

OFFICIAL STATEMENT DATED MAY 26, 2022

Rating: See "Rating" herein.  
S&P Global Ratings: AA

New Issue

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. Under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "Tax Exemption" herein.

TOWN OF BRAINTREE, MASSACHUSETTS  
\$5,615,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 BONDS

DATED  
Date of Delivery

DUE  
June 1  
(as shown below)

The Bonds are issuable only in fully registered form, registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form in the denomination of \$5,000, or any integral multiple thereof. (See "THE BONDS-Book-Entry Transfer System" herein.)

Principal of the Bonds will be payable June 1 of the years in which the Bonds mature. Interest on the Bonds will be payable June 1 and December 1, commencing December 1, 2022. Principal and semiannual interest on the Bonds will be paid by U.S. Bank Trust Company, Boston, Massachusetts, or its successor, as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds will be subject to redemption prior to their stated maturity dates as described herein.

An opinion of Bond Counsel will be delivered with the Bonds to the effect that the Bonds are valid general obligations of the Town of Braintree, Massachusetts and that the principal of and interest on the Bonds are payable from taxes that may be levied upon all taxable property in the Town subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Due June 1	Principal Amount	Interest Rate	Yield	CUSIP 105025	Due June 1	Principal Amount	Interest Rate	Yield	CUSIP 105025
2023	\$ 490,000	5.00 %	1.85 %	7M6	2031	\$ 275,000	5.00 %	2.75 %	7V6
2024	480,000	5.00	2.03	7N4	2032	275,000	5.00	2.80	7W4
2025	460,000	5.00	2.17	7P9	2033	260,000	4.00	2.90	7X2
2026	450,000	5.00	2.19	7Q7	2034	255,000	4.00	2.95	7Y0
2027	445,000	5.00	2.26	7R5	2035	255,000	3.125	3.20	7Z7
2028	280,000	5.00	2.36	7S3	2036	255,000	3.250	3.30	8A1
2029	280,000	5.00	2.62	7T1	2037	250,000	3.375	3.40	8B9
2030	280,000	5.00	2.70	7U8					

\$625,000 Interest Rate 4.00% Term Bond Maturing June 1, 2042 Yield 3.50% CUSIP #105025 8G8

The Bonds are offered subject to the final approving opinion of Locke Lord LLP, Boston, Massachusetts, Bond Counsel, as aforesaid, and to certain other conditions referred to herein and in the Notice of Sale. Hilltop Securities Inc., Boston, Massachusetts has acted as Financial Advisor to the Town of Braintree, Massachusetts, with respect to the Bonds. The Bonds in definitive form will be delivered to DTC, or its custodial agent, on or about June 9, 2022, against payment to the Town in federal funds.

**TABLE OF CONTENTS**

	<u>Page</u>		<u>Page</u>
SUMMARY STATEMENT .....	3	Sale of Tax Receivables .....	33
NOTICE OF SALE .....	4	Taxation to Meet Deficits .....	33
Bidding Parameters .....	5	Tax Limitations .....	33
Establishment of Issue Price .....	6	Unused Levy Capacity .....	34
EXHIBIT 1 – Form of Issue Price Certificates .....	9	Pledged Taxes .....	34
		Initiative Petitions .....	34
OFFICIAL STATEMENT .....	15		
THE BONDS .....	15	TOWN FINANCES:	
Description of the Bonds .....	15	Budget and Appropriation Process .....	35
Redemption Provisions .....	15	Budget Trends .....	35
Record Date .....	16	General Fund Revenues .....	36
Book-Entry Transfer System .....	16	Community Preservation Act .....	37
Authorization of the Bonds and Use of Proceeds .....	17	Enterprises .....	38
Principal Payment by Purpose .....	18	Annual Audits .....	38
Tax Exemption .....	18	Summary of Significant Accounting Policies .....	38
Risk of Future Legislative Changes and/or		Financial Statements .....	38
Court Decisions .....	19	Governmental Funds Balance Sheet	
Security and Remedies .....	20	As of June 30, 2021 .....	39
Opinion of Bond Counsel .....	21	Governmental Funds Balance Sheet	
Rating .....	21	As of June 30, 2020 .....	41
Financial Advisory Services of Hilltop Securities .....	21	Governmental Funds Balance Sheet	
Continuing Disclosure .....	22	As of June 30, 2019 .....	41
TOWN OF BRAINTREE, MASSACHUSETTS:		Statement of Revenues, Expenditures and Changes	
General .....	23	in Fund Balances as of June 30, 2021 – 2017 .....	42
Principal Town Officials .....	23	Unassigned General Fund Balance and Free Cash .....	47
History .....	23	Enterprise Funds .....	47
Corona Virus (COVID-19) .....	23	Stabilization Fund .....	47
Municipal Services .....	25	Tax Increment Financing for Development Districts .....	48
Transportation .....	25	Investment of Town Funds .....	48
Education .....	25		
Public School Enrollments .....	25	INDEBTEDNESS:	
Industry and Commerce .....	26	Authorization Procedure and Limitations .....	49
Employment and Payrolls .....	26	Debt Limits .....	49
Largest Employers .....	26	Types of Obligations .....	49
Labor Force, Employment and Unemployment Rate .....	27	Direct Debt Summary .....	51
Building Permits .....	27	Debt Ratios .....	51
Population and Income .....	28	Principal Payments by Purpose .....	52
Population Trends .....	28	Debt Service Requirements .....	53
PROPERTY TAXATION:		Authorized Unissued Debt and Prospective Financing ...	53
Tax Levy Computation .....	29	Overlapping Debt .....	54
Assessed Valuations and Tax Levies .....	30	Contractual Obligations .....	55
Classification of Properties .....	30	Retirement Plan .....	55
Largest Taxpayers .....	31	Current Funding Schedule .....	57
State Equalized Valuations .....	31	Other Post-Employment Benefits .....	58
Overlay .....	31	EMPLOYEE RELATIONS .....	58
Tax Collections .....	32	LITIGATION .....	59
Tax Title and Possessions .....	32		
		APPENDIX A – Fiscal 2021 Audit	
		APPENDIX B – Proposed Form of Legal Opinion	
		APPENDIX C – Proposed Form of Continuing	
		Disclosure Certificate	

---

The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

## SUMMARY STATEMENT

The information set forth below is qualified in its entirety by the information and financial statements appearing elsewhere in the Official Statement.

Date of Sale: Thursday, May 26, 2022, 11:00 a.m. (Eastern Time).

Location of Sale: Hilltop Securities Inc., 54 Canal Street, 3rd Floor, Boston, Massachusetts 02114.

Issuer: Town of Braintree, Massachusetts.

Issue: \$5,615,000 General Obligation Municipal Purpose Loan of 2022 Bonds, see "THE BONDS Book-Entry Transfer System" herein.

Official Statement Dated: May 26, 2022.

Dated Date of the Bonds: As of their date of delivery.

Principal Due: Serially June 1, 2023 through June 1, 2037, and one Term Bond June 1, 2042 as detailed herein.

Interest Payable: Semi-annually June 1 and December 1 until maturity or redemption prior to maturity, commencing December 1, 2022.

Purpose and Authority: The Bonds are authorized by the Town for various municipal improvements under provisions of the Massachusetts General Laws as detailed herein.

Redemption: The Bonds will be subject to redemption prior to their stated maturity dates as detailed herein.

Security: The Bonds are valid general obligations of the Town of Braintree, Massachusetts and the principal of and interest on the Bonds are payable from taxes that may be levied upon all taxable property in the Town subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

Credit Rating: S&P Global Ratings has assigned a rating of AA to the Bonds.

Bond Insurance: The Town has not contracted for the issuance of any policy of municipal bond insurance or any other credit enhancement facility.

Basis of Award: Lowest True Interest Cost (TIC), as of the dated date. **BIDS MUST INCLUDE A PREMIUM OF AT LEAST \$70,000.**

Tax Exemption: Refer to "THE BONDS - Tax Exemption" herein and Appendix B, "Proposed Form of Legal Opinion."

Continuing Disclosure: Refer to "THE BONDS - Continuing Disclosure" herein and Appendix C, "Proposed Form of Continuing Disclosure Certificate."

Bank Qualification: The Bonds will be designated by the Town as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Paying Agent: U.S. Bank Trust Company, Boston, Massachusetts.

Legal Opinion: Locke Lord LLP, Boston, Massachusetts.

Financial Advisor: Hilltop Securities Inc., Boston, Massachusetts.

Delivery and Payment: It is expected that delivery of the Bonds in book-entry only form will be made to The Depository Trust Company, or to its custodial agent, on or about June 9, 2022, against payment in federal funds.

Issuer Official: Questions concerning the Official Statement should be addressed to Ms. Barbara Walls, Treasurer/Collector, Town of Braintree, Massachusetts Telephone (781) 794-8165 or Cinder McNerney, Regional Managing Director, Hilltop Securities Inc., Boston, Massachusetts Telephone (617) 619-4408.

**NOTICE OF SALE**

**TOWN OF BRAINTREE, MASSACHUSETTS  
\$5,970,000\* GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 BONDS**

The Town of Braintree, Massachusetts (the "Town") will receive sealed and electronic (as described herein) proposals until 11:00 A.M., Eastern Time, Thursday, May 26, 2022, for the purchase of the following described General Obligation Municipal Purpose Loan of 2022 Bonds of the Town (the "Bonds"):

\$5,970,000\* General Obligation Municipal Purpose Loan of 2022 Bonds payable June 1 of the years and in the amounts as follows:

Due June 1	Principal Amount*	Due June 1	Principal Amount*
2023	\$ 570,000	2033	** \$ 265,000
2024	530,000	2034	** 260,000
2025	510,000	2035	** 260,000
2026	495,000	2036	** 260,000
2027	490,000	2037	** 255,000
2028	285,000	2038	** 135,000
2029	285,000	2039	** 135,000
2030	285,000	2040	** 130,000
2031	280,000	2041	** 130,000
2032	** 280,000	2042	** 130,000

\*Preliminary, subject to change.

\*\*Callable maturities. May be combined into not more than three term bonds as described herein.

The Bonds will be dated their date of delivery. Principal of the Bonds will be payable on June 1 of the years in which the Bonds mature. Interest will be payable on June 1 and December 1, until maturity or redemption prior to maturity, commencing December 1, 2022.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. Ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, will be evidenced by a book-entry system with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Interest and principal on the Bonds will be payable to DTC or its nominee as Registered Owner of the Bonds. Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners will be the responsibility of such participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

The original Bonds to be immobilized at DTC will be approved by Locke Lord LLP, Boston, Massachusetts, whose opinion will be furnished to the purchaser without charge.

The Bonds maturing on and before June 1, 2031 are not subject to redemption prior to their stated maturity dates. Bonds maturing on and after June 1, 2032 are subject to redemption prior to their stated maturity dates, at the option of the Town, on and after June 1, 2031 either in whole or in part at any time, and if in part, by lot within a maturity, **at the par amount of the Bonds to be redeemed**, plus accrued interest to the date set for redemption.

For Bonds maturing on and after June 1, 2032, bidders may specify that all of the principal amount of such Bonds in any two or more consecutive years may, in lieu of maturing in each such year, be combined to comprise one maturity of term bonds, and shall be subject to mandatory redemption or mature a par, as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule (which is subject to change, as described herein). Each mandatory redemption shall be allocated to the payment of the term bond maturing in the earliest subsequent year. Bidders may specify no more than three term bonds.

Term bonds, if any, shall be subject to mandatory redemption on June 1 of the year or years immediately prior to the stated maturity of such term bond (the particular Bonds of such maturity to be redeemed to be selected by lot) as indicated in the foregoing maturity schedule at the principal amount thereof (which is subject to change, as described herein) plus accrued interest to the redemption date, without premium.

Principal and semiannual interest on the Bonds will be paid by U.S. Bank Trust Company, Boston, Massachusetts as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

### **Bidding Parameters**

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/20 or 1/8 of one percent, but shall not state (a) more than one interest rate for any Bonds having a like maturity, (b) any interest rate which exceeds the interest rate stated for any other Bonds by more than 3 percent or (c) **any coupon in excess of 5.0%. NO BID OF LESS THAN PAR PLUS A PREMIUM OF AT LEAST \$70,000 WILL BE CONSIDERED.**

**The current bond structure does not reflect any premium.** The Town reserves the right to change the aggregate principal amount of the Bonds and the maturity schedule after determination of the winning bid by increasing or decreasing the principal amount of each maturity by such amounts as may be necessary to (a) produce sufficient funds for the purposes for which the Bonds are being issued after taking into account the premium to be received by the Town and (b) restructure the bonds on an equal/declining debt service basis after applying its allocable share of premium by fund to eliminate or reduce the shortest maturities, to mirror the current structure. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE ANNUAL PRINCIPAL AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid for the Bonds by the winning bidder will be adjusted, if applicable, to reflect changes in the dollar amount of the amortization schedule. Any price that is adjusted will reflect changes in the dollar amount of the underwriter's discount and original issue premium, if any, but will not change the per bond underwriter's discount (net of insurance premium, if any) provided in such bid. Nor will it change the interest rate specified for each maturity. Any such adjustments will be communicated to the winning bidder for the Bonds by local time 4 p.m. on the day of the sale.

Bids must be submitted electronically via Parity in accordance with this Notice of Sale. To the extent any instructions or directions set forth in Parity conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about Parity, potential bidders may contact the Financial Advisor to the Town or I-deal at 40 West 23rd Street, 5th Floor, New York, NY 10010 (212) 404-8102. An electronic bid made in accordance with this Notice of Sale shall be deemed an offer to purchase the Bonds in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the Town. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of June 9, 2022, discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued, if any, which accrued interest shall be paid by the successful bidder. The award of the Bonds to the successful bidder will not be effective until the bid has been approved by the Mayor and the Treasurer. In the event that two or more bidders submit the same lowest true interest cost for the Bonds, the Treasurer shall determine the successful bidder by lot from among all such proposals.

The right is reserved to reject all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

The Town of Braintree has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds. Should the bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the bidder, except for the fee paid to S&P Global Ratings for a rating on the Bonds. Any such fee paid to S&P Global Ratings would be borne by the Town.

In order to assist bidders in complying with Rule 15c2-12 (b)(5) promulgated by the Securities and Exchange Commission, the Town will undertake to provide annual reports and notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 as amended (the "Code").

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord, LLP, Boston, Massachusetts, substantially in the form appearing as Appendix B of the Preliminary Official Statement dated May 18, 2022, (b) a certificate in the form satisfactory to Bond Counsel dated as of the date of delivery of the Bonds and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened which affects the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town Treasurer to the effect that, to the best of her knowledge and belief, as of its date and the date of sale the Preliminary Official Statement did not, and as of its date and the date of the delivery of the Bonds, the Final Official Statement did not and does not, contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a Continuing Disclosure Certificate in the form appearing as Appendix C of the Preliminary Official Statement.

### **Establishment of Issue Price**

The successful bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town on the Closing Date an “issue price” or similar certificate, substantially in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Bonds together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by Hilltop Securities Inc. (the “Financial Advisor”) and any notice or report to be provided to the Town may be provided to the Financial Advisor.

Competitive Sale Requirements. If the competitive sale requirements (“competitive sale requirements”) set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) have been satisfied, the Town will furnish to the successful bidder on the Closing Date a certificate of the Financial Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town awarded the sale of the Bonds to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

**Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid by contacting the Financial Advisor, telephone (617) 619-4400, and affirming in writing via email, or in its bid submitted via Parity, that it will NOT be an “underwriter” (as defined below) of the Bonds, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an “underwriter” (as defined below) of the Bonds, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Bonds to the public.**

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Bonds to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Bonds to the public, the Successful Bidder may, at its option, will use the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Bonds. The successful bidder shall advise the Financial Advisor if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds or all of the Bonds are sold to the public, the successful bidder agrees to promptly report to the Financial Advisor the prices at which the unsold Bonds of each maturity have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied for each maturity of the Bonds or until all the Bonds of a maturity have been sold. The successful bidder shall be obligated to report each sale of Bonds to the Financial Advisor until notified in writing by the Town or the Financial Advisor that it no longer needs to do so. If the successful bidder uses Option A the Successful Bidder shall provide to the Town on or before the closing date, the certificate attached to this Notice of Sale as Exhibit 1 – Option A.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “public” means any person other than an underwriter or a related party,

2. “underwriter” means (A) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and

3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements – Option B – The Successful Bidder Intends to Reoffer the Bonds to the Public and Agrees to Hold the Price of Maturities of Bonds for Which the 10% Test in Option A is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Financial Advisor in writing, which may be by email (the “Hold the Price Notice”), not later than 4:00 p.m. on the Sale Date, that it has not sold 10% of the maturities of the Bonds listed in the Hold the Price Notice (the “Unsold Maturities”) and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the successful bidder delivers a Hold the Price Notice to the Financial Advisor, the successful bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Bonds, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or the Successful Bidder Does Not Intend to Reoffer the Bonds to the Public – Option C. If the successful bidder has purchased the Bonds for its own account and will not distribute, reoffer or resell the Bonds to the public, then, whether or not the competitive sale requirements were met, the issue price certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

It is anticipated that CUSIP identification numbers will be printed on the Bonds. The Town assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

Additional information concerning the Town of Braintree and the Bonds is contained in the Preliminary Official Statement dated May 18, 2022, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Said Preliminary Official Statement is deemed final by the Town except for the omission of the reoffering price(s), interest rate(s), delivery date, the identity of the underwriter(s), and any other pertinent terms of the Bonds depending on such matters, but is subject to change without notice to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from Hilltop Securities Inc., 54 Canal Street, Boston, Massachusetts 02114 (Telephone: 617-619-4400). Within seven (7) business days following the award of the Bonds in accordance herewith, 5 copies of the Final Official Statement will be available from Hilltop Securities Inc. to the successful bidder for use in reoffering the Bonds. Upon request, additional copies will be provided at the expense of the requester.

The Bonds in definitive form will be delivered to The Depository Trust Company or its custodial agent on or about June 9, 2022 for settlement in federal funds.

---

TOWN OF BRAINTREE, MASSACHUSETTS  
/s/ Ms. Barbara Walls, Treasurer/Collector

May 18, 2022

**Issue Price Certificate for Use If the Competitive  
Sale Requirements Are Met  
\$5,970,000\*  
Town of Braintree, Massachusetts  
General Obligation Municipal Purpose Loan of 2022 Bonds Dated June 9, 2022**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the "Successful Bidder"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds") of the Town of Braintree, Massachusetts (the "Issuer").

**1. Reasonably Expected Initial Offering Prices.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Successful Bidder are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Successful Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Bonds.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Bonds.

**2. Defined Terms.**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 26, 2022.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

**3. Receipt.**

The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_, 2022

Successful Bidder

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
\*Preliminary, subject to change.

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
**(To be Attached)**

---

**SCHEDULE B**  
**COPY OF SUCCESSFUL BIDDER'S BID**  
**(To Be Attached)**

**Issue Price Certificate for Use If the Competitive Sale Requirements Are  
Not Met and the 10% Test to Apply  
\$5,970,000\*  
Town of Braintree, Massachusetts  
General Obligation Municipal Purpose Loan of 2022 Bonds Dated June 9, 2022  
ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the [Successful Bidder][Representative]), on behalf of itself and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) by the Town of Braintree, Massachusetts (the “Issuer”).

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in the following paragraph,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met or all of the Bonds have not been sold for one or more Maturities of Bonds as of the Closing Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Bonds, until at least 10% of each such Maturity of the Bonds is sold to the Public (the “10% Test”) or all of the Bonds are sold to the Public, the [Successful Bidder][Representative] agrees to promptly report to the Town of Braintree’s financial advisor, Hilltop Securities Inc. (the “Financial Advisor”) the prices at which the unsold Bonds of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% Test has been satisfied for each Maturity of the Bonds or until all the Bonds of a Maturity have been sold. The [Successful Bidder][Representative] shall continue to report each sale of Bonds to the Financial Advisor until notified by email or in writing by the Issuer or the Financial Advisor that it no longer needs to do so.

2. Defined Terms.

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative] that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_ 2022

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: \_\_\_\_\_

Name:

Title:

\*Preliminary, subject to change.

SALE PRICES  
[(Attached)]

SCHEDULE A

**Issue Price Certificate for Use If the Competitive Sale Requirements Are  
Not Met and the Hold the Price Rule Is Used  
\$5,970,000\*  
TOWN OF BRAINTREE, MASSACHUSETTS  
GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 Bonds**

**DATED JUNE 9, 2022**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the (“[Successful Bidder][Representative]”), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Town of Braintree, Massachusetts (the “Issuer).

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in following paragraph,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met as of the Sale Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Bonds, the [Successful Bidder][Representative] and any other Underwriter did not [and will not] reoffer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public until the earlier of (i) \_\_\_\_\_, 2022 or (ii) the date on which the “Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) Underwriter means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

3. The [Successful Bidder][Representative] hereby acknowledges receipt from the Issuer of the bonds of the Issue and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of such bonds of the Issue, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder’s][Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_, 2022

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
\*Preliminary, subject to change.

**[SCHEDULE A  
SALE PRICES  
(To be Attached)]**

**OFFICIAL STATEMENT  
TOWN OF BRAINTREE, MASSACHUSETTS  
\$5,615,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 BONDS**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Braintree, Massachusetts (the "Town") in connection with the sale of \$5,615,000 stated principal amount of its General Obligation Municipal Purpose Loan of 2022 Bonds (the "Bonds"). The information contained herein has been furnished by the Town, except information attributed to another source.

**THE BONDS**

**Description of the Bonds**

The Bonds will be dated their date of delivery and will bear interest payable semiannually on June 1 and December 1, until maturity or redemption prior to maturity, commencing December 1, 2022. The Bonds shall mature on June 1 of the years and in the principal amounts as set forth on the cover page of this Official Statement (which are subject to change as described in the Notice of Sale dated May 18, 2022 relating to the Bonds).

The Bonds are issuable only in fully registered form registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000, or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or Registered Owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

Principal and semiannual interest on the Bonds will be paid by U.S. Bank Trust Company National Association, Boston, Massachusetts or its successor as Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

**Redemption Provisions**

**Optional Redemption**

Bonds maturing on or prior to June 1, 2031 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 1, 2032 shall be subject to redemption prior to maturity, at the option of the Town, on or after June 1, 2031, either in whole or in part at any time, and if in part, by lot within a maturity, at the par amount of the Bonds to be redeemed, plus accrued interest to the date set for redemption.

**Mandatory Redemption**

The Bonds maturing June 1, 2042 (the "Term Bond") is subject to mandatory redemption or maturity on each of the dates and in each of the principal amounts set forth below (the particular portion of each Term Bond to be redeemed or to mature on the final maturity date to be delivered by lot), at a redemption price of par, plus accrued interest, if any, to the redemption date.

**\$625,000 Term Bond Maturing June 1, 2042**

<u>June 1</u>	<u>Principal Amount</u>
2038	\$130,000
2039	130,000
2040	125,000
2041	120,000
2042*	120,000

\*Final maturity.

**Notice of Redemption**

Notice of any redemption of Bonds, prior to their dates of maturity, specifying the Bonds (or the portions thereof) to be redeemed shall be mailed or sent in other manner acceptable to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the Direct Participants of the redemption or failure on the part of DTC's Participants, Indirect Participants or of a nominee of a Beneficial Owner having received notice from a DTC Participant or otherwise to notify the Beneficial Owners shall not affect the validity of the redemption.

## **Record Date**

The record date for each payment of interest on the Bonds (the "Record Date") is the last business day of the month preceding the interest payment date, provided that, under certain circumstances, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the Bondowners at least ten (10) days before the special record date.

## **Book-Entry Transfer System**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's Participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating from S&P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with DTC; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The issuer of such securities may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

### Authorization of the Bonds and Use of Proceeds

The following table sets forth the purposes, principal amounts, amounts authorized, statutory references, and dates of approval, for the current offering of Bonds. Proceeds of the Bonds may be transferred or re-appropriated to other capital projects to the extent projects are completed or abandoned and such proceeds remain unspent.

Purpose	This Issue	Original Bond Authorization	Statutory Reference	Dates of Approval
Water Distribution System	\$ 1,891,000	\$ 3,000,000	Ch. 44, s. 8	5/26/2020
Sewer Commerce Drive Pump Station	10,000	800,000	Ch. 44, s. 7(1)	12/3/2015
Golf Dump Truck	65,000	75,000	Ch. 44, s. 7(1)	3/25/2021
Golf Greens Mower	120,000	130,000	Ch. 44, s. 7(1)	3/25/2021
Daugherty Gym Repairs Ceiling, Windows BEMA	70,000	350,000	Ch. 44, s. 7(1)	5/20/2014
Fire Station Headquarters Building Renovation	185,000	425,000	Ch. 44, s. 7(1)	2/5/2015
Fire Headquarters Renovations	400,000	1,000,000	Ch. 44, s. 7(1)	3/5/2018
Town Wide Computer System	278,000	945,000	Ch. 44, s. 7(9)	3/6/2019
School Technology	31,000	350,000	Ch. 44, s. 7(9)	5/26/2020
School Paving/ Landscaping	130,000	156,000	Ch. 44, s. 7(1)	5/26/2020
School Plumbing / HVAC	40,000	100,000	Ch. 44, s. 7(1)	5/26/2020
Elder Affairs Paving II	119,000	119,000	Ch. 44, s. 7(1)	5/26/2020
DPW Facilities HVAC	175,000	250,000	Ch. 44, s. 7(1)	5/26/2020
Police Records Management	159,000	159,000	Ch. 44, s. 7(1)	3/25/2021
DPW Asbestos removal	50,000	100,000	Ch. 44, s. 7(1)	3/25/2021
DPW Truck with plow	75,000	75,000	Ch. 44, s. 7(1)	3/25/2021
Road Resurfacing	1,650,000	1,650,000	Ch. 44, s. 7(1)	3/25/2021
DPW Highway Sidewalk Plow	155,000	160,000	Ch. 44, s. 7(1)	3/25/2021
School Security Upgrade (1)	12,000	1,000,000	Ch. 44, s. 7(1)	2/13/2020 & 9/26/2020
	<u>\$ 5,615,000</u>			

(1) The Town voted to exempt this authorization from the limitations of Proposition 2 1/2.

## Principal Payments by Purpose

Year	Water	Sewer	Golf	General	Exempt	TOTAL
2023	\$ 96,000	\$ 5,000	\$ 40,000	\$ 342,000	\$ 7,000	\$ 490,000
2024	95,000	5,000	40,000	335,000	5,000	480,000
2025	95,000		40,000	325,000		460,000
2026	95,000		35,000	320,000		450,000
2027	95,000		30,000	320,000		445,000
2028	95,000			185,000		280,000
2029	95,000			185,000		280,000
2030	95,000			185,000		280,000
2031	95,000			180,000		275,000
2032	95,000			180,000		275,000
2033	95,000			165,000		260,000
2034	95,000			160,000		255,000
2035	95,000			160,000		255,000
2036	95,000			160,000		255,000
2037	95,000			155,000		250,000
2038	95,000			35,000		130,000
2039	95,000			35,000		130,000
2040	95,000			30,000		125,000
2041	90,000			30,000		120,000
2042	90,000			30,000		120,000
Total	<u>\$ 1,891,000</u>	<u>\$ 10,000</u>	<u>\$ 185,000</u>	<u>\$ 3,517,000</u>	<u>\$ 12,000</u>	<u>\$ 5,615,000</u>

## Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the Town (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. The Bonds will be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective Bondholders should be aware, however, that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Bonds or the income therefrom or any other tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix B hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Bonds is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment

on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds (“Premium Bonds”), will be treated as having amortizable bond premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder’s basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder’s other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

#### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

## Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for “qualified bonds” as described below (see “*Serial Bonds and Notes*” under “INDEBTEDNESS-TYPES OF OBLIGATIONS” below) and setoffs of state distributions as described below (see “*State Distributions*” below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year “all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for [and] all amounts necessary to satisfy final judgments”. Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See “*Tax Limitations*” under “PROPERTY TAXATION” below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See “INDEBTEDNESS-Authorization Procedures and Limitations” below.) Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See “*Tax Limitations*” under “PROPERTY TAXATION” below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

*State Distributions.* State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” (See “*Serial Bonds and Notes*” under “INDEBTEDNESS-TYPES OF OBLIGATIONS” below) and any other sums due and payable by the city or town to The Commonwealth of Massachusetts (the “Commonwealth”) or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority (“MBTA”) or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority (“MWRA”) if the city or town is within the territory served by the MWRA, for any debt service due on obligations issued to the Massachusetts School Building Authority (“MSBA”), or for charges necessary to meet obligations under the Commonwealth’s Clean Water or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

*Bankruptcy.* Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under federal bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth’s oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

### **Opinion of Bond Counsel**

The successful bidder will be furnished the legal opinion of the firm of Locke Lord, LLP, Boston, Massachusetts (“Bond Counsel”). The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful bidder. The opinion will be substantially in the form presented in Appendix B.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that they have independently verified the same.

### **Rating**

S&P Global Ratings has assigned a rating of AA to the Bonds. Such rating reflects the rating agency's views and is subject to revision or withdrawal, which could affect the price and marketability of the Bonds.

### **Financial Advisory Services of Hilltop Securities Inc.**

Hilltop Securities Inc., Boston, Massachusetts serves as financial advisor to the Town.

## **Continuing Disclosure**

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, as amended (the "Rule"), the Town will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. Other than the Town, there are no obligated persons with respect to the Bonds within the meaning of the Rule. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix C. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds.

**In the past five years, the Town believes that it has complied, in all material respects, with its previous undertakings to provide annual reports or notices of significant events in accordance with the Rule. The Town has implemented procedures to assist in complying with its continuing disclosure obligations, including the additional significant events added to SEC Rule 15c2-12 that became effective on February 27, 2019.**

# TOWN OF BRAINTREE, MASSACHUSETTS

## General

The Town of Braintree is located in Norfolk County, approximately 10 miles south of Boston. According to the 2020 Federal Census, Braintree has a population of 37,190 and occupies a land area of 13.7 square miles. Incorporated as a Town in 1640, Braintree is governed by a Mayor and Town Council form of government. The Town's location at the junction of the major highways approaching Boston from the south makes it one of the prime retail and office park sites in the region.

Local school affairs are administered by a school committee of seven persons. Local taxes are assessed by a board of three assessors all appointed for staggered three-year terms on an at-large basis.

### PRINCIPAL TOWN OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Selection Method</u>	<u>Term Expires</u>
Mayor	Charles C. Kokoros	Elected	2024
Chief of Staff	Nicole I. Taub	Appointed	Indefinite
Finance Director	Edward J. Spellman	Appointed	Indefinite
Town Solicitor	Nicole I. Taub	Appointed	Indefinite
Treasurer/Collector	Barbara Walls	Appointed	Indefinite
Town Clerk	James Casey	Appointed	2023
Town Accountant	Mark Lin	Appointed	Indefinite
Town Councilors:			
President	Meredith Boericke	Elected	2024
Vice President	Charles B. Ryan	Elected	2024
Councilor	Shannon L. Hume	Elected	2024
Councilor	David M. Ringius, Jr.	Elected	2024
Councilor	Julia C. Flaherty	Elected	2024
Councilor	Joseph Reynolds	Elected	2024
Councilor	Elizabeth Maglio	Elected	2024
Councilor	Stephen C. O'Brien	Elected	2024
Councilor	Lawrence C. Mackin, Jr.	Elected	2024

## History

Braintree was first settled in 1634. The Town was named for Braintree, England, the town from which many of the earlier settlers of the area had emigrated. The name Braintree may have been derived from the Saxon word "Branchtreau", which means "town near a river".

Iron works, grist mills, and shipbuilding were the three commercial enterprises first developed in the Town. Braintree grew into an industrial town whose factories produced textiles, shoes, lumber, spices, shovels, nails, punches and fans. Today, Braintree is primarily a residential community with a substantial retail/commercial base.

## Corona Virus (COVID-19) Disclosure

COVID-19 is a respiratory virus and disease caused by a novel coronavirus that has not previously been seen in humans. This new virus and disease were unknown before the outbreak began in Wuhan, China, in December 2019. On March 10, 2020, the Governor of the Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic affecting many countries globally. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to the states to fight the pandemic. On that same date, all Braintree Public Schools were closed and events on Town properties were postponed until further notice. On March 15, 2020, the Governor announced emergency actions to help address the spread of the virus, and, on March 16, 2020, Town buildings and recreation spaces closed to the public. On March 17, 2020, Mayor Kokoros issued a local declaration of Emergency in response to the outbreak and emergency resources and protocols were made available through the Town website.

On March 19, 2020, the Town issued an Emergency Remote Participation Policy and all Town Boards, Commissions and Committees began holding virtual meetings through Zoom. Several boards, commissions and committees have returned to in person meetings however the use of remote meeting technology remains available for those that prefer to continue meeting remotely.

In order to facilitate remote learning for the remainder of the 2019-2020 school year, the Braintree Public Schools loaned out over 300 devices to students, including tablets to be used as hotspots for families without internet access. The School Department coordinated with the Massachusetts Department of Children and Families to ensure Braintree students in their care received what they needed to access learning for the duration of the school year. The School Department also continuously offered “grab and go” breakfast and lunch for all students.

With the closure of Town buildings to the public, Town employees reported to work as directed and under the discretion of management, with the majority of staff eventually working remotely. In April 2020, the Town and School Department began reducing the hours worked by over sixty (60) employees. During this period, the Town continued to evaluate staffing levels necessary to continue the provision of services under the existing conditions and returned staff to full time as needed. All staff returned to full time on August 1, 2020, with some staff continuing to work remotely.

While the Town buildings were closed, the Facilities Department worked with individual departments to modify work spaces to ensure a safe environment when the building reopened to staff and the public. This included the addition of plexiglass and, where appropriate, temporary walls, to allow for social distancing when working with the public and together in smaller work spaces. Additionally, signage was placed throughout Town buildings requiring staff and the public to wear a face covering when in the building and reminding everyone of the necessary safety protocols, including social distancing and frequent hand washing.

In July 2020, the Town distributed a 3 Phase Reopening Plan for Town buildings. On July 6, 2020, Town employees began returning to the workplace, while the buildings remained closed to the public. Employees were required to complete a safety training and maintain records for contact tracing. On July 8, 2020, Town facilities reopened to the public. All safety protocols, including PPE and face coverings, cleaning procedures and social distancing remained in place and in effect. In order to comply with contact tracing requirements, all members of the public are asked to sign in when entering a Town building/office and virtual/curbside services continued to be available. All town buildings are currently open during regular business hours and remain fully accessible to the public.

