

OFFICIAL STATEMENT DATED JUNE 29, 2021

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

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. 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. The Bonds will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

CITY OF WOBURN, MASSACHUSETTS
\$30,950,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2021 BONDS

DATED
Date of Delivery

DUE
July 15
(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 denominations of \$5,000, or any integral multiple thereof. (See "THE BONDS- Book-Entry Transfer System" herein.)

Principal of the Bonds will be payable July 15 of the years in which the Bonds mature. Interest on the Bonds will be payable January 15 and July 15, commencing July 15, 2022. Principal and semiannual interest on the Bonds will be paid by U.S. Bank National Association, Boston, Massachusetts, 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 are 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 City of Woburn, 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 City, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Due July 15	Principal Amount	Rate	Yields	CUSIP 977521	Due July 15	Principal Amount	Rate	Yields	CUSIP 977521
2022	\$ 775,000	5.00 %	0.15 %	V83	2032	\$ 1,840,000	3.00 %	1.22 %	X24
2023	1,390,000	5.00	0.20	V91	2033	1,860,000	3.00	1.33	X32
2024	1,425,000	5.00	0.29	W25	2034	1,875,000	3.00	1.38	X40
2025	1,475,000	5.00	0.42	W33	2035	1,905,000	2.00	1.91	X57
2026	1,525,000	5.00	0.54	W41	2036	1,905,000	2.00	2.00	X65
2027	1,580,000	5.00	0.65	W58	2037	1,245,000	3.00	1.67	X73
2028	1,640,000	5.00	0.75	W66	2038	1,280,000	3.00	1.70	X81
2029	1,685,000	5.00	0.88	W74	2039	1,315,000	2.125	2.17	X99
2030	1,725,000	5.00	0.98	W82	2040	1,345,000	2.125	2.21	Y23
2031	1,790,000	5.00	1.06	W90	2041	1,370,000	2.125	2.24	Y31

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 City of Woburn, Massachusetts, with respect to the Bonds. The Bonds in definitive form will be delivered to DTC, or its custodial agent, on or about July 15, 2021, against payment to the City in federal funds.

PIPER SANDLER & CO.

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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 City 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:	Tuesday, June 29, 2021, 11:00 a.m. (Eastern Time).
Location of Sale:	Hilltop Securities Inc., 54 Canal Street, 3rd Floor, Boston, Massachusetts 02114.
Issuer:	City of Woburn, Massachusetts.
Issue:	\$30,950,000 General Obligation Municipal Purpose Loan of 2021 Bonds, see "THE BONDS Book-Entry Transfer System" herein.
Official Statement Dated:	June 29, 2021.
Dated Date of the Bonds:	As of their date of delivery.
Principal Due:	Serially July 15, 2022 through July 15, 2041 as detailed herein.
Interest Payable:	Semi-annually January 15 and July 15, commencing July 15, 2022.
Purpose and Authority:	The Bonds will be issued to finance the construction of a new fire station headquarters and to refund certain outstanding bonds under provisions of the Massachusetts General Laws as detailed herein.
Redemption:	The Bonds are subject to redemption prior to their stated maturity dates, as described herein.
Security:	The Bonds are general obligations of the City, and the principal of interest on the Bonds are payable from taxes that may be levied upon all taxable property in the City, 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 AAA to the Bonds.
Bond Insurance:	The City 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. <u>BIDS MUST INCLUDE A PREMIUM OF AT LEAST \$175,000.</u>
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 not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Refunding Escrow/Paying Agent:	U.S. Bank National Association, 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 July 15, 2021, against payment in federal funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to: Mr. Timothy J. Donovan, Treasurer, City of Woburn, Massachusetts Telephone (508) 862-4661 or Cinder McNerney, Managing Director, Hilltop Securities Inc., Boston, Massachusetts Telephone (617) 619-4408.

NOTICE OF SALE

CITY OF WOBURN, MASSACHUSETTS \$33,725,000* GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2021 BONDS

The City of Woburn, Massachusetts (the "City") will receive sealed and electronic (as described herein) proposals until 11:00 a.m., Eastern Time, Tuesday, June 29, 2021, for the purchase of the following described General Obligation Municipal Purpose Loan of 2021 Bonds of the City (the "Bonds"):

\$33,725,000* General Obligation Municipal Purpose Loan of 2021 Bonds payable July 15 of the years and in the amounts as follows:

Due July 15	Principal Amount*	Due July 15	Principal Amount*
2022	\$ 830,000	2032 **	\$ 1,980,000
2023	1,500,000	2033 **	2,020,000
2024	1,550,000	2034 **	2,040,000
2025	1,605,000	2035 **	2,045,000
2026	1,670,000	2036 **	2,060,000
2027	1,725,000	2037 **	1,380,000
2028	1,790,000	2038 **	1,410,000
2029	1,850,000	2039 **	1,435,000
2030	1,910,000	2040 **	1,465,000
2031 **	1,965,000	2041 **	1,495,000

*Preliminary, subject to change.

**Callable Maturities. May be combined into one, two or three Term Bonds.

The Bonds will be dated their date of delivery. Principal of the Bonds will be payable on July 15 of the years in which the Bonds mature. Interest will be payable on January 15 and July 15, commencing July 15, 2022 until maturity or redemption prior to maturity.

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 DTC participants 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 City 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 prepared under the supervision of Hilltop Securities Inc., Boston, Massachusetts and their legality will be approved by Locke Lord LLP, Boston, Massachusetts, whose opinion will be furnished to the successful bidder without charge.

The Bonds are subject to redemption prior to their stated maturity dates, as described herein.

Bonds maturing on or prior to July 15, 2030 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on and after July 15, 2031 shall be subject to redemption prior to maturity, at the option of the City, on or after July 15, 2030, 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 redemption date.

For Bonds maturing on July 15, 2031 and thereafter, 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 a maturity of term bonds scheduled to mature in the latest of the combined years, and shall be subject to mandatory redemption prior to maturity at par as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule. Bidders may specify no more than three maturities of term bonds.

Principal and semiannual interest on the Bonds will be paid by U.S. Bank National Association, 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 disbursement 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 \$175,000 WILL BE CONSIDERED.**

The current bond structure reflects a premium of approximately \$1,700,000. Any premium less than \$1,700,000 will result in an increase in the size of the Bonds by approximately a like amount, and any premium greater than \$1,700,000 will result in a decrease in the size of the Bonds by approximately a like amount. The City 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 to effect the refunding for which a portion of the Bonds are being issued, (b) account for any changes in the bonds to be refunded with a portion of the proceeds of the Bonds based on the actual debt service savings to be realized by the City, and (c) change the maturity schedule of both the refunding and new money portion of the Bonds after pro-rating the premium applicable to each, such that the refunding savings are approximately level in each year of their term, and such that debt service on the fire station portion of the Bonds is approximately level in each fiscal year through its term. 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 successful 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 successful bidder for the Bonds by local time 4 P.M. eastern time 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 City 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 City.

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 City. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of July 15, 2021, 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 City of Woburn 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 City.

In order to assist bidders in complying with Rule 15c2-12 (b)(5) promulgated by the Securities and Exchange Commission, the City 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 not 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 June 22, 2021, (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 City to levy and collect taxes to pay them, (c) a certificate of the City Treasurer to the effect that, to the best of his 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 City in establishing the issue price of the Bonds and shall execute and deliver to the City 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 City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by Hilltop Securities Inc. (the “Financial Advisor”) and any notice or report to be provided to the City 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 City 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 City 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 City 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 City 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 City prior to submitting its bid by contacting the Financial Advisor, at (617) 619-4400, and affirming in writing via email to cinder.mcnerney@hilltopsecurities.com, 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 City 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 City 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, 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. The City will not require bidders to comply with the “hold-the-offering price rule” set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date for any maturity of the Bonds as the issue price of that maturity, if the competitive sale requirements are not met and this option is chosen.

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 City 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 City 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 City (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. Eastern Time 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 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 City 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 City of Woburn and the Bonds is contained in the Preliminary Official Statement dated June 22, 2021, 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 City 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 July 15, 2021 for settlement in federal funds.

CITY OF WOBURN, MASSACHUSETTS
/s/ Mr. Timothy J. Donovan, Treasurer

June 22, 2021

**Issue Price Certificate for Use If the Competitive
Sale Requirements Are Met
\$33,725,000*
City of Woburn, Massachusetts
General Obligation Municipal Purpose Loan of 2021 Bonds Dated July 15, 2021**

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 City of Woburn, 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 June 29, 2021.

(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: _____, 2021

[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
\$33,725,000*
City of Woburn, Massachusetts
General Obligation Municipal Purpose Loan of 2021 Bonds Dated July 15, 2021
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 City of Woburn, 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 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] [Representative] agrees to promptly report to the Issuer’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] [Representative], 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]’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: _____ 2021

[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
\$33,725,000***

**CITY OF WOBURN, MASSACHUSETTS
GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2021 BONDS**

DATED JULY 15, 2021

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 City of Woburn, 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 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 at a price that is higher than the initial offering price to the public until the earlier of (i) _____, 2021 or (ii) the date on which the “Successful Bidder” [Representative] 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. Receipt. 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] [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.

*Preliminary, subject to change.

Dated: _____, 2021

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: _____

Name:

Title:

[SCHEDULE A
SALE PRICES
(To be Attached)]

OFFICIAL STATEMENT

CITY OF WOBURN, MASSACHUSETTS

\$30,950,000 GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2021 BONDS

This Official Statement is provided for the purpose of presenting certain information relating to the City of Woburn, Massachusetts (the "City") in connection with the sale of \$30,950,000 stated principal amount of its General Obligation Municipal Purpose Loan of 2021 Bonds (the "Bonds"). The information contained herein has been furnished by the City, 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 January 15 and July 15, commencing July 15, 2022. The Bonds shall mature on July 15 of the years and in the principal amounts as set forth on the cover page of this Official Statement.

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 National Association, 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 disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

The Bonds are subject to redemption prior to their stated maturity dates, as described herein.

Redemption Provisions

Optional Redemption

Bonds maturing on or prior to July 15, 2030 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on and after July 15, 2031 shall be subject to redemption prior to maturity, at the option of the City, on or after July 15, 2030, 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 redemption date.

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 such 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.

Purchases of securities under the DTC system 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 by 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 the securities deposited by 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 the 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.

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

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.

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 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 City 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 City believes to be reliable, but the City 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.

Purpose	This Issue	Original Bond Authorization	Bond Anticipation Notes Outstanding (1)	Statutory Reference M.G.L.	Dates of Approval
Fire Station Headquarters	\$ 20,468,000	\$ 23,000,000	\$ 2,800,000	Ch.44, s.7(1)	2/21/2020
Refunding	10,482,000			Ch.44, s.21A	3/2/2012
	<u>\$ 30,950,000</u>		<u>\$ 2,800,000</u>		

(1) This issue will retire bond anticipation notes maturing August 9, 2021 (the "Refunded Notes").

As described above, it is anticipated that the a portion of the Bond proceeds (such portion, the "Refunded Bonds") will be used to current refund a portion of the City's \$9,825,000 General Obligation Municipal Purpose Loan of 2011 Bonds – Series A, dated September 22, 2011, maturing in the years 2022 through 2036, inclusive, in the aggregate principal amount of \$6,075,000 (the "2011 Series A Bonds") and current refund a portion of the City's \$9,800,000 General Obligation Municipal Purpose Loan of 2011 Bonds dated September 22, 2011 – Series B, maturing in the years 2022 through 2036, inclusive in the aggregate principal amount of \$6,025,000 (the "2011 Series B Bonds", and together with the 2011 Series A Bonds, the "Refunded Bonds") including the payment of interest thereon to the date of redemption, and to pay costs of issuing the Refunding Bonds.

Principal Payments by Purpose

Year	Fire Station Headquarters	Refunding	Total
2022	\$ 318,000	\$ 457,000	\$ 775,000
2023	705,000	685,000	1,390,000
2024	740,000	685,000	1,425,000
2025	780,000	695,000	1,475,000
2026	820,000	705,000	1,525,000
2027	860,000	720,000	1,580,000
2028	905,000	735,000	1,640,000
2029	950,000	735,000	1,685,000
2030	1,000,000	725,000	1,725,000
2031	1,050,000	740,000	1,790,000
2032	1,095,000	745,000	1,840,000
2033	1,125,000	735,000	1,860,000
2034	1,160,000	715,000	1,875,000
2035	1,190,000	715,000	1,905,000
2036	1,215,000	690,000	1,905,000
2037	1,245,000	-	1,245,000
2038	1,280,000	-	1,280,000
2039	1,315,000	-	1,315,000
2040	1,345,000	-	1,345,000
2041	1,370,000	-	1,370,000
Total	<u>\$ 20,468,000</u>	<u>\$ 10,482,000</u>	<u>\$ 30,950,000</u>

Sources and Uses of Bond Proceeds

Proceeds of the Bonds will be applied as follows:

SOURCES:

Par Amount of the Bonds	\$ 30,950,000.00
Original Issue Premium	4,622,673.00
Total Sources	<u>\$ 35,572,673.00</u>

USES:

Deposit to Refunding Escrow Fund	\$ 12,300,828.77
Retire Maturing Notes	2,800,000.00
Project Fund Deposit	20,200,000.00
Underwriter's Discount	105,742.78
Costs of Issuance	161,210.00
Rounding Amount	4,891.45
Total Uses	<u>\$ 35,572,673.00</u>

Plan of Refunding

Upon delivery of the Bonds, the City will enter into a Refunding Escrow Agreement (the "Refunding Escrow Agreement") with U.S. Bank National Association, as Refunding Escrow Agent, to provide for the refunding of the Refunded Bonds. Upon receipt of the portion of the proceeds of the Bonds necessary to refund the Refunded Bonds, the Refunding Escrow Agent will deposit in the Refunding Escrow Fund established under the Refunding Escrow Agreement an amount which will be held in cash to pay when due, interest on, and upon redemption, the outstanding principal of the Refunded Bonds, including accrued interest thereon.

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the City ("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. 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 Bonds are not designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

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 City 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 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 of Massachusetts (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 purchaser 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 AAA to the Bonds. Said rating reflects only the rating agency's views and will be subject to revision or withdrawal, which could affect the marketability and price of the Bonds.

Financial Advisory Services of Hilltop Securities Inc.

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

Continuing Disclosure

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City 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 significant events. Other than the City, 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 City 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.

CITY OF WOBURN, MASSACHUSETTS

General

The City of Woburn, Massachusetts (the "City") is located in Middlesex County approximately 10 miles northwest of Boston. The City is bordered by the towns of Reading, Stoneham, Winchester, Lexington, Burlington and Wilmington. Established as a town in 1642 and a city on May 18, 1888, Woburn has a population of approximately 38,120 and occupies a land area of 12.86 square miles.

Government

The City is governed by an elected mayor and a nine-member City Council. Both mayor and council are elected biennially. The following table sets forth the principal executive officers of the City.

PRINCIPAL CITY OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Current Term Expires</u>
Mayor	Scott Galvin	Elected	December 2021
Treasurer/Collector	Timothy J. Donovan	Appointed	Indefinite
City Auditor	Charles E. Doherty	Appointed	Indefinite
City Clerk	William C. Campbell	Appointed	Indefinite

Municipal Services

The City provides general governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, water and sewer services, street maintenance, parks and recreational facilities. Vocational technical education is provided for at the high school level by the Northeast Regional Vocational Technical School District.

Transportation services include commuter bus, commuter train and public transit service to Boston which is provided by the Massachusetts Bay Transportation Authority.

Corona Virus (COVID-19) Disclosure

COVID-19 is a new respiratory disease caused by a novel coronavirus that has not previously been seen in humans. 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. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic. On March 15, 2020, the Governor announced emergency actions to help address the spread of the virus. The City is adhering to these actions by strictly following the public health recommendations of social distancing guidelines and limiting public gatherings to 25 people or less. City employees are currently reporting to work as directed and under the discretion of management. The City continues to and expects to continue to maintain all essential functions and services.

Pursuant to M.G.L. Chapter 44, Section 31, the City can set up a fund specifically related to COVID-19 expenses. This fund can be used to capture all unbudgeted 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 would be allowed, with the approval of the Commonwealth's Department of Revenue. At this time, the City has not created such a fund. In 2020, the City incurred \$329,000 of COVID-related expenditures. The City plans to submit reimbursement requests to the Federal Emergency Management Agency (FEMA), apply for funding from the CARES Act, and use other local grant receipts to cover these costs.

The virus and the resulting actions by national, state and local governments have altered the behavior of businesses and people in a manner that will have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19 will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the City. These negative impacts are likely to include reduced collections of property taxes and other revenues, including local meals and rooms tax revenue, motor vehicle excise taxes and other fees and charges collected by the City. Additionally, state aid payments to the City, which are dependent upon collections by the Commonwealth of income, sales, capital gains and other similar taxes, may be adversely impacted by reduced or delayed collections of those revenue streams. The rapid economic changes associated with the COVID-19 pandemic are likely to have negatively impacted the employment, income, and related statistics presented herein.

FY2020 ended in a surplus, with a free cash increase of \$7,252,555. Local receipts came in at \$4,902,507 over estimates, and the City closed with \$1,353,551 to the General Fund. The City used \$3.5 million of free cash to reduce the tax rate for FY2021. Additionally, the City lowered estimated local receipts by \$3,155,000 and level funded state aid for FY2021. The City expects to close FY2021 with a small surplus.

Education

The City's public school facilities include nine elementary schools, two middle schools and one senior high school. Due to the programs currently being offered, school system capacity is estimated at 5,000; actual classroom capacity is estimated to be 5,729. The following table presents the actual enrollments in the City's public schools.

School Enrollments – October 1

	Actual				
	2016	2017	2018	2019	2020
Elementary (Preschool-5)	2,308	2,285	2,194	2,204	2,009
Middle (6-8)	1,006	1,004	1,024	1,041	1,034
Senior High (9-12)	1,342	1,316	1,300	1,231	1,236
Totals	4,656	4,605	4,518	4,476	4,279

SOURCE: Office of the Superintendent of the City of Woburn schools.

Industry and Commerce

Woburn's proximity to Boston and Interstate 93, Interstate 95 and Route 128 make the City an ideal location for business and industry. The following table lists the major categories of income and employment in the City for the calendar years indicated.

EMPLOYMENT AND PAYROLLS - 2015-2019

Industry	Calendar Year Average				
	2015	2016	2017	2018	2019
Construction	3,460	3,918	3,903	4,165	4,207
Manufacturing	3,902	3,812	3,779	3,857	3,951
Trade, Transportation and Utilities	9,097	9,143	9,387	9,360	9,177
Information	1,086	908	847	856	956
Financial Activities	2,683	2,710	2,786	2,744	2,970
Professional and Business Services	11,841	12,003	12,097	12,547	12,173
Education and Health Services	5,257	5,181	5,600	5,481	5,372
Leisure and Hospitality	2,889	3,101	2,994	3,158	2,937
Other Services	1,043	1,097	1,119	1,163	1,111
Total Employment	41,258	41,873	42,512	43,331	43,861
Number of Establishments	2,409	2,400	2,440	2,436	2,419
Average Weekly Wages	\$ 1,372	\$ 1,332	\$ 1,363	\$ 1,386	\$ 1,463
Total Wages	\$ 3,013,935,084	\$ 2,968,293,065	\$ 3,078,955,401	\$ 3,190,491,466	\$ 3,336,415,370

Source: Massachusetts Department of Education and Training. Data based upon place of employment, not place of residence. Due to the reclassification the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

LARGEST EMPLOYERS

Name	Number of Employees
Marshall's Distribution Ctr	1,000-4,999
Necc	500-999
Parker Chomerics Div	500-999
Cummings Properties LLC	250-499
Dolben Co Inc	250-499
Essendant	250-499
Peak Event Services	250-499
Presidio Networked Solutions	250-499
Skyworks Solutions Inc	250-499
Target	250-499

Source: Department of Revenue, 2021.

Labor Force, Employment and Unemployment

According to the Massachusetts Department of Employment and Training preliminary data, as of May 2021, the City had a total labor force of 23,529 of which 22,263 were employed and 1,266 or 5.4% were unemployed as compared with 6.1% for the Commonwealth for the same period, although it is likely that the COVID-19 pandemic will adversely affect unemployment levels nationwide.

The following table sets forth the City's average labor force and unemployment rates for calendar years 2016 through 2020, and the unemployment rates for the State and U.S. as a whole for the same period.

