

FINAL OFFICIAL STATEMENT DATED APRIL 9, 2025

CITY OF QUINCY, MASSACHUSETTS

\$25,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated
April 15, 2025

Due
July 9, 2025

<u>Number</u>	<u>Award</u>	<u>Coupon Rate</u>	<u>Yield</u>	<u>CUSIP</u>
1	\$ 25,000,000	6.00%	3.30%	748508 Y85

Fidelity Capital Markets

Purchaser

The provisions of the accompanying PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MARCH 31, 2025 supplemented and modified hereby, are incorporated in and made part of this Final Official Statement.

Hilltop Securities Inc.

Municipal Advisor

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MARCH 31, 2025

S&P Global Ratings: SP-1+

In the opinion of Troutman Pepper Locke LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Notes will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes 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 Notes. See "Tax Exemption" herein. The Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

**CITY OF QUINCY, MASSACHUSETTS
\$25,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The City of Quincy, Massachusetts (the "City") will receive telephone and electronic bids at Hilltop Securities Inc., (617-619-4400) in the case of telephone bids and via PARITY in the case of electronic bids until 11:00 a.m., Eastern Time, Wednesday, April 9, 2025, for the purchase of the following described General Obligation Bond Anticipation Notes of the City:

\$25,000,000 General Obligation Bond Anticipation Notes (the "Notes") (new money) dated April 15, 2025 and payable July 9, 2025. Interest on the Notes will be calculated on a 30 day-month/360 day-year basis (84/360). The Notes will not be subject to redemption prior to their stated maturity date.

Bids may be submitted electronically via **PARITY** pursuant to this Notice of Sale until 11:00 a.m., Eastern Time, on Wednesday, April 9, 2025 but no bid will be received after the time for receiving bids specified above. 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 Hilltop Securities Inc. or **PARITY** at (212) 404-8102.

Bids may be submitted for all or part of the Notes at a single or various rates of interest in multiples of one-hundredth (1/100) of one percent (1%). No bid for less than par and accrued interest to the date of delivery will be considered. **A premium of at least \$3.00 must be included for each \$1,000 bid.** The Notes will be awarded on the basis of lowest net interest cost to the City.

An electronic bid made in accordance with this Notice of Sale for the Notes shall be deemed an offer to purchase such Notes 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.

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by e-mailing a completed, signed bid form to Hilltop Securities Inc. by not later than 12 noon, Eastern Time, on the date of sale.

The award of all or a portion of the Notes to a winning bidder (each, a "Successful Bidder") will not be effective until the respective bid has been approved by the Treasurer and Mayor.

The Notes will be awarded on the basis of lowest net interest cost to the City. Such cost will be determined by computing the total amount of interest payable on the Notes, at the rate or rates stated, from April 15, 2025 until the maturity of such Notes and deducting therefrom the sum, if any, by which the amount bid for the Notes exceeds the aggregate principal amount of the Notes. In the event a bidder offering a premium for the Notes is awarded a lesser amount of Notes than bid, the premium shall be reduced proportionately. The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid.

A Successful Bidder for all or a portion of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of The Depository Trust Company. The Successful Bidder seeking the issuance of any Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have all or a portion of the Notes issued in the form of fully registered physical certificates, rather than in book-entry form, shall indicate this preference to the City at the time of the submission of the winning bid. The City reserves the right to decline any request to issue all or a portion of the Notes in non-book entry form if it should determine, in its sole discretion, that issuing all or a portion of the Notes in this manner is not in its best interests.

Establishment of Issue Price. The following applies to each Successful Bidder with respect to the portion of the Notes awarded to such Successful Bidder.

Any Successful Bidder shall assist the City in establishing the issue price of the Notes 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 price to the public or the actual sale price of the Notes, 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 Notes may be taken on behalf of the City by Hilltop Securities, Inc. (“Municipal Advisor”) and any notice or report to be provided to the City may be provided to the Municipal 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 Notes) have been satisfied, the City will furnish to the Successful Bidder on the Closing Date a certificate of the Municipal 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 Notes to the bidder who submitted a firm offer to purchase the Notes 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 Notes, as specified in the bid. Unless a bidder notifies the City prior to submitting its bid by email to the Municipal Advisor, telephone (617) 619-4400, or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Notes, 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 Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Notes 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 Notes 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 Notes to the public, the Successful Bidder may, at its option, use the first price at which 10% of the Notes (the “10% Test”) is sold to the public as the issue price of the Notes. The Successful Bidder shall advise the Municipal Advisor if the 10% Test is satisfied as of the date and time of the award of the Notes. The City will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations if this option is chosen.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to the Notes or all of the Notes are sold to the public, the Successful Bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Notes 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 the Notes or until all the Notes have been sold. The Successful Bidder shall be obligated to report each sale of Notes to the Municipal Advisor until notified in writing by the City or the Municipal Advisor that it no longer needs to do so.

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 Notes 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 Notes allotted to it until it is notified by the Successful Bidder that either the 10% Test has been satisfied as to the Notes or all of the Notes 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 Notes 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 Notes 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 Notes 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 Notes or that all of the Notes 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 Notes 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 Notes 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 Notes 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 Notes to the public), and
3. a purchaser of any of the Notes 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 Notes to the Public and Agrees to Hold the Price of Maturities of Notes 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 Municipal Advisor in writing, which may be by email (the "Hold the Price Notice"), not later than 4:00 p.m. on the Sale Date, that it has not sold 10% of the maturities of the Notes 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 Municipal Advisor, the Successful Bidder must provide to the City on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Notes, including underwriters in an underwriting syndicate or selling group, had 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 Notes to the Public – Option C. If the Successful Bidder has purchased the Notes for its own account and will not distribute, reoffer or resell the Notes 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 Notes was made.

Principal of and interest on the Notes will be payable upon maturity in Federal Reserve funds at the U.S. Bank Trust Company National Association, Boston, Massachusetts. The Notes will not be subject to redemption prior to maturity. The Notes will be issued by means of a book-entry system evidencing ownership, in principal amounts of \$1,000, or integral multiples thereof, and transfer of the Notes on the records of The Depository Trust Company and its Participants pursuant to the rule and procedures adopted by The Depository Trust Company, unless the issuance of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the City (See Preliminary Official Statement, "Book-Entry Transfer System").

A Successful Bidder will be furnished, without cost, an opinion of Troutman Pepper Locke LLP, Boston, Massachusetts approving the legality of the Notes purchased by such purchaser (see "Tax Exemption" and "Opinion of Bond Counsel" herein) and stating that they are valid and binding general obligations of the City of Quincy, Massachusetts, and unless paid from the bond proceeds in anticipation of which such Notes are issued or from other available moneys, the principal of and interest on such Notes are payable from taxes which may be levied upon all taxable property subject to the limit imposed by Chapter 59, Section 21C of the General Laws; provided that taxes levied on certain taxable property located

within a development district established by the City pursuant to Chapter 40Q of the General Laws may be restricted and unavailable to pay the principal of and interest on the Notes.

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

Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source.

It shall be a condition of a Successful Bidder's obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting the Notes and paying therefor, it shall be furnished, without cost, with (a) the approving opinion of the firm of Troutman Pepper Locke LLP, Boston, Massachusetts, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery such Notes and receipt of payment therefor, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of such Notes or the power of the City to levy and collect taxes to pay them, and (c) a certificate of the City Treasurer to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of its date and the date of sale and the Final Official Statement as of its date and the date of delivery of the Notes, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (d) a Significant Events Disclosure Certificate in the form described in the Official Statement.

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

THE NOTES 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 Notes in definitive form, will be delivered to The Depository Trust Company or to the office of its custodial agent, or to the registered owner if a fully registered certificate is requested by a Successful Bidder and approved by the City, on or about April 15, 2025, against payment to the City in federal reserve funds.

Additional information concerning the City of Quincy and the Notes is contained in the Preliminary Official Statement dated March 31, 2025 to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes, and is not a part of this Notice of Sale. The Preliminary Official Statement has been deemed final by the City except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters, and the identity of the underwriters, but is subject to change without notice and 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, Suite 320, Boston, Massachusetts 02114 (Telephone: 617-619-4400). Within seven business days following the award of the Notes and receipt of necessary information from the Successful Bidder(s), 5 copies of the Final Official Statement will be made available to the Successful Bidder(s). Upon request, additional copies will be provided at the expense of the Successful Bidder(s).

CITY OF QUINCY, MASSACHUSETTS
/s/ Molly Smith, City Treasurer-Collector

March 31, 2025

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

City of Quincy, Massachusetts
\$25,000,000 General Obligation Bond Anticipation Notes dated April 15, 2025

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 "Notes") of the City of Quincy, Massachusetts (the "Issuer").

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes 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 Notes used by the Successful Bidder in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Notes.

(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 Notes.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes 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 Notes. The Sale Date of the Notes is April 9, 2025.

(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 Notes 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 Notes 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 Notes to the Public).

3. Receipt. The Successful Bidder hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the Notes, 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 Bidders 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 Notes, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Notes 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 Notes.

Dated: _____, 2025

[NAME OF SUCCESSFUL BIDDER]

By: _____
 Name:
 Title:

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 Hold the Price Rule Is Not Used]
City of Quincy, Massachusetts
\$25,000,000 General Obligation Bond Anticipation Notes dated April 15, 2025
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 “Notes”) of the City of Quincy, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in the following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes 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 Notes have not been sold for one or more Maturities of Notes as of the Closing Date.]

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

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes 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 Notes 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 Notes 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 Notes to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes 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 Notes, 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 Notes, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Notes 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 Notes.

Dated: _____, 2025

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____
Name:
Title:

**SALE PRICES
(To be Attached)**

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Used]**

**City of Quincy, Massachusetts
\$25,000,000 General Obligation Bond Anticipation Notes dated April 15, 2025**

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 “Notes”) of the City of Quincy, Massachusetts (the “Issuer”).

- 1. Sale of the Notes.** As of the date of this certificate, [except as set forth in following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes 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 Notes as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Notes, the [Successful Bidder][Representative] and any other Underwriter did not [and will not] reoffer the Unsold Maturities at a price higher than the initial offering price to the Public until the earlier of (i) _____, 2025 or (ii) the date on which the [Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

- 2. Defined Terms.**

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes 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 Notes 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 Notes 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 Notes to the Public).

- 3. Receipt.** The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes 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 the Notes, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder’s][Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Notes 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 Notes.

Dated: _____, 2025

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

SCHEDULE A
SALE PRICES
(To be Attached)

**OFFICIAL STATEMENT
CITY OF QUINCY, MASSACHUSETTS**

\$25,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

The purpose of this Official Statement is to furnish certain information regarding the City of Quincy, Massachusetts (hereafter referred to as the "City") and the \$25,000,000 principal amount of the City's General Obligation Bond Anticipation Notes (the "Notes"). The information contained herein has been furnished by the City, except information attributed to another source.

The Notes

The Notes will be dated April 15, 2025 and will mature July 9, 2025 without the option of prior redemption. The Notes will bear interest payable at maturity at the rate(s) determined in accordance with the Notice of Sale and Official Statement dated March 31, 2025. The Notes will be issued by means of a book-entry-transfer system, evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to the rules and procedures adopted by DTC, unless the delivery of a fully registered note certificate is requested by a successful bidder for the Notes (each, a Successful Bidder") and the issuance of such certificate is approved by the City. (See "Book-Entry-Transfer System" herein.)

Authorization of the Notes and Use of Proceeds

The following sets forth the principal amounts, purposes, total amounts authorized, dates of City approval, and statutory references for the projects financed with the proceeds of the Notes. Note proceeds may be transferred or re-appropriated to other capital projects to the extent projects are completed or abandoned and such proceeds remain unspent, or otherwise to the extent permitted by Chapter 44 of the General Laws and applicable federal tax law.

This Issue	Purpose	Total Amount Authorized	Date Approved	Order	Statutory Authority (M.G.L., as amended)
\$ 3,000,000	Sewer Infrastructure Improvements, Sewer Vehicle & Washdown Facility	\$ 24,000,000	11/13/2024	2024-122	C. 44, s. 8(14)
1,000,000	Squantum Elementary School Feasibility Study & Design	1,000,000	6/18/2024 & 1/23/2025	2024-059	C. 44, s. 7(7) or C. 70B
800,000	Additional Squantum Elementary School Design & Construction	1,800,000	10/8/2024 & 2/25/2025	2024-096	C. 44, s. 7(1) or C. 70B
500,000	Water Infrastructure Improvements	5,500,000	11/13/2024	2024-123	C. 44, s. 8(7A)
19,700,000	Squantum Elementary School Design & Construction	108,712,832	12/17/2024	2024-126	C. 70B
<u>\$ 25,000,000</u>					

The City anticipates that the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes, other available funds of the City, or a combination of such sources. The ability of the City to retire the Notes from the proceeds of the sale of either renewal notes or long-term bonds will be dependent on the marketability of such notes or long-term bonds under market conditions prevailing at the time they are offered for sale, which are subject to change due to factors beyond the control of the City.

Tax Exemption

In the opinion of Troutman Pepper Locke 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 Notes 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 Notes will not be included in computing the alternative minimum taxable income of Noteholders who are individuals. However, interest on the Notes will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes. The Notes will not be 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 Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The City has covenanted to comply with such requirements to ensure that interest on the Notes 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 Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes 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 Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), 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 Notes 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 Notes 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 Notes is sold to the public, as applicable. The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes 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 Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes 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 Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note 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 Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Although Bond Counsel is of the opinion that interest on the Notes 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 Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes 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 Noteholder or the Noteholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders 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 Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. 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 Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, Noteholders 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 Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the

interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

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

Book-Entry Transfer System

The following section shall apply to the Notes unless the Successful Bidder requests and the City approves the delivery of a fully registered physical certificate to such bidder.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, 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 Standard & Poor's AA+ rating. 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 deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 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.

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

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

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

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

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 (see "*Serial Bonds and Notes*" under "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 "DEBT LIMITS" below.) Upon certification by the city solicitor or town council that no appeal can or will be taken, or as otherwise required by a municipality's charter, ordinances, or by-laws, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made. Any such payments shall be reported to the city or town's assessors by the city or town's auditor or accountant (or other officer having similar duties). The assessors shall include amounts of such payments in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate.

Court Proceedings. 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 “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 or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth’s Clean Water and Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

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

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

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, however, 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 unqualified approving opinion as to the validity of the Notes will be rendered by Troutman Pepper Locke LLP, Boston, Massachusetts, Bond Counsel. The opinion will be dated the date of original delivery of the Notes and will speak only as of such date.