The 2020-2021 Braintree Public School Reopening Plan called for students in grades K-8 to return to their assigned home school in a hybrid model on September 16, 2020. Students were scheduled for two consecutive half days of instruction at school and three days of live and asynchronous remote instruction each week. Students in grades 9-12 began full remote learning and returned in a hybrid model on October 13, 2020. Additionally, a full remote learning option was made available to all families. On February 22, 2021, the Braintree School Committee voted to return Braintree High School students to full day, five day per week programming beginning on March 15, 2021 and to return elementary and middle school students to their respective schools for full day, five days per week programming beginning on April 2, 2021.

On January 11, 2021, the Town began hosting vaccination clinics at Town Hall in accordance with the Governor's vaccination schedule. In total, the Town administered on-site vaccines to nearly 3,000 people, including first responders, health care professionals and residents, with the assistance of Braintree Public Health and Public School nurses. Also, in partnership with Brewster Ambulance, the Town has been able to vaccinate staff and residents in local senior housing facilities. Finally, in November 2021, the Town held multiple clinics to administer boosters to anyone interested.

All schools and grades opened for full in person learning in September 2021. The District is following the mask guidance provided by the Department of Elementary and Secondary Education and, in conjunction with back to school, the Town held a vaccine clinic in partnership with Brewster Ambulance for individuals 12 years and older.

The Town is adhering to all local, state and federal orders, as well as following the public health recommendations. Throughout the pandemic, the Town maintained all essential functions and services, despite building closures and operating restrictions. The Town continues to monitor the number of positive cases in Braintree and continues to provide daily updates to the community.

Pursuant to M.G.L. Chapter 44, Section 31, the Town set up a fund specifically related to COVID-19 expenses. This fund captures all costs related to the COVID-19 pandemic and deficit spending for these costs, including but not limited to, overtime, cleaning and medical supplies, and IT equipment. The Town will continue to track all costs related to the COVID-19 pandemic and monitor activity at the state and federal level to identify any applicable stimulus and/or reimbursement opportunities.

Despite all of the positive steps forward, including reopening of local businesses and availability of vaccines, the uncertainty of the long-term implications of COVID-19 remained a consideration in the creation of the FY2022 budget. As a result, Departments were again asked to reduce their operating budgets, some by 10% or more, without adversely impacting service to the residents. Additionally, hotel and meals tax and interest income were level funded from FY21 in order to avoid budgetary shortfalls later in the year. If the public health data continues to trend in a positive direction, and COVID-related restrictions continue to ease, the Town will be able to realize savings in the additional revenue earned from enhanced business operations and restore some of the programs that have been reduced due to financial constraints. To offset the revenue losses caused by COVID-19, the Town also utilized funding provided through the American Rescue Plan Act. In total, the Town was awarded \$3,669,000.00, half of which will be used in FY22. The FY22 budget represents an increase of 1.58% over the FY21 budget—the smallest overall increase the Town has projected over the last several years.

**Municipal Services**

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, disposal of rubbish, public education in grades kindergarten through twelve, water and sewer services, street maintenance and recreational facilities. The Town also owns and operates its own electric generating and distribution facilities on a self-supporting basis. The Braintree Electric Light Department (“BELD” or the “Department”) also offers high speed fiber optic internet, cable TV and telephone services to Town residents. In fiscal 2022, the Department contributed \$1,500,000 to the general fund.

The Town owns and operates its own water supply and distribution system on a self-supporting basis. Sewerage is provided for through connections to the Massachusetts Water Resources Authority (“MWRA”).

The principal services provided by Norfolk County are a jail and house of correction and registries of deeds and probate.

**Transportation**

The Southeast Expressway, the primary roadway to downtown Boston from the south, divides in Braintree with State Route 3 proceeding along the eastern edge of the Town to Cape Cod and Interstate Route 93 proceeding along the northern edge of the Town to State Route 24 and Interstate 95. One of the MBTA’s major rapid transit lines (the “Red Line”) originates in the Town, and the three spurs of the recently restored Old Colony commuter rail line merge in the Town.

**Education**

The Town operates seven elementary schools, two middle schools, and a senior high school. Total capacity is estimated at 6,100. The following table sets forth the trend in public school enrollments.

**PUBLIC SCHOOL ENROLLMENTS — OCTOBER 1**

	Actual				
	2017	2018	2019	2020	2021
Elementary (K-5)	2,646	2,614	2,521	2,407	2,283
Middle/Junior High (6-8)	1,381	1,435	1,466	1,402	1,294
Senior High (9-12)	1,801	1,793	1,828	1,645	1,731
<b>Total</b>	<b>5,828</b>	<b>5,842</b>	<b>5,815</b>	<b>5,454</b>	<b>5,308</b>

The Town recently broke ground on the first new school in fifty years. The New South Middle School will be completed for the Fall of 2023 school year and will include grades five through eight. The total project cost is approximately \$86,000,000 and is funded in partnership with the Massachusetts School Building Authority (MSBA) through a contribution of approximately \$31,000,000. The remaining balance is being funded by the Town through its first successful debt exclusion. The three main contractors for this project are Owners Project Manager Hill International, Architect Miller Dyer Spears and General Contractor Bacon Construction.

## Industry and Commerce

Braintree is a residential suburb of Boston, located within the Boston Standard Metropolitan Statistical Area. As the table below indicates, the Town's economy has a diverse mix of manufacturing, services, and commercial trades.

### EMPLOYMENT AND PAYROLLS

Since 2002, the U.S. Department of Labor uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of the economic data by industry shown below.

Industry	Calendar Year Average				
	2016	2017	2018	2019	2020
Construction	1,771	1,629	1,585	3,136	1,278
Manufacturing	1,676	1,756	1,757	1,809	1,523
Trade, Transportation and Utilities	7,923	8,005	7,852	7,836	6,292
Information	666	681	683	606	536
Financial Activities	2,856	2,902	2,821	2,891	2,639
Professional and Business Services	4,568	4,650	4,742	4,580	3,944
Education and Health Services	5,155	5,450	6,058	6,098	5,458
Leisure and Hospitality	2,746	2,811	2,888	2,889	2,063
Other Services	1,079	982	993	942	773
Public Administration	795	795	811	734	693
<b>Total Employment</b>	<b>29,235</b>	<b>29,661</b>	<b>30,190</b>	<b>31,521</b>	<b>25,198</b>
Number of Establishments	1,723	1,744	1,767	1,772	1,774
Average Weekly Wages	\$ 1,085	\$ 1,143	\$ 1,146	\$ 1,202	\$ 1,302
<b>Total Wages</b>	<b>\$ 1,650,028,742</b>	<b>\$ 1,762,122,011</b>	<b>\$ 1,799,035,909</b>	<b>\$ 1,856,758,461</b>	<b>\$ 1,706,447,092</b>

Source: Massachusetts Department of Education and Training. Data based upon place of employment, not place of residence.

The following table sets forth the largest employers in Braintree, exclusive of the Town itself.

### LARGEST EMPLOYERS

Name	Product/Function	Approximate No. of Employees
Daniel Quirk	Auto Dealership	1,000
Health South/Braintree Rehab	Rehabilitation Hospital	499
Verizon	Utility	400
Sears	Retail	363
Symmons Industries	Plumbing Manufacturer	290
ING	Financial Services	250
Mass State Lottery	State Agency	250
Nordstrom	Retail	250
Macy's	Retail	200

SOURCE: Individual employers listed.

## Labor Force, Employment and Unemployment

According to the Massachusetts Department of Employment and Training data in March 2022, the Town had a total labor force of 21,052 of which 20,426 were employed and 626 or 3.0% were unemployed, compared with 3.8% for the Commonwealth, although it is likely that the COVID-19 pandemic will adversely affect unemployment levels nationwide.

### UNEMPLOYMENT RATES

Year	Town of Braintree		Massachusetts Unemployment Rate	United States Unemployment Rate
	Labor Force	Unemployment Rate		
2021	20,785	5.4 %	5.7 %	3.7 %
2020	20,517	9.3	8.9	8.1
2019	21,195	2.5	2.9	3.7
2018	21,226	3.1	3.3	3.9
2017	20,527	3.3	3.7	4.4

SOURCE: Mass. Department of Employment and Training, Federal Reserve Bank of Boston and U.S. Bureau of Labor Statistics. Data based upon place of residence, not place of employment.

## Building Permits

The following table sets forth the trend in the number of building permits issued and the estimated dollar value of new construction and alterations. Permits are filed for both private constructions as well as for Town projects.

### BUILDING PERMITS

Calendar Year	New Construction				Additions/Alterations				Totals	
	Residential (1)		Non-Residential		Residential (2)		Non-Residential			
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2021	12	\$4,148,700	2	\$6,071,000	1,170	\$31,006,419	169	\$42,504,300	1,353	\$83,730,419
2020	4	1,267,000	-	-	1,025	26,086,743	123	26,549,853	1,152	53,903,596
2019	5	1,572,000	1	3,980,000	999	24,977,853	163	34,201,057	1,168	64,730,910
2018	16	4,949,028	3	13,295,000	1,576	41,981,117	297	94,789,685	1,892	155,014,830
2017	4	1,536,000	1	4,500,000	1,016	31,274,861	216	35,951,559	1,237	73,262,420

SOURCE: Report of the Building Inspector.

(1) Dwelling units only.

(2) Includes sheds, pool and garages, etc. as well as alterations and additions.

## Population and Income

The following table compares the 2020 Federal Census figures to prior years' averages for the Town, the Commonwealth and the United States.

### Population, Income and Wealth Levels

	<u>Braintree</u>	<u>Massachusetts</u>	<u>U.S.</u>
Median Age			
2020	41.5	39.4	38.3
2010	40.5	39.1	37.2
2000	40.0	36.5	35.3
1990	37.3	33.6	32.9
Median Family Income			
2020	\$96,522	\$81,215	\$62,843
2010	97,262	81,165	51,144
2000	73,552	61,664	50,046
1990	51,920	44,367	35,225
Per Capita Income			
2020	\$44,618	\$43,761	\$34,103
2010	37,317	33,966	27,334
2000	28,667	25,952	21,587
1990	18,624	17,224	14,420

On the basis of the 2020 Federal Census, the Town has a population density of approximately 2,599 persons per square mile.

### POPULATION TRENDS

<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>
37,190	35,744	33,828	33,836

SOURCE: Federal Census.

## PROPERTY TAXATION

### Tax Levy Computation

The principal revenue source of the Town is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations" below. As to the inclusion of debt service and final judgments, see "Security and Remedies", above. The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years. Although an allowance is made in the tax levy for abatements (see "Overlay" below) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (See "Taxation to Meet Deficits" below).

The following table illustrates the manner in which the tax levy was determined for the following fiscal years.

### TAX LEVY COMPUTATION

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Total Appropriations(1)	\$ 146,398,876	\$ 155,774,346	\$ 161,874,059	\$ 168,989,167	\$ 170,457,641
Additions:					
State and County Assessments	4,061,825	4,009,186	3,958,594	3,814,731	4,234,509
Overlay Reserve	1,132,086	1,040,464	1,201,542	1,141,765	1,135,214
Other Additions(2)	82,835	48,212	100,225	55,858	67,624
Total Additions	<u>5,276,746</u>	<u>5,097,862</u>	<u>5,260,361</u>	<u>5,012,354</u>	<u>5,437,347</u>
Gross Amount to be Raised	<u>151,675,622</u>	<u>160,872,208</u>	<u>167,134,420</u>	<u>174,001,521</u>	<u>175,894,988</u>
Deductions:					
Local Estimated Receipts(3)	39,298,964	43,105,366	44,545,936	43,417,762	43,161,021
State Aid(4)	23,419,123	24,189,526	24,882,238	25,719,108	25,276,227
Available Funds(5):					
Free Cash	-	1,790,396	1,391,075	5,323,467	-
Other Available Funds	603,309	725,301	281,700	281,700	2,146,200
Total Deductions	<u>63,321,396</u>	<u>69,810,589</u>	<u>71,100,949</u>	<u>74,742,037</u>	<u>70,583,448</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 88,354,226</u>	<u>\$ 91,061,619</u>	<u>\$ 96,033,471</u>	<u>\$ 99,259,484</u>	<u>\$ 105,311,540</u>

- (1) Includes annual appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting the tax rate.
- (2) Includes overlay deficits of prior years.
- (3) Includes receipts from enterprise funds, except electric.
- (4) Estimated by the State Department of Revenue and required by law to be used in setting of the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the State may withhold (generally quarterly) payments pending receipt of State and County assessments.
- (5) Transfers from available funds, including "Free Cash" (see TOWN FINANCES – Free Cash) can be made to reduce the tax rate or as an offset to a particular appropriation item.

## Assessed Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 20 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

The following table sets forth the trend in the Town's assessed valuations, tax rates, tax levies, and tax levies per capita.

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Rates			Tax Levy	Tax Levy Per Capita(1)
				Residential	Comm.-Ind.	Personal		
2022	\$ 8,431,830,747	\$ 118,560,200	\$ 8,550,390,947	\$ 9.95	\$ 21.63	\$ 21.55	\$ 105,311,540	\$ 2,946
2021	7,871,401,027	111,176,790	7,982,577,817	9.95	21.84	21.76	99,259,484	2,777
2020	7,626,962,807	107,139,360	7,734,102,167	9.86	21.81	21.73	96,033,471	2,687
2019	7,104,757,567	102,568,140	7,207,325,707	10.09	22.20	22.11	91,061,619	2,548
2018	6,548,496,711	99,184,210	6,647,680,921	10.54	23.37	23.26	88,354,226	2,472

(1) Based on the 2010 Federal Census of 35,744.

## Classification of Properties

The following is a breakdown of the Town's assessed valuation of real estate in fiscal years 2020, 2021 and 2022.

Property Type	2020		2021		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Residential	\$ 6,067,816,568	78.5 %	\$ 6,303,768,622	79.0 %	\$ 6,806,420,899	79.6 %
Commercial	1,319,473,339	17.1	1,323,751,605	16.6	1,355,027,648	15.8
Industrial	239,672,900	3.1	243,880,800	3.1	270,382,200	3.2
Personal	107,139,360	1.4	111,176,790	1.4	118,560,200	1.4
Total Real Estate	<u>\$ 7,734,102,167</u>	<u>100.0 %</u>	<u>\$ 7,982,577,817</u>	<u>100.0 %</u>	<u>\$ 8,550,390,947</u>	<u>100.0 %</u>

**LARGEST TAXPAYERS**

The following table lists the ten largest taxpayers in the Town based upon assessed valuation for fiscal 2022, all of which are current in paying property taxes.

Name	Nature of Business	Fiscal 2022 Assessed Valuation	Percent of Total Assessed Value
Braintree Property Associates	Malls	\$ 333,835,900	3.90 %
Braintree Hill Office Park, LLC	Office Park	111,044,300	1.30
Messina, Francis X. (et al)	Developer/Real Estate	108,489,100	1.27
Lenox Farms Limited Partnership	Apartments	86,898,700	1.02
EQR - Lincoln Braintree LLC	Apartments	47,138,500	0.55
UDR Ridge at Blue Hills LLC	Apartments	39,492,400	0.46
Braintree IRF Investment Group, Inc.	Rehabilitation Hospital	27,946,600	0.33
TRT Braintree II LLC	Retail	26,646,200	0.31
2001 Washington Street LLC	Private School	25,987,800	0.30
EIP Campanelli Parkway LLC	Office/ Warehouse	25,650,500	0.30
		<u>\$ 833,130,000</u>	<u>9.74 %</u>

**State Equalized Valuation**

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the “Equalized Value”.

The following table sets forth the trend in equalized valuations of the Town of Braintree.

January 1,	State Equalized Valuation	% Change
2020	\$ 8,213,296,300	12.7 %
2018	7,187,550,000	11.7
2016	6,327,219,800	13.5
2014	5,574,551,500	(0.9)
2012	5,627,043,400	(3.0)
2010	5,803,418,500	(4.9)
2008	6,103,206,100	(0.5)

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1.

**Overlay**

The Town is authorized to increase each tax levy by an amount approved by the Commissioner of Revenue as an “overlay” to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the resultant “overlay deficit” is required to be added to the next tax levy. An abatement granted after a tax payment has been made is accounted for as a refund on the books of the Town. Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue.

The following table sets forth the trend in the amount of the overlay reserve for recent fiscal years.

Fiscal Year	Net Tax Levy	Overlay Reserve		Abatements Granted Through June 30, 2021
		Dollar Amount	As a % of Net Levy	
2021	\$ 98,117,719	\$ 1,141,765	1.16 %	\$ 567,962
2020	94,831,929	1,201,542	1.27	663,927
2019	90,021,155	1,040,464	1.16	573,865
2018	87,222,140	1,132,086	1.30	547,747
2017	83,461,934	1,110,896	1.33	610,599

## Tax Collections

Property tax bills are payable quarterly on August 1, November 1, February 1, and May 1 of each fiscal year. Interest accrues on delinquent taxes at the rate of 14 percent per annum. Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

The following table compares the trend in the Town's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies during and subsequent to the fiscal year when due.

### Tax Collections

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatements	Net Tax Levy	Collections During Fiscal Year Payable (1)(2)	
				Dollar Amount	% of Net Levy
2021	\$ 99,259,484	\$ 1,141,765	\$ 98,117,719	\$ 98,563,247	100.5 %
2020	\$ 96,033,471	\$ 1,201,542	\$ 94,831,929	93,840,113	99.0
2019	91,061,619	1,040,464	90,021,155	89,533,979	99.5
2018	88,354,226	1,132,086	87,222,140	87,108,933	99.9
2017	84,572,830	1,110,896	83,461,934	83,492,751	100.0

(1) Actual dollar collections net of refunds. Does not include abatements, proceeds of tax titles or tax possessions attributable to each levy or other non-cash credits.

(2) Tax collections for the current fiscal year are comparable to previous fiscal years.

## Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments) it can be foreclosed by petition to the Land Court.

Upon such foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes. Uncollectible real property taxes are ordinarily not written off until they become municipal tax titles by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of tax and charging surplus.

The following table sets forth the trend in the amount of tax titles and possessions outstanding at the end of the fiscal year.

Fiscal Year	Total Tax Titles and Possessions
2021	\$ 1,960,065
2020	999,544
2019	1,298,175
2018	1,131,606
2017	1,058,352

## **Sale of Tax Receivables**

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk. In September 2014, the Town had a tax lien sale which consisted of 4 properties for a total tax amount of \$227,332 owed. In March, 2016, the Town had a tax lien sale which consisted of 1 property for a total tax amount of \$52,974 owed. In June, 2016, the Town had a tax lien sale which consisted of 7 properties for a total tax amount of \$301,490 owed. There was not a tax lien sale in fiscal 2018, fiscal 2019, fiscal 2020 or fiscal 2021. The Town plans to hold a tax lien sale in fiscal 2022.

## **Taxation to Meet Deficits**

As noted elsewhere (see “Overlay” above) overlay deficits, i.e., tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e., those resulting from non-property tax revenues being less than anticipated, are also required to be added to the next tax levy (at least to the extent not covered by surplus revenue). Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g., civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

The Town of Braintree has not experienced any revenue deficits in any of the last five fiscal years. To the extent there have been any unprovided or overdrawn accounts, including overlay deficits, such deficiencies have been provided for, in accordance with Massachusetts law, in the following year’s tax levy.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence. See “TOWN FINANCES — Free Cash”.

## **Tax Limitations**

Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year”.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to

such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town’s apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality’s sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district’s governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

**Unused Levy Capacity**

Fiscal Year	Estimated Full Valuation (1)	Primary Levy Limit	Maximum Levy Limit	Actual Tax Levy	Under(over) Primary Levy Limit	Under(over) Maximum Levy Limit
2022	\$ 8,431,830,747	\$ 213,759,774	\$ 105,333,106	\$ 105,311,540	\$ 108,448,234	\$ 21,566
2021	7,982,577,817	199,564,445	99,317,719	99,259,484	100,304,961	58,235
2020	7,734,102,167	193,352,554	96,036,025	96,033,471	97,319,083	2,554
2019	7,207,325,707	180,183,143	92,686,291	91,061,619	89,121,524	1,624,672
2018	6,647,680,921	166,192,023	89,528,431	88,354,226	77,837,797	1,174,205

(1) Local assessed valuation.

**Pledged Taxes**

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. The Town has no such Districts.

**Initiative Petitions**

Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted, such amendments must be approved by two successive legislatures and then by the voters at a state election.

## TOWN FINANCES

### Budget and Appropriation Process

The annual appropriations of the Town are ordinarily made after the annual budget hearings by the Town Council which usually take place in May. Additional appropriations may also be voted at other Town Council meetings. The Town has a Ways and Means Committee which is a subcommittee of the Council. The Mayor by Town Charter submits the Budget to the Town Council. The Town Council refers all financial matters to its Ways and Means Committee. The Ways and Means Committee holds public hearings and makes recommendations on all financial matters to the full Town Council for action.

The school budget is limited to the total amount appropriated by the Town Council, but the school committee retains full power to allocate the funds appropriated.

Under recent legislation, the town council on the recommendation of the mayor may transfer within the last 2 months of the fiscal year any amount appropriated for the use of any department to the appropriation for any other department, provided that no such transfer may be made from any appropriation for a school department, regional school district, or municipal light department.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget, but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See "PROPERTY TAXATION," above.)

### Budget Trends

The following table sets forth a comparison of the operating budget appropriations for fiscal years 2019 through 2023. As such, said budgets reflect neither revenues nor state and county assessments and other mandatory items. Also said budgets do not reflect expenditures authorized for non-recurring (generally capital) purposes or transfers occurring subsequent to the original passage of the budget.

### BUDGET COMPARISON

	Preliminary Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Town Council Programs	\$ 268,212	\$ 273,714	\$ 302,736	\$ 315,261	\$ 318,461
Mayor's Office Programs	481,344	479,204	511,609	579,847	649,694
Finance Programs	14,150,961	13,194,818	10,946,948	11,290,501	10,120,012
Law	173,430	172,543	182,450	311,746	349,750
Human Resources	24,611,670	22,942,166	22,492,842	21,682,163	20,896,366
Town Clerk	507,587	442,747	442,519	454,044	381,219
Planning and Development	578,808	556,809	630,674	653,548	649,583
Police	12,339,071	11,396,169	11,180,117	10,405,868	10,245,425
Fire	9,785,868	9,659,993	8,850,625	8,736,445	8,724,499
Municipal Licenses and Inspections	1,009,398	968,944	1,080,778	982,236	958,648
Education	73,849,568	71,947,500	73,218,902	70,628,795	67,243,706
Blue Hill Regional	2,831,399	2,582,753	2,672,573	2,697,242	2,779,024
Public Works	9,621,431	8,736,977	8,973,466	8,758,332	8,692,026
Elder Affairs	325,326	325,688	330,558	326,593	322,611
Library	1,574,164	1,559,691	1,538,653	1,508,954	1,552,346
Golf	1,753,456	1,708,653	1,949,400	1,907,151	1,586,992
Sewer	11,761,490	11,604,485	11,177,218	11,267,230	11,111,600
Water	10,267,548	10,011,413	9,353,438	7,854,431	7,471,249
Stormwater	1,190,815	1,704,266	1,424,895	582,029	620,525
<b>Totals</b>	<b>\$ 177,081,546</b>	<b>\$ 170,268,533</b>	<b>\$ 167,260,401</b>	<b>\$ 160,942,416</b>	<b>\$ 154,673,736</b>

## General Fund Revenues

Property Taxes: Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see "PROPERTY TAXATION–Tax Limitations" above.

State Aid – In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. None of the major local aid programs has a termination date under existing law and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature.

In the fall of 1986, both the State Legislature (by statute repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining law could restrict the amount of state revenues available for state aid to local communities.

State School Building Assistance Program: Under its school building assistance program, the Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The maximum reimbursement rate for new project grant applications submitted to the Authority on or after July 1, 2007 is 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Motor Vehicle Excise: An excise is imposed on the registration of motor vehicles (subject to exemptions) at a rate of \$25 per \$1,000 of valuation. Valuations are determined by a statutory formula based on manufacturer's list price and year of manufacture. Bills not paid when due bear interest at 12 per cent per annum. Provision is also made for non-renewal of license and registration by the registrar of motor vehicles.

Room Occupancy Tax: Under this tax, local governments may tax the provision of hotel, motel and lodging house rooms at a rate not to exceed 6% of the cost of renting such rooms. The tax is paid by the operator of the hotel, motel or lodging house to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions. The Town has levied the full 4% as permitted under the law since the inception of the tax. On August 11, 2009, the Town adopted an increase in the room occupancy tax to 6% to be effective October 1, 2009. This tax produced \$1,569,459 in fiscal 2017, \$1,585,651 in fiscal 2018, \$1,710,380 in fiscal 2019, \$1,547,029 in fiscal 2020 and \$585,016 in fiscal 2021.

Local Options Meals Tax: The Town voted to accept the provisions of General Laws Chapter 641, Section 2(a) to impose a local meals excise tax beginning July 1, 2013, and for all proceeds derived from said excise tax to be used solely to fund capital improvements, including but not limited to, equipment purchases and/or leases. In fiscal years 2017, 2018, 2019, 2020 and 2021, the Town received \$1,166,320, \$1,208,369, \$1,249,555, \$1,114,427, and \$999,800 respectively, in meals tax.

Other: Other sources of revenue include departmental income, investment income and various other sources.

### **Community Preservation Act**

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see "Tax Limitations" under "PROPERTY TAX" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

**The Town adopted the CPA at an additional charge of 1% in April 2002, effective beginning in fiscal 2003. As of June 30, 2021, the Town levied \$826,793 in surcharges and received state matching funds totaling \$233,585.**

**The CPA Trust Fund balance as of June 30, 2021 was \$7,400,000.**

### Enterprises

The Town’s water and sewer, golf course and electric light activities are accounted for as enterprises. See “Appendix A – Braintree Electric Light Department” for a discussion of the operations of the electric light activities enterprise.

The water/sewer rate structure as listed below also has a base fee of \$20.75 per quarter for both water and sewer shown below.

Tier	Usage	Rate
Water tier 1	0-500 CF	\$ 3.83
Water tier 2	501-3,500 CF	5.78
Water tier 3	3,501 -20,000 CF	12.65
Water tier 4	Over 20,0001 CF	17.99
Sewer tier 1	0-500 CF	\$ 6.33
Sewer tier 2	501-3,500 CF	8.00
Sewer tier 3	3,501 -20,000 CF	15.02
Sewer tier 4	Over 20,0001 CF	16.50

### Annual Audits

The Town’s finances are annually audited by Powers & Sullivan, Certified Public Accountant, the most recent of which was performed for the fiscal year ended June 30, 2021 and is attached hereto as Appendix A. Prior audits are available upon request from the Town.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

### Summary of Significant Accounting Policies

See Appendix A attached.

### Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for fiscal years ending June 30, 2021, June 30, 2020 and June 30, 2019, and Statements of Revenues, Expenditures and Changes in Fund Balance, for the fiscal years ended June 30, 2017 through fiscal year ended June 30, 2021. Said statements were extracted from audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS (1)**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

JUNE 30, 2021

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 20,065,756	\$ 55,576,981	\$ 22,816,457	\$ 98,459,194
Investments.....	-	-	7,577,543	7,577,543
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	883,429	-	-	883,429
Tax liens.....	1,833,974	-	-	1,833,974
Community preservation fund surtax.....	-	-	29	29
Motor vehicle and other excise taxes.....	511,430	-	-	511,430
Departmental and other.....	140,933	-	-	140,933
Intergovernmental.....	281,518	2,035,755	2,961,196	5,278,469
Community preservation state share.....	-	-	233,585	233,585
Tax foreclosures.....	78,281	-	-	78,281
Due from other funds.....	812,686	-	-	812,686
<b>TOTAL ASSETS.....</b>	<b>\$ 24,608,007</b>	<b>\$ 57,612,736</b>	<b>\$ 33,588,810</b>	<b>\$ 115,809,553</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 788,326	\$ 991,424	\$ 423,831	\$ 2,203,581
Accrued payroll.....	7,638,595	-	7,511	7,646,106
Tax refunds payable.....	155,400	-	-	155,400
Due to other funds.....	-	-	812,686	812,686
Other liabilities.....	-	-	1,048,460	1,048,460
Fees collected in advance.....	971,626	-	2,152,158	3,123,784
Notes payable.....	-	2,538,490	-	2,538,490
<b>TOTAL LIABILITIES.....</b>	<b>9,553,947</b>	<b>3,529,914</b>	<b>4,444,646</b>	<b>17,528,507</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue.....	3,361,702	-	1,313,237	4,674,939
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	2,564,529	2,564,529
Restricted.....	-	54,082,822	26,536,092	80,618,914
Committed.....	2,043,217	-	-	2,043,217
Assigned.....	1,490,378	-	-	1,490,378
Unassigned.....	8,158,763	-	(1,269,694)	6,889,069
<b>TOTAL FUND BALANCES.....</b>	<b>11,692,358</b>	<b>54,082,822</b>	<b>27,830,927</b>	<b>93,606,107</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 24,608,007</b>	<b>\$ 57,612,736</b>	<b>\$ 33,588,810</b>	<b>\$ 115,809,553</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS  
GOVERNMENTAL FUNDS BALANCE SHEET  
JUNE 30, 2020(1)**

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
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
<b>TOTAL ASSETS</b>	<b>\$ 27,620,695</b>	<b>\$ 13,632,932</b>	<b>\$ 30,844,929</b>	<b>\$ 72,098,556</b>
<b>LIABILITIES AND FUND BALANCES</b>				
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 from other funds	-	-	668,652	668,652
Fees collected in advance	696,843	-	-	696,843
Notes payable	-	2,538,490	-	2,538,490
<b>TOTAL LIABILITIES</b>	<b>8,872,489</b>	<b>4,574,940</b>	<b>1,226,900</b>	<b>14,674,329</b>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenues	\$ 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
<b>TOTAL FUND BALANCES</b>	<b>15,235,000</b>	<b>9,057,992</b>	<b>28,254,357</b>	<b>52,547,349</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 27,620,695</b>	<b>\$ 13,632,932</b>	<b>\$ 30,844,929</b>	<b>\$ 72,098,556</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS  
GOVERNMENTAL FUNDS BALANCE SHEET  
JUNE 30, 2019(1)**

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,490,113	\$ 17,594,209	\$ 19,983,131	\$ 62,067,453
Investments	-	-	7,232,308	7,232,308
Receivables, net of uncollectibles:				
Real estate and personal property taxes	893,100	-	674	893,774
Tax liens	1,299,079	-	-	1,299,079
Motor vehicle and other excise taxes	481,488	-	-	481,488
Departmental and other	65,796	-	-	65,796
Intergovernmental	3,288,062	7,105,324	2,549,103	12,942,489
Community preservation state share	-	-	89,150	89,150
Tax foreclosures	78,281	-	-	78,281
Due from other funds	648,118	-	-	648,118
<b>TOTAL ASSETS</b>	<b>\$ 31,244,037</b>	<b>\$ 24,699,533</b>	<b>\$ 29,854,366</b>	<b>\$ 85,797,936</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Warrants payable	\$ 1,190,193	\$ 7,210,075	\$ 589,844	\$ 8,990,112
Accrued payroll	6,376,843	-	6,736	6,383,579
Tax refunds payable	1,027,500	-	-	1,027,500
Due from other funds	-	-	648,118	648,118
Fees collected in advance	905,254	-	-	905,254
Notes payable	-	1,000,000	-	1,000,000
<b>TOTAL LIABILITIES</b>	<b>9,499,790</b>	<b>8,210,075</b>	<b>1,244,698</b>	<b>18,954,563</b>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenues	\$ 2,876,269	\$ -	\$ 1,775,091	\$ 4,651,360
FUND BALANCES:				
Nonspendable	-	-	2,564,529	2,564,529
Restricted	-	17,658,952	24,270,048	41,929,000
Committed	2,271,429	-	-	2,271,429
Assigned	1,021,666	-	-	1,021,666
Unassigned	15,574,883	(1,169,494)	-	14,405,389
<b>TOTAL FUND BALANCES</b>	<b>18,867,978</b>	<b>16,489,458</b>	<b>26,834,577</b>	<b>62,192,013</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 31,244,037</b>	<b>\$ 24,699,533</b>	<b>\$ 29,854,366</b>	<b>\$ 85,797,936</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS (1)**

**GOVERNMENTAL FUNDS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 98,412,429	\$ -	\$ -	\$ 98,412,429
Tax liens.....	239,113	-	-	239,113
Motor vehicle and other excise taxes.....	6,778,991	-	-	6,778,991
Hotel/motel tax.....	501,216	-	-	501,216
Meals tax.....	999,801	-	-	999,801
Penalties and interest on taxes.....	410,488	-	-	410,488
Payments in lieu of taxes.....	662,232	-	-	662,232
Intergovernmental - state aid.....	24,682,055	-	-	24,682,055
Intergovernmental - School Building Authority.....	869,677	3,103,485	-	3,973,162
Intergovernmental - Teachers Retirement.....	22,477,939	-	-	22,477,939
Intergovernmental - other.....	163,265	-	15,369,416	15,532,681
Departmental and other.....	6,414,734	-	3,405,691	9,820,425
Community preservation taxes.....	-	-	828,245	828,245
Community preservation state match.....	-	-	233,585	233,585
Contributions and donations.....	-	-	578,026	578,026
Investment income.....	265,250	-	36,433	301,683
<b>TOTAL REVENUES.....</b>	<b>162,877,190</b>	<b>3,103,485</b>	<b>20,451,396</b>	<b>186,432,071</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	4,311,158	202,284	4,060,475	8,573,917
Public safety.....	21,893,590	393,006	2,792,691	25,079,287
Education.....	76,098,233	10,490,049	9,892,673	96,480,955
Public works.....	5,722,065	1,944,316	1,360,201	9,026,582
Human services.....	794,013	-	220,379	1,014,392
Sanitation.....	2,341,559	-	-	2,341,559
Culture and recreation.....	1,380,938	-	222,335	1,603,273
Community preservation.....	-	-	1,999,588	1,999,588
Pension benefits - Town.....	8,997,525	-	-	8,997,525
Pension benefits - Teachers Retirement.....	22,477,939	-	-	22,477,939
Property and liability insurance.....	862,291	-	-	862,291
Employee benefits.....	12,152,234	-	-	12,152,234
State and county charges.....	3,779,626	-	-	3,779,626
Debt service:				
Principal.....	4,718,200	-	-	4,718,200
Interest.....	2,839,129	-	-	2,839,129
<b>TOTAL EXPENDITURES.....</b>	<b>168,368,500</b>	<b>13,029,655</b>	<b>20,548,342</b>	<b>201,946,497</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(5,491,310)</b>	<b>(9,926,170)</b>	<b>(96,946)</b>	<b>(15,514,426)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds.....	-	52,545,000	-	52,545,000
Issuance of refunding bonds.....	1,855,000	-	-	1,855,000
Premium from issuance of bonds.....	30,555	2,406,000	256,648	2,693,203
Premium from issuance of refunding bonds.....	293,331	-	-	293,331
Principal payment on current refunding.....	(2,085,000)	-	-	(2,085,000)
Proceeds from the sale of capital assets.....	150,000	-	-	150,000
Transfers in.....	1,757,150	-	-	1,757,150
Transfers out.....	(52,368)	-	(31,700)	(84,068)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,948,668</b>	<b>54,951,000</b>	<b>224,948</b>	<b>57,124,616</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(3,542,642)</b>	<b>45,024,830</b>	<b>128,002</b>	<b>41,610,190</b>
<b>FUND BALANCES AT BEGINNING OF YEAR (AS REVISED).....</b>	<b>15,235,000</b>	<b>9,057,992</b>	<b>27,702,925</b>	<b>51,995,917</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FISCAL YEAR ENDED JUNE 30, 2020 (1)**

