81,382	-
Health claims payable.....	-	-	-	-	-	-	925,000
Due to other funds.....	-	38,220	-	-	-	38,220	-
Accrued interest.....	112,946	-	-	-	-	112,946	-
Other liabilities.....	-	-	-	-	1,333,179	1,333,179	-
Fees collected in advance.....	-	63,702	-	-	2,172,946	2,236,648	-
Capital lease obligations.....	-	-	-	-	81,364	81,364	-
Compensated absences.....	225,835	226,200	22,018	-	397,375	871,428	-
Workers' compensation.....	7,058	-	-	-	-	7,058	-
Bonds payable.....	2,924,353	93,700	-	-	7,342,186	10,360,239	-
Total current liabilities.....	3,731,441	500,236	46,735	-	16,060,711	20,339,123	957,901
NONCURRENT:							
Customer deposits.....	-	2,150	-	-	1,090,545	1,092,695	-
Capital lease obligations.....	-	-	-	-	21,769	21,769	-
Compensated absences.....	159,605	131,439	13,892	-	-	304,936	-
Workers' compensation.....	63,526	-	-	-	-	63,526	-
Net pension liability.....	3,680,176	1,064,705	331,756	-	27,446,641	32,523,278	-
Net other postemployment benefits liability.....	1,104,184	753,740	-	-	5,767,399	7,625,323	-
Bonds payable.....	27,320,360	88,000	-	-	61,322,618	88,730,978	-
Total noncurrent liabilities.....	32,327,851	2,040,034	345,648	-	95,648,972	130,362,505	-
TOTAL LIABILITIES.....	36,059,292	2,540,270	392,383	-	111,709,683	150,701,628	957,901
DEFERRED INFLOWS OF RESOURCES							
Rate stabilization reserve.....	-	-	-	-	10,466,161	10,466,161	-
Deferred inflows related to pensions.....	479,904	138,840	43,262	-	1,358,192	2,020,198	-
Deferred inflows related to other postemployment benefits.....	41,339	18,699	-	-	87,250	147,288	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	521,243	157,539	43,262	-	11,911,603	12,633,647	-
NET POSITION							
Net investment in capital assets.....	39,000,185	767,088	-	-	69,507,963	109,275,236	-
Restricted for:							
Depreciation.....	-	-	-	-	4,302,744	4,302,744	-
Unrestricted.....	8,662,355	(2,180,208)	37,234	118,823	(8,995,720)	(2,357,516)	10,365,310
TOTAL NET POSITION.....	\$ 47,662,540	\$ (1,413,120)	\$ 37,234	\$ 118,823	\$ 64,814,987	\$ 111,220,464	\$ 10,365,310

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Stormwater	PEG Access	Electric Light December 31, 2019	Total	
OPERATING REVENUES:							
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,447,312
Employer contributions.....	-	-	-	-	-	-	10,431,762
Charges for services.....	20,893,560	1,693,037	639,852	539,569	65,874,047	89,640,065	-
Liens - charges for services.....	247,499	-	-	-	-	247,499	-
Other operating revenues.....	-	-	-	-	1,660,481	1,660,481	-
TOTAL OPERATING REVENUES	21,141,059	1,693,037	639,852	539,569	67,534,528	91,548,045	17,879,074
OPERATING EXPENSES:							
Cost of services and administration.....	3,962,583	1,905,297	447,290	420,746	19,421,789	26,157,705	-
MWRA assessment.....	9,880,777	-	-	-	-	9,880,777	-
Purchased power.....	-	-	-	-	23,931,411	23,931,411	-
Fuel for generation.....	-	-	-	-	1,195,747	1,195,747	-
Repairs and maintenance.....	340,802	233,460	250	-	8,979,576	9,554,088	-
Depreciation.....	2,175,468	74,917	-	-	7,918,480	10,168,865	-
Employee benefits.....	-	-	-	-	-	-	17,214,939
TOTAL OPERATING EXPENSES	16,359,630	2,213,674	447,540	420,746	61,447,003	80,888,593	17,214,939
OPERATING INCOME (LOSS)	4,781,429	(520,637)	192,312	118,823	6,087,525	10,659,452	664,135
NONOPERATING REVENUES (EXPENSES):							
Investment income.....	52,768	-	-	-	324,182	376,950	-
Interest expense.....	(818,181)	(12,457)	-	-	(2,240,702)	(3,071,340)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET	(765,413)	(12,457)	-	-	(1,916,520)	(2,694,390)	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,016,016	(533,094)	192,312	118,823	4,171,005	7,965,062	664,135
CAPITAL CONTRIBUTIONS	1,303,905	-	-	-	-	1,303,905	-
TRANSFERS:							
Transfers in.....	61,282	101,771	4,116	-	-	167,169	-
Transfers out.....	-	-	-	-	(1,725,450)	(1,725,450)	-
TOTAL TRANSFERS	61,282	101,771	4,116	-	(1,725,450)	(1,558,281)	-
CHANGE IN NET POSITION	5,381,203	(431,323)	196,428	118,823	2,445,555	7,710,686	664,135
NET POSITION AT BEGINNING OF YEAR	42,281,337	(981,797)	(159,194)	-	62,369,432	103,509,778	9,701,175
NET POSITION AT END OF YEAR	\$ 47,662,540	\$ (1,413,120)	\$ 37,234	\$ 118,823	\$ 64,814,987	\$ 111,220,464	\$ 10,365,310

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

Business-type Activities - Enterprise Funds							
	Water and Sewer	Golf Course	Stormwater	PEG Access	Electric Light December 31, 2019	Total	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users.....	\$ 20,620,577	\$ 1,698,050	\$ 597,910	\$ 539,569	\$ 68,817,318	\$ 92,273,424	\$ 7,447,312
Receipts from interfund services provided.....	-	-	-	-	-	-	10,431,762
Payments to vendors.....	(12,150,640)	(804,068)	(232,757)	(420,746)	(43,495,231)	(57,103,442)	-
Payments to employees.....	(2,707,981)	(1,047,932)	(215,363)	-	(10,006,574)	(13,977,850)	-
Payments for interfund services used.....	-	-	-	-	-	-	(17,759,707)
NET CASH FROM OPERATING ACTIVITIES.....	5,761,956	(153,950)	149,790	118,823	15,315,513	21,192,132	119,367
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers in.....	61,282	101,771	4,116	-	-	167,169	-
Transfers out.....	-	-	-	-	(1,725,450)	(1,725,450)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	61,282	101,771	4,116	-	(1,725,450)	(1,558,281)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from the issuance of bonds.....	3,080,460	5,000	-	-	-	3,085,460	-
Premium from the issuance of bonds.....	312,393	-	-	-	-	312,393	-
Capital contributions.....	1,303,905	-	-	-	-	1,303,905	-
Acquisition and construction of capital assets.....	(4,777,256)	-	-	-	(3,948,160)	(8,725,416)	-
Principal payments on bonds and notes.....	(2,671,739)	(103,000)	-	-	(5,875,000)	(8,649,739)	-
Principal payments on capital lease obligations.....	-	-	-	-	(165,594)	(165,594)	-
Interest expense.....	(1,014,683)	(12,457)	-	-	(2,913,219)	(3,940,359)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,766,920)	(110,457)	-	-	(12,901,973)	(16,779,350)	-
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investment income.....	52,768	-	-	-	324,182	376,950	-
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	2,109,086	(162,636)	153,906	118,823	1,012,272	3,231,451	119,367
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	13,525,006	162,636	194,925	-	23,645,696	37,528,263	9,605,534
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 15,634,092	\$ -	\$ 348,831	\$ 118,823	\$ 24,657,968	\$ 40,759,714	\$ 9,724,901
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:							
Operating income (loss).....	\$ 4,781,429	\$ (520,637)	\$ 192,312	\$ 118,823	\$ 6,087,525	\$ 10,659,452	\$ 664,135
Adjustments to reconcile operating income to net cash from operating activities:							
Depreciation.....	2,175,468	74,917	-	-	7,918,480	10,168,865	-
Deferred (outflows)/inflows related to pensions.....	1,045,554	301,118	101,707	-	(3,016,126)	(1,567,747)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(468,546)	(212,269)	-	-	162,667	(518,148)	-
Deferred (outflows)/inflows related to rate stabilization reserve.....	-	-	-	-	969,197	969,197	-
Loss on disposal of capital assets.....	-	-	-	-	495,307	495,307	-
Changes in assets and liabilities:							
Liens - user charges.....	(44,239)	-	-	-	-	(44,239)	-
User charges.....	(476,243)	-	(41,942)	-	113,773	(404,412)	-
Departmental and other.....	-	-	-	-	97,341	97,341	5,752
Inventory.....	-	29,725	-	-	(627,228)	(597,503)	-
Other assets.....	-	-	-	-	(1,290,625)	(1,290,625)	40,800
Warrants payable.....	(205,014)	35,039	14,982	-	291,213	136,220	(504,320)
Accrued payroll.....	12,312	16,797	2,777	-	-	31,886	-
Health claims payable.....	-	-	-	-	-	-	(87,000)
Due to other funds.....	-	38,220	-	-	-	38,220	-
Fees collected in advance.....	-	(33,207)	-	-	3,669	(29,538)	-
Customer deposits.....	-	-	-	-	98,810	98,810	-
Other liabilities.....	-	-	-	-	(443,529)	(443,529)	-
Compensated absences.....	32,213	161,813	5,769	-	78,311	278,106	-
Workers' compensation.....	(55,596)	-	-	-	-	(55,596)	-
Net pension liability.....	(895,537)	(250,812)	(125,815)	-	4,788,086	3,515,922	-
Net other postemployment benefits liability.....	(139,845)	205,346	-	-	(411,358)	(345,857)	-
Total adjustments.....	980,527	366,687	(42,522)	-	9,227,988	10,532,680	(544,768)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 5,761,956	\$ (153,950)	\$ 149,790	\$ 118,823	\$ 15,315,513	\$ 21,192,132	\$ 119,367
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Change in the deferred loss on debt refunding.....	\$ (80,792)	\$ -	\$ -	\$ -	\$ (710,740)	\$ (791,532)	\$ -
Amortization of premium on long-term debt.....	274,791	-	-	-	1,419,426	1,694,217	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 459,012	\$ 186,157	\$ 467,519
Investments:			
Investments in Pension Reserve Investment Trust.....	26,910,117	-	-
Government sponsored enterprises.....	-	5,003	-
Corporate bonds.....	-	20,811	-
Equity securities.....	468,088	-	-
Equity mutual funds.....	132,732,450	-	-
Fixed income mutual funds.....	51,261,203	-	-
Pooled alternative investments.....	29,075,878	542,545	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	67,605	-	-
TOTAL ASSETS.....	240,974,353	754,516	467,519
LIABILITIES			
Warrants payable.....	61,355	-	-
Liabilities due depositors.....	-	-	467,519
TOTAL LIABILITIES.....	61,355	-	467,519
NET POSITION			
Restricted for pensions.....	224,961,770	-	-
Restricted for other postemployment benefits.....	15,951,228	-	-
Held in trust for other purposes.....	-	754,516	-
TOTAL NET POSITION.....	\$ 240,912,998	\$ 754,516	\$ -

(1) The Pension Trust Fund is as of December 31, 2019.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2020

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 12,955,409	\$ -
Employer contributions for other postemployment benefit payments.....	6,922,571	-
Member contributions.....	4,813,871	-
Transfers from other systems.....	382,070	-
3(8)c contributions from other systems.....	296,876	-
State COLA reimbursements.....	114,091	-
Private donations.....	-	80,865
Intergovernmental.....	4,302	-
	<u>25,489,190</u>	<u>80,865</u>
Net investment income:		
Investment income (loss).....	5,725,653	6,788
Net change in fair value of investments.....	30,619,575	-
Less: investment expense.....	<u>(1,352,813)</u>	<u>-</u>
Net investment income (loss).....	<u>34,992,415</u>	<u>6,788</u>
	<u>60,481,605</u>	<u>87,653</u>
DEDUCTIONS:		
Administration.....	287,102	-
Transfers to other systems.....	450,222	-
3(8)c transfer to other systems.....	508,915	-
Retirement benefits and refunds.....	17,716,875	-
Other postemployment benefit payments.....	6,922,571	-
Educational scholarships.....	-	18,974
	<u>25,885,685</u>	<u>18,974</u>
NET INCREASE (DECREASE) IN NET POSITION.....	34,595,920	68,679
NET POSITION AT BEGINNING OF YEAR, AS RESTATED.....	<u>206,317,078</u>	<u>685,837</u>
NET POSITION AT END OF YEAR.....	<u>\$ 240,912,998</u>	<u>\$ 754,516</u>

(1) The Pension Trust Fund is as of December 31, 2019.

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Braintree, Massachusetts (the Town) 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 recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Mayor. A nine-member Town Council, 3 members elected at large and 6 district members, serves as a representative legislature.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a fiduciary fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

The Braintree Contributory Retirement System (the System) was established to provide retirement benefits to Town employees and Braintree Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of two elected members, (nominees must be active or retired members), two appointed members by the Executive Authority, and the fifth member shall be an independent member appointed by the other four members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

Availability of Financial Information for Component Units, the Electric Light Department and the Joint Venture

The System issues a publicly available 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 74 Pond Street, 2nd Floor, Braintree, Massachusetts 02184.

In accordance with Massachusetts General Laws, Chapter 164, the Braintree Electric Light Department (the BELD) was established to generate and distribute electricity for municipal and residential use within the Town. The BELD is governed by an elected three-member board and is operated by a manager appointed by the BELD's elected board. The manager has charge of BELD's operations and is subject to the direction and control of the Braintree Municipal Light Board. It is not a separate legal entity and therefore the condensed financial statements of the BELD are reported as an enterprise fund. A complete audited financial statement for the BELD, for the year ended December 31, 2019, can be obtained directly from their administrative office located at 150 Potter Road, Braintree, Massachusetts 02184.

Joint Venture – The Town is a member of the Blue Hills Regional Technical School (School) that serves the members students from nine area communities seeking an education in academic and technical studies. The members share in the operations of the School and each member is responsible for its proportionate share of the

operational and capital costs of the School, which are paid in the form of assessments. The Town does not have an equity interest in the School and the 2020 assessment was \$2,691,862. The School issues a publicly available financial report that includes its financial statements. That report can be obtained by writing to the School Business Manager at 800 Randolph Street, Canton, Massachusetts 02021.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

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.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows or resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement 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 year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular 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 particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund 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 year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

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

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund. Included within the general fund are three stabilization funds. The balance in the general stabilization fund remained the same balance of \$148,787 in 2019 and 2020, the capital stabilization fund decreased from \$334,000 in 2019 to \$69,000 in 2020, and the school building stabilization fund decreased from \$2.0 million in 2019 to \$289,000 in 2020. The stabilization funds can be used for general and/or capital purposes upon Town Council and the Mayor's approval.

The *Town capital projects fund* is used to account for the construction and renovation of various Town projects.

The nonmajor governmental funds consist of other special revenue and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, 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.

The following major proprietary funds are reported:

The *water and sewer enterprise fund* was jointly established in 1984 pursuant to an act establishing the water and sewer commission. It is used to account for water and sewer activities.

The *golf course enterprise fund* is used to account for the operations of the municipal golf course.

The *stormwater enterprise fund* is used to account for the Town's stormwater activities.

The *PEG access enterprise fund* is used to account for the Town's cable television.

The *electric light enterprise fund* is used to account for electric light activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to health insurance.

Fiduciary fund 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 governmental programs.

The following fiduciary fund types are reported:

The *pension and other employee benefit trust funds* is used to account for the activities of the Braintree Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries, and to accumulate resources to provide funding for future other postemployment benefits liabilities.

The *private purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trust funds have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. These restrictions

and trustee policies only allows the trustees to approve spending of the realized investment earnings. The Town's educational scholarships are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund mainly consists of off-duty work details, performance bonds, and fees collected on behalf of other governments. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

D. 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. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and proprietary and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

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

Tax liens are imposed at least every three years after the original tax is considered delinquent and are processed subsequent to July 1st every year.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle and Other Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered 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. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Room Occupancy Tax

The Town levies 6% of the cost of renting hotel, motel, lodging house and bed and breakfast rooms in accordance with Massachusetts General Law, Chapter 64G, Section 3A. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The room occupancy tax receivable is categorized as an intergovernmental receivable. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Meals Tax

The Town levies 0.75% for the sale of restaurant meals in accordance with Massachusetts General Law, Chapter 64L, Section 2. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Trash

Trash fees have been levied on an annual basis for each residential property that utilizes the collection service. Each per living unit is billed annually by the Public Works Department for all residents not choosing one of the several opt-out methods. The collection service includes weekly curbside collection.

Since the receivables can be secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Water and Sewer and Electric Light Department

User fees are levied quarterly for water and sewer and monthly for electric light, based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and sewer charges and related liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables consist primarily of parking fines and other receivables of the BELD and are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories**Government-Wide and Fund Financial Statements**

Inventories of the governmental funds and the water and sewer, stormwater, and PEG access enterprise funds are recorded as expenditures/expenses at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

Inventories of the golf course enterprise fund are stated at the lower of cost or market. Inventories of the BELD enterprise fund are stated at original cost, using the average cost method.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

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

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	10 - 30
Plant in service.....	30 - 40
Buildings.....	40
Machinery and equipment.....	5 - 15
Infrastructure.....	20 - 50

The statutory provision for depreciation of a utility plant is computed on the straight-line method at 3 percent of the cost of plant in service at the beginning of the year, exclusive of land and land rights. Massachusetts law stipulates that the Electric Department may change from the statutory depreciation rate only with the approval of the Massachusetts Department of Public Utilities. The Department has consistently used an overall depreciation rate of approximately 3.0%, which approximates GAAP.

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 year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, 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 then. The Town has reported a deferred loss on refunding and deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, 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 Town has recorded deferred inflows related to pensions, other postemployment benefits, and for the electric light department's rate stabilization reserve as allowed under GASB Statement No. 65, for *regulated operations*.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amounts that have been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service 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.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service 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.

L. Unearned and Unavailable Revenue

Unearned revenue at the government-wide and fund financial statement level represents resources that have been received, but not yet earned.

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Depreciation” represents amounts restricted in the Electric department for the statutory reserve for funded depreciation. Pursuant to the provisions of the Massachusetts General Laws (MGL), cash in an amount equivalent to the annual depreciation expense is required to be transferred from unrestricted funds to the depreciation fund. Interest earned on the balance of the fund must also remain in the fund. Such cash may be used for the cost of plant, nuclear decommissioning costs, the costs of contractual commitments, and deferred costs related to such commitments which the Commissioners determine are above market value.

“Permanent funds - expendable” represents amounts of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Grants and gifts” represents amounts held for school and other Town grants, and for gift funds.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. A Town Council vote to approve a Council Order submitted by the Mayor is the highest level of decision-making authority that can commit funds for specific purposes. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only governmental fund that can report a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

N. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

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

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. 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.

O. Pensions

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 both the Braintree Contributory Retirement System (BCRS) and the Massachusetts Teachers' Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. 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.

P. Investment Income

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 proprietary funds is maintained in those funds.