Except as to matters expressly set forth in their opinion, the scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statement made in this Official Statement, and they make no representation that they have independently verified the same.

Municipal Advisory Services of Hilltop Securities Inc.

Hilltop Securities Inc., Boston, Massachusetts, serves as Municipal Advisor to the City.

Disclosure of Significant Events

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the City will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the City; (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; (o) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the City to comply with any provision of the certificate shall be an action for specific performance of the City's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

The City believes that, in the past five years, it has complied in all material respects with all previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

CITY OF QUINCY, MASSACHUSETTS

General

The City is located in Norfolk County. Originally settled in 1625 as a part of Braintree, Quincy was established as a town in 1792 and incorporated as a city in 1888. Quincy has a population of approximately 101,636 (according to the 2020 Federal Census) and occupies a land area of approximately 16.5 square miles. The City is bordered by Milton on the west, Boston on the northwest, the Atlantic Ocean on the north and east, and Weymouth, Braintree and Randolph on the south. The City is governed by a Mayor and a nine-member City Council. The Mayor is elected every four years and the City Council is elected biennially. All executive officers, other than the Mayor, are appointed.

Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term Expires</u>
Mayor	Thomas P. Koch	Elected	December 2027
City Auditor	Susan M. O'Connor	Appointed by City Council	December 2027
Director of Municipal Finance	Eric Mason	Appointed by Mayor	February 2026
Treasurer-Collector	Molly Smith	Appointed by Mayor	February 2026
City Clerk	Nicole L. Crispo	Appointed by City Council	April 2025

Coronavirus (COVID-19) Disclosure

Pursuant to M.G.L. c. 44, § 31, the City set up a fund specifically related to COVID-19 expenses to capture all costs related to the COVID-19 pandemic and deficit spend for these costs, including but not limited to, overtime, cleaning and medical supplies, and IT equipment. The City received \$8,338,903 in Federal CARES Act funds and reported 100% of this allocation as COVID-19 expenses. Additionally, the City received \$1,169,896 in FEMA reimbursements for COVID-19 expenses.

The loss in local revenue receipts as a result of the COVID-19 pandemic had a negative impact on the City's operations in fiscal years 2020 and 2021 and required the use of reserves. See "Financial Statements", "Unassigned General Fund Balances and Free Cash", and "Stabilization Fund Balance" herein. In fiscal years 2022 and 2023 local receipts returned to levels sustained prior to the COVID-19 pandemic, and that trend is expected to continue in fiscal year 2024 (see "Estimated Fiscal 2024 Year End Results" herein).

The City has received \$45,316,692 in American Rescue Plan Act ('ARPA') funds from the federal government (its entire allocation) and through August 29, 2024 the City has spent \$44,027,976. The City was also eligible to receive an additional \$17,799,199 in ARPA funding from Norfolk County. To date, the City has been granted and awarded the full \$17,799,199 in ARPA funds from Norfolk County.

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 kindergarten through twelve, a community college, water and sewer services, street maintenance, parks and recreation facilities. The City's water and sewer departments provide water and sewer services to all commercial, industrial and residential users in the City with certain water supply and sewer disposal services provided by the MWRA.

Quincy College, founded in 1956 is the oldest public community college in eastern Massachusetts. The College is administered by a Board of Governors and offers degree programs in liberal arts, health, business administration, computer science and criminal justice. The College is financed as a revolving account of the City and has a student body of approximately 5,000 day and evening students.

Principal City Facilities

The City maintains a police station, a central fire station and seven neighborhood fire stations. The City operates 11 elementary schools, 5 middle schools, 2 high schools, one vocational-technical high school and one early child development school. See "Education" herein for additional information on its facilities. The City has 350 acres of park land. Recreational facilities include 23 tennis courts, 7 baseball diamonds and 27 softball diamonds, 31 children's playgrounds, 35 outdoor basketball courts, 6 street hockey courts, 5 soccer fields, 3 football fields, 2 public picnic areas, an all-season AAU swimming pool, a municipal stadium and 12 public beaches.

Historical Information

Settled in 1625, Quincy was the birthplace of John Hancock, president of the Continental Congress during the American Revolution, as well as the birthplace and home of two presidents of the United States, John Adams and his son John Quincy Adams. The City was primarily an agricultural community until about 1830, when tanning and later the quarrying of granite contributed to the City's industrialization. Quincy's first shipyard was established in 1884, and by 1914 the City was recognized as one of the major shipbuilding centers in the world.

Transportation and Utilities

The principal highways serving Quincy are State Route 3, the Southeast Expressway, and Interstate Route 93 (State Route 128). The MBTA provides bus service to neighboring towns, rapid transit service via the Red Line to downtown Boston and commuter rail service on the Old Colony line. The City has benefited from the expansion of the Red Line and now has four modern MBTA subway stations – North Quincy, Wollaston, Quincy Center and Quincy/Adams, all located within the City's boundaries. A Quincy Center commuter rail station opened in the fall of 1997 in connection with the expansion of commuter rail service to the South Shore. The Burgin Parkway Extension is a 1.2-mile roadway project, providing direct access to downtown Quincy from Routes 3 and 128.

Gas and electric services are provided by established private utilities.

Climate Change

The City of Quincy has taken significant strides to plan for, address, and mitigate the effects of climate change. As storm intensities and rising sea levels threaten the capital assets within the City, the City has undertaken several projects aimed at addressing the impact of climate change, including substantial sea wall improvements, flood mitigation through drainage improvements, green infrastructure, and the undergrounding of critical utilities. Seawall improvements, made during Fiscal Year 2019 and Fiscal Year 2020 and totaling in excess of \$10 million, have reinforced coastal fortifications in the most vulnerable areas of the City. Multiple drainage projects in every area of the City have added billions of gallons for flooding capacity to historically flood-prone areas. Of note, the City recently completed Kincaide Park, which featured extensive underground flood prevention measures. The City has also prioritized the rehabilitation of green infrastructure, such as marshes, ponds, and beaches. These efforts are to enhance the natural flood prevention that these features offer, and include dredging sediment-laden ponds, improved tidal flood gate management, combating invasive flora species, nurturing and replenishing beaches, and prioritizing tree management. The City has also engaged in extensive undergrounding of vital utilities. The undergrounding of utilities removes both potential falling tree damage and water damage during storms, allowing the City to substantially reduce costs incurred during storm events.

Furthermore, the City actively considers the threat of climate change in financial models and planning efforts. The City has conducted a robust review of the effects of climate change on the City, producing a Hazard Mitigation Plan, Coastal Zone Management Plan, Open Space Plan, and Emergency Management Plan, among other efforts. Through these plans, the City identifies and analyzes the financial, economic, and social threats that climate change poses to the City. These plans are not static and are constantly being updated.

Cybersecurity

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, including devices, connectivity, servers and software. As a recipient and provider of personal, private, or sensitive information, the City may be subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage.

The City has implemented procedures and protocols to protect against malicious activity targeting critical technology infrastructure. The City regularly reviews and upgrades these procedures and protocols to guard against such cyberattacks. The City's IT Department recently upgraded the Citywide Communication Platform including its email system, servers, storage capacity, increasing efficiencies and network speed. No assurances can be given that the City's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City.

The Quincy Contributory Retirement System (the "System") was the subject of a cyber-hack in 2020 involving the use of compromised email credentials to effect a fraudulent transfer of approximately \$3.5 million of the System's assets held by one of the System's 35 investment managers. Although the System is an independent political entity from the City, the City operates the System's IT services. The System is taking steps to recover the funds from this investment manager;

and continues to work with law enforcement to retrieve the funds. However, none of the transferred funds have been recovered to date, either through insurance claims or legal action. The System, in coordination with the City, has implemented improved cybersecurity and financial controls and procedures to prevent similar incidents in the future, including an in-house quality assurance protocol, multi-factor authentication process, and enhanced firewall system.

On February 3, 2022, the City identified irregularities in the operation of certain software utilized by the City's Police Department. In the process of identifying the cause of these irregularities, it became evident that the City's information technology systems had been the subject of a ransomware attack. The City contacted its security contractor and, together with the City's information technology staff, commenced an inspection of each device with access to the City's network. Portions of the City's systems were shut down for a period of one to four days to complete this work. Once the inspection was completed, the City determined that the attack did not reach its financial management or employee information systems. No ransom was paid in response to this incident. The City has identified the attackers' access point into the City's network and has taken steps to address that vulnerability.

Industry and Commerce

Today, Quincy is a diversified commercial center and industrial/residential city. Finance, insurance and real estate and services are the primary economic pursuits, followed by wholesale and retail trade. The following table lists the major categories of income and employment from 2019 through 2023.

Industry	Calendar Year				
	2019	2020	2021	2022	2023
Construction	2,823	2,218	2,254	2,198	2,265
Manufacturing	525	465	457	438	395
Trade, Transportation and Utilities	5,518	5,417	5,731	5,810	5,680
Information	2,874	2,885	2,893	3,351	2,177
Financial Activities	11,688	10,968	10,400	9,830	9,580
Professional and Business Services	7,136	6,359	3,767	6,167	7,238
Education and Health Services	11,513	10,514	11,242	11,140	11,049
Leisure and Hospitality	4,367	3,214	3,654	3,947	4,096
Other Services	3,585	3,222	1,397	3,522	3,708
Total Employment	50,029	45,262	41,795	46,403	46,188
Number of Establishments	3,568	3,586	3,745	3,814	3,702
Average Weekly Wages	1,330	1,421	1,428	1,484	1,516
Total Wages	\$ 3,460,915,042	\$ 3,345,376,092	\$ 3,443,143,184	\$ 3,580,426,122	\$ 3,640,417,111

Source: Massachusetts Department of Labor and Workforce Development. 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.

A prolonged period of economic growth in the City continued through 2023, including progress on the years-long effort to redevelop the downtown area into a commercial and residential hub after decades of stagnation.

The first major mixed-use building, West of Chestnut, to be built in the downtown in decades achieved full leasing in 2017 for its 169 apartment units and 15,000 square feet of retail space. Cliveden Place, a mixed-use development of 56 luxury condominiums and 10,000 square feet of retail, opened its first of two buildings in 2017 and was completed in the summer of 2019. An additional 171 units of high-end apartments and 10,000 square feet of retail space, known as Nova Residences, began construction in the last quarter of 2017 and was completed in the fall of 2019. To date, a total of more than 500 units of housing have been permitted and constructed throughout the downtown area – with several hundred more in various stages of planning and permitting.

The City's tallest building at 15 stories, the luxury residential tower Chestnut Place, received its occupancy certificate for residential units in August 2019 and the associated commercial space has been filled by Harbor One Bank.

As part of the City's downtown redevelopment plan, in early 2024, the City completed the taking by eminent domain of 119 Parkingway, the site of an IHOP restaurant, in early 2024. This taking marks the City's fourth and final land acquisition in the downtown area using \$53 million in DIF approved in 2022 (\$27.7 million of which was dedicated to land acquisition). Plans for 119 Parkingway include an approximately 300-unit apartment building alongside an eight-story public parking garage, as well as retail space.

Of the remaining three properties, two (1455 and 1459 Hancock Street) were purchased by the City in 2022 and one (1620 Hancock Street) was acquired by eminent domain in July of 2023. Once acquired, the properties were transferred

to a designated developer through a land disposition agreement. Plans for 1455 and 1459 Hancock Street include demolition of the existing buildings and construction of a park and patio space between two future high-rise residential buildings as well as a restaurant on the ground floor. Plans for the redevelopment of 1620 Hancock Street are still underway and construction is tentatively planned to begin during Fall 2024.

In late 2016, the Mayor designated FoxRock Development LLC (“FoxRock”) as the master developer for a different 8-acre area of the downtown. Located at 100 Parkingway, the site which once included a municipal parking garage was demolished in 2016 to create a development pad. A development agreement, including the disposition of the publicly owned former garage site, was approved by the City Council in June 2019. The project, consisting of a comprehensive, multi-specialty ambulatory center operated by Beth Israel Deaconess Medical Center, will provide a full spectrum of healthcare services, including primary care, urgent care, cardiology, OBGYN, cancer care, orthopedics, a full suite of diagnostic radiology services, lab services and a retail pharmacy. Construction on this project is planned to begin in early 2025 and will include the construction of a second parking garage.

The preliminary development agreement for the Ross Parking Area development includes provisions relating to the re-use and redevelopment of the former Quincy Medical Center, which was purchased by FoxRock in 2016. The firm is currently in the process of building 600 units of luxury housing on this site, known as Ashlar Park. Construction of Ashlar Park, consisting of a five-building apartment complex located on Whitwell Street, is complete and leasing for the 132 apartments in its Skyline Building has commenced. Move-ins began on September 15, 2023 and final occupancy is expected during Summer 2024. The Skyline Building is the second residential building to open, following the 65-unit Harbor Building, which began leasing in May 2023. The Harbor Building and the Skyline Building are considered phase one of the Ashlar Park project. With all but five of the Harbor Building’s apartments leased, and with several leases signed in the opening week of Skyline Building, traffic is expected to be brisk for phase two of the Ashlar Park project. Construction of the Ashlar Park Complex is complete. The location of the 15-acre site is within walking distance to all the restaurants and shopping in downtown Quincy. Additionally, the Ross Parking Area development is anticipated to include one million square feet of office and commercial space, with a focus on medical space.

In December 2017, the City and the MBTA selected a master developer for the area that includes the Quincy Center Red Line and commuter rail station. Preliminary plans call for more than 250,000 square feet of commercial space, ground-floor retail, and as many as 600 units of housing. The project is still in the early planning stages.

The development of downtown fits within the guidelines set by the City’s Urban Revitalization and Redevelopment Plan, as approved by the Mayor and the City Council. Ultimately, the City anticipates creating more than 2 million square feet of new development with a private investment totaling more than \$1 billion.

The private investment in downtown development is leveraged by public infrastructure improvements, financed in large part by more than \$70 million in state and federal grant funding used to pay for major projects throughout the downtown area. The City has also financed major infrastructure through DIF, which uses the newly created property tax revenue from new developments to pay for infrastructure projects in the downtown area.

The City has seen its largest share of growth in the residential sector. Since 2014, over 4,000 units have been built or permitted throughout the City, with larger projects surrounding the City’s major transportation hubs. Together these projects are expected to total more than \$1 billion in private investment.