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
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
<b>TOTAL REVENUES</b>	<b>\$ 157,108,969</b>	<b>\$ 14,755,953</b>	<b>\$ 13,149,014</b>	<b>\$ 185,013,936</b>
<b>EXPENDITURES:</b>				
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	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
<b>TOTAL EXPENDITURES</b>	<b>\$ 160,942,683</b>	<b>\$ 32,169,648</b>	<b>\$ 11,658,106</b>	<b>\$ 204,770,437</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (3,833,714)</b>	<b>\$ (17,413,695)</b>	<b>\$ 1,490,908</b>	<b>\$ (19,756,501)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds	-	7,377,000	-	7,377,000
Premium from issuance of bonds	23,093	887,000	86,463	996,556
School 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)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 200,736</b>	<b>\$ 9,982,229</b>	<b>\$ (71,128)</b>	<b>\$ 10,111,837</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,632,978)</b>	<b>(7,431,466)</b>	<b>1,419,780</b>	<b>(9,644,664)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>18,867,978</b>	<b>16,489,458</b>	<b>26,834,577</b>	<b>62,192,013</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 15,235,000</b>	<b>\$ 9,057,992</b>	<b>\$ 28,254,357</b>	<b>\$ 52,547,349</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FISCAL YEAR ENDED JUNE 30, 2019 (1)**

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes net of tax refunds	\$ 90,085,816	\$ -	\$ -	\$ 90,085,816
Tax liens	549,557	-	1,087	550,644
Motor vehicle and other excise taxes	6,675,091	-	-	6,675,091
Hotel/motel tax	1,728,984	-	-	1,728,984
Meals Tax	1,249,555	-	-	1,249,555
Penalties and interest on taxes	298,708	-	-	298,708
Payments in lieu of taxes	602,234	-	-	602,234
Intergovernmental - state aid	24,286,156	-	-	24,286,156
Intergovernmental - teachers retirement	15,234,260	-	-	15,234,260
Intergovernmental - other	560,206	18,809,296	8,246,998	27,616,500
Departmental and other	6,535,944	-	2,982,924	9,518,868
Community preservation taxes	-	-	764,993	764,993
Community preservation state match	-	-	139,255	139,255
Contributions and donations	-	-	918,637	918,637
Investment income	1,126,479	-	556,264	1,682,743
<b>TOTAL REVENUES</b>	<b>\$ 148,932,990</b>	<b>\$ 18,809,296</b>	<b>\$ 13,610,158</b>	<b>\$ 181,352,444</b>
<b>EXPENDITURES:</b>				
Current:				
General government	\$ 4,533,217	\$ 783,106	\$ 616,547	\$ 5,932,870
Public safety	21,540,003	581,037	491,218	22,612,258
Education	70,490,672	48,748,059	9,179,980	128,418,711
Public works	6,565,463	2,381,567	1,037,585	9,984,615
Human services	909,694	-	202,272	1,111,966
Sanitation	2,433,081	-	-	2,433,081
Culture and recreation	1,487,267	343,054	399,993	2,230,314
Community preservation	-	-	951,848	951,848
Pension benefits-town	7,647,629	-	-	7,647,629
Pension benefits-teachers	15,234,260	-	-	15,234,260
Property and liability insurance	532,312	-	-	532,312
Employee benefits	12,902,971	-	-	12,902,971
State and county charges	4,113,515	-	-	4,113,515
Debt service:				
Principal	3,736,000	-	-	3,736,000
Interest	1,692,236	-	-	1,692,236
<b>TOTAL EXPENDITURES</b>	<b>\$ 153,818,320</b>	<b>\$ 52,836,823</b>	<b>\$ 12,879,443</b>	<b>\$ 219,534,586</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (4,885,330)</b>	<b>\$ (34,027,527)</b>	<b>\$ 730,715</b>	<b>\$ (38,182,142)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds	-	29,033,500	-	29,033,500
Premium from issuance of bonds	3,352	3,123,500	156,095	3,282,947
School insurance proceeds	-	-	2,753,639	2,753,639
Transfers In	2,609,964	1,691,453	670,023	4,971,440
Transfers Out	(944,857)	-	(2,698,067)	(3,642,924)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 1,668,459</b>	<b>\$ 33,848,453</b>	<b>\$ 881,690</b>	<b>\$ 36,398,602</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,216,871)</b>	<b>(179,074)</b>	<b>1,612,405</b>	<b>(1,783,540)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>22,084,849</b>	<b>16,668,532</b>	<b>25,222,172</b>	<b>63,975,553</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 18,867,978</b>	<b>\$ 16,489,458</b>	<b>\$ 26,834,577</b>	<b>\$ 62,192,013</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2018 (1)**

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes net of tax refunds	\$ 88,217,335	\$ -	\$ -	\$ 88,217,335
Tax liens	320,163	-	1,433	321,596
Motor vehicle and other excise taxes	6,614,593	-	-	6,614,593
Hotel/motel tax	1,558,537	-	-	1,558,537
Meals Tax	1,208,369	-	-	1,208,369
Penalties and interest on taxes	318,098	-	-	318,098
Payments in lieu of taxes	668,783	-	-	668,783
Intergovernmental - state aid	23,978,769	-	-	23,978,769
Intergovernmental - teachers retirement	14,882,115	-	-	14,882,115
Intergovernmental - other	1,210,955	3,445,539	7,071,684	11,728,178
Departmental and other	5,689,946	-	2,845,101	8,535,047
Community preservation taxes	-	-	733,774	733,774
Community preservation state match	-	-	119,439	119,439
Contributions and donations	-	-	481,615	481,615
Investment income	415,190	-	245,801	660,991
Miscellaneous	65,050	-	-	65,050
<b>TOTAL REVENUES</b>	<b>\$ 145,147,903</b>	<b>\$ 3,445,539</b>	<b>\$ 11,498,847</b>	<b>\$ 160,092,289</b>
<b>EXPENDITURES:</b>				
Current:				
General government	\$ 4,595,239	\$ 529,609	\$ 856,564	\$ 5,981,412
Public safety	21,296,658	733,167	380,621	22,410,446
Education	67,681,293	7,675,874	8,660,601	84,017,768
Public works	5,780,890	2,426,968	522,860	8,730,718
Human services	892,915	656,116	233,259	1,782,290
Sanitation	1,628,673	-	-	1,628,673
Culture and recreation	2,556,801	52,070	343,452	2,952,323
Community preservation	-	-	568,296	568,296
Pension benefits-town	6,973,028	-	-	6,973,028
Pension benefits-teachers	14,882,115	-	-	14,882,115
Property and liability insurance	519,829	-	-	519,829
Employee benefits	12,517,334	-	-	12,517,334
State and county charges	3,918,138	-	-	3,918,138
Debt service:				
Principal	3,165,700	-	-	3,165,700
Interest	912,521	-	-	912,521
<b>TOTAL EXPENDITURES</b>	<b>\$ 147,321,134</b>	<b>\$ 12,073,804</b>	<b>\$ 11,565,653</b>	<b>\$ 170,960,591</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,173,231)</b>	<b>\$ (8,628,265)</b>	<b>\$ (66,806)</b>	<b>\$ (10,868,302)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds	-	22,764,000	-	22,764,000
Premium from issuance of bonds	-	890,000	236,360	1,126,360
Transfers In	2,593,171	209,000	194,917	2,997,088
Transfers Out	(300,822)	-	(378,407)	(679,229)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 2,292,349</b>	<b>\$ 23,863,000</b>	<b>\$ 52,870</b>	<b>\$ 26,208,219</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>119,118</b>	<b>15,234,735</b>	<b>(13,936)</b>	<b>15,339,917</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>21,965,731</b>	<b>1,433,797</b>	<b>25,236,108</b>	<b>48,635,636</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 22,084,849</b>	<b>\$ 16,668,532</b>	<b>\$ 25,222,172</b>	<b>\$ 63,975,553</b>

(1) Extracted from the Town's audited financial statements.

**TOWN OF BRAINTREE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FISCAL YEAR ENDED JUNE 30, 2017 (1)**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Real estate and personal property taxes net of tax refunds	\$ 82,951,838	\$ -	\$ 82,951,838
Tax liens	509,621	16	509,637
Motor vehicle and other excise taxes	6,321,563	-	6,321,563
Hotel/motel tax	1,561,777	-	1,561,777
Meals Tax	1,166,320	-	1,166,320
Penalties and interest on taxes	301,991	-	301,991
Payments in lieu of taxes	401,155	-	401,155
Intergovernmental	38,521,600	9,249,099	47,770,699
Departmental and other	6,162,659	2,994,109	9,156,768
Community preservation	-	696,779	696,779
Contributions	-	639,541	639,541
Investment income	298,615	43,409	342,024
<b>TOTAL REVENUES</b>	<b>\$ 138,197,139</b>	<b>\$ 13,622,953</b>	<b>\$ 151,820,092</b>
<b>EXPENDITURES:</b>			
Current:			
General government	\$ 4,379,830	\$ 531,929	\$ 4,911,759
Public safety	19,955,704	389,440	20,345,144
Education	65,377,120	9,834,572	75,211,692
Public works	4,878,295	3,656,869	8,535,164
Sanitation	1,527,540	-	1,527,540
Community development	-	303,227	303,227
Human services	853,063	283,593	1,136,656
Culture and recreation	2,524,736	662,383	3,187,119
Pension benefits-town	6,522,861	-	6,522,861
Pension benefits-teachers	14,169,187	-	14,169,187
Property and liability insurance	475,142	-	475,142
Employee benefits	12,675,021	-	12,675,021
State and county charges	3,649,290	-	3,649,290
Debt service:			
Principal	3,218,000	-	3,218,000
Interest	856,872	-	856,872
<b>TOTAL EXPENDITURES</b>	<b>\$ 141,062,661</b>	<b>\$ 15,662,013</b>	<b>\$ 156,724,674</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,865,522)</b>	<b>\$ (2,039,060)</b>	<b>\$ (4,904,582)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of long-term debt	-	4,537,300	4,537,300
Premium from issuance of bonds	-	632,244	632,244
Transfers In	2,666,106	614,183	3,280,289
Transfers Out	(179,396)	(1,021,359)	(1,200,755)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 2,486,710</b>	<b>\$ 4,762,368</b>	<b>\$ 7,249,078</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(378,812)</b>	<b>2,723,308</b>	<b>2,344,496</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>22,344,543</b>	<b>23,946,597</b>	<b>46,291,140</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 21,965,731</b>	<b>\$ 26,669,905</b>	<b>\$ 48,635,636</b>

(1) Extracted from the Town's audited financial statements.

## Unassigned General Fund Balance and Free Cash

### General Fund

Under Massachusetts law an amount known as “free cash” is certified as of the beginning of each fiscal year by the State Department of Revenue Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy.

The following table sets forth the trend in the unassigned general fund balance and free cash as certified by the Bureau of Accounts.

	<u>Unassigned General Fund Balance (1)</u>	<u>Free Cash (July 1)</u>
2021	\$ 8,158,763	\$ 4,707,796 (2)
2020	11,595,073	3,093,791 (2)
2019	15,574,883	10,731,888
2018	19,301,569	13,950,232
2017	18,825,423	15,028,618
2016	18,830,121	14,503,965

(1) Source: Audited financial statements, except as noted.

(2) Several items required the use of free cash in Fiscal Years 2020 and 2021, including FY20 Capital Projects (\$400,000) and FY20 Operating Expenses, including police and fire overtime and funding pursuant to negotiated collective bargaining agreements (\$2,600,000). Additionally, in FY21, the use of free cash was required to replace decreased revenues due to COVID (\$2,358,000) and a delayed land sale (\$1,300,000).

### Enterprise Funds

	<u>Free Cash (July 1)</u>	
	<u>Water &amp; Sewer</u>	<u>Golf</u>
2021	\$ 9,199,492	\$ 180,432
2020	7,086,956	(345,958)
2019	5,792,601	(90,217)
2018	4,868,849	(194,459)
2017	3,819,815	(35,431)

### Stabilization Fund

The Town maintains a stabilization fund that is accounted for in the Trust Funds. Funded by an appropriation, the Stabilization Fund plus interest income may be appropriated at an annual or special town meeting for any project. The following table sets forth the trend in Stabilization Fund balance for the following fiscal years.

<u>Fiscal Year</u>	<u>Balance</u>
2021	\$ 8,127
2020	148,788
2019	148,788
2018	145,160
2017	87,885

On February 23, 2014, the Town created a Building Capital Stabilization Fund with an initial deposit of \$1,000,000. The balance of the Fund as of June 30, 2016 was \$1,292,263. The balance of the fund as of June 30, 2017 was \$2,074,140. The balance as of June 30, 2018 was \$1,432,703. The balance as of June 30, 2019 was \$334,193. The balance as of June 30, 2020 was \$69,194. The balance as of June 30, 2021 was \$72,771.

In addition, the Town also maintains a Health Insurance Trust Fund. The balance of the fund at June 30, 2016 was \$6,966,041. The balance of the fund as of June 30, 2017 was \$8,513,848. The balance as of June 30, 2018 was \$10,160,271. The balance as of June 30, 2019 was \$9,701,175. The balance as of June 30, 2020 was \$10,365,310. The balance as of June 30, 2021 was approximately \$13,069,905.

### **Tax Increment Financing for Development Districts**

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½ (see "Property Tax Limitation" under "PROPERTY TAXATION" above.) The Town has not adopted any tax increment financing for development districts.

### **Investment of Town Funds**

All funds of the Town, except for trust funds, are invested in accordance with Section 55 of Chapter 44 of the Massachusetts General Laws (MGL). This section permits investment of available funds and bond and note proceeds in term deposits and Certificates of Deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of one year or less, in repurchase agreements secured by federal or federal agency securities, with a maturity of 90 days or less, in participation units in the Massachusetts Municipal Depository Trust (MMDT), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization. MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee and the fund is managed under contract by Federated Investors Inc. of Pittsburgh.

According to the State Treasurer the MMDT's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with Section 54 of Chapter 44 of the MGL, which permits a broader range of investments than Section 55, including any bonds or notes that are legal, investments for savings banks in the Commonwealth. The restrictions imposed by Sections 54 and 55 do not apply to town retirement systems.

A breakdown of above investments may be obtained from the Town Treasurer.

## INDEBTEDNESS

### Authorization Procedure and Limitations

Serial bonds and notes are authorized on behalf of the Town by vote of two-thirds of all members of the Town Council, and the approval of the Mayor. Provision is made for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary debt in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the Mayor.

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Municipal Finance Oversight Board consisting of the Attorney General, the State Treasurer, the State Auditor, and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer bonds, water bonds, bonds for electric, gas and telecommunications systems, solid waste disposal facility bonds and economy development bonds supported by tax increments financing, and subject to special debt limits, bonds for housing, urban renewal and economic development (subject to various debt limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

### Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the first principal payment of any of the bonds or notes being refunded thereby, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as "tax credit bonds" to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. For certain school projects, however, notes may be refunded from time to time for a period not to exceed seven years without having to pay any portion of the principal of the notes from revenue funds. The maximum term of bonds issued to refund bond anticipation notes is measured (except for certain school projects) from the date of the original issue of the notes.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawfully unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "Taxation to Meet Deficits" under "PROPERTY TAX" above). In any event, the period from an original borrowing to its final maturity cannot exceed one year.

The Town has not issued revenue anticipation notes during the past ten fiscal years.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. Generally they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth Clean Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns having electric departments may issue revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

**TOWN OF BRAINTREE, MASSACHUSETTS  
DIRECT DEBT SUMMARY  
Projected Debt as of June 30, 2022**

**General Obligation Bonds:**

Outstanding (1):			
Sewer (2)	\$	799,056	
Water (3)		24,588,619	
School (4)		92,130,300	
Electric (5)		40,090,000	
General		24,659,600	
Golf (2)		50,000	
Total Long-Term Debt Outstanding			\$182,317,575

This Issue of Bonds to be Dated June 9, 2022 5,615,000

**Temporary Notes:**

Bond Anticipation Notes (6)		4,938,490	
Less:			
To Be Funded with MSBA Grant Proceeds		(519,490)	
To Be Retired With Revenue Funds		(2,400,000)	
Total Short-Term Debt Outstanding (7)			2,019,000

**Total Direct Debt:** \$ 189,951,575

- (1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt and unfunded pension liability and other post-employment benefits liability.
- (2) Self-supporting.
- (3) Self-supporting. \$24,303,619 is outside the Town's debt limit.
- (4) \$87,528,000 is outside the Town's debt limit and \$48,843,000 has been excluded from the limits of Proposition 2 ½. Does not reflect reimbursement to be received from the Massachusetts School Building Authority for school building assistance.
- (5) Self-supporting. Outside the Town's debt limit.
- (6) Payable June 10, 2022.
- (7) To be issued concurrent with the Bonds, payable September 15, 2022.

**Debt Ratios**

The table below sets forth the trend in the percentage of debt to equalized valuation and per capita debt ratios at the end of the following fiscal years. The table considers the principal amount of general obligation bonds of the Town of Braintree only. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or part, by non-tax revenues. (See "Direct Debt Summary".)

Fiscal Year End	General Obligation Bonds Outstanding (1)	Population (2020 Federal Census)	Equalized Valuation(2)	Per Capita Debt (1)	Ratio Debt To Equalized Valuation (1)
2022 (projected)	\$182,317,575	39,143	\$8,213,296,300	\$4,658	2.22 %
2021	197,273,058	39,143	8,213,296,300	5,040	2.40
2020	155,811,912	39,143	7,187,550,000	3,981	2.17
2019	158,725,691	39,143	7,187,550,000	4,055	2.21
2018	138,330,089	39,143	6,327,219,800	3,534	2.19

- (1) Includes \$40,090,000 outstanding self-supporting electric light general obligation bonds issued by the Town in fiscal 2009, refunded in March 2015.
- (2) 2016 equalized valuation is used for fiscal year 2018; 2018 equalized valuation is used for fiscal years 2019 and 2020; 2020 equalized valuation is used for fiscal year 2021 and 2022.

## Principal Payments by Purpose

The following table sets forth the principal payments by purpose for the outstanding debt of the Town of Braintree project as of June 30, 2022.

### GENERAL OBLIGATION BONDS PRINCIPAL PAYMENTS BY PURPOSE Projected as of June 30, 2022

Fiscal Year	Enterprise Debt (1)					Governmental Debt			Total Principal Payments
	Water	Sewer	Electric	Golf	Total Enterprise	General	School	Total Governmental	
2023	\$ 2,079,138	\$ 142,899	\$ 6,785,000	\$ 25,000	\$ 9,032,036	\$ 2,526,700	\$ 3,372,100	\$ 5,898,800	\$ 14,930,836
2024	2,063,498	117,899	7,120,000	25,000	9,326,397	2,310,000	3,404,800	5,714,800	15,041,197
2025	2,060,666	117,899	7,475,000	-	9,653,565	2,250,000	3,528,000	5,778,000	15,431,565
2026	2,058,541	112,899	7,845,000	-	10,016,440	2,202,500	3,653,000	5,855,500	15,871,940
2027	1,883,724	112,899	7,545,000	-	9,541,623	2,015,100	3,505,600	5,520,700	15,062,323
2028	1,795,814	86,399	3,320,000	-	5,202,213	1,867,000	3,617,000	5,484,000	10,686,213
2029	1,787,213	63,774	-	-	1,850,986	1,667,000	3,731,000	5,398,000	7,248,986
2030	1,443,119	41,819	-	-	1,484,938	1,551,000	3,846,500	5,397,500	6,882,438
2031	1,449,533	2,573	-	-	1,452,106	1,357,000	3,879,500	5,236,500	6,688,606
2032	1,373,456	-	-	-	1,373,456	1,275,000	3,913,000	5,188,000	6,561,456
2033	1,303,887	-	-	-	1,303,887	1,151,000	3,952,000	5,103,000	6,406,887
2034	1,184,327	-	-	-	1,184,327	1,096,000	4,042,000	5,138,000	6,322,327
2035	1,019,776	-	-	-	1,019,776	971,000	4,137,000	5,108,000	6,127,776
2036	915,234	-	-	-	915,234	851,000	4,227,000	5,078,000	5,993,234
2037	790,692	-	-	-	790,692	739,300	4,331,800	5,071,100	5,861,792
2038	615,000	-	-	-	615,000	715,000	4,435,000	5,150,000	5,765,000
2039	365,000	-	-	-	365,000	75,000	4,545,000	4,620,000	4,985,000
2040	265,000	-	-	-	265,000	25,000	3,455,000	3,480,000	3,745,000
2041	135,000	-	-	-	135,000	15,000	3,195,000	3,210,000	3,345,000
2042	-	-	-	-	-	-	3,275,000	3,275,000	3,275,000
2043	-	-	-	-	-	-	3,360,000	3,360,000	3,360,000
2044	-	-	-	-	-	-	3,445,000	3,445,000	3,445,000
2045	-	-	-	-	-	-	3,540,000	3,540,000	3,540,000
2046	-	-	-	-	-	-	3,630,000	3,630,000	3,630,000
2047	-	-	-	-	-	-	1,035,000	1,035,000	1,035,000
2048	-	-	-	-	-	-	1,075,000	1,075,000	1,075,000
<b>Total:</b>	<b>\$24,588,619</b>	<b>\$799,056</b>	<b>\$40,090,000</b>	<b>\$50,000</b>	<b>\$65,527,675</b>	<b>\$24,659,600</b>	<b>\$92,130,300</b>	<b>\$116,789,900</b>	<b>\$182,317,575</b>

(1) Self-supporting.

## Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the Town of Braintree.

### GENERAL OBLIGATION DEBT Projected as of June 30, 2022

Fiscal Year	Principal	Interest	Total
2023	\$ 14,930,836	\$ 6,777,202	\$ 21,708,039
2024	15,041,197	6,087,792	21,128,989
2025	15,431,565	5,387,949	20,819,514
2026	15,871,940	4,669,374	20,541,314
2027	15,062,323	3,939,066	19,001,389
2028	10,686,213	3,239,913	13,926,126
2029	7,248,986	2,759,440	10,008,426
2030	6,882,438	2,449,684	9,332,121
2031	6,688,606	2,180,872	8,869,478
2032	6,561,456	1,952,154	8,513,610
2033	6,406,887	1,754,065	8,160,953
2034	6,322,327	1,582,762	7,905,089
2035	6,127,776	1,415,187	7,542,963
2036	5,993,234	1,255,416	7,248,650
2037	5,861,792	1,102,437	6,964,228
2038	5,765,000	950,366	6,715,366
2039	4,985,000	799,413	5,784,413
2040	3,745,000	671,813	4,416,813
2041	3,345,000	580,081	3,925,081
2042	3,275,000	498,538	3,773,538
2043	3,360,000	414,794	3,774,794
2044	3,445,000	327,263	3,772,263
2045	3,540,000	235,781	3,775,781
2046	3,630,000	140,081	3,770,081
2047	1,035,000	73,850	1,108,850
2048	1,075,000	37,625	1,112,625
Total	<u>\$ 182,317,575</u>	<u>\$ 51,282,916</u>	<u>\$ 233,600,491</u>

## Authorized Unissued Debt and Prospective Financing

Following delivery of the Bonds, the Town will have approximately \$98 million of authorized unissued debt. The Town is preparing a comprehensive capital plan which includes potential borrowings for major school construction and reconstruction projects and water and sewer upgrades. Potential project estimates are not currently available and the priority of projects has not yet been determined. Any such water and sewer debt would be supported by user fees and rates. Prospective school construction projects would be expected to be subject to a debt exclusion and eligible for approximately 56% state school construction grants.

## Overlapping Debt

The Town of Braintree is located in Norfolk County and is a member of the Massachusetts Water Resources Authority ("MWRA") and the Massachusetts Bay Transportation Authority ("MBTA"). The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of Norfolk County, the MWRA and the MBTA, as well as the Town's share of such debt and the fiscal 2022 assessments by the overlapping entities to the Town.

Overlapping Entity	Outstanding Debt	Braintree's Estimated Share(1)	Fiscal 2022 Dollar Assessment(2)
Norfolk County(3) Massachusetts Water Resources Authority(4) Sewer	\$ 16,045,000	4.663%	\$ 312,887
Massachusetts Bay Transportation Authority(5)	3,153,683,000	1.818%	5,996,039
	5,149,356,000	0.469%	842,288

(1) Estimated share of debt only.

(2) Dollar assessment based upon total net operating expenses, inclusive of debt service.

(3) SOURCE: Norfolk County Treasurer's Office. Debt is as of June 30, 2022. Assessment includes debt service and other County expenses assessed upon the Town in proportion to its equalized valuation. Legislation enacted in 1997 abolished the county governments of Franklin and Middlesex Counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the County in the payment of general obligation notes of the County. The legislation also abolished the county governments of Hampden and Worcester Counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county governments in all the remaining counties.

(4) SOURCE: MWRA. Debt is as of June 30, 2021. The MWRA provides wholesale drinking water services in whole or in part to 48 cities, towns and special purpose entities and provides wastewater collection and treatment services to 43 cities, towns and special purpose entities. Under its enabling legislation, as amended, the aggregate principal amount of all bonds issued by the MWRA for its corporate purposes may not exceed \$6.1 billion outstanding at any time. Its obligations are secured by revenues of the MWRA. The MWRA assesses member cities, towns and special purpose entities, which continue to provide direct retail water and sewer services to users. The cities, towns and other entities collect fees from the users to pay all or part of the assessments; some municipalities levy property taxes to pay part of the amounts assessed upon them.

(5) SOURCE: MBTA. Debt is as of June 30, 2021. The MBTA was created in 1964 to finance and operate mass transportation facilities within the greater Boston metropolitan area. Under its enabling act, the MBTA is authorized to issue bonds for capital purposes, other than refunding bonds, and for certain specified purposes to an outstanding amount, which does not exceed the aggregate principal amount of \$3,556,300,000. In addition, pursuant to certain of the Commonwealth's transportation bond bills, the MBTA is authorized to issue additional bonds for particular capital projects. The MBTA also is authorized to issue bonds for the purpose of refunding bonds. Under the MBTA's enabling act, debt service and other operating expenses of the MBTA are to be financed by a dedicated revenue stream consisting of the amounts assessed on the cities and towns of the MBTA and a dedicated portion of the statewide sales tax. The amount assessed to each city and town is based on its weighted percentage of the total population of the authority as provided in the enabling act. The aggregate amount of such assessments is not permitted to increase by more than 2.5 percent per year.

## **Contractual Obligations**

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases for long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. See Appendix A for information relating to contractual obligations of the Town's Electric Department.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

Other than the contracts of the Town's Electric Department referred to above, the Town has no contractual agreements of any significance other than a five-year contract with Sunrise Scavenger for trash and recyclables pickup, which expires June 30, 2022. The cost for the contract with Sunrise Scavenger was \$1,341,991 in fiscal 2016, \$1,378,061 in fiscal 2017, \$1,384,837 in fiscal 2018, \$2,039,191 in fiscal 2019, \$2,045,359 in fiscal 2020 and \$1,938,042 in fiscal 2021. The Town budgeted \$2,133,802 for this cost for fiscal 2022.

## **RETIREMENT PLAN**

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2040, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of

January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

All Town employees, other than teachers, participate in the Town of Braintree Contributory Retirement System (the "System"). Contributions to provide benefits under the System are made by the Town, the Electric Light Department and the Braintree Housing Authority, in accordance with a funding schedule determined by an actuarial valuation, in accordance with Massachusetts General Laws, Chapter 22D. Active Town employees contribute 5%, 7%, 8% or 9%, (depending on date of employment) of their regular compensation, as defined by PERAC. Participants of the plan hired after 1978 are required to contribute an additional 2% of compensation over \$30,000.

The Town's contributions to its contributory retirement system in the following fiscal years are as follows:

<u>Fiscal Year</u>	<u>Fiscal Contribution</u>
2022 (budgeted)	\$ 14,401,166
2021	12,470,014
2020	11,406,988
2019	10,691,027
2018	9,899,098
2017	8,972,107

Massachusetts Contributory Retirement System benefits are uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based on a member's age, length of creditable service, level of compensation and group classification.

Members become vested after 10 years of creditable services. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. (For certain hazardous duty and public safety positions, normal retirement age is at 55.)

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest he or she generates constitutes the annuity. The differential between the total retirement benefit is currently approximately 80% to 85% pension and 15% to 20% annuity.

Under recent legislation, cost of living adjustments (COLA) for the System would be granted and funded by the System. Those statutory provisions have been accepted by the Retirement Board with the approval of the Town Council, which acceptance may not be revoked.

The pension benefit obligation of the Town was computed as part of an actuarial valuation performed as of January 1, 2020. Actuarial assumptions used in the valuation include (1) projected salary increases of 4.25-4.75% per year and (2) and a 7.65% assumed rate of return.

The total unfunded actuarial accrued liability applicable to the Town's employees in the System was \$104,723,325 at January 1, 2020, based on an accrued liability of \$324,483,631 and an actuarial value of assets of \$219,760,306.

In addition to pension benefits, cities and towns may provide retired employees with payments for a portion of their health care and life insurance benefits. These benefit payments are generally provided on a pay-as-you-go basis.

Under legislation enacted in 2003, cities and towns that accepted its provisions and that obtained certain state approvals therefor could, within limits, reduce the amount of their scheduled appropriations for fiscal year 2004 and fiscal year 2005 for the unfunded portion of their pension liability to offset recent reductions in state aid. Cities and towns that reduced such appropriations were required to revise their retirement system funding schedule for eliminating their unfunded pension liability and could extend such schedule by one year, provided that in no event could such funding schedule extend beyond June 30, 2028. Braintree did not accept such provisions.

For additional information with respect to the System, see Appendix A.

### Current Funding Schedule

Fiscal Year	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2010	Net 3(8)© Transfers	Total Employer Cost	Increase Over Prior Year	Unfunded Actuarial Accrued Liability
2021	\$ 4,051,283	\$ 8,148,648	\$ 120,083	\$ 150,000	\$ 12,470,014		\$ 104,723,325
2022	4,193,078	8,568,005	120,082	150,000	13,031,165	4.50 %	104,155,478
2023	4,339,836	9,127,731	-	150,000	13,617,567	4.50	103,109,089
2024	4,491,729	9,976,728	-	150,000	14,618,457	7.35	101,526,501
2025	4,648,940	10,893,975	-	150,000	15,692,915	7.35	98,941,972
2026	4,811,653	11,884,691	-	150,000	16,846,344	7.35	95,208,041
2027	4,980,060	12,954,490	-	150,000	18,084,550	7.35	90,160,552
2028	5,154,362	14,109,403	-	150,000	19,413,765	7.35	83,616,965
2029	5,334,765	15,355,911	-	150,000	20,840,676	7.35	75,374,520
2030	5,521,482	16,700,984	-	150,000	22,372,466	7.35	65,208,219
2031	5,714,735	18,152,107	-	150,000	24,016,842	7.35	52,868,622
2032	5,914,750	19,717,329	-	150,000	25,782,079	7.35	38,079,440
2033	6,121,767	21,305,883	-	150,000	27,577,650	6.96	20,534,897
2034	6,336,028	-	-	150,000	6,486,028	(76.48)	-
2035	6,557,789	-	-	150,000	6,707,789	3.42	-
2036	6,787,311	-	-	150,000	6,937,311	3.42	-
2037	7,024,868	-	-	150,000	7,174,868	3.42	-
2038	7,270,739	-	-	150,000	7,420,739	3.43	-
2039	7,525,215	-	-	150,000	7,675,215	3.43	-
2040	7,788,597	-	-	150,000	7,938,597	3.43	-
2041	8,061,198	-	-	150,000	8,211,198	3.43	-
2042	8,343,340	-	-	150,000	8,493,340	3.44	-
2043	8,635,357	-	-	150,000	8,785,357	3.44	-
2044	8,937,595	-	-	150,000	9,087,595	3.44	-
2045	9,250,410	-	-	150,000	9,400,410	3.44	-
2046	9,574,175	-	-	150,000	9,724,175	3.44	-
2047	9,909,271	-	-	150,000	10,059,271	3.45	-
2048	10,256,097	-	-	150,000	10,406,097	3.45	-
2049	10,615,060	-	-	150,000	10,765,060	3.45	-
2050	10,986,588	-	-	150,000	11,136,588	3.45	-

Source: January 1, 2020 Actuarial Valuation Report of the Braintree Contributory Retirement System, PERAC.

## Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis.

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis. The Governmental Accounting Standards Board ("GASB") promulgated its Statement Nos. 43 and 45, which require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The Town was required to implement the GASB reporting requirements for other post-employment benefits beginning with its fiscal year 2007 audit. An outside firm recently updated the actuarial valuation of the Town's post-employment liability and the unfunded OPEB liability is estimated at \$160,331,967 as of June 30, 2021, using a 6.75% discount rate, assuming the plan is funded on a pay-as-you go basis.