UNEMPLOYMENT RATES

Year	City of Woburn		Massachusetts Unemployment Rate		United States Unemployment Rate	
	Labor Force	Unemployment Rate				
2020	23,199	8.5 %	8.1 %		6.7 %	
2019	24,235	2.4	2.8		3.7	
2018	23,847	2.8	3.3		3.9	
2017	22,862	3.1	3.7		4.4	
2016	22,537	3.2	3.7		4.9	

SOURCE: Massachusetts Division of Employment Security, 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 number of building permits issued and the estimated dollar value of new construction and alterations for recent years. Permits are filed for both private constructions as well as for City projects.

BUILDING PERMITS

<u>Fiscal Year</u>	<u>No. of Permits Issued</u>	<u>Construction Value</u>
2020	1,724	\$ 144,944,285 (1)
2019	1,762	82,166,088
2018	1,622	151,654,432
2017	1,674	156,243,366 (2)
2016	1,743	164,712,971 (3)

(1) Increase due to the Avalon, 300 Mishawum Road and the new building on 120 Commerce Way.

(2) Includes new Hurd-Wyman School (construction value of \$75,012,259).

(3) Includes several large projects within the City (Dave and Busters Entertainment, Jake & Joe's Restaurant, 2 new residential subdivisions of single family homes, 2 new assisted living facilities and new apartment/condo complex).

Transportation and Utilities

Woburn is located 12 miles northwest of Boston and has Interstate 93 and Route 128 intersecting within its boundaries. Its location is excellent in terms of convenience and accessibility of travel. Public transportation is provided by the Massachusetts Bay Transportation Authority. Two main bus routes provide connections to rapid transit into downtown Boston. The City also has been served by AMTRAK Commuter Rail Service since January 1, 1987. Rail freight services are provided by the Springfield Terminal Railroad. Boston's Logan International Airport is approximately 10 miles away.

The following table compares the most recent census figures to prior years' averages for Woburn, the Commonwealth and the United States.

POPULATION AND INCOME

	<u>Woburn</u>	<u>Massachusetts</u>	<u>United States</u>
Median Age:			
2010	39.6	39.1	37.2
2000	37.7	36.6	35.3
1990	33.3	33.6	32.9
1980	29.7	31.2	30.0
Median Family Income:			
2010	\$84,538	\$81,165	\$51,144
2000	66,364	61,664	50,046
1990	50,428	44,367	35,225
1980	22,969	21,166	19,908
Per Capita Income:			
2010	\$33,163	\$33,966	\$27,334
2000	26,207	25,952	21,587
1990	18,155	17,224	14,420
1980	7,562	7,459	7,313

On the basis of the 2010 Federal Census, the City has a population density of approximately 2,964 persons per square mile.

POPULATION TRENDS

<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
38,120	37,258	35,943	36,626

SOURCE: Federal Census.

PROPERTY TAXATION

Tax Levy

One of the principal revenue sources of the City 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 "Property Tax Limitation" below. 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").

The table below illustrates the trend in the manner in which the tax levy is determined.

TAX LEVY COMPUTATION

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Total Appropriations	\$144,585,758	\$152,638,473	\$160,020,242	\$164,207,577	\$162,926,866
Additions:					
State and County Assessments	3,521,053	3,809,433	3,903,575	4,340,934	4,276,524
Overlay for Current Year	1,301,663	3,269,872	1,280,180	1,300,324	1,489,851
Other Local Expenditures	2,328,477	2,476,191	2,278,271	2,000,827	2,058,478
Total Additions	7,151,193	9,555,496	7,462,025	7,642,085	7,824,853
Gross Amount to be Raised	151,736,951	162,193,968	167,482,267	171,849,662	170,751,719
Offsets:					
Estimated Receipts from the State (1)	15,014,207	15,395,159	15,775,549	16,471,267	16,496,768
Local Estimated Receipts	33,184,288	33,943,294	33,570,992	35,324,392	32,098,744
Free Cash & Other Revenue Used to					
Reduce the Tax Rate	-	2,514,560	3,890,214	1,424,400	3,667,215
Other Available Funds	5,965,261	5,320,938	6,651,000	5,622,508	1,831,644
Total Estimated Receipts and Offsets	54,163,756	57,173,950	59,887,755	58,842,566	54,094,371
Net Amount to be Raised	\$97,573,195	\$105,020,018	\$107,594,512	\$113,007,096	\$116,657,348

(1) Includes annual appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting the tax rate. See "Reduction of State Aid" below.

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.

A professional revaluation of all real and personal property in the City to full and fair cash value was most recently completed for use in fiscal 2018.

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

Fiscal Year	Real Property	Personal Property	Total Assessed Valuation	Tax Levy	Tax Levy Per Capita
2021	\$8,501,806,978	\$428,516,180	\$8,930,323,158	\$116,657,348	\$3,131
2020	8,129,335,800	394,367,460	8,523,703,260	113,007,096	3,033
2019	7,584,020,400	354,085,120	7,938,105,520	107,594,512	2,888
2018 (1)	7,016,586,100	350,761,710	7,367,347,810	105,020,018	2,819
2017	6,588,841,300	250,187,700	6,839,029,000	97,573,195	2,619

(1) Revaluation year.

Property Classification

The following is a breakdown of the City's assessed valuation of real estate in fiscal years 2019, 2020 and 2021.

Property Type	2021		2020		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Residential	\$6,466,359,162	72.4 %	\$6,105,390,499	71.6 %	\$5,674,919,223	71.5 %
Commercial	1,124,436,088	12.6	1,117,317,001	13.1	1,057,148,677	13.3
Industrial	911,011,728	10.2	906,628,300	10.6	851,952,500	10.7
Personal	428,516,180	4.8	394,367,460	4.6	354,085,120	4.5
Total Real Estate	<u>\$8,930,323,158</u>	<u>100.0 %</u>	<u>\$8,523,703,260</u>	<u>100.0 %</u>	<u>\$7,938,105,520</u>	<u>100.0 %</u>

The following is a breakdown of the City's tax rates for different classes of property.

Fiscal Year	Tax Rate per \$1,000 Valuation	
	Residential	Commercial, Industrial & Personal Property
2021	\$9.33	\$22.86
2020	9.32	23.20
2019	9.50	23.72
2018	9.89	24.95
2017	9.94	24.97

The following table lists the ten largest taxpayers in the City based upon taxes assessed for fiscal 2021, all of which are current in paying their taxes, except as noted.

LARGEST TAXPAYERS

Name	Nature of Business	Total Taxes Assessed For Fiscal 2021	% of Total Levy
Nstar Electric	Electric Distribution	\$ 3,630,080	3.11 %
Trade Center Park LLC	Commercial Office	1,866,400	1.60
Amazon Robotics, LLC	Industrial Warehouse	1,393,152	1.19
UDR Inwood LLC	Residential Apartments	932,657	0.80
ARE-MA Region No 20 LLC	Commercial Office	804,553	0.69
Presidential Way Woburn, LLC	Commercial Office	799,967	0.69
Kimball Court Apartment Limited	Residential Apartments	781,720	0.67
National Grid (Boston Gas)	Gas Utility	741,304	0.64
Metronorth Business Center, LLC	Industrial Warehouse	723,014	0.62
Woburn Hotel Property Owner	Hotel	694,494	0.60
		<u>\$ 12,367,341</u>	<u>10.60 %</u>

SOURCE: City Assessor.

NOTE: Presidential Way Woburn, LLC has approximately \$1,000 balance outstanding on the 2021 Q2 real estate tax bill which was due November 2, 2020.

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 City of Woburn.

<u>January 1</u>	<u>State Equalized Valuation</u>
2020	\$9,226,467,200
2018	7,909,145,900
2016	6,974,905,000
2014	6,189,092,800
2012	5,944,103,000
2010	6,224,745,900

Abatement and Overlay

The City 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 City. 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. 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 recent trend in the amount of the overlay reserve, and actual abatements and refunds granted against each levy through June 30, 2020.

Fiscal Year	Net Tax Levy (1)	Overlay Reserve				Abatements Granted Through June 30, 2020
		Dollar Amount	As a % of Net Levy			
2020	\$ 111,706,772	\$ 1,300,324	1.2	%	\$	331,472
2019	106,314,332	1,280,180	1.2			286,946
2018	101,750,146	3,269,872	3.2			320,057
2017	96,271,532	1,301,663	1.4			371,108
2016	94,275,616	1,312,823	1.4			382,136

(1) Net of reserve for abatements.

Tax Collections

The taxes for each fiscal year beginning in fiscal 1992 are payable in four installments. Preliminary tax payments are due on August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1, and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes currently 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 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 table below compares the trend in the City's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies.

TAX COLLECTIONS

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatements	Net Tax Levy (2)	Collections During Fiscal Year Payable(1)		Collections as of June 30, 2020 (1)(4)	
				Dollar Amount	% of Net Levy	Dollar Amount	% of Net Levy
2020	\$ 113,007,096	\$ 1,300,324	\$ 111,706,772	\$ 110,939,712	99.3 %	\$ 110,939,712	99.3 %
2019	107,594,512	1,280,180	106,314,332	106,609,167	100.3	106,970,693	100.6
2018 (3)	105,020,018	3,269,872	101,750,146	104,245,992	102.5	104,577,988	102.8
2017	97,573,195	1,301,663	96,271,532	96,611,632	100.4	98,342,691	102.2
2016	95,588,439	1,312,823	94,275,616	94,464,685	100.2	95,130,269	100.9

(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) Net after deduction of overlay reserve for abatements.

(3) Revaluation year.

(4) 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.

Taxes Outstanding

The following table sets forth the amount of tax titles and possessions outstanding at the end of the fiscal years indicated.

<u>As of June 30</u>	<u>Total Tax Titles and Possessions</u>
2020	\$ 7,116,804
2019	3,298,042
2018	3,173,946
2017	3,384,971
2016	3,094,990

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. The City does not expect to utilize this option at the present time.

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 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.

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 "City FINANCES – Undesignated Fund Balance and Free Cash."

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as "Proposition 2 1/2", imposes two separate limits on the annual tax levy of a city or town. The law is subject to amendment or repeal by the legislature.

The primary limitation is that the tax levy cannot exceed 2 1/2 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 7 1/2 percent by majority vote of the voters, or to less than 7 1/2 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 2 1/2 percent, subject to exception 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 the 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 such 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 2 1/2 limits the amount required to pay specified capital outlay expenditures. 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 2 1/2 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 2 1/2 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 Massachusetts Water Resource Authority and certain districts for which special legislation provides otherwise) to the sum of (a) 2 1/2 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 2 1/2 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.

The City has been in full compliance with Proposition 2 1/2 since its inception. On June 8, 2002, the City elected to exempt from the provisions of Proposition 2 1/2 the principal of and interest on the \$81,400,000 borrowing related to the City's new elementary and new high school projects.

Unused Levy Capacity

Fiscal Year	Estimated Full Valuation(1)	Primary Levy Limit(2)	Secondary Levy Limit	Actual Tax Levy	Under(over) Primary Levy Limit	(Over)Under Secondary Levy Limit
2021	\$ 8,930,323,158	\$ 223,258,079	\$ 142,780,304	\$ 116,657,348	\$ 106,600,731	\$ 26,122,956
2020	8,523,703,260	213,092,582	133,532,009	113,007,096	100,085,487	20,524,914
2019	7,938,105,520	198,452,638	126,832,137	107,594,512	90,858,126	19,237,625
2018	7,367,346,810	184,183,670	120,318,593	105,020,018	79,163,652	15,298,575
2017	6,839,029,000	170,975,725	113,058,815	97,573,195	73,402,530	15,485,620

(1) Total assessed valuation.

(2) 2 1/2 percent of estimated full 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. See “Tax Increment Financing for Development Districts” below.

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 TAXATION” 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 City has not adopted the CPA.

CITY FINANCES

Budget and Appropriation Process

Within 170 days after the annual organization of the city government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on the next July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the City Council may not increase any item or make an appropriation for a purpose not included in the proposed budget (except by a two-thirds vote in case of the failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the City Council). If the City Council fails to act on any item of the proposed budget within 45 days, that item takes effect.

If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the City Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Water and sewer department expenditures are required to be included in the budget adopted by the City Council. The school budget is limited to the amount appropriated by the City Council, but the school committee retains full power to allocate the funds appropriated.

City department heads are generally required to submit their budget requests to the Mayor between November 1 and December 1. This does not apply to the school department, which must submit its requests in time for the Mayor to include them in his submission to the City Council.

Mandatory items, such as state assessments, the overlay for abatements, 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 - Tax Levy Computation".)

The following table lists the City's budgets for fiscal years 2017 through 2021.

BUDGET COMPARISON

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>
General Government	\$ 6,981,474	\$ 5,610,618	\$ 5,499,359	\$ 4,565,470	\$ 4,445,984
Public Safety	16,047,902	16,140,157	17,798,271	18,670,430	19,102,426
Public Works	4,451,852	4,250,009	5,089,220	4,826,243	4,789,958
Human Services	4,694,260	4,871,061	4,574,172	5,301,942	5,084,641
Culture & Recreation	193,694	2,139,015	2,154,793	2,535,186	2,707,226
Education	58,082,035	62,053,835	63,261,490	67,864,044	70,615,571
Pensions	6,101,253	7,344,482	8,174,448	8,235,513	8,793,470
Debt Service	4,202,998	3,022,376	3,771,503	5,102,767	5,271,333
State & County Assessments	3,475,011	3,863,650	3,898,468	4,222,773	4,276,524
Water & Sewer Department	18,064,978	18,617,161	18,049,142	19,155,169	18,980,122
Fringe Benefits	19,878,851	20,774,261	20,836,629	20,532,444	20,917,276
Total Budget	<u>\$ 142,174,308</u>	<u>\$ 148,686,625</u>	<u>\$ 153,107,495</u>	<u>\$ 161,011,982</u>	<u>\$ 164,984,531</u>

Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. The City has funded its school operations at the level mandated by the Act.

Revenues

Property Taxes: Property taxes are a major source of revenue for the City. 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. The formulas for determining a municipality’s state aid entitlement are subject to amendment by the state legislature 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. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

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.

Legislation was enacted in 1991 to help municipalities compensate for additional local aid reductions by the Commonwealth for fiscal year 1992. Under that law, municipalities were allowed to defer budgeting for teacher’s summer compensation payable by the end of the fiscal years 1992 and 1993. Municipalities that chose to defer such amounts are required to amortize the resulting budget deficiency by raising at least one fifteenth of the deferred amount in each of the fiscal years 1997 through 2011, or in accordance with a more rapid amortization schedule.

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 range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 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 the rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. 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 percent per annum. Provision is also made for suspension of the owner's operating license or registration by the registrar of motor vehicles. Revenue collected from this tax in fiscal 2020 was \$7,126,787.

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 six percent (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. On August 26, 2009, the City accepted an increase of this tax from 4% to 6%, which was effective October 1, 2009. Revenue collected from this tax in fiscal 2020 was \$3,133,195.

Local Option Meals Tax: On May 18, 2010, the City adopted the local meals excise tax to be effective July 1, 2010. The local meals excise tax is a 0.75% tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. Revenue collected from this tax in fiscal 2020 was \$1,071,941.

Other: Other major sources of revenue include interest and departmental fees.

Annual Audits

The City has annual audits prepared by independent certified public accounting firms. The most recent audit for fiscal year 2020 is attached hereto as Appendix A.

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.

Financial Statements

Set forth on the following pages are Governmental Fund Balance Sheets for fiscal years 2020, 2019 and 2018 and Statements of Revenues, Expenditures and Changes in Funds Balance for fiscal years 2020, 2019, 2018, 2017 and 2016. Said financial statements were extracted from the City's audited financial statements.

CITY OF WOBURN, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2020 (1)

	General	State Highway Grants	Hurld/Wyman School	Library Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 41,597,141	\$ -	\$ 94,091	\$ 1,922,451	\$ 13,260,461	\$ 56,874,144
Investments	16,525,153	-	-	-	7,920,703	24,445,856
Receivables, net of uncollectibles:						
Real estate and personal property taxes	1,639,401	-	-	-	-	1,639,401
Tax liens	2,153,946	-	-	-	-	2,153,946
Motor vehicle and other excise taxes	577,144	-	-	-	-	577,144
Departmental and other	-	-	-	-	896,437	896,437
Intergovernmental	-	2,964,257	308,144	-	308,748	3,581,149
Tax foreclosures	702,764	-	-	-	-	702,764
Due from other funds	1,211,479	-	-	-	-	1,211,479
TOTAL ASSETS	\$ 64,407,028	\$ 2,964,257	\$ 402,235	\$ 1,922,451	\$ 22,386,349	\$ 92,082,320
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable	\$ 1,119,497	\$ 109,042	\$ -	\$ 2,973	\$ 204,512	\$ 1,436,024
Accrued payroll	786,238	-	-	-	-	786,238
Tax refunds payable	1,042,233	-	-	-	-	1,042,233
Due to other funds	-	1,211,479	-	-	-	1,211,479
Other liabilities	189,840	-	-	-	-	189,840
Unearned revenue	-	-	-	-	1,145,986	1,145,986
Notes payable	-	-	390,000	2,189,499	120,000	2,699,499
TOTAL LIABILITIES	3,137,808	1,320,521	390,000	2,192,472	1,470,498	8,511,299
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	3,873,118	1,643,738	-	-	896,437	6,413,293
FUND BALANCES:						
Nonspendable	-	-	-	-	3,699,361	3,699,361
Restricted	-	-	12,235	-	16,320,053	16,332,288
Committed	8,133,994	-	-	-	-	8,133,994
Assigned	279,412	-	-	-	-	279,412
Unassigned	49,082,696	-	-	(270,021)	-	48,812,675
TOTAL FUND BALANCES	57,496,102	-	12,235	(270,021)	20,019,414	77,257,730
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 64,507,028	\$ 2,964,259	\$ 402,235	\$ 1,922,451	\$ 22,386,349	\$ 92,182,322

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

CITY OF WOBURN, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019 (1)

	General	State Highway Grants	Hurd/Wyman School	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 34,183,306	\$ -	\$ 476,253	\$ 496,292	\$ 10,752,217	\$ 45,908,068
Investments	18,813,298	-	-	-	7,333,513	26,146,811
Receivables, net of uncollectibles:						
Real estate and personal property taxes	712,558	-	-	-	-	712,558
Tax liens	2,181,250	-	-	-	-	2,181,250
Motor vehicle and other excise taxes	406,652	-	-	-	-	406,652
Departmental and other	-	-	-	-	712,736	712,736
Intergovernmental	1,073,009	2,875,465	248,798	-	506,095	4,703,367
Tax foreclosures	702,764	-	-	-	-	702,764
Due from other funds	1,318,640	-	-	-	-	1,318,640
TOTAL ASSETS	\$ 59,391,477	\$ 2,875,465	\$ 725,051	\$ 496,292	\$ 19,304,561	\$ 82,792,846
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable	\$ 1,113,014	\$ -	\$ 41,648	\$ 284,885	\$ 82,651	\$ 1,522,198
Accrued payroll	1,285,727	-	-	-	-	1,285,727
Tax refunds payable	902,772	-	-	-	-	902,772
Due to other funds	-	1,318,640	-	-	-	1,318,640
Other liabilities	179,296	-	-	-	-	179,296
Notes payable	-	-	390,000	2,189,499	1,000,481	3,579,980
TOTAL LIABILITIES	3,480,809	1,318,640	431,648	2,474,384	1,083,132	8,788,613
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	3,791,588	1,556,825	-	-	1,218,830	6,567,243
FUND BALANCES:						
Nonspendable	-	-	-	-	3,708,320	3,708,320
Restricted	-	-	293,403	-	13,877,918	14,171,321
Committed	8,356,035	-	-	-	-	8,356,035
Assigned	194,323	-	-	-	-	194,323
Unassigned	43,568,722	-	-	(1,978,092)	(583,639)	41,006,991
TOTAL FUND BALANCES	52,119,080	-	293,403	(1,978,092)	17,002,599	67,436,990
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 59,391,477	\$ 2,875,465	\$ 725,051	\$ 496,292	\$ 19,304,561	\$ 82,792,846

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

CITY OF WOBURN, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018 (1)