In February 2019, “The Abby”, the City’s largest development project to date began construction at the North Quincy MBTA station. The project consists of a 3-building, 610-unit residential apartment complex and a Target retail store. Two of the three residential apartment buildings and the Target store opened in September 2021, and the third residential building was completed at the end of 2022. The City anticipates further economic development projects at its Wollaston and Quincy Adams MBTA stations with renovations at Wollaston Station completed in August 2019 and renovations at Quincy Adams Station currently underway. These station projects are coupled with a major investment from the Commonwealth to purchase state-of-the-art new Red Line cars and build a new signal system along the line – both of which are anticipated to improve service on the Red Line in coming years.

A 180-room hotel in North Quincy, a few blocks from the MBTA station, was opened in the summer of 2019.

Granite Telecommunications continues its growth, more than doubling its workforce since 2013 and adding a second office building on Newport Avenue in North Quincy to its headquarters campus with the assistance of a tax increment financing agreement with the City. Pursuant to this agreement, the developer and the City agreed on a reduction in annual property taxes for a fixed period of time. The firm currently has more than 3,000 employees.

In 2024, Granite Telecommunications FoxRock acquired an office building at 1200 Crown Colony Drive from FoxRock to expand its growing footprint in the City. The 236,491 square foot building is in the centrally located Crown Colony Office

Park, a half mile from the Quincy Adams MBTA stop and adjacent to the I-93 and route 3 interchange. The property will be home to approximately 200 additional full-time employees in the City.

In 2016, FedEx purchased a 600,000-square foot warehouse from Boston Scientific, a world leading manufacturer of medical devices, and completed renovating the building into a regional distribution facility in 2018. Boston Scientific was not utilizing the space because of technological advances made in recent years at its existing Quincy facility. Boston Scientific undertook over \$60 million in renovations to the Quincy facility under a tax increment financing agreement approved by the City in 2010.

The City’s first major office building to be certified to LEED construction standards opened in 2010 after a several-million-dollar renovation. The building, at 100 Hancock Street, is now more than 90 percent occupied with the addition of 400 workers from the State Department of Public Health. Additionally, the City is in the planning stages for a new Quantum Elementary School, which is expected to be LEED certified. Construction is expected to begin in August 2025.

At the former Fore River Shipyard, redevelopment efforts are well underway and producing new revenue for the City. Construction was completed in 2011 on a new 54,000 square foot research and manufacturing headquarters for Bluefin Robotics, a leading manufacturer of autonomous underwater vehicles, and the firm has now reached full employment of 200 under its tax increment financing agreement with the City. Additionally, Anduril Industries, a leading defense and space manufacturer, has plans to expand operations and staffing at its existing plant on this site.

In 2010, the New England Aquarium finished renovation work on a 25,000 square foot building at the shipyard, and opened a new research, rescue and holding facility for marine animals. The site is now the home of the aquarium’s Marine Animal Rescue Team and is used to hold animals prior to major exhibits.

On a larger portion of the shipyard, Daniel Quirk continues to move forward on a redevelopment master plan and is currently in the planning and negotiation stages of several major projects. It should be noted that the City had not levied taxes on this property for more than a decade after the site closed to shipbuilding activity. The property is now back on the tax rolls.

On May 2, 2024, the City issued its \$9,615,000 General Obligation Roadway and Sidewalk Bonds (Digital Debt Service Issue), dated May 2, 2024 and due May 1, 2025 through May 1, 2031, inclusive, one of the first series of bonds in the United States to be issued on a blockchain-based platform using distributed ledger technology (“DLT”). The bonds were issued to finance various street and sidewalk repairs and improvements. In recent years, the City has supported DLT enterprises through sponsorship of Boston Blockchain Week and partnerships with Blockchain research and development initiatives at QUBIC Labs in support of its local innovation economy.

Additionally, the City recently acquired a parcel of land located at 570-580 South Street (Quincy Assessor’s Office Parcel 2068/13/7). The parcel is approximately 23,200 square feet (0.53 acres) of fully improved land, containing a 3,024 square foot masonry block structure serving as a six bay self-service carwash. The City acquired the parcel due to its unique location adjacent to the City’s Cleverly Court park, soccer fields, and parking lot. The parcel will be used for a future expansion of the public park and parking lot.

Largest Employers

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

Name	Nature of Business	Approximate Current Employment
State Street Bank and Trust Company	Bank Operations and Processing	3,774
Granite Telecommunications	Telecommunications Company	2,000
Boston Financial Data Services	Financial Services	1,419
Arbella Mutual Insurance Company	Insurance Company	1,100
Stop & Shop	Corporate Headquarters/Supermarket	1,720
Harvard Pilgrim Health Care	Health Care Company	587
Boston Scientific Corporation	Medical Device Manufacturer	470
Quirk Auto	Auto and Truck Sales, Service, and Parts	350
National Fire Protection Association	Insurance Company	265
Marriott Quincy Hotel	Hotel	213

SOURCE: City, August 2024.

Labor Force, Employment and Unemployment Rates

According to the Massachusetts Department of Employment and Training preliminary data, in November 2024 the City had a total labor force of 56,800 of which 54,553 were employed and 2,247 or 4.0% were unemployed as compared with 3.9% for the Commonwealth (unadjusted). The following table sets forth the City's average labor force and unemployment rates for calendar years 2019 through 2023 and the unemployment rates for the Commonwealth and the United States as a whole for the same period.

Year	City of Quincy			Massachusetts Unemployment Rate	U.S. Unemployment Rate
	Labor Force	Employment	Unemployment Rate		
2023	55,410	53,669	3.1 %	3.4 %	3.6 %
2022	55,165	53,188	3.6	3.8	3.6
2021	55,271	51,930	6.0	5.7	5.4
2020	55,141	49,040	11.1	8.9	8.1
2019	55,898	54,442	2.6	2.9	3.7

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

Building Permits

The following table sets forth the trend in the number of building permits issued and the estimated dollar value of new construction and alterations. The estimated dollar values are builders' estimates and are generally considered to be conservative. Permits issued and estimated valuations shown are for both private construction and City projects.

Building Permits Issued (1)

Fiscal Year	New Construction				Alterations				Other Permits		Total	
	Residential		Commercial		Residential		Commercial		No.	Value	No.	Value
	No.	Value	No.	Value	No.	Value	No.	Value				
2024	34	\$ 45,859,200	5	\$ 36,404,919	1,166	\$ 68,700,508	139	\$ 66,705,109	1,062	\$ 48,736,285	2,406	\$ 266,406,021
2023	19	13,287,300	12	69,953,197	1,633	50,937,580	154	56,157,801	1,108	33,409,863	2,926	223,745,741
2022	(2) 39	159,287,822	10	62,496,214	1,764	50,383,513	138	49,562,216	1,796	36,617,565	3,747	358,347,331
2021	46	44,719,620	3	5,342,324	2,230	69,142,641	134	33,582,681	459	21,064,986	2,872	173,852,252
2020	37	23,444,975	8	17,900,908	963	30,283,105	120	25,678,041	1,370	25,809,165	2,498	123,116,194

(1) SOURCE: City Building Inspector.

(2) Increase in permit values attributable to several large commercial developments that came online in FY2022. One in particular, Ashlar Park, a 465-unit multifamily residential community project being developed at the former Quincy Medical Center by FoxRock Properties, generated over \$100 million in permit valuations.

Education

The City's public school facilities include eleven elementary schools, five junior high schools (middle schools), two senior high schools, one community college, and one early child development school. Total capacity is estimated at approximately 13,000. Public school enrollment has generally been increasing since 1990. The following table shows actual enrollments in the City's public schools in October 2020 through October 2024.

Public School Enrollments – October

		Actual (1)		
2020	2021	2022	2023	2024
4,620	4,513	4,708	4,660	4,560
2,110	2,126	2,199	2,200	2,275
2,950	2,973	3,070	3,097	3,087
9,680	9,612	9,977	9,957	9,922

(1) As of October of the year indicated.

After a comprehensive evaluation, the City is well under way on a program to revitalize all of its public school facilities. Major components of the plan include designing, constructing, equipping and furnishing the new Quincy High School and the new Central Middle School and renovating the Sterling Middle School, all of which have been completed. The total cost of these projects is \$243.7 million; the City has permanently financed approximately \$109.4 million to date and received grants from the MSBA of approximately \$128.1 million. The City is currently in the feasibility study stage for the design and construction of a new Squantum Elementary School. The City anticipates that a significant portion of the costs of this project will qualify for grant funding from the MSBA.

Additionally, the Rick DeCristofaro Learning Center, a state-of-the-art special education school, opened in October 2024. The 57,000 square foot facility with 30 classrooms will be available to students with autism and their caregivers.

The City also operates Quincy College which offers a number of undergraduate degree programs. The College is accounted for through the use of an enterprise fund.

Age, Income and Wealth Levels

The following table compares the age, income and wealth level averages among the City, the Commonwealth and the United States.

	Quincy	Massachusetts	U.S.
Median Age			
2020	38.5	39.6	38.2
2010	39.2	39.1	37.2
2000	37.6	36.5	35.3
1990	24.7	33.6	32.9
Median Family Income			
2020	\$ 80,462	\$ 84,385	\$ 64,994
2010	77,514	81,165	51,144
2000	59,735	61,664	50,046
1990	44,184	44,367	35,225
Per Capita Income			
2020	\$ 42,847	\$ 45,555	\$ 35,384
2010	32,786	33,966	27,334
2000	26,001	25,952	21,587
1990	17,436	17,224	14,420

SOURCE: U.S. Bureau of the Census.

Population Trends

<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
101,636	92,271	88,025	84,985	84,743

SOURCE: U.S. Bureau of the Census.

PROPERTY TAXATION

Tax Levy Computation

The principal revenue source 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 "Tax Limitations" 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 "Abatements and Overlay" below) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits" below).

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

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Total appropriations(1)	\$ 395,568,388	\$ 405,360,714	\$ 436,375,806	\$ 494,128,711	\$ 499,927,384
Other Local Expenditures	119,509	157,448	202,635	225,634	4,712,873
State and county assessments	4,323,749	4,514,896	4,898,304	5,244,466	5,352,217
Overlay for current year	1,577,460	-	34,023	-	1,064,442
Gross amount to be raised	<u>\$ 401,589,106</u>	<u>\$ 410,033,058</u>	<u>\$ 441,510,768</u>	<u>\$ 499,598,811</u>	<u>\$ 511,056,916</u>
Offsets:					
Estimated receipts from state(2)	\$ 50,773,806	\$ 54,538,654	\$ 59,741,708	\$ 70,121,736	\$ 71,867,995
Local estimated receipts	84,201,005	85,862,711	90,503,994	99,362,991	104,150,212
Free Cash/Available Funds	18,483,831	11,780,534	26,931,043	34,236,282	20,738,258
Free Cash after July 1	-	-	-	-	2,000,000
Other Revenue Sources	-	-	-	4,984,855	-
Total offsets	<u>\$ 153,458,642</u>	<u>\$ 152,181,899</u>	<u>\$ 177,176,745</u>	<u>\$ 208,705,864</u>	<u>\$ 198,756,465</u>
Tax Levy	<u>\$ 248,130,464</u>	<u>\$ 257,851,159</u>	<u>\$ 264,334,023</u>	<u>\$ 290,892,948</u>	<u>\$ 312,300,451</u>

(1) Includes additional appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting of the tax rate.

(2) Estimated by the State Department of Revenue and required by law to be used in setting the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the state may withhold payments pending receipt of state and county assessments.

Assessed Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created four classes of taxable property: (1) residential real property, (2) open space land, (3) commercial and (4) industrial. Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the four 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 35 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 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.

Quincy's first revaluation was completed for use in fiscal 1984. Professional updates of the revaluation have been subsequently conducted every five years, most recently for use in fiscal year 2023.

The City has used multiple tax rates under classification since fiscal 1984 when it revalued all real and personal property in the City to full value.

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

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Valuation Per Capita(1)	Gross Tax Levy	Tax Levy Per Capita(1)
2025	\$ 23,095,868,026	\$ 655,024,800	\$ 23,750,892,826	\$ 233,686	\$ 312,300,451	\$ 3,385
2024	22,068,271,742	611,840,790	22,680,112,532	223,150	290,892,948	3,153
2023 (2)	20,346,002,961	512,037,220	20,858,040,181	205,223	264,334,023	2,865
2022	18,455,291,587	456,946,350	18,912,237,937	186,078	257,851,159	2,794
2021	17,495,509,695	433,883,880	17,929,393,575	176,408	248,130,464	2,689

(1) Based on 2020 federal census of 101,636.

(2) Revaluation year.

The following table sets forth the trend in the City's tax rates.

Fiscal Year	Tax Rate Per \$1,000 Valuation	
	Residential	Commercial/Industrial/Personal Property
2025	\$ 11.53	\$ 23.01
2024	11.27	22.45
2023	11.13	22.18
2022	11.98	23.86
2021	12.14	24.22

Classification of Property

The following is a breakdown of the City's assessed valuations for fiscal years 2023, 2024, and 2025.

	Fiscal 2023 (1)		Fiscal 2024		Fiscal 2025	
	Assessed Valuation	% of Total	Assessed Valuation	% of Total	Assessed Valuation	% of Total
Residential	\$ 17,945,457,731	86.0 %	\$ 19,523,754,810	86.1 %	\$ 20,401,358,256	85.9 %
Commercial	2,208,622,325	10.6	2,323,572,127	10.2	2,446,514,370	10.3
Industrial	191,922,905	0.9	220,944,805	1.0	247,995,400	1.0
Personal	512,037,220	2.5	611,840,790	2.7	655,024,800	2.8
Total Valuation	<u>\$ 20,858,040,181</u>	<u>100.0 %</u>	<u>\$ 22,680,112,532</u>	<u>100.0 %</u>	<u>\$ 23,750,892,826</u>	<u>100.0 %</u>

(1) Revaluation year.

Largest Taxpayers

The following is a list of the largest taxpayers in the City for fiscal 2025 and the assessed valuation and tax levy for each. The taxpayers listed below are current with their tax payments to the City.

Name	Nature of Business	Fiscal Year 2025 Assessed Value	Fiscal Year 2025 Tax Levy
Boston Gas Company	Utilities	\$ 194,920,130	\$ 4,485,112
New England Power Company	Utilities	148,324,480	3,412,946
SSB Realty Inc.	Real Estate	138,529,240	3,219,360
Mass Bay Trans Authority	Public Transportation	251,872,000	3,133,053
Foxrock Whitwell Realty LLC	Real Estate	230,272,500	2,681,581
Massachusetts Electric	Utilities	106,586,270	2,452,550
Quincy Property	Real Estate	93,165,000	2,165,164
Marina Bay	Residential	168,672,300	2,062,014
Crown Colony Ground	Real Estate	173,707,460	2,028,029
Boston Scientific	Biomedical/Biotech/Manufacturing	80,680,600	1,875,025
		<u>\$ 1,586,729,980</u>	<u>\$ 27,514,834</u>

State Equalized Valuation and Estimated Full Value Tax Rate

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 as of January 1 of even numbered years. This is known as the “equalized value.” The following table sets forth the trend in equalized valuations of the City.