Q. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured as a result of employee resignations or retirements. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

R. 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 year. Actual results could vary from estimates that were used.

S. 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 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 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

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

The Retirement System participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The Other Postemployment Benefits (OPEB) trust participates as a Purchasing Member of the Pension Reserve Investment Trust (PRIT) through the State Retirees Benefits Trust Fund (SRBTF). Government entities are allowed to invest their OPEB funds through the SRBTF. OPEB trusts are allowed to invest in the \$75 billion PRIT fund and get the economies of scale and diversification that an individual community with a small fund could not obtain on its own.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 0.14 to 16.03 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial risk. At year-end, the carrying amount of deposits totaled \$69,207,545 and the bank balances totaled \$65,056,183. Of the bank balance, \$3,000,000 was covered by Federal Depository Insurance, \$23,067,715 was covered by the Depositors Insurance Fund, \$5,739,283 was collateralized, and \$13,249,185 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The System limits its custodial credit risk by utilizing an institutional custodial bank, currently SEI Private Trust Company, to maintain custody over all separately held securities which are registered under a nominee name that is specific to the System. Assets held in commingled fund accounts are also held in a similar fashion, with individual fund securities held in the fund's name at their custodian bank. A small percentage of the System's assets (typically less than 5%) may be held from time to time in commingled cash equivalent vehicles where the assets are subject to counterparty risk. At December 31, 2019, the carrying amount of deposits for the System

totaled \$324,782 and the bank balance totaled \$361,925. The bank balance was fully covered by Federal Depository Insurance.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town has custodial credit risk exposure relating to its \$213,388 investment in debt securities and its \$305,444 investment in equity securities because the securities are uninsured, unregistered, and held by the counterparty. The Town does not have an investment policy for custodial credit risk.

The System's investments are not subject to custodial credit risk as all of the securities are insured or registered and held by its agents in the name of the Town of Braintree.

Investments

As of June 30, 2020, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>	
		<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>			
U.S. treasury notes.....	\$ 60,090	\$ 32,159	\$ 27,931
Government sponsored enterprises.....	58,785	58,785	-
Corporate bonds.....	94,513	68,631	25,882
Total debt securities.....	213,388	<u>\$ 159,575</u>	<u>\$ 53,813</u>
<u>Other investments:</u>			
Equity securities.....	305,444		
Equity mutual funds.....	400,729		
Fixed income mutual funds.....	55,003		
Money market mutual funds.....	26,753		
Pension Reserve Investment Trust (PRIT).....	15,951,228		
MMDT - Bond portfolio.....	7,085,391		
MMDT - Cash portfolio.....	35,015,382		
Total investments.....	<u>\$ 59,053,318</u>		

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with average maturities of approximately 52 days and a weighted average maturity of 2.84 years, respectively. The Town's investments in MMDT are unrated.

As of December 31, 2019, the Braintree Contributory Retirement System had the following investments:

<u>Investment Type</u>	<u>Fair value</u>
<u>Other investments:</u>	
Equity securities.....	\$ 468,088
Equity mutual funds.....	132,732,450
Fixed income mutual funds.....	51,261,203
Private equity.....	29,075,878
Money market mutual funds.....	134,230
Pension Reserve Investment Trust (PRIT).....	<u>10,958,889</u>
 Total investments.....	 \$ <u><u>224,630,738</u></u>

Interest Rate Risk

The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

All of the System’s fixed income assets are held in professionally managed, institutional commingled funds. The System limits its effective exposure to interest rate risk by benchmarking its commingled fixed income investment accounts to an intermediate duration benchmark (Barclays) with duration of 4-5 years.

Credit Risk

The Town has not adopted a formal policy related to Credit Risk. The Town’s investments are rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AA+.....	\$ 58,785	\$ -
A.....	-	20,458
A-.....	-	27,362
BBB+.....	-	20,811
BBB.....	<u>-</u>	<u>25,882</u>
 Total.....	 \$ <u><u>58,785</u></u>	 \$ <u><u>94,513</u></u>

The System controls and limits its exposure to credit risk by investing in well diversified, commingled fixed income funds that are both passively and actively managed. In the case of the actively managed fixed income fund, investments in below-investment grade securities are permitted, up to a maximum position of 10% of that individual commingled fund's assets, which would represent approximately 2% of the System's total assets.

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. No investments with any one issuer exceeded 5% of the total investments of the Town.

Fair Value Measurement

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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.

The following table presents financial assets at June 30, 2020, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 60,090	\$ 60,090	\$ -	\$ -
Government sponsored enterprises.....	58,785	58,785	-	-
Corporate bonds.....	94,513	-	94,513	-
Total debt securities.....	213,388	118,875	94,513	-
<u>Other investments:</u>				
Equity securities.....	305,444	305,444	-	-
Equity mutual funds.....	400,729	400,729	-	-
Fixed income mutual funds.....	55,003	55,003	-	-
Money market mutual funds.....	26,753	26,753	-	-
MMDT - Bond portfolio.....	7,085,391	7,085,391	-	-
Total other investments.....	7,873,320	7,873,320	-	-
Total investments measured at fair value.....	8,086,708	\$ 7,992,195	\$ 94,513	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	35,015,382			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	15,951,228			
Total investments.....	\$ 59,053,318			

U.S. treasury notes, government sponsored enterprises, equity securities, equity mutual funds, fixed income mutual funds, money market mutual funds, and MMDT short-term bond funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds 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.

The Town holds investments in the MMDT Cash Portfolio which are valued at amortized cost. Under the amortized cost valuation method, an investment is valued initially at its cost and thereafter adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by MMDT's adviser, Federated Investment Corporation.

The Retirement System's retiree pension defined benefit plan holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan's activities, the plan shows greater disaggregation in its disclosures. The plan chooses a tabular format for disclosing the levels within the fair value hierarchy.

PRIT investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. Neither the Town nor the System have the ability to control any of the investment decisions relative to its funds in PRIT.

The Retirement System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The following table presents financial assets at December 31, 2019, that the System measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	December 31, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Other investments:</u>				
Equity securities.....	\$ 468,088	\$ 468,088	\$ -	\$ -
Equity mutual funds.....	132,732,450	132,732,450	-	-
Fixed income.....	51,261,203	-	51,261,203	-
Private equity.....	29,075,878	-	-	29,075,878
Money market mutual funds.....	134,230	134,230	-	-
Total other investments.....	<u>213,671,849</u>	<u>133,334,768</u>	<u>51,261,203</u>	<u>29,075,878</u>
Total investments measured at fair value.....	213,671,849	\$ <u>133,334,768</u>	\$ <u>51,261,203</u>	\$ <u>29,075,878</u>
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	<u>10,958,889</u>			
Total investments.....	\$ <u>224,630,738</u>			

Equity securities, equity mutual funds, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income funds 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.

Private equity investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies’ technique.

NOTE 3 – RECEIVABLES

At June 30, 2020, receivables for the individual major, nonmajor governmental funds, and the internal service fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes..... \$	2,656,767	\$ (285,600)	\$ 2,371,167
Tax liens.....	1,058,438	-	1,058,438
Motor vehicle and other excise taxes.....	1,265,177	(552,200)	712,977
Departmental and other.....	1,144,377	-	1,144,377
Intergovernmental.....	6,357,019	-	6,357,019
Community preservation state share.....	89,150	-	89,150
Total..... \$	<u>12,570,928</u>	<u>\$ (837,800)</u>	<u>\$ 11,733,128</u>

At June 30, 2020 (December 31, 2019 for the Electric Light balances), receivables for the proprietary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water and sewer liens - user charges..... \$	80,939	\$ -	\$ 80,939
Water and sewer user charges.....	5,373,378	-	5,373,378
Stormwater user charges.....	106,842	-	106,842
Electric light user charges.....	6,379,787	(90,282)	6,289,505
Electric light departmental and other.....	743,990	-	743,990
Total..... \$	<u>12,684,936</u>	<u>\$ (90,282)</u>	<u>\$ 12,594,654</u>

At December 31, 2019, the Pension Trust Fund had departmental and intergovernmental receivables totaling \$67,605.

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
Receivables:			
Real estate and personal property taxes.....	\$ 1,421,012	\$ -	\$ 1,421,012
Tax liens.....	1,058,438	-	1,058,438
Community preservation fund surtax.....	-	10,957	10,957
Motor vehicle and other excise taxes.....	712,977	-	712,977
Departmental and other.....	27,961	-	27,961
Intergovernmental.....	214,537	1,263,565	1,478,102
Community preservation state share.....	-	89,150	89,150
Tax foreclosures.....	78,281	-	78,281
Total.....	\$ 3,513,206	\$ 1,363,672	\$ 4,876,878

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 15,368,506	\$ -	\$ -	\$ 15,368,506
Construction in progress.....	56,154,243	26,380,249	(3,121,072)	79,413,420
Total capital assets not being depreciated....	71,522,749	26,380,249	(3,121,072)	94,781,926
<u>Capital assets being depreciated:</u>				
Land improvements.....	11,424,030	662,025	-	12,086,055
Buildings.....	54,039,264	2,217,966	-	56,257,230
Machinery and equipment.....	20,793,885	1,710,325	(3,237,609)	19,266,601
Vehicles.....	1,821,250	440,538	-	2,261,788
Infrastructure.....	70,189,692	2,430,085	-	72,619,777
Total capital assets being depreciated.....	158,268,121	7,460,939	(3,237,609)	162,491,451
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(8,846,025)	(272,493)	-	(9,118,518)
Buildings.....	(34,779,891)	(1,020,962)	-	(35,800,853)
Machinery and equipment.....	(17,753,998)	(1,079,094)	3,237,609	(15,595,483)
Vehicles.....	(373,127)	(322,875)	-	(696,002)
Infrastructure.....	(24,442,040)	(1,743,832)	-	(26,185,872)
Total accumulated depreciation.....	(86,195,081)	(4,439,256)	3,237,609	(87,396,728)
Total capital assets being depreciated, net.....	72,073,040	3,021,683	-	75,094,723
Total governmental activities capital assets, net.....	\$ 143,595,789	\$ 29,401,932	\$ (3,121,072)	\$ 169,876,649

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,208,198	\$ -	\$ (3,015)	\$ 2,205,183
Intangible plant.....	289,851	-	(289,851)	-
Construction in progress.....	12,160,335	285,691	(9,543,261)	2,902,765
Total capital assets not being depreciated....	14,658,384	285,691	(9,836,127)	5,107,948
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,786,883	-	-	1,786,883
Plant in service.....	265,440,609	4,204,857	(8,167,752)	261,477,714
Buildings.....	1,664,908	-	-	1,664,908
Machinery and equipment.....	3,569,525	161,349	(503,203)	3,227,671
Vehicles.....	507,340	212,274	-	719,614
Infrastructure.....	71,090,152	13,661,203	-	84,751,355
Total capital assets being depreciated.....	344,059,417	18,239,683	(8,670,955)	353,628,145
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(878,443)	(40,477)	-	(918,920)
Plant in service.....	(129,679,563)	(7,918,480)	7,672,445	(129,925,598)
Buildings.....	(1,207,821)	(21,256)	-	(1,229,077)
Machinery and equipment.....	(2,813,961)	(179,377)	503,203	(2,490,135)
Vehicles.....	(101,468)	(143,923)	-	(245,391)
Infrastructure.....	(26,565,805)	(1,865,352)	-	(28,431,157)
Total accumulated depreciation.....	(161,247,061)	(10,168,865)	8,175,648	(163,240,278)
Total capital assets being depreciated, net.....	182,812,356	8,070,818	(495,307)	190,387,867
Total business-type activities capital assets, net....	\$ 197,470,740	\$ 8,356,509	\$ (10,331,434)	\$ 195,495,815

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

Governmental Activities:

General government.....	\$ 342,843
Public safety.....	798,277
Education.....	717,313
Public works.....	2,182,736
Health and human services.....	30,238
Culture and recreation.....	265,889
Community preservation.....	101,960

Total depreciation expense - governmental activities..... \$ 4,439,256

Business-Type Activities:

Water and sewer.....	\$ 2,175,468
Golf course.....	74,917
Electric Light.....	7,918,480

Total depreciation expense - business-type activities..... \$ 10,168,865

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2020, the Town has an interfund receivable/payable totaling \$668,652 which exists between the general fund and highway improvements fund and \$38,220 between the general fund and the golf course enterprise fund. The purpose of these balances is to cover short-term cash needs that will be funded by future grant proceeds and other available funds.

Interfund transfers for the year ended June 30, 2020, are summarized as follows:

Transfers Out:	Transfers In:						Total
	General fund	Town capital projects	Nonmajor governmental funds	Water and sewer enterprise fund	Golf course enterprise fund	Stormwater enterprise fund	
General fund.....	\$ -	\$ 1,718,229	\$ 274,440	\$ 61,282	\$ 101,771	\$ 4,116	\$ 2,159,838 (1)
Nonmajor governmental funds.....	432,031	-	215,286	-	-	-	647,317 (2)
Electric light enterprise fund.....	1,725,450	-	-	-	-	-	1,725,450 (3)
Total.....	\$ 2,157,481	\$ 1,718,229	\$ 489,726	\$ 61,282	\$ 101,771	\$ 4,116	\$ 4,532,605

- (1) Represents a transfer from stabilization funds to the Town capital project fund. Represents budgeted transfers from the general fund to the nonmajor special revenue fund for debt service related to the school ESCO project, to the water and sewer enterprise fund for debt service, to the golf enterprise fund for the operating deficit, and the stormwater enterprise fund for contract negotiations.
- (2) Represents budgeted transfers to the general fund from the Town special revenue fund for the operating budget and articles. Also represents various transfers within the nonmajor governmental funds.
- (3) Represents the Payment in Lieu of Tax payment received from the BELD.

NOTE 6 – LEASES

Capital Leases

The BELD entered into a capitalized lease for internet and light division equipment expiring through 2022. The assets and liabilities under the capital lease are recorded at the present value of the minimum lease payments. The assets are depreciated over the life of the equipment.

The following schedule presents the future minimum lease payments as of December 31, 2019:

Years ending December 31:	Business-Type Activities
2020.....	\$ 81,364
2021.....	21,459
2022.....	7,996
Total minimum lease payments.....	110,819
Less: amounts representing interest.....	(7,686)
Present value of minimum lease payments... \$	<u>103,133</u>

Operating Leases

The Town leases school buses under noncancelable operating leases that are scheduled to expire in 2023. The cost of the lease for the year ended June 30, 2020, totaled approximately \$142,000 and is reported as education expenditures in the general fund.

The future minimum lease payments are as follows:

<u>Years ending June 30:</u>	<u>Governmental Activities</u>
2021.....	\$ 150,012
2022.....	150,012
2023.....	<u>150,012</u>
Total	<u>\$ 450,036</u>

The Golf Course leases golf carts under noncancelable operating leases that are scheduled to expire in 2022. The cost of the lease for the year ended June 30, 2020, totaled approximately \$53,000.

The future minimum lease payments are as follows:

<u>Years ending June 30:</u>	<u>Business-Type Activities</u>
2021.....	\$ 53,378
2022.....	<u>53,378</u>
Total	<u>\$ 106,756</u>

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 or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

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 year ended June 30, 2020, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
Governmental Funds:							
BAN	Municipal Purpose.....	2.25%	06/12/20	1,000,000	\$ -	\$ (1,000,000)	\$ -
BAN	Municipal Purpose.....	2.00%	06/11/21	-	2,538,490	-	2,538,490
Total Governmental Funds.....				\$ 1,000,000	\$ 2,538,490	\$ (1,000,000)	\$ 2,538,490

NOTE 8 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the Town’s general obligation indebtedness at June 30, 2020, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
General Obligation Bonds Payable:				
Municipal Purpose Loan of 2010.....	2030	\$ 6,782,000	1.5 - 4.5	\$ 2,345,000
Municipal Purpose Loan of 2011.....	2031	5,970,000	2.00 - 4.50	2,575,000
Municipal Purpose Loan of 2012.....	2032	4,240,000	2.00-4.00	1,880,000
Municipal Purpose Loan of 2013.....	2033	2,990,000	2.00-2.75	1,460,000
Municipal Purpose Loan of 2014.....	2034	3,071,000	2.00 - 4.00	1,685,000
Municipal Purpose Refunding Loan of 2015.....	2028	1,680,000	3.00 - 5.00	1,140,000
Municipal Purpose Loan of 2015.....	2035	3,226,000	3.00 - 5.00	1,765,000
Municipal Purpose Loan of 2016.....	2036	3,857,000	2.00 - 4.00	1,930,000
Municipal Purpose Loan of 2017.....	2037	4,501,400	2.00 - 4.00	3,251,600
Municipal Purpose Loan of 2018.....	2048	22,737,000	3.00 - 5.00	21,205,000
Municipal Purpose Loan of 2019.....	2039	29,033,500	3.00 - 5.00	27,945,000
Municipal Purpose Loan of 2020.....	2040	7,377,000	2.00 - 5.00	7,377,000
Total Bonds Payable.....				74,558,600
Add: Unamortized premium on bonds.....				5,354,299
Total.....				\$ 79,912,899

Debt service requirements for principal and interest for Governmental general obligation bonds payable in future years are as follows:

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2021.....	\$ 4,718,200	\$ 2,817,147	\$ 7,535,347
2022.....	4,448,100	2,637,889	7,085,989
2023.....	4,250,000	2,450,992	6,700,992
2024.....	4,013,000	2,270,017	6,283,017
2025.....	4,009,000	2,096,586	6,105,586
2026.....	4,024,000	1,920,790	5,944,790
2027.....	3,724,200	1,749,816	5,474,016
2028.....	3,597,000	1,590,743	5,187,743
2029.....	3,485,000	1,430,373	4,915,373
2030.....	3,424,000	1,273,723	4,697,723
2031.....	3,170,000	1,135,981	4,305,981
2032.....	3,078,000	1,015,627	4,093,627
2033.....	2,963,000	900,943	3,863,943
2034.....	2,963,000	809,066	3,772,066
2035.....	2,898,000	717,470	3,615,470
2036.....	2,833,000	629,485	3,462,485
2037.....	2,886,100	545,958	3,432,058
2038.....	2,920,000	460,825	3,380,825
2039.....	2,350,000	374,243	2,724,243
2040.....	1,165,000	303,800	1,468,800
2041.....	845,000	267,400	1,112,400
2042.....	875,000	237,825	1,112,825
2043.....	905,000	207,200	1,112,200
2044.....	935,000	175,525	1,110,525
2045.....	970,000	142,800	1,112,800
2046.....	1,000,000	108,850	1,108,850
2047.....	1,035,000	73,850	1,108,850
2048.....	1,075,000	37,629	1,112,629
Total.....	\$ <u>74,558,600</u>	\$ <u>28,382,553</u>	\$ <u>102,941,153</u>

Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
General Obligation Bonds Payable:				
Municipal Purpose Refunding Loan of 2011.....	2022	\$ 2,921,500	2.00 - 4.00	\$ 535,000
Municipal Purpose Loan of 2011.....	2031	2,286,000	2.00 - 4.50	980,000
Municipal Purpose Loan of 2012.....	2032	2,000,000	2.00-4.00	1,015,000
Municipal Purpose Loan of 2013.....	2033	3,108,000	2.00-2.75	1,920,000
Municipal Purpose Loan of 2014.....	2034	2,118,000	2.00-4.00	1,470,000
Municipal Purpose Refunding Loan of 2015.....	2029	5,890,000	3.00 - 5.00	4,490,000
Municipal Purpose Loan of 2015.....	2035	2,084,000	3.00 - 5.00	1,555,000
Municipal Purpose Loan of 2016.....	2036	2,394,000	2.00 - 4.00	1,850,000
Municipal Purpose Loan of 2016.....	2028	391,042	3.00 - 5.00	324,765
Municipal Purpose Loan of 2017.....	2037	3,453,000	2.00 - 4.00	2,871,700
Municipal Purpose Loan of 2018.....	2038	5,241,000	3.00 - 5.00	4,655,000
Municipal Purpose Loan of 2019.....	2039	3,193,500	3.00 - 5.00	3,000,000
Municipal Purpose Loan of 2020.....	2040	2,688,000	2.00 - 5.00	<u>2,688,000</u>
Subtotal General Obligation Bonds Payable.....				<u>27,354,465</u>
Direct Borrowings Payable:				
MWRA Sewer Bonds of 2016.....	2021	227,960	0.00	45,592
MWRA Sewer Bonds of 2017.....	2027	165,000	0.00	115,500
MWRA Sewer Bonds of 2018.....	2028	226,250	0.00	181,000
MWRA Sewer Bonds of 2019.....	2030	219,550	0.00	197,595
MWRA Sewer Bonds of 2020.....	2020	392,460	0.00	<u>392,460</u>
Subtotal Direct Borrowings Payable.....				<u>932,147</u>
Total Bonds Payable.....				28,286,612
Add: Unamortized premium on bonds.....				<u>1,958,101</u>
Total.....				<u>\$ 30,244,713</u>

Debt service requirements for principal and interest for water and sewer enterprise fund general obligation bonds and direct borrowings payable in future years are as follows:

Year	General Obligation Bonds Payable:		
	Principal	Interest	Total
2021.....	\$ 2,490,510	\$ 1,021,936	\$ 3,512,446
2022.....	2,416,660	932,642	3,349,302
2023.....	2,033,117	842,986	2,876,103
2024.....	1,995,482	756,691	2,752,173
2025.....	1,989,853	670,922	2,660,775
2026.....	1,985,231	585,765	2,570,996
2027.....	1,810,418	501,826	2,312,244
2028.....	1,713,013	427,065	2,140,078
2029.....	1,665,415	357,457	2,022,872
2030.....	1,321,825	290,905	1,612,730
2031.....	1,326,244	241,485	1,567,729
2032.....	1,238,671	199,460	1,438,131
2033.....	1,169,106	159,815	1,328,921
2034.....	1,049,550	123,869	1,173,419
2035.....	885,004	90,642	975,646
2036.....	780,466	63,504	843,970
2037.....	643,900	41,167	685,067
2038.....	480,000	22,575	502,575
2039.....	230,000	8,688	238,688
2040.....	130,000	2,925	132,925
Total.....	\$ <u>27,354,465</u>	\$ <u>7,342,325</u>	\$ <u>34,696,790</u>

Year	Direct Borrowings Payable:		
	Principal	Interest	Total
2021.....	\$ 145,918	\$ -	\$ 145,918
2022.....	100,326	-	100,326
2023.....	100,326	-	100,326
2024.....	100,326	-	100,326
2025.....	100,326	-	100,326
2026.....	100,326	-	100,326
2027.....	100,326	-	100,326
2028.....	83,826	-	83,826
2029.....	61,201	-	61,201
2030.....	39,246	-	39,246
Total.....	\$ <u>932,147</u>	\$ <u>-</u>	\$ <u>932,147</u>

Bonds and Notes Payable Schedule – Golf Course Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
General Obligation Bonds Payable:				
Municipal Purpose Loan of 2016.....	2021	\$ 219,000	4.00	\$ 40,000
Municipal Purpose Loan of 2017.....	2022	92,700	2.00 - 4.00	31,700
Municipal Purpose Loan of 2019.....	2024	138,000	5.00	105,000
Municipal Purpose Loan of 2020.....	2021	5,000	5.00	5,000
Total Bonds Payable.....				\$ 181,700

Debt service requirements for principal and interest for the golf course enterprise fund general obligation bonds payable in future years are as follows:

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2021.....	\$ 93,700	\$ 8,360	\$ 102,060
2022.....	38,000	4,270	42,270
2023.....	25,000	2,500	27,500
2024.....	25,000	1,250	26,250
Total.....	\$ 181,700	\$ 16,380	\$ 198,080

Bonds and Notes Payable Schedule – Electric Light Enterprise Fund (BELD)

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at December 31, 2019
General Obligation Bonds Payable:				
Municipal Purpose Refunding Loan of 2015.....	2028	\$ 58,750,000	4.00 - 5.00 %	58,750,000
Add: Unamortized premium on bonds.....				<u>9,914,804</u>
Total.....				<u>\$ 68,664,804</u>

Debt service requirements for principal and interest for electric light enterprise fund bonds and notes payable in future years are as follows:

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2020.....	\$ 5,965,000	\$ 5,845,094	\$ 11,810,094
2021.....	6,180,000	2,570,000	8,750,000
2022.....	6,515,000	2,265,100	8,780,100
2023.....	6,785,000	2,004,500	8,789,500
2024.....	7,120,000	1,665,250	8,785,250
2025.....	7,475,000	1,309,250	8,784,250
2026.....	7,845,000	935,500	8,780,500
2027.....	7,545,000	543,250	8,088,250
2028.....	<u>3,320,000</u>	<u>166,000</u>	<u>3,486,000</u>
Total.....	<u>\$ 58,750,000</u>	<u>\$ 17,303,944</u>	<u>\$ 76,053,944</u>

Authorized and unissued debt

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2020, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Building compliance ADA.....	\$ 180,000
Daughraty gym.....	309,000
DPW building repairs.....	536,000
DPW cemetery.....	263,000
DPW engineering drainage work.....	48,000
DPW facilities.....	290,000
DPW field reconstruction.....	14,000
DPW highway.....	80,000
DPW trucks.....	504,000
East Middle School renovation/addition.....	9,144,398
Elder Affairs paving.....	134,000
Electronic archiving.....	89,000
Fire station headquarters renovation.....	4,785,000
Golf course.....	5,000
High School field irrigation.....	40,000
Middle Street engineering and design.....	55,000
MWRA financial assistance.....	4,490,160
Police station building.....	100,000
Police records management.....	238,000
Roadway resurfacing.....	1,550,000
School building renovation/repairs.....	124,000
School education technology.....	350,000
School paving.....	161,000
Sewer commerce drive pump station.....	800,000
South Middle school planning and development.....	519,490
Town clerk polling books.....	60,000
Townwide computer system and radio systems migrations.....	478,000
Town Hall building renovations.....	250,000
Town school ESCO project.....	600,000
Tri town water plant.....	32,000,000
Water system improvements.....	3,000,000
Water treatment plant.....	<u>1,828,000</u>
 Total.....	 \$ <u><u>63,025,048</u></u>

Changes in Long-term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable....	\$ 71,818,100	\$ 7,377,000	\$ (4,636,500)	\$ -	\$ -	\$ 74,558,600	\$ 4,718,200
Add: Unamortized premium on bonds.....	4,981,773	996,556	(624,030)	-	-	5,354,299	588,391
Total bonds payable.....	76,799,873	8,373,556	(5,260,530)	-	-	79,912,899	5,306,591
Compensated absences.....	5,378,248	-	-	4,129,698	(2,659,571)	6,848,375	3,120,814
Workers' compensation.....	115,496	-	-	73,478	(11,550)	177,424	17,742
Net pension liability.....	88,978,547	-	-	858,312	(17,760,958)	72,075,901	-
Net other postemployment benefits.....	100,173,643	-	-	49,298,998	(6,351,422)	143,121,219	-
Total governmental activity long-term liabilities.....	\$ 271,445,807	\$ 8,373,556	\$ (5,260,530)	\$ 54,360,486	\$ (26,783,501)	\$ 302,135,818	\$ 8,445,147
Business-Type Activities:							
Long-term general obligation bonds payable....	\$ 91,943,732	\$ 2,693,000	\$ (8,350,567)	\$ -	\$ -	\$ 86,286,165	\$ 9,926,396
Long-term direct borrowing payable.....	838,859	392,460	(299,172)	-	-	932,147	145,918
Add: Unamortized premium on bonds.....	13,254,729	312,393	(1,694,217)	-	-	11,872,905	287,925
Total bonds payable.....	106,037,320	3,397,853	(10,343,956)	-	-	99,091,217	10,360,239
Capital lease obligations.....	268,727	-	-	-	(165,594)	103,133	81,364
Compensated absences.....	898,258	-	-	938,526	(660,420)	1,176,364	871,428
Workers' compensation.....	126,180	-	-	-	(55,596)	70,584	7,058
Net pension liability.....	29,007,356	-	-	4,766,909	(1,250,987)	32,523,278	-
Net other postemployment benefits.....	7,971,180	-	-	568,960	(914,817)	7,625,323	-
Total business-type activity long-term liabilities.....	\$ 144,309,021	\$ 3,397,853	\$ (10,343,956)	\$ 6,274,395	\$ (3,047,414)	\$ 140,589,899	\$ 11,320,089

The governmental activities long-term liabilities are generally liquidated by the general fund. Business-type activities long-term liabilities are liquidated by each respective fund.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of the 2012 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The Town's highest level of decision making is made by Town Council.

- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its fund balances with the following hierarchy:

	<u>General</u>	<u>Town Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 2,564,529	\$ 2,564,529
Restricted for:				
Town capital projects.....	-	10,565,742	-	10,565,742
Town special revenue funds.....	-	-	6,157,598	6,157,598
School lunch.....	-	-	587,451	587,451
School revolving funds.....	-	-	2,950,070	2,950,070
Community preservation fund.....	-	-	8,300,760	8,300,760
Peterson trust fund.....	-	-	711,239	711,239
Expendable trust funds.....	-	-	6,982,710	6,982,710
Committed to:				
Articles and continuing appropriations:				
General government.....	556,573	-	-	556,573
Public safety.....	750,864	-	-	750,864
Education.....	641,421	-	-	641,421
Public works.....	536,572	-	-	536,572
Health and human services.....	61,302	-	-	61,302
Culture and recreation.....	66,433	-	-	66,433
Assigned to:				
Encumbrances:				
General government.....	418,668	-	-	418,668
Public safety.....	139,958	-	-	139,958
Education.....	352,373	-	-	352,373
Public works.....	113,711	-	-	113,711
Culture and recreation.....	2,052	-	-	2,052
Unassigned.....	<u>11,595,073</u>	<u>(1,507,750)</u>	-	<u>10,087,323</u>
Total Fund Balances.....	<u>\$ 15,235,000</u>	<u>\$ 9,057,992</u>	<u>\$ 28,254,357</u>	<u>\$ 52,547,349</u>

The details for the Committed and Assigned amounts in the table above are provided on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual in the *Required Supplementary Information* section of this Report. The amounts are listed under the column titled Amounts Carried Forward to Next Year. The Restricted amounts presented above are for funds that are subject to externally imposed constraints relating to grants, contributions, or laws and regulations by other governments.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

In accordance with Statement No. 54, the stabilization funds have been reported in the general fund. At June 30, 2020, the balances of the general, capital stabilization and school building stabilization funds were \$148,787, \$69,194, and \$288,902, respectively. These amounts are included in the unassigned fund balance.

NOTE 10 – RISK FINANCING

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

The Town is self-insured for its health and workers’ compensation insurance activities. Health insurance activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred. Workers’ compensation claims are administered by a third-party administrator and are funded on a pay-as-you-go basis from annual appropriations.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

(a) *Health Insurance*

The estimate of IBNR claims is based on management’s best estimate of claims history. The Town purchases specific stop loss insurance for claims in excess of \$100,000 per claim. At June 30, 2020, the amount of the liability for health insurance claims totaled \$925,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2018, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End Currently Due
2019.....	\$ 965,000	\$ 18,232,357	\$ (18,185,357)	\$ 1,012,000
2020.....	1,012,000	15,406,445	(15,493,445)	925,000

(b) *Workers’ Compensation*

The estimated workers’ compensation liability is based on claims history, frequency and injury type. The Town purchases specific reinsurance with attachment points from \$450,000 to \$500,000 per claim and aggregate reinsurance with an attachment point of \$1,878,284 in 2020. At June 30, 2020, the amount of the liability for workers’ compensation claims totaled \$248,008, of which \$24,800 is current. Changes in the reported liability since July 1, 2018, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2019.....	\$ 296,759	\$ 243,721	\$ (298,804)	\$ 241,676
2020.....	241,676	457,002	(450,670)	248,008

The BELD participates in the Massachusetts Municipal Self Insurance Trust (the Trust) with 17 other municipal light departments for the purpose of sharing excess liability and directors’ and officers’ liability risks. Through the

Trust, BELD is commercially insured for \$500,000 per occurrence, with a \$50,000 deductible that would be paid by the BELD. Environmental insurance coverage provides for \$1,500,000 per occurrence, with a \$100,000 deductible that would be paid by the BELD. Each of the participating light departments contributes to the Trust based on its share of the group's total kilowatt-hour sales. Payments for claims under the deductible limit are funded by trust assets or, if required, additional contributions from the participants. The BELD considers its share of potential losses to be immaterial to its financial statements as of December 31, 2019.

NOTE 11 – PENSION PLAN

Plan Descriptions

The Town is a member of the Braintree Contributory Retirement System (BCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 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 within the fiduciary fund financial statements. The System issues a publicly available 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 74 Pond Street, 2nd Floor, Braintree, Massachusetts 02184.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$19,520,106 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$160,967,525 as of the measurement date.

Benefits Provided

Both Systems 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 Systems provide 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 were no changes of benefit terms that affected the total pension liability at December 31, 2019.

At December 31, 2019, the BCRS membership consists of the following:

Active members.....	817
Inactive members entitled to but not yet receiving benefits.....	185
Inactive members or beneficiaries currently receiving benefits.....	<u>523</u>
Total.....	<u>1,525</u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$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 BCRS 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, 2019, was \$11,546,309, 25.09% of covered payroll, actuarially determined as an amount that, 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 Town's, excluding BELD, proportionate share of the required contribution was \$8,951,069 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2019, were as follows:

Total pension liability.....	\$ 324,483,631
Total pension plan's fiduciary net position.....	<u>(224,961,770)</u>
Total net pension liability.....	<u>\$ 99,521,861</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	69.33%

The Town and the BELD, reported liabilities of \$77,152,538 and \$27,446,641, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2019, the Town's proportion was 77.52%, which increased by 0.92% from its proportion measured at December 31, 2018. At December 31, 2018, the BELD's proportion was 22.06%, which decreased by 0.80% from its proportion measured at December 31, 2017.

Pension Expense

For the year ended June 30, 2020, the Town recognized a net pension expense of \$12,596,495. At June 30, 2020, Town reported deferred outflows of resources related to pensions of \$12,235,637, and deferred inflows of resources related to pensions of \$11,419,068.

The balances of deferred outflows and inflows at June 30, 2020 and December 31, 2018, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 267,886	\$ (6,761,668)	\$ (6,493,782)
Difference between projected and actual earnings for the Town, net..	-	(4,587,892)	(4,587,892)
Difference between projected and actual earnings for the BELD, net.	3,309,583	-	3,309,583
Changes in assumptions.....	5,444,924	-	5,444,924
Changes in proportion and proportionate share of contributions.....	627,168	(69,508)	557,660
Contributions made subsequent to the measurement date.....	2,586,076	-	2,586,076
Total deferred outflows/(inflows) of resources.....	\$ 12,235,637	\$ (11,419,068)	\$ 816,569

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized in pension expense in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended:</u>	<u>Town June 30</u>	<u>BELD December 31</u>
2020.....	\$ -	\$ 936,492
2021.....	(779,296)	1,092,533
2022.....	(1,598,788)	1,142,525
2023.....	214,689	1,118,465
2024.....	(3,896,127)	-
Subtotal amortized deferred outflows/(inflows) of resources.....	(6,059,522)	4,290,015
Contributions made subsequent to the measurement date.....	-	2,586,076
Total deferred outflows/(inflows) of resources....	\$ (6,059,522)	\$ 6,876,091

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2019:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Entry Age Normal.
Amortization method - UAAL.....	Increasing dollar amount at 4.00% to reduce the Unfunded Actuarial Accrued Liability to zero on or before June 30, 2032, with annual increases limited to 4.50% for FY2022 and FY2023 and 7.35% for FY2024 and thereafter.
Amortization method - 2010 ERI Actuarial Liability.....	Level dollar amount to reduce the Unfunded Actuarial Accrued Liability attributable to the 2010 ERI to zero on or before June 30, 2022.
Asset valuation method.....	The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of: a) 75% of gains and losses of the prior year, b) 50% of gains and losses of the second prior year and c) 25% of gains and losses of the third prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 90% or more than 110% of market value.
Investment rate of return.....	7.65%, net of pension plan investment expense, including inflation.
Discount rate.....	7.65% per year.
Inflation rate.....	2.40% per year.
Projected salary increases.....	Group 1 and 2: 6.00% to 4.25% based on service. Group 4: 7.00% to 4.75% based on service.
Payroll growth.....	3.50% per year
Cost of living adjustments.....	3.00% of the first \$12,000 of annual retirement allowance.
Mortality rates.....	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2018. For disabled members, RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2018.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan 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 pension plan.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	33.00%	5.92%
International equity.....	20.00%	6.87%
Domestic fixed income.....	18.00%	3.86%
Hedge funds.....	5.00%	6.21%
Private equity.....	8.00%	10.11%
Real estate.....	10.00%	4.80%
Alternative investments.....	3.00%	8.02%
Other.....	3.00%	6.25%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.78%. 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 7.65%, which did not change from the prior year. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. 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.

Sensitivity of the net pension liability to changes in the discount rate – The table on the following page presents the net pension liability, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate.

	1% Decrease (6.65%)	Current Discount (7.65%)	1% Increase (8.65%)
<u>December 31, 2019 Measurement Date</u>			
The Town's proportionate share of the net pension liability.....	\$ 103,705,470	\$ 77,152,538	\$ 54,462,093
BCRS total net pension liability.....	\$ 133,773,452	\$ 99,521,861	\$ 70,252,632
<u>December 31, 2018 Measurement Date</u>			
The Municipal Light Plant's proportionate share of the net pension liability.....	\$ 34,872,178	\$ 27,446,641	\$ 21,103,231

Changes of Assumptions

- The net 3(8)(c) transfers assumption increased from \$135,000 to \$150,000.
- The Mortality assumption is based upon the RP-2014 table with full generational mortality improvement using Scale MP-2018. The previous valuation used the RP-2000 table (base year 2009) with full generational mortality improvement using Scale BB.