The Town has considered various options to fully fund this liability, including modifying existing health care plan design, copayments and premium share in addition to having a GASB approved OPEB Trust Fund to which increasing annual contributions have been and are planned to be appropriated. The Town decided to continue funding this liability through annual appropriations on a pay-as-you go basis. The Town appropriated \$1.3 million of its General and Enterprise Funds in fiscal 2013. The Town decided to increase this appropriation annually by a minimum of \$145,000 through 2033, when the Town's unfunded pension liability is planned to be fully funded. At this point the Town expects to appropriate the same amount as it had been raising to fund pensions, to fully fund the OPEB liability annually through 2040. The OPEB Trust Fund Balance as of June 30, 2020 was \$15,959,363. The balance as of June 30, 2021 was \$21,453,136.

## EMPLOYEE RELATIONS

The Town employs approximately 386 full-time workers, of whom 105 are employed by the Public Works Department, 89 by the Fire Department, and the 171 balance by various other Town Departments. There are 65 part-time employees (including Library Pages, Recycling Workers and Traffic Supervisors/Matrons.) The Braintree School Department employs 810 full and 43 part-time workers. In addition, the Braintree Electric Light Department employs 97 full time employees. Most town employees are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The following table outlines the Town's existing unions.

<u>Union</u>	<u>Contract Expires</u>	<u>Number of Members</u>
American Federation of State, County and Municipal Employees (A.F.S.C.M.E.)	6/30/2022	86
Braintree Library Staff Association (B.L.S.A.)	6/30/2022	23
Braintree Police Patrolmen's Club (B.P.P.C.)	6/30/2022	65
Braintree Professional Management Association (B.P.M.A.)	6/30/2022	38
Braintree Police Superior Officers Association (B.P.S.O.A.)	6/30/2022	20
International Association of Fire Fighters (I.A.F.F.)	6/30/2022	88
Utility Workers Union of America (U.W.U.A.)	6/30/2022	17
School BEA	8/31/2022	663
School Custodians	6/30/2022	36
School Cafeteria Workers	6/30/2022	41
School Maintenance Workers	6/30/2022	2
School Transportation	6/30/2022	43

## LITIGATION

The Town of Braintree is a defendant in various cases currently pending in state and federal courts in Massachusetts. At this time, in the opinion of the Town, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial position or its ability to pay its obligations.

It should be noted that, in September 2020, the Town was served with a Complaint filed in the United States District Court for the District of Massachusetts filed by Frederick Weichel alleging several counts of misconduct against the Braintree Police Department, former Braintree police officers, the City of Boston, Massachusetts State Police officers and others. The allegations relate to Weichel's conviction and life sentence for a murder committed in 1980, a subsequent judicial decision granting Weichel a new trial, his release from custody in August 2017, and withholding of evidence. Town defendants are currently being represented by counsel pursuant to existing liability coverage and the litigation is anticipated to take several years. Given the early stages of the litigation, it is too early to determine the value of any potential judgments that may result against the Town.

---

TOWN OF BRAINTREE, MASSACHUSETTS  
/s/ Barbara Walls, Treasurer-Collector

May 26, 2022

THIS PAGE INTENTIONALLY LEFT BLANK

# TOWN OF BRAINTREE, MASSACHUSETTS ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FOR THE YEAR ENDED JUNE 30, 2021**

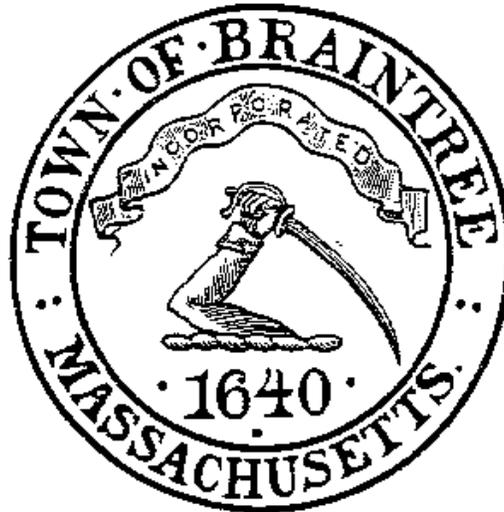
On the Cover:

August 20, 2020 was the Centennial of Women's Suffrage. To commemorate this historic day Mayor Kokoros and Town Hall staff met on the front steps of Town Hall holding yellow roses because yellow roses were worn by members of the Tennessee legislature who wore them as a sign to show they supported woman having the right to vote.



Chief James O'Brien, Mark Brewster, and Mark Cusack join Mayor Kokoros in front of Braintree Fire Headquarters with three brand-new Brewster Ambulances.

**Town of  
Braintree, Massachusetts**



**Annual Comprehensive  
Financial Report**

**For the Year Ended  
June 30, 2021**

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

This page intentionally left blank.

TOWN OF BRAINTREE, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

June 30, 2021

**TABLE OF CONTENTS**

<b>Introductory Section.....</b>	<b>A-1</b>
Letter of Transmittal .....	A-3
Organizational Chart .....	A-8
Principal Town Officials as of June 30, 2021 .....	A-9
Certificate of Achievement for Excellence in Financial Reporting .....	A-10
<b>Financial Section .....</b>	<b>A-11</b>
Independent Auditor's Report .....	A-13
Management's Discussion and Analysis .....	A-16
Basic Financial Statements .....	A-26
Statement of Net Position.....	A-27
Statement of Activities .....	A-28
Governmental Funds – Balance Sheet .....	A-30
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position .....	A-31
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances .....	A-32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	A-33
Proprietary Funds – Statement of Net Position.....	A-34
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position .....	A-35
Proprietary Funds – Statement of Cash Flows .....	A-36
Fiduciary Funds – Statement of Fiduciary Net Position .....	A-37
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	A-38
Notes to Basic Financial Statements .....	A-39
Required Supplementary Information .....	A-92
General Fund Budgetary Comparison Schedule .....	A-93
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual .....	A-94
Pension Plan Schedules – Retirement System.....	A-97
Schedule of Changes in the Net Pension Liability and Related Ratios .....	A-98
Schedule of Contributions .....	A-100
Schedule of Investment Return .....	A-101

Pension Plan Schedules – Town & Electric Light Department .....	A-102
Schedule of the Town’s Proportionate Share of the Net Pension Liability .....	A-103
Schedule of the Electric Light Department’s Proportionate Share of the Net Pension Liability .....	A-104
Schedule of the Town’s Contributions .....	A-105
Schedule of the Special Funding Amounts of the Net Pension Liability.....	A-106
Other Postemployment Benefits Plan Schedules .....	A-107
Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability .....	A-108
Schedule of Changes in the Electric Department’s Net Other Postemployment Benefit Liability .....	A-109
Schedule of the Town’s Contributions .....	A-110
Schedule of Investment Return .....	A-111
Notes to Required Supplementary Information .....	A-112
Other Supplementary Information.....	A-119
Combining Statements .....	A-120
Nonmajor Governmental Funds .....	A-121
Nonmajor Governmental Funds – Combining Balance Sheet.....	A-122
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	A-124
<b>Statistical Section.....</b>	<b>A-127</b>
Net Position by Component – Last Ten Years.....	A-128
Changes in Net Position – Last Ten Years .....	A-129
Fund Balances – Governmental Funds – Last Ten Years.....	A-130
Changes in Fund Balances – Governmental Funds – Last Ten Years .....	A-131
Assessed and Actual Value of Taxable Property by Classification and Tax Rates - Last Ten Years .....	A-132
Principal Taxpayers – Current Year and Nine Years Ago .....	A-133
Property Tax Levies and Collections – Last Ten Years.....	A-134
Ratios of Outstanding Debt – Last Ten Years .....	A-135
Ratios of General Bonded Debt – Last Ten Years .....	A-136
Direct and Overlapping Governmental Activities Debt.....	A-137
Computation of Legal Debt Margin – Last Ten Years.....	A-138
Demographic and Economic Statistics – Last Ten Years.....	A-139
Principal Employers – Current Year and Nine Years Ago .....	A-140
Full-Time Equivalent Town Employees by Function – Last Ten Years .....	A-141
Operating Indicators by Function/Program – Last Ten Years .....	A-142
Capital Asset Statistics by Function/Program – Last Ten Years .....	A-143

# ***Introductory Section***



Mayor Kokoros and Chief Mark Dubois presented 14-year-old Jack McDonough with a Distinguished Service Commendation on December 14, 2020. Jack was presented the commendation for his actions during a medical emergency.



In honor of Black History month, in February of 2021 Mayor Kokoros declared February 18th as Harold Randolph Day. Harold was the first Black Town Official who was elected to the Braintree Board of Health, Thayer Public Library Board of Trustees, Braintree Board of Selectmen and the Braintree Town Council.

# ***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**

March 29, 2022

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 Annual Comprehensive Financial Report (ACFR) of the Town of Braintree, Massachusetts, for the year ended June 30, 2021.

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, 2021, 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, 2021, 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, 2021, 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 FY2022 budgets and service level were maintained through a 1.58% increase in the operating budget. Funded with a 6.17% increase in real estate and personal property tax revenue and \$1.86 million use of

the American Rescue Plan Act federal funds, 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 South Middle School project. The following school related projects were identified for placement on the ballot during a 2020 special election:

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 South Middle School project.

Following a pre-qualification process and public bidding, the contract for construction of the South Middle School project was awarded to Bacon Construction in December 2021. Construction began shortly thereafter and is expected to be completed in time for the 2023-2024 school year.

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. The new treatment plant is expected to be operation in 2024.

## **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 ACFR for the year ended June 30, 2020. This was the ninth time that the Town submitted a ACFR to the GFOA. The Town was awarded this Certificate in all nine years. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized ACFR 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 ACFR 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

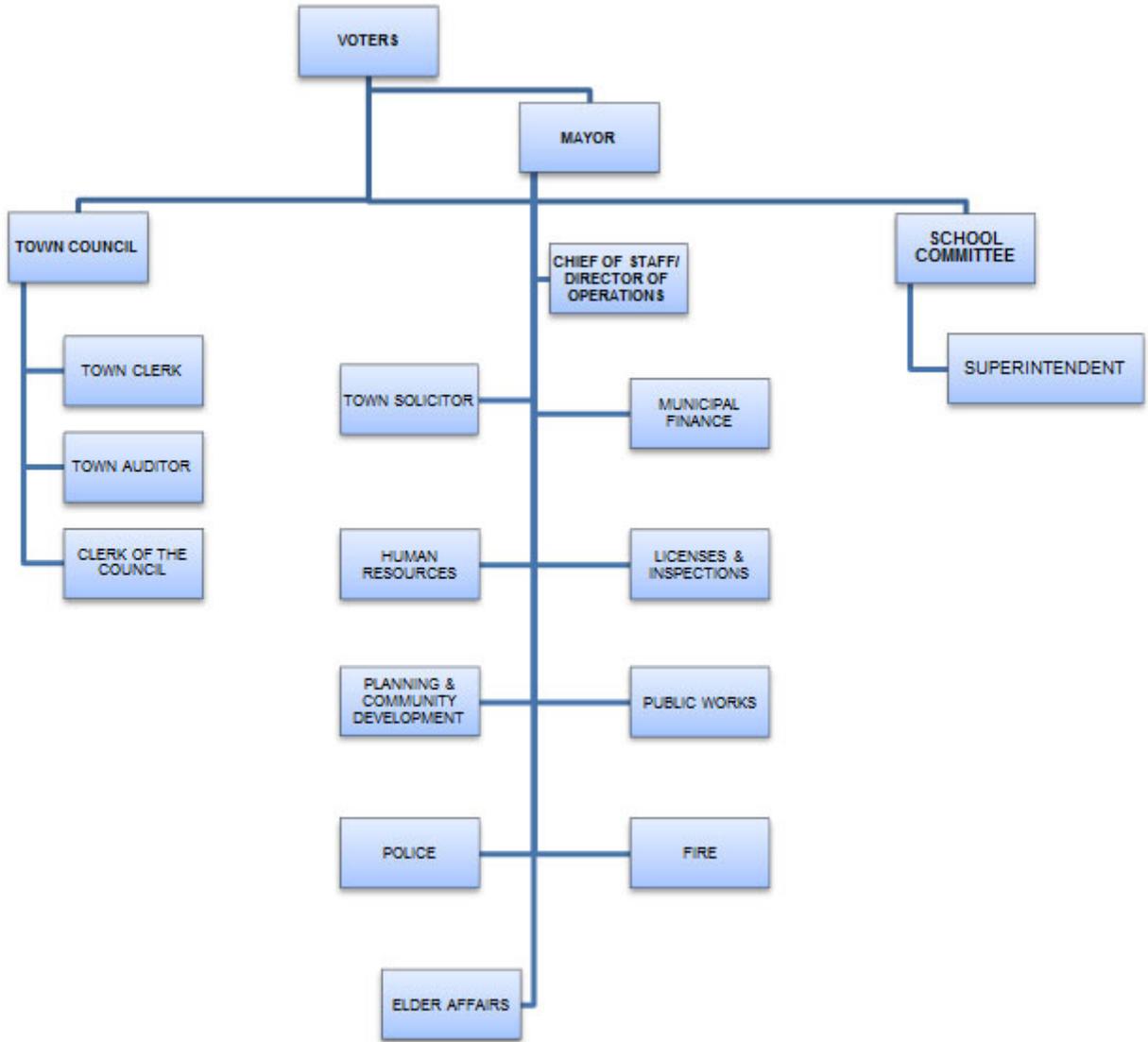
acknowledge and give credit to the Mayor and the Town Council for their constant support to uphold the highest standards of professionalism in the management of the Town of Braintree's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Edward J. Spellman, Jr.", with a stylized flourish at the end.

Edward J. Spellman, Jr.  
Director of Municipal Finance

# Town of Braintree Organizational Chart



## Principal Town Officials – As of June 30, 2021

Elected Officials		Term Expires
Mayor	Charles C. Kokoros	2024
Town Council	<u>Councilors-at-Large</u>	
	Charles B. Ryan, Vice President	2024
	Shannon L. Hume	2024
	David M. Ringius	2024
	<u>District Councilors</u>	
	Meredith Boericke, President/District 5	2024
	Julia Flaherty District 1	2024
	Joseph Reynolds District 2	2024
	Elizabeth Maglio District 3	2024
	Stephen C. O'Brien District 4	2024
	Lawrence Mackin, Jr. District 6	2024
School Committee	Lisa Fiske-Heger, Chairperson	2026
	Kelly Cobb-Lemire, Vice Chairperson	2024
	Karla Psaros, Recording Secretary	2024
	Thomas Devin	2024
	Matthew Lynch	2026
	Kathleen Tuffy	2026
	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	Melissa Santucci Rozzi
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	James Lee
School Interim Assistant Superintendent	Courtney Miller
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, 2020

*Christopher P. Morill*

Executive Director/CEO

## ***Financial Section***



The Mighty Quinn met with Mayor Kokoros on February 25th, 2021. The Mighty Quinn was holding a blood drive at Town Hall in partnership with the Boston Children's Hospital.



# ***Financial Section***

This page intentionally left blank.

## **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, 2021 (except for the Braintree Contributory Retirement System which is as of and for the year ended December 31, 2020), and the related notes to the financial statements, which collectively comprise the 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, 2020, which is both a major fund and 65%, 57%, and 70%, 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, 2021 (except for the Braintree Contributory Retirement System and the Braintree Electric Light Department which are as of and for the year ended December 31, 2020), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining 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 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 March 29, 2022, 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.



March 29, 2022

# ***Management's Discussion and Analysis***

## ***Management's Discussion and Analysis***

This analysis, prepared by the Director of Municipal Finance, 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, 2021. 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 \$25.2 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 \$119.3 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 \$11.7 million, a decrease of \$3.5 million from the prior year. Total fund balance represents 7.0% of total general fund expenditures. Approximately \$8.2 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 \$49.7 million during the current year as a result of new issuances of \$57.4 million, including premiums, and scheduled principal payments and premium amortizations of \$7.7 million.

### ***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, and interest. The business-type activities include the water and sewer, golf course, stormwater, PEG access, and electric light activities.

The 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 \$25.2 million. Key components of the Town’s activities are presented as follows:

**Governmental Activities**

	2021	2020 (as revised)
<b>Assets:</b>		
Current assets.....	\$ 128,993,763	\$ 82,753,115
Capital assets, non depreciable.....	96,090,838	94,781,926
Capital assets, net of accumulated depreciation....	84,397,345	75,094,723
<b>Total assets.....</b>	<b>309,481,946</b>	<b>252,629,764</b>
<b>Deferred outflows of resources.....</b>	<b>48,940,786</b>	<b>40,646,733</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	19,132,011	16,379,099
Noncurrent liabilities (excluding debt).....	215,499,850	219,084,363
Current debt.....	8,846,526	7,845,081
Noncurrent debt.....	123,334,310	74,606,308
<b>Total liabilities.....</b>	<b>366,812,697</b>	<b>317,914,851</b>
<b>Deferred inflows of resources.....</b>	<b>16,855,619</b>	<b>12,228,646</b>
<b>Net position:</b>		
Net investment in capital assets.....	102,892,904	96,555,315
Restricted.....	28,064,541	28,354,464
Unrestricted.....	(156,203,029)	(161,776,779)
<b>Total net position.....</b>	<b>\$ (25,245,584)</b>	<b>\$ (36,867,000)</b>

Net investment in capital assets of \$102.9 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, \$28.1 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 \$156.2 million. The primary reason for this deficit balance is the recognition of the net pension and net OPEB liabilities in the amounts of \$65.7 million and \$145.7 million, respectively.

	2021	2020 (as revised)
<b>Program Revenues:</b>		
Charges for services.....	\$ 9,516,852	\$ 7,338,814
Operating grants and contributions.....	56,178,438	47,937,389
Capital grants and contributions.....	4,970,677	15,384,751
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	97,745,294	96,095,096
Tax and other liens.....	1,014,850	160,375
Motor vehicle and other excise taxes.....	6,577,443	6,290,629
Hotel/motel tax.....	501,216	1,524,976
Meals tax.....	999,801	1,114,427
Community preservation tax.....	828,245	806,576
Penalties and interest on taxes.....	410,488	211,740
Payments in lieu of taxes.....	662,232	625,299
Grants and contributions not restricted to specific programs.....	6,522,913	6,344,909
Unrestricted investment income.....	301,683	1,584,473
Gain on sale of land.....	150,000	-
<b>Total revenues.....</b>	<b>186,380,132</b>	<b>185,419,454</b>
<b>Expenses:</b>		
General government.....	9,406,501	5,939,513
Public safety.....	28,090,406	27,258,809
Education.....	123,756,662	140,454,843
Public works.....	7,251,451	7,732,810
Human services.....	1,081,443	1,126,029
Sanitation.....	2,330,815	2,478,776
Culture and recreation.....	1,551,593	1,633,423
Community preservation.....	434,958	137,004
Interest.....	2,527,969	2,038,982
<b>Total expenses.....</b>	<b>176,431,798</b>	<b>188,800,189</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>9,948,334</b>	<b>(3,380,735)</b>
<b>Transfers.....</b>	<b>1,673,082</b>	<b>1,558,281</b>
<b>Change in net position.....</b>	<b>11,621,416</b>	<b>(1,822,454)</b>
<b>Net position, beginning of year (as revised).....</b>	<b>(36,867,000)</b>	<b>(35,044,546)</b>
<b>Net position, end of year.....</b>	<b>\$ (25,245,584)</b>	<b>\$ (36,867,000)</b>

Beginning net position of the governmental activities has been revised by \$551,432 to reflect the implementation of GASB Statement #84, *Fiduciary Activities*.

The governmental net position increased by \$11.6 million during the current year as compared to a \$1.8 million decrease in the prior year. The Town's revenue increased \$954,000 and expenses decreased \$12.4 million. The key reasons for these changes are described in the following paragraphs.

Charges for services came in higher than the previous year due to the implementation of GASB Statement #84 which moved the activity from the agency funds to the nonmajor governmental funds.

Operating grant revenue came in higher from the previous year due to new COVID-19 grant revenue and increased state financing for the Massachusetts's Teachers' Retirement System, which increased revenue and the corresponding expense by \$3.0 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 \$123.7 million was expended for education, of which \$55.8 million was funded by program revenues. The remaining \$70.0 million was funded by taxes and other revenue. The decrease in expense is mainly related to changes in OPEB during FY2021.

During FY2021 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 expenses of \$5.9 million 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 \$8.1 million compared to an increase of \$7.7 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 \$52.5 million at the close of 2021. Net investment in capital assets was \$37.6 million while unrestricted net position was \$14.9 million. There was an increase of \$4.8 million in net position compared to an increase of \$5.4 million in the prior year, mainly from increases in user chargers.

Golf Course business-type activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$764,000 at the close of 2021. Net investment in capital assets was \$878,000 while unrestricted net position was in a deficit in the amount of \$1.6 million. There was an increase of \$649,000 in net position compared to a decrease of \$431,000 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 \$991,000 due to the golf course being open for the full season.

The stormwater assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$36,000 at the close of 2021. There was a decrease of \$1,000 in net position compared to an increase of \$196,000 in the prior year. Revenue increased by \$467,000 in user charges, offset by an increase in expenses which included a \$347,000 increase in salaries.

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 \$126,000 at the close of 2021, 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 \$67.4 million at December 31, 2020. Net investment in capital assets was \$71.4 million, restricted net position was \$4.3 million and unrestricted net position was in a deficit in the amount of \$8.4 million. There was an increase of \$2.6 million in net position compared to an increase of \$2.4 million in the prior year.

**Business Type Activities**

	2021	2020
<b>Assets:</b>		
Current assets.....	\$ 68,929,024	\$ 61,103,143
Noncurrent assets (excluding capital).....	2,608,073	2,229,823
Capital assets, non depreciable.....	4,469,317	5,107,948
Capital assets, net of accumulated depreciation....	190,671,459	190,387,867
<b>Total assets.....</b>	<b>266,677,873</b>	<b>258,828,781</b>
<b>Deferred outflows of resources.....</b>	<b>11,430,186</b>	<b>15,688,738</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	12,193,291	9,859,300
Noncurrent liabilities (excluding debt).....	33,932,262	41,609,758
Current debt.....	12,923,432	10,441,603
Noncurrent debt.....	81,276,231	88,752,747
<b>Total liabilities.....</b>	<b>140,325,216</b>	<b>150,663,408</b>
<b>Deferred inflows of resources.....</b>	<b>18,504,591</b>	<b>12,633,647</b>
<b>Net position:</b>		
Net investment in capital assets.....	109,949,264	109,275,236
Restricted.....	6,823,290	4,302,744
Unrestricted.....	2,505,698	(2,357,516)
<b>Total net position.....</b>	<b>\$ 119,278,252</b>	<b>\$ 111,220,464</b>

	2021	2020
<b>Program Revenues:</b>		
Charges for services.....	\$ 87,948,245	\$ 91,548,045
Operating grants and contributions.....	1,850,000	-
Capital grants and contributions.....	257,920	1,303,905
<b>General Revenues:</b>		
Unrestricted investment income.....	426,346	376,950
<b>Total revenues.....</b>	<b>90,482,511</b>	<b>93,228,900</b>
<b>Expenses:</b>		
Water and sewer.....	17,724,980	17,177,811
Golf course.....	2,034,502	2,226,131
Stormwater.....	1,107,397	447,540
PEG Access.....	524,104	420,746
Municipal Light.....	59,360,658	63,687,705
<b>Total expenses.....</b>	<b>80,751,641</b>	<b>83,959,933</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>9,730,870</b>	<b>9,268,967</b>
<b>Transfers.....</b>	<b>(1,673,082)</b>	<b>(1,558,281)</b>
<b>Change in net position.....</b>	<b>8,057,788</b>	<b>7,710,686</b>
<b>Net position, beginning of year.....</b>	<b>111,220,464</b>	<b>103,509,778</b>
<b>Net position, end of year.....</b>	<b>\$ 119,278,252</b>	<b>\$ 111,220,464</b>

### ***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 \$93.6 million, which represents an increase of \$41.6 million from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$8.2 million, while total fund balance was \$11.7 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 5.0% of total general fund expenditures, while total fund balance represents 7.0% of that same amount.

The general fund reported a \$3.5 million decrease in fund balance in the fund based financial statements. This includes the activity of the Town's stabilization funds which are reported within the general fund. On a budgetary basis, the Town's fund balance decreased \$3.2 million due to the planned use of free cash to balance the operating budget. The Town's stabilization funds decreased \$348,000 which was partly to fund capital articles.

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 \$54.1 million which represents an increase of \$45.0 million from the prior year. The fund received \$3.1 million of school construction grants, issued general obligation bonds of \$52.5 million along with premiums from issuance of bonds totaling \$2.4 million, and spent \$13.0 million primarily for the East Middle School, South Middle School and various roadway projects.

There was an increase of \$128,000 in the nonmajor governmental funds, which reported \$20.4 million in revenues, \$20.5 million in expenditures, \$257,000 in premiums from issuance of bonds, and \$32,000 in transfers out.

**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 2021, the Town Council approved supplemental appropriations totaling approximately \$387,000 for police expenditures, debt service related to school energy projects and school general ledger software.

Actual revenues came in lower than budget by approximately \$171,000. The largest deficit was departmental and other revenue of \$1.0 million, followed by \$165,000 for investment income. This was offset by a surplus in real estate and personal property taxes of \$322,000, unbudgeted tax liens of \$239,000 and motor vehicle and other excise taxes revenue of \$476,000.

Actual expenditures and encumbrances came in \$929,000 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 2021, the Town expended \$15.2 million on governmental activities capital assets. The expenditures consisted mainly of roadway improvements, construction in progress primarily of the East Middle School and the South Middle School. The business type activities expended \$10.4 million during 2021. This consisted mainly of \$3.5 million in the electric light plant and \$6.8 million for the water distribution system.

Outstanding long-term debt of the governmental activities, as of June 30, 2021, totaled \$122.2 million, of which \$106.7 million relates to public building construction, \$11.9 million relates to road construction, and \$3.6 million relates to other projects.

The enterprise funds had \$28.4 million in water and sewer debt, \$93,000 in golf course debt, and \$52.8 million in Electric Light debt that is fully supported by the rates and do not rely on a general fund subsidy.

In order to take advantage of favorable interest rates, the Town issued \$1,855,000 of general obligation refunding bonds on November 5, 2020. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$2,345,000 million and became callable on December 15, 2020. As a

result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$261,000 and a reduction of \$305,000 in future debt service payments.

During 2021, the Town issued long-term bonds in the amounts of \$54.4 million for governmental funds. Water and sewer enterprise fund issued \$2.8 million in long term bonds. Golf enterprise fund issued \$5,000 in long term bonds.

During 2021, the Town issued \$2.5 million of bond anticipation notes for governmental fund related to the East Middle School renovations and the South Middle School feasibility study. Additionally, the water and sewer enterprise fund issued \$2.4 million in bond anticipation notes.

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 111,438,499	\$ 44,330,965	\$ 155,769,464
Investments.....	7,577,543	-	7,577,543
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	883,429	-	883,429
Tax liens.....	1,833,974	33,923	1,867,897
Community preservation fund surtax.....	29	-	29
Motor vehicle and other excise taxes.....	511,430	-	511,430
User charges.....	-	12,111,643	12,111,643
Departmental and other.....	582,924	1,618,402	2,201,326
Intergovernmental.....	5,278,469	-	5,278,469
Community preservation state share.....	233,585	-	233,585
Tax foreclosures.....	78,281	-	78,281
Inventory.....	-	5,036,380	5,036,380
Other assets.....	575,600	5,797,711	6,373,311
Total current assets.....	128,993,763	68,929,024	197,922,787
<b>NONCURRENT:</b>			
Other assets.....	-	2,608,073	2,608,073
Capital assets, nondepreciable.....	96,090,838	4,469,317	100,560,155
Capital assets, net of accumulated depreciation.....	84,397,345	190,671,459	275,068,804
Total noncurrent assets.....	180,488,183	197,748,849	378,237,032
<b>TOTAL ASSETS.....</b>	<b>309,481,946</b>	<b>266,677,873</b>	<b>576,159,819</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows for refunding debt.....	-	5,371,323	5,371,323
Deferred outflows related to pensions.....	4,503,078	4,563,191	9,066,269
Deferred outflows related to other postemployment benefits.....	44,437,708	1,495,672	45,933,380
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>48,940,786</b>	<b>11,430,186</b>	<b>60,370,972</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	2,203,581	7,203,738	9,407,319
Accrued payroll.....	7,646,106	110,691	7,756,797
Health claims payable.....	885,000	-	885,000
Tax refunds payable.....	155,400	-	155,400
Accrued interest.....	806,750	120,037	926,787
Other liabilities.....	1,048,460	1,472,638	2,521,098
Fees collected in advance.....	3,123,784	2,291,173	5,414,957
Capital lease obligations.....	-	19,671	19,671
Compensated absences.....	3,186,156	988,463	4,174,619
Workers' compensation.....	76,774	6,551	83,325
Notes payable.....	2,538,490	2,400,000	4,938,490
Bonds payable.....	6,308,036	10,503,761	16,811,797
Total current liabilities.....	27,978,537	25,116,723	53,095,260
<b>NONCURRENT:</b>			
Customer deposits.....	-	1,034,275	1,034,275
Capital lease obligations.....	-	7,785	7,785
Compensated absences.....	3,474,244	286,611	3,760,855
Workers' compensation.....	690,970	58,962	749,932
Net pension liability.....	65,650,651	26,087,233	91,737,884
Net other postemployment benefits liability.....	145,683,985	6,465,181	152,149,166
Bonds payable.....	123,334,310	81,268,446	204,602,756
Total noncurrent liabilities.....	338,834,160	115,208,493	454,042,653
<b>TOTAL LIABILITIES.....</b>	<b>366,812,697</b>	<b>140,325,216</b>	<b>507,137,913</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Rate stabilization reserve.....	-	12,656,656	12,656,656
Deferred inflows related to pensions.....	13,340,640	5,250,425	18,591,065
Deferred inflows related to other postemployment benefits.....	3,514,979	597,510	4,112,489
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>16,855,619</b>	<b>18,504,591</b>	<b>35,360,210</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	102,892,904	109,949,264	212,842,168
Restricted for:			
Depreciation.....	-	6,823,290	6,823,290
Permanent funds:			
Expendable.....	7,662,347	-	7,662,347
Nonexpendable.....	2,564,529	-	2,564,529
Gifts and grants.....	10,241,049	-	10,241,049
Community preservation.....	7,596,616	-	7,596,616
Unrestricted.....	(156,203,029)	2,505,698	(153,697,331)
<b>TOTAL NET POSITION.....</b>	<b>\$ (25,245,584)</b>	<b>\$ 119,278,252</b>	<b>\$ 94,032,668</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 9,406,501	\$ 1,470,882	\$ 3,197,146	\$ -	\$ (4,738,473)
Public safety.....	28,090,406	4,860,728	512,391	-	(22,717,287)
Education.....	123,756,662	536,384	51,225,188	3,973,162	(68,021,928)
Public works.....	7,251,451	828,463	625,384	630,423	(5,167,181)
Human services.....	1,081,443	95,054	491,090	-	(495,299)
Sanitation.....	2,330,815	1,538,604	-	-	(792,211)
Culture and recreation.....	1,551,593	186,737	127,239	-	(1,237,617)
Community preservation.....	434,958	-	-	367,092	(67,866)
Interest.....	2,527,969	-	-	-	(2,527,969)
<b>Total Governmental Activities.....</b>	<b>176,431,798</b>	<b>9,516,852</b>	<b>56,178,438</b>	<b>4,970,677</b>	<b>(105,765,831)</b>
<i>Business-Type Activities:</i>					
Water and sewer.....	17,724,980	22,237,343	-	257,920	4,770,283
Golf course.....	2,034,502	2,683,595	-	-	649,093
Stormwater.....	1,107,397	1,106,355	-	-	(1,042)
PEG access.....	524,104	531,269	-	-	7,165
Municipal Light.....	59,360,658	61,389,683	1,850,000	-	3,879,025
<b>Total Business-Type Activities.....</b>	<b>80,751,641</b>	<b>87,948,245</b>	<b>1,850,000</b>	<b>257,920</b>	<b>9,304,524</b>
<b>Total Primary Government.....</b>	<b>\$ 257,183,439</b>	<b>\$ 97,465,097</b>	<b>\$ 58,028,438</b>	<b>\$ 5,228,597</b>	<b>\$ (96,461,307)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page..... \$	<b>(105,765,831)</b>	\$ <b>9,304,524</b>	\$ <b>(96,461,307)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	97,745,294	-	97,745,294
Tax and other liens.....	1,014,850	-	1,014,850
Motor vehicle and other excise taxes.....	6,577,443	-	6,577,443
Hotel/motel tax.....	501,216	-	501,216
Meals tax.....	999,801	-	999,801
Community preservation tax.....	828,245	-	828,245
Penalties and interest on taxes.....	410,488	-	410,488
Payments in lieu of taxes.....	662,232	-	662,232
Grants and contributions not restricted to specific programs.....	6,522,913	-	6,522,913
Unrestricted investment income.....	301,683	426,346	728,029
Gain on sale of capital assets.....	150,000	-	150,000
<i>Transfers, net</i> .....	<u>1,673,082</u>	<u>(1,673,082)</u>	<u>-</u>
Total general revenues and transfers.....	<u>117,387,247</u>	<u>(1,246,736)</u>	<u>116,140,511</u>
Change in net position.....	11,621,416	8,057,788	19,679,204
<i>Net position:</i>			
Beginning of year (as revised).....	<u>(36,867,000)</u>	<u>111,220,464</u>	<u>74,353,464</u>
End of year..... \$	<u><u>(25,245,584)</u></u>	<u><u>119,278,252</u></u>	<u><u>94,032,668</u></u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2021