	General	State Highway Grants	Hurd/Wyman School	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 37,259,699	\$ 20,625	\$ 2,830,543	\$8,476,724	\$ 14,205,497	\$ 62,793,088
Investments	15,957,588	-	-	-	7,678,645	23,636,233
Receivables, net of uncollectibles:						
Real estate and personal property taxes	489,000	-	-	-	-	489,000
Tax liens	2,516,667	-	-	-	-	2,516,667
Motor vehicle and other excise taxes	430,986	-	-	-	-	430,986
Departmental and other	-	-	-	-	1,008,759	1,008,759
Intergovernmental	-	1,936,759	1,601,672	-	477,513	4,015,944
Tax foreclosures	702,764	-	-	-	-	702,764
Due from other funds	644,709	-	-	-	-	644,709
TOTAL ASSETS	\$ 58,001,413	\$ 1,957,384	\$ 4,432,215	\$8,476,724	\$ 23,370,414	\$ 96,238,150
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable	\$ 962,522	\$ 20,625	\$ 3,458,738	\$5,006,623	\$ 436,001	\$ 9,884,509
Accrued payroll	651,557	-	-	-	-	651,557
Tax refunds payable	1,443,913	-	-	-	-	1,443,913
Due to other funds	-	644,709	-	-	-	644,709
Other liabilities	182,021	-	-	-	-	182,021
Notes payable	-	-	602,000	9,045,000	64,500	9,711,500
TOTAL LIABILITIES	3,240,013	665,334	4,060,738	14,051,623	500,501	22,518,209
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	3,851,004	1,292,050	-	-	1,486,272	6,629,326
FUND BALANCES:						
Nonspendable	-	-	-	-	3,353,069	3,353,069
Restricted	-	-	371,477	-	18,030,572	18,402,049
Committed	8,829,631	-	-	-	-	8,829,631
Assigned	774,100	-	-	-	-	774,100
Unassigned	41,306,665	-	-	(5,574,899)	-	35,731,766
TOTAL FUND BALANCES	50,910,396	-	371,477	(5,574,899)	21,383,641	67,090,615
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 58,001,413	\$ 1,957,384	\$ 4,432,215	\$8,476,724	\$ 23,370,414	\$ 96,238,150

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

**CITY OF WOBURN, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2020 (1)**

	General	State Highway Grants	Hurd/Wyman School	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Estate and Personal Property Taxes						
Net of Tax Refunds	\$ 112,095,683	\$ -	\$ -	\$ -	\$ -	\$ 112,095,683
Tax liens	341,670	-	-	-	-	341,670
Motor Vehicle Excise Taxes	7,126,786	-	-	-	-	7,126,786
Hotel/motel tax	3,133,196	-	-	-	-	3,133,196
Meals tax	1,071,942	-	-	-	-	1,071,942
Penalties and Interest on Taxes	312,950	-	-	-	-	312,950
Intergovernmental - Teachers Retirement	16,745,013	-	-	-	-	16,745,013
Intergovernmental	16,783,303	1,346,008	59,346	1,981,255	6,716,325	26,886,237
Intergovernmental - COVID-19 relief	-	-	-	-	329,387	329,387
Departmental and Other	6,605,518	-	15,349	29,175	5,987,664	12,637,706
Contributions and donations	92,695	-	-	-	153,979	246,674
Investment Income	712,460	-	-	-	183,404	895,864
TOTAL REVENUES	165,021,216	1,346,008	74,695	2,010,430	13,370,759	181,823,108
EXPENDITURES						
Current:						
General Government	4,006,783	-	-	-	355,277	4,362,060
Public Safety	18,947,226	-	-	-	2,764,548	21,711,774
Education	66,500,159	-	-	-	5,063,011	71,563,170
Public Works	7,607,986	1,346,008	355,863	-	128,317	9,438,174
Health and Human Services	1,216,495	-	-	-	282,363	1,498,858
Culture and Recreation	2,493,163	-	-	302,359	1,026,940	3,822,462
COVID-19	-	-	-	-	329,387	329,387
Pension Benefits	8,380,277	-	-	-	-	8,380,277
Pension benefits - teachers retirement	16,745,013	-	-	-	-	16,745,013
Employee Benefits	20,538,503	-	-	-	-	20,538,503
State and County Charges	4,340,934	-	-	-	-	4,340,934
Capital Outlay	3,652,249	-	-	-	-	3,652,249
Debt Service:						
Principal	4,088,500	-	-	-	-	4,088,500
Principal payment on current refunding	980,000	-	-	-	-	980,000
Interest	2,338,913	-	-	-	-	2,338,913
TOTAL EXPENDITURES	161,836,201	1,346,008	355,863	302,359	9,949,843	173,790,274
Excess (Deficiency) of Revenues						
Over Expenditures	3,185,015	-	(281,168)	1,708,071	3,420,916	8,032,834
Other Financing Sources (Uses):						
Issuance of refunding bonds	886,500	-	-	-	-	886,500
Premium from issuance of bonds	-	-	-	-	700,481	700,481
Proceeds from the sale of capital assets	-	-	-	-	200,925	200,925
Transfers In	1,305,507	-	-	-	-	1,305,507
Transfers Out	-	-	-	-	(1,305,507)	(1,305,507)
Total Other Financing Sources (uses)	2,192,007	-	-	-	(404,101)	1,787,906
Net Change in Fund Balances	5,377,022	-	(281,168)	1,708,071	3,016,815	9,820,740
Fund Balances at Beginning of Year	52,119,080	-	293,403	(1,978,092)	17,002,599	67,436,990
Fund Balances at End of Year	\$ 57,496,102	\$ -	\$ 12,235	\$ (270,021)	\$ 20,019,414	\$ 77,257,730

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

CITY OF WOBURN, MASSACHUSETTS (1)

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

YEAR ENDED JUNE 30, 2019

	General	State Highway Grants	Hurld/ Wyman School	Library Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 107,319,478	\$ -	\$ -	\$ -	\$ -	\$ 107,319,478
Tax liens.....	570,520	-	-	-	-	570,520
Motor vehicle excise taxes.....	7,387,375	-	-	-	-	7,387,375
Hotel/motel tax.....	3,613,381	-	-	-	-	3,613,381
Meals tax.....	1,091,965	-	-	-	-	1,091,965
Penalties and interest on taxes.....	423,366	-	-	-	-	423,366
Intergovernmental - Teachers Retirement.....	13,016,680	-	-	-	-	13,016,680
Intergovernmental.....	16,788,610	1,288,188	1,049,138	1,981,255	5,718,071	26,825,262
Departmental and other.....	3,588,816	-	63,732	527,880	6,578,726	10,759,154
Contributions and donations.....	141,061	-	-	-	159,807	300,868
Investment income.....	1,820,970	-	-	-	889,352	2,710,322
TOTAL REVENUES.....	155,762,222	1,288,188	1,112,870	2,509,135	13,345,956	174,018,371
EXPENDITURES:						
Current:						
General government.....	4,072,250	-	-	-	139,515	4,211,765
Public safety.....	19,146,018	-	-	-	2,626,747	21,772,765
Education.....	65,137,494	-	2,292,944	-	7,206,524	74,636,962
Public works.....	7,574,266	1,288,188	-	-	100,580	8,963,034
Health and human services.....	1,284,803	-	-	-	217,052	1,501,855
Culture and recreation.....	2,233,411	-	-	9,772,809	1,928,482	13,934,702
Pension benefits.....	8,047,984	-	-	-	-	8,047,984
Pension benefits - Teachers Retirement.....	13,016,680	-	-	-	-	13,016,680
Employee benefits.....	21,322,248	-	-	-	-	21,322,248
State and county charges.....	3,903,575	-	-	-	-	3,903,575
Capital outlay.....	4,355,178	-	-	-	-	4,355,178
Debt service:						
Principal.....	3,396,800	-	-	-	-	3,396,800
Interest.....	2,334,948	-	-	-	-	2,334,948
TOTAL EXPENDITURES.....	155,825,655	1,288,188	2,292,944	9,772,809	12,218,900	181,398,496
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(63,433)	-	(1,180,074)	(7,263,674)	1,127,056	(7,390,125)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	500,000	6,260,481	299,519	7,060,000
Premium from issuance of bonds.....	-	-	602,000	-	64,500	666,500
Transfers in.....	1,272,117	-	-	4,600,000	-	5,872,117
Transfers out.....	-	-	-	-	(5,872,117)	(5,872,117)
TOTAL OTHER FINANCING SOURCES (USES)...	1,272,117	-	1,102,000	10,860,481	(5,508,098)	7,726,500
NET CHANGE IN FUND BALANCES.....	1,208,684	-	(78,074)	3,596,807	(4,381,042)	346,375
FUND BALANCES AT BEGINNING OF YEAR.....	50,910,396	-	371,477	(5,574,899)	21,383,641	67,090,615
FUND BALANCES AT END OF YEAR.....	\$ 52,119,080	\$ -	\$ 293,403	\$ (1,978,092)	\$ 17,002,599	\$ 67,436,990

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

CITY OF WOBURN, MASSACHUSETTS (1)

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2018

	General	State Highway Grants	Hurd/ Wyman School	Library Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes,						
net of tax refunds.....	\$ 108,541,503	\$ -	\$ -	\$ -	\$ -	\$ 108,541,503
Tax liens.....	587,897	-	-	-	-	587,897
Motor vehicle excise taxes.....	7,157,870	-	-	-	-	7,157,870
Hotel/motel tax.....	3,288,794	-	-	-	-	3,288,794
Meals tax.....	1,067,729	-	-	-	-	1,067,729
Penalties and interest on taxes.....	359,855	-	-	-	-	359,855
Intergovernmental.....	28,995,037	579,952	6,826,514	1,531,255	4,431,264	42,364,022
Departmental and other.....	3,614,967	-	-	-	6,189,054	9,804,021
Contributions and donations.....	86,462	-	-	-	381,550	468,012
Investment income.....	481,453	-	-	-	935,810	1,417,263
TOTAL REVENUES.....	152,181,367	579,952	6,826,514	1,531,255	11,937,678	173,056,766
EXPENDITURES:						
Current:						
General government.....	4,145,294	-	-	-	162,124	4,307,418
Public safety.....	19,822,494	-	-	-	3,703,294	23,525,788
Education.....	61,868,876	-	18,787,781	-	6,832,211	87,488,868
Public works.....	8,495,210	579,952	-	-	536,370	9,611,532
Health and human services.....	1,297,962	-	-	-	129,790	1,427,752
Culture and recreation.....	1,953,306	-	-	16,880,356	1,393,310	20,226,972
Pension benefits.....	7,341,416	-	-	-	-	7,341,416
Pension benefits - Teachers Retirement.....	12,951,418	-	-	-	-	12,951,418
Employee benefits.....	21,367,451	-	-	-	-	21,367,451
State and county charges.....	3,809,433	-	-	-	-	3,809,433
Capital outlay.....	4,493,297	-	-	-	-	4,493,297
Debt service:						
Principal.....	3,125,000	-	-	-	-	3,125,000
Interest.....	1,516,810	-	-	-	-	1,516,810
TOTAL EXPENDITURES.....	152,187,967	579,952	18,787,781	16,880,356	12,757,099	201,193,155
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(6,600)	-	(11,961,267)	(15,349,101)	(819,421)	(28,136,389)
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	11,198,000	9,019,000	1,735,900	21,952,900
Premium from issuance of bonds.....	-	-	-	981,000	497,200	1,478,200
Transfers in.....	4,670,457	-	-	-	1,883,325	6,553,782
Transfers out.....	(1,883,325)	-	-	-	(3,126,325)	(5,009,650)
TOTAL OTHER FINANCING SOURCES (USES)...	2,787,132	-	11,198,000	10,000,000	990,100	24,975,232
NET CHANGE IN FUND BALANCES.....	2,780,532	-	(763,267)	(5,349,101)	170,679	(3,161,157)
FUND BALANCES AT BEGINNING OF YEAR.....	48,129,864	-	1,134,744	(225,798)	21,212,962	70,251,772
FUND BALANCES AT END OF YEAR.....	\$ 50,910,396	\$ -	\$ 371,477	\$ (5,574,899)	\$ 21,383,641	\$ 67,090,615

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

CITY OF WOBURN, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2017 (1)

	General	State Highway Grants	Hurd/Wyman School	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Estate and Personal Property Taxes						
Net of Tax Refunds	\$ 97,442,198	\$ -	\$ -	\$ -	\$ -	\$ 97,442,198
Tax liens	533,118	-	-	-	-	533,118
Motor Vehicle Excise Taxes	7,011,959	-	-	-	-	7,011,959
Hotel/motel tax	3,182,058	-	-	-	-	3,182,058
Meals tax	1,021,682	-	-	-	-	1,021,682
Penalties and Interest on Taxes	504,770	-	-	-	-	504,770
Intergovernmental	27,931,075	1,480,266	4,648,012	450,000	5,307,494	39,816,847
Departmental and Other	2,541,488	-	-	-	6,641,666	9,183,154
Contributions	93,898	-	-	-	163,065	256,963
Investment Income	897,347	-	-	-	994,850	1,892,197
TOTAL REVENUES	141,159,593	1,480,266	4,648,012	450,000	13,107,075	160,844,946
EXPENDITURES						
Current:						
General Government	3,844,984	-	-	-	376,297	4,221,281
Public Safety	17,060,405	-	-	-	2,369,775	19,430,180
Education	60,064,432	-	8,539,992	-	6,014,855	74,619,279
Public Works	8,736,902	1,480,266	-	-	1,630,261	11,847,429
Human Services	1,384,064	-	-	-	151,767	1,535,831
Culture and Recreation	2,027,510	-	-	3,927,789	349,454	6,304,753
Pension Benefits	18,394,029	-	-	-	-	18,394,029
Employee Benefits	20,733,266	-	-	-	-	20,733,266
State and County Charges	3,521,053	-	-	-	-	3,521,053
Capital Outlay	1,954,804	-	-	-	-	1,954,804
Debt Service:						
Principal	2,865,000	-	-	-	-	2,865,000
Interest	1,369,899	-	-	-	-	1,369,899
TOTAL EXPENDITURES	141,956,348	1,480,266	8,539,992	3,927,789	10,892,409	166,796,804
Excess (Deficiency) of Revenues Over Expenditures	(796,755)	-	(3,891,980)	(3,477,789)	2,214,666	(5,951,858)
Other Financing Sources (Uses):						
Proceeds from bonds	-	-	6,000,000	-	2,672,400	8,672,400
Proceeds from issuance of notes	-	-	-	-	30,000	30,000
Transfers In	4,875,730	-	-	-	1,885,653	6,761,383
Transfers Out	(1,904,668)	-	-	-	(3,435,679)	(5,340,347)
Total Other Financing Sources (uses)	2,971,062	-	6,000,000	-	1,152,374	10,123,436
Net Change in Fund Balances	2,174,307	-	2,108,020	(3,477,789)	3,367,040	4,171,578
Fund Balances at Beginning of Year	45,955,557	-	(973,276)	3,251,991	17,845,922	66,080,194
Fund Balances at End of Year	\$ 48,129,864	\$ -	\$ 1,134,744	\$ (225,798)	\$ 21,212,962	\$ 70,251,772

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

**CITY OF WOBURN, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2016 (1)**

	General	State Highway Grants	Hurld/Wyman School	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Estate and Personal Property Taxes						
Net of Tax Refunds	\$ 96,882,184	\$ -	\$ -	\$ -	\$ -	\$ 96,882,184
Tax liens	966,537	-	-	-	-	966,537
Motor Vehicle Excise Taxes	7,060,395	-	-	-	-	7,060,395
Hotel/motel tax	3,164,999	-	-	-	-	3,164,999
Meals tax	1,013,979	-	-	-	-	1,013,979
Penalties and Interest on Taxes	581,885	-	-	-	-	581,885
Intergovernmental	23,779,941	2,269,925	533,422	3,962,510	6,021,269	36,567,067
Departmental and Other	2,936,967	-	-	-	6,637,016	9,573,983
Contributions	92,453	-	-	-	66,557	159,010
Investment Income	1,108,459	-	-	-	471,178	1,579,637
TOTAL REVENUES	137,587,799	2,269,925	533,422	3,962,510	13,196,020	157,549,676
EXPENDITURES						
Current:						
General Government	3,293,040	-	-	-	160,902	3,453,942
Public Safety	16,986,442	-	-	-	3,018,965	20,005,407
Education	57,544,067	-	1,083,244	-	6,235,588	64,862,899
Public Works	7,778,657	2,269,925	-	-	254,949	10,303,531
Human Services	1,329,696	-	-	-	103,538	1,433,234
Culture and Recreation	1,998,334	-	-	710,519	500,245	3,209,098
Pension Benefits	14,359,908	-	-	-	-	14,359,908
Employee Benefits	19,473,612	-	-	-	-	19,473,612
State and County Charges	3,673,029	-	-	-	-	3,673,029
Capital Outlay	1,095,539	-	-	-	-	1,095,539
Debt Service:						
Principal	3,205,000	-	-	-	-	3,205,000
Interest	1,338,164	-	-	-	-	1,338,164
TOTAL EXPENDITURES	132,075,488	2,269,925	1,083,244	710,519	10,274,187	146,413,363
Excess (Deficiency) of Revenues Over Expenditures	5,512,311	-	(549,822)	3,251,991	2,921,833	11,136,313
Other Financing Sources (Uses):						
Proceeds from issuance of bonds	95,434	-	-	-	-	95,434
Transfers In	5,251,118	-	-	-	1,923,826	7,174,944
Transfers Out	(1,923,826)	-	-	-	(3,756,486)	(5,680,312)
Total Other Financing Sources (uses)	3,422,726	-	-	-	(1,832,660)	1,590,066
Net Change in Fund Balances	8,935,037	-	(549,822)	3,251,991	1,089,173	12,726,379
Fund Balances at Beginning of Year	37,020,520	-	(423,454)	-	16,756,749	53,353,815
Fund Balances at End of Year	\$ 45,955,557	\$ -	\$ (973,276)	\$ 3,251,991	\$ 17,845,922	\$ 66,080,194

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

Unassigned Fund Balance and Free Cash

Under Massachusetts law an amount known as “free cash” is certified as of the beginning of each fiscal year by the State 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. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years.

The following table presents the City's unassigned general fund balances and free cash for fiscal years 2015 through 2020 (estimate).

Fiscal Year	Unassigned General Fund Balance	Certified Free Cash
2020	\$ 49,082,696	\$ 35,602,358
2019	43,568,722	28,349,803
2018	41,306,665	24,296,353
2017	37,720,090	21,558,822
2016	36,030,476	18,984,195
2015	29,248,358	16,818,741

Other Reserves

As of June 30, 2020, the City had \$9,148,819 in Stabilization Fund balance and a balance in its allowance for abatements and exemptions of \$4,667,973.

Investment of City Funds

All funds of the City, except for trust funds and funds of the Woburn Retirement System, are invested in accordance with Section 55 of Chapter 44 of the Massachusetts General Laws (MGL). This section permits investment of available revenue 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 funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. 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 city and City retirement systems. A breakdown of City investments may be obtained from the City Treasurer.

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 City has not established any such districts.

INDEBTEDNESS

Authorization Procedure and Limitations

Bonds and notes including refunding bonds are generally authorized on behalf of the City by vote of two-thirds of all the members of the City Council with the approval of the Mayor. Provision is made for a referendum on the filing of a petition bearing the requisite number of signatures. Borrowings for certain purposes require state administrative approval. When serial bonds or notes have been authorized, bond anticipation notes may be issued by the Treasurer with the approval of the Mayor as 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 also may be incurred by the Treasurer with the approval of the Mayor.

Debt Limits

General Debt Limit. The General Debt Limit of the City 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 City 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, solid waste disposal facility bonds and economic development bonds supported by tax increment 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 limits for water and electric apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

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 lawful 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 "PROPERTY TAXATION - Taxation to Meet Deficits," above). In any event, the period from an original borrowing to its final maturity cannot exceed one year.

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 (except for certain school projects) is measured from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. They must generally 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 and for projects financed under the Commonwealth's Clean Water Trust Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy.

**CITY OF WOBURN, MASSACHUSETTS
DIRECT DEBT SUMMARY (1)
AS OF JUNE 30, 2020,
Including Subsequent Issues but Excludes Refunding Bonds**

Long-Term Indebtedness:

Outstanding as of 6/30/20		
School (2)	\$ 35,611,500	
Water (3)	9,563,500	
MCWT (4)	7,880,428	
MWRA (5)	2,828,882	
General (6)	25,185,000	
Total Long-Term Indebtedness		\$ 81,069,310
This issue - New Money		20,468,000

Temporary Loans:

Bond Anticipation Notes Outstanding (7)	4,400,000	
Total Short-Term Indebtedness		4,400,000
Total Direct Debt		<u>\$105,937,310</u>

- (1) Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other unfunded post-employment benefits liability.
- (2) \$16,620,000 is not subject to the City's debt limit. \$8,826,500 has been excluded from the provisions of Proposition 2 ½.
- (3) Self-supporting. Not subject to the City's debt limit.
- (4) Not subject to the City's debt limit.
- (5) \$1,313,700 is not subject to the City's debt limit.
- (6) \$250,000 is not subject to the City's debt limit.
- (7) Payable August 9, 2021. The City will use \$2,800,000 Bond proceeds to retire a portion of these bond anticipation notes and expects to receive \$1,600,000 Massachusetts Water Resource Authority funding to pay off the remaining \$1,600,000.