Changes in Plan Provisions – None.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group 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. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, and Tufts Health Plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

The Town and all Departments except for the Braintree Electric Light Department (BELD) are included in the actuarial valuation for GASB 74 and 75 for the measurement date of June 30, 2020. The BELD obtains a separate valuation for its measurement date of December 31, 2019 because the BELD’s year-end is as of December 31st whereas the rest of the Town reports as of June 30th. The two actuarial valuations are performed by the same actuary using virtually the same assumptions for each measurement date.

Funding Policy

Contributions requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 33% and 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. For 2020, the Town’s age-adjusted contribution to the

plan totaled \$6,492,136. For the year ended June 30, 2020, the Town's average contribution rate was 7.84% of covered-employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town and the BELD to establish postemployment benefit trust funds and to enable them to begin pre-funding their OPEB liabilities. The Town and BELD have named the Health Care Security Board of Trustees (HCSBT) as Trustees of the OPEB Funds and as such have authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs the HSCBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT) Fund. The Trustees have adopted a trust agreement detailing their duties and responsibilities as Trustees. The PRIT Fund is subject to oversight by the Pension Reserves Investment Management Board (PRIM) Board. A nine-member Board of Trustees governs the PRIM Board. The Board of Trustees has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets of the PRIT Fund.

For the year ending June 30, 2020, the Town pre-funded future OPEB liabilities totaling \$909,100 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2020, the balance of this fund totaled \$10,361,121.

For the year ending December 31, 2019, the BELD pre-funded future OPEB liabilities totaling \$500,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of December 31, 2019, the balance of this fund totaled \$5,590,107.

The additional pre-funding contributions are not based on a measure of payroll.

OPEB Employer Financial Reporting for the Town

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost, whenever applicable.

Measurement Date

GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019 that was rolled forward to the measurement date.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at June 30, 2020:

Active members.....	1,184
Inactive employees or beneficiaries currently receiving benefits.....	<u>885</u>
Total.....	<u><u>2,069</u></u>

Components of the Town's OPEB Liability

The following table represents the components of the Plan's Net OPEB liability as of June 30, 2020:

Total OPEB liability.....	\$ 155,340,264
Less: OPEB plan's fiduciary net position.....	<u>(10,361,121)</u>
Net OPEB liability.....	<u><u>\$ 144,979,143</u></u>
The OPEB plan's fiduciary net position	
as a percentage of the total OPEB liability.....	6.67%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, to be in accordance with GASB Statement #75:

Valuation date.....	July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal.
Asset valuation method.....	Market value of assets as of the measurement date, June 30, 2020.
Investment rate of return.....	7.01%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.66% as of June 30, 2020, (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	7.00%, net of OPEB plan investment expense, including inflation.
Inflation.....	2.50% as of June 30, 2020, and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020, and for future periods.
Cost of living adjustment.....	Not applicable.

Pre-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 11.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 5.01% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 7.51%. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap.....	14.50%	4.80%
Domestic equity - small/mid cap.....	3.50%	5.29%
International equity - developed market..	16.00%	5.45%
International equity - emerging market...	6.00%	6.42%
Domestic fixed income.....	20.00%	2.05%
International fixed income.....	3.00%	3.00%
Alternatives.....	23.00%	6.50%
Real estate.....	14.00%	6.25%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2020, and June 30, 2019. 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 sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Town’s (non-BELD) Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019.....	\$ 111,218,540	\$ 9,252,474	\$ 101,966,066
Changes for the year:			
Service cost.....	2,831,751	-	2,831,751
Interest.....	7,760,139	-	7,760,139
Differences between expected and actual experience...	13,032,611	-	13,032,611
Changes in assumptions and other inputs.....	26,989,359	-	26,989,359
Net investment income.....	-	1,108,647	(1,108,647)
Employer contributions to Trust.....	-	6,492,136	(6,492,136)
Benefit payments.....	(6,492,136)	(6,492,136)	-
Net change.....	<u>44,121,724</u>	<u>1,108,647</u>	<u>43,013,077</u>
Balances at June 30, 2020.....	<u>\$ 155,340,264</u>	<u>\$ 10,361,121</u>	<u>\$ 144,979,143</u>

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

The following table presents the net other postemployment benefit liability, calculated using the discount rate of 7.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

	1% Decrease	Current	1% Increase
	(6.00%)	Discount Rate (7.00%)	(8.00%)
Net OPEB liability.....	<u>\$ 165,264,018</u>	<u>\$ 144,979,143</u>	<u>\$ 124,694,268</u>

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

The following table presents the net other postemployment benefit liability, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability.....	\$ <u>126,351,183</u>	\$ <u>144,979,143</u>	\$ <u>167,834,070</u>

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

For the year ended June 30, 2020, the GASB Statement #75 measurement date, the Town recognized OPEB expense of \$10,612,961. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 10,899,615	\$ (2,406,571)	\$ 8,493,044
Difference between projected and actual earnings, net.....	-	(483,243)	(483,243)
Changes in assumptions.....	<u>26,792,128</u>	<u>-</u>	<u>26,792,128</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>37,691,743</u>	\$ <u>(2,889,814)</u>	\$ <u>34,801,929</u>

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

Year ended June 30:

2021.....	\$ 7,161,805
2022.....	7,161,805
2023.....	6,749,314
2024.....	6,458,230
2025.....	6,550,239
Thereafter.....	<u>720,536</u>
Total.....	\$ <u>34,801,929</u>

Changes of Assumptions

- The mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with Scale MP-2016 for males and females.
- The expected long-term medical trend has been updated to 4.50%.

Changes in Plan Provisions – None.

OPEB Employer Financial Reporting for the Braintree Electric Light Department (BELD)

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position related to the Braintree Electric Light Department (BELD) have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost, whenever applicable.

Measurement Date

GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability for the BELD was measured as of December 31, 2019, and the total OPEB liability for the BELD used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 that was rolled forward to the measurement date.

Employees Covered by Benefit Terms

The following table represents the Plan’s membership related to the BELD at December 31, 2019:

Active members.....	99
Inactive employees or beneficiaries currently receiving benefits.....	<u>65</u>
Total.....	<u><u>164</u></u>

Components of the BELD’s OPEB Liability

The following table represents the components of the Plan’s Net OPEB liability related to the BELD as of December 31, 2019:

Total OPEB liability.....	\$ 11,357,506
Less: OPEB plan’s fiduciary net position.....	<u>(5,590,107)</u>
Net OPEB liability.....	<u><u>\$ 5,767,399</u></u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.....	49.22%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, to be in accordance with GASB Statement #75:

Valuation date.....	January 1, 2019
Inflation.....	2.50%
Investment rate of return.....	7.01% net of investment expenses, including inflation.
Healthcare cost trend rate.....	Currently 5.00%.
Municipal bond rate.....	3.26% as of December 31, 2019, (source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG).
Pre-retirement mortality.....	RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	RP-2014 Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 16.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 5.01% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 7.51%. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of December 31, 2019, are summarized in table on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap.....	14.50%	4.80%
Domestic equity - small/mid cap.....	3.50%	5.29%
International equity - developed market..	16.00%	5.45%
International equity - emerging market...	6.00%	6.42%
Domestic fixed income.....	20.00%	2.05%
International fixed income.....	3.00%	3.00%
Alternatives.....	23.00%	6.50%
Real estate.....	14.00%	6.25%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of December 31, 2019. 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 sufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan	
		Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2018.....	\$ 10,528,277	\$ 4,349,520	\$ 6,178,757
Changes for the year:			
Service cost.....	204,896	-	204,896
Interest.....	736,512	-	736,512
Differences between expected and actual experience.....	284,925	-	284,925
Changes in assumptions and other inputs.....	33,331	-	33,331
Net investment income.....	-	740,587	(740,587)
Employer contributions to Trust.....	-	930,435	(930,435)
Benefit payments.....	(430,435)	(430,435)	-
Net change.....	829,229	1,240,587	(411,358)
Balance at December 31, 2019.....	\$ 11,357,506	\$ 5,590,107	\$ 5,767,399

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

The following table presents the net other postemployment benefit liability, calculated using the discount rate of 7.00%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 7,219,606	\$ 5,767,399	\$ 4,315,192

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

The following table presents the net other postemployment benefit liability, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 4,430,189	\$ 5,767,399	\$ 7,394,068

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

For the year ended December 31, 2019, the GASB Statement #75 measurement date, the BELD recognized OPEB expense of \$681,744. At December 31, 2019, the BELD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 227,940	\$ -	\$ 227,940
Difference between projected and actual earnings, net....	-	(87,250)	(87,250)
Changes in assumptions.....	26,665	-	26,665
Total deferred outflows/(inflows) of resources.....	\$ 254,605	\$ (87,250)	\$ 167,355

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2020.....	\$ 62,466
2021.....	62,466
2022.....	62,464
2023.....	(20,041)
Total.....	\$ 167,355

Changes of Assumptions

- The mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with Scale MP-2016 for males and females.
- The expected long-term medical trend has been updated to 4.50%.

Changes in Plan Provisions – None.

NOTE 13 – FINANCIAL STATEMENTS FOR PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS

GAAP requires that all Pension and Other Postemployment Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Postemployment Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2019)	Town's Other Postemployment Benefit Trust Fund	BELD's Other Postemployment Benefit Trust Fund (as of December 31, 2019)	Total Pension and Other Employee Benefit Trust Funds
ASSETS				
Cash and cash equivalents.....	\$ 459,012	\$ -	\$ -	\$ 459,012
Investments:				
Investments in Pension Reserve Investment Trust....	10,958,889	10,361,121	5,590,107	26,910,117
Equity securities.....	468,088	-	-	468,088
Equity mutual funds.....	132,732,450	-	-	132,732,450
Fixed income mutual funds.....	51,261,203	-	-	51,261,203
Pooled alternative investments.....	29,075,878	-	-	29,075,878
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	67,605	-	-	67,605
TOTAL ASSETS.....	225,023,125	10,361,121	5,590,107	240,974,353
LIABILITIES				
Warrants payable.....	61,355	-	-	61,355
NET POSITION				
Restricted for pensions.....	224,961,770	-	-	224,961,770
Restricted for other postemployment benefits.....	-	10,361,121	5,590,107	15,951,228
TOTAL NET POSITION.....	\$ 224,961,770	\$ 10,361,121	\$ 5,590,107	\$ 240,912,998

	Pension Trust Fund (as of December 31, 2019)	Town's Other Postemployment Benefit Trust Fund	BELD's Other Postemployment Benefit Trust Fund (as of December 31, 2019)	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS:				
Contributions:				
Employer contributions.....	\$ 11,546,309	\$ 909,100	\$ 500,000	\$ 12,955,409
Employer contributions for other postemployment benefit payments.....	-	6,492,136	430,435	6,922,571
Member contributions.....	4,813,871	-	-	4,813,871
Transfers from other systems.....	382,070	-	-	382,070
3(8)c contributions from other systems.....	296,876	-	-	296,876
State COLA reimbursements.....	114,091	-	-	114,091
Intergovernmental.....	4,302	-	-	4,302
Total contributions.....	17,157,519	7,401,236	930,435	25,489,190
Net investment income:				
Investment income (loss).....	4,785,519	199,547	740,587	5,725,653
Net change in fair value of investments.....	30,619,575	-	-	30,619,575
Less: investment expense.....	(1,352,813)	-	-	(1,352,813)
Net investment income (loss).....	34,052,281	199,547	740,587	34,992,415
TOTAL ADDITIONS.....	51,209,800	7,600,783	1,671,022	60,481,605
DEDUCTIONS:				
Administration.....	287,102	-	-	287,102
Transfers to other systems.....	450,222	-	-	450,222
3(8)c transfer to other systems.....	508,915	-	-	508,915
Retirement benefits and refunds.....	17,716,875	-	-	17,716,875
Other postemployment benefit payments.....	-	6,492,136	430,435	6,922,571
TOTAL DEDUCTIONS.....	18,963,114	6,492,136	430,435	25,885,685
NET INCREASE IN NET POSITION.....	32,246,686	1,108,647	1,240,587	34,595,920
NET POSITION AT BEGINNING OF YEAR.....	192,715,084	9,252,474	4,349,520	206,317,078
NET POSITION AT END OF YEAR.....	\$ 224,961,770	\$ 10,361,121	\$ 5,590,107	\$ 240,912,998

NOTE 14 – COMMITMENTS

Under the terms of an Administrative Consent Order (ACO) from the Commonwealth’s Department of Environmental Protection, the Town is obligated to make various repairs and improvements to its sewer and drainage system. Accordingly, the Town has expended over \$19.6 million on improvements to the system over the last 18 years to comply with the ACO.

The Town has entered into contracts totaling approximately \$13.3 million for various school, water, public works, and public safety building projects. The Town has authorized water system, school planning, and public works renovations of approximately \$49.8 million. The Town Council was scheduled to vote on February 13, 2020, for four school capital articles subject to a debt exclusion but the vote was delayed due to COVID-19. Court action extended the vote deadline to September 30, 2020. The debt exclusion vote by the Town Council occurred on September 26, 2020 and all four articles passed totaling \$94,085,919.

The South Middle School project of \$86.6 million has an MSBA reimbursement rate of 53.96% of eligible costs or approximately \$31 million which will reduce the amount of contracted debt to be issued.

Seabrook Project

BELD has entered into a power sales agreement, as a participant in Nuclear Project No. 5, with Massachusetts Municipal Wholesale Electric Company (MMWEC) for a share of the power supply capability of Seabrook Unit 1. BELD effectively participates in a 0.6% (7 MW) share of Seabrook Unit 1. Under the terms of the power sales agreement, BELD is obligated to pay for its share of MMWEC’s actual operating and capital costs, including decommissioning, interest and financing costs related to this generating unit. Seabrook Unit 1 began commercial operations in 1990 and its operating license expires in 2030. BELD’s obligations to pay are not contingent on the future operation of the unit. As of December 31, 2019, MMWEC has no debt service obligations outstanding related to the Projects BELD participates in. The Seabrook bonds were paid off in full in June 2018.

Long-term Power Purchase Commitments

BELD’s total capacity, O&M and debt costs related to its long-term power purchase commitments as of year-end 2019 are approximately as follows:

Seabrook 1 Nuclear Unit	\$	1,500,000
NYP&A		1,000,000
Hydro Quebec Phase II		<u>450,000</u>
	\$	<u><u>2,950,000</u></u>

The contract entitlements decrease and expire as follows:

2020	\$	900,000
2021		600,000
2022		500,000
2023-2025		<u>950,000</u>
Total	\$	<u><u>2,950,000</u></u>

NOTE 15 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

The BELD is subject, like other electric utilities, to evolving standards administered by federal, state and local authorities relating to the quality of the environment. These standards affect the siting of electric property, ambient air and water quality, plant safety and other environmental factors. These standards have had an impact on the BELD’s operations in the past and they will continue to have an impact on future operations, capital costs and construction schedules.

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, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2020.

NOTE 16 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing, the Town's portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2020, which is the date the financial statements were available to be issued.

NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncement was implemented:

- GASB Statement #95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.

- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all of the Town's financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 94,831,929	\$ 94,831,929	\$ 94,547,471	\$ -	\$ (284,458)
Tax liens.....	-	-	400,226	-	400,226
Motor vehicle and other excise taxes.....	6,673,386	6,673,386	6,059,140	-	(614,246)
Hotel/motel tax.....	1,665,000	1,665,000	1,524,976	-	(140,024)
Meals tax.....	1,248,000	1,248,000	1,114,427	-	(133,573)
Penalties and interest on taxes.....	298,000	298,000	211,740	-	(86,260)
Payments in lieu of taxes.....	2,411,000	2,411,000	2,350,749	-	(60,251)
Intergovernmental - state aid.....	24,832,887	24,832,887	24,876,581	-	43,694
Intergovernmental - other.....	-	-	368,091	-	368,091
Departmental and other.....	8,037,466	8,037,466	5,900,415	-	(2,137,051)
Investment income.....	1,070,000	1,070,000	1,061,377	-	(8,623)
TOTAL REVENUES.....	141,067,668	141,067,668	138,415,193	-	(2,652,475)
EXPENDITURES:					
Current:					
General Government:					
Town Council					
Administration.....	210,077	211,540	202,239	9,200	101
Reserve Fund.....	31,184	31,184	-	-	31,184
Internal Audit.....	121,644	121,644	114,763	6,000	881
Articles.....	29,817	29,817	-	29,817	-
Total.....	392,722	394,185	317,002	45,017	32,166
Mayor's Office					
Administration.....	487,598	418,319	417,157	54	1,108
Substance Use Prevention.....	94,249	88,271	88,270	-	1
Articles.....	91,873	91,873	5,977	85,896	-
Total.....	673,720	598,463	511,404	85,950	1,109
Finance Department					
Administration.....	267,873	278,830	244,076	30,030	4,724
Accounting.....	272,741	277,295	240,950	-	36,345
Assessing.....	291,556	295,735	280,568	-	15,167
Information Technology.....	530,613	532,987	512,743	18,000	2,244
General Insurances.....	733,799	793,799	761,135	30,000	2,664
Treasurer/Collector.....	1,327,890	1,334,228	1,302,125	-	32,103
Bond Principal.....	3,642,883	3,606,022	3,461,301	-	144,721
Bond Interest.....	1,109,904	1,146,765	1,146,765	-	-
Leases.....	56,640	56,640	56,640	-	-
Capital School Building Authority.....	3,060,000	3,060,000	2,319,411	-	740,589
Capital Projects.....	9,731	9,731	4,557	5,174	-
Articles.....	70,208	222,313	-	222,313	-
Total.....	11,373,838	11,614,345	10,330,271	305,517	978,557
Law Department					
Administration.....	353,155	363,703	313,108	50,559	36
Human Resources					
Administration.....	867,511	893,655	603,355	5,044	285,256
Employee Benefits.....	20,516,941	19,743,102	19,350,134	147,047	245,921
Veterans Benefits.....	416,258	417,466	362,427	-	55,039
Celebrations.....	7,000	7,000	7,000	-	-
Total.....	21,807,710	21,061,223	20,322,916	152,091	586,216
Town Clerk					
Administration.....	161,917	164,110	137,362	895	25,853
Elections.....	87,655	87,655	82,974	-	4,681
Registration.....	206,190	210,976	192,473	-	18,503
Articles.....	2,632	2,632	-	2,632	-
Total.....	458,394	465,373	412,809	3,527	49,037