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 20,065,756	\$ 55,576,981	\$ 22,816,457	\$ 98,459,194
Investments.....	-	-	7,577,543	7,577,543
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	883,429	-	-	883,429
Tax liens.....	1,833,974	-	-	1,833,974
Community preservation fund surtax.....	-	-	29	29
Motor vehicle and other excise taxes.....	511,430	-	-	511,430
Departmental and other.....	140,933	-	-	140,933
Intergovernmental.....	281,518	2,035,755	2,961,196	5,278,469
Community preservation state share.....	-	-	233,585	233,585
Tax foreclosures.....	78,281	-	-	78,281
Due from other funds.....	812,686	-	-	812,686
<b>TOTAL ASSETS.....</b>	<b>\$ 24,608,007</b>	<b>\$ 57,612,736</b>	<b>\$ 33,588,810</b>	<b>\$ 115,809,553</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 788,326	\$ 991,424	\$ 423,831	\$ 2,203,581
Accrued payroll.....	7,638,595	-	7,511	7,646,106
Tax refunds payable.....	155,400	-	-	155,400
Due to other funds.....	-	-	812,686	812,686
Other liabilities.....	-	-	1,048,460	1,048,460
Fees collected in advance.....	971,626	-	2,152,158	3,123,784
Notes payable.....	-	2,538,490	-	2,538,490
<b>TOTAL LIABILITIES.....</b>	<b>9,553,947</b>	<b>3,529,914</b>	<b>4,444,646</b>	<b>17,528,507</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue.....	3,361,702	-	1,313,237	4,674,939
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	2,564,529	2,564,529
Restricted.....	-	54,082,822	26,536,092	80,618,914
Committed.....	2,043,217	-	-	2,043,217
Assigned.....	1,490,378	-	-	1,490,378
Unassigned.....	8,158,763	-	(1,269,694)	6,889,069
<b>TOTAL FUND BALANCES.....</b>	<b>11,692,358</b>	<b>54,082,822</b>	<b>27,830,927</b>	<b>93,606,107</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 24,608,007</b>	<b>\$ 57,612,736</b>	<b>\$ 33,588,810</b>	<b>\$ 115,809,553</b>

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....	\$	93,606,107
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		180,488,183
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		4,674,939
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 reported.....		32,085,167
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		13,111,896
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(806,750)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(129,642,346)	
Net pension liability.....	(65,650,651)	
Other postemployment benefits.....	(145,683,985)	
Workers' compensation.....	(767,744)	
Compensated absences.....	<u>(6,660,400)</u>	
Net effect of reporting long-term liabilities.....		<u>(348,405,126)</u>
Net position of governmental activities.....	\$	<u><u>(25,245,584)</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 98,412,429	\$ -	\$ -	\$ 98,412,429
Tax liens.....	239,113	-	-	239,113
Motor vehicle and other excise taxes.....	6,778,991	-	-	6,778,991
Hotel/motel tax.....	501,216	-	-	501,216
Meals tax.....	999,801	-	-	999,801
Penalties and interest on taxes.....	410,488	-	-	410,488
Payments in lieu of taxes.....	662,232	-	-	662,232
Intergovernmental - state aid.....	24,682,055	-	-	24,682,055
Intergovernmental - School Building Authority.....	869,677	3,103,485	-	3,973,162
Intergovernmental - Teachers Retirement.....	22,477,939	-	-	22,477,939
Intergovernmental - other.....	163,265	-	15,369,416	15,532,681
Departmental and other.....	6,414,734	-	3,405,691	9,820,425
Community preservation taxes.....	-	-	828,245	828,245
Community preservation state match.....	-	-	233,585	233,585
Contributions and donations.....	-	-	578,026	578,026
Investment income.....	265,250	-	36,433	301,683
<b>TOTAL REVENUES.....</b>	<b>162,877,190</b>	<b>3,103,485</b>	<b>20,451,396</b>	<b>186,432,071</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	4,311,158	202,284	4,060,475	8,573,917
Public safety.....	21,893,590	393,006	2,792,691	25,079,287
Education.....	76,098,233	10,490,049	9,892,673	96,480,955
Public works.....	5,722,065	1,944,316	1,360,201	9,026,582
Human services.....	794,013	-	220,379	1,014,392
Sanitation.....	2,341,559	-	-	2,341,559
Culture and recreation.....	1,380,938	-	222,335	1,603,273
Community preservation.....	-	-	1,999,588	1,999,588
Pension benefits - Town.....	8,997,525	-	-	8,997,525
Pension benefits - Teachers Retirement.....	22,477,939	-	-	22,477,939
Property and liability insurance.....	862,291	-	-	862,291
Employee benefits.....	12,152,234	-	-	12,152,234
State and county charges.....	3,779,626	-	-	3,779,626
Debt service:				
Principal.....	4,718,200	-	-	4,718,200
Interest.....	2,839,129	-	-	2,839,129
<b>TOTAL EXPENDITURES.....</b>	<b>168,368,500</b>	<b>13,029,655</b>	<b>20,548,342</b>	<b>201,946,497</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(5,491,310)</b>	<b>(9,926,170)</b>	<b>(96,946)</b>	<b>(15,514,426)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds.....	-	52,545,000	-	52,545,000
Issuance of refunding bonds.....	1,855,000	-	-	1,855,000
Premium from issuance of bonds.....	30,555	2,406,000	256,648	2,693,203
Premium from issuance of refunding bonds.....	293,331	-	-	293,331
Principal payment on current refunding.....	(2,085,000)	-	-	(2,085,000)
Proceeds from the sale of capital assets.....	150,000	-	-	150,000
Transfers in.....	1,757,150	-	-	1,757,150
Transfers out.....	(52,368)	-	(31,700)	(84,068)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,948,668</b>	<b>54,951,000</b>	<b>224,948</b>	<b>57,124,616</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(3,542,642)</b>	<b>45,024,830</b>	<b>128,002</b>	<b>41,610,190</b>
<b>FUND BALANCES AT BEGINNING OF YEAR (AS REVISED).....</b>	<b>15,235,000</b>	<b>9,057,992</b>	<b>27,702,925</b>	<b>51,995,917</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 11,692,358</b>	<b>\$ 54,082,822</b>	<b>\$ 27,830,927</b>	<b>\$ 93,606,107</b>

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, 2021

Net change in fund balances - total governmental funds.....	\$	41,610,190
<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.....		15,199,078
Depreciation expense.....		<u>(4,587,544)</u>
Net effect of reporting capital assets.....		10,611,534
<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>		
		(201,939)
<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.....		(52,545,000)
Issuance of refunding bonds.....		(1,855,000)
Premium from issuance of bonds.....		(2,693,203)
Premium from issuance of refunding bonds.....		(293,331)
Net amortization of premium from issuance of bonds.....		853,887
Debt service principal payments.....		<u>6,803,200</u>
Net effect of reporting long-term debt.....		(49,729,447)
<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.....		187,975
Net change in accrued interest on long-term debt.....		(542,727)
Net change in deferred outflow/(inflow) of resources related to pensions.....		(3,176,756)
Net change in net pension liability.....		6,425,250
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		6,843,836
Net change in other postemployment benefits liability.....		(2,562,766)
Net change in workers' compensation liability.....		<u>(590,320)</u>
Net effect of recording long-term liabilities.....		6,584,492
<p>The net activity of internal service funds is reported with Governmental Activities.....</p>		
		<u>2,746,586</u>
Change in net position of governmental activities.....	\$	<u><u>11,621,416</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Stormwater	PEG Access	Electric Light December 31, 2020	Total	
<b>ASSETS</b>							
<b>CURRENT:</b>							
Cash and cash equivalents.....	\$ 18,610,163	\$ 304,670	\$ 709,788	\$ 125,988	\$ 24,580,356	\$ 44,330,965	\$ 12,979,305
Receivables, net of allowance for uncollectibles:							
Liens - user charges.....	33,923	-	-	-	-	33,923	-
User charges.....	5,553,016	-	90,080	-	6,468,547	12,111,643	-
Departmental and other.....	-	-	-	-	1,618,402	1,618,402	441,991
Inventory.....	-	59,940	-	-	4,976,440	5,036,380	-
Other assets.....	-	-	-	-	5,797,711	5,797,711	575,600
<b>Total current assets.....</b>	<b>24,197,102</b>	<b>364,610</b>	<b>799,868</b>	<b>125,988</b>	<b>43,441,456</b>	<b>68,929,024</b>	<b>13,996,896</b>
<b>NONCURRENT:</b>							
Other assets.....	-	-	-	-	2,608,073	2,608,073	-
Capital assets, non depreciable.....	2,861,612	375,876	-	-	1,231,829	4,469,317	-
Capital assets, net of accumulated depreciation.....	63,621,681	594,756	20,623	-	126,434,399	190,671,459	-
<b>Total noncurrent assets.....</b>	<b>66,483,293</b>	<b>970,632</b>	<b>20,623</b>	<b>-</b>	<b>130,274,301</b>	<b>197,748,849</b>	<b>-</b>
<b>TOTAL ASSETS.....</b>	<b>90,680,395</b>	<b>1,335,242</b>	<b>820,491</b>	<b>125,988</b>	<b>173,715,757</b>	<b>266,677,873</b>	<b>13,996,896</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred loss on refunding.....	248,076	-	-	-	5,123,247	5,371,323	-
Deferred outflows related to pensions.....	226,049	70,671	40,660	-	4,225,811	4,563,191	-
Deferred outflows related to other postemployment benefits.....	569,983	250,533	31,912	-	643,244	1,495,672	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>1,044,108</b>	<b>321,204</b>	<b>72,572</b>	<b>-</b>	<b>9,992,302</b>	<b>11,430,186</b>	<b>-</b>
<b>LIABILITIES</b>							
<b>CURRENT:</b>							
Warrants payable.....	1,363,114	84,173	1,457	-	5,754,994	7,203,738	-
Accrued payroll.....	61,209	38,633	10,849	-	-	110,691	-
Health claims payable.....	-	-	-	-	-	-	885,000
Accrued interest.....	120,037	-	-	-	-	120,037	-
Other liabilities.....	-	-	-	-	1,472,638	1,472,638	-
Fees collected in advance.....	-	74,135	-	-	2,217,038	2,291,173	-
Capital lease obligations.....	-	-	-	-	19,671	19,671	-
Compensated absences.....	236,740	223,537	23,711	-	504,475	988,463	-
Workers' compensation.....	6,551	-	-	-	-	6,551	-
Notes payable.....	2,400,000	-	-	-	-	2,400,000	-
Bonds payable.....	2,948,576	43,000	-	-	7,512,185	10,503,761	-
<b>Total current liabilities.....</b>	<b>7,136,227</b>	<b>463,478</b>	<b>36,017</b>	<b>-</b>	<b>17,481,001</b>	<b>25,116,723</b>	<b>885,000</b>
<b>NONCURRENT:</b>							
Customer deposits.....	-	2,150	-	-	1,032,125	1,034,275	-
Capital lease obligations.....	-	-	-	-	7,785	7,785	-
Compensated absences.....	166,362	107,361	12,888	-	-	286,611	-
Workers' compensation.....	58,962	-	-	-	-	58,962	-
Net pension liability.....	3,295,588	1,030,312	592,782	-	21,168,551	26,087,233	-
Net other postemployment benefits liability.....	453,867	537,989	92,203	-	5,381,122	6,465,181	-
Bonds payable.....	27,407,439	50,000	-	-	53,811,007	81,268,446	-
<b>Total noncurrent liabilities.....</b>	<b>31,382,218</b>	<b>1,727,812</b>	<b>697,873</b>	<b>-</b>	<b>81,400,590</b>	<b>115,208,493</b>	<b>-</b>
<b>TOTAL LIABILITIES.....</b>	<b>38,518,445</b>	<b>2,191,290</b>	<b>733,890</b>	<b>-</b>	<b>98,881,591</b>	<b>140,325,216</b>	<b>885,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Rate stabilization reserve.....	-	-	-	-	12,656,656	12,656,656	-
Deferred inflows related to pensions.....	669,685	209,366	120,457	-	4,250,917	5,250,425	-
Deferred inflows related to other postemployment benefits.....	45,085	19,817	2,524	-	530,084	597,510	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>714,770</b>	<b>229,183</b>	<b>122,981</b>	<b>-</b>	<b>17,437,657</b>	<b>18,504,591</b>	<b>-</b>
<b>NET POSITION</b>							
Net investment in capital assets.....	37,612,182	877,632	20,623	-	71,438,827	109,949,264	-
Restricted for:							
Depreciation.....	-	-	-	-	6,823,290	6,823,290	-
Unrestricted.....	14,879,106	(1,641,659)	15,569	125,988	(10,873,306)	2,505,698	13,111,896
<b>TOTAL NET POSITION.....</b>	<b>\$ 52,491,288</b>	<b>\$ (764,027)</b>	<b>\$ 36,192</b>	<b>\$ 125,988</b>	<b>\$ 67,388,811</b>	<b>\$ 119,278,252</b>	<b>\$ 13,111,896</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Fund
	Water and Sewer	Golf Course	Stormwater	PEG Access	Electric Light December 31, 2020	Total	
<b>OPERATING REVENUES:</b>							
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,873,698
Employer contributions.....	-	-	-	-	-	-	12,316,497
Charges for services.....	21,921,187	2,683,595	1,106,355	531,269	59,734,030	85,976,436	-
Liens - charges for services.....	225,155	-	-	-	-	225,155	-
Other operating revenues.....	91,001	-	-	-	1,655,653	1,746,654	-
<b>TOTAL OPERATING REVENUES</b> .....	<b>22,237,343</b>	<b>2,683,595</b>	<b>1,106,355</b>	<b>531,269</b>	<b>61,389,683</b>	<b>87,948,245</b>	<b>20,190,195</b>
<b>OPERATING EXPENSES:</b>							
Cost of services and administration.....	14,477,945	1,941,999	1,100,951	524,104	16,566,270	34,611,269	-
Purchased power.....	-	-	-	-	23,520,471	23,520,471	-
Fuel for generation.....	-	-	-	-	915,547	915,547	-
Repairs and maintenance.....	71,225	15,395	1,290	-	8,500,359	8,588,269	-
Depreciation.....	2,377,386	68,748	5,156	-	7,840,049	10,291,339	-
Employee benefits.....	-	-	-	-	-	-	17,443,609
<b>TOTAL OPERATING EXPENSES</b> .....	<b>16,926,556</b>	<b>2,026,142</b>	<b>1,107,397</b>	<b>524,104</b>	<b>57,342,696</b>	<b>77,926,895</b>	<b>17,443,609</b>
<b>OPERATING INCOME (LOSS)</b> .....	<b>5,310,787</b>	<b>657,453</b>	<b>(1,042)</b>	<b>7,165</b>	<b>4,046,987</b>	<b>10,021,350</b>	<b>2,746,586</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Investment income.....	6,097	-	-	-	420,249	426,346	-
Interest expense.....	(798,424)	(8,360)	-	-	(2,017,962)	(2,824,746)	-
Insurance proceeds.....	-	-	-	-	1,850,000	1,850,000	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b> .....	<b>(792,327)</b>	<b>(8,360)</b>	<b>-</b>	<b>-</b>	<b>252,287</b>	<b>(548,400)</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b> .....	<b>4,518,460</b>	<b>649,093</b>	<b>(1,042)</b>	<b>7,165</b>	<b>4,299,274</b>	<b>9,472,950</b>	<b>2,746,586</b>
<b>CAPITAL CONTRIBUTIONS</b> .....	<b>257,920</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,920</b>	<b>-</b>
<b>TRANSFERS:</b>							
Transfers in.....	52,368	-	-	-	-	52,368	-
Transfers out.....	-	-	-	-	(1,725,450)	(1,725,450)	-
<b>TOTAL TRANSFERS</b> .....	<b>52,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,725,450)</b>	<b>(1,673,082)</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b> .....	<b>4,828,748</b>	<b>649,093</b>	<b>(1,042)</b>	<b>7,165</b>	<b>2,573,824</b>	<b>8,057,788</b>	<b>2,746,586</b>
<b>NET POSITION AT BEGINNING OF YEAR</b> .....	<b>47,662,540</b>	<b>(1,413,120)</b>	<b>37,234</b>	<b>118,823</b>	<b>64,814,987</b>	<b>111,220,464</b>	<b>10,365,310</b>
<b>NET POSITION AT END OF YEAR</b> .....	<b>\$ 52,491,288</b>	<b>\$ (764,027)</b>	<b>\$ 36,192</b>	<b>\$ 125,988</b>	<b>\$ 67,388,811</b>	<b>\$ 119,278,252</b>	<b>\$ 13,111,896</b>

See notes to basic financial statements.

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

Business-type Activities - Enterprise Funds							
	Water and Sewer	Golf Course	Stormwater	PEG Access	Electric Light December 31, 2020	Total	Governmental Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Receipts from customers and users.....	\$ 22,104,721	\$ 2,655,808	\$ 1,123,117	\$ 531,269	\$ 62,512,396	\$ 88,927,311	\$ 7,873,698
Receipts from interfund services provided.....	-	-	-	-	-	-	12,316,497
Payments to vendors.....	(10,816,249)	(944,154)	(172,884)	(524,104)	(39,388,024)	(51,845,415)	-
Payments to employees.....	(3,664,613)	(1,219,332)	(563,497)	-	(11,502,672)	(16,950,114)	-
Payments for interfund services used.....	-	-	-	-	-	-	(16,935,791)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>7,623,859</b>	<b>492,322</b>	<b>386,736</b>	<b>7,165</b>	<b>11,621,700</b>	<b>20,131,782</b>	<b>3,254,404</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers in.....	52,368	-	-	-	-	52,368	-
Transfers out.....	-	-	-	-	(1,725,450)	(1,725,450)	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>52,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,725,450)</b>	<b>(1,673,082)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Proceeds from the issuance of bonds and notes.....	5,160,726	5,000	-	-	-	5,165,726	-
Premium from the issuance of bonds.....	292,172	3	-	-	-	292,175	-
Capital contributions.....	257,920	-	-	-	-	257,920	-
Acquisition and construction of capital assets.....	(6,755,566)	(90,592)	(25,779)	-	(3,519,599)	(10,391,536)	-
Principal payments on bonds and notes.....	(2,627,680)	(93,700)	-	-	(5,965,000)	(8,686,380)	-
Principal payments on capital lease obligations.....	-	-	-	-	(75,677)	(75,677)	-
Interest expense.....	(1,033,825)	(8,363)	-	-	(2,683,835)	(3,726,023)	-
Insurance proceeds.....	-	-	-	-	1,850,000	1,850,000	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(4,706,253)</b>	<b>(187,652)</b>	<b>(25,779)</b>	<b>-</b>	<b>(10,394,111)</b>	<b>(15,313,795)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Investment income.....	6,097	-	-	-	420,249	426,346	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>2,976,071</b>	<b>304,670</b>	<b>360,957</b>	<b>7,165</b>	<b>(77,612)</b>	<b>3,571,251</b>	<b>3,254,404</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	15,634,092	-	348,831	118,823	24,657,968	40,759,714	9,724,901
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 18,610,163</b>	<b>\$ 304,670</b>	<b>\$ 709,788</b>	<b>\$ 125,988</b>	<b>\$ 24,580,356</b>	<b>\$ 44,330,965</b>	<b>\$ 12,979,305</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>							
Operating income (loss).....	\$ 5,310,787	\$ 657,453	\$ (1,042)	\$ 7,165	\$ 4,046,987	\$ 10,021,350	\$ 2,746,586
Adjustments to reconcile operating income to net cash from operating activities:							
Depreciation.....	2,377,386	68,748	5,156	-	7,840,049	10,291,339	-
Deferred (outflows)/inflows related to pensions.....	154,597	55,074	53,741	-	6,901,197	7,164,609	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(27,049)	(5,529)	(29,388)	-	54,195	(7,771)	-
Deferred (outflows)/inflows related to rate stabilization reserve.....	-	-	-	-	2,190,495	2,190,495	-
Loss on disposal of capital assets.....	-	-	-	-	455,236	455,236	-
Changes in assets and liabilities:							
Liens - user charges.....	47,016	-	-	-	-	47,016	-
User charges.....	(179,638)	-	16,762	-	(179,042)	(341,918)	-
Departmental and other.....	-	-	-	-	(874,412)	(874,412)	580,719
Inventory.....	-	(23,144)	-	-	12,735	(10,409)	-
Other assets.....	-	-	-	-	(3,414,937)	(3,414,937)	-
Warrants payable.....	944,517	35,493	(14,264)	-	1,021,333	1,987,079	(32,901)
Accrued payroll.....	18,557	8,899	1,853	-	-	29,309	-
Health claims payable.....	-	-	-	-	-	-	(40,000)
Due to other funds.....	-	(38,220)	-	-	-	(38,220)	-
Fees collected in advance.....	-	10,433	-	-	44,092	54,525	-
Customer deposits.....	-	-	-	-	(58,420)	(58,420)	-
Other liabilities.....	-	-	-	-	139,459	139,459	-
Compensated absences.....	17,662	(26,741)	689	-	107,100	98,710	-
Workers' compensation.....	(5,071)	-	-	-	-	(5,071)	-
Net pension liability.....	(384,588)	(34,393)	261,026	-	(6,278,090)	(6,436,045)	-
Net other postemployment benefits liability.....	(650,317)	(215,751)	92,203	-	(386,277)	(1,160,142)	-
<b>Total adjustments.....</b>	<b>2,313,072</b>	<b>(165,131)</b>	<b>387,778</b>	<b>-</b>	<b>7,574,713</b>	<b>10,110,432</b>	<b>507,818</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 7,623,859</b>	<b>\$ 492,322</b>	<b>\$ 386,736</b>	<b>\$ 7,165</b>	<b>\$ 11,621,700</b>	<b>\$ 20,131,782</b>	<b>\$ 3,254,404</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>							
Change in the deferred loss on debt refunding.....	\$ (71,424)	\$ -	\$ -	\$ -	\$ (710,739)	\$ (782,163)	\$ -
Amortization of premium on long-term debt.....	274,791	-	-	-	1,376,612	1,651,403	-

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 2,602,713	\$ 216,504
Investments:		
Investments in Pension Reserve Investment Trust.....	33,146,156	-
Corporate bonds.....	-	20,656
Equity securities.....	367,812	-
Equity mutual funds.....	153,735,068	-
Fixed income mutual funds.....	53,481,462	5,208
Pooled alternative investments.....	29,699,672	686,855
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	37,639	-
<b>TOTAL ASSETS.....</b>	<b><u>273,070,522</u></b>	<b><u>929,223</u></b>
<b>LIABILITIES</b>		
Warrants payable.....	3,283	-
<b>NET POSITION</b>		
Restricted for pensions.....	252,648,683	-
Restricted for other postemployment benefits.....	20,418,556	-
Held in trust for other purposes.....	-	929,223
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 273,067,239</u></b>	<b><u>\$ 929,223</u></b>

(1) The Pension Trust Fund is as of December 31, 2020.

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 13,146,614	\$ -
Employer contributions for other postemployment benefit payments.....	7,575,538	-
Member contributions.....	4,944,031	-
Transfers from other systems.....	474,883	-
3(8)c contributions from other systems.....	351,550	-
State COLA reimbursements.....	101,108	-
Private donations.....	-	106,461
<b>Total contributions.....</b>	<b>26,593,724</b>	<b>106,461</b>
Net investment income:		
Investment income (loss).....	34,474,106	127,146
Less: investment expense.....	(1,466,139)	-
<b>Net investment income (loss).....</b>	<b>33,007,967</b>	<b>127,146</b>
<b>TOTAL ADDITIONS.....</b>	<b>59,601,691</b>	<b>233,607</b>
<b>DEDUCTIONS:</b>		
Administration.....	265,418	-
Transfers to other systems.....	226,863	-
3(8)c transfer to other systems.....	419,491	-
Retirement benefits and refunds.....	18,960,140	-
Other postemployment benefit payments.....	7,575,538	-
Educational scholarships.....	-	58,900
<b>TOTAL DEDUCTIONS.....</b>	<b>27,447,450</b>	<b>58,900</b>
<b>NET INCREASE (DECREASE) IN NET POSITION.....</b>	<b>32,154,241</b>	<b>174,707</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>240,912,998</b>	<b>754,516</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 273,067,239</b>	<b>\$ 929,223</b>

(1) The Pension Trust Fund is as of December 31, 2020.

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, 2<sup>nd</sup> 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, 2020, 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 2021 assessment was \$2,380,044. 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 decreased from \$148,787 in 2020 to \$8,127 in 2021, the capital stabilization fund increased from \$69,194 in 2020 to \$72,771 in 2021, and the school building stabilization fund decreased from \$288,902 in 2020 to \$78,119 in 2021. 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.

#### 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 1<sup>st</sup> 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 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> 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 1<sup>st</sup> 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.

“Gifts and grants” 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. Fund Deficits

Individual deficits exist at June 30, 2021, within the Town special revenue funds and the School special revenue funds. These deficits will be funded with grant funds in subsequent years.

## T. 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 0.19 to 16.28 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 \$70,276,653 and the bank balances totaled \$72,794,946. Of the bank balance, \$3,000,000 was covered by Federal Depository Insurance, \$20,853,795 was covered by the Depositors Insurance Fund, \$22,385,954 was

collateralized, and \$23,726,882 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, 2020, the carrying amount of deposits for the System totaled \$2,568,105 and the bank balance totaled \$2,607,616. 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 \$200,386 investment in debt securities and its \$334,955 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, 2021, the Town had the following investments and maturities:

Investment Type	Fair value	Maturities	
		1-5 Years	6-10 Years
<b>Debt securities:</b>			
U.S. treasury notes.....	\$ 74,745	\$ 57,766	\$ 16,979
Government sponsored enterprises.....	41,970	41,970	-
Corporate bonds.....	83,671	83,671	-
Total debt securities.....	200,386	\$ 183,407	\$ 16,979
<b>Other investments:</b>			
Equity securities.....	334,955		
Equity mutual funds.....	544,099		
Fixed income mutual funds.....	78,392		
Money market mutual funds.....	36,822		
Pension Reserve Investment Trust (PRIT).....	20,397,785		
MMDT - Bond portfolio.....	7,132,431		
MMDT - Cash portfolio.....	85,693,261		
Total investments.....	\$ 114,418,131		

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with average maturities of approximately 49 days and a weighted average maturity of 2.64 years, respectively. The Town’s investments in MMDT are unrated.

As of December 31, 2020, the Braintree Contributory Retirement System had the following investments:

<u>Investment Type</u>	<u>Fair value</u>
<u>Other investments:</u>	
Equity securities.....	\$ 367,812
Equity mutual funds.....	153,735,068
Fixed income mutual funds.....	53,481,462
Private equity.....	29,699,672
Money market mutual funds.....	13,838
Pension Reserve Investment Trust (PRIT).....	12,748,370
 Total investments.....	 \$ <u>250,046,222</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+.....	\$ 41,970	\$ -
A.....	-	10,455
A-.....	-	26,676
BBB+.....	-	20,656
BBB.....	-	25,884
 Total.....	 \$ <u>41,970</u>	 \$ <u>83,671</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, 2021, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2021	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)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 74,745	\$ 74,745	\$ -	\$ -
Government sponsored enterprises.....	41,970	41,970	-	-
Corporate bonds.....	83,671	-	83,671	-
Total debt securities.....	200,386	116,715	83,671	-
<u>Other investments:</u>				
Equity securities.....	334,955	334,955	-	-
Equity mutual funds.....	544,099	544,099	-	-
Fixed income mutual funds.....	78,392	78,392	-	-
Money market mutual funds.....	36,822	36,822	-	-
MMDT - Bond portfolio.....	7,132,431	7,132,431	-	-
Total other investments.....	8,126,699	8,126,699	-	-
Total investments measured at fair value.....	8,327,085	\$ 8,243,414	\$ 83,671	\$ -
<b>Investments measured at amortized cost:</b>				
MMDT - Cash portfolio.....	85,693,261			
<b>Investments measured at net asset value:</b>				
Pension Reserve Investment Trust (PRIT).....	20,397,785			
Total investments.....	\$ 114,418,131			

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, 2020, that the System measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	December 31, 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)
<b>Investments measured at fair value:</b>				
<u>Other investments:</u>				
Equity securities.....	\$ 367,812	\$ 367,812	\$ -	\$ -
Equity mutual funds.....	153,735,068	153,735,068	-	-
Fixed income.....	53,481,462	-	53,481,462	-
Private equity.....	29,699,672	-	-	29,699,672
Money market mutual funds.....	13,838	13,838	-	-
Total other investments.....	<u>237,297,852</u>	<u>154,116,718</u>	<u>53,481,462</u>	<u>29,699,672</u>
Total investments measured at fair value.....	237,297,852	\$ <u>154,116,718</u>	\$ <u>53,481,462</u>	\$ <u>29,699,672</u>
<b>Investments measured at net asset value:</b>				
Pension Reserve Investment Trust (PRIT).....	<u>12,748,370</u>			
Total investments.....	\$ <u>250,046,222</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, 2021, 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..... \$	1,189,329	\$ (305,900)	\$ 883,429
Tax liens.....	1,833,974	-	1,833,974
Community preservation fund surtax.....	29	-	29
Motor vehicle and other excise taxes.....	568,630	(57,200)	511,430
Departmental and other.....	597,324	(14,400)	582,924
Intergovernmental.....	5,278,469	-	5,278,469
Community preservation state share.....	233,585	-	233,585
<b>Total.....</b>	<b><u>9,701,340</u></b>	<b><u>\$(377,500)</u></b>	<b><u>9,323,840</u></b>

At June 30, 2021 (December 31, 2020 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..... \$	33,923	\$ -	\$ 33,923
Water and sewer user charges.....	5,553,016	-	5,553,016
Stormwater user charges.....	90,080	-	90,080
Electric light user charges.....	6,678,538	(209,991)	6,468,547
Electric light departmental and other.....	1,618,402	-	1,618,402
<b>Total.....</b>	<b><u>13,973,959</u></b>	<b><u>\$(209,991)</u></b>	<b><u>13,763,968</u></b>

At December 31, 2020, the Pension Trust Fund had departmental and intergovernmental receivables totaling \$37,639.

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
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 753,875	\$ -	\$ 753,875
Tax liens.....	1,833,974	-	1,833,974
Community preservation fund surtax.....	-	29	29
Motor vehicle and other excise taxes.....	511,430	-	511,430
Departmental and other.....	6,327	-	6,327
Intergovernmental.....	177,815	1,079,623	1,257,438
Community preservation state share.....	-	233,585	233,585
Tax foreclosures.....	78,281	-	78,281
<b>Total.....</b>	<b>\$ 3,361,702</b>	<b>\$ 1,313,237</b>	<b>\$ 4,674,939</b>

**NOTE 4 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 15,368,506	\$ 1,374,190	\$ -	\$ 16,742,696
Construction in progress.....	79,413,420	10,728,987	(10,794,265)	79,348,142
<b>Total capital assets not being depreciated....</b>	<b>94,781,926</b>	<b>12,103,177</b>	<b>(10,794,265)</b>	<b>96,090,838</b>
<u>Capital assets being depreciated:</u>				
Land improvements.....	12,086,055	400,000	-	12,486,055
Buildings.....	56,257,230	10,127,955	-	66,385,185
Machinery and equipment.....	19,266,601	494,795	(730,515)	19,030,881
Vehicles.....	2,261,788	222,086	(48,907)	2,434,967
Infrastructure.....	72,619,777	2,645,330	-	75,265,107
<b>Total capital assets being depreciated.....</b>	<b>162,491,451</b>	<b>13,890,166</b>	<b>(779,422)</b>	<b>175,602,195</b>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(9,118,518)	(283,071)	-	(9,401,589)
Buildings.....	(35,800,853)	(1,274,161)	-	(37,075,014)
Machinery and equipment.....	(15,595,483)	(847,136)	730,515	(15,712,104)
Vehicles.....	(696,002)	(386,854)	48,907	(1,033,949)
Infrastructure.....	(26,185,872)	(1,796,322)	-	(27,982,194)
<b>Total accumulated depreciation.....</b>	<b>(87,396,728)</b>	<b>(4,587,544)</b>	<b>779,422</b>	<b>(91,204,850)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>75,094,723</b>	<b>9,302,622</b>	<b>-</b>	<b>84,397,345</b>
<b>Total governmental activities capital assets, net.....</b>	<b>\$ 169,876,649</b>	<b>\$ 21,405,799</b>	<b>\$ (10,794,265)</b>	<b>\$ 180,488,183</b>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,205,183	\$ 35,000	\$ -	\$ 2,240,183
Construction in progress.....	2,902,765	1,788,832	(2,462,463)	2,229,134
Total capital assets not being depreciated....	<u>5,107,948</u>	<u>1,823,832</u>	<u>(2,462,463)</u>	<u>4,469,317</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,786,883	-	-	1,786,883
Plant in service.....	261,477,714	3,212,568	(1,120,381)	263,569,901
Buildings.....	1,664,908	-	-	1,664,908
Machinery and equipment.....	3,227,671	271,611	(209,954)	3,289,328
Vehicles.....	719,614	448,054	-	1,167,668
Infrastructure.....	84,751,355	7,132,934	-	91,884,289
Total capital assets being depreciated.....	<u>353,628,145</u>	<u>11,065,167</u>	<u>(1,330,335)</u>	<u>363,362,977</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(918,920)	(40,476)	-	(959,396)
Plant in service.....	(129,925,598)	(7,840,049)	630,145	(137,135,502)
Buildings.....	(1,229,077)	(21,256)	-	(1,250,333)
Machinery and equipment.....	(2,490,135)	(160,786)	209,954	(2,440,967)
Vehicles.....	(245,391)	(218,080)	-	(463,471)
Infrastructure.....	(28,431,157)	(2,010,692)	-	(30,441,849)
Total accumulated depreciation.....	<u>(163,240,278)</u>	<u>(10,291,339)</u>	<u>840,099</u>	<u>(172,691,518)</u>
Total capital assets being depreciated, net.....	<u>190,387,867</u>	<u>773,828</u>	<u>(490,236)</u>	<u>190,671,459</u>
Total business-type activities capital assets, net....	<u>\$ 195,495,815</u>	<u>\$ 2,597,660</u>	<u>\$ (2,952,699)</u>	<u>\$ 195,140,776</u>

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

**Governmental Activities:**

General government.....	\$ 345,915
Public safety.....	816,910
Education.....	958,086
Public works.....	2,085,084
Health and human services.....	30,238
Culture and recreation.....	249,351
Community preservation.....	<u>101,960</u>

Total depreciation expense - governmental activities..... \$ 4,587,544

**Business-Type Activities:**

Water and sewer.....	\$ 2,377,386
Golf course.....	68,748
Stormwater.....	5,156
Electric Light.....	<u>7,840,049</u>

Total depreciation expense - business-type activities..... \$ 10,291,339

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2021, the Town has an interfund receivable/payable totaling \$812,686 which exists between the general fund and highway improvements fund. The purpose of this balance 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, 2021, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Water and sewer enterprise fund	Total
General fund.....	\$ -	\$ 52,368	\$ 52,368 (1)
Nonmajor governmental funds.....	31,700	-	31,700 (2)
Electric light enterprise fund.....	1,725,450	-	1,725,450 (3)
<b>Total.....</b>	<b>\$ 1,757,150</b>	<b>\$ 52,368</b>	<b>\$ 1,809,518</b>

- (1) Represents a budgeted transfer from the general fund to the water and sewer enterprise fund for debt service.
- (2) Represents budgeted transfers to the general fund from the Town special revenue fund for the operating budget and articles.
- (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, 2020:

Years ending December 31:	Business-Type Activities
2021.....	\$ 19,671
2022.....	9,784
Total minimum lease payments.....	29,455
Less: amounts representing interest.....	(1,999)
Present value of minimum lease payments... \$	<u>27,456</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, 2021, totaled approximately \$150,012 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>
2022.....	\$ 150,012
2023.....	<u>150,012</u>
 Total .....	 \$ <u><u>300,024</u></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, 2021, totaled approximately \$53,378.