Debt Ratios

The following table sets forth the trend in the ratio of debt to state equalized valuation and per capita debt ratios at fiscal year-end. The table considers the principal amount of general obligation bonds of the City of Woburn only and 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.

Fiscal Year End	General Obligation Bonds Outstanding	Population (1)	State Equalized Valuation (2)	Per Capita Debt	Debt as a % of Full Valuation
2020	\$ 81,069,310	38,120	\$ 7,909,145,900	\$ 2,127	1.03 %
2019	80,870,252	38,120	7,909,145,900	2,121	1.02
2018	73,014,816	38,120	6,974,905,000	1,915	1.05
2017	66,282,152	38,120	6,974,905,000	1,739	0.95
2016	62,155,334	38,120	6,189,092,800	1,631	1.00

- (1) 2010 Federal Census.
- (2) 2014 equalized valuation is used for fiscal 2016; 2016 equalized valuation is used for fiscal 2017 and 2018; 2018 equalized valuation is used for fiscal 2019 and 2020.

Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the City of Woburn, as of June 30, 2020.

GENERAL OBLIGATION BONDS (1) DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2020

Fiscal Year	Outstanding		MCWT Subsidy	Net Debt Service
	Principal	Interest		
2021	\$ 7,034,623	\$ 2,710,727	\$ (135,349)	\$ 9,610,002
2022	6,701,730	2,498,275	(1,847)	9,198,158
2023	6,689,083	2,252,237	(1,650)	8,939,671
2024	6,736,690	2,001,494	(1,451)	8,736,733
2025	6,514,552	1,764,580	(1,070)	8,278,062
2026	5,801,059	1,554,072	-	7,355,131
2027	4,542,745	1,372,925	-	5,915,669
2028	4,257,310	1,210,842	-	5,468,152
2029	4,172,929	1,052,973	-	5,225,902
2030	4,002,141	903,244	-	4,905,385
2031	3,541,601	771,669	-	4,313,270
2032	2,951,108	663,244	-	3,614,352
2033	2,823,740	567,521	-	3,391,261
2034	2,405,000	478,594	-	2,883,594
2035	2,380,000	397,459	-	2,777,459
2036	2,375,000	317,841	-	2,692,841
2037	2,375,000	237,659	-	2,612,659
2038	1,545,000	172,288	-	1,717,288
2039	1,540,000	122,341	-	1,662,341
2040	985,000	80,219	-	1,065,219
2041	650,000	50,788	-	700,788
2042	650,000	27,863	-	677,863
2043	395,000	6,419	-	401,419
	<u>\$81,069,310</u>	<u>\$21,215,273</u>	<u>(\$141,366)</u>	<u>\$102,143,217</u>

(1) Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and unfunded post-employment benefits liability.

Principal Payments by Purpose

The following table sets forth the principal payments by purpose for outstanding bonds of the City of Woburn, as of June 30, 2020.

GENERAL OBLIGATION BONDS PRINCIPAL PAYMENTS BY PURPOSE (1) AS OF JUNE 30, 2020

Fiscal Year	School (2)	Water (3)	MCWT (4)	MWRA (5)	General (6)	Total Outstanding
2021	\$ 3,336,500	\$ 988,500	\$ 954,373	\$ 445,250	\$ 1,310,000	\$ 7,034,623
2022	3,320,000	980,000	621,480	445,250	1,335,000	6,701,730
2023	3,365,000	980,000	633,833	345,250	1,365,000	6,689,083
2024	3,175,000	995,000	646,440	345,250	1,575,000	6,736,690
2025	2,940,000	1,010,000	659,302	345,250	1,560,000	6,514,552
2026	2,695,000	750,000	657,426	308,632	1,390,000	5,801,059
2027	1,420,000	760,000	670,820	301,925	1,390,000	4,542,745
2028	1,295,000	755,000	684,485	142,825	1,380,000	4,257,310
2029	1,295,000	770,000	698,429	99,500	1,310,000	4,172,929
2030	1,290,000	660,000	697,391	49,750	1,305,000	4,002,141
2031	1,290,000	255,000	711,601	-	1,285,000	3,541,601
2032	1,290,000	255,000	121,108	-	1,285,000	2,951,108
2033	1,290,000	255,000	123,740	-	1,155,000	2,823,740
2034	1,290,000	40,000	-	-	1,075,000	2,405,000
2035	1,285,000	40,000	-	-	1,055,000	2,380,000
2036	1,285,000	35,000	-	-	1,055,000	2,375,000
2037	1,285,000	35,000	-	-	1,055,000	2,375,000
2038	840,000	-	-	-	705,000	1,545,000
2039	835,000	-	-	-	705,000	1,540,000
2040	280,000	-	-	-	705,000	985,000
2041	255,000	-	-	-	395,000	650,000
2042	255,000	-	-	-	395,000	650,000
2043	-	-	-	-	395,000	395,000
	<u>\$ 35,611,500</u>	<u>\$ 9,563,500</u>	<u>\$ 7,880,428</u>	<u>\$ 2,828,882</u>	<u>\$ 25,185,000</u>	<u>\$ 81,069,310</u>

(1) Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other unfunded post-employment benefits liability.

(2) \$16,620,000 is not subject to the City's debt limit. \$8,826,500 has been excluded from the provisions of Proposition 2 ½.

(3) Self-supporting. Not subject to the City's debt limit.

(4) Not subject to the City's debt limit.

(5) \$1,313,700 is not subject to the City's debt limit.

(6) \$250,000 is not subject to the City's debt limit.

Authorized Unissued Debt

Following the delivery of the Bonds, the City will have approximately \$31.537 million authorized unissued long-term debt for surface drains (approximately \$6.8 million), water (approximately \$11.4 million), infiltration and inflow reduction (approximately \$4.9 million), elementary school replacement (approximately \$1.9 million), fire station renovation (\$7 million), and the balance for various municipal purposes.

Overlapping Debt

The City of Woburn is located in Middlesex County and is a member of the Massachusetts Water Resources Authority, Massachusetts Bay Transportation Authority, and the Northeast Metropolitan Regional Vocation School District. The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of Middlesex County, the Massachusetts Water Resources Authority, Massachusetts Bay Transportation Authority, and the Northeast Metropolitan Regional Vocation School District and the City's gross share of such debt and the fiscal 2021 dollar assessment for each.

Overlapping Entity	Outstanding Debt	Woburn's Estimated Share (1)	Fiscal 2021 Dollar Assessment (2)
Massachusetts Water Resource Authority (3)			
Water	\$ 1,982,967,000	1.56 %	\$ 2,470,251
Sewer	3,227,492,000	1.79	5,704,279
Massachusetts Bay Transportation Authority (4)	5,475,549,153	0.51	904,827
Northeast Metropolitan Regional Vocational School District (5)	-	6.13	1,937,299

(1) Estimated share based on debt service only.

(2) Estimated dollar assessment based upon total net operating expenses, inclusive (where applicable) of debt service.

(3) SOURCE: Massachusetts Water Resources Authority. Debt as of June 30, 2020. The Massachusetts Water Resources Authority (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 MWRA may borrow up to \$6.1 billion outstanding at any time for its corporate purposes. 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.

(4) SOURCE: Massachusetts Bay Transportation Authority ("MBTA"). Debt as of June 30, 2020. The Massachusetts Bay Transportation Authority (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 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, as well as 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 City 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 generally not permitted to increase by more than 2.5 percent per year.

(5) SOURCE: Northeast Metropolitan Regional Vocational School District. Debt is as of June 30, 2020.

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. Specific authority remains 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.

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

The City of Woburn has two significant contractual obligations which are described below.

The City has a school bus transportation contract with North Suburban Transportation for all public schools extending through June 30, 2021. The City budgeted \$1,453,310 for this contract in 2020-2021 school year.

The City has a three year contract extending through June 30, 2021 with Waste Management Co. Inc. for pick-up of residential and public building trash including curbside recycling materials. The cost of this contract for fiscal 2017, 2018, 2019, 2020 and 2021 are \$2,983,000, \$3,078,000, \$3,263,520, \$3,431,316 and \$3,607,545 respectively.

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, 2030, 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. Woburn has established the City of Woburn Retirement System.

The City has extended the funding of the pension benefit to 2035 (based on certain assumptions described below and in Appendix A).

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.

The following table sets forth the City's annual contributions to its retirement system for the following fiscal years.

<u>Fiscal Year</u>		<u>Contributory</u>	<u>Non Contributory</u>	<u>Total</u>
2021	(Budgeted)	\$ 8,789,564	\$ 3,906	\$ 8,793,470
2020		8,507,895	-	8,507,895
2019		8,170,542	3,906	8,174,448
2018		7,340,576	3,906	7,344,482
2017		6,097,347	3,906	6,101,253
2016		5,822,074	3,906	5,825,980

SOURCE: City Auditor.

As of January 1, 2020, the contributory retirement plan had an estimated unfunded pension obligation of \$98,177,997 assuming an actuarial value of assets of \$153,889,068 and a 7.50% investment rate of return. No such estimate is available for the non-contributory retirement plan. For further information on retirement see Appendix A attached hereto.

The Retirement System has adopted a funding schedule to fully fund the Retirement System by 2035.

Current Funding Schedule

Fiscal Year Ending	Payroll ¹	Unfunded Accrued Liability ²	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Funded Ratio % ²
2021	29,406,301	98,177,997	2,651,727	1,967,187	7,104,507	9,071,694	30.8%	61.1%
2022	30,582,553	98,325,235	2,776,687	2,007,675	9,051,693	11,059,368	36.2%	62.2%
2023	31,805,855	96,420,125	2,907,400	2,060,881	9,413,760	11,474,641	36.1%	64.0%
2024	33,078,089	94,000,953	3,044,128	2,115,194	9,790,310	11,905,504	36.0%	65.6%
2025	34,401,213	91,014,316	3,187,143	2,170,622	10,181,923	12,352,545	35.9%	67.9%
2026	35,777,262	87,402,212	3,336,727	2,227,171	10,589,200	12,816,371	35.8%	69.8%
2027	37,208,352	83,101,673	3,493,180	2,284,840	11,012,768	13,297,608	35.7%	71.9%
2028	38,696,686	78,044,366	3,656,809	2,343,633	11,453,278	13,796,911	35.7%	74.2%
2029	40,244,553	72,156,163	3,827,940	2,403,548	11,911,410	14,314,958	35.6%	76.6%
2030	41,854,335	65,356,683	4,006,911	2,464,584	12,387,865	14,852,449	35.5%	79.2%
2031	43,528,508	57,558,796	4,194,074	2,526,737	12,883,380	15,410,117	35.4%	82.1%
2032	45,269,648	48,668,082	4,389,800	2,590,001	13,398,716	15,988,717	35.3%	85.2%
2033	47,080,434	38,582,259	4,594,473	2,654,367	13,934,665	16,589,032	35.2%	88.5%
2034	48,963,651	27,190,562	4,808,496	2,719,827	14,492,051	17,211,878	35.2%	92.0%
2035	50,922,197	14,373,073	5,032,290	2,786,366	15,071,734	17,858,100	35.1%	95.9%
2036	52,959,085	0	5,266,294	2,853,969	0	2,853,969	5.4%	100.0%
2037	55,077,448	0	5,510,966	2,922,617	0	2,922,617	5.3%	100.0%
2038	57,280,546	0	5,766,786	2,992,289	0	2,992,289	5.2%	100.0%
2039	59,571,768	0	6,034,255	3,062,959	0	3,062,959	5.1%	100.0%
2040	61,954,639	0	6,313,894	3,134,599	0	3,134,599	5.1%	100.0%
2041	64,432,825	0	6,606,249	3,207,177	0	3,207,177	5.0%	100.0%
2042	67,010,138	0	6,911,890	3,280,657	0	3,280,657	4.9%	100.0%
2043	69,690,544	0	7,231,413	3,354,997	0	3,354,997	4.8%	100.0%
2044	72,478,166	0	7,565,438	3,430,152	0	3,430,152	4.7%	100.0%
2045	75,377,293	0	7,914,616	3,506,071	0	3,506,071	4.7%	100.0%
2046	78,392,385	0	8,231,200	3,633,515	0	3,633,515	4.6%	100.0%
2047	81,528,080	0	8,560,448	3,765,673	0	3,765,673	4.6%	100.0%
2048	84,789,203	0	8,902,866	3,902,721	0	3,902,721	4.6%	100.0%
2049	88,180,771	0	9,258,981	4,044,844	0	4,044,844	4.6%	100.0%
2050	91,708,002	0	9,629,340	4,192,232	0	4,192,232	4.6%	100.0%
2051	95,376,322	0	10,014,514	4,345,083	0	4,345,083	4.6%	100.0%

Source: January 1, 2020 Actuarial Valuation Report of the Woburn Retirement System, and 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. The pay-as-you-go cost to the City for such benefits in recent years has been as follows:

<u>Fiscal Year</u>	<u>Benefit Costs</u>
2020	\$ 8,588,753
2019	8,240,381
2018	7,830,663
2017	6,905,383
2016	8,161,783

The Governmental Accounting Standards Board ("GASB") Statement Nos. 43 and 45 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 or the liability for such costs accrued, 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 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.

The City was required to implement the GASB reporting requirements for other post-employment benefits beginning in fiscal year 202009. As of July 1, 2019, the City has performed an actuarial valuation of its non-pension, post-employment benefit liability, and had an estimated unfunded actuarial accrued liability using a discount rate of 2.61% of approximately \$254,946,619 as of June 30, 2020. The City Council approved the creation of an OPEB Trust Fund in 2014 with an initial appropriation of \$1,356,907. The OPEB Trust Fund balance as of June 30, 2020 was \$7,496,142.

EMPLOYEE RELATIONS

The City of Woburn employs approximately 984 full and 595 part-time workers; 891 are employed by the School Department; 72 are employed by the Fire Department; 75 are employed by the Police Department; 46 are employed by the Public Works Department and 209 are employed by various other City departments. Full-time City employees (other than confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The contracts for City Hall, Department Heads, Custodian, Cafeteria, Teachers, Library, Paraprofessionals, Police Superiors, DPW, Cemetery, Parks Department, Police Patrolmen and Fire expire on June 30, 2021.

LITIGATION

At present there are various cases pending in various courts in the Commonwealth where the City of Woburn is a defendant. In the opinion of the City Solicitor, there is no litigation, either pending or threatened that is likely to result, either individually or in the aggregate, in final judgments against the City that would materially affect its financial position or its ability to pay its obligations.

CITY OF WOBURN, MASSACHUSETTS
/s/ Timothy J. Donovan, Treasurer

June 29, 2021

CITY OF WOBURN, MASSACHUSETTS

***REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS***

YEAR ENDED JUNE 30, 2020

CITY OF WOBURN, MASSACHUSETTS

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

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Independent Auditor's Report

To the Honorable Mayor
City of Woburn, Massachusetts

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woburn, Massachusetts, as of June 30, 2020 (except for the Woburn Contributory Retirement System which is as of and for the year ended December 31, 2019), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2021, on our consideration of the City of Woburn, 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 City of Woburn, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Pons & Sullivan, LLC".

May 12, 2021

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Woburn, Massachusetts (City), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2020. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

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.

Financial Highlights

- The liabilities and deferred inflows of resources of the City of Woburn exceeded the assets and deferred outflows of resources at the close of the most recent year for the government as a whole by \$24.7 million (net position).
- At the close of the current year, the City's general fund reported an ending fund balance of \$57.5 million. Total fund balance represents 36% of total general fund expenditures.
- The City's total debt (short-term and long-term combined) decreased by \$6.7 million during the year.
- The City's net other postemployment benefits (OPEB) liability decreased by \$1.1 million and totaled \$254.9 million at year-end.
- The City's net pension liability decreased by \$6.4 million and totaled \$87.0 million at year-end.
- The City completed a current refunding of existing debt, which became callable in 2020. The current refunding resulted in an economic gain of \$686,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Woburn'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. The government-wide financial statements provide both long-term and short-term information about the City as a whole. The fund financial statements focus on the individual components of the City government, reporting the City's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability. This report also contains other required 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 liabilities and deferred outflows/inflows of resources, with the difference 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, health and human services, culture and recreation, COVID-19, and interest. The business-type activities include the activities of the water and sewer operations.

The government-wide financial statements include not only the City of Woburn itself (known as the *primary government*), but also a legally separate public employee retirement system. 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 City of Woburn adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City accounts for its water and sewer activities as an enterprise fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's 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.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Woburn's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$24.7 million at the close of 2020.

Net position of \$219.4 million reflects its net investment in capital assets (e.g., land, land improvements, buildings, vehicles, machinery and equipment, building improvements, and infrastructure) less any related debt used to acquire those assets that are still outstanding. The City 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 the governmental net position, \$14.1 million, represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* has a year-end deficit of \$258.2 million. The primary reason for this deficit balance is the recognition of the net other postemployment benefits and net pension liabilities totaling \$254.9 million and \$87.0 million, respectively.

At the end of the current year, the City of Woburn is able to report positive balances in two out of three categories of net position for the governmental activities and for the City as a whole. The business-type activities report positive balances in the two applicable categories of net position.

Governmental Activities

The City of Woburn's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources for governmental activities by \$73.5 million at the close of 2020.

	2020	2019
Assets:		
Current assets.....	\$ 90,970,841	\$ 81,474,206
Capital assets, non depreciable.....	26,145,669	25,641,913
Capital assets, net of accumulated depreciation....	222,393,216	223,797,038
Total assets.....	339,509,726	330,913,157
Deferred outflows of resources.....	29,989,915	23,745,098
Liabilities:		
Current liabilities (excluding debt).....	7,137,586	6,453,830
Noncurrent liabilities (excluding debt).....	343,892,445	351,459,786
Current debt.....	7,594,572	7,852,142
Noncurrent debt.....	58,324,543	62,648,367
Total liabilities.....	416,949,146	428,414,125
Deferred inflows of resources.....	26,032,337	11,929,125
Net position:		
Net investment in capital assets.....	185,632,819	180,976,369
Restricted.....	14,136,439	11,940,402
Unrestricted.....	(273,251,100)	(278,601,766)
Total net position.....	\$ (73,481,842)	\$ (85,684,995)

	2020	2019
Program Revenues:		
Charges for services.....	\$ 11,182,966	\$ 8,776,140
Operating grants and contributions.....	34,283,218	29,999,930
Capital grants and contributions.....	4,478,503	5,370,425
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	112,034,027	107,619,812
Tax liens.....	314,365	235,103
Motor vehicle excise taxes.....	7,297,277	7,363,042
Hotel/motel tax.....	3,133,196	3,613,381
Meals tax.....	1,071,942	1,091,965
Penalties and interest on taxes.....	312,950	423,366
Grants and contributions not restricted to specific programs.....	6,664,848	6,752,802
Unrestricted investment income.....	895,864	2,710,322
Gain on sale of capital assets.....	200,925	-
Total revenues.....	181,870,081	173,956,288
Expenses:		
General government.....	7,241,808	7,734,180
Public safety.....	32,334,693	35,440,758
Education.....	108,971,213	115,028,707
Public works.....	11,469,306	11,905,401
Health and human services.....	1,795,186	2,080,717
Culture and recreation.....	5,345,387	4,501,391
COVID-19.....	329,387	-
Interest.....	2,179,948	2,304,521
Total expenses.....	169,666,928	178,995,675
Change in net position.....	12,203,153	(5,039,387)
Net position, beginning of year.....	(85,684,995)	(80,645,608)
Net position, end of year.....	\$ (73,481,842)	\$ (85,684,995)

Governmental expenses totaled \$169.7 million of which \$49.9 million (29%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$131.9 million, primarily coming from property taxes, motor vehicle excise taxes, hotel/motel taxes and non-restricted state aid.

Governmental net position increased by \$12.2 million during the current year. The primary components of this increase include a \$4.1 million increase from the change in the net OPEB liability and related deferred inflows/outflows of resources, a general fund surplus of \$5.4 million, a \$3.0 million surplus in the nonmajor governmental funds, and capital grants of \$4.5 million. These increases were offset by a decrease of \$4.6 million from the change in the net pension liability and related deferred inflows/outflows of resources.

Business-type Activities

For the City's business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48.8 million at the close of 2020.