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Planning and Community Development					
Administration.....	297,373	303,999	296,009	5,543	2,447
Planning.....	65,567	29,684	20,648	4,739	4,297
Conservation.....	149,000	145,632	98,461	44,286	2,885
Zoning Board of Appeals.....	85,709	85,709	49,304	300	36,105
Economic Development.....	188,076	133,076	62,995	66,271	3,810
Fair Housing Commission.....	2,275	-	-	-	-
Historical Commission.....	6,030	1,438	729	700	9
Capital Projects.....	<u>71,404</u>	<u>216,911</u>	<u>6,170</u>	<u>210,741</u>	<u>-</u>
Total.....	<u>865,434</u>	<u>916,449</u>	<u>534,316</u>	<u>332,580</u>	<u>49,553</u>
Total General Government.....	<u>35,924,973</u>	<u>35,413,741</u>	<u>32,741,826</u>	<u>975,241</u>	<u>1,696,674</u>
Public Safety:					
Police					
Administration.....	1,194,204	1,291,465	1,224,844	37,255	29,366
Building Maintenance.....	139,942	143,942	116,363	15,720	11,859
Equipment Maintenance.....	220,000	224,000	212,636	5,210	6,154
Patrol Bureau.....	5,933,256	6,732,963	6,577,312	4,463	151,188
Communications.....	513,267	555,934	518,107	10,626	27,201
Detective Bureau.....	1,366,798	1,647,287	1,641,474	-	5,813
Traffic Bureau.....	96,610	23,063	23,059	-	4
Special Services/Community Policing.....	946,479	1,137,892	1,133,565	570	3,757
Harbormaster.....	9,542	9,450	8,120	-	1,330
Animal Control.....	79,961	87,476	81,665	319	5,492
Capital Projects.....	<u>376,158</u>	<u>619,383</u>	<u>360,351</u>	<u>259,032</u>	<u>-</u>
Total.....	<u>10,876,217</u>	<u>12,472,855</u>	<u>11,897,496</u>	<u>333,195</u>	<u>242,164</u>
Fire					
Administration.....	291,173	316,485	312,060	1,333	3,092
Building Maintenance.....	134,930	126,717	115,815	6,641	4,261
Equipment Maintenance.....	157,416	175,274	173,754	-	1,520
Fire Suppression.....	7,617,340	8,402,775	8,264,269	1,946	136,560
Fire Alarm Repair.....	157,044	205,336	204,982	-	354
Fire Hazmat.....	120,044	122,336	120,926	-	1,410
Fire Prevention.....	122,545	124,837	124,514	-	323
Training.....	120,138	115,192	110,665	-	4,527
Fire Boat.....	35,000	35,000	17,901	-	17,099
Capital Projects.....	<u>359,295</u>	<u>359,295</u>	<u>166,418</u>	<u>192,877</u>	<u>-</u>
Total.....	<u>9,114,925</u>	<u>9,983,247</u>	<u>9,611,304</u>	<u>202,797</u>	<u>169,146</u>
Municipal Licenses and Inspection					
Administration.....	268,991	262,601	248,455	893	13,253
Equipment Maintenance.....	1,500	900	515	-	385
Commission on Disabilities.....	1,014	1,014	360	-	654
Inspections/Code Enforcement.....	534,304	481,123	415,822	54,877	10,424
Health.....	235,929	239,016	230,059	105	8,852
Articles.....	<u>98,940</u>	<u>313,000</u>	<u>14,045</u>	<u>298,955</u>	<u>-</u>
Total.....	<u>1,140,678</u>	<u>1,297,654</u>	<u>909,256</u>	<u>354,830</u>	<u>33,568</u>
Total Public Safety.....	<u>21,131,820</u>	<u>23,753,756</u>	<u>22,418,056</u>	<u>890,822</u>	<u>444,878</u>
Education:					
Education.....	70,808,179	70,593,184	69,765,697	352,373	475,114
Regional School District.....	2,697,242	2,697,242	2,691,862	-	5,380
Capital Projects.....	<u>647,719</u>	<u>941,789</u>	<u>15,680</u>	<u>641,421</u>	<u>284,688</u>
Total Education.....	<u>74,153,140</u>	<u>74,232,215</u>	<u>72,473,239</u>	<u>993,794</u>	<u>765,182</u>

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Public Works:					
Public Works					
Administration.....	361,043	367,927	366,045	223	1,659
Building Maintenance.....	1,329,561	1,369,154	1,321,314	21,176	26,664
Equipment Maintenance.....	233,280	233,280	231,004	-	2,276
Engineering.....	216,738	219,211	209,858	3,030	6,323
Construction Administration.....	372,034	306,994	269,901	125	36,968
Highway.....	1,541,842	1,565,086	1,465,730	59,013	40,343
Drains.....	10,000	10,000	9,549	-	451
Sidewalks.....	29,400	29,400	27,211	-	2,189
Street Lighting.....	430,000	430,000	415,100	-	14,900
Traffic.....	127,571	127,571	112,711	-	14,860
Snow and Ice.....	500,000	458,437	458,437	-	-
Environmental Affairs and Waste Collection.....	2,490,826	2,556,968	2,515,491	30,144	11,333
Cemetery.....	139,987	140,449	139,794	-	655
Maintenance Town Hall.....	116,469	116,469	116,469	-	-
Recreation and Community Events.....	257,081	219,710	217,827	-	1,883
Grounds Maintenance.....	519,509	532,737	528,929	-	3,808
Summer Programs.....	225,672	168,431	168,430	-	1
Brawley Recreation.....	111,014	111,014	111,014	-	-
Articles.....	656,016	656,016	119,444	536,572	-
Total Public Works.....	9,668,043	9,618,854	8,804,258	650,283	164,313
Human Services:					
Council on Aging					
Administration.....	238,546	238,043	229,974	-	8,069
Equipment Maintenance.....	64,469	61,754	58,336	-	3,418
Building Maintenance.....	23,578	22,378	22,377	-	1
Articles.....	67,146	67,146	5,844	61,302	-
Total Human Services.....	393,739	389,321	316,531	61,302	11,488
Culture and Recreation:					
Library					
Administration.....	227,488	232,598	210,784	1,096	20,718
Building Maintenance.....	87,500	87,500	73,080	-	14,420
Equipment Maintenance.....	500	500	471	-	29
Technology.....	55,000	55,000	54,959	-	41
Current Topics and Titles.....	979,221	986,189	944,219	427	41,543
Lifelong Learning.....	144,595	146,979	142,270	529	4,180
Community Commons.....	14,893	14,893	11,096	-	3,797
Articles.....	75,177	80,177	13,744	66,433	-
Total Culture and Recreation.....	1,584,374	1,603,836	1,450,623	68,485	84,728
State and County Assessments.....	3,958,594	3,979,689	3,958,845	-	20,844
TOTAL EXPENDITURES.....	146,814,683	148,991,412	142,163,378	3,639,927	3,188,107
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES.....	(5,747,015)	(7,923,744)	(3,748,185)	(3,639,927)	535,632
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	23,093	-	23,093
Insurance proceeds.....	-	-	180,000	-	180,000
Transfers in.....	772,501	1,437,832	1,437,832	-	-
Transfers out.....	(53,268)	(441,609)	(441,609)	-	-
TOTAL OTHER FINANCING					
SOURCES (USES).....	719,233	996,223	1,199,316	-	203,093
NET CHANGE IN FUND BALANCE.....	(5,027,782)	(6,927,521)	(2,548,869)	(3,639,927)	738,725
BUDGETARY FUND BALANCE, Beginning of year.....	17,404,969	17,404,969	17,404,969	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 12,377,187	\$ 10,477,448	\$ 14,856,100	\$ (3,639,927)	\$ 738,725

(Concluded)

See notes to required supplementary information.

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Total pension liability:						
Service cost.....	\$ 6,023,441	\$ 6,023,441	\$ 7,011,992	\$ 7,317,237	\$ 7,670,520	\$ 7,986,180
Interest.....	18,204,152	19,380,005	21,147,039	22,115,653	23,130,160	24,198,975
Differences between expected and actual experience.....	-	1,815,050	-	(3,576,168)	-	(8,256,697)
Changes in assumptions.....	-	9,995,718	-	7,136,232	-	1,113,050
Benefit payments.....	(15,009,048)	(15,148,464)	(15,656,177)	(16,251,114)	(16,567,488)	(17,716,875)
Net change in total pension liability.....	9,218,545	22,065,750	12,502,854	16,741,840	14,233,192	7,324,633
Total pension liability - beginning.....	242,396,817	251,615,362	273,681,112	286,183,966	302,925,806	317,158,998
Total pension liability - ending (a).....	<u>\$ 251,615,362</u>	<u>\$ 273,681,112</u>	<u>\$ 286,183,966</u>	<u>\$ 302,925,806</u>	<u>\$ 317,158,998</u>	<u>\$ 324,483,631</u>
Plan fiduciary net position:						
Employer contributions.....	\$ 8,455,791	\$ 8,771,129	\$ 9,165,831	\$ 9,899,098	\$ 10,691,027	\$ 11,546,309
Member contributions.....	4,658,478	3,889,183	4,043,379	4,482,120	4,656,331	4,363,649
Net investment income (loss).....	9,407,198	(2,891,404)	14,033,058	27,290,344	(9,887,273)	34,052,281
Administrative expenses.....	(267,893)	(266,847)	(314,174)	(287,298)	(290,686)	(287,102)
Retirement benefits and refunds.....	(15,009,048)	(15,148,464)	(15,656,177)	(16,251,114)	(16,567,488)	(17,716,875)
Other receipts.....	-	54,614	124,202	45,984	304,060	288,424
Net increase (decrease) in fiduciary net position.....	7,244,526	(5,591,789)	11,396,119	25,179,134	(11,094,029)	32,246,686
Fiduciary net position - beginning of year.....	165,581,123	172,825,649	167,233,860	178,629,979	203,809,113	192,715,084
Fiduciary net position - end of year (b).....	<u>\$ 172,825,649</u>	<u>\$ 167,233,860</u>	<u>\$ 178,629,979</u>	<u>\$ 203,809,113</u>	<u>\$ 192,715,084</u>	<u>\$ 224,961,770</u>
Net pension liability - ending (a)-(b).....	<u>\$ 78,789,713</u>	<u>\$ 106,447,252</u>	<u>\$ 107,553,987</u>	<u>\$ 99,116,693</u>	<u>\$ 124,443,914</u>	<u>\$ 99,521,861</u>
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%	61.11%	62.42%	67.28%	60.76%	69.33%
Covered payroll.....	\$ 38,444,353	\$ 39,982,127	\$ 47,022,635	\$ 44,507,860	\$ 47,744,449	\$ 46,013,628
Net pension liability as a percentage of covered payroll.....	204.94%	266.24%	228.73%	222.69%	260.65%	216.29%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2019.....	\$ 11,546,309	\$ (11,546,309)	\$ -	\$ 46,013,628	25.09%
December 31, 2018.....	10,691,027	(10,691,027)	-	47,744,449	22.39%
December 31, 2017.....	9,899,098	(9,899,098)	-	44,507,860	22.24%
December 31, 2016.....	9,165,831	(9,165,831)	-	47,022,635	19.49%
December 31, 2015.....	8,771,129	(8,771,129)	-	39,982,127	21.94%
December 31, 2014.....	8,455,791	(8,455,791)	-	38,444,353	21.99%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM

Year	Annual money-weighted rate of return, net of investment expense
December 31, 2019.....	17.78%
December 31, 2018.....	-4.75%
December 31, 2017.....	15.45%
December 31, 2016.....	8.49%
December 31, 2015.....	-1.70%
December 31, 2014.....	5.73%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules – Town & Electric Light Department

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Electric Light Department's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Electric Light Department's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's and the Electric Light Department's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
BRAintree CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2020.....	77.52%	\$ 77,152,538	\$ 35,671,240	216.29%	69.33%
June 30, 2019.....	76.60%	95,327,348	36,573,518	260.65%	60.76%
June 30, 2018.....	75.81%	75,137,651	35,646,572	210.79%	67.28%
June 30, 2017.....	76.94%	82,751,470	36,176,897	228.74%	62.42%
June 30, 2016.....	76.75%	72,633,217	30,706,775	236.54%	61.11%
June 30, 2015.....	75.87%	59,777,226	29,167,473	204.94%	68.69%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE ELECTRIC LIGHT DEPARTMENT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

Year ending	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2019.....	22.36%	\$ 27,446,641	\$ 10,530,244	260.65%	60.76%
December 31, 2018.....	23.17%	22,658,555	10,749,374	210.79%	67.28%
December 31, 2017.....	22.02%	23,367,368	10,215,635	228.74%	62.42%
December 31, 2016.....	22.70%	23,312,268	9,902,018	235.43%	61.11%
December 31, 2015.....	21.90%	17,885,794	8,727,126	204.94%	68.69%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

The Electric Light Enterprise Fund year end is December 31st, while the Town is June 30th.
The Electric Light Enterprise Fund's initial implementation of GASB 68 was for the year ended December 31, 2015 and used the measurement date of December 31, 2014.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
BRAINTREE CONTRIBUTORY RETIREMENT SYSTEM**

Year ending	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Town of Braintree (1):					
June 30, 2020.....	\$ 8,951,069	\$ (8,951,069)	\$ -	36,384,665	24.60%
June 30, 2019.....	8,189,611	(8,189,611)	-	37,304,988	21.95%
June 30, 2018.....	7,561,879	(7,561,879)	-	36,359,503	20.80%
June 30, 2017.....	6,957,634	(6,957,634)	-	36,900,435	18.86%
June 30, 2016.....	6,638,150	(6,638,150)	-	31,320,911	21.19%
June 30, 2015.....	6,247,261	(6,247,261)	-	29,750,822	21.00%
Electric Light Department:					
December 31, 2019.....	\$ 2,357,952	\$ (2,357,952)	\$ -	10,530,244	22.39%
December 31, 2018.....	2,205,290	(2,205,290)	-	10,749,374	20.52%
December 31, 2017.....	2,084,994	(2,084,994)	-	10,215,635	20.41%
December 31, 2016.....	2,014,473	(2,014,473)	-	9,902,018	20.34%
December 31, 2015.....	2,026,172	(2,026,172)	-	8,727,126	23.22%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

(1) Excluding the Electric Light Department.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Braintree Teachers' Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2020.....	\$ 160,967,525	\$ 19,520,106	53.95%
2019.....	150,334,844	15,234,260	54.84%
2018.....	142,585,990	14,882,115	54.25%
2017.....	138,904,668	14,169,187	52.73%
2016.....	125,093,998	10,146,237	55.38%
2015.....	94,963,590	6,597,576	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of Changes in the Electric Light Department's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Electric Light Department's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Electric Light Department's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of Contributions presents multi-year trend information on the Town's and the Electric Light Department's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service Cost..... \$	2,399,962	\$ 2,556,839	\$ 2,570,164	\$ 2,831,751
Interest.....	6,993,990	8,481,030	7,422,116	7,760,139
Differences between expected and actual experience....	(5,871,558)	(6,228,755)	-	13,032,611
Changes of assumptions.....	10,295,994	5,395,723	-	26,989,359
Benefit payments.....	<u>(4,794,382)</u>	<u>(4,464,476)</u>	<u>(4,393,306)</u>	<u>(6,492,136)</u>
Net change in total OPEB liability.....	9,024,006	5,740,361	5,598,974	44,121,724
Total OPEB liability - beginning.....	<u>90,855,199</u>	<u>99,879,205</u>	<u>105,619,566</u>	<u>111,218,540</u>
Total OPEB liability - ending (a)..... \$	<u><u>99,879,205</u></u>	<u><u>105,619,566</u></u>	<u><u>111,218,540</u></u>	<u><u>155,340,264</u></u>
Plan fiduciary net position				
Employer contributions..... \$	1,610,000	\$ 1,809,100	\$ 1,436,600	\$ 909,100
Employer contributions for OPEB payments.....	4,794,382	4,464,476	4,393,306	6,492,136
Net investment income.....	992,382	948,310	483,057	199,547
Benefit payments.....	<u>(4,794,382)</u>	<u>(4,464,476)</u>	<u>(4,393,306)</u>	<u>(6,492,136)</u>
Net change in plan fiduciary net position.....	2,602,382	2,757,410	1,919,657	1,108,647
Plan fiduciary net position - beginning of year.....	<u>1,973,025</u>	<u>4,575,407</u>	<u>7,332,817</u>	<u>9,252,474</u>
Plan fiduciary net position - end of year (b)..... \$	<u><u>4,575,407</u></u>	<u><u>7,332,817</u></u>	<u><u>9,252,474</u></u>	<u><u>10,361,121</u></u>
Net OPEB liability - ending (a)-(b)..... \$	<u><u>95,303,798</u></u>	<u><u>98,286,749</u></u>	<u><u>101,966,066</u></u>	<u><u>144,979,143</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	4.58%	6.94%	8.32%	6.67%
Covered-employee payroll..... \$	85,926,398	\$ 88,504,190	\$ 81,163,442	\$ 82,770,516
Net OPEB liability as a percentage of covered-employee payroll.....	110.91%	111.05%	125.63%	175.16%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF CHANGES IN THE ELECTRIC LIGHT
DEPARTMENT'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	December 31, 2017	December 31, 2018	December 31, 2019
Total OPEB Liability			
Service Cost.....	\$ 215,928	\$ 237,068	\$ 204,896
Interest.....	667,147	702,733	736,512
Differences between expected and actual experience.....	-	-	284,925
Changes of assumptions.....	-	-	33,331
Benefit payments.....	<u>(372,645)</u>	<u>(419,875)</u>	<u>(430,435)</u>
Net change in total OPEB liability.....	510,430	519,926	829,229
Total OPEB liability - beginning.....	<u>9,497,921</u>	<u>10,008,351</u>	<u>10,528,277</u>
Total OPEB liability - ending (a).....	<u>\$ 10,008,351</u>	<u>\$ 10,528,277</u>	<u>\$ 11,357,506</u>
Plan fiduciary net position			
Employer contributions.....	\$ 520,000	\$ 520,000	\$ 500,000
Employer contributions for OPEB payments.....	372,645	419,875	430,435
Net investment income.....	537,467	(116,720)	740,587
Benefit payments.....	<u>(372,645)</u>	<u>(419,875)</u>	<u>(430,435)</u>
Net change in plan fiduciary net position.....	1,057,467	403,280	1,240,587
Plan fiduciary net position - beginning of year.....	<u>2,888,773</u>	<u>3,946,240</u>	<u>4,349,520</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 3,946,240</u>	<u>\$ 4,349,520</u>	<u>\$ 5,590,107</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 6,062,111</u>	<u>\$ 6,178,757</u>	<u>\$ 5,767,399</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	39.43%	41.31%	49.22%
Covered-employee payroll.....	\$ 9,768,070	\$ 10,061,112	\$ 11,540,943
Net OPEB liability as a percentage of covered-employee payroll.....	62.06%	61.41%	49.97%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
Town of Braintree (1):					
June 30, 2020.....	\$ 13,750,768	\$ (6,492,136)	\$ 7,258,632	\$ 82,770,516	7.84%
June 30, 2019.....	10,744,848	(5,829,906)	4,914,942	81,163,442	7.18%
June 30, 2018.....	10,150,937	(6,273,576)	3,877,361	88,504,190	7.09%
June 30, 2017.....	9,955,126	(6,455,382)	3,499,744	85,926,398	7.51%
Electric Light Department:					
December 31, 2019.....	\$ 639,264	\$ (930,435)	\$ (291,171)	\$ 11,540,943	8.06%
December 31, 2018.....	693,632	(939,875)	(246,243)	10,061,112	9.34%
December 31, 2017.....	713,692	(892,645)	(178,953)	9,768,070	9.14%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

(1) Excluding the Electric Light Department.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
Town of Braintree (1):	
June 30, 2020.....	11.98%
June 30, 2019.....	5.59%
June 30, 2018.....	9.25%
June 30, 2017.....	12.53%
Electric Light Department:	
December 31, 2019.....	16.18%
December 31, 2018.....	-2.79%
December 31, 2017.....	17.23%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

(1) Excluding the Electric Light Department.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

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

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Town Council approval at a regular Council meeting.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (program and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Town Council and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2020 approved budget authorized approximately \$146.6 million in appropriations and other amounts to be raised, including \$3.3 million in amounts carried over from previous years. During 2020, the Town Council also approved supplemental appropriations totaling approximately \$1.8 million. These supplemental appropriations mainly consisted of \$1.2 million for replacing revenue source for sale of town own land that did not occur in time to be used for the FY20 budget, and \$244,000 for debt service related to the school ESCO projects. Town Council also approved changes to amounts transferred between the general fund and the stabilization funds.