<u>January 1</u>	<u>State Equalized Valuations</u>
2024	\$24,356,530,000
2022	20,526,193,400
2020	18,377,975,900
2018	15,986,795,000
2016	12,930,445,600

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1. The City has completed professional revaluations of all real and personal property to full value for use every five years since fiscal 1984, and most recently for use in fiscal 2018. Based on the revaluation amounts, local assessed valuations in said fiscal years are believed to have been representative of full and fair cash values of property in the City and the City's local tax rates in these years are believed to have approximated full value tax rates.

Abatements and Overlay

The City is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an “overlay reserve” to provide for tax abatements granted by the City's assessors or ordered by the Appellate Tax Board. If abatements are granted in excess of the applicable overlay reserve, the excess is required to be added to the next year's tax levy. 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 abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue.

In 2016, the Commonwealth enacted the Municipal Modernization Act which, among other things, provided for the establishment of a single overlay reserve account, effective as of November 7, 2016 and thereafter. Previously, a municipality had to maintain separate overlay reserves for each fiscal year and could not use the surplus from one year to cover another year's deficit without undergoing a multistep approval process. With a single overlay reserve, municipalities may now cover the costs of potential abatements or exemptions across multiple fiscal years, thereby avoiding deficits that formerly occurred when abated or exempted amounts exceeded the balance in the overlay account for a particular fiscal year.

The following table sets forth the amount of the overlay reserve for the following fiscal years and the amount of abatements granted against each levy as of June 30, 2024.

Fiscal Year	Overlay Reserve			Abatements Granted as of June 30, 2024
	Net Tax Levy (1)	Dollar Amount	As a % of Net Levy	
2024	\$ 290,892,948	\$ -	(2) - %	\$ 621,260
2023	264,334,023	34,023	0.01	470,214
2022	257,851,159	-	(2) -	817,902
2021	246,553,004	1,577,460	0.64	1,038,838
2020	239,978,910	1,971,758	0.82	991,850

(1) Tax levy prior to addition of overlay reserve.

(2) In approving the City's annual tax rate, the Commissioner of Revenue must determine whether the current overlay reserve account balance is reasonable (i.e., adequate to cover anticipated abatements and exemptions and property tax receivables for all fiscal years). See Chapter 59, Section 25 of the Massachusetts General Laws. In making this determination, the Commissioner considers the following factors: (i) the account balance as of the previous fiscal year; (ii) abatements and exemptions granted and payments made for prior fiscal years; (iii) the average of granted abatements and exemptions and outstanding receivables for the five previous fiscal years; (iv) whether local assessments are scheduled for review and certification before the Department of Revenue; (v) the potential abatement liability in any pending cases; and (vi) other significant factors known to the Commissioner. As of June 30, 2021, the balance in the City's overlay reserve account was \$3,185,546, such that no additional deposit was required for Fiscal Year 2022. The balance as of August 2024 in the City's overlay reserve account is \$1,262,941, such that no additional deposit was required or budgeted for in Fiscal Year 2024.

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.

Tax Levies and Collections

In fiscal 1992, the City instituted quarterly billing of real and personal property taxes. 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 end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

The following table compares the City's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies for the following fiscal years.

Fiscal Year	Tax Rates		Total Tax Levy	Net Tax Levy (2)	Collected During Fiscal Year Payable		Collected at June 30, 2024	
	Res.	Other (1)			\$	% of Net	\$	% of Net
2024	\$ 11.27	\$ 22.45	\$ 290,892,948	\$ 290,892,948	\$ 285,804,555	98.3 %	\$ 285,804,555	98.3 %
2023	11.13	22.18	264,334,023	264,300,000	249,905,524	94.6	251,875,152	95.3
2022	11.98	23.86	257,851,159	257,851,159	252,797,768	98.0	265,500,985	103.0
2021	12.14	24.22	248,130,464	246,553,004	238,233,725	96.6	241,076,590	97.8
2020	12.43	24.84	241,950,668	239,978,910	231,239,162	96.4	235,156,676	98.0

(1) Includes commercial, industrial and personal property.

(2) Net after deduction of overlay for abatements.

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 thereon. 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 foreclosure, a tax title purchased or taken by the municipality becomes a “tax possession” and may be held and disposed of in the same manner as other land held for municipal purposes. Uncollectible real property taxes are ordinarily not written off until they become municipal tax titles (either 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 for the recent fiscal years the amount of tax titles and possessions as of the end of each of the last five fiscal years and the amount realized by the City through tax title redemptions and the sale of tax title property during each fiscal year.

<u>Fiscal Year</u>	<u>Total Tax Titles and Possessions</u>	<u>Total Realized Through Sale of Tax Title Property and Tax Title Redemptions</u>
2024	\$ 6,900,298	\$ 2,562,931 (1)
2023	7,597,777	3,149,608 (1)
2022	5,925,045	416,226
2021	6,215,311	333,737 (2)
2020	5,569,675	803,831

(1) Increase due to a successful tax lien auction to collect delinquent taxes.

(2) Decrease from previous fiscal years is primarily due to the impact of COVID-19.

Taxation to Meet Deficits

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

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 – Unassigned General Fund Balances and Free Cash.”

Tax Limitations

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

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

For cities and towns at or below the primary limit (as is Quincy), a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls and for certain valuation increases other than as part of a general revaluation. 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.”

Proposition 2½ 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.

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

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the Massachusetts Water Resources Authority and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option.”

Unused Levy Capacity

The City has been in full compliance with Proposition 2½ since fiscal 1984. The following table sets forth the recent trend in the City’s tax levies and levy limits under Proposition 2½.

Fiscal Year	Tax Levy	Maximum Levy Limit	Under(Over) Maximum Levy Limit	Primary Levy Limit(1)	Under(Over) Primary Levy Limit
2025	\$ 312,300,451	\$ 343,608,286	\$ 31,307,835	\$ 593,772,321	\$ 281,471,870
2024	290,892,948	328,215,357	37,322,409	567,002,813	276,109,865
2023	264,334,023	313,460,657	49,126,634	521,451,005	257,116,982
2022	257,851,159	299,034,035	41,182,876	472,805,948	214,954,789
2021	248,130,464	285,580,015	37,449,551	448,234,839	200,104,375

(1) Based on 2½ percent of assessed valuation.

Pledged Taxes

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (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 community 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 community 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 adopted the Community Preservation Act on November 13, 2006 and voted to tax an additional 1% for this purpose. As a result of this tax, the City generated tax revenues and received State Matching Grants in the following amounts during each of the following fiscal years:

CPA Fund Revenues		
Fiscal Year	City 1% Tax	State Matching Grants
2024 (1)	\$ 4,036,623	\$ 470,726
2023	2,258,221	827,716
2022	2,142,074	901,109
2021	2,054,122	568,759
2020	1,967,531	441,760

As of June 30, 2024, the balance of CPA Fund Revenues generated from the City 1% Tax and available to the City for CPA purposes (including interest earnings but net of prior expenditures made from the CPA Fund year-over-year) was \$4,037,150.

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

CITY FINANCES

Budget and Appropriation Process

In a city, within 170 days after the annual organization of the city government (which is ordinarily in early January), the mayor or city manager 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 or manager, the council may not make any appropriation for a purpose not included in the proposed budget, except by a two-thirds vote in the case of a failure of the mayor or manager to recommend an appropriation for such a purpose within 7 days after a request from the council. The council may not increase any item without the recommendation of the mayor (except as provided by legislation, subject to local acceptance, under which the school budget or regional school district assessment can be increased upon recommendation of the school committee or regional district school committee and by two-thirds vote of the council, provided that such increase does not cause the total annual budget to exceed the property tax limitations). If the council fails to act on any item of the proposed budget within 45 days, that item takes effect.

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

If the mayor or manager does not make a timely budget submission, provision is made for preparation of a budget by the council. Provision is also made for supplementary appropriations upon recommendation of the mayor or manager.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department.

Water and sewer department expenditures are generally included in the budgets adopted by city councils but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

In June of 2021, the City entered into a settlement agreement with the Environmental Protection Agency (the "EPA") to resolve a lawsuit, claiming the City violated the federal Clean Water Act by releasing sewage and untreated wastewater into various public waterways between 2009 and 2013. Under the settlement agreement, the City agreed to pay a \$115,000 penalty and spend \$100 million over a term of years to investigate, repair and rehabilitate its stormwater and sewer systems. The City is required to complete such remedial work by December 2034. Since entering into the settlement, the City's remedial actions have included road repairs, drainage system updates, and the establishment of a stormwater and sewer system database. The City has used the proceeds of MCWT and MWRA loans to fund such costs and expects to do so going forward. The City submits compliance reports to the EPA on a semiannual basis and, to date, has not been found to deviate from the required compliance standards.

On April 19, 2024, the City placed the City's Director of Elder Services on paid administrative leave in connection with a now pending investigation into possible financial irregularities concerning the Council on Aging activities. The matter is now under investigation by the City's Police Department and the City has hired an independent firm to conduct a forensic audit of the department. The City expects the investigations to determine the sums of money involved and the period of time during which any irregularities may have occurred. The City is also reviewing its internal controls and procedures and compliance with those policies. On January 8th, 2025, the former Director of Elder Services was charged in an indictment with embezzlement, mail and wire fraud and interstate transportation of stolen property.

The school budget is limited to the total amount appropriated by the city council, but the school committee retains full power to allocate the funds appropriated. 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. 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. (See "STATE DISTRIBUTIONS" under "SECURITY AND REMEDIES" herein.)

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

Budget Trends

The following table sets forth the trend in annual General Fund operating budgets of the City as approved by the City Council excluding water and sewer operations and the City College, which are self-supporting enterprises. In contrast to the General Fund budgeted amounts for expenditures included in the table "General Fund Schedule of Revenues, Expenditures and Change in Fund Balance – Budgeted and Actual" included in the City's financial statements, these budget trends do not reflect certain supplemental appropriations, if any, that may have been made during the course of a given fiscal year.

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Executive & Legislative Branch	\$ 12,960,425	\$ 26,040,477 (1)	\$ 27,070,916 (1)	\$ 22,210,644	\$ 25,730,925
Social Services	3,961,972	3,991,747	4,051,644	4,566,269	4,733,237
Police and Fire	58,309,056	59,588,459	63,304,878	72,566,860 (4)	77,014,371
Other Public Safety	5,122,067	5,195,942	5,587,010	5,925,828	6,571,560
Public Works	24,932,575	25,228,185	26,209,125	28,179,690	22,135,663
Education	111,185,590	114,290,181	120,839,644	127,539,644	134,186,467
Public Service	4,916,979	5,267,045	5,492,224	11,792,754 (5)	11,430,086
Debt Service	26,308,071	37,118,355	47,317,881	59,043,250	65,938,452
Retirement	32,182,833	7,502,340 (2)	7,429,549	8,807,364	9,142,431
Insurance and Compensation	54,015,374	52,341,107 (3)	58,822,312	61,400,537	60,079,142
Other	6,224,183	6,293,347	6,603,081	3,604,221	7,037,033
Total	<u>\$ 340,119,126</u>	<u>\$ 342,857,184</u>	<u>\$ 372,728,264</u>	<u>\$ 405,637,061</u>	<u>\$ 423,999,367</u>

(1) FY2022 increase over FY2021 budget reflects appropriations to replenish stabilization funds, OPEB, and other revenues. FY2023 increase over FY2022 reflects appropriations for salary increases, stabilizations funds, and OPEB.

(2) Excludes appropriation for FY 2022 unfunded pension liability requirement as the issue of \$475 million General Obligation Pension Bonds dated December 22, 2021 includes the funding for this amount.

(3) The amount budgeted for Insurance and Compensation reflects a mid-year adjustment.

(4) FY2024 increase over FY2023 budget reflects settlement of new union contracts, increased staffing, as well as expansive programming increases.

(5) FY2024 increase over FY2023 budget reflects settlement of new union contracts and departmental reorganization—the City's Downtown District is included in the Public Service line for FY24.

Accounting Policies

See attached audited financial statements of the City.

General Fund Revenues

Property Taxes: Property taxes are the 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 – Property Tax Limitation" above.

State Aid: The City's state aid entitlement is based upon a number of different formulas, and while said formulas 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 and the formulas for determining a municipality's state aid entitlement are subject to amendment by the State Legislature. The state annually estimates state aid but actual payments may vary from the estimate.

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, legislation was enacted placing limits on the growth of state tax revenues. In essence, the growth in state tax revenue is limited to the average rate of growth in wages and salaries in the Commonwealth over the previous three calendar years. The effect of this legislation could be to restrict the amount of state tax revenue available to provide state financial assistance to the Commonwealth's cities, towns and regional school districts.

Motor Vehicle Excise: An excise is imposed on the registration of motor vehicles (subject to exemptions) at a uniform rate based on a statewide average of property tax rates, but not exceeding \$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 non-renewal of the owner's license or registration by the registrar of motor vehicles.

Room Occupancy Tax: Under this tax, local governments may tax the provision of hotel, motel and lodging house rooms at a rate not to exceed six percent (6.0%) (six and one-half percent (6.5%) for Boston) 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 December 21, 2009, the City adopted an increase in the room occupancy tax to 6% to be effective April 1, 2010. The trend in room occupancy tax collections is shown in the table below.

Fiscal Year	Room Occupancy Tax Receipts
2024	\$ 1,381,782
2023	1,034,483
2022	1,274,618
2021 (1)	467,867
2020	1,555,443

(1) Decrease from previous fiscal years is primarily due to the impact of COVID-19.

Local Options Meals Tax: On May 17, 2010, the City adopted the local meals excise tax to be effective July 1, 2010. In fiscal year 2011, 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. The trend in meals tax collections is shown in the table below.

Fiscal Year	Meals Tax Receipts
2024	\$ 2,722,646
2023	2,200,000
2022	2,235,238
2021	1,587,370
2020	1,818,971

Other: Other major sources of general (fund) revenues include interest and investment income, other assessments and in-lieu payments, fees/fines and receipts from enterprise accounts.