	2020	2019
Assets:		
Current assets.....	\$ 19,105,502	\$ 16,384,042
Noncurrent assets (excluding capital).....	-	124,689
Capital assets, non depreciable.....	332,240	332,240
Capital assets, net of accumulated depreciation...	53,645,199	54,956,653
Total assets.....	73,082,941	71,797,624
Deferred outflows of resources.....	271,130	275,116
Liabilities:		
Current liabilities (excluding debt).....	340,852	369,152
Noncurrent liabilities (excluding debt).....	3,001,174	3,102,633
Current debt.....	2,500,804	2,609,741
Noncurrent debt.....	18,469,991	20,473,294
Total liabilities.....	24,312,821	26,554,820
Deferred inflows of resources.....	219,277	76,968
Net position:		
Net investment in capital assets.....	33,774,420	33,098,493
Unrestricted.....	15,047,553	12,342,459
Total net position.....	\$ 48,821,973	\$ 45,440,952
Program Revenues:		
Charges for services.....	\$ 21,659,971	\$ 19,607,360
Operating grants and contributions.....	11,774	26,475
Capital grants and contributions.....	1,492,500	1,492,500
Total revenues.....	23,164,245	21,126,335
Expenses:		
Water and sewer.....	19,783,224	18,888,226
Change in net position.....	3,381,021	2,238,109
Net position, beginning of year.....	45,440,952	43,202,843
Net position, end of year.....	\$ 48,821,973	\$ 45,440,952

Business-type net position of \$33.8 million (69%) represents the net investment in capital assets while \$15.0 million (31%) is unrestricted.

The water and sewer enterprise fund net position increased by \$3.4 million in the current year. This increase is primarily due to the recognition of \$1.5 million from capital grants and a \$2.1 million increase in charges for services that is mainly due to rate increases that were effective January 1, 2020.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's *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.

As of the end of the current year, governmental funds reported combined ending fund balances of \$77.3 million. This was comprised of the general fund totaling \$57.5 million, the Hurd/Wyman School fund totaling \$12,000, a deficit of \$270,000 for the library construction fund and \$20.0 million for the nonmajor funds.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$49.1 million, while total fund balance was \$57.5 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 30% of the total general fund expenditures, while total fund balance represents 36% of that same amount. Committed fund balance totals \$8.1 million and consists of the affordable housing stabilization fund totaling \$3.7 million and unexpended capital articles totaling \$4.4 million that were carried forward to the subsequent year. Assigned fund balance totals \$279,000 and consists of unexpended appropriations that were encumbered to be expended in the subsequent year.

The general fund increased by \$5.4 million due to better than expected revenue collections and unexpended appropriations. These increases were offset by the use of reserves to fund appropriations and the OPEB trust fund.

The State highway grants fund recognized \$1.3 million of capital grant revenue and incurred \$1.3 million of road improvement costs.

The Hurd/Wyman School construction fund recognized \$59,000 of capital grant revenue. This funding source was offset by \$356,000 of additional construction costs.

The Library Construction fund recognized \$2.0 million of capital grant revenue, and \$29,000 of other revenues. These funding sources were offset by \$302,000 of additional construction costs.

In 2020, the Federal Government approved the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provides federal funding to assist communities in paying costs incurred between March 1, 2020, and December 31, 2021, that are directly related to the COVID-19 pandemic. The Commonwealth of Massachusetts was awarded \$2.7 billion which is to be allocated amongst local governments based on population. The State has made a portion of these funds available as of June 30, 2020. In 2020, the City incurred \$329,000 of COVID related expenditures. The City plans to submit reimbursement requests to the Federal Emergency Management Agency (FEMA), apply for funding from the CARES Act, and use other local grant receipts to cover these costs (See Note 15 for further information).

General Fund Budgetary Highlights

The \$6.1 million (4%) increase between the original budget and the final amended budget was primarily due to increases in appropriations for public safety, employee benefits and capital outlay.

Capital Asset and Debt Administration

Capital Assets. In conjunction with the annual operating budget, the City annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$302.5 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, vehicles, machinery and equipment and infrastructure.

Current year additions for the governmental investment in capital assets totaled \$5.5 million. \$401,000 relates to land improvements, \$1.1 million relates to building construction and improvements, \$1.9 million relates to street resurfacing and \$959,000 is for vehicles, and \$1.1 million is for machinery and equipment, and other capital additions.

The \$641,000 in water and sewer additions are attributable to inflow and infiltration improvements as well as other water improvements.

Debt Administration. The City's credit rating was upgraded to AAA by Standard & Poor's Investors Service and the City continues to maintain strong market access for both note and bond sales.

Outstanding long-term debt of the general government totaled \$63.2 million, of which \$35.9 million relates to school projects, \$7.5 million relates to land acquisition, \$2.4 million relates to premiums on long-term debt and \$17.4 million relates to various other capital projects.

The water and sewer enterprise fund has \$21.0 million of outstanding long-term debt, which is fully supported by rates and does not rely on a general fund subsidy.

In order to take advantage of favorable interest rates, the Town issued \$4.2 million of general obligation refunding bonds, which included a premium of \$823,000, on March 12, 2020. The proceeds of the refunding bonds were used to complete a current refunding of \$4.9 million of existing debt. 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 \$686,000 and a reduction of \$721,000 in future debt service payments.

Short-term debt outstanding at year-end for the governmental activities totaled \$2.7 million of which \$390,000 is for the Hurd/Wyman Elementary School building project, \$2.2 million is for the library renovation and reconstruction project and \$120,000 is for the Clapp Park project. The water and sewer enterprise fund did not have outstanding short-term debt at year-end.

The Commonwealth has approved school construction assistance for the Hurd/Wyman elementary school. The assistance program is administered by the Massachusetts School Building Authority (MSBA) and under the program, the assistance is paid to support construction costs and reduce the total debt service of the City. Through the end of 2020, the City recorded grant proceeds totaling \$13.2 million, which is equal to 55% of

approved construction costs submitted for reimbursement. The project is substantially complete, and the City anticipates receiving a final reimbursement of \$308,000 after the MSBA has completed its final review of the project costs submitted for reimbursement.

Please refer to the notes to the financial statements for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the City of Woburn'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 City Auditor, City Hall, 10 Common Street, Woburn, Massachusetts 01801.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2020

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 56,874,144	\$ 8,478,844	\$ 65,352,988
Investments.....	24,545,856	-	24,545,856
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,639,401	-	1,639,401
Tax and utility liens.....	2,153,946	89,547	2,243,493
Motor vehicle and other excise taxes.....	577,144	-	577,144
User charges.....	-	10,412,422	10,412,422
Departmental and other.....	896,437	-	896,437
Intergovernmental.....	3,581,149	124,689	3,705,838
Tax foreclosures.....	702,764	-	702,764
Total current assets.....	90,970,841	19,105,502	110,076,343
NONCURRENT:			
Capital assets, nondepreciable.....	26,145,669	332,240	26,477,909
Capital assets, net of accumulated depreciation.....	222,393,216	53,645,199	276,038,415
Total noncurrent assets.....	248,538,885	53,977,439	302,516,324
TOTAL ASSETS.....	339,509,726	73,082,941	412,592,667
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	9,602,000	146,000	9,748,000
Deferred outflows related to other postemployment benefits.....	20,387,915	125,130	20,513,045
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	29,989,915	271,130	30,261,045
LIABILITIES			
CURRENT:			
Warrants payable.....	1,436,024	32,254	1,468,278
Accrued payroll.....	786,238	-	786,238
Tax refunds payable.....	1,042,233	-	1,042,233
Accrued interest.....	619,265	261,598	880,863
Other liabilities.....	189,840	-	189,840
Unearned revenue.....	1,145,986	-	1,145,986
Compensated absences.....	1,918,000	47,000	1,965,000
Notes payable.....	2,699,499	-	2,699,499
Bonds payable.....	4,895,073	2,500,804	7,395,877
Total current liabilities.....	14,732,158	2,841,656	17,573,814
NONCURRENT:			
Compensated absences.....	4,789,000	141,000	4,930,000
Net pension liability.....	85,712,000	1,305,000	87,017,000
Net other postemployment benefits liability.....	253,391,445	1,555,174	254,946,619
Bonds payable.....	58,324,543	18,469,991	76,794,534
Total noncurrent liabilities.....	402,216,988	21,471,165	423,688,153
TOTAL LIABILITIES.....	416,949,146	24,312,821	441,261,967
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	6,598,000	100,000	6,698,000
Deferred inflows related to other postemployment benefits.....	19,434,337	119,277	19,553,614
TOTAL DEFERRED INFLOWS OF RESOURCES.....	26,032,337	219,277	26,251,614
NET POSITION			
Net investment in capital assets.....	185,632,819	33,774,420	219,407,239
Restricted for:			
Permanent funds:			
Expendable.....	4,580,164	-	4,580,164
Nonexpendable.....	3,699,361	-	3,699,361
Gifts and grants.....	5,856,914	-	5,856,914
Unrestricted.....	(273,251,100)	15,047,553	(258,203,547)
TOTAL NET POSITION.....	\$ (73,481,842)	\$ 48,821,973	\$ (24,659,869)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 7,241,808	\$ 634,825	\$ 1,259,405	\$ 861,345	\$ (4,486,233)	
Public safety.....	32,334,693	8,545,772	457,061	-	(23,331,860)	
Education.....	108,971,213	1,419,172	31,742,645	59,346	(75,750,050)	
Public works.....	11,469,306	395,906	11,300	1,432,919	(9,629,181)	
Health and human services.....	1,795,186	92,411	132,176	-	(1,570,599)	
Culture and recreation.....	5,345,387	94,880	351,244	2,124,893	(2,774,370)	
COVID-19.....	329,387	-	329,387	-	-	
Interest.....	2,179,948	-	-	-	(2,179,948)	
Total Governmental Activities.....	169,666,928	11,182,966	34,283,218	4,478,503	(119,722,241)	
<i>Business-type Activities:</i>						
Water and sewer.....	19,783,224	21,659,971	11,774	1,492,500	3,381,021	
Total Primary Government.....	\$ 189,450,152	\$ 32,842,937	\$ 34,294,992	\$ 5,971,003	\$ (116,341,220)	

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page..... \$	(119,722,241)	\$ 3,381,021	\$ (116,341,220)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	112,034,027	-	112,034,027
Tax liens.....	314,365	-	314,365
Motor vehicle excise taxes.....	7,297,277	-	7,297,277
Hotel/motel tax.....	3,133,196	-	3,133,196
Meals tax.....	1,071,942	-	1,071,942
Penalties and interest on taxes.....	312,950	-	312,950
Grants and contributions not restricted to specific programs.....	6,664,848	-	6,664,848
Unrestricted investment income.....	895,864	-	895,864
Gain on sale of capital assets.....	200,925	-	200,925
Total general revenues.....	131,925,394	-	131,925,394
Change in net position.....	12,203,153	3,381,021	15,584,174
<i>Net position:</i>			
Beginning of year.....	(85,684,995)	45,440,952	(40,244,043)
End of year..... \$	(73,481,842)	\$ 48,821,973	\$ (24,659,869)

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2020

	General	State Highway Grants	Hurd/ Wyman School	Library Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 41,597,141	\$ -	\$ 94,091	\$ 1,922,451	\$ 13,260,461	\$ 56,874,144
Investments.....	16,625,153	-	-	-	7,920,703	24,545,856
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	1,639,401	-	-	-	-	1,639,401
Tax liens.....	2,153,946	-	-	-	-	2,153,946
Motor vehicle and other excise taxes.....	577,144	-	-	-	-	577,144
Departmental and other.....	-	-	-	-	896,437	896,437
Intergovernmental.....	-	2,964,257	308,144	-	308,748	3,581,149
Tax foreclosures.....	702,764	-	-	-	-	702,764
Due from other funds.....	1,211,479	-	-	-	-	1,211,479
TOTAL ASSETS.....	\$ 64,507,028	\$ 2,964,257	\$ 402,235	\$ 1,922,451	\$ 22,386,349	\$ 92,182,320
LIABILITIES						
Warrants payable.....	\$ 1,119,497	\$ 109,042	\$ -	\$ 2,973	\$ 204,512	\$ 1,436,024
Accrued payroll.....	786,238	-	-	-	-	786,238
Tax refunds payable.....	1,042,233	-	-	-	-	1,042,233
Due to other funds.....	-	1,211,479	-	-	-	1,211,479
Other liabilities.....	189,840	-	-	-	-	189,840
Unearned revenue.....	-	-	-	-	1,145,986	1,145,986
Notes payable.....	-	-	390,000	2,189,499	120,000	2,699,499
TOTAL LIABILITIES.....	3,137,808	1,320,521	390,000	2,192,472	1,470,498	8,511,299
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	3,873,118	1,643,736	-	-	896,437	6,413,291
FUND BALANCES						
Nonspendable.....	-	-	-	-	3,699,361	3,699,361
Restricted.....	-	-	12,235	-	16,320,053	16,332,288
Committed.....	8,133,994	-	-	-	-	8,133,994
Assigned.....	279,412	-	-	-	-	279,412
Unassigned.....	49,082,696	-	-	(270,021)	-	48,812,675
TOTAL FUND BALANCES.....	57,496,102	-	12,235	(270,021)	20,019,414	77,257,730
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 64,507,028	\$ 2,964,257	\$ 402,235	\$ 1,922,451	\$ 22,386,349	\$ 92,182,320

See notes to basic financial statements.

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

JUNE 30, 2020

Total governmental fund balances.....	\$ 77,257,730
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	248,538,885
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	6,413,291
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	3,957,578
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(619,265)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(63,219,616)
Net pension liability.....	(85,712,000)
Net other postemployment benefits liability.....	(253,391,445)
Compensated absences.....	<u>(6,707,000)</u>
Net effect of reporting long-term liabilities.....	<u>(409,030,061)</u>
Net position of governmental activities.....	\$ <u><u>(73,481,842)</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	General	State Highway Grants	Hurd/ Wyman School	Library Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 112,095,683	\$ -	\$ -	\$ -	\$ -	\$ 112,095,683
Tax liens.....	341,670	-	-	-	-	341,670
Motor vehicle excise taxes.....	7,126,786	-	-	-	-	7,126,786
Hotel/motel tax.....	3,133,196	-	-	-	-	3,133,196
Meals tax.....	1,071,942	-	-	-	-	1,071,942
Penalties and interest on taxes.....	312,950	-	-	-	-	312,950
Intergovernmental - Teachers Retirement.....	16,745,013	-	-	-	-	16,745,013
Intergovernmental.....	16,783,303	1,346,008	59,346	1,981,255	6,716,325	26,886,237
Intergovernmental - COVID-19 relief.....	-	-	-	-	329,387	329,387
Departmental and other.....	6,605,518	-	15,349	29,175	5,987,664	12,637,706
Contributions and donations.....	92,695	-	-	-	153,979	246,674
Investment income.....	712,460	-	-	-	183,404	895,864
TOTAL REVENUES.....	165,021,216	1,346,008	74,695	2,010,430	13,370,759	181,823,108
EXPENDITURES:						
Current:						
General government.....	4,006,783	-	-	-	355,277	4,362,060
Public safety.....	18,947,226	-	-	-	2,764,548	21,711,774
Education.....	66,500,159	-	355,863	-	5,063,011	71,919,033
Public works.....	7,607,986	1,346,008	-	-	128,317	9,082,311
Health and human services.....	1,216,495	-	-	-	282,363	1,498,858
Culture and recreation.....	2,493,163	-	-	302,359	1,026,940	3,822,462
COVID-19.....	-	-	-	-	329,387	329,387
Pension benefits.....	8,380,277	-	-	-	-	8,380,277
Pension benefits - Teachers Retirement.....	16,745,013	-	-	-	-	16,745,013
Employee benefits.....	20,538,503	-	-	-	-	20,538,503
State and county charges.....	4,340,934	-	-	-	-	4,340,934
Capital outlay.....	3,652,249	-	-	-	-	3,652,249
Debt service:						
Principal.....	4,088,500	-	-	-	-	4,088,500
Principal payment on current refunding.....	980,000	-	-	-	-	980,000
Interest.....	2,338,913	-	-	-	-	2,338,913
TOTAL EXPENDITURES.....	161,836,201	1,346,008	355,863	302,359	9,949,843	173,790,274
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	3,185,015	-	(281,168)	1,708,071	3,420,916	8,032,834
OTHER FINANCING SOURCES (USES):						
Issuance of refunding bonds.....	886,500	-	-	-	-	886,500
Premium from issuance of bonds.....	-	-	-	-	700,481	700,481
Proceeds from the sale of capital assets.....	-	-	-	-	200,925	200,925
Transfers in.....	1,305,507	-	-	-	-	1,305,507
Transfers out.....	-	-	-	-	(1,305,507)	(1,305,507)
TOTAL OTHER FINANCING SOURCES (USES)...	2,192,007	-	-	-	(404,101)	1,787,906
NET CHANGE IN FUND BALANCES.....	5,377,022	-	(281,168)	1,708,071	3,016,815	9,820,740
FUND BALANCES AT BEGINNING OF YEAR.....	52,119,080	-	293,403	(1,978,092)	17,002,599	67,436,990
FUND BALANCES AT END OF YEAR.....	\$ 57,496,102	\$ -	\$ 12,235	\$ (270,021)	\$ 20,019,414	\$ 77,257,730

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds.....	\$ 9,820,740
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.	
Capital outlay.....	5,506,985
Depreciation expense.....	<u>(6,407,051)</u>
Net effect of reporting capital assets.....	(900,066)
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.....	
	(153,952)
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.	
Issuance of refunding bonds.....	(886,500)
Premium from issuance of bonds.....	(700,480)
Debt service principal payments for refunded debt.....	980,000
Net amortization of premium from issuance of bonds.....	219,393
Debt service principal payments.....	<u>4,088,500</u>
Net effect of reporting long-term debt.....	3,700,913
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.	
Net change in compensated absences accrual.....	313,000
Net change in accrued interest on long-term debt.....	(60,428)
Net change in deferred outflow/(inflow) of resources related to pensions.....	(10,906,000)
Net change in net pension liability.....	6,289,000
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	3,047,605
Net change in net other postemployment benefits liability.....	<u>1,052,341</u>
Net effect of recording long-term liabilities.....	<u>(264,482)</u>
Change in net position of governmental activities.....	<u>\$ 12,203,153</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2020

	Business-type Activities - Enterprise Funds
	<u>Water and Sewer</u>
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 8,478,844
Receivables, net of allowance for uncollectibles:	
Liens - user charges.....	89,547
User charges.....	10,412,422
Intergovernmental.....	<u>124,689</u>
Total current assets.....	<u>19,105,502</u>
NONCURRENT:	
Capital assets, non depreciable.....	332,240
Capital assets, net of accumulated depreciation.....	<u>53,645,199</u>
Total noncurrent assets.....	<u>53,977,439</u>
TOTAL ASSETS.....	<u>73,082,941</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	146,000
Deferred outflows related to other postemployment benefits.....	<u>125,130</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>271,130</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	32,254
Accrued interest.....	261,598
Compensated absences.....	47,000
Bonds payable.....	<u>2,500,804</u>
Total current liabilities.....	<u>2,841,656</u>
NONCURRENT:	
Compensated absences.....	141,000
Net pension liability.....	1,305,000
Net other postemployment benefits liability.....	1,555,174
Bonds payable.....	<u>18,469,991</u>
Total noncurrent liabilities.....	<u>21,471,165</u>
TOTAL LIABILITIES.....	<u>24,312,821</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions.....	100,000
Deferred inflows related to other postemployment benefits.....	<u>119,277</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>219,277</u>
NET POSITION	
Net investment in capital assets.....	33,774,420
Unrestricted.....	<u>15,047,553</u>
TOTAL NET POSITION.....	<u>\$ 48,821,973</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds
	<u>Water and Sewer</u>
<u>OPERATING REVENUES:</u>	
Charges for services.....	\$ 20,967,510
Liens - charges for services.....	<u>692,461</u>
TOTAL OPERATING REVENUES	<u>21,659,971</u>
<u>OPERATING EXPENSES:</u>	
Cost of services and administration.....	2,773,119
Salaries and wages.....	876,750
MWRA assessment.....	13,577,929
Depreciation.....	<u>1,952,196</u>
TOTAL OPERATING EXPENSES.....	<u>19,179,994</u>
OPERATING INCOME (LOSS).....	2,479,977
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(603,230)
Intergovernmental.....	<u>11,774</u>
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	<u>(591,456)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS.....	1,888,521
CAPITAL CONTRIBUTIONS.....	<u>1,492,500</u>
CHANGE IN NET POSITION.....	3,381,021
NET POSITION AT BEGINNING OF YEAR.....	<u>45,440,952</u>
NET POSITION AT END OF YEAR.....	<u>\$ 48,821,973</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds
	<u>Water and Sewer</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 20,840,350
Payments to vendors.....	(16,358,484)
Payments to employees.....	(874,750)
NET CASH FROM OPERATING ACTIVITIES.....	<u>3,607,116</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	497,500
Capital grants received.....	11,774
Capital contributions.....	1,492,500
Acquisition and construction of capital assets.....	(640,742)
Principal payments on bonds and notes.....	(2,584,942)
Interest expense.....	(606,056)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(1,829,966)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,777,150
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>6,701,694</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 8,478,844</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ 2,479,977
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	1,952,196
Deferred (outflows)/inflows related to pensions.....	165,000
Deferred (outflows)/inflows related to other postemployment benefits.....	(18,705)
Changes in assets and liabilities:	
Liens - user charges.....	5,150
User charges.....	(937,523)
Intergovernmental.....	112,752
Warrants payable.....	(51,272)
Compensated absences.....	2,000
Net pension liability.....	(96,000)
Other postemployment benefits.....	(6,459)
Total adjustments.....	<u>1,127,139</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 3,607,116</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Issuance of refunding bonds.....	\$ 3,303,500
Long-term bonds refunded.....	(3,895,000)
Refunding premium.....	591,500
Intergovernmental subsidy of debt service.....	124,526