The future minimum lease payments for the year ending June 30, 2022, in the business-type activities is \$53,378.

**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, 2021, is as follows:

<u>Type</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Due Date</u>	<u>Balance at June 30, 2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance at June 30, 2021</u>
<b>Governmental Funds:</b>							
BAN	Municipal Purpose.....	2.00%	06/11/21	\$ 2,538,490	\$ -	\$ (2,538,490)	\$ -
BAN	Municipal Purpose.....	1.50%	06/10/22	<u>-</u>	<u>2,538,490</u>	<u>-</u>	<u>2,538,490</u>
Total Governmental Funds.....				<u>\$ 2,538,490</u>	<u>\$ 2,538,490</u>	<u>\$ (2,538,490)</u>	<u>\$ 2,538,490</u>
<b>Water and Sewer Enterprise Fund:</b>							
BAN	Municipal Purpose.....	1.50%	06/10/22	<u>-</u>	<u>\$ 2,400,000</u>	<u>-</u>	<u>\$ 2,400,000</u>

**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, 2021, 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, 2021
<b>General Obligation Bonds Payable:</b>				
Municipal Purpose Loan of 2011.....	2031	\$ 5,970,000	2.00 - 4.50	\$ 2,210,000
Municipal Purpose Loan of 2012.....	2032	4,240,000	2.00 - 4.00	1,590,000
Municipal Purpose Loan of 2013.....	2033	2,990,000	2.00 - 2.75	1,245,000
Municipal Purpose Loan of 2014.....	2034	3,071,000	2.00 - 4.00	1,455,000
Municipal Purpose Refunding Loan of 2015.....	2028	1,680,000	3.00 - 5.00	965,000
Municipal Purpose Loan of 2015.....	2035	2,595,000	3.00 - 5.00	1,600,000
Municipal Purpose Loan of 2016.....	2036	3,813,000	2.00 - 4.00	1,485,000
Municipal Purpose Loan of 2017.....	2037	4,501,400	2.00 - 4.00	2,840,400
Municipal Purpose Loan of 2018.....	2048	22,727,000	3.00 - 5.00	20,460,000
Municipal Purpose Loan of 2019.....	2039	29,033,500	3.00 - 5.00	26,855,000
Municipal Purpose Loan of 2020.....	2040	7,377,000	2.00 - 5.00	7,050,000
Municipal Purpose Refunding Loan of 2020.....	2030	1,855,000	4.00	1,855,000
Municipal Purpose Loan of 2020.....	2046	49,605,000	1.50 - 4.00	49,605,000
Municipal Purpose Loan of 2021.....	2041	2,940,000	2.00 - 5.00	2,940,000
Total Bonds Payable.....				122,155,400
Add: Unamortized premium on bonds.....				7,486,946
Total.....				\$ 129,642,346

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
2022.....	\$ 5,443,100	\$ 4,658,282	\$ 10,101,382
2023.....	5,890,000	3,822,510	9,712,510
2024.....	5,703,000	3,570,297	9,273,297
2025.....	5,764,000	3,323,354	9,087,354
2026.....	5,839,000	3,073,008	8,912,008
2027.....	5,489,200	2,827,234	8,316,434
2028.....	5,452,000	2,589,961	8,041,961
2029.....	5,410,000	2,352,391	7,762,391
2030.....	5,409,000	2,115,941	7,524,941
2031.....	5,250,000	1,900,299	7,150,299
2032.....	5,188,000	1,720,833	6,908,833
2033.....	5,103,000	1,569,068	6,672,068
2034.....	5,138,000	1,437,747	6,575,747
2035.....	5,108,000	1,306,770	6,414,770
2036.....	5,078,000	1,176,829	6,254,829
2037.....	5,071,100	1,049,002	6,120,102
2038.....	5,150,000	918,341	6,068,341
2039.....	4,620,000	783,975	5,403,975
2040.....	3,480,000	664,838	4,144,838
2041.....	3,210,000	578,731	3,788,731
2042.....	3,275,000	498,537	3,773,537
2043.....	3,360,000	414,794	3,774,794
2044.....	3,445,000	327,263	3,772,263
2045.....	3,540,000	235,781	3,775,781
2046.....	3,630,000	140,081	3,770,081
2047.....	1,035,000	73,850	1,108,850
2048.....	1,075,000	37,628	1,112,628
Total.....	\$ <u>122,155,400</u>	\$ <u>43,167,345</u>	\$ <u>165,322,745</u>

In order to take advantage of favorable interest rates, the Town issued \$1,855,000 of general obligation refunding bonds on November 5, 2020. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$2,345,000 million and became callable on December 15, 2020. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$261,000 and a reduction of \$305,000 in future debt service payments.

**Bonds and Notes Payable Schedule – Water and Sewer Enterprise Fund**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
<b>General Obligation Bonds Payable:</b>				
Municipal Purpose Refunding Loan of 2011.....	2022	\$ 2,921,500	2.00 - 4.00	\$ 265,000
Municipal Purpose Loan of 2011.....	2031	2,286,000	2.00 - 4.50	840,000
Municipal Purpose Loan of 2012.....	2032	2,000,000	2.00 - 4.00	880,000
Municipal Purpose Loan of 2013.....	2033	3,108,000	2.00 - 2.75	1,755,000
Municipal Purpose Loan of 2014.....	2034	2,118,000	2.00 - 4.00	1,365,000
Municipal Purpose Refunding Loan of 2015.....	2029	5,890,000	3.00 - 5.00	3,875,000
Municipal Purpose Loan of 2015.....	2035	2,084,000	3.00 - 5.00	1,450,000
Municipal Purpose Loan of 2016.....	2036	2,394,000	2.00 - 4.00	1,720,000
Municipal Purpose Loan of 2017.....	2037	3,453,000	2.00 - 4.00	2,681,600
Municipal Purpose Loan of 2018.....	2038	5,241,000	3.00 - 5.00	4,365,000
Municipal Purpose Loan of 2019.....	2039	3,193,500	3.00 - 5.00	2,810,000
Municipal Purpose Loan of 2020.....	2040	2,688,000	2.00 - 5.00	2,550,000
Municipal Purpose Loan of 2021.....	2041	2,735,000	2.00 - 5.00	2,735,000
Subtotal General Obligation Bonds Payable.....				27,291,600
<b>Direct Borrowings Payable:</b>				
MWRA Sewer Bonds of 2017.....	2027	165,000	0.00	99,000
MWRA Sewer Bonds of 2018.....	2028	226,250	0.00	158,375
MWRA Sewer Bonds of 2019.....	2029	219,550	0.00	175,640
MWRA Sewer Bonds of 2020.....	2030	392,460	0.00	353,214
MCWT Bonds of 2021.....	2037	391,042	2.00	316,103
MWRA Sewer Bonds of 2021.....	2031	25,726	0.00	25,726
Subtotal Direct Borrowings Payable.....				1,128,058
Total Bonds Payable.....				28,419,658
Add: Unamortized premium on bonds.....				1,936,357
Total.....				\$ 30,356,015

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
2022.....	\$ 2,538,900	\$ 999,701	\$ 3,538,601
2023.....	2,155,000	927,084	3,082,084
2024.....	2,117,000	834,153	2,951,153
2025.....	2,111,000	741,756	2,852,756
2026.....	2,106,000	649,978	2,755,978
2027.....	1,930,800	559,425	2,490,225
2028.....	1,833,000	478,059	2,311,059
2029.....	1,780,000	401,978	2,181,978
2030.....	1,436,000	329,086	1,765,086
2031.....	1,440,000	274,010	1,714,010
2032.....	1,352,000	227,012	1,579,012
2033.....	1,282,000	183,078	1,465,078
2034.....	1,162,000	143,526	1,305,526
2035.....	997,000	107,377	1,104,377
2036.....	892,000	78,001	970,001
2037.....	778,900	53,317	832,217
2038.....	615,000	32,025	647,025
2039.....	365,000	15,438	380,438
2040.....	265,000	6,977	271,977
2041.....	135,000	1,350	136,350
Total.....	\$ <u>27,291,600</u>	\$ <u>7,043,331</u>	\$ <u>34,334,931</u>

Year	Direct Borrowings Payable:		
	Principal	Interest	Total
2022.....	\$ 120,483	\$ 5,881	\$ 126,364
2023.....	120,836	5,521	126,357
2024.....	121,198	5,153	126,351
2025.....	121,564	4,777	126,341
2026.....	121,940	4,395	126,335
2027.....	122,322	4,005	126,327
2028.....	106,213	3,606	109,819
2029.....	83,986	3,200	87,186
2030.....	62,438	2,785	65,223
2031.....	23,606	2,363	25,969
2032.....	21,456	1,931	23,387
2033.....	21,887	1,491	23,378
2034.....	22,327	1,043	23,370
2035.....	22,776	585	23,361
2036.....	23,234	118	23,352
2037.....	11,792	-	11,792
Total.....	\$ <u>1,128,058</u>	\$ <u>46,854</u>	\$ <u>1,174,912</u>

**Bonds and Notes Payable Schedule – Golf Course Enterprise Fund**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
<b>General Obligation Bonds Payable:</b>				
Municipal Purpose Loan of 2017.....	2022	\$ 92,700	2.00 - 4.00	\$ 13,000
Municipal Purpose Loan of 2019.....	2024	138,000	5.00	75,000
Municipal Purpose Loan of 2021.....	2022	5,000	5.00	5,000
Total Bonds Payable.....				\$ 93,000

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
2022.....	\$ 43,000	\$ 4,336	\$ 47,336
2023.....	25,000	2,500	27,500
2024.....	25,000	1,250	26,250
Total.....	\$ 93,000	\$ 8,086	\$ 101,086

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at December 31, 2020
<b>General Obligation Bonds Payable:</b>				
Municipal Purpose Refunding Loan of 2015.	2028	\$ 58,750,000	4.00 - 5.00	\$ 52,785,000
Add: Unamortized premium on bonds.....				<u>8,538,192</u>
Total.....				<u>\$ 61,323,192</u>

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
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>\$ 52,785,000</u>	<u>\$ 11,458,850</u>	<u>\$ 64,243,850</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, 2021, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Building compliance ADA.....	\$ 150,000
Daughraty gym.....	220,000
DPW building repairs.....	295,000
DPW cemetery.....	263,000
DPW engineering drainage work.....	48,000
DPW facilities.....	398,000
DPW highway.....	80,000
DPW trucks.....	235,000
East Middle School renovation/addition.....	4,518,701
Elder Affairs paving.....	184,000
Electronic archiving.....	89,000
Fire rescue pumper.....	66,000
Fire station headquarters renovation.....	4,685,000
Golf dump truck.....	75,000
Golf greens mower.....	130,000
Highland Elementary school roof replacement.....	3,500,000
High School field irrigation.....	40,000
High School planning and development.....	1,500,000
Library building repairs.....	35,000
Police station building.....	15,000
Police records management.....	159,000
Police portable radios.....	10,000
Roadway resurfacing.....	1,650,000
School building renovation/repairs.....	314,000
School education technology.....	200,000
School paving.....	161,000
School security upgrades.....	850,000
Sewer commerce drive pump station.....	800,000
South Middle school building.....	35,034,680
South Middle school planning and development.....	519,490
Town clerk polling books.....	60,000
Townwide computer system and radio systems migrations.....	520,000
Town school ESCO project.....	600,000
Tri town water plant.....	32,000,000
Wastewater system rehabilitation.....	4,387,257
Water system improvements.....	3,000,000
Water treatment plant.....	1,828,000
Total.....	<u>\$ 98,620,128</u>

Changes in Long-term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term general obligation bonds payable....	\$ 74,558,600	\$ 54,400,000	\$ (6,803,200)	\$ -	\$ -	\$ 122,155,400	\$ 5,443,100
Add: Unamortized premium on bonds.....	5,354,299	2,986,534	(853,887)	-	-	7,486,946	864,936
Total bonds payable.....	79,912,899	57,386,534	(7,657,087)	-	-	129,642,346	6,308,036
Compensated absences.....	6,848,375	-	-	2,932,839	(3,120,814)	6,660,400	3,186,156
Workers' compensation.....	177,424	-	-	608,062	(17,742)	767,744	76,774
Net pension liability.....	72,075,901	-	-	2,616,704	(9,041,954)	65,650,651	-
Net other postemployment benefits.....	143,121,219	-	-	9,507,394	(6,944,628)	145,683,985	-
Total governmental activity long-term liabilities.....	\$ 302,135,818	\$ 57,386,534	\$ (7,657,087)	\$ 15,664,999	\$ (19,125,138)	\$ 348,405,126	\$ 9,570,966
<b>Business-Type Activities:</b>							
Long-term general obligation bonds payable....	\$ 85,961,400	\$ 2,740,000	\$ (8,531,800)	\$ -	\$ -	\$ 80,169,600	\$ 10,094,085
Long-term direct borrowing payable.....	1,256,912	25,726	(154,580)	-	-	1,128,058	120,483
Add: Unamortized premium on bonds.....	11,872,905	292,175	(1,690,531)	-	-	10,474,549	289,193
Total bonds payable.....	99,091,217	3,057,901	(10,376,911)	-	-	91,772,207	10,503,761
Capital lease obligations.....	103,133	-	-	23,369	(99,046)	27,456	19,671
Compensated absences.....	1,176,364	-	-	970,138	(871,428)	1,275,074	988,463
Workers' compensation.....	70,584	-	-	-	(5,071)	65,513	6,551
Net pension liability.....	32,523,278	-	-	782,899	(7,218,944)	26,087,233	-
Net other postemployment benefits.....	7,625,323	-	-	785,002	(1,945,144)	6,465,181	-
Total business-type activity long-term liabilities.....	\$ 140,589,899	\$ 3,057,901	\$ (10,376,911)	\$ 2,561,408	\$ (10,139,633)	\$ 125,692,664	\$ 11,518,446

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:

	General	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 2,564,529	\$ 2,564,529
Restricted for:				
Town capital projects.....	-	54,082,822	-	54,082,822
Town special revenue funds.....	-	-	3,568,557	3,568,557
School lunch.....	-	-	1,256,579	1,256,579
School special revenue funds.....	-	-	4,121,078	4,121,078
Community preservation fund.....	-	-	7,363,002	7,363,002
Peterson trust fund.....	-	-	692,422	692,422
Nonexpendable trust funds.....	-	-	2,564,529	2,564,529
Other expendable trust funds.....	-	-	6,969,925	6,969,925
Committed to:				
Articles and continuing appropriations:				
General government.....	364,006	-	-	364,006
Public safety.....	312,164	-	-	312,164
Education.....	701,712	-	-	701,712
Public works.....	493,730	-	-	493,730
Human services.....	59,815	-	-	59,815
Culture and recreation.....	111,790	-	-	111,790
Assigned to:				
General government.....	284,826	-	-	284,826
Public safety.....	216,887	-	-	216,887
Education.....	596,473	-	-	596,473
Public works.....	386,133	-	-	386,133
Human services.....	935	-	-	935
Culture and recreation.....	5,124	-	-	5,124
Unassigned.....	8,158,763	-	(1,269,694)	6,889,069
Total Fund Balances.....	\$ 11,692,358	\$ 54,082,822	\$ 27,830,927	\$ 93,606,107

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, 2021, the balances of the general, capital stabilization and school building stabilization funds were \$8,127,

\$72,771, and \$78,119, 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, 2021, the amount of the liability for health insurance claims totaled \$885,000 which is the best estimate based on available information. Changes in the reported liability since July 1, 2019, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End Currently Due
2020.....	\$ 1,012,000	\$	15,406,445	\$	(15,493,445)	\$	925,000
2021.....	925,000		15,172,601		(15,212,601)		885,000

(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 \$1,968,574 in 2021. At June 30, 2021, the amount of the liability for workers’ compensation claims totaled \$833,257, of which \$83,325 is current. Changes in the reported liability since July 1, 2019, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2020.....	\$ 241,676	\$	457,002	\$	(450,670)	\$	248,008
2021.....	248,008		1,054,114		(468,865)		833,257

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, 2020.

## **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, 2<sup>nd</sup> 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, 2020. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$22,477,939 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 \$181,986,488 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, 2020.

At December 31, 2020, the BCRS membership consists of the following:

Active members.....	847
Inactive members entitled to but not yet receiving benefits.....	179
Inactive members or beneficiaries currently receiving benefits.....	<u>567</u>
 Total.....	 <u><u>1,593</u></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, 2020, was \$12,470,014, 24.42% 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 \$9,719,396 which equaled its actual contribution.

*Pension Liabilities*

The components of the net pension liability of the participating member units at December 31, 2020, were as follows:

Total pension liability.....	\$ 343,189,347
Total pension plan's fiduciary net position.....	<u>(252,648,683)</u>
Total net pension liability.....	<u>\$ 90,540,664</u>
 The pension plan's fiduciary net position as a percentage of the total pension liability.....	  73.62%

The Town and the BELD, reported liabilities of \$70,569,333 and \$21,168,551, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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, 2020, the Town’s proportion was 77.94%, which increased by 0.42% from its proportion measured at December 31, 2019. At December 31, 2019, the BELD’s proportion was 21.53%, which decreased by 0.83% from its proportion measured at December 31, 2018.

*Pension Expense*

For the year ended June 30, 2021, the Town recognized a net pension expense of \$6,576,359. At June 30, 2021, the Town reported deferred outflows of resources related to pensions of \$9,066,269, and deferred inflows of resources related to pensions of \$18,591,065.

The balances of deferred outflows and inflows at June 30, 2021 and December 31, 2020, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 41,979	\$ (6,205,408)	\$ (6,163,429)
Difference between projected and actual earnings for the Town, net..	-	(10,883,385)	(10,883,385)
Difference between projected and actual earnings for the BELD, net.	-	(1,258,792)	(1,258,792)
Changes in assumptions.....	5,896,341	-	5,896,341
Changes in proportion and proportionate share of contributions.....	451,469	(243,480)	207,989
Contributions made subsequent to the measurement date.....	2,676,480	-	2,676,480
Total deferred outflows/(inflows) of resources.....	\$ <u>9,066,269</u>	\$ <u>(18,591,065)</u>	\$ <u>(9,524,796)</u>

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

Year ended:	Town June 30	BELD December 31
2021.....	\$ -	\$ (755,653)
2022.....	(2,652,677)	(638,258)
2023.....	(830,303)	(662,857)
2024.....	(4,963,375)	(644,818)
2025.....	(1,053,335)	-
Subtotal amortized deferred outflows/(inflows) of resources.....	<u>(9,499,690)</u>	<u>(2,701,586)</u>
Contributions made subsequent to the measurement date.....	-	2,676,480
Total deferred outflows/(inflows) of resources....	\$ <u>(9,499,690)</u>	\$ <u>(25,106)</u>

*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, 2020:

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 (UAAL) to zero on or before June 30, 2033. The annual increase is further limited to 4.50% in FY2022 and FY2023 and 7.35% thereafter.
Amortization method - 2010 ERI Actuarial Accrued Liability.....	Level dollar amount to reduce the 2010 ERI Actuarial Accrued Liability to zero on or before June 30, 2022.
Asset valuation method.....	<p>The Actuarial Value of Assets is the market value of assets as of the valuation date reduced by the sum of:</p> <ul style="list-style-type: none"> <li>a) 75% of gains and losses of the prior year,</li> <li>b) 50% of gains and losses of the second prior year and</li> <li>c) 25% of gains and losses of the third prior year.</li> </ul> <p>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.</p>
Investment rate of return/ Discount rate.....	7.50%, net of pension plan investment expense, including inflation.
Inflation rate.....	2.3% per year.
Projected salary increases.....	Group 1: 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.
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, 2020, 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.18%. 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 7.50%, which decreased from 7.65% 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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
<u>December 31, 2020 Measurement Date</u>			
The Town's proportionate share of the net pension liability.....	\$ 98,662,965	\$ 70,569,333	\$ 46,587,866
BCRS total net pension liability.....	\$ 126,584,879	\$ 90,540,664	\$ 59,772,372
<u>December 31, 2019 Measurement Date</u>			
The Municipal Light Plant's proportionate share of the net pension liability.....	\$ 28,453,951	\$ 21,168,551	\$ 14,942,912

*Changes of Assumptions*

The discount rate decreased from 7.65% to 7.50%.

*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, 2021. The BELD obtains a separate valuation for its measurement date of December 31, 2020 because the BELD’s year-end is as of December 31<sup>st</sup> whereas the rest of the Town reports as of June 30<sup>th</sup>. 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 2021, the Town’s age-adjusted contribution to the plan totaled \$7,219,964. For the year ended June 30, 2021, the Town’s average contribution rate was 8.43% 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 HCSBT 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, 2021, the Town pre-funded future OPEB liabilities totaling \$156,600 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, 2021, the balance of this fund totaled \$13,563,924.

For the year ending December 31, 2020, the BELD pre-funded future OPEB liabilities totaling \$520,000 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, 2020, the balance of this fund totaled \$6,854,632.

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, 2021, 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, 2021:

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, 2021:

Total OPEB liability.....	\$ 160,331,968
Less: OPEB plan’s fiduciary net position.....	<u>(13,563,924)</u>
Net OPEB liability.....	<u><u>\$ 146,768,044</u></u>
The OPEB plan’s fiduciary net position	
as a percentage of the total OPEB liability.....	8.46%

*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, 2021.
Investment rate of return.....	6.77%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	6.75%, net of OPEB plan investment expense, including inflation.
Inflation.....	2.50% as of June 30, 2021 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2021 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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 29.37%. 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 4.77% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 7.27%. 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, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity - large cap.....	14.50%	4.90%
Domestic equity - small/mid cap.....	3.50%	5.40%
International equity - developed market..	16.00%	5.32%
International equity - emerging market...	6.00%	6.26%
Domestic fixed income.....	20.00%	1.40%
International fixed income.....	3.00%	1.30%
Alternatives.....	23.00%	6.32%
Real estate.....	14.00%	6.25%
Total.....	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total OPEB liability was 6.75% as of June 30, 2021, and 7.00% as of June 30, 2020. 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, 2020.....	\$ 155,340,264	\$ 10,361,121	\$ 144,979,143
Changes for the year:			
Service cost.....	2,927,346	-	2,927,346
Interest.....	10,835,696	-	10,835,696
Changes of benefit terms.....	(20,766,437)	-	(20,766,437)
Changes in assumptions and other inputs.....	19,058,463	-	19,058,463
Net investment income.....	-	3,046,203	(3,046,203)
Employer contributions to Trust.....	-	7,219,964	(7,219,964)
Benefit payments.....	(7,063,364)	(7,063,364)	-
Net change.....	<u>4,991,704</u>	<u>3,202,803</u>	<u>1,788,901</u>
Balances at June 30, 2021.....	<u>\$ 160,331,968</u>	<u>\$ 13,563,924</u>	<u>\$ 146,768,044</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 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability.....	<u>\$ 165,767,166</u>	<u>\$ 146,768,044</u>	<u>\$ 128,540,613</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>126,667,542</u>	\$ <u>146,768,044</u>	\$ <u>171,691,554</u>

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

For the year ended June 30, 2021, the GASB Statement #75 measurement date, the Town recognized OPEB expense of \$5,116,901. At June 30, 2021, 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.....	\$ 8,766,619	\$ (1,385,431)	\$ 7,381,188
Difference between projected and actual earnings, net.....	-	(2,196,974)	(2,196,974)
Changes in assumptions.....	<u>36,523,517</u>	<u>-</u>	<u>36,523,517</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>45,290,136</u>	\$ <u>(3,582,405)</u>	\$ <u>41,707,731</u>

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

<u>Year ended June 30:</u>	
2022.....	\$ 9,813,121
2023.....	9,400,630
2024.....	9,109,546
2025.....	9,201,555
2026.....	3,839,760
Thereafter.....	<u>343,119</u>
Total.....	\$ <u>41,707,731</u>

*Changes of Assumptions*

The discount rate decreased from 7.00% to 6.75%.

Methodology was updated for calculating expected claims.

The Getzen model was adopted for future projected healthcare costs.

*Changes in Plan Provisions*

The Town changed their Medicare Supplement plans for non-GIC retirees.

**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, 2020, 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, 2020 that was rolled back to the measurement date.

*Employees Covered by Benefit Terms*

The following table represents the Plan’s membership related to the BELD at December 31, 2020:

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, 2020:

Total OPEB liability.....	\$ 12,235,754
Less: OPEB plan's fiduciary net position.....	<u>(6,854,632)</u>
Net OPEB liability.....	<u><u>\$ 5,381,122</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	56.02%

*Significant Actuarial Methods and Assumptions*

The total OPEB liability in the January 1, 2020, 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, 2020
Inflation.....	2.50%.
Investment rate of return.....	6.77% net of OPEB investment expense, including inflation.
Healthcare cost trend rate.....	Currently 4.50%.
Municipal bond rate.....	1.93% as of December 31, 2020 (source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG).
Pre-retirement mortality.....	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Post-retirement mortality.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Disabled mortality.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year.

*Rate of Return*

For the year ended December 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 12.74%. 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 4.77% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 7.27%. 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, 2020, 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%	4.90%
Domestic equity - small/mid cap.....	3.50%	5.40%
International equity - developed market..	16.00%	5.32%
International equity - emerging market...	6.00%	6.26%
Domestic fixed income.....	20.00%	1.40%
International fixed income.....	3.00%	1.30%
Alternatives.....	23.00%	6.32%
Real estate.....	14.00%	6.25%
<b>Total.....</b>	<b>100.00%</b>	

*Discount Rate*

The discount rate used to measure the total OPEB liability was 6.75% as of December 31, 2020. 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, 2019.....	\$ 11,357,506	\$ 5,590,107	\$ 5,767,399
Changes for the year:			
Service cost.....	237,308	-	237,308
Interest.....	794,014	-	794,014
Changes in assumptions and other inputs.....	359,100	-	359,100
Net investment income.....	-	744,525	(744,525)
Employer contributions to Trust.....	-	1,032,174	(1,032,174)
Benefit payments.....	(512,174)	(512,174)	-
Net change.....	878,248	1,264,525	(386,277)
Balance at December 31, 2020.....	\$ 12,235,754	\$ 6,854,632	\$ 5,381,122

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

The table on the following page presents the net other postemployment benefit liability, calculated using the discount rate of 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability.....	\$ 6,987,965	\$ 5,381,122	\$ 4,053,140

*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.....	\$ 3,912,378	\$ 5,381,122	\$ 7,175,827

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

For the year ended December 31, 2020, the GASB Statement #75 measurement date, the BELD recognized OPEB expense of \$700,092. At December 31, 2020, 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.....	\$ 165,010	\$ -	\$ 165,010
Difference between projected and actual earnings, net....	170,955	(530,084)	(359,129)
Changes in assumptions.....	307,279	-	307,279
Total deferred outflows/(inflows) of resources.....	\$ 643,244	\$ (530,084)	\$ 113,160

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

Year ended December 31:

2021.....	\$ 64,534
2022.....	64,532
2023.....	(17,973)
2024.....	2,067
Total.....	\$ 113,160

*Changes of Assumptions*

The discount rate decreased from 7.00% to 6.75%.

*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, 2020)	Town's Other Postemployment Benefit Trust Fund	BELD's Other Postemployment Benefit Trust Fund (as of December 31, 2020)	Total Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 2,581,943	\$ 20,770	\$ -	\$ 2,602,713
Investments:				
Investments in Pension Reserve Investment Trust....	12,748,370	13,543,154	6,854,632	33,146,156
Equity securities.....	367,812	-	-	367,812
Equity mutual funds.....	153,735,068	-	-	153,735,068
Fixed income mutual funds.....	53,481,462	-	-	53,481,462
Pooled alternative investments.....	29,699,672	-	-	29,699,672
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	37,639	-	-	37,639
<b>TOTAL ASSETS.....</b>	<b>252,651,966</b>	<b>13,563,924</b>	<b>6,854,632</b>	<b>273,070,522</b>
<b>LIABILITIES</b>				
Warrants payable.....	3,283	-	-	3,283
<b>NET POSITION</b>				
Restricted for pensions.....	252,648,683	-	-	252,648,683
Restricted for other postemployment benefits.....	-	13,563,924	6,854,632	20,418,556
<b>TOTAL NET POSITION.....</b>	<b>\$ 252,648,683</b>	<b>\$ 13,563,924</b>	<b>\$ 6,854,632</b>	<b>\$ 273,067,239</b>

	Pension Trust Fund (as of December 31, 2020)	Town's Other Postemployment Benefit Trust Fund	BELD's Other Postemployment Benefit Trust Fund (as of December 31, 2020)	Total Pension and Other Employee Benefit Trust Funds
<b>ADDITIONS:</b>				
Contributions:				
Employer contributions.....	\$ 12,470,014	\$ 156,600	\$ 520,000	\$ 13,146,614
Employer contributions for other postemployment benefit payments.....	-	7,063,364	512,174	7,575,538
Member contributions.....	4,944,031	-	-	4,944,031
Transfers from other systems.....	474,883	-	-	474,883
3(8)c contributions from other systems.....	351,550	-	-	351,550
State COLA reimbursements.....	101,108	-	-	101,108
Total contributions.....	18,341,586	7,219,964	1,032,174	26,593,724
Net investment income:				
Investment income (loss).....	30,622,336	3,107,245	744,525	34,474,106
Less: investment expense.....	(1,405,097)	(61,042)	-	(1,466,139)
Net investment income (loss).....	29,217,239	3,046,203	744,525	33,007,967
TOTAL ADDITIONS.....	47,558,825	10,266,167	1,776,699	59,601,691
<b>DEDUCTIONS:</b>				
Administration.....	265,418	-	-	265,418
Transfers to other systems.....	226,863	-	-	226,863
3(8)c transfer to other systems.....	419,491	-	-	419,491
Retirement benefits and refunds.....	18,960,140	-	-	18,960,140
Other postemployment benefit payments.....	-	7,063,364	512,174	7,575,538
TOTAL DEDUCTIONS.....	19,871,912	7,063,364	512,174	27,447,450
NET INCREASE IN NET POSITION.....	27,686,913	3,202,803	1,264,525	32,154,241
NET POSITION AT BEGINNING OF YEAR.....	224,961,770	10,361,121	5,590,107	240,912,998
NET POSITION AT END OF YEAR.....	\$ 252,648,683	\$ 13,563,924	\$ 6,854,632	\$ 273,067,239

**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 \$4.4 million for various water and public works projects. The Town has authorized water treatment system, sewer system work, school construction and public works renovations of approximately \$94.2 million less approximately \$29.4 million in MSBA reimbursement for the South Middle School for a net of \$64.8 million. The Town Council on February 13, 2020, passed four school capital articles subject to a debt exclusion vote that was delayed due to COVID-19 and 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 \$94.1 million.

The South Middle School project of \$86.6 million has an MSBA reimbursement rate of 53.96% of eligible costs. The MSBA estimated grant for the South Middle School is estimated at \$31 million. In November 2021, the Town issued \$50 million in 25-year bonds for the new South Middle School at an average interest rate of \$1.988%.

The general fund has various commitments for goods and services related to articles and encumbrances totaling \$117,676 and \$1,495,514, respectively.

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 2020 are approximately as follows:

Seabrook 1 Nuclear Unit	\$	1,500,000
NYPA		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	\$	700,000
2021		600,000
2022		600,000
2023-2025		<u>1,050,000</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, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial statements at June 30, 2021.

**NOTE 16 – REVISION OF NET POSITION PREVIOUSLY REPORTED**

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #84, *Fiduciary Activities*. To reflect this change, the Town is reporting certain funds which had previously been reported as Agency Funds as Governmental Funds. This has resulted in the revision of the June 30, 2020, balances as follows:

	6/30/2020 Previously Reported Balances	Implementation of GASB Statement #84 Fiduciary Funds	6/30/2020 Revised Balances
<b>Government-Wide Financial Statements</b>			
Governmental activities.....	\$ (36,315,568)	\$ (551,432)	\$ (36,867,000)
<b>Fund-Based Financial Statements</b>			
Nonmajor governmental funds.....	\$ 28,254,357	\$ (551,432)	\$ 27,702,925

**NOTE 17 – 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, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

On March 11, 2021, the United States Federal Government established the American Rescue Plan Act (ARPA) to enhance the United States’ recovery from the economic and health effects of the COVID-19 pandemic. This Act requires that the payment from these funds be used to cover costs related to; public health; negative economic impacts; services to disproportionately impacted communities; premium pay; infrastructure; revenue replacement;

or administration. These funds can only be used to cover costs incurred between March 3, 2021, and December 31, 2024. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

In addition to funding from the CARES Act and the ARPA 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 18 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 29, 2022, which is the date the financial statements were available to be issued.