The Town Accountant has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal 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 year ended June 30, 2020, is presented in the table below:

Net change in fund balance - budgetary basis.....	\$ (2,548,869)
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(1,983,230)
Activity of the municipal building insurance fund recorded in the general fund for GAAP.....	21
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	899,100
Recognition of revenue for on-behalf payments.....	19,520,106
Recognition of expenditures for on-behalf payments.....	<u>(19,520,106)</u>
Net change in fund balance - GAAP basis.....	<u>\$ (3,632,978)</u>

NOTE B – PENSION PLAN

Pension Plan Schedules – Retirement System

A. Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the plan’s net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

B. Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member’s retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system’s funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1st of each year. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the “total appropriation”. The pension fund appropriations are allocated amongst employers based on covered payroll.

C. Schedule of Investment Returns

The money weighted rate of returns is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules – Town and Electric Light Department (BELD)**A. Schedule of the Town’s Proportionate Share of the Net Pension Liability**

The Schedule of the Town’s Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of Town’s Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member’s retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system’s funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1st of each year. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the “total appropriation”. The pension fund appropriation is allocated to the Town based on covered payroll.

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth’s 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan’s fiduciary net position as a percentage of the total liability.

D. Changes in Assumptions

- The net 3(8)(c) transfers assumption increased from \$135,000 to \$150,000.
- The Mortality assumption is based upon the RP-2014 table with full generational mortality improvement using Scale MP-2018. The previous valuation used the RP-2000 table (base year 2009) with full generational mortality improvement using Scale BB.

E. Changes in Plan Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“the Other Post Employment Benefit Plan”). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit Plan

A. Schedules of Changes in the Town's and the Electric Light Department's (BELD's) Net Other Postemployment Benefit Liability and Related Ratios

The Schedules of Changes in the Town's and BELD's Net Other Postemployment Benefit Liabilities and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedules of the Town's and the Electric Light Department's (BELD's) Contributions

The Schedules of the Town's and BELD's Contributions includes the Town and BELD's annual required contributions to the Plan, along with the contributions made in relation to the actuarially determined contribution and the covered employee payroll. The Town and BELD are not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarially contribution rates are calculated as of June 30 and December 31, two years prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates are contained in the following tables for the Town as of June 30, 2020 and for the BELD as of December 31, 2019, as follows:

Town

Valuation date.....	July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal.
Asset valuation method.....	Market value of assets as of the measurement date, June 30, 2020.
Investment rate of return.....	7.01%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.66% as of June 30, 2020, (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	7.00%, net of OPEB plan investment expense, including inflation.
Inflation.....	2.50% as of June 30, 2020, and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020, and for future periods.
Cost of living adjustment.....	Not applicable.

Town (continued)

Pre-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

BELD

Valuation date.....	January 1, 2019
Inflation.....	2.50%
Investment rate of return.....	7.01% net of investment expenses, including inflation.
Healthcare cost trend rate.....	Currently 5.00%.
Municipal bond rate.....	3.26% as of December 31, 2019, (source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG).
Pre-retirement mortality.....	RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	RP-2014 Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females.

C. Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

D. Changes in AssumptionsTown

- The mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with Scale MP-2016 for males and females.
- The expected long-term medical trend has been updated to 4.50%.

BELD

- The mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with Scale MP-2016 for males and females.
- The expected long-term medical trend has been updated to 4.50%.

E. Changes in Plan Provisions

None.

Other Supplementary Information

This page left intentionally blank.

Combining and Individual Fund Statements

The combining and individual fund financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes.

Town Special Revenue Funds – accounts for the non-school related funds designated for specific programs, this fund consists primarily of state and federal grants and gifts as well as the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

School Lunch Fund – account used for all cafeteria activities and is funded by user charges, federal and state grants and commodities received.

School Special Revenue Funds – accounts for the school department's funds designated for specific programs, this fund consists primarily of state and federal grants and gifts as well as the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

Community Preservation Fund – accounts for the accumulation of resources for the acquisition, creation, preservation and support of open space, historic resources, recreational uses and community housing.

Highway Improvements Fund – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks.

Permanent Funds

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

Petersen Trust Fund – accounts for the activities of the Petersen Pool trust fund.

Nonexpendable Trust Funds – accounts for the endowment portion of donor restricted trusts that support governmental programs.

Other Expendable Trust Funds – accounts for the accumulated realized and unrealized investment earnings of donor restricted funds within the nonexpendable trust funds.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2020

	Special Revenue Funds					Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvement Fund	
ASSETS						
Cash and cash equivalents.....	\$ 6,053,546	\$ 639,166	\$ 3,220,916	\$ 8,304,909	\$ -	\$ 18,218,537
Investments.....	21,829	-	-	-	-	21,829
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	-	-	-	10,958	-	10,958
Intergovernmental.....	313,760	-	-	-	1,932,217	2,245,977
Community preservation state share.....	-	-	-	89,150	-	89,150
TOTAL ASSETS.....	\$ 6,389,135	\$ 639,166	\$ 3,220,916	\$ 8,405,017	\$ 1,932,217	\$ 20,586,451
LIABILITIES						
Warrants payable.....	\$ 224,920	\$ 51,715	\$ 270,846	\$ 4,150	\$ -	\$ 551,631
Accrued payroll.....	6,617	-	-	-	-	6,617
Due to other funds.....	-	-	-	-	668,652	668,652
TOTAL LIABILITIES.....	231,537	51,715	270,846	4,150	668,652	1,226,900
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	-	100,107	1,263,565	1,363,672
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	6,157,598	587,451	2,950,070	8,300,760	-	17,995,879
TOTAL FUND BALANCES.....	6,157,598	587,451	2,950,070	8,300,760	-	17,995,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 6,389,135	\$ 639,166	\$ 3,220,916	\$ 8,405,017	\$ 1,932,217	\$ 20,586,451

Permanent Funds				
Petersen Trust Fund	Nonexpendable Trust Funds	Other Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
\$ 711,239	\$ 2,016,508	\$ 60,964	\$ 2,788,711	\$ 21,007,248
-	548,021	6,921,746	7,469,767	7,491,596
-	-	-	-	10,958
-	-	-	-	2,245,977
-	-	-	-	89,150
<u>\$ 711,239</u>	<u>\$ 2,564,529</u>	<u>\$ 6,982,710</u>	<u>\$ 10,258,478</u>	<u>\$ 30,844,929</u>
\$ -	\$ -	\$ -	\$ -	\$ 551,631
-	-	-	-	6,617
-	-	-	-	668,652
-	-	-	-	1,226,900
-	-	-	-	1,363,672
-	2,564,529	-	2,564,529	2,564,529
<u>711,239</u>	<u>-</u>	<u>6,982,710</u>	<u>7,693,949</u>	<u>25,689,828</u>
<u>711,239</u>	<u>2,564,529</u>	<u>6,982,710</u>	<u>10,258,478</u>	<u>28,254,357</u>
<u>\$ 711,239</u>	<u>\$ 2,564,529</u>	<u>\$ 6,982,710</u>	<u>\$ 10,258,478</u>	<u>\$ 30,844,929</u>

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	Special Revenue Funds					Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvement Fund	
REVENUES:						
Tax liens.....	\$ -	\$ -	\$ -	\$ 834	\$ -	\$ 834
Intergovernmental - other.....	1,090,540	987,920	5,035,205	-	844,006	7,957,671
Intergovernmental - COVID-19 relief.....	313,784	-	-	-	-	313,784
Departmental and other.....	297,906	883,929	1,381,433	-	-	2,563,268
Community preservation taxes.....	-	-	-	806,576	-	806,576
Community preservation state match.....	-	-	-	183,375	-	183,375
Contributions and donations.....	333,573	17,522	310,185	-	-	661,280
Investment income.....	1,350	-	364	-	-	1,714
TOTAL REVENUES.....	2,037,153	1,889,371	6,727,187	990,785	844,006	12,488,502
EXPENDITURES:						
Current:						
General government.....	445,420	-	-	-	-	445,420
Public safety.....	561,470	-	-	-	-	561,470
Education.....	-	1,898,196	6,121,604	-	-	8,019,800
Public works.....	287,747	-	-	-	844,006	1,131,753
Human services.....	221,146	-	-	-	-	221,146
Culture and recreation.....	409,107	-	-	-	-	409,107
Community preservation.....	-	-	-	315,602	-	315,602
COVID-19.....	313,784	-	-	-	-	313,784
TOTAL EXPENDITURES.....	2,238,674	1,898,196	6,121,604	315,602	844,006	11,418,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(201,521)	(8,825)	605,583	675,183	-	1,070,420
OTHER FINANCING SOURCES (USES):						
Premium from issuance of bonds.....	86,463	-	-	-	-	86,463
Transfers in.....	314,440	-	130,586	-	-	445,026
Transfers out.....	(446,731)	-	-	-	-	(446,731)
TOTAL OTHER FINANCING SOURCES (USES).....	(45,828)	-	130,586	-	-	84,758
NET CHANGE IN FUND BALANCES.....	(247,349)	(8,825)	736,169	675,183	-	1,155,178
FUND BALANCES AT BEGINNING OF YEAR.....	6,404,947	596,276	2,213,901	7,625,577	-	16,840,701
FUND BALANCES AT END OF YEAR.....	\$ 6,157,598	\$ 587,451	\$ 2,950,070	\$ 8,300,760	\$ -	\$ 17,995,879

Permanent Funds				
Petersen Trust Fund	Nonexpendable Trust Funds	Other Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 834
-	-	-	-	7,957,671
-	-	-	-	313,784
-	-	-	-	2,563,268
-	-	-	-	806,576
-	-	-	-	183,375
-	-	139,150	139,150	800,430
<u>8,133</u>	<u>-</u>	<u>513,229</u>	<u>521,362</u>	<u>523,076</u>
<u>8,133</u>	<u>-</u>	<u>652,379</u>	<u>660,512</u>	<u>13,149,014</u>
149,901	-	89,220	239,121	684,541
-	-	-	-	561,470
-	-	-	-	8,019,800
-	-	-	-	1,131,753
-	-	-	-	221,146
-	-	903	903	410,010
-	-	-	-	315,602
-	-	-	-	313,784
<u>149,901</u>	<u>-</u>	<u>90,123</u>	<u>240,024</u>	<u>11,658,106</u>
<u>(141,768)</u>	<u>-</u>	<u>562,256</u>	<u>420,488</u>	<u>1,490,908</u>
-	-	-	-	86,463
30,000	-	14,700	44,700	489,726
<u>(30,000)</u>	<u>-</u>	<u>(170,586)</u>	<u>(200,586)</u>	<u>(647,317)</u>
-	-	<u>(155,886)</u>	<u>(155,886)</u>	<u>(71,128)</u>
<u>(141,768)</u>	<u>-</u>	<u>406,370</u>	<u>264,602</u>	<u>1,419,780</u>
<u>853,007</u>	<u>2,564,529</u>	<u>6,576,340</u>	<u>9,993,876</u>	<u>26,834,577</u>
<u>\$ 711,239</u>	<u>\$ 2,564,529</u>	<u>\$ 6,982,710</u>	<u>\$ 10,258,478</u>	<u>\$ 28,254,357</u>

Agency Fund

Fund Description

Agency Funds are used to account for the collection and payment of charges for off-duty work details, performance bonds, and fees collected on behalf of other governments, and other funds.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2020

	June 30, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2020</u>
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 762,699	\$ 2,521,524	\$ (2,816,704)	\$ 467,519
LIABILITIES				
Liabilities due depositors.....	\$ 762,699	\$ 2,521,524	\$ (2,816,704)	\$ 467,519

This page left intentionally blank.

Statistical Section



May 20, 2020 – Mayor Kokoros delivers his Memorial Day speech at Blue Hill Cemetery in preparation for the Town’s first virtual Memorial Day Ceremony on BCAM.

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year or our Official Statements.

Net Position By Component

Last Ten Years

	2011	2012	2013	2014 (1)	2015	2016	2017 (2)	2018 (2)	2019	2020
Governmental activities										
Net investment in capital assets.....	\$ 47,910,553	\$ 52,564,200	\$ 54,067,678	\$ 56,111,895	\$ 57,366,463	\$ 58,265,300	\$ 60,170,507	\$ 62,716,807	\$ 76,180,050	\$ 96,555,315
Restricted.....	18,984,718	19,081,454	19,486,773	21,298,935	22,222,634	24,396,588	25,344,615	25,308,498	26,924,401	28,354,464
Unrestricted.....	<u>(14,151,761)</u>	<u>(20,004,880)</u>	<u>(23,061,668)</u>	<u>(86,823,313)</u>	<u>(96,707,790)</u>	<u>(103,802,229)</u>	<u>(120,805,147)</u>	<u>(130,072,223)</u>	<u>(137,597,565)</u>	<u>(161,225,347)</u>
Total governmental activities net position.....	\$ 52,743,510	\$ 51,640,774	\$ 50,492,783	\$ (9,412,483)	\$ (17,118,693)	\$ (21,140,341)	\$ (35,290,025)	\$ (42,046,918)	\$ (34,493,114)	\$ (36,315,568)
Business-type activities										
Net investment in capital assets.....	\$ 69,022,850	\$ 71,591,338	\$ 75,572,798	\$ 76,307,554	\$ 76,442,398	\$ 73,728,340	\$ 90,727,735	\$ 90,227,690	\$ 104,641,964	\$ 109,275,236
Restricted.....	-	-	-	3,732,114	5,353,621	5,038,499	5,038,499	5,038,499	5,038,499	4,302,744
Unrestricted.....	<u>22,809,172</u>	<u>18,020,393</u>	<u>16,082,628</u>	<u>10,640,375</u>	<u>8,801,686</u>	<u>6,418,053</u>	<u>(4,539,287)</u>	<u>1,341,179</u>	<u>(6,170,685)</u>	<u>(2,357,516)</u>
Total business-type activities net position.....	\$ 91,832,022	\$ 89,611,731	\$ 91,655,426	\$ 90,680,043	\$ 90,597,705	\$ 85,184,892	\$ 91,226,947	\$ 96,607,368	\$ 103,509,778	\$ 111,220,464
Primary government										
Net investment in capital assets.....	\$ 116,933,403	\$ 124,155,538	\$ 129,640,476	\$ 132,419,449	\$ 133,808,861	\$ 131,993,640	\$ 150,898,242	\$ 152,944,497	\$ 180,822,014	\$ 205,830,551
Restricted.....	18,984,718	19,081,454	19,486,773	25,031,049	27,576,255	29,435,087	30,383,114	30,346,997	31,962,900	32,657,208
Unrestricted.....	<u>8,657,411</u>	<u>(1,984,487)</u>	<u>(6,979,040)</u>	<u>(76,182,938)</u>	<u>(87,906,104)</u>	<u>(97,384,176)</u>	<u>(125,344,434)</u>	<u>(128,731,044)</u>	<u>(143,768,250)</u>	<u>(163,582,863)</u>
Total primary government net position.....	\$ 144,575,532	\$ 141,252,505	\$ 142,148,209	\$ 81,267,560	\$ 73,479,012	\$ 64,044,551	\$ 55,936,922	\$ 54,560,450	\$ 69,016,664	\$ 74,904,896

(1) The 2014 unrestricted net position for governmental and business-type activities has been revised due to the implementation of GASB #68 and #71.

(2) The 2017 and 2018 unrestricted net position for governmental and business-type activities has been revised due to the implementation of GASB #75.