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	Total Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 1,237,016	\$ 59,297	\$ 887,002
Investments:			
Investments in Pension Reserve Investment Trust.....	155,124,298	-	-
Bond mutual funds.....	1,849,497	-	-
Equity securities.....	1,763,427	-	-
Equity mutual funds.....	3,116,231	-	-
Pooled alternative investments.....	3,859,196	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	11,583	-	-
Interest and dividends.....	620	-	-
TOTAL ASSETS.....	166,961,868	59,297	887,002
LIABILITIES			
Warrants payable.....	71,874	-	4,779
Liabilities due depositors.....	-	-	882,223
TOTAL LIABILITIES.....	71,874	-	887,002
NET POSITION			
Restricted for pensions.....	159,393,851	-	-
Restricted for other postemployment benefits.....	7,496,143	-	-
Held in trust for other purposes.....	-	59,297	-
TOTAL NET POSITION.....	\$ 166,889,994	\$ 59,297	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2020

	Total Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 9,570,047	\$ -
Employer contributions for other postemployment benefit payments....	8,588,753	-
Member contributions.....	3,326,313	-
Transfers from other systems.....	678,857	-
Retirement benefits - 3(8)c contributions from other systems.....	342,817	-
Intergovernmental.....	58,000	-
	<u>22,564,787</u>	<u>-</u>
Total contributions.....		
	22,564,787	-
Net investment income (loss):		
Net change in fair value of investments.....	12,603,473	-
Investment income.....	14,646,649	83
Less: investment expense.....	(903,910)	-
	<u>26,346,212</u>	<u>83</u>
Net investment income (loss).....		
	26,346,212	83
	<u>48,910,999</u>	<u>83</u>
TOTAL ADDITIONS.....		
	48,910,999	83
DEDUCTIONS:		
Administration.....	556,683	-
Transfers to other systems.....	726,923	-
Retirement benefits and refunds.....	14,753,944	-
Other postemployment benefit payments.....	8,588,753	-
Educational scholarships.....	-	120
	<u>24,626,303</u>	<u>120</u>
TOTAL DEDUCTIONS.....		
	24,626,303	120
NET INCREASE (DECREASE) IN NET POSITION.....	24,284,696	(37)
NET POSITION AT BEGINNING OF YEAR.....	142,605,298	59,334
NET POSITION AT END OF YEAR.....	\$ <u>166,889,994</u>	\$ <u>59,297</u>

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Woburn, Massachusetts (City) 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 accounting policies are described herein.

A. Reporting Entity

The City is a municipal corporation that is governed by an elected Mayor and City Council (Council). As required by GAAP, these basic financial statements present the government and its component units, entities for which the City is considered to be financially accountable.

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City 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 City (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 relationship between the City and the component unit.

The Woburn Contributory Retirement System (System) was established to provide retirement benefits to City employees, the Woburn Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of the City Auditor (ex-officio), two members elected by the System's participants, one member appointed by the Mayor and one member appointed by the Board 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.

The System did not issue a separate audited financial statement. The System issues a publicly available un-audited 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 10 Common Street, Woburn, Massachusetts 01801.

Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The City has entered into a joint venture with the Cities of Winthrop, Chelsea, Malden, and Revere and the Towns of Melrose, North Reading, Reading, Saugus, Stoneham, Wakefield and Winchester to pool resources and share the costs, risks and rewards of providing vocational education through the Northeast Metropolitan Regional Vocational School District (NMRS). The City's assessment for 2020 was \$1,795,646. Stand-alone financial statements for the year ended June 30, 2020, are available at Northeast Metropolitan Regional Vocational School District, 100 Hemlock Road, Wakefield, Massachusetts 01880.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and 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 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.

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 restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions 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. The stabilization fund is also classified as part of the general fund.

The *State highway grants fund* is used to account for and report costs incurred for the construction and reconstruction of City owned roadways. Costs charged to the fund are subject to reimbursement by the Commonwealth of Massachusetts.

The *Hurld/ Wyman School fund* is used to account for financial resources associated with the construction of the new Hurld/Wyman elementary school.

The *Library Construction fund* is used to account for financial resources associated with the renovation and expansion of the Woburn Public Library.

The nonmajor governmental funds consist of special revenue, debt service, capital project 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 the debt service fund, permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

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 City's proprietary funds include the water and sewer enterprise fund which is used to account for the water and sewer activities.

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 postemployment benefit trust fund* is used to account for the activities of the Retirement System and the Town's defined benefit healthcare plan, which accumulates resources to provide pension and other postemployment benefits to eligible retirees and their beneficiaries.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

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

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.

E. Accounts Receivable*Government-Wide and Fund Financial Statements*

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds 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, Tax Liens and Tax Foreclosures

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

Real estate tax liens are imposed in October of each year on delinquent properties and are recorded as receivables in the year they are processed. Real estate tax liens may be subject to foreclosure if the tax liens are not paid in accordance with the period required by the law (M.G.L. Ch.60, §50). Foreclosure proceedings are processed by the Treasurer or other tax lien custodian. Foreclosed properties can then be sold through advertised public auction or held for use by the City.

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 for 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 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.

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

Water and Sewer User Fees

User fees for residential and small commercial users are levied semi-annually while the top 20 commercial users are levied monthly. Residential user fees are based on flat rates while commercial user fees are based on individual meter readings. All user fees are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. 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 fees and 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 ambulance charges 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 recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded 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.

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

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

G. Capital Assets***Government-Wide and Proprietary Fund Financial Statements***

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. 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 state recommended capitalization thresholds are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

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

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.

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net 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 City has reported deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net 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 City has reported deferred inflows of resources related to pensions and other postemployment benefits in this category.

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 assets 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 City has reported unavailable revenues as deferred inflows of resources in the governmental funds balance sheet.

I. 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 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.

J. 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 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.

K. 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 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:

“Permanent funds - expendable” represents the amount 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 that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties and consists primarily of state and federal grants.

Sometimes the City 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 City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are 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 vote of the City Council is the highest level of decision making authority that can commit funds for a specific purpose. 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 City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by resolution authorized the City Auditor to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally 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 City’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.

L. 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.

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.

M. 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 derived from the proprietary funds is retained by the proprietary funds.

N. Fair Value Measurements

The City 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 City's financial instruments, see Note 2 – Cash and Investments.

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 Woburn Contributory Retirement System 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. 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

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

Q. 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.

R. 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.

S. Fund Deficits

As of June 30, 2020, the library construction fund was in a deficit position. This deficit will be funded with bond proceeds and available funds in 2021.

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 and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (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. In addition, there are various restrictions limiting the amount and length of deposits and investments.

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 System participates in the Pension Reserve 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.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy allows unlimited deposits in bank accounts or CD's (up to one year maturity) that are fully collateralized through a third party agreement. For uncollateralized bank accounts and CD's, deposits may not exceed Federal Deposit Insurance Corporation (FDIC) or other deposit insurance coverage.

These deposits will be limited to no more than 5% of an institution's assets and no more than 25% of the City's cash. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the City in the near future. CD's will be purchased for no more than one year and will be reviewed frequently. The City's policy also allows unlimited investments in money market funds, which are allowed by statute and are considered to be liquid funds.

At year-end, the carrying amount of deposits totaled \$57,896,904 and the bank balance totaled \$57,937,247. Of the bank balance, \$2,967,340 was covered by Federal Depository Insurance, \$15,204,478 was covered by Depositors Insurance Fund, \$39,765,429 was collateralized.

At December 31, 2019, the carrying amount of deposits for the System totaled \$77,541 and the bank balance totaled \$215,337. All of the bank balance was 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 City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City's investments subject to custodial credit risk include \$7,762,843 in U.S. government securities, \$3,890,745 in

government sponsored enterprises, \$1,078,398 in corporate bonds, \$12,487,951 in equity securities and \$397,394 in international equity securities, which have custodial credit risk exposure totaling \$25,616,971 because the related securities are uninsured, unregistered and held by the counterparty. The City does not have an investment policy for custodial credit risk.

At December 31, 2019, the System did not have any investments that were subject to custodial credit risk exposure. The System has not adopted a formal policy related to custodial credit risk.

Interest Rate Risk

The City's investment policy limits investment maturities to one year, except for the trust funds which are not limited, as a means of managing its exposure to fair value losses arising from increasing interest rates. The System does not have formal investment policies that limit investment maturities as a means of managing exposure to fair value losses arising from decreasing interest rates.

The City participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

The System participates in PRIT. The effective weighted duration rate for PRIT investments ranged from 0.14 to 16.03 years.

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

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities:</u>					
U.S. Government Securities.....	\$ 7,762,843	\$ 6,697,176	\$ 1,065,667	\$ -	\$ -
Government Sponsored Enterprises...	3,890,745	3,185,543	704,004	-	1,198
Corporate Bonds.....	1,078,398	530,287	548,111	-	-
Bond Mutual Funds.....	2,218,456	-	2,218,456	-	-
Total debt securities.....	14,950,442	\$ 10,413,006	\$ 4,536,238	\$ -	\$ 1,198
<u>Other Investments:</u>					
Equity Securities.....	12,487,591				
International Equity Securities.....	397,394				
Equity Mutual Funds.....	3,414,021				
Real Estate Investment Trust.....	25,563				
Money Market Mutual Funds.....	3,022,948				
MMDT - Cash Portfolio.....	6,146,423				
Total Investments.....	\$ 40,444,382				

As of December 31, 2019, the System had \$3,859,196 in pooled alternative investments, \$155,124,298 in PRIT and \$392,487 in money market mutual funds.

Credit Risk

The City's investment policy limits investments in debt securities to United States Treasuries and Agency obligations, which carry an AA+ rating and other investments which are legal for the investment of funds of savings banks under the laws of the Commonwealth. As of June 30, 2020, Standard & Poor's Investors Service rated the City's investments as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>	<u>Bond Mutual Funds</u>
AA+.....	\$ 3,890,745	\$ -	\$ -
A+.....	-	240,116	-
A.....	-	15,532	-
AA-.....	-	15,625	-
A-.....	-	132,774	-
BBB+.....	-	519,886	-
BBB.....	-	83,210	-
BBB-.....	-	71,255	-
Not Rated.....	-	-	2,218,456
Total.....	\$ <u>3,890,745</u>	\$ <u>1,078,398</u>	\$ <u>2,218,456</u>

The City's investments in MMDT were unrated.

The System has not adopted a formal policy related to Credit Risk. The System's investments in PRIT are unrated.

Concentration of Credit Risk

The City will minimize the concentration of credit risk by diversifying the investment portfolio, so that the impact of potential losses from any one type of security or issuer will be minimized. No more than 5% of the City's investments are invested in any one issuer.

The System places no limit on the amount the System may invest in any one issuer. No more than 5% of the System's investments are invested in any one issuer.

Fair Value of Investments

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

The City 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 price in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2020:

Investment Type	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value:				
<u>Debt Securities:</u>				
U.S. Government Securities.....	\$ 7,762,843	\$ 7,762,843	\$ -	\$ -
Government Sponsored Enterprises.....	3,890,745	3,890,745	-	-
Corporate Bonds.....	1,078,398	-	1,078,398	-
Bond Mutual Funds.....	2,218,456	2,218,456	-	-
Total Debt Securities.....	14,950,442	13,872,044	1,078,398	-
<u>Other Investments:</u>				
Equity Securities.....	12,487,591	12,487,591	-	-
International Equity Securities.....	397,394	397,394	-	-
Equity Mutual Funds.....	3,414,021	3,414,021	-	-
Real Estate Investment Trust.....	25,563	-	-	25,563
Money Market Mutual Funds.....	3,022,948	3,022,948	-	-
Total Other Investments.....	19,347,517	19,321,954	-	25,563
Total Investments Measured at Fair Value.....	34,297,959	\$ 33,193,998	\$ 1,078,398	\$ 25,563
Investments Measured at Amortized Cost:				
MMDT - Cash Portfolio.....	6,146,423			
Total Investments.....	\$ 40,444,382			

Debt securities, equity securities 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. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on their relationship to benchmark quoted prices. Real estate investment trust funds classified in Level 3 are valued using either a discounted cash flow or market comparable company's technique.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and 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 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 the advisor.

The System 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.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of December 31, 2019:

Investment Type	December 31, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured at Fair Value:				
Pooled Alternative Investments.....	\$ 3,859,196	\$ -	\$ -	\$ 3,859,196
Money Market Mutual Funds.....	392,487	392,487	-	-
Total Other Investments.....	4,251,683	392,487	-	3,859,196
Total Investments measured at Fair Value.....	4,251,683	<u>\$ 392,487</u>	<u>\$ -</u>	<u>\$ 3,859,196</u>
Investments Measured at Net Asset Value:				
Pension Reserve Investment Trust (PRIT).....	155,124,298			
Total Investments.....	\$ 159,375,981			

Money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Pooled alternative investments classified in Level 3 are valued using either a discounted cash flow or market comparable company's technique.

PRIT Investments are valued using the net asset value (NAV) 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. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 3 - RECEIVABLES

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 2,895,442	\$ (1,256,041)	\$ 1,639,401
Tax liens.....	2,153,946	-	2,153,946
Motor vehicle and other excise taxes.....	1,736,285	(1,159,141)	577,144
Departmental and other.....	1,208,858	(312,421)	896,437
Intergovernmental.....	3,581,149	-	3,581,149
Total.....	<u>\$ 11,575,680</u>	<u>\$ (2,727,603)</u>	<u>\$ 8,848,077</u>

At June 30, 2020, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Utility liens.....	\$ 89,547	\$ -	\$ 89,547
User fees.....	10,412,422	-	10,412,422
Intergovernmental.....	124,689	-	124,689
Total.....	<u>\$ 10,626,658</u>	<u>\$ -</u>	<u>\$ 10,626,658</u>

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 type:</u>			
Real estate and personal property taxes.....	\$ 439,264	\$ -	\$ 439,264
Tax liens.....	2,153,946	-	2,153,946
Motor vehicle and other excise taxes.....	577,144	-	577,144
Departmental and other.....	-	896,437	896,437
Intergovernmental.....	-	1,643,736	1,643,736
Tax foreclosures.....	702,764	-	702,764
Total.....	<u>\$ 3,873,118</u>	<u>\$ 2,540,173</u>	<u>\$ 6,413,291</u>

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 24,908,730	\$ -	\$ -	\$ 24,908,730
Construction in progress.....	733,183	825,540	(321,784)	1,236,939
Total capital assets not being depreciated....	25,641,913	825,540	(321,784)	26,145,669
<u>Capital assets being depreciated:</u>				
Land improvements.....	9,261,385	401,008	-	9,662,393
Building improvements.....	21,937,449	218,641	-	22,156,090
Buildings.....	211,195,377	887,169	-	212,082,546
Vehicles.....	5,501,577	959,391	(29,200)	6,431,768
Machinery and equipment.....	10,004,453	604,228	-	10,608,681
Infrastructure.....	63,137,187	1,932,792	-	65,069,979
Total capital assets being depreciated.....	321,037,428	5,003,229	(29,200)	326,011,457
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,281,640)	(325,026)	-	(3,606,666)
Buildings improvements.....	(13,993,338)	(830,390)	-	(14,823,728)
Buildings.....	(26,596,952)	(2,373,303)	-	(28,970,255)
Vehicles.....	(3,810,935)	(517,564)	29,200	(4,299,299)
Machinery and equipment.....	(6,432,471)	(453,712)	-	(6,886,183)
Infrastructure.....	(43,125,054)	(1,907,056)	-	(45,032,110)
Total accumulated depreciation.....	(97,240,390)	(6,407,051)	29,200	(103,618,241)
Total capital assets being depreciated, net.....	223,797,038	(1,403,822)	-	222,393,216
Total governmental activities capital assets, net.....	\$ 249,438,951	\$ (578,282)	\$ (321,784)	\$ 248,538,885

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 332,240	\$ -	\$ -	\$ 332,240
<u>Capital assets being depreciated:</u>				
Buildings.....	7,734,993	-	-	7,734,993
Vehicles.....	68,015	-	(33,000)	35,015
Machinery and equipment.....	466,565	-	-	466,565
Infrastructure.....	82,848,173	640,742	-	83,488,915
Total capital assets being depreciated.....	91,117,746	640,742	(33,000)	91,725,488
<u>Less accumulated depreciation for:</u>				
Buildings.....	(3,704,559)	(191,407)	-	(3,895,966)
Vehicles.....	(45,255)	(7,003)	33,000	(19,258)
Machinery and equipment.....	(449,409)	(6,167)	-	(455,576)
Infrastructure.....	(31,961,870)	(1,747,619)	-	(33,709,489)
Total accumulated depreciation.....	(36,161,093)	(1,952,196)	33,000	(38,080,289)
Total capital assets being depreciated, net.....	54,956,653	(1,311,454)	-	53,645,199
Total business-type activities capital assets, net....	\$ 55,288,893	\$ (1,311,454)	\$ -	\$ 53,977,439

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

Governmental Activities:

General government.....	\$ 163,473
Public safety.....	590,231
Education.....	2,245,459
Public works.....	2,261,188
Human services.....	47,710
Culture and recreation.....	1,098,990

Total depreciation expense - governmental activities..... \$ 6,407,051

Business-Type Activities:

Water and sewer.....	\$ 1,952,196
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NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due To/From Other Funds

As of June 30, 2020, the City has an interfund receivable/payable of \$1,211,479 which exists between the general fund and the state highway grants fund. The purpose of this balance is to cover short-term cash needs that will be funded by future grant proceeds.

Interfund Transfers

Interfund transfers for the year ended June 30, 2020, totaled \$1,305,507 and consisted of budgeted transfers to the general fund from the ambulance revolving fund and the cemetery perpetual care fund totaling \$1,149,507 and \$156,000, respectively.

NOTE 6 - 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 fund, respectively.

Details related to the short-term debt activity for the year ended June 30, 2020, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
Governmental Activities:							
BAN	Library Design & Construction.....	3.00	09/27/19	\$ 6,100,000	\$ -	\$ 6,100,000	\$ -
BAN	Library.....	1.50	09/27/19	2,349,980	-	2,349,980	-
BAN	Hurld/Wyman Elementary School.	1.50	09/27/19	890,000	-	890,000	-
BAN	Clapp Park.....	1.50	09/27/19	1,300,000	-	1,300,000	-
BAN	Library.....	2.00	09/25/20	-	2,189,499	-	2,189,499
BAN	Hurld/Wyman Elementary School.	2.00	09/25/20	-	390,000	-	390,000
BAN	Clapp Park.....	2.00	09/25/20	-	120,000	-	120,000
Total Governmental Activities.....				\$ 10,639,980	\$ 2,699,499	\$ 10,639,980	\$ 2,699,499

\$2,699,499 of BAN's matured on September 25, 2020, which were redeemed with available funds.