#### **NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the basic financial statements.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- 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 #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*, which is required to be implemented in 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, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 98,117,719	\$ 98,117,719	\$ 98,439,429	\$ -	\$ 321,710
Tax liens.....	-	-	239,113	-	239,113
Motor vehicle and other excise taxes.....	6,302,706	6,302,706	6,778,991	-	476,285
Hotel/motel tax.....	632,500	632,500	501,216	-	(131,284)
Meals tax.....	936,000	936,000	999,801	-	63,801
Penalties and interest on taxes.....	298,000	298,000	410,488	-	112,488
Payments in lieu of taxes.....	2,498,000	2,498,000	2,387,682	-	(110,318)
Intergovernmental - state aid.....	24,868,786	24,868,786	24,682,055	-	(186,731)
Intergovernmental - School Building Authority.....	800,000	800,000	869,677	-	69,677
Intergovernmental - other.....	-	-	163,265	-	163,265
Departmental and other.....	7,438,417	7,438,417	6,414,739	-	(1,023,678)
Investment income.....	391,333	391,333	225,888	-	(165,445)
<b>TOTAL REVENUES.....</b>	<b>142,283,461</b>	<b>142,283,461</b>	<b>142,112,344</b>	<b>-</b>	<b>(171,117)</b>
<b>EXPENDITURES:</b>					
Current:					
General Government:					
Town Council					
Administration.....	222,683	221,182	195,773	14,440	10,969
Reserve Fund.....	15,253	-	-	-	-
Internal Audit.....	80,000	79,689	46,508	18,766	14,415
Articles.....	29,817	-	-	-	-
<b>Total.....</b>	<b>347,753</b>	<b>300,871</b>	<b>242,281</b>	<b>33,206</b>	<b>25,384</b>
Mayor's Office					
Administration.....	511,663	511,663	508,640	133	2,890
Substance Use Prevention.....	91,120	88,670	83,855	2,198	2,617
Articles.....	85,896	-	-	-	-
<b>Total.....</b>	<b>688,679</b>	<b>600,333</b>	<b>592,495</b>	<b>2,331</b>	<b>5,507</b>
Finance Department					
Administration.....	293,264	288,786	271,022	17,219	545
Accounting.....	289,490	271,870	264,429	-	7,441
Assessing.....	296,877	296,877	293,448	92	3,337
Information Technology.....	670,782	630,782	599,826	23,961	6,995
General Insurances.....	929,248	883,738	862,291	-	21,447
Treasurer/Collector.....	597,738	614,738	565,397	6,297	43,044
Bond Principal.....	3,786,733	3,615,200	3,615,200	-	-
Bond Interest.....	1,282,970	1,264,677	1,223,340	-	41,337
Capital School Building Authority.....	2,768,868	2,711,900	2,670,562	-	41,338
Capital Projects.....	5,174	-	-	-	-
Articles.....	222,313	161,971	-	161,971	-
<b>Total.....</b>	<b>11,143,457</b>	<b>10,740,539</b>	<b>10,365,515</b>	<b>209,540</b>	<b>165,484</b>
Law Department					
Administration.....	233,009	233,010	210,861	11,196	10,953
Human Resources					
Administration.....	707,899	875,480	792,121	342	83,017
Employee Benefits.....	21,517,107	21,355,060	21,149,759	37,676	167,625
Veterans Benefits.....	413,177	311,890	294,082	44	17,764
Celebrations.....	6,750	6,750	6,500	-	250
<b>Total.....</b>	<b>22,644,933</b>	<b>22,549,180</b>	<b>22,242,462</b>	<b>38,062</b>	<b>268,656</b>
Town Clerk					
Administration.....	153,304	153,304	137,164	1,609	14,531
Elections.....	79,100	79,100	76,830	-	2,270
Registration.....	211,010	211,010	203,129	-	7,881
Articles.....	2,632	-	-	-	-
<b>Total.....</b>	<b>446,046</b>	<b>443,414</b>	<b>417,123</b>	<b>1,609</b>	<b>24,682</b>

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Planning and Community Development</b>					
Administration.....	321,063	310,992	262,238	4,125	44,629
Planning.....	39,746	11,800	3,700	6,902	1,198
Conservation.....	164,247	164,247	125,282	37,548	1,417
Zoning Board of Appeals.....	79,491	79,191	76,491	2,087	613
Economic Development.....	139,936	139,236	44,209	94,991	36
Fair Housing Commission.....	1,400	-	-	-	-
Historical Commission.....	6,630	6,300	-	5,200	1,100
Capital Projects.....	210,741	210,000	7,965	202,035	-
<b>Total.....</b>	<b>963,254</b>	<b>921,766</b>	<b>519,885</b>	<b>352,888</b>	<b>48,993</b>
<b>Total General Government.....</b>	<b>36,467,131</b>	<b>35,789,113</b>	<b>34,590,622</b>	<b>648,832</b>	<b>549,659</b>
<b>Public Safety:</b>					
<b>Police</b>					
Administration.....	1,386,185	1,352,139	1,308,664	13,330	30,145
Building Maintenance.....	133,020	128,412	106,428	21,822	162
Equipment Maintenance.....	222,210	217,102	215,583	1,519	-
Patrol Bureau.....	6,504,169	6,760,200	6,684,808	8,900	66,492
Communications.....	548,395	592,973	556,978	5,242	30,753
Detective Bureau.....	1,500,372	1,768,672	1,723,856	3,237	41,579
Special Services/Community Policing.....	867,960	969,079	957,652	400	11,027
Harbormaster.....	9,450	4,950	4,325	625	-
Animal Control.....	82,519	78,118	74,033	310	3,775
Capital Projects.....	259,032	302,257	222,435	79,822	-
<b>Total.....</b>	<b>11,513,312</b>	<b>12,173,902</b>	<b>11,854,762</b>	<b>135,207</b>	<b>183,933</b>
<b>Fire</b>					
Administration.....	292,213	315,080	293,122	21,955	3
Building Maintenance.....	104,441	128,035	100,767	27,261	7
Equipment Maintenance.....	155,109	132,109	117,907	13,088	1,114
Fire Suppression.....	7,741,516	8,371,493	8,333,527	37,960	6
Fire Alarm Repair.....	161,579	134,379	134,147	221	11
Fire Hazmat.....	124,882	115,882	115,831	-	51
Fire Prevention.....	127,883	126,713	126,711	-	2
Training.....	117,922	115,392	114,038	-	1,354
Fire Boat.....	35,000	35,000	24,993	3,530	6,477
Capital Projects.....	192,877	52,387	-	52,387	-
<b>Total.....</b>	<b>9,053,422</b>	<b>9,526,470</b>	<b>9,361,043</b>	<b>156,402</b>	<b>9,025</b>
<b>Municipal Licenses and Inspection</b>					
Administration.....	284,975	193,916	182,355	2,510	9,051
Equipment Maintenance.....	1,500	1,500	1,498	-	2
Commission on Disabilities.....	1,014	1,014	490	-	524
Inspections/Code Enforcement.....	512,661	480,023	423,486	54,877	1,660
Health.....	245,383	190,576	182,357	100	8,119
Articles.....	298,955	249,911	69,956	179,955	-
<b>Total.....</b>	<b>1,344,488</b>	<b>1,116,940</b>	<b>860,142</b>	<b>237,442</b>	<b>19,356</b>
<b>Total Public Safety.....</b>	<b>21,911,222</b>	<b>22,817,312</b>	<b>22,075,947</b>	<b>529,051</b>	<b>212,314</b>
<b>Education:</b>					
Education.....	73,627,915	73,745,966	73,141,952	596,473	7,541
Regional School District.....	2,380,044	2,380,044	2,380,044	-	-
Capital Projects.....	1,277,950	1,277,949	576,237	701,712	-
<b>Total Education.....</b>	<b>77,285,909</b>	<b>77,403,959</b>	<b>76,098,233</b>	<b>1,298,185</b>	<b>7,541</b>

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Public Works:</b>					
<b>Public Works</b>					
Administration.....	378,462	376,662	352,640	225	23,797
Building Maintenance.....	1,449,009	1,442,521	1,340,371	54,766	47,384
Equipment Maintenance.....	193,280	193,280	161,414	21,614	10,252
Engineering.....	182,501	182,485	143,311	35,000	4,174
Construction Administration.....	267,983	267,983	248,659	1,600	17,724
Highway.....	1,581,717	1,581,254	1,529,961	24,434	26,859
Drains.....	10,000	10,000	9,879	-	121
Sidewalks.....	29,400	29,400	29,271	-	129
Street Lighting.....	315,000	300,000	300,000	-	-
Traffic.....	127,225	127,225	118,147	9,074	4
Snow and Ice.....	500,000	755,829	753,897	-	1,932
Environmental Affairs and Waste Collection.....	2,746,720	2,598,090	2,341,559	214,568	41,963
Cemetery.....	141,189	141,189	141,087	-	102
Maintenance Town Hall.....	116,469	116,469	116,195	248	26
Recreation and Community Events.....	340,398	285,460	254,848	11,823	18,789
Grounds Maintenance.....	527,135	527,135	492,553	12,781	21,801
Summer Programs.....	60,000	25,000	16,215	-	8,785
Brawley Recreation.....	120,689	120,689	120,689	-	-
Articles.....	651,572	574,055	80,325	493,730	-
<b>Total Public Works.....</b>	<b>9,738,749</b>	<b>9,654,726</b>	<b>8,551,021</b>	<b>879,863</b>	<b>223,842</b>
<b>Human Services:</b>					
<b>Council on Aging</b>					
Administration.....	244,705	244,705	241,199	-	3,506
Equipment Maintenance.....	64,475	61,575	58,395	486	2,694
Building Maintenance.....	21,378	21,378	17,980	449	2,949
Articles.....	61,302	59,815	-	59,815	-
<b>Total Human Services.....</b>	<b>391,860</b>	<b>387,473</b>	<b>317,574</b>	<b>60,750</b>	<b>9,149</b>
<b>Culture and Recreation:</b>					
<b>Library</b>					
Administration.....	236,907	235,811	234,290	-	1,521
Building Maintenance.....	87,500	75,500	66,853	10	8,637
Equipment Maintenance.....	500	500	77	-	423
Technology.....	57,000	57,000	55,751	-	1,249
Current Topics and Titles.....	992,347	895,381	866,907	5,114	23,360
Lifelong Learning.....	152,201	151,001	147,056	-	3,945
Community Commons.....	14,250	12,416	10,004	-	2,412
Articles.....	118,433	111,790	-	111,790	-
<b>Total Culture and Recreation.....</b>	<b>1,659,138</b>	<b>1,539,399</b>	<b>1,380,938</b>	<b>116,914</b>	<b>41,547</b>
<b>State and County Assessments.....</b>	<b>3,814,731</b>	<b>3,664,130</b>	<b>3,779,626</b>	<b>-</b>	<b>(115,496)</b>
<b>TOTAL EXPENDITURES.....</b>	<b>151,268,740</b>	<b>151,256,112</b>	<b>146,793,961</b>	<b>3,533,595</b>	<b>928,556</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES.....</b>	<b>(8,985,279)</b>	<b>(8,972,651)</b>	<b>(4,681,617)</b>	<b>(3,533,595)</b>	<b>757,439</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Premium from issuance of bonds.....	-	-	30,555	-	30,555
Proceeds from the sale of capital assets.....	-	-	150,000	-	150,000
Transfers in.....	998,426	1,385,651	1,385,651	-	-
Transfers out.....	(52,368)	(52,368)	(52,368)	-	-
<b>TOTAL OTHER FINANCING</b>					
<b>SOURCES (USES).....</b>	<b>946,058</b>	<b>1,333,283</b>	<b>1,513,838</b>	<b>-</b>	<b>180,555</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(8,039,221)</b>	<b>(7,639,368)</b>	<b>(3,167,779)</b>	<b>(3,533,595)</b>	<b>937,994</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>14,856,100</b>	<b>14,856,100</b>	<b>14,856,100</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 6,816,879</b>	<b>\$ 7,216,732</b>	<b>\$ 11,688,321</b>	<b>\$ (3,533,595)</b>	<b>\$ 937,994</b>

(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
<b>Total pension liability:</b>				
Service cost.....	\$ 6,023,441	\$ 6,023,441	\$ 7,011,992	\$ 7,317,237
Interest.....	18,204,152	19,380,005	21,147,039	22,115,653
Differences between expected and actual experience.....	-	1,815,050	-	(3,576,168)
Changes in assumptions.....	-	9,995,718	-	7,136,232
Benefit payments.....	<u>(15,009,048)</u>	<u>(15,148,464)</u>	<u>(15,656,177)</u>	<u>(16,251,114)</u>
Net change in total pension liability.....	9,218,545	22,065,750	12,502,854	16,741,840
Total pension liability - beginning.....	<u>242,396,817</u>	<u>251,615,362</u>	<u>273,681,112</u>	<u>286,183,966</u>
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>
<b>Plan fiduciary net position:</b>				
Employer contributions.....	\$ 8,455,791	\$ 8,771,129	\$ 9,165,831	\$ 9,899,098
Member contributions.....	4,658,478	3,889,183	4,043,379	4,482,120
Net investment income (loss).....	9,407,198	(2,891,404)	14,033,058	27,290,344
Administrative expenses.....	(267,893)	(266,847)	(314,174)	(287,298)
Retirement benefits and refunds.....	(15,009,048)	(15,148,464)	(15,656,177)	(16,251,114)
Other receipts.....	<u>-</u>	<u>54,614</u>	<u>124,202</u>	<u>45,984</u>
Net increase (decrease) in fiduciary net position.....	7,244,526	(5,591,789)	11,396,119	25,179,134
Fiduciary net position - beginning of year.....	<u>165,581,123</u>	<u>172,825,649</u>	<u>167,233,860</u>	<u>178,629,979</u>
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>
<b>Net pension liability - ending (a)-(b).....</b>	<u><b>\$ 78,789,713</b></u>	<u><b>\$ 106,447,252</b></u>	<u><b>\$ 107,553,987</b></u>	<u><b>\$ 99,116,693</b></u>
Plan fiduciary net position as a percentage of the total pension liability.....	68.69%	61.11%	62.42%	67.28%
Covered payroll.....	\$ 38,444,353	\$ 39,982,127	\$ 47,022,635	\$ 44,507,860
Net pension liability as a percentage of covered payroll.....	204.94%	266.24%	228.73%	222.69%

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.

	December 31, 2018	December 31, 2019	December 31, 2020
\$	7,670,520	\$ 7,986,180	\$ 8,028,787
	23,130,160	24,198,975	24,710,706
	-	(8,256,697)	-
	-	1,113,050	4,926,363
	<u>(16,567,488)</u>	<u>(17,716,875)</u>	<u>(18,960,140)</u>
	14,233,192	7,324,633	18,705,716
	<u>302,925,806</u>	<u>317,158,998</u>	<u>324,483,631</u>
\$	<u>317,158,998</u>	<u>\$ 324,483,631</u>	<u>\$ 343,189,347</u>
\$	10,691,027	\$ 11,546,309	\$ 12,470,014
	4,656,331	4,363,649	4,717,168
	(9,887,273)	34,052,281	29,217,239
	(290,686)	(287,102)	(265,418)
	(16,567,488)	(17,716,875)	(18,960,140)
	<u>304,060</u>	<u>288,424</u>	<u>508,050</u>
	(11,094,029)	32,246,686	27,686,913
	<u>203,809,113</u>	<u>192,715,084</u>	<u>224,961,770</u>
\$	<u>192,715,084</u>	<u>\$ 224,961,770</u>	<u>\$ 252,648,683</u>
\$	<u>124,443,914</u>	<u>\$ 99,521,861</u>	<u>\$ 90,540,664</u>
	60.76%	69.33%	73.62%
\$	47,744,449	\$ 46,013,628	\$ 51,062,856
	260.65%	216.29%	177.31%

**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, 2020.....	\$ 12,470,014	\$ (12,470,014)	-	\$ 51,062,856	24.42%
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, 2020.....	13.18%
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, 2021.....	77.94%	\$ 70,569,332	\$ 39,795,259	177.33%	73.62%
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, 2020.....	21.53%	\$ 21,168,551	\$ 9,795,509	216.10%	69.33%
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
<b>Town of Braintree (1):</b>					
June 30, 2021.....	\$ 9,719,396	\$ (9,719,396)	\$ -	40,591,164	23.94%
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%
<b>Electric Light Department:</b>					
December 31, 2020.....	\$ 2,455,929	\$ (2,455,929)	\$ -	9,795,509	25.07%
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
2021.....	\$ 181,986,488	\$ 22,477,939	50.67%
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	June 30, 2021
<b>Total OPEB Liability</b>					
Service Cost.....	\$ 2,399,962	\$ 2,556,839	\$ 2,570,164	\$ 2,831,751	\$ 2,927,346
Interest.....	6,993,990	8,481,030	7,422,116	7,760,139	10,835,696
Changes of benefit terms.....	-	-	-	-	(20,766,437)
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	19,058,463
Benefit payments.....	(4,794,382)	(4,464,476)	(4,393,306)	(6,492,136)	(7,063,364)
Net change in total OPEB liability.....	9,024,006	5,740,361	5,598,974	44,121,724	4,991,704
Total OPEB liability - beginning.....	90,855,199	99,879,205	105,619,566	111,218,540	155,340,264
Total OPEB liability - ending (a).....	<u>\$ 99,879,205</u>	<u>\$ 105,619,566</u>	<u>\$ 111,218,540</u>	<u>\$ 155,340,264</u>	<u>\$ 160,331,968</u>
<b>Plan fiduciary net position</b>					
Employer contributions.....	\$ 1,610,000	\$ 1,809,100	\$ 1,436,600	\$ 909,100	\$ 156,600
Employer contributions for OPEB payments.....	4,794,382	4,464,476	4,393,306	6,492,136	7,063,364
Net investment income.....	992,382	948,310	483,057	199,547	3,046,203
Benefit payments.....	(4,794,382)	(4,464,476)	(4,393,306)	(6,492,136)	(7,063,364)
Net change in plan fiduciary net position.....	2,602,382	2,757,410	1,919,657	1,108,647	3,202,803
Plan fiduciary net position - beginning of year.....	1,973,025	4,575,407	7,332,817	9,252,474	10,361,121
Plan fiduciary net position - end of year (b).....	<u>\$ 4,575,407</u>	<u>\$ 7,332,817</u>	<u>\$ 9,252,474</u>	<u>\$ 10,361,121</u>	<u>\$ 13,563,924</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 95,303,798</u>	<u>\$ 98,286,749</u>	<u>\$ 101,966,066</u>	<u>\$ 144,979,143</u>	<u>\$ 146,768,044</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	4.58%	6.94%	8.32%	6.67%	8.46%
Covered-employee payroll.....	\$ 85,926,398	\$ 88,504,190	\$ 81,163,442	\$ 82,770,516	\$ 85,685,660
Net OPEB liability as a percentage of covered-employee payroll.....	110.91%	111.05%	125.63%	175.16%	171.29%

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 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	December 31, 2020
<b>Total OPEB Liability</b>				
Service Cost.....	\$ 215,928	\$ 237,068	\$ 204,896	\$ 237,308
Interest.....	667,147	702,733	736,512	794,014
Differences between expected and actual experience.....	-	-	284,925	359,100
Changes of assumptions.....	-	-	33,331	-
Benefit payments.....	<u>(372,645)</u>	<u>(419,875)</u>	<u>(430,435)</u>	<u>(512,174)</u>
Net change in total OPEB liability.....	510,430	519,926	829,229	878,248
Total OPEB liability - beginning.....	<u>9,497,921</u>	<u>10,008,351</u>	<u>10,528,277</u>	<u>11,357,506</u>
Total OPEB liability - ending (a).....	<u>\$ 10,008,351</u>	<u>\$ 10,528,277</u>	<u>\$ 11,357,506</u>	<u>\$ 12,235,754</u>
<b>Plan fiduciary net position</b>				
Employer contributions.....	\$ 520,000	\$ 520,000	\$ 500,000	\$ 520,000
Employer contributions for OPEB payments.....	372,645	419,875	430,435	512,174
Net investment income.....	537,467	(116,720)	740,587	744,525
Benefit payments.....	<u>(372,645)</u>	<u>(419,875)</u>	<u>(430,435)</u>	<u>(512,174)</u>
Net change in plan fiduciary net position.....	1,057,467	403,280	1,240,587	1,264,525
Plan fiduciary net position - beginning of year.....	<u>2,888,773</u>	<u>3,946,240</u>	<u>4,349,520</u>	<u>5,590,107</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 3,946,240</u>	<u>\$ 4,349,520</u>	<u>\$ 5,590,107</u>	<u>\$ 6,854,632</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 6,062,111</u>	<u>\$ 6,178,757</u>	<u>\$ 5,767,399</u>	<u>\$ 5,381,122</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	39.43%	41.31%	49.22%	56.02%
Covered-employee payroll.....	\$ 9,768,070	\$ 10,061,112	\$ 11,540,943	\$ 11,887,171
Net OPEB liability as a percentage of covered-employee payroll.....	62.06%	61.41%	49.97%	45.27%

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
<b>Town of Braintree (1):</b>					
June 30, 2021.....	\$ 10,763,394	\$ (7,219,964)	\$ 3,543,430	\$ 85,685,660	8.43%
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%
<b>Electric Light Department:</b>					
December 31, 2020.....	\$ 524,610	\$ (1,032,564)	\$ (507,954)	\$ 11,887,171	8.69%
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**

---

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
<b>Town of Braintree (1):</b>	
June 30, 2021.....	29.37%
June 30, 2020.....	11.98%
June 30, 2019.....	5.59%
June 30, 2018.....	9.25%
June 30, 2017.....	12.53%
<b>Electric Light Department:</b>	
December 31, 2020.....	12.74%
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**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 2021 approved budget authorized approximately \$151.3 million in appropriations and other amounts to be raised, including \$3.6 million in amounts carried over from previous years. During 2021, the Town Council also approved supplemental appropriations totaling approximately \$387,000. These supplemental appropriations consisted of \$244,000 for debt service related to the school ESCO projects and \$143,000 in Town Council 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.

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, 2021, is presented in the table below:

Net change in fund balance - budgetary basis.....	\$ (3,167,779)
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(347,866)
Activity of the municipal building insurance fund recorded in the general fund for GAAP.....	3
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(27,000)
Recognition of revenue for on-behalf payments.....	22,477,939
Recognition of expenditures for on-behalf payments.....	<u>(22,477,939)</u>
Net change in fund balance - GAAP basis.....	<u>\$ (3,542,642)</u>

**NOTE B – PENSION PLAN**

***Pension Plan Schedules – Retirement System***

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.

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 1<sup>st</sup> 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.

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)***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.

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 1<sup>st</sup> 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.

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.

Changes in Assumptions

The discount rate decreased from 7.65% to 7.50%.

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***

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.

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, 2021 and for the BELD as of December 31, 2020, 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, 2021.
Investment rate of return.....	6.77%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.18% as of June 30, 2021 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	6.75%, net of OPEB plan investment expense, including inflation.
Inflation.....	2.50% as of June 30, 2021 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2021 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, 2020
Inflation.....	2.50%.
Investment rate of return.....	6.77% net of OPEB investment expense, including inflation.
Healthcare cost trend rate.....	Currently 4.50%.
Municipal bond rate.....	1.93% as of December 31, 2020 (source: S&P Municipal Bond 20-Year High Grade Index-SAPIHG).
Pre-retirement mortality.....	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Post-retirement mortality.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Disabled mortality.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with scale MP-2016 for males and females, set forward 1 year.

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.

Changes in AssumptionsTown

The discount rate decreased from 7.00% to 6.75%.

Methodology was updated for calculating expected claims.

The Getzen model was adopted for future projected healthcare costs.

BELD

The discount rate decreased from 7.00% to 6.75%.

Changes in Plan ProvisionsTown

The Town changed their Medicare Supplement plans for non-GIC retirees.

BELD

None.

This page intentionally left blank.

# ***Other Supplementary Information***

# ***Combining Statements***

The combining 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, 2021

	Special Revenue Funds						Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvement Fund		
<b>ASSETS</b>							
Cash and cash equivalents.....	\$ 9,117,265	\$ 1,302,131	\$ 2,295,426	\$ 7,363,412	\$ -		\$ 20,078,234
Investments.....	21,974	-	-	-	-		21,974
Receivables, net of uncollectibles:							
Community preservation fund surtax.....	-	-	-	29	-		29
Intergovernmental.....	-	-	1,068,887	-	1,892,309		2,961,196
Community preservation state share.....	-	-	-	233,585	-		233,585
<b>TOTAL ASSETS.....</b>	<b><u>\$ 9,139,239</u></b>	<b><u>\$ 1,302,131</u></b>	<b><u>\$ 3,364,313</u></b>	<b><u>\$ 7,597,026</u></b>	<b><u>\$ 1,892,309</u></b>		<b><u>\$ 23,295,018</u></b>
<b>LIABILITIES</b>							
Warrants payable.....	\$ 124,489	\$ 45,415	\$ 186,601	\$ 410	\$ -		\$ 356,915
Accrued payroll.....	6,422	137	952	-	-		7,511
Due to other funds.....	-	-	-	-	812,686		812,686
Other liabilities.....	1,043,460	-	5,000	-	-		1,048,460
Fees collected in advance.....	2,152,158	-	-	-	-		2,152,158
<b>TOTAL LIABILITIES.....</b>	<b><u>3,326,529</u></b>	<b><u>45,552</u></b>	<b><u>192,553</u></b>	<b><u>410</u></b>	<b><u>812,686</u></b>		<b><u>4,377,730</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue.....	-	-	-	233,614	1,079,623		1,313,237
<b>FUND BALANCES</b>							
Nonspendable.....	-	-	-	-	-		-
Restricted.....	6,133,086	1,256,579	4,121,078	7,363,002	-		18,873,745
Unassigned.....	(320,376)	-	(949,318)	-	-		(1,269,694)
<b>TOTAL FUND BALANCES.....</b>	<b><u>5,812,710</u></b>	<b><u>1,256,579</u></b>	<b><u>3,171,760</u></b>	<b><u>7,363,002</u></b>	<b><u>-</u></b>		<b><u>17,604,051</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b><u>\$ 9,139,239</u></b>	<b><u>\$ 1,302,131</u></b>	<b><u>\$ 3,364,313</u></b>	<b><u>\$ 7,597,026</u></b>	<b><u>\$ 1,892,309</u></b>		<b><u>\$ 23,295,018</u></b>

Permanent Funds				
Petersen Trust Fund	Nonexpendable Trust Funds	Other Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
\$ 692,422	\$ 1,976,661	\$ 69,140	\$ 2,738,223	\$ 22,816,457
-	587,868	6,967,701	7,555,569	7,577,543
-	-	-	-	29
-	-	-	-	2,961,196
-	-	-	-	233,585
<u>\$ 692,422</u>	<u>\$ 2,564,529</u>	<u>\$ 7,036,841</u>	<u>\$ 10,293,792</u>	<u>\$ 33,588,810</u>
\$ -	\$ -	\$ 66,916	\$ 66,916	\$ 423,831
-	-	-	-	7,511
-	-	-	-	812,686
-	-	-	-	1,048,460
-	-	-	-	2,152,158
-	-	66,916	66,916	4,444,646
-	-	-	-	1,313,237
-	2,564,529	-	2,564,529	2,564,529
692,422	-	6,969,925	7,662,347	26,536,092
-	-	-	-	(1,269,694)
<u>692,422</u>	<u>2,564,529</u>	<u>6,969,925</u>	<u>10,226,876</u>	<u>27,830,927</u>
<u>\$ 692,422</u>	<u>\$ 2,564,529</u>	<u>\$ 7,036,841</u>	<u>\$ 10,293,792</u>	<u>\$ 33,588,810</u>

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

YEAR ENDED JUNE 30, 2021

	Special Revenue Funds					Subtotal
	Town Special Revenue Funds	School Lunch Fund	School Special Revenue Funds	Community Preservation Fund	Highway Improvement Fund	
<b>REVENUES:</b>						
Intergovernmental - other.....	\$ 4,531,758	\$ 3,214,483	\$ 6,808,810	\$ -	\$ 814,365	\$ 15,369,416
Departmental and other.....	3,120,260	-	285,431	-	-	3,405,691
Community preservation taxes.....	-	-	-	828,245	-	828,245
Community preservation state match.....	-	-	-	233,585	-	233,585
Contributions and donations.....	398,124	10,791	65,079	-	-	473,994
Investment income.....	181	-	29	-	-	210
<b>TOTAL REVENUES.....</b>	<b>8,050,323</b>	<b>3,225,274</b>	<b>7,159,349</b>	<b>1,061,830</b>	<b>814,365</b>	<b>20,311,141</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	3,955,799	-	-	-	-	3,955,799
Public safety.....	2,792,691	-	-	-	-	2,792,691
Education.....	260,718	2,556,146	7,009,004	-	-	9,825,868
Public works.....	545,836	-	-	-	814,365	1,360,201
Human services.....	220,379	-	-	-	-	220,379
Culture and recreation.....	221,959	-	-	-	-	221,959
Community preservation.....	-	-	-	1,999,588	-	1,999,588
<b>TOTAL EXPENDITURES.....</b>	<b>7,997,382</b>	<b>2,556,146</b>	<b>7,009,004</b>	<b>1,999,588</b>	<b>814,365</b>	<b>20,376,485</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>52,941</b>	<b>669,128</b>	<b>150,345</b>	<b>(937,758)</b>	<b>-</b>	<b>(65,344)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Premium from issuance of bonds.....	256,648	-	-	-	-	256,648
Transfers out.....	(31,700)	-	-	-	-	(31,700)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>224,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224,948</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>277,889</b>	<b>669,128</b>	<b>150,345</b>	<b>(937,758)</b>	<b>-</b>	<b>159,604</b>
<b>FUND BALANCES AT BEGINNING OF YEAR (AS REVISED)....</b>	<b>5,534,821</b>	<b>587,451</b>	<b>3,021,415</b>	<b>8,300,760</b>	<b>-</b>	<b>17,444,447</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 5,812,710</b>	<b>\$ 1,256,579</b>	<b>\$ 3,171,760</b>	<b>\$ 7,363,002</b>	<b>\$ -</b>	<b>\$ 17,604,051</b>

Permanent Funds				
Petersen Trust Fund	Nonexpendable Trust Funds	Other Expendable Trust Funds	Subtotal	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 15,369,416
-	-	-	-	3,405,691
-	-	-	-	828,245
-	-	-	-	233,585
-	-	104,032	104,032	578,026
<u>1,422</u>	<u>-</u>	<u>34,801</u>	<u>36,223</u>	<u>36,433</u>
<u>1,422</u>	<u>-</u>	<u>138,833</u>	<u>140,255</u>	<u>20,451,396</u>
20,239	-	84,437	104,676	4,060,475
-	-	-	-	2,792,691
-	-	66,805	66,805	9,892,673
-	-	-	-	1,360,201
-	-	-	-	220,379
-	-	376	376	222,335
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,999,588</u>
<u>20,239</u>	<u>-</u>	<u>151,618</u>	<u>171,857</u>	<u>20,548,342</u>
<u>(18,817)</u>	<u>-</u>	<u>(12,785)</u>	<u>(31,602)</u>	<u>(96,946)</u>
-	-	-	-	256,648
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,700)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,948</u>
(18,817)	-	(12,785)	(31,602)	128,002
<u>711,239</u>	<u>2,564,529</u>	<u>6,982,710</u>	<u>10,258,478</u>	<u>27,702,925</u>
<u>\$ 692,422</u>	<u>\$ 2,564,529</u>	<u>\$ 6,969,925</u>	<u>\$ 10,226,876</u>	<u>\$ 27,830,927</u>

This page intentionally left blank.

# *Statistical Section*



Mayor Kokoros joined by members in the community during the Town's annual Donate Life Ceremony on April 7, 2021.



On the front steps of Town Hall, Mayor Kokoros joined Asian community members in an effort to #StopAsianHate.

# ***Statistical Section***

This part of the Town of Braintree's Annual Comprehensive 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**

	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (2)</u>	<u>2018 (2)</u>	<u>2019</u>	<u>2020 (3)</u>	<u>2021</u>
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 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	\$ 102,892,904
Restricted.....	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	28,064,541
Unrestricted.....	<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>(161,776,779)</u>	<u>(156,203,029)</u>
<b>Total governmental activities net position.....</b>	<b>\$ 51,640,774</b>	<b>\$ 50,492,783</b>	<b>\$ (9,412,483)</b>	<b>\$ (17,118,693)</b>	<b>\$ (21,140,341)</b>	<b>\$ (35,290,025)</b>	<b>\$ (42,046,918)</b>	<b>\$ (34,493,114)</b>	<b>\$ (36,867,000)</b>	<b>\$ (25,245,584)</b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 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	\$ 109,949,264
Restricted.....	-	-	3,732,114	5,353,621	5,038,499	5,038,499	5,038,499	5,038,499	4,302,744	6,823,290
Unrestricted.....	<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>	<u>2,505,698</u>
<b>Total business-type activities net position.....</b>	<b>\$ 89,611,731</b>	<b>\$ 91,655,426</b>	<b>\$ 90,680,043</b>	<b>\$ 90,597,705</b>	<b>\$ 85,184,892</b>	<b>\$ 91,226,947</b>	<b>\$ 96,607,368</b>	<b>\$ 103,509,778</b>	<b>\$ 111,220,464</b>	<b>\$ 119,278,252</b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 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	\$ 212,842,168
Restricted.....	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	34,887,831
Unrestricted.....	<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>(164,134,295)</u>	<u>(153,697,331)</u>
<b>Total primary government net position.....</b>	<b>\$ 141,252,505</b>	<b>\$ 142,148,209</b>	<b>\$ 81,267,560</b>	<b>\$ 73,479,012</b>	<b>\$ 64,044,551</b>	<b>\$ 55,936,922</b>	<b>\$ 54,560,450</b>	<b>\$ 69,016,664</b>	<b>\$ 74,353,464</b>	<b>\$ 94,032,668</b>

(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.

(3) The 2020 unrestricted net position for governmental activities has been revised due to the implementation of GASB #84.