Changes in Net Position

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government.....	\$ 6,219,480	\$ 6,120,306	\$ 6,793,916	\$ 6,286,240	\$ 7,100,754	\$ 7,502,823	\$ 8,247,179	\$ 8,149,833	\$ 6,388,587	\$ 5,625,729
Public safety.....	22,731,221	22,644,632	23,907,018	24,515,683	26,710,830	29,432,081	33,089,768	29,703,546	32,268,620	27,258,809
Education.....	85,120,589	87,632,097	91,537,391	96,438,899	92,481,566	96,802,496	105,764,895	108,661,022	118,055,819	140,454,843
Public works.....	7,075,816	6,258,439	6,903,790	8,158,789	9,686,905	8,524,059	9,086,973	9,467,149	10,746,722	7,732,810
Human services.....	1,064,014	1,108,036	1,269,546	1,228,698	1,439,972	1,475,863	1,540,809	1,489,530	1,617,032	1,126,029
Sanitation.....	1,421,972	1,734,699	1,614,505	1,504,893	1,504,795	1,601,041	1,564,617	1,661,204	2,475,231	2,478,776
Culture and recreation.....	3,733,359	3,685,605	3,856,790	3,638,147	3,857,160	4,348,816	4,623,888	3,956,871	3,292,243	1,633,423
Community preservation.....	76,049	168,276	133,513	187,852	642,312	112,414	238,972	459,507	195,951	137,004
COVID-19.....	-	-	-	-	-	-	-	-	-	313,784
Interest.....	620,316	668,246	594,798	471,412	486,438	772,942	778,257	711,160	1,555,926	2,038,982
Total governmental activities expenses.....	128,062,816	130,020,336	136,611,267	142,430,613	143,910,732	150,572,535	164,935,358	164,259,822	176,596,131	188,800,189
Business-type activities:										
Water and Sewer.....	12,992,288	12,960,228	13,759,942	13,732,799	14,834,145	14,555,945	15,659,572	15,960,271	17,432,168	17,177,811
Golf course.....	1,400,980	1,510,491	1,547,221	1,576,338	1,491,676	1,677,140	1,666,098	1,931,876	1,603,029	1,226,131
Stormwater.....	-	-	-	-	-	-	-	-	792,701	447,540
PEG Access.....	-	-	-	-	-	-	-	-	-	420,746
Municipal Light.....	72,454,533	70,895,924	66,409,996	68,036,931	73,461,461	65,629,959	64,040,283	64,704,494	67,166,267	63,687,705
Total business-type activity expenses.....	86,847,801	85,366,643	81,717,159	83,346,068	89,787,282	81,863,044	81,365,953	82,596,641	86,994,165	83,959,933
Total primary government expenses.....	\$ 214,910,617	\$ 215,386,979	\$ 218,328,426	\$ 225,776,681	\$ 233,698,014	\$ 232,435,579	\$ 246,301,311	\$ 246,856,463	\$ 263,590,296	\$ 272,760,122
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 517,136	\$ 616,829	\$ 757,713	\$ 863,484	\$ 924,180	\$ 804,350	\$ 1,062,799	\$ 988,714	\$ 961,168	\$ 921,204
Public safety.....	2,280,546	2,378,405	2,208,455	1,823,403	2,510,631	3,910,060	2,878,536	2,612,379	2,711,210	2,205,597
Education.....	2,368,875	2,017,758	2,287,988	2,226,802	2,094,328	2,049,131	1,942,356	1,582,628	2,200,923	1,631,643
Public works.....	471,878	553,002	627,466	1,160,134	897,304	865,166	898,200	891,097	928,770	897,409
Human services.....	25,792	31,332	33,119	32,811	47,689	44,036	34,809	31,597	24,626	22,561
Sanitation.....	1,568,749	1,548,721	1,401,085	1,387,356	1,394,047	1,430,004	1,422,536	1,448,823	1,436,760	1,492,414
Culture and recreation.....	396,823	361,811	377,596	384,999	382,905	387,517	364,075	364,359	457,847	136,621
Operating grants and contributions.....	33,221,854	33,518,827	34,800,674	35,660,762	30,278,006	34,917,630	40,670,272	41,185,089	43,665,849	47,937,369
Capital grants and contributions.....	3,793,516	4,773,929	3,146,209	662,210	831,972	906,508	1,983,085	4,880,757	20,303,255	15,384,751
Total government activities program revenues.....	44,645,169	45,800,614	45,640,305	44,201,961	39,361,062	45,314,602	51,256,668	53,985,443	72,659,047	70,660,954
Business-type activities:										
Charges for services:										
Water and Sewer.....	13,208,817	12,932,512	13,830,066	14,980,596	16,117,460	16,697,701	17,551,761	18,820,970	19,954,585	21,141,059
Golf course.....	1,329,340	1,404,095	1,347,448	1,398,978	1,505,920	1,685,815	1,584,527	1,536,470	1,590,783	1,693,037
Stormwater.....	-	-	-	-	-	-	-	-	633,507	639,852
PEG Access.....	-	-	-	-	-	-	-	-	-	539,569
Municipal light.....	75,896,314	70,762,137	70,718,807	71,671,791	73,273,739	73,853,798	70,023,985	68,755,508	71,131,587	67,534,528
Capital grants and contributions.....	-	281,643	142,560	-	787,500	921,557	174,408	710,203	1,380,189	1,303,905
Total business-type activities program revenues.....	90,434,471	85,380,387	86,038,881	88,051,365	91,684,619	93,158,871	89,334,681	89,823,151	94,690,651	92,851,950
Total primary government program revenues.....	\$ 135,079,640	\$ 131,181,001	\$ 131,679,186	\$ 132,253,326	\$ 131,045,681	\$ 138,473,473	\$ 140,591,349	\$ 143,808,594	\$ 167,349,698	\$ 163,512,904
Net (Expense)/Revenue										
Governmental activities.....	\$ (83,417,647)	\$ (84,219,722)	\$ (90,970,962)	\$ (98,228,652)	\$ (104,549,670)	\$ (105,257,933)	\$ (113,678,690)	\$ (110,274,379)	\$ (103,937,084)	\$ (118,139,235)
Business-type activities.....	3,586,670	13,744	4,321,722	4,705,297	1,897,337	11,295,827	7,968,728	7,226,510	7,696,486	8,892,017
Total primary government net expense.....	\$ (79,830,977)	\$ (84,205,978)	\$ (86,649,240)	\$ (93,523,355)	\$ (102,652,333)	\$ (93,962,106)	\$ (105,709,962)	\$ (103,047,869)	\$ (96,240,598)	\$ (109,247,218)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 68,085,843	\$ 69,679,306	\$ 74,746,576	\$ 76,783,315	\$ 79,271,011	\$ 82,610,777	\$ 83,309,930	\$ 87,933,671	\$ 90,051,214	\$ 96,095,096
Tax liens.....	-	-	-	-	-	-	-	470,064	716,826	160,375
Motor vehicle and other excise taxes.....	4,284,625	4,039,432	5,175,048	5,087,519	5,678,581	6,229,679	6,275,782	6,602,941	6,667,855	6,290,629
Hotel/motel tax.....	1,718,452	784,781	1,141,705	1,324,541	1,491,419	1,614,166	1,561,777	1,558,537	1,728,984	1,524,976
Meals tax.....	-	-	-	807,740	1,017,863	1,166,320	1,142,349	1,208,369	1,249,555	1,114,427
Community preservation tax.....	558,590	559,244	590,915	607,219	661,315	660,480	696,795	733,774	764,993	806,576
Penalties and interest on taxes.....	417,749	371,394	381,757	475,877	522,767	439,913	301,991	318,098	298,708	211,740
Payments in lieu of taxes.....	116,425	118,112	211,386	24,854	693,850	449,490	401,155	668,783	602,234	625,299
Grants and contributions not restricted to specific programs.....	4,949,885	4,989,211	4,885,456	5,434,532	5,224,867	5,315,517	5,880,155	6,128,412	6,399,260	6,344,909
Unrestricted investment income.....	267,612	215,677	243,114	216,968	195,103	169,918	342,024	660,991	1,682,743	1,584,473
Gain on sale of land.....	-	-	-	-	-	479,038	-	-	-	-
Miscellaneous.....	69,345	70,051	42,380	38,317	26,070	-	-	-	-	-
Transfers.....	2,284,796	2,289,778	2,404,634	1,820,664	2,060,614	2,124,958	2,079,534	2,317,859	1,328,516	1,558,281
Total governmental activities.....	81,753,322	83,116,986	89,822,971	92,621,546	96,843,460	101,236,285	102,015,463	108,601,499	111,490,888	116,316,781
Business-type activities:										
Unrestricted investment income.....	460,562	55,743	126,607	74,085	80,939	33,586	230,814	486,818	534,440	376,950
Transfers.....	(2,284,796)	(2,289,778)	(2,404,634)	(1,820,664)	(2,060,614)	(2,124,958)	(2,079,534)	(2,317,859)	(1,328,516)	(1,558,281)
Total business-type activities.....	(1,824,234)	(2,234,035)	(2,278,027)	(1,746,579)	(1,979,675)	(2,091,372)	(1,848,720)	(1,831,041)	(794,076)	(1,181,331)
Total primary government.....	\$ 79,929,088	\$ 80,882,951	\$ 87,544,944	\$ 90,874,967	\$ 94,863,785	\$ 99,144,913	\$ 100,166,743	\$ 106,770,458	\$ 110,696,812	\$ 115,135,450
Changes in Net Position										
Governmental activities.....	\$ (1,664,325)	\$ (1,102,736)	\$ (1,147,991)	\$ (5,607,106)	\$ (7,706,210)	\$ (4,021,648)	\$ (11,663,227)	\$ (1,672,880)	\$ 7,553,804	\$ (1,822,454)
Business-type activities.....	1,762,436	(2,220,291)	2,043,695	2,958,718	(82,338)	9,204,455	6,120,008	5,395,469	6,902,410	7,710,686
Total primary government.....	\$ 98,111	\$ (3,323,027)	\$ 895,704	\$ (2,648,388)	\$ (7,788,548)	\$ 5,182,807	\$ (5,543,219)	\$ 3,722,589	\$ 14,456,214	\$ 5,888,232

Fund Balances, Governmental Funds

Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Committed.....	\$ -	\$ -	\$ 988,955	\$ 2,049,917	\$ 2,103,635	\$ 1,344,269	\$ 2,355,268	\$ 1,678,124	\$ 2,271,429	\$ 2,613,165
Assigned.....	1,250,576	1,140,720	1,140,211	1,164,142	666,097	2,170,153	785,040	1,105,156	1,021,666	1,026,762
Unassigned.....	<u>13,160,254</u>	<u>15,847,651</u>	<u>17,880,465</u>	<u>16,356,370</u>	<u>16,271,481</u>	<u>18,830,121</u>	<u>18,825,423</u>	<u>19,301,569</u>	<u>15,574,883</u>	<u>11,595,073</u>
Total general fund.....	<u>\$ 14,410,830</u>	<u>\$ 16,988,371</u>	<u>\$ 20,009,631</u>	<u>\$ 19,570,429</u>	<u>\$ 19,041,213</u>	<u>\$ 22,344,543</u>	<u>\$ 21,965,731</u>	<u>\$ 22,084,849</u>	<u>\$ 18,867,978</u>	<u>\$ 15,235,000</u>
All Other Governmental Funds										
Nonspendable.....	\$ 2,507,881	\$ 2,564,886	\$ 2,564,886	\$ 2,564,529	\$ 2,564,529	\$ 2,564,529	\$ 2,564,529	\$ 2,564,529	\$ 2,564,529	\$ 2,564,529
Restricted.....	21,726,183	20,110,956	18,293,846	21,958,212	21,731,961	21,698,087	24,105,376	39,326,175	41,929,000	36,255,570
Unassigned.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,019)</u>	<u>-</u>	<u>-</u>	<u>(1,169,494)</u>	<u>(1,507,750)</u>
Total all other governmental funds.....	<u>\$ 24,234,064</u>	<u>\$ 22,675,842</u>	<u>\$ 20,858,732</u>	<u>\$ 24,522,741</u>	<u>\$ 24,296,490</u>	<u>\$ 23,946,597</u>	<u>\$ 26,669,905</u>	<u>\$ 41,890,704</u>	<u>\$ 43,324,035</u>	<u>\$ 37,312,349</u>

Changes in Fund Balances, Governmental Funds

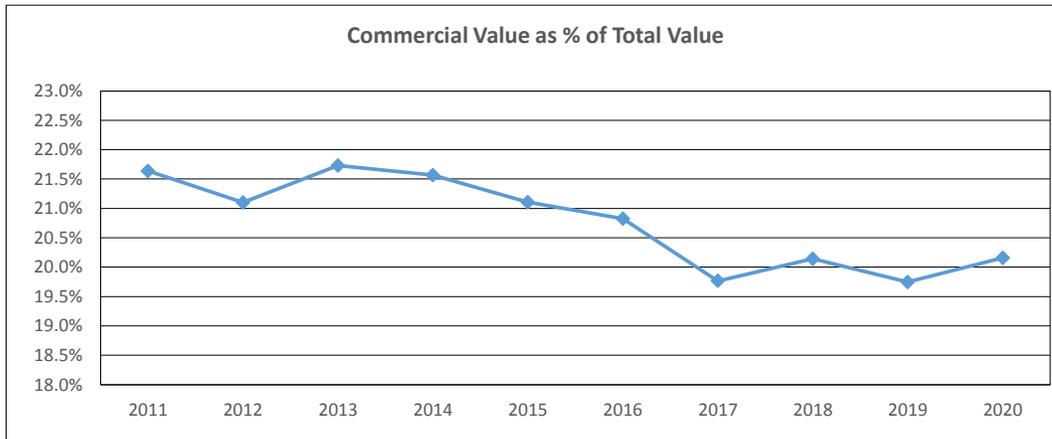
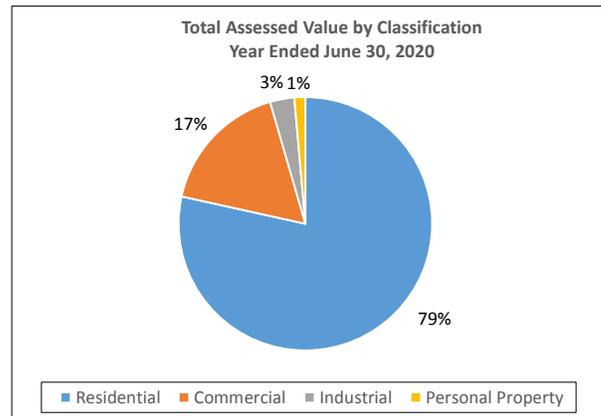
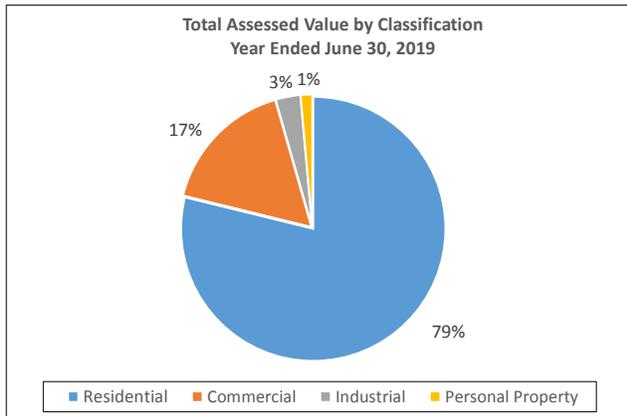
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 67,862,201	\$ 69,729,818	\$ 73,976,466	\$ 75,918,774	\$ 79,073,666	\$ 81,325,550	\$ 82,951,838	\$ 88,217,335	\$ 90,085,816	\$ 95,446,571
Tax Liens.....	81,120	77,774	45,681	407,348	1,100,825	1,362,410	509,637	321,596	550,644	401,060
Motor vehicle and other excise taxes.....	4,306,011	4,081,969	4,962,622	5,259,928	5,609,682	6,173,244	6,321,563	6,614,593	6,675,091	6,059,140
Hotel/Motel tax.....	718,452	784,781	1,141,705	1,324,541	1,491,419	1,614,166	1,561,777	1,558,537	1,728,984	1,524,976
Meals tax.....	-	-	-	807,740	1,017,863	1,142,349	1,166,320	1,208,369	1,249,555	1,114,427
Penalties and interest on taxes.....	417,749	371,394	381,757	475,877	522,767	439,913	301,991	318,098	298,708	211,740
Payments in lieu of taxes.....	116,425	118,112	211,386	24,854	693,850	449,490	401,155	668,783	602,234	625,299
Intergovernmental.....	38,999,975	41,528,233	39,456,201	42,450,485	35,342,773	40,169,594	47,770,699	50,708,501	67,276,171	67,661,777
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-	-	313,784
Departmental and other.....	7,788,136	8,085,761	8,208,065	8,268,293	8,497,554	10,103,486	9,156,768	8,535,047	9,518,868	8,463,683
Community preservation taxes.....	558,590	559,244	592,836	607,219	659,352	659,905	696,779	733,774	764,993	806,576
Contributions.....	364,569	453,433	932,928	530,070	643,529	615,646	639,541	481,615	918,637	800,430
Investment income.....	1,325,987	153,004	319,712	384,831	300,329	364,621	342,024	660,991	1,682,743	1,584,473
Claims and judgments.....	-	-	-	450,000	-	-	-	-	-	-
Miscellaneous.....	49,524	17,564	42,380	38,310	26,070	-	-	65,050	-	-
Total Revenue.....	122,588,739	125,961,087	130,271,739	136,948,270	134,979,679	144,420,374	151,820,092	160,092,289	181,352,444	185,013,936
Expenditures:										
General government.....	4,349,148	5,298,068	4,575,307	4,057,574	5,019,468	4,922,477	4,911,759	5,981,412	5,932,870	5,662,551
Public safety.....	15,180,496	17,182,357	17,446,204	17,556,255	19,223,137	19,347,565	20,345,144	22,410,446	22,612,258	23,746,253
Education.....	60,004,947	64,003,984	63,450,712	66,876,797	68,987,111	71,263,198	75,211,692	84,017,768	128,418,711	108,657,360
Public works.....	7,986,879	7,570,889	7,916,317	8,055,291	10,421,875	11,037,164	8,535,164	8,730,718	9,984,615	8,723,979
Human services.....	792,326	817,714	896,262	941,115	1,064,584	1,071,339	1,136,656	1,782,290	1,111,966	1,146,208
Sanitation services.....	1,412,691	1,726,367	1,607,190	1,498,193	1,487,659	1,571,359	1,527,540	1,628,673	2,433,081	2,515,491
Culture and recreation.....	2,626,796	2,883,715	3,219,004	2,952,668	3,165,322	3,082,111	3,187,119	2,952,323	2,230,314	2,050,213
Community development.....	76,049	643,366	325,972	247,083	894,362	70,099	303,227	568,296	951,848	315,602
COVID-19.....	-	-	-	-	-	-	-	-	-	313,784
Pension benefits-Town.....	4,808,035	5,046,381	5,255,971	5,705,325	5,793,428	6,214,492	6,522,861	6,973,028	7,647,629	8,362,266
Pension benefits-School.....	12,219,339	12,736,422	13,272,469	13,718,462	6,597,576	10,146,237	14,169,187	14,882,115	15,234,260	19,520,106
Property and liability insurance.....	368,027	428,125	439,651	433,381	438,383	426,679	475,142	519,829	532,312	761,135
Employee benefits.....	8,459,804	8,840,249	9,551,401	10,508,381	10,925,437	11,892,555	12,675,021	12,517,334	12,902,971	11,742,868
State and county charges.....	3,883,609	3,571,252	3,567,251	3,636,782	3,722,290	3,711,416	3,649,290	3,918,138	4,113,515	3,958,845
Debt service										
Principal.....	2,432,000	2,200,000	2,451,000	2,360,000	2,698,134	2,774,000	3,218,000	3,165,700	3,736,000	4,636,500
Interest.....	590,897	686,619	752,290	740,756	787,457	803,237	856,872	912,521	1,692,236	2,657,276
Total Expenditures.....	125,191,043	133,635,508	134,727,001	139,288,063	141,226,223	148,333,928	156,724,674	170,960,591	219,534,586	204,770,437
Excess of revenues over (under) expenditures.....	(2,602,304)	(7,674,421)	(4,455,262)	(2,339,793)	(6,246,544)	(3,913,554)	(4,904,582)	(10,868,302)	(38,182,142)	(19,756,501)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	6,100,000	5,286,000	3,140,000	3,519,000	3,259,000	3,898,000	4,537,300	22,764,000	29,033,500	7,377,000
Premium from issuance of bonds and notes.....	-	369,204	114,778	224,936	171,463	319,033	632,244	1,126,360	3,282,947	996,556
Issuance of refunding bonds.....	-	-	-	-	1,680,000	-	-	-	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	334,581	-	-	-	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	(2,014,581)	-	-	-	-	-
Insurance proceeds.....	-	-	-	-	-	-	-	-	2,753,639	180,000
Capital lease financing.....	-	246,395	-	-	-	-	-	-	-	-
Proceeds from the sale of land.....	-	-	-	-	-	525,000	-	-	-	-
Transfers in.....	2,935,526	2,695,872	3,471,562	3,084,925	2,629,917	2,937,182	3,280,289	2,997,088	4,971,440	4,365,436
Transfers out.....	(650,730)	(406,094)	(1,066,928)	(1,264,261)	(569,303)	(812,224)	(1,200,755)	(679,229)	(3,642,924)	(2,807,155)
Total other financing sources (uses).....	8,384,796	8,191,377	5,659,412	5,564,600	5,491,077	6,866,991	7,249,078	26,208,219	36,398,602	10,111,837
Net change in fund balance.....	\$ 5,782,492	\$ 516,956	\$ 1,204,150	\$ 3,224,807	\$ (755,467)	\$ 2,953,437	\$ 2,344,496	\$ 15,339,917	\$ (1,783,540)	\$ (9,644,664)
Debt service as a percentage of noncapital expenditures.....	2.55%	2.37%	2.51%	2.30%	2.58%	2.56%	2.71%	2.58%	3.25%	4.19%