Enterprise Activities

Water and Sewer Enterprise Fund: Water and sewer revenues are fully self-supporting and accounted for in a separate enterprise fund. Effective July 1, 2024, the current rate structure for water is \$8.65/100 cubic feet of usage, and for sewer, \$17.00/100 cubic feet of water usage. (See Water and Sewer Stabilization Fund herein).

Quincy College is accounted for as an Enterprise Fund. See Appendix A.

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's appropriations for education have met or exceeded the minimum required funding level in all years.

State School Building Assistance Program

Under its school building assistance program, the Commonwealth 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 MSBA 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 MSBA to finance the program.

The range of reimbursement rates for new project grants is between 31% and 80% of approved project costs. The MSBA promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The MSBA expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the MSBA 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.

Investment of City Funds

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, 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 Trust'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, 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 town retirement systems.

Annual Audits

The City is audited annually, most recently for fiscal 2023 by Powers & Sullivan, Wakefield, MA.¹ A similar audit, prepared by CBIZ CPAs P.C. for the fiscal year ended June 30, 2024, is currently underway and is expected to be complete in April 2025.

The report attached hereto as Appendix A speaks only as of its date, and only to the matters expressly set forth herein. The auditors have not been engaged to review this Annual Report 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.

¹ Powers & Sullivan merged with Marcum LLP effective February 1, 2024.

Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for the fiscal years ended June 30, 2024 (draft audited financial statements, subject to revision and change), June 30, 2023, June 30, 2022, and June 30, 2021, and Statements of Revenues, Expenditures and Changes in Governmental Fund Balances for fiscal years ended June 30, 2024 (draft audited financial statements, subject to revision and change) and June 30, 2023 through June 30, 2019. Said statements have been extracted from the audited financial statements of the City with the exception of fiscal 2024 statements which have been extracted from draft audited financial statements and are preliminary, subject to revision and change. The final audit for the fiscal year ended June 30, 2024 is expected in April 2025.

CITY OF QUINCY, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

UNAUDITED

JUNE 30, 2024

	<u>General</u>	<u>Downtown Improvement Capital Fund</u>	<u>City Capital Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents.....	\$ 43,463,217	\$ -	\$ 92,525,081	\$ 31,078,028	\$ 167,066,326
Investments.....	-	-	-	28,363,263	28,363,263
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	5,872,122	-	-	-	5,872,122
Tax liens and deferrals.....	7,686,734	-	-	28,523	7,715,257
Community preservation fund surtax.....	-	-	-	15,923	15,923
Motor vehicle and other excise taxes.....	1,927,352	-	-	-	1,927,352
Departmental and other.....	756,830	-	-	1,321,143	2,077,973
Intergovernmental.....	104	-	-	8,043,895	8,043,999
Community preservation state share.....	-	-	-	356,598	356,598
Loans.....	-	-	-	-	-
Tax foreclosures.....	995,058	-	-	-	995,058
Due from other funds.....	4,222,701	-	-	-	4,222,701
TOTAL ASSETS.....	\$ 64,924,118	\$ -	\$ 92,525,081	\$ 69,207,373	\$ 226,656,572
LIABILITIES					
Warrants payable.....	\$ -	\$ 2,237,989	\$ 10,837,715	\$ 42,365	\$ 13,118,069
Accrued payroll.....	12,247,580	-	-	11,699	12,259,279
Tax refunds payable.....	5,026,000	-	-	-	5,026,000
Due to other funds.....	-	2,576,282	-	1,646,419	4,222,701
Accrued interest on notes payable.....	-	-	-	-	-
Other liabilities.....	913,593	-	-	464,448	1,378,041
Unearned revenue.....	-	-	-	3,061,777	3,061,777
Notes payable.....	-	179,833,864	40,977,814	11,996,276	232,807,954
TOTAL LIABILITIES.....	18,187,173	184,648,135	51,815,529	17,222,984	271,873,821
DEFERRED INFLOWS OF RESOURCES					
Taxes paid in advance.....	498,329	-	-	-	498,329
Unavailable revenue.....	17,238,200	-	-	9,764,628	27,002,828
FUND BALANCES					
Nonspendable.....	-	-	-	263,474	263,474
Restricted.....	6,544,661	(184,648,135)	40,709,552	42,584,302	(94,809,620)
Assigned.....	5,464,840	-	-	-	5,464,840
Unassigned.....	16,990,915	-	-	(628,015)	16,362,900
TOTAL FUND BALANCES.....	29,000,416	(184,648,135)	40,709,552	42,219,761	(72,718,406)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 64,924,118	\$ -	\$ 92,525,081	\$ 69,207,373	\$ 226,656,572

SOURCE: Extracted from draft audited financial statements, preliminary and subject to revision and change.

CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023 (1)

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 34,096,366	\$ -	\$ 88,697,675	\$ 40,587,944	\$ 163,381,985
Investments	-	-	-	12,856,976	12,856,976
Receivables, net of uncollectibles:					-
Real estate and personal property taxes	3,796,754	-	-	-	3,796,754
Tax liens and deferrals	10,086,994	-	-	42,247	10,129,241
Community preservation fund surtax	-	-	-	24,380	24,380
Motor vehicle and other excise taxes	1,382,751	-	-	-	1,382,751
Departmental and other	751,931	-	-	889,370	1,641,301
Intergovernmental	351,076	-	-	11,842,564	12,193,640
Community preservation state share	-	-	-	827,716	827,716
Loans	-	-	-	1,341,733	1,341,733
Tax foreclosures	995,058	-	-	-	995,058
Due from other funds	19,794,787	-	-	-	19,794,787
TOTAL ASSETS	\$ 71,255,717	\$ -	\$ 88,697,675	\$ 68,412,930	\$ 228,366,322
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants payable	\$ 253,580	\$ -	\$ 5,482,841	\$ 4,218,149	\$ 9,954,570
Accrued payroll	11,829,832	-	-	12,378	11,842,210
Tax refunds payable	2,648,000	-	-	-	2,648,000
Due to other funds	-	15,974,264	-	3,820,523	19,794,787
Accrued interest on notes payable	2,426,400	-	-	-	2,426,400
Other liabilities	760,324	-	-	447,510	1,207,834
Unearned revenue	-	-	-	15,273,538	15,273,538
Notes payable	-	154,834,313	15,908,489	6,748,203	177,491,005
TOTAL LIABILITIES	\$ 17,918,136	\$ 170,808,577	\$ 21,391,330	\$ 30,520,301	\$ 240,638,344
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	16,485,562	-	-	7,204,657	23,690,219
Fund Balances:					
Nonspendable	-	-	-	263,474	263,474
Restricted	5,927,141	-	67,306,345	36,790,358	110,023,844
Assigned	6,272,116	-	-	-	6,272,116
Unassigned	24,652,762	(170,808,577)	-	(6,365,860)	(152,521,675)
TOTAL FUND BALANCES	36,852,019	(170,808,577)	67,306,345	30,687,972	(35,962,241)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 71,255,717	\$ -	\$ 88,697,675	\$ 68,412,930	\$ 228,366,322

(1) Extracted from audited financial statements.

CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022 (1)

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 49,655,271	\$ -	\$ 62,644,020	\$ 43,094,890	\$ 155,394,181
Investments	-	-	-	6,666,574	6,666,574
Receivables, net of uncollectibles:					-
Real estate and personal property taxes	9,633,695	-	-	-	9,633,695
Tax liens and deferrals	6,955,385	-	-	21,202	6,976,587
Community preservation fund surtax	-	-	-	67,790	67,790
Motor vehicle and other excise taxes	1,229,700	-	-	-	1,229,700
Departmental and other	700,921	-	-	1,057,608	1,758,529
Intergovernmental	261,894	-	-	23,152,252	23,414,146
Community preservation state share	-	-	-	651,565	651,565
Loans	-	-	-	553,019	553,019
Tax foreclosures	995,058	-	-	-	995,058
Due from other funds	6,777,528	-	-	-	6,777,528
TOTAL ASSETS	\$ 76,209,452	\$ -	\$ 62,644,020	\$ 75,264,900	\$ 214,118,372
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants payable	\$ 3,107,931	\$ -	\$ 3,344,139	\$ 1,397,723	\$ 7,849,793
Accrued payroll	10,090,499	-	-	-	10,090,499
Tax refunds payable	874,000	-	-	-	874,000
Due to other funds	-	3,855,998	-	2,921,530	6,777,528
Accrued interest on notes payable	2,749,700	-	-	-	2,749,700
Other liabilities	606,966	-	-	420,932	1,027,898
Unearned revenue	-	-	-	1,680,642	1,680,642
Notes payable	-	148,662,294	9,236,959	21,103,610	179,002,863
TOTAL LIABILITIES	\$ 17,429,096	\$ 152,518,292	\$ 12,581,098	\$ 27,524,437	\$ 210,052,923
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	18,459,650	-	-	7,274,454	25,734,104
Fund Balances:					
Nonspendable	-	-	-	263,474	263,474
Restricted	-	-	50,062,922	40,294,305	90,357,227
Assigned	10,272,785	-	-	-	10,272,785
Unassigned	30,047,921	(152,518,292)	-	(91,770)	(122,562,141)
TOTAL FUND BALANCES	40,320,706	(152,518,292)	50,062,922	40,466,009	(21,668,655)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 76,209,452	\$ -	\$ 62,644,020	\$ 75,264,900	\$ 214,118,372

(1) Extracted from audited financial statements.

CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2021 (1)

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 14,549,711	\$ -	\$ 27,286,123	\$ 42,273,489	\$ 84,109,323
Investments	-	-	-	4,541,437	4,541,437
Receivables, net of uncollectibles:					-
Real estate and personal property taxes	8,979,446	-	-	-	8,979,446
Tax liens and deferrals	7,117,746	-	-	22,623	7,140,369
Community preservation fund surtax	-	-	-	59,085	59,085
Motor vehicle and other excise taxes	1,880,456	-	-	-	1,880,456
Departmental and other	591,901	-	-	861,452	1,453,353
Intergovernmental	291,860	-	-	21,660,336	21,952,196
Community preservation state share	-	-	-	809,241	809,241
Loans	-	-	-	475,091	475,091
Tax foreclosures	995,058	-	-	-	995,058
Due from other funds	20,747,908	-	-	-	20,747,908
TOTAL ASSETS	\$ 55,154,086	\$ -	\$ 27,286,123	\$ 70,702,754	\$ 153,142,963
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants payable	\$ 3,181,477	\$ 583,049	\$ 2,818,125	\$ 1,136,869	\$ 7,719,520
Accrued payroll	12,786,063	-	-	-	12,786,063
Tax refunds payable	1,450,000	-	-	-	1,450,000
Due to other funds	-	2,614,686	-	18,133,222	20,747,908
Accrued interest on notes payable	2,386,400	-	-	-	2,386,400
Other liabilities	574,290	-	-	397,347	971,637
Unearned revenue	-	-	-	140,149	140,149
Notes payable	-	142,800,000	4,721,230	6,721,736	154,242,966
TOTAL LIABILITIES	\$ 20,378,230	\$ 145,997,735	\$ 7,539,355	\$ 26,529,323	\$ 200,444,643
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	18,283,465	-	-	5,574,125	23,857,590
Fund Balances:					
Nonspendable	-	-	-	265,349	265,349
Restricted	-	-	19,746,768	38,959,804	58,706,572
Assigned	6,925,797	-	-	-	6,925,797
Unassigned	9,566,594	(145,997,735)	-	(625,847)	(137,056,988)
TOTAL FUND BALANCES	16,492,391	(145,997,735)	19,746,768	38,599,306	(71,159,270)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 55,154,086	\$ -	\$ 27,286,123	\$ 70,702,754	\$ 153,142,963

(1) Extracted from audited financial statements.

**CITY OF QUINCY,
MASSACHUSETTS
GOVERNMENTAL FUNDS**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
UNAUDITED
YEAR ENDED JUNE 30, 2024

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 284,646,645	\$ -	\$ -	\$ -	\$ 284,646,645
Tax liens.....	2,562,931	-	-	-	2,562,931
Motor vehicle and other excise taxes.....	13,473,243	-	-	-	13,473,243
Hotel/motel tax.....	-	-	-	1,944,504	1,944,504
Meals tax.....	2,722,646	-	-	-	2,722,646
Urban development corporation tax.....	448,417	-	-	-	448,417
Charges for services.....	-	-	-	4,018,884	4,018,884
Penalties and interest on taxes.....	2,048,355	-	-	8,542	2,056,897
Fees and rentals.....	1,161,461	-	-	-	1,161,461
Payments in lieu of taxes.....	1,251,859	-	-	-	1,251,859
Licenses and permits.....	3,991,863	-	-	-	3,991,863
Fines and forfeitures.....	73,007	-	-	-	73,007
Intergovernmental - state aid.....	69,852,305	-	-	-	69,852,305
Intergovernmental - Teachers Retirement.....	24,038,324	-	-	-	24,038,324
Intergovernmental - other.....	-	-	334,962	57,498,273	57,833,235
Departmental and other.....	3,497,099	1,792,422	-	14,352,814	19,642,335
Community preservation taxes.....	-	-	-	2,495,461	2,495,461
Community preservation state match.....	-	-	-	470,726	470,726
Contributions and donations.....	-	-	-	8,613,026	8,613,026
Investment income (loss).....	4,646,882	493	-	3,365,721	8,013,096
TOTAL REVENUES.....	414,415,037	1,792,915	334,962	92,767,951	509,310,865
EXPENDITURES:					
Current:					
General government.....	22,581,100	-	29,812,932	30,409,716	82,803,748
Public safety.....	83,335,990	-	32,579,023	8,627,329	124,542,342
Education.....	131,477,626	-	-	26,865,621	158,343,247
Public works.....	17,884,803	19,632,473	30,996,228	3,891,055	72,404,559
Human services.....	4,334,918	-	-	8,896,299	13,231,217
Culture and recreation.....	10,944,251	-	403,426	1,023,123	12,370,800
Community preservation.....	-	-	-	263,764	263,764
Pension benefits.....	6,015,658	-	-	-	6,015,658
Pension benefits - Teachers Retirement.....	24,038,324	-	-	-	24,038,324
Employee benefits.....	57,208,564	-	-	-	57,208,564
Claims and judgments.....	147,026	-	-	-	147,026
State and county charges.....	5,486,050	-	-	-	5,486,050
Debt service:					
Principal.....	24,763,584	-	-	-	24,763,584
Principal payment on current refunding.....	-	-	-	-	-
Interest.....	34,989,041	-	(3,550,948)	277,919	31,716,012
TOTAL EXPENDITURES.....	423,206,935	19,632,473	90,240,661	80,254,826	613,334,895
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(8,791,898)	(17,839,558)	(89,905,699)	12,513,125	(104,024,030)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt.....	-	3,651,000	56,758,275	671,009	61,080,284
Premium from issuance of debt.....	-	349,000	5,850,629	-	6,199,629
Transfers in.....	3,152,349	-	700,000	1,800,000	5,652,349
Transfers out.....	(2,101,409)	-	-	(3,452,349)	(5,553,758)
TOTAL OTHER FINANCING SOURCES (US	1,050,940	4,000,000	63,308,904	(981,340)	67,378,504
NET CHANGE IN FUND BALANCES.....	(7,740,958)	(13,839,558)	(26,596,795)	11,531,785	(36,645,526)
FUND BALANCES AT BEGINNING OF YEAR.....	36,741,374	(170,808,577)	67,306,347	30,687,976	(36,072,880)
FUND BALANCES AT END OF YEAR.....	\$ 29,000,416	\$ (184,648,135)	\$ 40,709,552	\$ 42,219,761	\$ (72,718,406)

SOURCE: Extracted from draft audited financial statements, preliminary and subject to revision and change.

**CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023 (1)**

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Real estate and personal property taxes, net of tax refunds	\$ 262,112,978	\$ -	\$ -	\$ -	\$ 262,112,978
Tax liens	3,149,608	-	-	-	3,149,608
Motor vehicle and other excise taxes	11,613,200	-	-	-	11,613,200
Hotel/motel tax	-	-	-	1,670,927	1,670,927
Meals tax	2,520,855	-	-	-	2,520,855
Urban development corporation tax	440,687	-	-	-	440,687
Charges for service	-	-	-	4,752,773	4,752,773
Penalties and interest on taxes	2,550,601	-	-	12,269	2,562,870
Fees and rentals	904,179	-	-	-	904,179
Payments in lieu of taxes	1,416,298	-	-	-	1,416,298
Licenses and permits	3,785,183	-	-	-	3,785,183
Fines and forfeitures	75,828	-	-	-	75,828
Intergovernmental - state aid	60,080,630	-	-	-	60,080,630
Intergovernmental - Teachers Retirement	21,034,608	-	-	-	21,034,608
Intergovernmental - other	-	-	2,217,615	62,724,374	64,941,989
Departmental and other	3,532,631	-	-	15,643,283	19,175,914
Community preservation taxes	-	-	-	2,258,221	2,258,221
Community preservation state match	-	-	-	827,716	827,716
Contributions and donations	-	-	-	477,263	477,263
Investment income	2,948,735	-	-	438,151	3,386,886
Total Revenues	<u>\$ 376,166,021</u>	<u>\$ -</u>	<u>\$ 2,217,615</u>	<u>\$ 88,804,977</u>	<u>\$ 467,188,613</u>
Expenditures:					
Current:					
General government	\$ 21,766,247	\$ -	\$ 12,469,220	\$ 5,736,351	\$ 39,971,818
Public safety	74,796,019	-	20,738,547	8,344,651	103,879,217
Education	121,099,204	-	-	47,104,524	168,203,728
Public works	16,785,168	18,290,285	32,581,444	15,112,134	82,769,031
Human services	3,874,819	-	-	16,325,115	20,199,934
Culture and recreation	9,612,973	-	956,724	1,869,351	12,439,048
Community preservation	-	-	-	1,474,284	1,474,284
Pension benefits	3,652,728	-	-	-	3,652,728
Pension benefits - Teachers Retirement	21,034,608	-	-	-	21,034,608
Employee benefits	55,459,554	-	-	-	55,459,554
Claims and judgements	691,479	-	-	-	691,479
State and county charges	5,043,062	-	-	-	5,043,062
Debt service:					
Principal	19,796,769	-	-	-	19,796,769
Interest	23,354,813	-	-	1,029,019	24,383,832
Total Expenditures	<u>\$ 376,967,443</u>	<u>\$ 18,290,285</u>	<u>\$ 66,745,935</u>	<u>\$ 96,995,429</u>	<u>\$ 558,999,092</u>
Excess (deficiency) of revenues over expenditures	\$ (801,422)	\$ (18,290,285)	\$ (64,528,320)	\$ (8,190,452)	\$ (91,810,479)
Other Financing Sources (Uses):					
Issuance of long-term debt	-	-	68,530,000	-	68,530,000
Premium from issuance of debt	-	-	10,320,000	-	10,320,000
Transfers in	1,587,585	-	2,921,743	-	4,509,328
Transfers out	(4,254,850)	-	-	(1,587,585)	(5,842,435)
Total Other Financing Sources (Uses)	<u>\$ (2,667,265)</u>	<u>\$ -</u>	<u>\$ 81,771,743</u>	<u>\$ (1,587,585)</u>	<u>\$ 77,516,893</u>
Net Change in Fund Balances	(3,468,687)	(18,290,285)	17,243,423	(9,778,037)	(14,293,586)
Fund Balances at Beginning of Year	<u>40,320,706</u>	<u>(152,518,292)</u>	<u>50,062,922</u>	<u>40,466,009</u>	<u>(21,668,655)</u>
Fund Balances at End of Year	<u>\$ 36,852,019</u>	<u>\$ (170,808,577)</u>	<u>\$ 67,306,345</u>	<u>\$ 30,687,972</u>	<u>\$ (35,962,241)</u>

(1) Extracted from audited financial statements.

**CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022 (1)**

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Real estate and personal property taxes, net of tax refunds	\$ 255,848,822	\$ -	\$ -	\$ -	\$ 255,848,822
Tax liens	416,226	-	-	-	416,226
Motor vehicle and other excise taxes	11,537,673	-	-	-	11,537,673
Hotel/motel tax	-	-	-	1,083,426	1,083,426
Meals tax	2,235,239	-	-	-	2,235,239
Urban development corporation tax	491,823	-	-	-	491,823
Charges for service	-	-	-	3,719,055	3,719,055
Penalties and interest on taxes	1,505,339	-	-	7,325	1,512,664
Fees and rentals	2,344,031	-	-	-	2,344,031
Payments in lieu of taxes	819,705	-	-	-	819,705
Licenses and permits	5,536,565	-	-	-	5,536,565
Fines and forfeitures	76,013	-	-	-	76,013
Intergovernmental - state aid	53,857,941	-	-	-	53,857,941
Intergovernmental - Teachers Retirement	18,415,409	-	-	-	18,415,409
Intergovernmental - other	-	-	1,765,828	65,745,662	67,511,490
Departmental and other	8,373,038	-	-	12,094,388	20,467,426
Community preservation taxes	-	-	-	2,142,074	2,142,074
Community preservation state match	-	-	-	901,109	901,109
Contributions and donations	-	-	-	2,929,772	2,929,772
Investment income	218,317	-	-	(137,059)	81,258
Total Revenues	\$ 361,676,141	\$ -	\$ 1,765,828	\$ 88,485,752	\$ 451,927,721
Expenditures:					
Current:					
General government	\$ 18,042,884	\$ -	\$ 14,653,928	\$ 35,400,122	\$ 68,096,934
Public safety	65,171,688	-	13,819,781	8,196,528	87,187,997
Education	114,448,757	-	9,084	25,480,019	139,937,860
Public works	18,473,659	6,520,557	22,255,327	922,180	48,171,723
Human services	3,328,008	-	-	11,624,478	14,952,486
Culture and recreation	8,563,278	-	1,787,568	530,586	10,881,432
Community preservation	-	-	-	803,166	803,166
Pension benefits	7,361,436	-	-	-	7,361,436
Pension benefits - Teachers Retirement	18,415,409	-	-	-	18,415,409
Employee benefits	50,848,940	-	-	-	50,848,940
Claims and judgements	317,899	-	-	-	317,899
State and county charges	4,166,071	-	-	-	4,166,071
Debt service:					
Principal	14,488,141	-	-	-	14,488,141
Interest	14,707,553	-	-	303,669	15,011,222
Total Expenditures	\$ 338,333,723	\$ 6,520,557	\$ 52,525,688	\$ 83,260,748	\$ 480,640,716
Excess (deficiency) of revenues over expenditures	\$ 23,342,418	\$ (6,520,557)	\$ (50,759,860)	\$ 5,225,004	\$ (28,712,995)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	73,900,000	-	73,900,000
Issuance of refunding bonds	17,731,750	-	-	-	17,731,750
Premium from issuance of bonds	-	-	3,970,000	-	3,970,000
Premium from issuance of refunding bonds	2,876,860	-	-	-	2,876,860
Payments to refunded bond escrow agent	(20,275,000)	-	-	-	(20,275,000)
Transfers in	3,358,301	-	3,206,014	50,000	6,614,315
Transfers out	(3,206,014)	-	-	(3,408,301)	(6,614,315)
Total Other Financing Sources (Uses)	\$ 485,897	\$ -	\$ 81,076,014	\$ (3,358,301)	\$ 78,203,610
Special Items:					
Issuance of pension obligation bonds	434,585,481	-	-	-	434,585,481
Pension obligation bonds issuance costs	(2,307,711)	-	-	-	(2,307,711)
Contribution to pension trust	(432,277,770)	-	-	-	(432,277,770)
Total Special Items	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	23,828,315	(6,520,557)	30,316,154	1,866,703	49,490,615
Fund Balances at Beginning of Year	16,492,391	(145,997,735)	19,746,768	38,599,306	(71,159,270)
Fund Balances at End of Year	\$ 40,320,706	\$ (152,518,292)	\$ 50,062,922	\$ 40,466,009	\$ (21,668,655)

(1) Extracted from audited financial statements.

CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021 (1)

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Real estate and personal property taxes, net of tax refunds	\$ 245,967,120	\$ -	\$ -	\$ -	\$ 245,967,120
Tax liens	333,737	-	-	-	333,737
Motor vehicle and other excise taxes	10,699,371	-	-	-	10,699,371
Hotel/motel tax	-	-	-	397,687	397,687
Meals tax	1,587,370	-	-	-	1,587,370
Urban development corporation tax	211,610	-	-	-	211,610
Charges for service	-	-	-	1,730,892	1,730,892
Penalties and interest on taxes	1,401,509	-	-	6,517	1,408,026
Fees and rentals	1,958,206	-	-	-	1,958,206
Payments in lieu of taxes	947,423	-	-	-	947,423
Licenses and permits	3,076,415	-	-	-	3,076,415
Fines and forfeitures	612,937	-	-	-	612,937
Intergovernmental - state aid	50,365,834	-	-	-	50,365,834
Intergovernmental - School Building Authority	385,483	-	-	221,244	606,727
Intergovernmental - Teachers Retirement	35,817,393	-	-	-	35,817,393
Intergovernmental - other	208,558	-	1,748,218	57,637,982	59,594,758
Departmental and other	2,540,837	52,598	-	13,764,644	16,358,079
Community preservation taxes	-	-	-	2,054,122	2,054,122
Community preservation state match	-	-	-	568,759	568,759
Contributions and donations	-	-	-	2,148,353	2,148,353
Investment income	274,402	-	-	279,165	553,567
Total Revenues	<u>\$ 356,388,205</u>	<u>\$ 52,598</u>	<u>\$ 1,748,218</u>	<u>\$ 78,809,365</u>	<u>\$ 436,998,386</u>
Expenditures:					
Current:					
General government	\$ 18,405,317	\$ -	\$ 7,259,530	\$ 30,284,880	\$ 55,949,727
Public safety	64,750,099	-	18,488,030	9,338,223	92,576,352
Education	109,382,977	-	-	21,362,546	130,745,523
Public works	16,292,414	32,532,914	14,788,107	4,907,913	68,521,348
Human services	3,318,995	-	-	11,696,822	15,015,817
Culture and recreation	7,287,608	-	7,070,344	414,384	14,772,336
Community preservation	-	-	-	408,546	408,546
Pension benefits	31,515,517	-	-	-	31,515,517
Pension benefits - Teachers Retirement	35,817,393	-	-	-	35,817,393
Employee benefits	49,796,494	-	-	-	49,796,494
Claims and judgements	1,533,330	-	-	-	1,533,330
State and county charges	4,443,736	-	-	-	4,443,736
Debt service:					
Principal	11,635,742	-	-	-	11,635,742
Interest	11,654,571	-	-	287,306	11,941,877
Total Expenditures	<u>\$ 365,834,193</u>	<u>\$ 32,532,914</u>	<u>\$ 47,606,011</u>	<u>\$ 78,700,620</u>	<u>\$ 524,673,738</u>
Excess (deficiency) of revenues over expenditures	\$ (9,445,988)	\$ (32,480,316)	\$ (45,857,793)	\$ 108,745	\$ (87,675,352)
Other Financing Sources (Uses):					
Issuance of bonds	-	2,528,000	52,507,250	23,200,000	78,235,250
Issuance of refunding bonds	11,328,125	-	-	3,000,000	14,328,125
Premium from issuance of bonds	1,433,841	472,000	12,262,054	-	14,167,895
Premium from issuance of refunding bonds	(12,455,000)	-	-	-	(12,455,000)
Transfers in	5,341,606	-	-	500,000	5,841,606
Transfers out	(2,935,824)	-	2,935,824	(3,741,606)	(3,741,606)
Total Other Financing Sources (Uses)	<u>\$ 2,712,748</u>	<u>\$ 3,000,000</u>	<u>\$ 67,705,128</u>	<u>\$ 22,958,394</u>	<u>\$ 96,376,270</u>
Net Change in Fund Balances	(6,733,240)	(29,480,316)	21,847,335	23,067,139	8,700,918
Fund Balances at Beginning of Year	<u>23,225,631</u>	<u>(116,517,419)</u>	<u>(2,100,567)</u>	<u>15,532,167</u>	<u>(79,860,188)</u>
Fund Balances at End of Year	<u>\$ 16,492,391</u>	<u>\$ (145,997,735)</u>	<u>\$ 19,746,768</u>	<u>\$ 38,599,306</u>	<u>\$ (71,159,270)</u>

(1) Extracted from audited financial statements.

CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020 (1)

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Real estate and personal property taxes, net of tax refunds	\$ 238,823,622	\$ -	\$ -	\$ -	\$ 238,823,622
Tax liens	830,407	-	-	-	830,407
Motor vehicle and other excise taxes	10,900,552	-	-	-	10,900,552
Hotel/motel tax	-	-	-	1,322,127	1,322,127
Meals tax	1,818,971	-	-	-	1,818,971
Charges for service	-	-	-	2,569,755	2,569,755
Penalties and interest on taxes	1,238,328	-	-	4,584	1,242,912
Fees and rentals	3,011,737	-	-	-	3,011,737
Payments in lieu of taxes	1,141,295	-	-	-	1,141,295
Licenses and permits	2,935,950	-	-	-	2,935,950
Fines and forfeitures	650,183	-	-	-	650,183
Intergovernmental - state aid	50,134,306	-	-	-	50,134,306
Intergovernmental - School Building Authority	385,483	-	-	1,174,614	1,560,097
Intergovernmental - Teachers Retirement	31,145,908	-	-	-	31,145,908
Intergovernmental - other	1,441,614	-	50,000	33,379,518	34,871,132
Intergovernmental - COVID-19 relief	-	-	-	7,277,743	7,277,743
Departmental and other	2,898,665	176,296	225,000	3,736,878	7,036,839
Community preservation taxes	-	-	-	1,967,531	1,967,531
Community preservation state match	-	-	-	441,760	441,760
Contributions and donations	-	-	-	2,935,245	2,935,245
Investment income	1,330,685	-	-	190,835	1,521,520
Total Revenues	<u>\$ 348,687,706</u>	<u>\$ 176,296</u>	<u>\$ 275,000</u>	<u>\$ 55,000,590</u>	<u>\$ 404,139,592</u>
Expenditures:					
Current:					
General government	\$ 17,505,143	\$ -	\$ 1,367,575	\$ 12,584,633	\$ 31,457,351
Public safety	62,186,816	-	21,211,229	2,304,106	85,702,151
Education	108,499,165	-	-	28,507,052	137,006,217
Public works	14,946,837	50,498,774	12,772,957	3,406,201	81,624,769
Human services	3,423,089	-	-	9,423,592	12,846,681
Culture and recreation	7,614,046	-	10,457,052	331,822	18,402,920
Community preservation	-	-	-	544,951	544,951
COVID-19	-	-	-	7,277,743	7,277,743
Pension benefits	29,111,719	-	-	-	29,111,719
Pension benefits - Teachers Retirement	31,145,908	-	-	-	31,145,908
Employee benefits	51,739,266	-	-	-	51,739,266
Claims and judgements	162,238	-	-	-	162,238
State and county charges	4,151,681	-	-	-	4,151,681
Debt service:	-	-	-	-	-
Principal	10,341,341	-	-	5,000	10,346,341
Interest	9,778,954	-	-	801,397	10,580,351
Total Expenditures	<u>\$ 350,606,203</u>	<u>\$ 50,498,774</u>	<u>\$ 45,808,813</u>	<u>\$ 65,186,497</u>	<u>\$ 512,100,287</u>
Excess (deficiency) of revenues over expenditures	\$ (1,918,497)	\$ (50,322,478)	\$ (45,533,813)	\$ (10,185,907)	\$ (107,960,695)
Other Financing Sources (Uses):					
Issuance of bonds	-	-	28,761,346	20,399,029	49,160,375
Premium from issuance of bonds	-	-	5,250,125	650,000	5,900,125
Transfers in	2,682,841	-	2,450,663	50,000	5,183,504
Transfers out	(2,450,663)	-	-	(2,052,841)	(4,503,504)
Total Other Financing Sources (Uses)	<u>\$ 232,178</u>	<u>\$ -</u>	<u>\$ 36,462,134</u>	<u>\$ 19,046,188</u>	<u>\$ 55,740,500</u>
Net Change in Fund Balances	(1,686,319)	(50,322,478)	(9,071,679)	8,860,281	(52,220,195)
Fund Balances at Beginning of Year	<u>24,911,950</u>	<u>(66,194,941)</u>	<u>6,971,112</u>	<u>5,847,318</u>	<u>(28,464,561)</u>
Fund Balances at End of Year	<u>\$ 23,225,631</u>	<u>\$ (116,517,419)</u>	<u>\$ (2,100,567)</u>	<u>\$ 14,707,599</u>	<u>\$ (80,684,756)</u>

(1) Extracted from audited financial statements.

CITY OF QUINCY, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019 (1)

	General	Downtown Improvement Capital Fund	City Capital Plan	Education Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Real estate and personal property taxes, net of tax refunds	\$ 226,426,091	\$ -	\$ -	\$ -	\$ -	\$ 226,426,091
Tax liens	554,549	-	-	-	-	554,549
Motor vehicle and other excise taxes	11,299,452	-	-	-	-	11,299,452
Hotel/motel tax	-	-	-	-	1,210,084	1,210,084
Meals tax	1,953,953	-	-	-	-	1,953,953
Urban redevelopment corporations tax	626,090	-	-	-	-	626,090
Charges for service	-	-	-	-	1,983,468	1,983,468
Penalties and interest on taxes	1,376,856	-	-	-	5,986	1,382,842
Fees and rentals	1,154,972	-	-	-	-	1,154,972
Payments in lieu of taxes	1,113,855	-	-	-	-	1,113,855
Licenses and permits	5,185,616	-	-	-	-	5,185,616
Fines and forfeitures	745,780	-	-	-	-	745,780
Intergovernmental - state aid	49,647,282	-	-	-	-	49,647,282
Intergovernmental - School Building Authority	917,759	-	-	9,315,955	-	10,233,714
Intergovernmental - Teachers Retirement	24,789,894	-	-	-	-	24,789,894
Intergovernmental - other	495,535	-	69,793	-	27,340,049	27,905,377
Departmental and other	3,275,642	-	-	-	4,531,334	7,806,976
Community preservation taxes	-	-	-	-	1,841,182	1,841,182
Community preservation state match	-	-	-	-	343,214	343,214
Contributions and donations	-	-	-	-	3,452,480	3,452,480
Investment income	1,273,697	-	-	-	629,979	1,903,676
Total Revenues	<u>\$ 330,837,023</u>	<u>\$ -</u>	<u>\$ 69,793</u>	<u>\$ 9,315,955</u>	<u>\$ 41,337,776</u>	<u>\$ 381,560,547</u>
Expenditures:						
Current:						
General government	\$ 16,434,245	\$ -	\$ 251,158	\$ -	\$ 6,655,910	\$ 23,341,313
Public safety	60,603,960	-	4,359,609	-	1,852,246	66,815,815
Education	104,017,707	-	-	31,255,567	14,774,279	150,047,553
Public works	16,011,905	37,886,832	4,157,870	-	3,710,765	61,767,372
Human services	3,209,932	-	-	-	7,611,905	10,821,837
Community preservation	6,963,766	-	12,112,502	-	452,575	19,528,843
Culture and recreation	-	-	-	-	839,809	839,809
Pension benefits	27,445,447	-	-	-	-	27,445,447
Pension benefits - Teachers Retirement	24,789,894	-	-	-	-	24,789,894
Employee benefits	47,662,698	-	-	-	-	47,662,698
Claims and judgements	226,287	-	-	-	-	226,287
State and county charges	3,932,620	-	-	-	-	3,932,620
Debt service:	-	-	-	-	-	-
Principal	10,645,641	-	-	-	-	10,645,641
Interest	9,709,893	-	-	-	550,000	10,259,893
Total Expenditures	<u>\$ 331,653,995</u>	<u>\$ 37,886,832</u>	<u>\$ 20,881,139</u>	<u>\$ 31,255,567</u>	<u>\$ 36,447,489</u>	<u>\$ 458,125,022</u>
Excess (deficiency) of revenues over expenditures	\$ (816,972)	\$ (37,886,832)	\$ (20,811,346)	\$ (21,939,612)	\$ 4,890,287	\$ (76,564,475)
Other Financing Sources (Uses):						
Issuance of bonds	-	9,485,000	49,909,083	12,950,917	-	72,345,000
Premium from issuance of bonds	-	515,000	4,811,917	1,822,425	-	7,149,342
Transfers in	2,180,294	-	1,000,575	-	282,000	3,462,869
Transfers out	(1,262,575)	-	-	-	(2,200,294)	(3,462,869)
Total Other Financing Sources (Uses)	<u>\$ 917,719</u>	<u>\$ 10,000,000</u>	<u>\$ 55,721,575</u>	<u>\$ 14,773,342</u>	<u>\$ (1,918,294)</u>	<u>\$ 79,494,342</u>
Net Change in Fund Balances	100,747	(27,886,832)	34,910,229	(7,166,270)	2,971,993	2,929,867
Fund Balances at Beginning of Year	<u>24,811,203</u>	<u>(38,308,109)</u>	<u>(27,939,117)</u>	<u>(16,344,403)</u>	<u>26,385,998</u>	<u>(31,394,428)</u>
Fund Balances at End of Year	<u>\$ 24,911,950</u>	<u>\$ (66,194,941)</u>	<u>\$ 6,971,112</u>	<u>\$ (23,510,673)</u>	<u>\$ 29,357,991</u>	<u>\$ (28,464,561)</u>

(1) Extracted from audited financial statements.

Unassigned General Fund Balances 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.

Under the Uniform Municipal Accounting System (UMAS) prescribed by the Commonwealth Department of Revenue, adjusted for accounts receivable, free cash is included in the unassigned fund balance. Uncollected property taxes are fully reserved under UMAS.

As of June 30	Unassigned General Fund Balance (1)	As of July 1	Free Cash (2)
2024	\$ 16,990,915 (8)	2024	\$ 3,430,272
2023	24,652,762	2023	1,283,030 (4)
2022	30,047,921 (3)	2022	8,630,260 (5)
2021	9,566,594	2021	63,289 (6)
2020	15,646,678	2020	(555,404) (7)
2019	20,178,723	2019	8,070,089

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

(2) The amounts of Free Cash shown are prepared by the City and reviewed and certified by the Massachusetts Department of Revenue pursuant to DOR guidelines.

(3) Increase in Unassigned General Fund Balance and Free Cash attributable to ARPA funds, improved revenue performance, and overbudgeted expenditures.

(4) The City used a portion of the 2023 surplus in Free Cash to reduce the FY2024 tax rate. Additionally, during FY2024, the City used Free Cash to address incurred but not reported expenses in the Health Agency Fund, resulting in a Free Cash balance after this use of approximately \$250,000 (unaudited) as of June 30, 2024.

(5) Reflects redetermined Free Cash figure at July 1, 2022 as certified by the Bureau of Accounts as of March 9, 2023.

(6) Reflects redetermined Free Cash figure at July 1, 2021 as certified by the Bureau of Accounts as of March 31, 2022.

(7) For fiscal 2020, the City closed with a \$1.6 million general fund shortfall on a generally accepted accounting principles (GAAP) basis due to unplanned use of undesignated reserves. Despite solid revenue performance prior to the pandemic, local receipts, particularly those sensitive to economic activity, softened in the fourth quarter of fiscal 2020. Throughout the pandemic, the City reduced local revenue estimates and initiated several cost-saving measures, with savings rolled into any potential shortfalls in fiscal 2021. However, despite expenditure savings across several key departments, overall revenue performance led to an eventual use of reserves in 2020.

(8) Source: Draft unaudited financial statements, preliminary and subject to revision and change. Decrease attributable to purposeful drawdown of reserves to provide property tax relief.

A redetermination of free cash by the City Auditor for the purpose of determining available funds for appropriation is allowed (but not required) on the last day of the month preceding the month in which the tax rate is determined but no later than March 31. This is done by adding collections of prior years' taxes and receipts from tax title redemptions and sale of tax possessions to the amount certified and deducting appropriations made from free cash between the date of certification and March 31.

Stabilization Fund Balance

Among its Trust and Agency accounts, the City maintains a Stabilization Fund which can be appropriated for any municipal purpose by a two-thirds vote of the City Council. The trend in the Stabilization Fund balance is shown in the table below.

As of June 30 (1)	Stabilization Fund
2024	\$ 8,062,394 (2)
2023	3,666,842 (3)
2022	13,265,181
2021	8,686,613
2020	13,296,320 (4)

(1) Source: Audited financial statements, with the exception of 2024, which is an unaudited estimate.

(2) Unaudited.

(3) The City appropriated a portion of the Stabilization Fund balance to reduce the FY2024 tax rate.

(4) \$4.2 million was appropriated subsequent to June 30, 2020 to balance the Fiscal Year 2021 budget and was reimbursed to the Fund in Fiscal 2022. See "CITY FINANCES - Budget Trends" herein for FY2022 funds budgeted to reimburse and fund various accounts, including the Stabilization Fund.

Water and Sewer Stabilization Fund

The City maintains a Water and Sewer Stabilization Fund, currently funded with a percentage of building permit fee income, for the purpose of maintaining consistency in water and sewer rates and/or offsetting any potential deficits within the Water and Sewer Enterprise Fund. The trend in the Water and Sewer Stabilization Fund balance is shown in the table below.

<u>As of June 30 (1)</u>	<u>Water & Sewer Stabilization Fund</u>
2024	\$ 2,566,894 (2)
2023	2,566,894 (3)
2022	5,130,092
2021	5,103,790
2020	5,832,274

(1) Source: City's enterprise resource planning software, MUNIS.

(2) Due to lower water consumption relative to budgetary projections, as well as delays in receiving certain water and sewer grant reimbursements, the Water and Sewer Enterprise Fund ended FY2024 with a slight deficit. Monies were transferred from the Water and Sewer Stabilization Fund to the Water and Sewer Enterprise Fund to cover the deficit, resulting in a net zero change in fund balance from FY2023 to FY2024.

(3) Decrease attributable to missed revenue projections for the Water and Sewer Enterprise Fund and the resulting transfer of monies from the Water and Sewer Stabilization Fund.

Tax Increment Financing for Development Districts

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 established the Quincy Center Development District in 2005 and adopted a development program for the District. The development program contemplates, among other things that the City will carry out certain public infrastructure projects in the District, including the construction of a major thoroughfare and positioning the District for development. The City has financed, and anticipates further financing, such public infrastructure development projects through the issuance of municipal bonds. All or a portion of the "tax increments" generated from the new growth properties in the District are expected to be allocated to the payment of all or a portion of such bonds and for the payment of other costs of carrying out the development program. See "INDEBTEDNESS - Direct Debt Summary" and " - Authorized Unissued Debt and Prospective Financing", herein.

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized by vote of two-thirds of all the members of the City Council, on the recommendation of the Mayor. Provision is made for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the City Council. Borrowings for some purposes require State administrative approval. When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be made 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 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 if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, certain sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, certain water bonds, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. Revenue bonds also are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The 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 "Taxation to Meet Deficits" under "PROPERTY TAXATION" 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 annual payment of principal on account of an issue of refunding bonds cannot be later than the last day of the fiscal year in which any of the bonds or notes being refunded would otherwise have been payable; provided, that any annual payment earlier than the date on which the first annual payment is required to be made 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. The maximum term of bonds issued to refund bond anticipation notes 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. The City effectively eliminated the need to issue revenue anticipation notes when it converted to quarterly tax billing in fiscal 1992. However, in order to accelerate its annual contribution to the retirement system to achieve savings, the City issued \$10 million revenue anticipation notes at the beginning of fiscal year 2004 which were paid upon their May 14, 2004 maturity. The City expects to continue the accelerated payment of its retirement contribution without triggering the need for revenue anticipation note borrowings.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of 5 years or longer. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth’s Clean Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the Department of Public Utilities.