**Changes in Net Position**

**Last Ten Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government.....	\$ 6,120,306	\$ 6,793,916	\$ 6,286,240	\$ 7,100,754	\$ 7,502,823	\$ 8,247,179	\$ 8,149,833	\$ 6,388,587	\$ 5,939,513	\$ 9,406,501
Public safety.....	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	28,090,406
Education.....	87,632,097	91,537,391	96,438,899	92,481,566	96,802,496	105,764,895	108,661,022	118,955,819	140,454,843	123,756,662
Public works.....	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	7,251,451
Human services.....	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	1,081,443
Sanitation.....	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	2,330,815
Culture and recreation.....	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	1,551,593
Community preservation.....	168,276	133,513	187,852	642,312	112,414	238,972	459,507	195,951	137,004	434,958
Interest.....	668,246	594,798	471,412	486,438	772,942	778,257	711,160	1,555,926	2,038,982	2,527,969
<b>Total governmental activities expenses.....</b>	<b>130,020,336</b>	<b>136,611,267</b>	<b>142,430,613</b>	<b>143,910,732</b>	<b>150,572,535</b>	<b>164,935,358</b>	<b>164,259,822</b>	<b>176,596,131</b>	<b>188,800,189</b>	<b>176,431,798</b>
<b>Business-type activities:</b>										
Water and Sewer.....	12,960,228	13,759,942	13,732,799	14,834,145	14,556,945	15,659,572	15,960,271	17,432,168	17,177,811	17,724,980
Golf course.....	1,510,491	1,547,221	1,576,338	1,491,676	1,677,140	1,866,098	1,931,876	1,603,029	2,226,131	2,034,502
Stormwater.....	-	-	-	-	-	-	-	792,701	447,540	1,107,397
PEG Access.....	-	-	-	-	-	-	-	-	420,746	524,104
Municipal Light.....	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	59,360,658
<b>Total business-type activity expenses.....</b>	<b>85,366,643</b>	<b>81,717,159</b>	<b>83,346,068</b>	<b>89,787,282</b>	<b>81,863,044</b>	<b>81,365,953</b>	<b>82,596,641</b>	<b>86,994,165</b>	<b>83,959,933</b>	<b>80,751,641</b>
<b>Total primary government expenses.....</b>	<b>\$ 215,386,979</b>	<b>\$ 218,328,426</b>	<b>\$ 225,776,681</b>	<b>\$ 233,698,014</b>	<b>\$ 232,435,579</b>	<b>\$ 246,301,311</b>	<b>\$ 246,856,463</b>	<b>\$ 263,590,296</b>	<b>\$ 272,760,122</b>	<b>\$ 257,183,439</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government.....	\$ 616,829	\$ 757,713	\$ 863,484	\$ 924,180	\$ 804,350	\$ 1,062,799	\$ 988,714	\$ 961,168	\$ 921,204	\$ 1,470,882
Public safety.....	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	4,860,728
Education.....	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	536,384
Public works.....	553,002	627,466	1,160,134	897,304	865,166	898,200	891,097	897,409	928,774	828,463
Human services.....	31,332	33,119	32,811	47,689	44,036	34,809	31,597	24,626	22,561	95,054
Sanitation.....	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	1,538,604
Culture and recreation.....	361,811	377,596	384,999	382,905	387,517	364,075	364,359	457,847	136,621	186,737
Operating grants and contributions.....	33,518,827	34,800,674	35,660,762	30,278,006	34,917,830	40,670,272	41,185,089	43,665,849	47,937,389	56,178,438
Capital grants and contributions.....	4,773,929	3,146,209	662,210	631,972	906,508	1,983,085	4,880,757	20,303,255	15,384,751	4,970,677
<b>Total government activities program revenues.....</b>	<b>45,800,614</b>	<b>45,640,305</b>	<b>44,201,961</b>	<b>39,361,062</b>	<b>45,314,602</b>	<b>51,256,668</b>	<b>53,985,443</b>	<b>72,659,047</b>	<b>70,660,954</b>	<b>70,665,967</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water and Sewer.....	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	22,237,343
Golf course.....	1,404,095	1,347,448	1,398,978	1,505,920	1,685,815	1,584,527	1,536,470	1,690,783	1,693,037	2,683,595
Stormwater.....	-	-	-	-	-	-	-	633,507	639,852	1,106,355
PEG Access.....	-	-	-	-	-	-	-	-	539,569	531,269
Municipal light.....	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	61,389,683
Operating grants and contributions.....	-	-	-	-	-	-	-	-	-	1,850,000
Capital grants and contributions.....	281,643	142,560	-	787,500	921,557	174,408	710,203	1,380,189	1,303,905	257,920
<b>Total business-type activities program revenues.....</b>	<b>85,380,387</b>	<b>86,038,881</b>	<b>88,051,365</b>	<b>91,684,619</b>	<b>93,158,871</b>	<b>89,334,681</b>	<b>89,823,151</b>	<b>94,690,651</b>	<b>92,851,950</b>	<b>90,056,165</b>
<b>Total primary government program revenues.....</b>	<b>\$ 131,181,001</b>	<b>\$ 131,679,186</b>	<b>\$ 132,253,326</b>	<b>\$ 131,045,681</b>	<b>\$ 138,473,473</b>	<b>\$ 140,591,349</b>	<b>\$ 143,808,594</b>	<b>\$ 167,349,698</b>	<b>\$ 163,512,904</b>	<b>\$ 160,722,132</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities.....</b>	<b>\$ (84,219,722)</b>	<b>\$ (90,970,962)</b>	<b>\$ (98,228,652)</b>	<b>\$ (104,549,670)</b>	<b>\$ (105,257,933)</b>	<b>\$ (113,678,690)</b>	<b>\$ (110,274,379)</b>	<b>\$ (103,937,084)</b>	<b>\$ (118,139,235)</b>	<b>\$ (105,765,831)</b>
<b>Business-type activities.....</b>	<b>13,744</b>	<b>4,321,722</b>	<b>4,705,297</b>	<b>1,897,337</b>	<b>11,295,827</b>	<b>7,968,728</b>	<b>7,226,510</b>	<b>7,696,486</b>	<b>8,892,017</b>	<b>9,304,524</b>
<b>Total primary government net expense.....</b>	<b>\$ (84,205,978)</b>	<b>\$ (86,649,240)</b>	<b>\$ (93,523,355)</b>	<b>\$ (102,652,333)</b>	<b>\$ (93,962,106)</b>	<b>\$ (105,709,962)</b>	<b>\$ (103,047,869)</b>	<b>\$ (96,240,598)</b>	<b>\$ (109,247,218)</b>	<b>\$ (96,461,307)</b>
<b>General Revenues and other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 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	\$ 97,745,294
Tax and other liens.....	-	-	-	-	-	-	470,064	716,826	160,375	1,014,850
Motor vehicle and other excise taxes.....	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	6,577,443
Hotel/motel tax.....	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	501,216
Meals tax.....	-	-	807,740	1,017,863	1,142,349	1,166,320	1,208,369	1,249,555	1,114,427	999,801
Community preservation tax.....	559,244	590,915	607,219	661,315	660,480	696,795	733,774	764,993	806,576	828,245
Penalties and interest on taxes.....	371,394	381,757	475,877	522,767	439,913	301,991	318,098	298,708	211,740	410,488
Payments in lieu of taxes.....	118,112	211,386	24,854	693,850	449,490	401,155	668,783	602,234	625,299	662,232
Grants and contributions not restricted to specific programs.....	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	6,522,913
Unrestricted investment income.....	215,677	243,114	216,968	195,103	169,918	342,024	660,991	1,682,743	1,584,473	301,683
Gain on sale of capital assets.....	-	-	-	-	479,038	-	-	-	-	150,000
Miscellaneous.....	70,051	42,380	38,317	26,070	-	-	-	-	-	-
Transfers.....	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	1,673,082
<b>Total governmental activities.....</b>	<b>83,116,986</b>	<b>89,822,971</b>	<b>92,621,546</b>	<b>96,843,460</b>	<b>101,236,285</b>	<b>102,015,463</b>	<b>108,601,499</b>	<b>111,490,888</b>	<b>116,316,781</b>	<b>117,387,247</b>
<b>Business-type activities:</b>										
Unrestricted investment income.....	55,743	126,607	74,085	80,939	33,586	230,814	486,818	534,440	376,950	426,346
Transfers.....	(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)	(1,673,082)
<b>Total business-type activities.....</b>	<b>(2,234,035)</b>	<b>(2,278,027)</b>	<b>(1,746,579)</b>	<b>(1,979,675)</b>	<b>(2,091,372)</b>	<b>(1,848,720)</b>	<b>(1,831,041)</b>	<b>(794,076)</b>	<b>(1,181,331)</b>	<b>(1,246,736)</b>
<b>Total primary government.....</b>	<b>\$ 80,882,951</b>	<b>\$ 87,544,944</b>	<b>\$ 90,874,967</b>	<b>\$ 94,863,785</b>	<b>\$ 99,144,913</b>	<b>\$ 100,166,743</b>	<b>\$ 106,770,458</b>	<b>\$ 110,696,812</b>	<b>\$ 115,135,450</b>	<b>\$ 116,140,511</b>
<b>Changes in Net Position</b>										
<b>Governmental activities.....</b>	<b>\$ (1,102,736)</b>	<b>\$ (1,147,991)</b>	<b>\$ (5,607,106)</b>	<b>\$ (7,706,210)</b>	<b>\$ (4,021,648)</b>	<b>\$ (11,663,227)</b>	<b>\$ (1,672,880)</b>	<b>\$ 7,553,804</b>	<b>\$ (1,822,454)</b>	<b>\$ 11,621,416</b>
<b>Business-type activities.....</b>	<b>(2,220,291)</b>	<b>2,043,695</b>	<b>2,958,718</b>	<b>(82,338)</b>	<b>9,204,455</b>	<b>6,120,008</b>	<b>5,395,469</b>	<b>6,902,410</b>	<b>7,710,686</b>	<b>8,057,788</b>
<b>Total primary government.....</b>	<b>\$ (3,323,027)</b>	<b>\$ 895,704</b>	<b>\$ (2,648,388)</b>	<b>\$ (7,788,548)</b>	<b>\$ 5,182,807</b>	<b>\$ (5,543,219)</b>	<b>\$ 3,722,589</b>	<b>\$ 14,456,214</b>	<b>\$ 5,888,232</b>	<b>\$ 19,679,204</b>

**Fund Balances, Governmental Funds**

**Last Ten Years**

	<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 (1)</u>	<u>2021</u>
<b>General Fund</b>										
Committed.....	\$ -	\$ 988,955	\$ 2,049,917	\$ 2,103,635	\$ 1,344,269	\$ 2,355,268	\$ 1,678,124	\$ 2,271,429	\$ 2,613,165	\$ 2,043,217
Assigned.....	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	1,490,378
Unassigned.....	<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>	<u>8,158,763</u>
<b>Total general fund.....</b>	<b><u>\$ 16,988,371</u></b>	<b><u>\$ 20,009,631</u></b>	<b><u>\$ 19,570,429</u></b>	<b><u>\$ 19,041,213</u></b>	<b><u>\$ 22,344,543</u></b>	<b><u>\$ 21,965,731</u></b>	<b><u>\$ 22,084,849</u></b>	<b><u>\$ 18,867,978</u></b>	<b><u>\$ 15,235,000</u></b>	<b><u>\$ 11,692,358</u></b>
<b>All Other Governmental Funds</b>										
Nonspendable.....	\$ 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	\$ 2,564,529
Restricted.....	20,110,956	18,293,846	21,958,212	21,731,961	21,698,087	24,105,376	39,326,175	41,929,000	36,807,002	80,618,914
Unassigned.....	<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>	<u>(1,269,694)</u>
<b>Total all other governmental funds.....</b>	<b><u>\$ 22,675,842</u></b>	<b><u>\$ 20,858,732</u></b>	<b><u>\$ 24,522,741</u></b>	<b><u>\$ 24,296,490</u></b>	<b><u>\$ 23,946,597</u></b>	<b><u>\$ 26,669,905</u></b>	<b><u>\$ 41,890,704</u></b>	<b><u>\$ 43,324,035</u></b>	<b><u>\$ 37,863,781</u></b>	<b><u>\$ 81,913,749</u></b>

(1) Restricted fund balance for has been revised to reflect the implementation of GASB #84.

Changes in Fund Balances, Governmental Funds

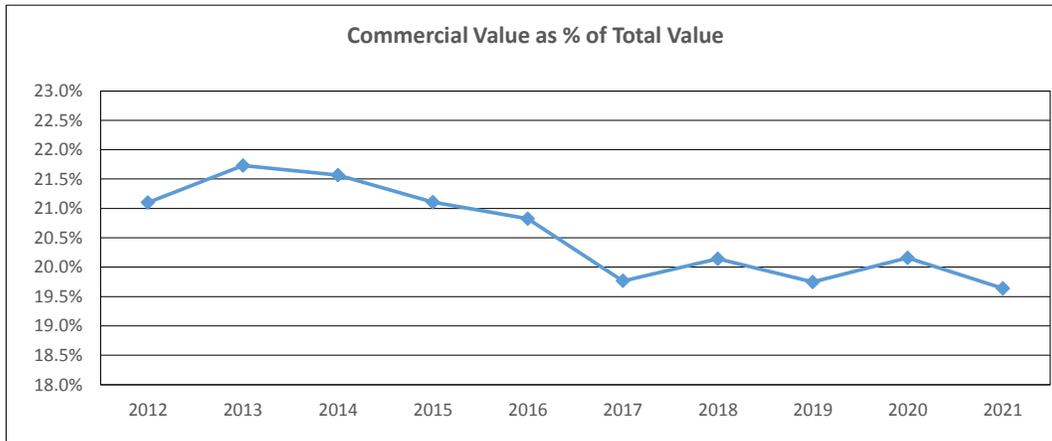
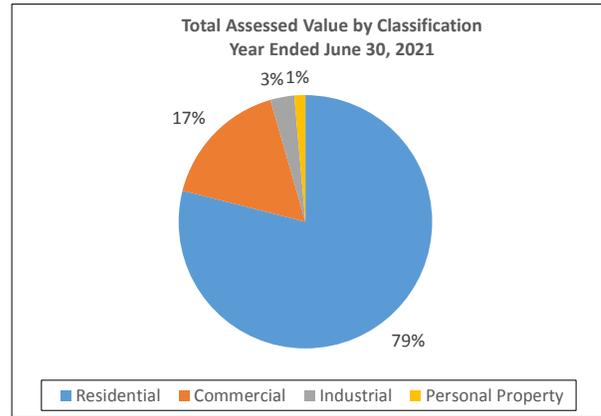
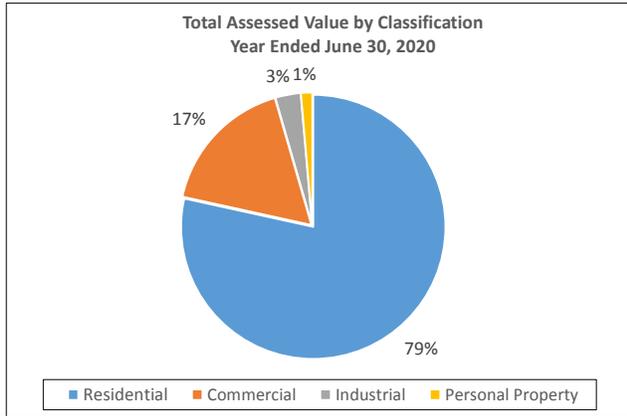
Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 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	\$ 98,412,429
Tax Liens.....	77,774	45,681	407,348	1,100,825	1,362,410	509,637	321,596	550,644	401,060	239,113
Motor vehicle and other excise taxes.....	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	6,778,991
Hotel/Motel tax.....	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	501,216
Meals tax.....	-	-	807,740	1,017,863	1,142,349	1,166,320	1,208,369	1,249,555	1,114,427	999,801
Penalties and interest on taxes.....	371,394	381,757	475,877	522,767	439,913	301,991	318,098	298,708	211,740	410,488
Payments in lieu of taxes.....	118,112	211,386	24,854	693,850	449,490	401,155	668,783	602,234	625,299	662,232
Intergovernmental.....	41,528,233	39,456,201	42,450,485	35,342,773	40,169,594	47,770,699	50,708,501	67,276,171	67,975,561	66,899,422
Departmental and other.....	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	9,820,425
Community preservation taxes.....	559,244	592,836	607,219	659,352	659,905	696,779	733,774	764,993	806,576	828,245
Contributions and donations.....	453,433	932,928	530,070	643,529	615,646	639,541	481,615	918,637	800,430	578,026
Investment income.....	153,004	319,712	384,831	300,329	364,621	342,024	660,991	1,682,743	1,584,473	301,683
Claims and judgments.....	-	-	450,000	-	-	-	-	-	-	-
Miscellaneous.....	17,564	42,380	38,310	26,070	-	-	65,050	-	-	-
<b>Total Revenue.....</b>	<b>125,961,087</b>	<b>130,271,739</b>	<b>136,948,270</b>	<b>134,979,679</b>	<b>144,420,374</b>	<b>151,820,092</b>	<b>160,092,289</b>	<b>181,352,444</b>	<b>185,013,936</b>	<b>186,432,071</b>
<b>Expenditures:</b>										
General government.....	5,298,068	4,575,307	4,057,574	5,019,468	4,922,477	4,911,759	5,981,412	5,932,870	5,976,335	8,573,917
Public safety.....	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	25,079,287
Education.....	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	96,480,955
Public works.....	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	9,026,582
Human services.....	817,714	896,262	941,115	1,064,584	1,071,339	1,136,656	1,782,290	1,111,966	1,146,208	1,014,392
Sanitation.....	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	2,341,559
Culture and recreation.....	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	1,603,273
Community preservation.....	643,366	325,972	247,083	894,362	70,099	303,227	568,296	951,848	315,602	1,999,588
Pension benefits-Town.....	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	8,997,525
Pension benefits-Teachers retirement.....	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	22,477,939
Property and liability insurance.....	428,125	439,651	433,381	438,383	426,679	475,142	519,829	532,312	761,135	862,291
Employee benefits.....	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	12,152,234
State and county charges.....	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	3,779,626
Debt service										
Principal.....	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	4,718,200
Interest.....	686,619	752,290	740,756	787,457	803,237	856,872	912,521	1,692,236	2,657,276	2,839,129
<b>Total Expenditures.....</b>	<b>133,635,508</b>	<b>134,727,001</b>	<b>139,288,063</b>	<b>141,226,223</b>	<b>148,333,928</b>	<b>156,724,674</b>	<b>170,960,591</b>	<b>219,534,586</b>	<b>204,770,437</b>	<b>201,946,497</b>
Excess of revenues over (under) expenditures.....	(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)	(15,514,426)
<b>Other Financing Sources (Uses)</b>										
Issuance of long-term debt.....	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	52,545,000
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	2,693,203
Issuance of refunding bonds.....	-	-	-	1,680,000	-	-	-	-	-	1,855,000
Premium from issuance of refunding bonds.....	-	-	-	334,581	-	-	-	-	-	293,331
Payment to refunded bond escrow agent.....	-	-	-	(2,014,581)	-	-	-	-	-	-
Principal payment on current refunding.....	-	-	-	-	-	-	-	-	-	(2,085,000)
Insurance proceeds.....	-	-	-	-	-	-	-	2,753,639	180,000	-
Capital lease financing.....	246,395	-	-	-	-	-	-	-	-	-
Proceeds from the sale of capital assets.....	-	-	-	-	525,000	-	-	-	-	150,000
Transfers in.....	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	1,757,150
Transfers out.....	(406,094)	(1,066,928)	(1,264,261)	(569,303)	(812,224)	(1,200,755)	(679,229)	(3,642,924)	(2,807,155)	(84,068)
<b>Total other financing sources (uses).....</b>	<b>8,191,377</b>	<b>5,659,412</b>	<b>5,564,600</b>	<b>5,491,077</b>	<b>6,866,991</b>	<b>7,249,078</b>	<b>26,208,219</b>	<b>36,398,602</b>	<b>10,111,837</b>	<b>57,124,616</b>
<b>Net change in fund balance.....</b>	<b>\$ 516,956</b>	<b>\$ 1,204,150</b>	<b>\$ 3,224,807</b>	<b>\$ (755,467)</b>	<b>\$ 2,953,437</b>	<b>\$ 2,344,496</b>	<b>\$ 15,339,917</b>	<b>\$ (1,783,540)</b>	<b>\$ (9,644,664)</b>	<b>\$ 41,610,190</b>
Debt service as a percentage of noncapital expenditures.....	2.37%	2.51%	2.30%	2.58%	2.56%	2.71%	2.58%	3.25%	4.19%	4.05%

**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
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
2021	\$6,303,768,622	\$9.95	\$1,323,751,605	\$243,880,800	\$1,567,632,405	\$21.84	\$111,176,790	\$21.76	\$12.45	\$7,982,577,817



(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.

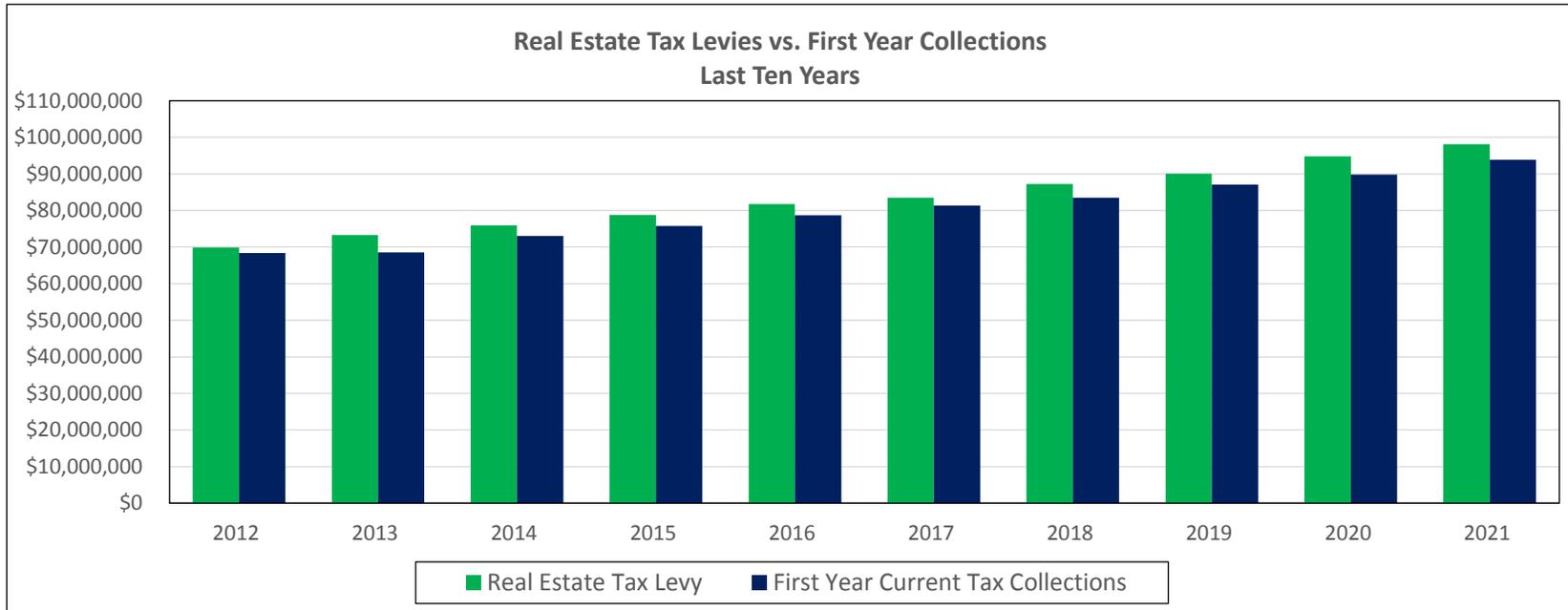
Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax 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)
2012	\$70,972,549	\$1,123,064	\$69,849,485	98.42%	\$68,511,310	98.08%	\$873,158	\$69,384,468	99.33%
2013	\$74,404,156	\$1,152,260	\$73,251,896	98.45%	\$72,999,903	99.66%	\$533,696	\$73,533,599	100.38%
2014	\$77,063,779	\$1,094,569	\$75,969,210	98.58%	\$75,806,678	99.79%	\$352,002	\$76,158,680	100.25%
2015	\$79,857,630	\$1,124,209	\$78,733,421	98.59%	\$78,644,968	99.89%	\$645,160	\$79,290,128	100.71%
2016	\$82,893,707	\$1,135,942	\$81,757,765	98.63%	\$81,327,841	99.47%	\$790,831	\$82,118,672	100.44%
2017	\$84,572,830	\$1,110,896	\$83,461,934	98.69%	\$83,492,751	100.04%	\$611,657	\$84,104,408	100.77%
2018	\$88,354,226	\$1,132,086	\$87,222,140	98.72%	\$87,108,933	99.87%	\$486,708	\$87,595,641	100.43%
2019	\$91,061,619	\$1,040,464	\$90,021,155	98.86%	\$89,791,497	99.74%	\$261,122	\$90,052,619	100.03%
2020	\$96,033,471	\$1,201,542	\$94,831,929	98.75%	\$93,840,113	98.95%	\$1,445,311	\$95,285,424	100.48%
2021	\$99,259,484	\$1,141,765	\$98,117,719	98.85%	\$97,759,858	99.64%	\$0	\$97,759,858	99.64%



(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				
2012	\$ 22,512,979	\$ 212,592	\$ 131,324,063	\$ 344,230	\$ 549,628	\$ 154,943,492	10.71%	35,981	\$ 4,306
2013	23,155,799	149,204	126,946,117	449,624	542,670	151,243,414	10.05%	35,983	4,203
2014	24,272,037	89,968	121,748,031	345,930	485,394	146,941,360	9.33%	36,220	4,057
2015	24,697,593	-	117,132,485	1,204,736	296,958	143,331,772	8.75%	36,223	3,957
2016	26,105,152	-	120,764,971	1,136,502	184,097	148,190,722	8.64%	36,460	4,065
2017	27,968,953	-	114,675,967	959,716	146,863	143,751,499	7.88%	37,297	3,854
2018	48,436,083	-	111,070,541	896,526	289,882	160,693,032	8.50%	37,156	4,325
2019	76,799,873	-	105,198,461	838,859	268,727	183,105,920	9.29%	37,250	4,916
2020	79,912,899	-	98,159,070	932,147	103,133	179,107,249	8.65%	37,623	4,761
2021	129,642,346	-	90,644,149	1,128,058	27,456	221,442,009	10.18%	37,999	5,828

(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**

<b>Year</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
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
2021	129,642,346	-	129,642,346	1.62%	3,412

(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, 2021**

<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.....	\$ 16,130,000	4.66%	\$ 752,142	\$ 312,887
Massachusetts Bay Transportation Authority.....	5,475,549,153	0.47%	<u>25,680,326</u>	834,339
Subtotal, overlapping debt.....			26,432,467	
Town debt.....			<u>129,642,346</u>	
Total direct and overlapping debt.....			<u>\$ 156,074,813</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>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>	<u>2021</u>
Equalized Valuation.....	\$ 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	\$ 8,213,296,300
Debt Limit - 5% of Equalized Valuation.....	\$ 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	\$ 410,664,815
Less:										
Outstanding debt applicable to limit.....	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	34,596,355
Authorized and unissued debt.....	<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>	<u>98,620,128</u>
Legal debt margin.....	\$ <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>	\$ <u>277,448,332</u>
Total debt applicable to the limit as a percentage of the limit.....	12.57%	13.98%	14.24%	15.94%	15.94%	14.63%	16.62%	30.09%	27.64%	32.44%

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
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%
2021	37,999	\$ 2,174,753,800	\$ 57,232	40	5,454	5.40%

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	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Daniel Quirk	Auto Dealership	1,000	1	3.17%			
Health South/Braintree Rehab	Rehabilitation Hospital	499	2	1.58%	750	1	2.85%
Verizon	Utility	400	3	1.27%	400	5	1.52%
Sears	Retail	363	4	1.15%	363	6	1.38%
Symmons Industries	Plumbing Manufacturer	290	5	0.92%	290	9	1.10%
ING	Financial Services	250	6	0.79%			
Mass State Lottery	State Agency	250	7	0.79%	300	8	1.14%
Nordstrom	Retail	250	8	0.79%	250	10	0.95%
Macy's	Retail	200	9	0.63%	600	3	2.28%
Haemonetics	Biomedical				700	2	2.66%
South Shore VNA	Visiting Nurses Association				476	4	1.81%
Harvard/Pilgrim Health Care	Health Care				310	7	1.18%
		3,502		11.11%	4,439		16.86%

The Town is reporting all employees with more than 200 employees.

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

**Full-time Equivalent Town Employees by Function**

**Last Ten Years**

	<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>	<u>2021</u>
Function:										
General government.....	42	43	43	43	43	46	43	43	42	40
Police.....	83	90	96	97	94	96	103	98	104	102
Fire.....	86	83	86	88	90	90	90	90	89	90
Education.....	689	714	736	770	778	784	779	795	813	789
Public works.....	39	38	40	40	43	41	44	51	63	56
Human services.....	11	12	12	12	12	11	11	12	11	10
Culture and recreation.....	19	20	19	17	20	20	19	21	21	19
Water & Sewer.....	23	24	23	23	25	24	24	23	25	27
Golf.....	9	9	8	8	8	8	8	8	7	8
Electric Light.....	110	110	101	100	101	101	99	98	93	90
<b>Total .....</b>	<b><u>1,110</u></b>	<b><u>1,143</u></b>	<b><u>1,164</u></b>	<b><u>1,198</u></b>	<b><u>1,214</u></b>	<b><u>1,221</u></b>	<b><u>1,220</u></b>	<b><u>1,239</u></b>	<b><u>1,268</u></b>	<b><u>1,231</u></b>

Source: Town personnel records and various Town departments.

**Operating Indicators by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>General Government</b>										
Population.....	35,981	35,983	36,220	36,223	36,460	37,297	37,156	37,250	37,623	37,189
Registered voters, annual town election.....	N/A	26,468	N/A	N/A						
<b>Town Clerk</b>										
Births.....	411	407	410	382	410	357	372	396	388	328
Marriages.....	234	193	211	218	239	214	305	223	171	184
Deaths.....	469	500	478	505	500	499	491	476	660	538
<b>Police</b>										
Accidents covered by an officer.....	287	481	1,611	524	1,631	1,764	588	1,676	1,418	1,210
Citations issued.....	1,304	3,737	4,311	9,370	4,774	3,423	2,877	3,290	2,583	3,193
Arrests.....	262	835	985	952	1,005	906	743	574	438	379
Larcenies.....	245	511	1,167	619	1,070	1,012	439	989	752	996
<b>Fire</b>										
Fires.....	94	64	132	136	45	106	82	65	85	109
Emergency medical service.....	1,786	2,629	2,558	2,733	1,889	3,781	4,302	4,030	3,539	4,440
False alarm.....	493	773	857	633	228	853	858	872	659	769
Other responses.....	948	1,422	1,456	1,366	735	1,144	1,551	1,560	951	1,487
Hazmat responses.....	207	351	258	255	39	251	295	228	156	75
<b>Building Department</b>										
Residential building permits issued.....	976	850	926	1,352	1,313	1,215	1,176	1,260	1,115	1,423
Non-Residential building permits issued.....	361	403	399	382	324	349	400	342	245	153
<b>Education</b>										
Public school enrollment.....	5,601	5,678	5,734	5,828	5,860	5,839	5,828	5,908	5,875	5,510
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	15	28	23	39	40	46	39	19	27	14
<b>Water</b>										
Service connections.....	11,500	11,492	11,454	11,561	11,540	11,549	11,549	11,617	11,757	11,773
Consumption in billions of gallons.....	N/A	1,285	1,166	927	918	914	914	1,168	1,151	1,164
Daily consumption in millions of gallons.....	N/A	4.7	3.5	3	3	3	3	3.2	3.25	3.19
<b>Sewer</b>										
Service connections.....	11,500	11,423	11,417	11,541	11,554	11,513	11,513	11,581	11,721	11,726
Daily average collection (MGD).....	6.89	6.66	6.81	N/A						
<b>Highway</b>										
Miles of public road.....	129.0	130.0	130.0	134	134	135	135	135	135	135
<b>Human Services</b>										
<b>Board of Health</b>										
Inspections.....	1,321	1,263	1,139	1,291	1,359	1,256	1,514	1,430	1,256	1,122
<b>Elder Affairs</b>										
Transportation.....	4,121	5,280	5,295	5,368	5,450	5,018	5,598	5,285	3,820	1,931
Volunteer service hours.....	6,029	5,214	4,423	4,686	4,662	4,550	3,798	3,620	2,692	765
Fitness/exercise program participants.....	3,734	3,420	4,298	4,415	4,826	4,710	6,088	5,952	3,410	1,891
Recreation/social event participants.....	9,221	8,200	8,172	8,959	9,495	9,220	9,819	9,625	6,100	990
<b>Libraries</b>										
Volumes in collection.....	125,145	131,000	140,213	285,730	271,978	773,224	161,840	175,509	226,448	187,932
Circulation.....	379,752	293,733	384,109	365,580	352,638	324,720	302,310	327,979	286,349	305,546
Program attendance.....	11,011	9,421	9,695	8,660	10,272	9,191	10,524	11,916	11,286	11,242

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

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
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	1,210
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	14	12	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	2	2	2	2	2	2
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments



On December 7, 2020, Pearl Harbor Day, Mayor Kokoros placed a wreath on the Memorial Mall in honor of the men and women who lost their lives on that fateful day.



111 Huntington Avenue  
9th Floor  
Boston, MA 02199-7613  
Telephone: 617-239-0100  
Fax: 617-227-4420  
www.lockelord.com

(Date of Delivery)

Barbara Walls, Treasurer/Collector  
Town of Braintree  
Braintree, Massachusetts

\$5,615,000  
Town of Braintree, Massachusetts  
General Obligation Municipal Purpose Loan of 2022 Bonds  
Dated June 9, 2022

We have acted as bond counsel to the Town of Braintree Massachusetts (the “Town”) in connection with the issuance by the Town of the above-referenced bonds (the “Bonds”). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon representations and covenants of the Town contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Town and, except to the extent they are paid from other sources, the principal of and interest on the Bonds are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

2. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such

B-1



111 Huntington Avenue  
9th Floor  
Boston, MA 02199-7613  
Telephone: 617-239-0100  
Fax: 617-227-4420  
www.lockelord.com

(Date of Delivery)

Barbara Walls, Treasurer/Collector  
Town of Braintree  
Braintree, Massachusetts

\$5,615,000  
Town of Braintree, Massachusetts  
General Obligation Municipal Purpose Loan of 2022 Bonds  
Dated June 9, 2022

We have acted as bond counsel to the Town of Braintree Massachusetts (the “Town”) in connection with the issuance by the Town of the above-referenced bonds (the “Bonds”). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon representations and covenants of the Town contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Town and, except to the extent they are paid from other sources, the principal of and interest on the Bonds are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

2. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such

B-1

**PROPOSED FORM OF  
CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Braintree, Massachusetts (the “Issuer”) in connection with the issuance of its \$5,615,000 General Obligation Municipal Purpose Loan of 2022 Bonds dated June 9, 2022 (the “Bonds”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information relating to the MSRB is set forth in Exhibit A attached hereto.

“Obligated Person” shall mean the Issuer.

“Owners of the Bonds” shall mean the registered owners, including beneficial owners, of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, not later than 270 days after the end of each fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in a timely manner, in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement dated May 26, 2022 relating to the Bonds regarding (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer, and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles (except for the omission, if any, of a statement of fixed assets). If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 5, of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of the Owners of the Bonds, if material.

8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person.\*
13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect Owners of the Bonds, if material.†
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.†

(b) Upon the occurrence of a Listed Event, the Issuer shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

**SECTION 6. Transmission of Information and Notices.** Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic

---

\* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

† For purposes of event numbers 15 and 16 in Section 5(a) of this Disclosure Certificate, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Bonds may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Bonds from time to time, and shall create no rights in any other person or entity.

Date: June 9, 2022

TOWN OF BRAINTREE,  
MASSACHUSETTS

By \_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Mayor

[EXHIBIT A: Filing Information for the MSRB]  
[EXHIBIT B: Form of Notice of Failure to File Annual Report]