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate (1)	Total Town Value
2011	\$3,998,205,703	\$10.20	\$937,402,065	\$192,184,900	\$1,129,586,965	\$23.29	\$93,061,520	\$23.17	\$13.26	\$5,220,854,188
2012	\$4,069,650,840	\$10.45	\$932,748,073	\$181,064,400	\$1,113,812,473	\$23.65	\$95,068,610	\$23.53	\$13.47	\$5,278,531,923
2013	\$3,929,047,295	\$11.11	\$934,953,167	\$182,850,700	\$1,117,803,867	\$25.44	\$97,088,850	\$25.31	\$14.49	\$5,143,940,012
2014	\$3,983,279,285	\$11.42	\$942,124,005	\$179,476,200	\$1,121,600,205	\$26.06	\$96,048,240	\$25.93	\$14.85	\$5,200,927,730
2015	\$4,352,696,656	\$11.07	\$997,106,201	\$190,799,500	\$1,187,905,701	\$24.95	\$87,817,050	\$24.83	\$14.21	\$5,628,419,407
2016	\$4,586,821,359	\$10.98	\$1,031,327,521	\$199,981,850	\$1,231,309,371	\$24.66	\$94,335,830	\$24.53	\$14.05	\$5,912,466,560
2017	\$4,929,037,567	\$10.74	\$1,040,225,465	\$198,891,500	\$1,239,116,965	\$23.72	\$100,886,290	\$23.61	\$13.51	\$6,269,040,822
2018	\$5,209,622,684	\$10.54	\$1,132,068,827	\$206,805,200	\$1,338,874,027	\$23.37	\$99,184,210	\$23.26	\$13.31	\$6,647,680,921
2019	\$5,681,558,754	\$10.09	\$1,204,854,113	\$218,344,700	\$1,423,198,813	\$22.20	\$102,568,140	\$22.11	\$12.65	\$7,207,325,707
2020	\$6,067,816,568	\$9.86	\$1,319,473,339	\$239,672,900	\$1,559,146,239	\$21.81	\$107,139,360	\$21.73	\$12.43	\$7,734,102,167



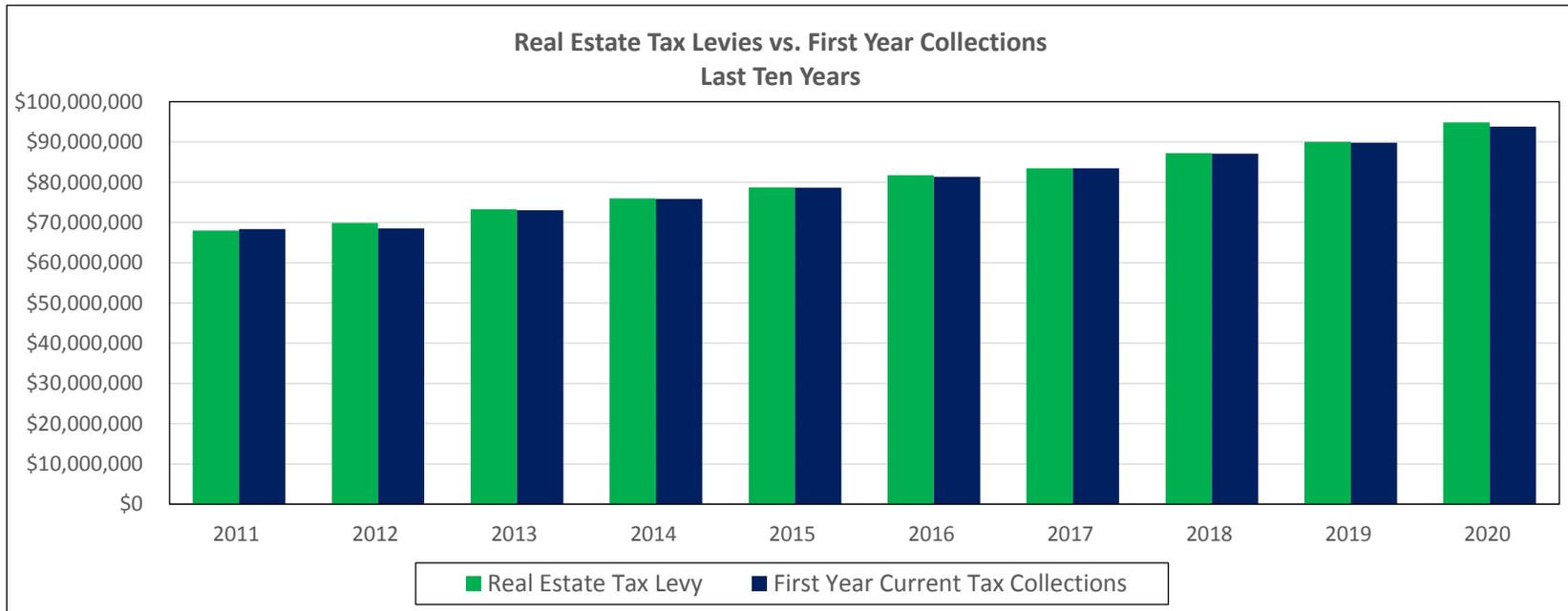
(1) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.
Source: Assessor's Department, Town of Braintree and Official Statements.
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Reserve for Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (1)
2011	\$69,110,686	\$1,100,000	\$68,010,686	98.41%	\$68,362,146	100.52%	\$549,574	\$68,911,720	101.32%
2012	\$70,972,549	\$1,123,064	\$69,849,485	98.42%	\$68,511,310	98.08%	\$873,083	\$69,384,393	99.33%
2013	\$74,404,156	\$1,152,260	\$73,251,896	98.45%	\$72,999,903	99.66%	\$533,519	\$73,533,422	100.38%
2014	\$77,063,779	\$1,094,569	\$75,969,210	98.58%	\$75,806,678	99.79%	\$360,711	\$76,167,389	100.26%
2015	\$79,857,630	\$1,124,209	\$78,733,421	98.59%	\$78,644,968	99.89%	\$645,648	\$79,290,616	100.71%
2016	\$82,893,707	\$1,135,942	\$81,757,765	98.63%	\$81,327,841	99.47%	\$791,912	\$82,119,753	100.44%
2017	\$84,572,830	\$1,110,896	\$83,461,934	98.69%	\$83,492,751	100.04%	\$612,656	\$84,105,407	100.77%
2018	\$88,354,226	\$1,132,086	\$87,222,140	98.72%	\$87,108,933	99.87%	\$483,619	\$87,592,552	100.42%
2019	\$91,061,619	\$1,040,464	\$90,021,155	98.86%	\$89,791,497	99.74%	\$209,711	\$90,001,208	99.98%
2020	\$96,033,471	\$1,201,542	\$94,831,929	98.75%	\$93,840,113	98.95%	\$0	\$93,840,113	98.95%



(1) If the actual abatements and exemptions are lower than the reserve, the actual collections can exceed the levy.

Source: Assessor's Department and Official Statements, Town of Braintree

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities			Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	Capital Leases	General Obligation Bonds (1)	Direct Borrowings	Capital Leases				
2011	\$ 19,080,000	\$ 85,878	\$ 143,224,964	\$ -	\$ 273,680	\$ 162,664,522	11.77%	35,744	\$ 4,551
2012	22,512,979	212,592	131,324,063	344,230	549,628	154,599,262	10.69%	35,981	4,297
2013	23,155,799	149,204	126,946,117	449,624	542,670	150,793,790	10.02%	35,983	4,191
2014	24,272,037	89,968	121,748,031	345,930	485,394	146,595,430	9.31%	36,220	4,047
2015	24,697,593	-	117,132,485	1,204,736	296,958	142,127,036	8.67%	36,223	3,924
2016	26,105,152	-	120,764,971	1,136,502	184,097	147,054,220	8.57%	36,460	4,033
2017	27,968,953	-	114,675,967	959,716	146,863	142,791,783	7.83%	37,297	3,829
2018	48,436,083	-	111,070,541	896,526	289,882	159,796,506	8.45%	37,156	4,301
2019	76,799,873	-	105,198,461	838,859	268,727	182,267,061	9.25%	37,250	4,893
2020	79,912,899	-	98,159,070	932,147	103,133	178,175,102	8.61%	37,623	4,736

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

(2) Personal income is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U. S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2011	\$ 162,304,964	\$ -	\$ 162,304,964	3.11%	\$ 4,541
2012	153,837,042	-	153,837,042	2.91%	4,276
2013	150,101,916	-	150,101,916	2.92%	4,172
2014	146,020,068	-	146,020,068	2.81%	4,032
2015	141,830,078	-	141,830,078	2.52%	3,916
2016	146,870,123	-	146,870,123	2.48%	4,028
2017	142,644,920	-	142,644,920	2.28%	3,825
2018	159,506,624	-	159,506,624	2.40%	4,293
2019	181,998,334	-	181,998,334	2.53%	4,886
2020	178,071,969	-	178,071,969	2.30%	4,733

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(2) Property value data is disclosed on the Schedule of Assessed Value of Taxable Property by Classification and Tax Rates.

(3) Population data is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2020

<u>Town of Braintree, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Current Year Assessment for Operations and Debt Service</u>
Norfolk County.....	\$ 13,175,000	4.66%	\$ 614,350	\$ 305,255
Massachusetts Bay Transportation Authority.....	5,478,860,000	0.49%	<u>26,682,048</u>	849,321
Subtotal, overlapping debt.....			27,296,398	
Town debt.....			<u>79,912,899</u>	
Total direct and overlapping debt.....			<u>\$ 107,209,297</u>	

Source: Treasurer's Office, Town of Braintree

Note: The Town obtains the debt outstanding and percentages directly from the entities.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) County expenses, including debt service, are assessed upon the towns within the county in proportion to their taxable valuation.

Computation of Legal Debt Margin

Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Equalized Valuation.....	\$ 5,803,418,500	\$ 5,803,418,500	\$ 5,627,043,400	\$ 5,627,043,400	\$ 5,574,551,500	\$ 5,574,551,500	\$ 6,327,219,800	\$ 6,327,219,800	\$ 7,169,361,300	\$ 7,169,361,300
Debt Limit - 5% of Equalized Valuation.....	\$ 290,170,925	\$ 290,170,925	\$ 281,352,170	\$ 281,352,170	\$ 278,727,575	\$ 278,727,575	\$ 316,360,990	\$ 316,360,990	\$ 358,468,065	\$ 358,468,065
Less:										
Outstanding debt applicable to limit.....	22,604,500	26,032,230	26,927,624	27,669,930	28,527,736	28,527,736	29,891,716	29,509,826	37,997,159	36,061,447
Authorized and unissued debt.....	<u>7,254,622</u>	<u>10,452,483</u>	<u>12,395,003</u>	<u>12,391,520</u>	<u>15,904,964</u>	<u>15,904,964</u>	<u>16,402,511</u>	<u>23,069,000</u>	<u>69,878,868</u>	<u>63,025,048</u>
Legal debt margin.....	\$ <u>260,311,803</u>	\$ <u>253,686,212</u>	\$ <u>242,029,543</u>	\$ <u>241,290,720</u>	\$ <u>234,294,875</u>	\$ <u>234,294,875</u>	\$ <u>270,066,763</u>	\$ <u>263,782,164</u>	\$ <u>250,592,038</u>	\$ <u>259,381,570</u>
Total debt applicable to the limit as a percentage of the limit.....	10.29%	12.57%	13.98%	14.24%	15.94%	15.94%	14.63%	16.62%	30.09%	27.64%

Source: Treasurer's Department, Town of Braintree / Official Statements

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	35,744	\$ 1,382,008,876	\$ 38,664	40	5,565	7.20%
2012	35,981	\$ 1,446,817,954	\$ 40,211	40	5,601	6.00%
2013	35,983	\$ 1,504,756,371	\$ 41,819	40	5,678	5.60%
2014	36,220	\$ 1,575,253,345	\$ 43,492	40	5,734	5.40%
2015	36,223	\$ 1,638,405,602	\$ 45,232	40	5,812	5.10%
2016	36,460	\$ 1,715,090,554	\$ 47,041	40	5,809	4.90%
2017	37,297	\$ 1,824,658,595	\$ 48,922	40	5,839	4.90%
2018	37,156	\$ 1,890,470,958	\$ 50,879	40	5,828	3.10%
2019	37,250	\$ 1,971,063,756	\$ 52,914	40	5,908	3.40%
2020	37,623	\$ 2,070,405,369	\$ 55,031	40	5,875	6.31%

Source: U. S. Census, Division of Local Services
 Median age is based on most recent census data

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Daniel Quirk	Auto Dealership	1,000	1	3.31%			
Haemonetics	Biomedical	500	2	1.66%	700	2	2.66%
Health South/Braintree Rehab	Rehabilitation Hospital	499	3	1.65%	750	1	2.85%
Verizon	Utility	400	4	1.32%	400	5	1.52%
Sears	Retail	363	5	1.20%	363	6	1.38%
Symmons Industries	Plumbing Manufacturer	290	6	0.96%	290	9	1.10%
ING	Financial Services	250	7	0.83%			
Mass State Lottery	State Agency	250	8	0.83%	300	8	1.14%
Nordstrom	Retail	250	9	0.83%	250	10	0.95%
Macy's	Retail	200	10	0.66%	600	3	2.28%
South Shore VNA	Visiting Nurses Association				476	4	1.81%
Harvard/Pilgrim Health Care	Health Care				310	7	1.18%
		4,002		13.26%	4,439		16.86%

Source: Massachusetts Workplace Development Agency & the Town's personnel and department records.

Full-time Equivalent Town Employees by Function

Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function:										
General government.....	41	42	43	43	43	43	46	43	43	42
Police.....	81	83	90	96	97	94	96	103	98	104
Fire.....	87	86	83	86	88	90	90	90	90	89
Education.....	675	689	714	736	770	778	784	779	795	813
Public works.....	39	39	38	40	40	43	41	44	51	63
Human services.....	11	11	12	12	12	12	11	11	12	11
Culture and recreation.....	19	19	20	19	17	20	20	19	21	21
Water & Sewer	23	23	24	23	23	25	24	24	23	25
Golf.....	9	9	9	8	8	8	8	8	8	7
Electric Light	110	110	110	101	100	101	101	99	98	93
Total	<u>1,094</u>	<u>1,110</u>	<u>1,143</u>	<u>1,164</u>	<u>1,198</u>	<u>1,214</u>	<u>1,221</u>	<u>1,220</u>	<u>1,239</u>	<u>1,268</u>

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Population.....	35,744	35,981	35,983	36,220	36,223	36,460	37,297	37,156	37,250	37,623
Registered voters, annual town election.....	7,500	N/A	26,468	N/A						
Town Clerk										
Births.....	380	411	407	410	382	410	357	372	396	388
Marriages.....	213	234	193	211	218	239	214	305	223	171
Deaths.....	465	469	500	478	505	500	499	491	476	660
Police										
Accidents covered by an officer.....	1,177	287	481	1,611	524	1,631	1,764	588	1,676	1,418
Citations issued.....	2,722	1,304	3,737	4,311	9,370	4,774	3,423	2,877	3,290	2,583
Arrests.....	754	262	835	985	952	1,005	906	743	574	438
Larcenies.....	615	245	511	1,167	619	1,070	1,012	439	989	752
Fire										
Fires.....	92	94	64	132	136	45	106	82	65	85
Emergency medical service.....	2,725	1,786	2,629	2,558	2,733	1,889	3,781	4,302	4,030	3,539
False alarm.....	759	493	773	857	633	228	853	858	872	659
Other responses.....	1,196	948	1,422	1,456	1,366	735	1,144	1,551	1,560	951
Hazmat responses.....	360	207	351	258	255	39	251	295	228	156
Building Department										
Residential building permits issued.....	979	976	850	926	1,352	1,313	1,215	1,176	1,260	1,115
Non-Residential building permits issued.....	295	361	403	399	382	324	349	400	342	245
Education										
Public school enrollment.....	5,565	5,601	5,678	5,734	5,828	5,860	5,839	5,828	5,908	5,875
Public Works										
Cemetery										
Lots sold.....	25	15	28	23	39	40	46	39	19	27
Water										
Service connections.....	11,497	11,500	11,492	11,454	11,561	11,540	11,549	11,549	11,617	11,757
Consumption in billions of gallons.....	1,371	N/A	1,285	1,166	927	918	914	914	1,168	1,151
Daily consumption in millions of gallons.....	3.7	N/A	4.7	3.5	3	3	3	3	3.2	3.25
Sewer										
Service connections.....	N/A	11,500	11,423	11,417	11,541	11,554	11,513	11,513	11,581	11,721
Daily average collection (MGD).....	6.52	6.89	6.66	6.81	N/A	N/A	N/A	N/A	N/A	N/A
Highway										
Miles of public road.....	129.0	129.0	130.0	130.0	134	134	135	135	135	135
Human Services										
Board of Health										
Inspections	1,338	1,321	1,263	1,139	1,291	1,359	1,256	1,514	1,430	1,256
Elder Affairs										
Transportation.....	3,763	4,121	5,280	5,295	5,368	5,450	5,018	5,598	5,285	3,820
Volunteer service hours.....	6,583	6,029	5,214	4,423	4,686	4,662	4,550	3,798	3,620	2,692
Fitness/exercise program participants.....	3,673	3,734	4,298	4,298	4,415	4,826	4,710	6,088	5,952	3,410
Recreation/social event participants.....	8,242	9,221	8,200	8,172	8,959	9,495	9,220	9,819	9,625	6,100
Libraries										
Volumes in collection.....	157,764	125,145	131,000	140,213	285,730	271,978	773,224	161,840	175,509	226,448
Circulation.....	384,947	379,752	293,733	384,109	365,580	352,638	324,720	302,310	327,979	286,349
Program attendance.....	10,279	11,011	9,421	9,695	8,660	10,272	9,191	10,524	11,916	11,286

Source: Various Town Departments
 N/A: Information not available

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Number of buildings.....	8	8	8	8	8	8	8	8	8	8
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Number of vehicles.....	17	17	17	17	17	17	17	17	17	17
Education										
Number of elementary schools.....	6	6	6	6	6	6	6	6	6	6
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of other buildings.....	5	5	5	5	5	5	5	5	5	5
Public Works										
Water mains (miles).....	161	161	161	161	161	161	161	161	161	161
Fire hydrants.....	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
Sanitary sewers (miles).....	138	138	138	138	138	138	138	138	138	138
Number of wells.....	1	1	1	1	1	1	1	1	1	1
Number of water storage tanks.....	4	4	4	4	4	4	4	4	4	4
Number of pump stations.....	15	15	15	15	15	15	15	14	12	12
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	1	1	1	1	1	2	2	2	2	2
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

Coming Together by Staying Apart



Mayor Charles C. Kokoros
Town of Braintree



Throughout the COVID-19 Pandemic the Braintree Community Task Force and Braintree Emergency Management Agency held weekly food and Personal Protective Equipment drives to help those in need in the community and the Town's First Responders. The Braintree Public School nurses assisted the Health Department and were an essential part in COVID-19 contact tracing.



Rendering of the new South Middle School courtyard. The cost of the new South Middle School is \$86.6 million.