NOTE 7 - 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 outstanding indebtedness at June 30, 2020, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
Municipal Purpose Bonds of 2012.....	2037	\$ 19,625,000	3.11-3.30	\$ 13,740,000
Municipal Purpose Refunding Bonds of 2012...	2025	4,830,000	3.26	2,185,000
Municipal Purpose Bonds of 2013.....	2023	1,826,000	3.64	540,000
Municipal Purpose Refunding Bonds of 2013...	2026	12,610,000	3.78	7,940,000
Municipal Purpose Bonds of 2017.....	2042	7,070,000	3.30-3.75	6,205,000
Municipal Purpose Bonds of 2018.....	2043	11,721,800	3.25-5.00	11,045,000
Municipal Purpose Bonds of 2018.....	2039	11,198,000	3.00-5.00	10,635,000
Municipal Purpose Bonds of 2018	2028	635,500	5.00	560,000
Municipal Purpose Bonds of 2019.....	2040	7,060,000	3.00-5.00	7,060,000
Municipal Purpose Refunding Bonds of 2020...	2027	886,500	5.00	886,500
Total Bonds Payable.....				60,796,500
Add: Unamortized premium on bonds.....				2,423,116
Total Bonds Payable, net.....				\$ 63,219,616

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

Year	Principal	Interest	Total
2021.....\$	4,646,500	\$ 2,242,064	\$ 6,888,564
2022.....	4,655,000	2,059,321	6,714,321
2023.....	4,730,000	1,863,545	6,593,545
2024.....	4,750,000	1,663,520	6,413,520
2025.....	4,500,000	1,477,120	5,977,120
2026.....	4,085,000	1,310,776	5,395,776
2027.....	2,810,000	1,169,206	3,979,206
2028.....	2,675,000	1,050,477	3,725,477
2029.....	2,605,000	939,462	3,544,462
2030.....	2,595,000	834,341	3,429,341
2031.....	2,575,000	734,632	3,309,632
2032.....	2,575,000	642,333	3,217,333
2033.....	2,445,000	557,058	3,002,058
2034.....	2,365,000	474,008	2,839,008
2035.....	2,340,000	394,074	2,734,074
2036.....	2,340,000	315,655	2,655,655
2037.....	2,340,000	236,551	2,576,551
2038.....	1,545,000	172,287	1,717,287
2039.....	1,540,000	122,340	1,662,340
2040.....	985,000	80,220	1,065,220
2041.....	650,000	50,789	700,789
2042.....	650,000	27,863	677,863
2043.....	395,000	6,431	401,431
Total..... \$	60,796,500	\$ 18,424,075	\$ 79,220,575

Bonds and Notes Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
Water				
Municipal Purpose Refunding Bonds of 2012....	2025	\$ 2,965,000	3.38	\$ 1,420,000
Municipal Purpose Bonds of 2013.....	2033	4,300,000	3.32	2,795,000
Municipal Purpose Bonds of 2018.....	2027	268,200	5.00	205,000
Municipal Purpose Bonds of 2018.....	2029	1,301,500	5.00	1,170,000
Municipal Purpose Refunding Bonds of 2020....	2030	3,303,500	5.00	3,303,500
Sub-total water general obligation bonds payable.....				8,893,500
MWPAT - Stormwater (03-21).....	2025	210,033	2.00	75,000
MCWT 00-07.....	2021	5,046,059	4.46	345,000
MCWT CW-07-15.....	2029	250,000	2.00	124,484
MCWT DWS 08-19.....	2031	6,241,464	2.00	3,738,702
MCWT DWS 07-17.....	2031	3,162,577	2.00	2,165,272
MWRA Notes of 2012.....	2022	1,000,000	0.00	200,000
MCWT DWS 08-19-A.....	2033	2,035,158	2.00	1,418,504
MCWT DWS-07-17-A.....	2031	619,179	2.00	13,467
MWRA Inflow/Infiltration Notes of 2016.....	2026	67,075	0.00	40,245
MWRA Water Bonds 2017.....	2037	2,381,000	3.13	1,783,700
Sub-total water direct borrowings payable.....				9,904,374
Sub-total water.....				18,797,874
Sewer				
MWRA Inflow/Infiltration Notes of 2015.....	2025	366,175	0.00	183,085
MWRA Inflow/Infiltration Notes of 2018.....	2028	433,250	0.00	346,600
MWRA Inflow/Infiltration Notes of 2019.....	2029	497,500	0.00	447,750
MWRA Inflow/Infiltration Notes of 2020.....	2030	497,500	0.00	497,500
Sub-total sewer direct borrowings payable.....				1,474,935
Total bonds payable.....				20,272,809
Add: Unamortized premium on bonds.....				697,986
Total bonds payable, net.....				\$ 20,970,795

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

Year	General Obligation Bonds Payable			Direct Borrowings Payable			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2021.....	\$ 948,500	\$ 490,215	\$ 1,438,715	\$ 1,439,625	\$ 183,322	\$ 1,622,947	\$ 3,061,662
2022.....	940,000	464,004	1,404,004	1,106,731	160,098	1,266,829	2,670,833
2023.....	940,000	408,305	1,348,305	1,019,084	145,241	1,164,325	2,512,630
2024.....	955,000	351,905	1,306,905	1,031,690	130,122	1,161,812	2,468,717
2025.....	970,000	295,095	1,265,095	1,044,548	114,732	1,159,280	2,424,375
2026.....	710,000	243,064	953,064	1,006,058	99,441	1,105,499	2,058,563
2027.....	720,000	194,759	914,759	1,012,744	84,246	1,096,990	2,011,749
2028.....	715,000	144,919	859,919	867,310	68,765	936,075	1,795,994
2029.....	730,000	93,844	823,844	837,929	52,992	890,921	1,714,765
2030.....	620,000	43,975	663,975	787,140	37,073	824,213	1,488,188
2031.....	215,000	16,825	231,825	751,602	21,009	772,611	1,004,436
2032.....	215,000	10,240	225,240	161,108	10,673	171,781	397,021
2033.....	215,000	3,440	218,440	163,740	7,025	170,765	389,205
2034.....	-	-	-	40,000	4,588	44,588	44,588
2035.....	-	-	-	40,000	3,388	43,388	43,388
2036.....	-	-	-	35,000	2,188	37,188	37,188
2037.....	-	-	-	35,000	1,094	36,094	36,094
Total.....	\$ 8,893,500	\$ 2,760,590	\$ 11,654,090	\$ 11,379,309	\$ 1,125,989	\$ 12,505,298	\$ 24,159,388

The Massachusetts Water Resources Authority (MWRA) operates an Infiltration/Inflow Local Assistance Program for community owned collection systems. For each community approved for the project, financial assistance received from the MWRA consists of a grant and non-interest bearing loan. At June 30, 2020, the outstanding principal amount of these loans totaled \$1,515,180.

The water and sewer enterprise fund is scheduled to be subsidized by the MCWT on a periodic basis for principal in the amount of \$124,689 and interest costs for \$8,623. Thus, net MCWT loan repayments, including interest, are scheduled to be \$220,313. The principal subsidies are guaranteed and therefore a \$124,689 intergovernmental receivable has been reported in the proprietary fund financial statements. Since the City is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. The 2020 principal and interest subsidies totaled \$112,752 and \$11,774, respectively.

The Commonwealth has approved school construction assistance for the Hurd/Wyman elementary school with a project budget of \$34,647,722. The assistance program is administered by the MSBA. Under the program, the assistance is paid to support construction costs and reduce the total debt service of the City. Through the end of 2020, the City recorded grant proceeds totaling \$13,231,221, which is equal to 54.74% of approved construction costs submitted for reimbursement. The project is substantially complete, and the City anticipates receiving a final reimbursement of \$308,114 after the MSBA has completed its final review of the project costs submitted for reimbursement.

In order to take advantage of favorable interest rates, the Town issued \$4,190,000 of general obligation refunding bonds, which included a premium of \$823,287, on March 12, 2020. The proceeds of the refunding bonds were used to complete a current refunding of \$4,875,000 of existing debt. 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 \$685,765 and a reduction of \$721,390 in future debt service payments.

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

Purpose	Amount
Water system improvements.....	\$ 93,011
Surface drainage.....	6,800,000
Water meters.....	5,690,000
Infiltration and inflow reduction.....	4,938,500
Library design and construction.....	2,189,499
Elementary school replacement.....	2,312,573
Playground construction.....	120,000
Water main cleaning and relining.....	5,000,000
Total.....	\$ <u>27,143,583</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 64,978,500	\$ 886,500	\$ (5,068,500)	\$ -	\$ -	\$ 60,796,500	\$ 4,646,500
Add: Unamortized premium on bonds.....	1,942,029	700,480	(219,393)	-	-	2,423,116	248,573
Total bonds payable.....	66,920,529	1,586,980	(5,287,893)	-	-	63,219,616	4,895,073
Compensated absences.....	7,020,000	-	-	1,692,000	(2,005,000)	6,707,000	1,918,000
Net pension liability.....	92,001,000	-	-	31,738,000	(38,027,000)	85,712,000	-
Net other postemployment benefits liability.....	254,443,786	-	-	8,555,646	(9,607,987)	253,391,445	-
Total governmental activity long-term liabilities.....	<u>\$ 420,385,315</u>	<u>\$ 1,586,980</u>	<u>\$ (5,287,893)</u>	<u>\$ 41,985,646</u>	<u>\$ (49,639,987)</u>	<u>\$ 409,030,061</u>	<u>\$ 6,813,073</u>
Business-Type Activities:							
Long-term general obligation bonds payable...\$	10,586,500	\$ 3,303,500	\$ (4,996,500)	\$ -	\$ -	\$ 8,893,500	\$ 948,500
Add: Unamortized premium on bonds.....	131,284	591,500	(24,798)	-	-	697,986	112,679
Direct borrowings payable.....	12,365,251	497,500	(1,483,442)	-	-	11,379,309	1,439,625
Total bonds payable.....	23,083,035	4,392,500	(6,504,740)	-	-	20,970,795	2,500,804
Compensated absences.....	186,000	-	-	48,000	(46,000)	188,000	47,000
Net pension liability.....	1,401,000	-	-	483,000	(579,000)	1,305,000	-
Net other postemployment benefits liability.....	1,561,633	-	-	52,509	(58,968)	1,555,174	-
Total business-type activity long-term liabilities.....	<u>\$ 26,231,668</u>	<u>\$ 4,392,500</u>	<u>\$ (6,504,740)</u>	<u>\$ 583,509</u>	<u>\$ (683,968)</u>	<u>\$ 24,018,969</u>	<u>\$ 2,547,804</u>

NOTE 8 - GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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 City 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 City's highest level of decision making authority is City 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.

As of June 30, 2020, the governmental fund balances consisted of the following:

	General	Hurd/Wyman School Project	Library Construction	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal..... \$	- \$	- \$	- \$	3,699,361	\$ 3,699,361
Restricted for:					
Hurd/Wyman school project.....	-	12,235	-	-	12,235
Municipal federal and state grants.....	-	-	-	324,678	324,678
Education federal and state grants.....	-	-	-	3,177,834	3,177,834
Receipts reserved for appropriation.....	-	-	-	2,190,966	2,190,966
Municipal revolving funds.....	-	-	-	1,398,186	1,398,186
School lunch.....	-	-	-	399,879	399,879
Other special revenue funds.....	-	-	-	2,492,611	2,492,611
Library trust funds - special revenue funds...	-	-	-	555,278	555,278
Mitigation Funds.....	-	-	-	879,121	879,121
Other capital projects fund.....	-	-	-	321,336	321,336
Library trust funds - permanent funds.....	-	-	-	4,258,527	4,258,527
Cemetery perpetual care funds.....	-	-	-	321,637	321,637
Committed to:					
Articles and continuing appropriations:					
Affordable housing stabilization fund.....	3,705,456	-	-	-	3,705,456
General government.....	388,300	-	-	-	388,300
Public safety.....	30,000	-	-	-	30,000
Public works.....	177,236	-	-	-	177,236
Human services.....	28,900	-	-	-	28,900
Employee benefits.....	519,500	-	-	-	519,500
Capital outlay.....	3,284,602	-	-	-	3,284,602
Assigned to:					
Encumbrances:					
General government.....	104,789	-	-	-	104,789
Public safety.....	47,580	-	-	-	47,580
Public works.....	116,489	-	-	-	116,489
Human services.....	184	-	-	-	184
Culture and recreation.....	10,370	-	-	-	10,370
Unassigned.....	49,082,696	-	(270,021)	-	48,812,675
Total Fund Balances..... \$	57,496,102	\$ 12,235	\$ (270,021)	\$ 20,019,414	\$ 77,257,730

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 require a two-thirds vote of the legislative body.

At year end, the general stabilization fund totaled \$5,443,364 and is reported as unassigned fund balance within the general fund; the affordable housing stabilization fund totaled \$3,705,456 and is reported as committed fund balance within the general fund.

NOTE 9 - RISK FINANCING

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

The City is part of a premium-based self-insurance group which insures for health insurance, workers' compensation, and other insurance for employees and retirees, as well as general and personal liability insurance through the Massachusetts Inter-Local Insurance Association (MIIA). The City essentially transfers risk through payment of its annual assessment which is adjusted according to the City's experience history.

NOTE 10 - PENSION PLAN*Plan Descriptions*

The City is a member of the Woburn Contributory Retirement System (System), 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 in the fiduciary fund financial statements.

The City 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), 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 City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019,. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$16,745,013 is reported in the general fund as intergovernmental revenue and pension benefits in the current year. The portion of the Commonwealth's collective net pension liability associated with the City is \$138,083,433 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. There were no changes in benefit terms that affected the measurement of the total pension liability at December 31, 2019.

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.

At December 31, 2019, the System's membership consists of the following:

Active members.....	545
Inactive members.....	125
Disabled members.....	39
Retirees and beneficiaries currently receiving benefits.....	<u>439</u>
Total.....	<u><u>1,148</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 System a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2019, was \$8,820,047, 29.99% 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 City's proportionate share of the required contribution was \$8,507,895 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2020, were as follows:

Total pension liability.....	\$	249,632,270
Total pension plan's fiduciary net position.....		<u>(159,393,851)</u>
Total net pension liability.....	\$	<u><u>90,238,419</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		63.85%

At June 30, 2020, the City reported a liability of \$87,017,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2019, the City's proportion was 96.43%, which increased by 0.32% from its proportion measured at December 31, 2018.

Pension Expense

For the year ended June 30, 2020, the City recognized pension expense of \$13,194,000. At June 30, 2020, the City reported deferred outflows of resources related to pensions of \$9,748,000 and deferred inflows of resources related to pensions of \$6,698,000.

The balances of deferred outflows and (inflows) at June 30, 2020, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 8,444,000	\$ -	\$ 8,444,000
Difference between projected and actual earnings, (net).....	-	(5,301,000)	(5,301,000)
Changes in assumptions.....	1,034,000	(1,124,000)	(90,000)
Changes in proportion and proportionate share of contributions...	270,000	(273,000)	(3,000)
Total deferred outflows/(inflows) of resources.....	\$ 9,748,000	\$ (6,698,000)	\$ 3,050,000

The deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021.....	\$ 863,000
2022.....	1,115,000
2023.....	3,060,000
2024.....	(1,988,000)
Total.....	\$ 3,050,000

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

Valuation date..... January 1, 2020

Actuarial cost method..... Individual Entry Age Normal Cost Method.

Amortization method..... Increase at 4.5% per year.

Remaining amortization period..... 15 years at January 1, 2020, closed.

Asset valuation method..... Assets are reported at fair value.

Inflation rate..... 3.00%

Projected salary increases..... 4.00% per annum.

Cost of living adjustments..... 3.0% of the lesser of the pension amount and the maximum pension amount increasing to \$18,000 in \$1,000 increments through 2024.

Rates of retirement..... Varies based upon age for general employees, police and fire employees.

Rates of disability..... Varies based upon age for general employees, police and fire employees.

Mortality Rates:

Healthy mortality..... Is based on the RP-2014 Total Employee and Health Annuitant Mortality Tables, rolled back to 2006 and projected with Mortality Improvement Scale MP-2019.

Disabled mortality..... Is based on the RP-2014 Disabled Mortality Table, rolled back to 2006 and projected with Mortality Improvement Scale MP-2019.

Investment rate of return/Discount rate..... 7.50%

Investment policy

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity		
U.S. equities.....	22.50%	6.90%
International equities.....	15.10%	7.00%
Emerging international equities.....	6.40%	9.20%
Hedged equities.....	9.20%	6.20%
Core fixed income.....	14.70%	2.93%
Value added fixed income.....	7.50%	6.80%
Private equity.....	11.00%	10.90%
Real estate.....	9.50%	6.10%
Timberland.....	3.50%	6.70%
Portfolio completion.....	0.60%	5.80%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.36%. 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% as of December 31, 2019 and 7.50% as of December 31, 2018. 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 following 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%)
The City's proportionate share of the net pension liability.....	\$ 113,123,000	\$ 87,017,000	\$ 64,851,000

Changes of Assumptions – The mortality assumption was changed to the RP-2014 Total Employee and Healthy Annuitant Mortality Tables, rolled back to 2006 and projected with Mortality Improvement Scale MP-2019. Mortality for disabled members is represented by the RP-2014 Disabled Mortality Table, rolled back to 2006 and projected with Mortality Improvement Scale MP-2019.

Changes in Plan Provisions – None.

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

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.

Funding Policy – Contribution requirements are also negotiated between the City and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Depending on the plan selected, the City contributes various percentages of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish the other postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2020, the City pre-funded future OPEB liabilities totaling \$750,000 by contributing funds to the Other Postemployment Benefits Trust Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2020, the balance of this fund totaled \$7,496,143.

Investment policy – The City's policy in regard to the allocation of invested assets is established and may be amended by the City Council by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the City's investment policy.

Employees Covered by Benefit Terms – The following table represents the Plan's membership at July 1, 2019, the valuation date:

Active members.....	1,021
Inactive members currently receiving benefits.....	<u>765</u>
Total.....	<u><u>1,786</u></u>

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

Total OPEB liability.....	\$ 262,442,762
Less: OPEB plan's fiduciary net position.....	<u>(7,496,143)</u>
Net OPEB liability.....	<u><u>\$ 254,946,619</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	2.86%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2019, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement date that was updated to June 30, 2020, to be in accordance with GASB #74 and GASB #75.

Valuation date.....	July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Market value of assets with payables and receivables.
Discount rate.....	2.61% net of investment expenses, previously 3.89%.
Projected salary increases.....	3.50%. Overall payroll increase rate, including new entrants of 3.00% per year.
Healthcare cost trend rate.....	7.00% initially decreasing to 5.00% over 26 years.

Mortality rates:

Actives.....	The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Employees projected using generational mortality and scale MP-2020.
Retirees.....	The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2020.
Disabled.....	The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2020. Set forward 2 years.

Rate of return - For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.04%. 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 of returns (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 System's expected future real rate of return is added to the expected inflation to produce the long-term expected nominal rate of return. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities.....	34.0%	4.96%
International equities.....	22.0%	7.01%
Domestic bonds.....	20.0%	2.22%
International bonds.....	4.0%	1.53%
Liquid alternatives.....	15.0%	2.76%
Private equity.....	5.0%	8.59%
Total.....	100.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 2.61% as of June 30, 2020 and 3.89% as of June 30, 2019. The discount rate is a blend of the long-term expected rate of return of 7.00% on OPEB Trust Fund assets and a yield or index rate of 2.21% for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond-Buyer 20 Bond Index. The blending is based on the sufficiency of projected assets to make projected benefit payments, which is approximately 16 years.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 2.61%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1- percentage-point lower 1.61% or 1-percentage-point higher 3.61% than the current rate.

	1% Decrease (1.61%)	Current Discount Rate (2.61%)	1% Increase (3.61%)
Net OPEB liability.....	\$ 299,659,291	\$ 254,946,619	\$ 218,131,443

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend – The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability and service cost 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.....	\$ 211,532,458	\$ 254,946,619	\$ 310,246,765

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019.....	\$ 262,423,360	\$ 6,417,941	\$ 256,005,419
Changes for the year:			
Service cost.....	8,584,478	-	8,584,478
Interest.....	10,375,154	-	10,375,154
Changes of benefit terms.....	(12,521,488)	-	(12,521,488)
Differences between expected and actual experience...	(14,228,550)	-	(14,228,550)
Changes in assumptions.....	16,398,561	-	16,398,561
Contributions - employer.....	-	9,338,753	(9,338,753)
Net investment income.....	-	328,202	(328,202)
Benefit payments.....	(8,588,753)	(8,588,753)	-
Net change.....	19,402	1,078,202	(1,058,800)
Balances at June 30, 2020.....	\$ 262,442,762	\$ 7,496,143	\$ 254,946,619

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the City recognized OPEB expense of \$5,213,642. At June 30, 2020, the City 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..... \$	-	\$ (16,852,546)	\$ (16,852,546)
Net difference between projected and actual earnings.....	-	(140,908)	(140,908)
Changes in assumptions.....	20,513,045	(2,560,160)	17,952,885
Total deferred outflows/(inflows) of resources..... \$	20,513,045	\$ (19,553,614)	\$ 959,431

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

Measurement date year ended June 30:

2021.....	\$ (960,256)
2022.....	(906,184)
2023.....	1,805,060
2024.....	945,406
2025.....	75,405
Total.....	\$ 959,431

Changes of Assumptions – The discount rate changed from 3.89% to 2.61%. Mortality projection was updated to the latest scale. Liabilities due to the impact of the Cadillac tax were removed. The participation percentage was reduced from 92.5% to 90.0% for the Teachers and from 92.5% to 85.0% for the City.

Changes in Plan Provisions – Plan coinsurance (the amount paid by the retiree) was increased from 10%/25% to 25%/35% on various plans for City retirees who retire after December 31, 2019.

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

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

	Pension Trust Fund (as of December 31, 2019)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 470,028	\$ 766,988	\$ 1,237,016
Investments:			
Investments in Pension Reserve Investment Trust.....	155,124,298	-	155,124,298
Bond mutual funds.....	-	1,849,497	1,849,497
Equity securities.....	-	1,763,427	1,763,427
Equity mutual funds.....	-	3,116,231	3,116,231
Pooled alternative investments.....	3,859,196	-	3,859,196
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	11,583	-	11,583
Interest and dividends.....	620	-	620
TOTAL ASSETS.....	159,465,725	7,496,143	166,961,868
LIABILITIES			
Warrants payable.....	71,874	-	71,874
NET POSITION			
Restricted for pensions.....	159,393,851	-	159,393,851
Restricted for other postemployment benefits.....	-	7,496,143	7,496,143
TOTAL NET POSITION.....	\$ 159,393,851	\$ 7,496,143	\$ 166,889,994

	Pension Trust Fund (as of December 31, 2019)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 8,820,047	\$ 750,000	\$ 9,570,047
Employer contributions for other postemployment benefit payments..	-	8,588,753	8,588,753
Member contributions.....	3,326,313	-	3,326,313
Transfers from other systems.....	678,857	-	678,857
3(8)c contributions from other systems.....	342,817	-	342,817
Intergovernmental.....	58,000	-	58,000
Total contributions.....	13,226,034	9,338,753	22,564,787
Net investment income:			
Net change in fair value of investments.....	12,603,473	-	12,603,473
Investment income.....	14,296,267	350,382	14,646,649
Less: investment expense.....	(881,730)	(22,180)	(903,910)
Net investment income (loss).....	26,018,010	328,202	26,346,212
TOTAL ADDITIONS.....	39,244,044	9,666,955	48,910,999
DEDUCTIONS:			
Administration.....	556,683	-	556,683
Transfers to other systems.....	726,923	-	726,923
Retirement benefits and refunds.....	14,753,944	-	14,753,944
Other postemployment benefit payments.....	-	8,588,753	8,588,753
TOTAL DEDUCTIONS.....	16,037,550	8,588,753	24,626,303
NET INCREASE (DECREASE) IN NET POSITION.....	23,206,494	1,078,202	24,284,696
NET POSITION AT BEGINNING OF YEAR.....	136,187,357	6,417,941	142,605,298
NET POSITION AT END OF YEAR.....	\$ 159,393,851	\$ 7,496,143	\$ 166,889,994

NOTE 13 - CONTINGENCIES

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2020, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

NOTE 14 - COMMITMENTS

The City has entered into contracts, or is planning to enter into contracts, totaling \$4.9 million for sewer infiltration and inflow. The purpose of these projects is to reduce inflow and infiltration of the sewer system.

The City has entered into contracts, or is planning to enter into contracts, totaling \$6.8 million for surface drainage, \$5.7 million for water meters and \$5.0 million for water main cleaning and relining.

NOTE 15 – 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 City 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 City's portion of certain revenue. The City 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 to COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

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

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 12, 2021, which is the date the financial statements were available to be issued.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncement was implemented:

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

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

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

Required Supplementary Information

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 111,316,799	\$ 111,316,799	\$ 111,706,771
Tax liens.....	-	-	-	-
Motor vehicle excise taxes.....	-	6,500,000	6,500,000	6,500,000
Hotel/motel tax.....	-	3,000,000	3,000,000	3,000,000
Meals tax.....	-	1,000,000	1,000,000	1,000,000
Penalties and interest on taxes.....	-	400,000	400,000	400,000
Intergovernmental.....	-	16,927,237	16,927,237	16,927,237
Departmental and other.....	-	2,635,000	2,635,000	2,635,000
Investment income.....	-	500,000	500,000	500,000
TOTAL REVENUES.....	-	142,279,036	142,279,036	142,669,008
EXPENDITURES:				
Current:				
General government.....	417,893	4,426,183	4,844,076	4,786,600
Public safety.....	40,207	18,627,021	18,667,228	19,994,451
Education.....	-	67,864,044	67,864,044	68,021,955
Public works.....	111,974	7,852,682	7,964,656	8,244,613
Health and human services.....	22,923	1,198,384	1,221,307	1,390,950
Culture and recreation.....	3,589	2,532,281	2,535,870	2,694,358
Pension benefits.....	-	8,384,183	8,384,183	8,384,183
Employee benefits.....	301,000	20,219,107	20,520,107	21,270,107
State and county charges.....	-	4,340,934	4,340,934	4,340,934
Capital outlay.....	3,978,879	-	3,978,879	7,295,269
Debt service:				
Principal.....	-	4,088,500	4,088,500	4,088,500
Interest.....	15,000	2,567,283	2,582,283	2,582,283
TOTAL EXPENDITURES.....	4,891,465	142,100,602	146,992,067	153,094,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(4,891,465)	178,434	(4,713,031)	(10,425,195)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	-	-	4,637,034
NET CHANGE IN FUND BALANCE.....	(4,891,465)	178,434	(4,713,031)	(5,788,161)
BUDGETARY FUND BALANCE, Beginning of year.....	-	41,669,700	41,669,700	41,669,700
BUDGETARY FUND BALANCE, End of year.....	\$ (4,891,465)	\$ 41,848,134	\$ 36,956,669	\$ 35,881,539

See notes to required supplementary information.

Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
\$ 111,254,144	\$ -	\$ (452,627)
341,670	-	341,670
7,126,786	-	626,786
3,133,196	-	133,196
1,071,942	-	71,942
312,950	-	(87,050)
16,783,303	-	(143,934)
6,605,518	-	3,970,518
764,687	-	264,687
147,394,196	-	4,725,188
4,036,887	493,089	256,624
19,124,435	77,580	792,436
66,635,045	-	1,386,910
7,658,537	293,725	292,351
1,225,569	29,084	136,297
2,536,337	10,370	147,651
8,380,277	-	3,906
20,592,994	519,500	157,613
4,340,934	-	-
3,652,249	3,284,602	358,418
4,088,500	-	-
2,432,413	-	149,870
144,704,177	4,707,950	3,682,076
2,690,019	(4,707,950)	8,407,264
4,637,034	-	-
7,327,053	(4,707,950)	8,407,264
41,669,700	-	-
\$ 48,996,753	\$ (4,707,950)	\$ 8,407,264

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability and Related Ratios 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.

The 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
WOBURN CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Total pension liability:						
Service cost.....	\$ 3,301,279	\$ 3,556,688	\$ 3,796,168	\$ 3,948,015	\$ 4,058,044	\$ 4,221,773
Interest.....	14,163,908	15,138,154	15,740,525	16,253,162	16,773,327	17,219,059
Changes in benefit terms.....	-	-	-	4,633,026	-	-
Differences between expected and actual experience.....	-	3,531,873	-	250,301	-	11,094,128
Changes in assumptions.....	6,330,561	3,810,330	-	2,400,814	-	(1,496,268)
Benefit payments.....	(11,623,361)	(12,132,587)	(12,670,224)	(13,492,850)	(13,845,511)	(14,775,506)
Net change in total pension liability.....	12,172,387	13,904,458	6,866,469	13,992,468	6,985,860	16,263,186
Total pension liability - beginning.....	179,447,442	191,619,829	205,524,287	212,390,756	226,383,224	233,369,084
Total pension liability - ending (a).....	<u>\$ 191,619,829</u>	<u>\$ 205,524,287</u>	<u>\$ 212,390,756</u>	<u>\$ 226,383,224</u>	<u>\$ 233,369,084</u>	<u>\$ 249,632,270</u>
Plan fiduciary net position:						
Employer contributions.....	\$ 5,509,350	\$ 6,000,000	\$ 6,300,000	\$ 7,616,072	\$ 8,502,325	\$ 8,820,047
Member contributions.....	2,818,594	2,889,924	2,980,864	3,027,006	3,388,457	3,326,313
Net investment income (loss).....	7,589,834	(1,511,397)	11,076,788	21,330,344	(9,252,877)	26,018,010
Administrative expenses.....	(502,889)	(567,097)	(656,009)	(615,906)	(612,291)	(556,683)
Retirement benefits and refunds.....	(11,623,361)	(12,132,587)	(12,670,224)	(13,492,850)	(13,845,511)	(14,775,506)
Other income/(expenses).....	275,496	(48,597)	(76,343)	(351,298)	(434,033)	374,313
Net increase (decrease) in fiduciary net position.....	4,067,024	(5,369,754)	6,955,076	17,513,368	(12,253,930)	23,206,494
Fiduciary net position - beginning of year.....	125,275,573	129,342,597	123,972,843	130,927,919	148,441,287	136,187,357
Fiduciary net position - end of year (b).....	<u>\$ 129,342,597</u>	<u>\$ 123,972,843</u>	<u>\$ 130,927,919</u>	<u>\$ 148,441,287</u>	<u>\$ 136,187,357</u>	<u>\$ 159,393,851</u>
Net pension liability - ending (a)-(b).....	<u>\$ 62,277,232</u>	<u>\$ 81,551,444</u>	<u>\$ 81,462,837</u>	<u>\$ 77,941,937</u>	<u>\$ 97,181,727</u>	<u>\$ 90,238,419</u>
Plan fiduciary net position as a percentage of the total pension liability.....	67.50%	60.32%	61.64%	65.57%	58.36%	63.85%
Covered-employee payroll.....	\$ 30,103,112	\$ 29,187,382	\$ 30,354,877	\$ 30,893,029	\$ 32,128,750	\$ 29,406,301
Net pension liability as a percentage of covered payroll.....	206.88%	279.41%	268.37%	252.30%	302.48%	306.87%

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

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
WOBURN CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2019.....	\$ 8,820,047	\$ (8,820,047)	\$ -	\$ 29,406,301	29.99%
December 31, 2018.....	8,502,325	(8,502,325)	-	32,128,750	26.46%
December 31, 2017.....	7,616,072	(7,616,072)	-	30,893,029	24.65%
December 31, 2016.....	6,300,000	(6,300,000)	-	30,354,877	20.75%
December 31, 2015.....	6,000,000	(6,000,000)	-	29,187,382	20.56%
December 31, 2014.....	5,509,350	(5,509,350)	-	30,103,112	18.30%

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
WOBURN CONTRIBUTORY RETIREMENT SYSTEM

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2019.....	19.36%
December 31, 2018.....	-6.30%
December 31, 2017.....	16.53%
December 31, 2016.....	9.09%
December 31, 2015.....	-1.19%
December 31, 2014.....	6.14%

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.

See notes to required supplementary information.

Pension Plan Schedules – City

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

The Schedule of the City's Contributions presents multi-year trend information on the City'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 City 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 CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
WOBURN 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
December 31, 2019.....	96.43%	\$ 87,017,000	\$ 28,356,000	306.87%	63.85%
December 31, 2018.....	96.11%	93,402,000	30,879,000	302.48%	58.36%
December 31, 2017.....	96.41%	75,144,000	29,784,000	252.30%	65.57%
December 31, 2016.....	96.84%	78,889,000	29,396,000	268.37%	61.64%
December 31, 2015.....	96.31%	78,542,000	28,110,000	279.41%	60.32%
December 31, 2014.....	96.34%	59,998,000	29,001,000	206.88%	67.50%

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 CITY'S CONTRIBUTIONS
WOBURN 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
June 30, 2020.....	\$ 8,508,000	\$ (8,508,000)	\$ -	\$ 28,923,000	29.42%
June 30, 2019.....	8,170,000	(8,170,000)	-	31,497,000	25.94%
June 30, 2018.....	7,341,000	(7,341,000)	-	30,380,000	24.16%
June 30, 2017.....	6,097,000	(6,097,000)	-	29,984,000	20.33%
June 30, 2016.....	5,777,000	(5,777,000)	-	28,672,000	20.15%
June 30, 2015.....	5,306,000	(5,306,000)	-	29,581,000	17.94%

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 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 Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2020.....	\$ 138,083,433	\$ 16,745,013	53.95%
2019.....	128,451,311	13,016,680	54.84%
2018.....	124,087,927	12,951,418	54.25%
2017.....	120,532,427	12,295,098	52.73%
2016.....	105,773,079	8,579,138	55.38%
2015.....	83,789,311	5,821,247	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 Benefit Plan Schedules

The Schedule of Changes in the City'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 the City's Contributions presents multi-year trend information on the City'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
CITY'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service Cost.....	\$ 8,202,635	\$ 8,510,235	\$ 7,556,725	\$ 8,584,478
Interest.....	9,650,090	10,061,120	10,292,477	10,375,154
Changes of benefit terms.....	-	(9,932,721)	-	(12,521,488)
Differences between expected and actual experience....	-	(12,563,884)	-	(14,228,550)
Changes of assumptions.....	-	(5,988,945)	11,774,199	16,398,561
Benefit payments.....	<u>(6,905,383)</u>	<u>(7,830,663)</u>	<u>(8,240,381)</u>	<u>(8,588,753)</u>
Net change in total OPEB liability.....	10,947,342	(17,744,858)	21,383,020	19,402
Total OPEB liability - beginning.....	<u>247,837,856</u>	<u>258,785,198</u>	<u>241,040,340</u>	<u>262,423,360</u>
Total OPEB liability - ending (a).....	<u>\$ 258,785,198</u>	<u>\$ 241,040,340</u>	<u>\$ 262,423,360</u>	<u>\$ 262,442,762</u>
Plan fiduciary net position				
Employer contributions.....	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Employer contributions for OPEB payments.....	6,905,383	7,830,663	8,240,381	8,588,753
Net investment income.....	408,430	284,197	236,003	328,202
Benefit payments.....	<u>(6,905,383)</u>	<u>(7,830,663)</u>	<u>(8,240,381)</u>	<u>(8,588,753)</u>
Net change in plan fiduciary net position.....	1,158,430	1,034,197	986,003	1,078,202
Plan fiduciary net position - beginning of year.....	<u>3,239,311</u>	<u>4,397,741</u>	<u>5,431,938</u>	<u>6,417,941</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 4,397,741</u>	<u>\$ 5,431,938</u>	<u>\$ 6,417,941</u>	<u>\$ 7,496,143</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 254,387,457</u>	<u>\$ 235,608,402</u>	<u>\$ 256,005,419</u>	<u>\$ 254,946,619</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.70%	2.25%	2.45%	2.86%
Covered-employee payroll.....	\$ 64,772,079	\$ 66,067,521	\$ 70,430,873	\$ 72,887,798
Net OPEB liability as a percentage of covered-employee payroll.....	392.74%	356.62%	363.48%	349.78%

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 CITY'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2020.....	\$ 9,338,753	\$ (9,338,753)	\$ -	\$ 72,887,798	12.81%
June 30, 2019.....	8,990,381	(8,990,381)	-	70,430,873	12.76%
June 30, 2018.....	8,580,663	(8,580,663)	-	64,772,079	13.25%
June 30, 2017.....	7,655,383	(7,655,383)	-	64,772,079	11.82%

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
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2020.....	5.04%
June 30, 2019.....	2.65%
June 30, 2018.....	6.29%
June 30, 2017.....	11.63%

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.

NOTE A - BUDGETARY BASIS OF ACCOUNTING**1. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Council. The Mayor presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Council, which has full authority to amend 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 require majority Council approval via a supplemental appropriation or Council order.

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 (salaries, expenses 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 majority vote of the Council.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2020 approved budget authorized approximately \$147.0 million in appropriations, carryforwards, and other amounts to be raised. During 2020, the Council also approved supplemental appropriations totaling approximately \$6.1 million. The change is primarily due to increases in appropriations for public safety, employee benefits and capital outlay.

The City Auditor has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the City's accounting system.

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2020, is presented below:

Net change in fund balance - budgetary basis.....	\$ 7,327,053
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(3,291,059)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(139,461)
Net change in recording 60 day receipts.....	981,000
Net change in recording accrued payroll.....	499,489
Recognition of revenue for on-behalf payments.....	16,745,013
Recognition of expenditures for on-behalf payments.....	<u>(16,745,013)</u>
Net change in fund balance - GAAP basis.....	\$ <u>5,377,022</u>

NOTE B – PENSION PLAN***Pension Plan Schedules – Retirement System***Schedule of 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 System's total pension liability, changes in the System's 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.

Schedule of 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 and January 1. 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 appropriations are allocated amongst employers based on covered payroll.

Schedule of Investment Return

The money-weighted rate of return 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 – CitySchedule of the City's Proportionate Share of the Net Pension Liability

The Schedule of the City'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 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 the City'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 and January 1. The City may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation".

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 City 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 City; the portion of the collective pension expense as both revenue and pension expense recognized by the City; and the Plan's fiduciary net position as a percentage of the total liability.

Changes of Assumptions – The mortality assumption was changed to the RP-2014 Total Employee and Healthy Annuitant Mortality Tables, rolled back to 2006 and projected with Mortality Improvement Scale MP-2019. Mortality for disabled members is represented by the RP-2014 Disabled Mortality Table, rolled back to 2006 and projected with Mortality Improvement Scale MP-2019.

Changes in Plan Provisions – None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan (Plan). The plan provides lifetime healthcare and prescription drug benefits for eligible retirees and their spouses through MIIA, which is a premium based self-insurance group that covers both active and retired members, including teachers.

The Other Postemployment Benefit PlanA. The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the City'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.

B. Schedule of the City's Contributions

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

Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Market value of assets with payables and receivables.
Discount rate.....	2.61% net of investment expenses, previously 3.89%.
Projected salary increases.....	3.50%. Overall payroll increase rate, including new entrants of 3.00% per year.
Healthcare cost trend rate.....	7.00% initially decreasing to 5.00% over 26 years.

Mortality rates:

Actives.....	The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Employees projected using generational mortality and scale MP-2020.
Retirees.....	The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2020.
Disabled.....	The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2020. Set forward 2 years.

C. Schedule of Investment Returns

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

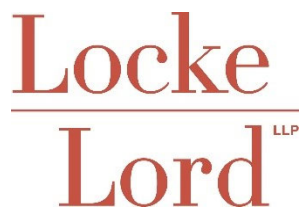
D. Changes of Assumptions

The discount rate changed from 3.89% to 2.61%. Mortality projection was updated to the latest scale. Liabilities due to the impact of the Cadillac tax were removed. The participation percentage was reduced from 92.5% to 90.0% for the Teachers and from 92.5% to 85.0% for the City.

E. Changes in Plan Provisions

Plan coinsurance (the amount paid by the retiree) was increased from 10%/25% to 25%/35% on various plans for City retirees who retire after December 31, 2019.

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(Date of Delivery)

Timothy J. Donovan, Treasurer
City of Woburn
Woburn, Massachusetts

\$30,950,000
City of Woburn, Massachusetts
General Obligation Municipal Purpose Loan of 2021 Bonds
Dated July 15, 2021

We have acted as bond counsel to the City of Woburn, Massachusetts (the “City”) in connection with the issuance by the City 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 City 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 City 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 City, 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 City with all requirements of the Internal Revenue Code of 1986, as amended 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 City has covenanted to comply with all such requirements. Failure by the City to comply with certain of such

requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

3. Interest on the Bonds is exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

LOCKE LORD LLP

**PROPOSED FORM OF
CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Woburn, Massachusetts (the “Issuer”) in connection with the issuance of its \$30,950,000 General Obligation Municipal Purpose Loan of 2021 Bonds dated July 15, 2021 (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 June 29, 2021 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, with certain exceptions permitted by the Massachusetts Uniform Municipal Accounting System promulgated by the Department of Revenue of the Commonwealth. 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.†

* 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.

(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 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: July 15, 2021

CITY OF WOBURN, MASSACHUSETTS

By _____
Treasurer

Mayor

City Auditor

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