Debt Ratios

The following table sets forth the ratio of debt to equalized valuation and per capita debt ratios at the end of the five most recent fiscal years. The table considers the principal amount of general obligation bonds of the City only. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or part (i.e., water, sewer, and school debt), by non-tax revenues. (See “Direct Debt Summary” below.)

Fiscal Year End	G.O. Bonds Outstanding (1)	Population (2)	Equalized Valuation (3)	Per Capita Debt	Ratio Debt To Equalized Valuation
2024	\$ 1,045,371,161	101,636	\$ 20,526,193,400	\$ 10,285	5.09 %
2023	980,777,836	101,636	20,526,193,400	9,650	4.78
2022 (4)	853,135,567	101,636	18,377,975,900	8,394	4.64
2021	351,315,189	101,636	18,377,975,900	3,457	1.91
2020	267,985,497	101,636	15,986,795,000	2,637	1.68

(1) Gross Amount. Does not include MCWT subsidy or MSBA reimbursement.

(2) 2020 Federal Census.

(3) 2018 Equalized Valuation is used for fiscal years 2019 and 2020; 2020 Equalized Valuation is used for fiscal years 2021 and 2022. 2022 Equalized valuation is used for fiscal years 2023 and 2024.

(4) Increase in G.O. bonds outstanding reflects issuance of \$475 million General Obligation Pension Bonds dated December 22, 2021.

Direct Debt Summary

CITY OF QUINCY
Direct Debt Summary
As of June 30, 2024,
Including Subsequent Issues (1)

General Obligation Bonds Outstanding (2):

MCWT (3)	\$	25,087,840	
MWRA (4)		19,661,294	
Other Sewer (5)		4,533,000	
Water (6)		43,118,216	
School (7)		88,980,371	
Pension (8)		465,285,000	
General - Non-DIF (9)		362,420,125	
General - DIF (8)		28,176,000	
CPA (6)		12,418,150	
Total Outstanding			\$ 1,049,679,996

Short-Term Debt Outstanding:

Bond Anticipation Notes Outstanding (Non-DIF) (10)	52,040,010	
Bond Anticipation Notes Outstanding (DIF) (11)	224,248,189	
The Notes (Non-DIF) (12)	25,000,000	
Total Outstanding (13)		301,288,199
Total Direct Debt		\$ 1,350,968,195

- (1) Principal amounts only.
- (2) Excludes short term debt, overlapping debt, unfunded pension and OPEB liability
- (3) Expected payment from self-supporting enterprise. \$19,518,706 of the outstanding amount is not subject to the City's general debt limit.
- (4) Expected payment from self-supporting enterprise. \$18,482,116 of the outstanding debt is not subject to the City's general debt limit.
- (5) Expected payment from self-supporting enterprise.
- (6) Expected payment from self-supporting enterprise. Not subject to the City's general debt limit.
- (7) \$47,083,371 is not subject to the City's general debt limit.
- (8) Not subject to the City's general debt limit
- (9) \$975,000 is not subject to the City's general debt limit.
- (10) Payable July 9, 2025 (\$31,454,335) and July 25, 2025 (\$20,585,675).
- (11) Payable July 9, 2025 (\$6,800,000) and July 25, 2025 (\$217,448,189).
- (12) Payable July 9, 2025.
- (13) The City expects to permanently finance approximately \$4 million DIF notes maturing July 25, 2025 in July 2025. The balance of Non-DIF and DIF notes maturing July 9, 2025 and July 25, 2025 will be renewed for another year, to mature July 2026. See "Authorized and Unissued Debt and Prospective Financing" herein for additional information.

Principal Payments by Purpose

City of Quincy, Massachusetts
Principal Payments by Purpose
Outstanding Bonded Debt as of June 30, 2024, Including Subsequent Issues (1)

Fiscal Year	MCWT (2)	MWRA (3)	City Sewer (4)	City Water (5)	School (6)	Pension (7)	General Non-DIF (8)	General DIF (7)	CPA (5)	Total
2025	\$ 1,325,584	\$ 3,817,153	\$ 273,000	\$ 1,500,716	\$ 3,954,250	\$ 6,145,000	\$ 18,895,175	\$ 1,436,000	\$ 398,100	\$ 37,744,979
2026	1,534,602	3,380,827	225,000	1,347,500	4,044,741	26,240,000	20,152,750	1,450,000	282,250	58,657,670
2027	1,563,825	3,005,194	230,000	1,402,500	4,209,741	26,625,000	19,373,175	1,525,000	291,825	58,226,260
2028	1,593,611	2,523,680	155,000	1,481,500	4,020,741	27,070,000	18,334,025	1,590,000	310,975	57,079,532
2029	1,472,704	1,758,109	160,000	1,554,500	4,147,741	27,580,000	18,624,450	1,670,000	320,550	57,288,054
2030	1,500,598	1,476,401	170,000	1,629,000	4,313,241	28,140,000	19,490,300	1,745,000	339,700	58,804,241
2031	1,529,029	1,192,250	175,000	1,708,000	4,454,241	28,745,000	20,261,150	1,820,000	358,850	60,243,520
2032	1,430,457	965,060	185,000	1,792,500	4,624,741	29,400,000	19,036,575	1,900,000	373,425	59,707,758
2033	1,457,416	965,060	185,000	1,877,000	4,760,241	30,100,000	18,647,425	1,960,000	392,575	60,344,717
2034	1,206,184	577,560	195,000	1,956,000	4,906,241	30,860,000	17,337,850	2,035,000	407,150	59,480,985
2035	1,228,128	-	205,000	2,050,500	4,961,741	31,675,000	15,512,850	2,100,000	417,150	58,150,370
2036	1,250,481	-	215,000	2,125,000	5,107,241	32,555,000	15,298,275	2,180,000	431,725	59,162,722
2037	1,085,432	-	225,000	2,214,500	5,267,741	33,495,000	15,938,700	2,250,000	451,300	60,927,673
2038	1,104,537	-	235,000	2,314,500	5,332,741	34,495,000	15,159,125	1,655,000	465,875	60,761,779
2039	1,123,982	-	250,000	2,409,500	5,247,741	35,540,000	12,959,550	1,055,000	485,450	59,071,223
2040	924,741	-	260,000	2,505,000	4,102,241	36,620,000	12,529,975	400,000	500,025	57,841,982
2041	940,126	-	275,000	2,600,000	2,275,000	-	11,945,400	420,000	519,600	18,975,126
2042	955,767	-	290,000	2,600,000	2,340,000	-	12,060,825	440,000	539,175	19,225,767
2043	971,668	-	305,000	2,710,000	2,400,000	-	11,966,250	265,000	563,750	19,181,668
2044	638,102	-	320,000	1,980,000	2,475,000	-	7,921,675	280,000	583,325	14,198,102
2045	250,867	-	-	645,000	2,480,000	-	6,007,100	-	607,900	9,990,867
2046	-	-	-	655,000	1,500,000	-	5,977,525	-	632,475	8,765,000
2047	-	-	-	325,000	1,050,000	-	5,400,000	-	410,000	7,185,000
2048	-	-	-	330,000	695,000	-	5,560,000	-	430,000	7,015,000
2049	-	-	-	340,000	310,000	-	5,485,000	-	450,000	6,585,000
2050	-	-	-	345,000	-	-	5,740,000	-	465,000	6,550,000
2051	-	-	-	355,000	-	-	3,325,000	-	485,000	4,165,000
2052	-	-	-	365,000	-	-	3,480,000	-	505,000	4,350,000
	<u>\$ 25,087,840</u>	<u>\$ 19,661,294</u>	<u>\$ 4,533,000</u>	<u>\$ 43,118,216</u>	<u>\$ 88,980,371</u>	<u>\$ 465,285,000</u>	<u>\$ 362,420,125</u>	<u>\$ 28,176,000</u>	<u>\$ 12,418,150</u>	<u>\$ 1,049,679,996</u>

- (1) Excludes short term debt, overlapping debt, unfunded pension and OPEB liability.
(2) Expected payment from self-supporting enterprise. \$19,518,706 of the outstanding amount is not subject to the City's general debt limit.
(3) Expected payment from self-supporting enterprise. \$18,482,116 of the outstanding debt is not subject to the City's general debt limit.
(4) Expected payment from self-supporting enterprise.
(5) Expected payment from self-supporting enterprise. Not subject to the City's general debt limit.
(6) \$47,083,371 is not subject to the City's general debt limit.
(7) Not subject to the City's general debt limit
(8) \$975,000 is not subject to the City's general debt limit

Debt Service Requirements

**CITY OF QUINCY, MASSACHUSETTS
DEBT SERVICE REQUIREMENTS
As of June 30, 2024, Including Subsequent Issues (1)**

Fiscal Year	Outstanding Debt (1)		Total
	Principal	Interest	
2025	\$ 37,744,979	\$ 33,734,761	\$ 71,479,740
2026	58,657,670	32,323,588	90,981,258
2027	58,226,260	30,650,304	88,876,564
2028	57,079,532	28,936,063	86,015,595
2029	57,288,054	27,169,878	84,457,932
2030	58,804,241	25,341,750	84,145,990
2031	60,243,520	23,462,183	83,705,703
2032	59,707,758	21,551,838	81,259,597
2033	60,344,717	19,704,952	80,049,669
2034	59,480,985	17,877,876	77,358,862
2035	58,150,370	16,017,925	74,168,295
2036	59,162,722	14,152,145	73,314,867
2037	60,927,673	12,202,431	73,130,104
2038	60,761,779	10,194,169	70,955,948
2039	59,071,223	8,155,064	67,226,287
2040	57,841,982	6,249,789	64,091,772
2041	18,975,126	4,904,073	23,879,199
2042	19,225,767	4,155,696	23,381,463
2043	19,181,668	3,393,953	22,575,621
2044	14,198,102	2,666,147	16,864,249
2045	9,990,867	2,194,647	12,185,514
2046	8,765,000	1,818,291	10,583,291
2047	7,185,000	1,474,938	8,659,938
2048	7,015,000	1,161,969	8,176,969
2049	6,585,000	863,831	7,448,831
2050	6,550,000	577,697	7,127,697
2051	4,165,000	277,434	4,442,434
2052	4,350,000	94,184	4,444,184
Total	<u>\$ 1,049,679,996</u>	<u>\$ 351,307,578</u>	<u>\$ 1,400,987,574</u>

(1) Excludes short term debt, overlapping debt, unfunded pension and OPEB liability.

Authorized Unissued Debt and Prospective Financing

Currently, the City has approximately \$733.865 million in authorized unissued bonded debt (\$276.288 million of which is evidenced by the City's outstanding general obligation bond anticipation notes, including the Notes). The largest components are approximately \$361.8 million authorized unissued for the City's DIF, \$157 million of which was approved on May 21, 2024 (see discussion herein relative to the City's redevelopment of Quincy Center under "Industry and Commerce" and "Tax Increment Financing for Development Districts"), \$108.71 million authorized unissued for Squantum Elementary School design and construction, \$62.13 million authorized unissued for a new public safety headquarters, and \$33.29 million authorized unissued for a multi-year main roadways/sidewalks repair program. The City has \$25.926 million authorized unissued for various school construction/remodeling/repair purposes expected to be issued over the next few fiscal years as part of the City's comprehensive school facilities modernization program. Projects under this program have been or are expected to be funded in large part from significant school building assistance grants from the MSBA. The balance of debt currently authorized unissued is for water and sewer purposes (\$52.741 million) and various other capital improvements (\$41.464 million). The DIF, water, and sewer debt is self-supporting.

Currently, the City has three series of general obligation bond anticipation notes outstanding for capital projects, in the aggregate principal amount of \$276,288,199, with \$224,248,189 issued for DIF purposes relative to the City's redevelopment of Quincy Center (see discussion under "Industry and Commerce" and "Tax Increment Financing for Development Districts" herein) and \$52,040,010 issued for non-DIF purposes. Pursuant to Chapter 32 of the Act of 2011 and Chapter 40Q of the Massachusetts General Laws, both relating to urban redevelopment and district

improvement financing, the City intends to permanently finance the DIF-related portion of the outstanding notes through the issuance of multiple series of general obligation bonds. The City intends to issue each series of bonds following the tenth anniversary of each issuance of the DIF-related notes. The issuances of such series of bonds is expected to coincide with a growth in new tax revenues resulting from development in the related Quincy Center Development District that will sufficiently support the payment of debt service on the bonds. The City will either retire the \$52,040,010 in outstanding notes issued for non-DIF purposes at the respective maturity dates or seek permanent financing through the issuance of multiple series of general obligation bonds, coinciding with the respective maturity dates of the non-DIF related notes. Any issuance of general obligation bonds is subject to the City's ongoing evaluation and updating of the City's debt-financing plans.

Overlapping Debt

The City is located in Norfolk County and is a member of the MWRA and the MBTA. The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of Norfolk County, the MWRA and the MBTA, and the City's estimated gross share of such debt and the fiscal 2025 dollar assessment for each.

Overlapping Entity	6/30/2024 Outstanding Debt	Quincy Estimated Share(1)	Fiscal 2025 Dollar Assessment(2)
Norfolk County(3)	\$ 14,600,000	9.59 %	\$ 798,789
Massachusetts Water Resources Authority(4):			
Water	1,867,871,000	4.71	8,025,858
Sewer	2,640,386,000	4.33	13,563,819
Massachusetts Bay Transportation Authority(5)	5,546,685,000	1.31	2,535,179

- (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: County Treasurer's Office. Outstanding debt as of June 30, 2024; assessment for FY2025. County expenses, including operating costs and debt service on County bonds, if applicable, are assessed upon cities and towns within the county in proportion to their valuation of taxable property as last equalized by the State Commissioner of Revenue. Legislation was enacted in 1997 abolishing the county governments of Franklin and Middlesex counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the county in the payment of general obligation notes of the County. The legislation also abolished the county governments of Hampden and Worcester counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000, respectively. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county government in all remaining counties.
- (4) Source: MWRA. Outstanding debt as of June 30, 2024; assessment for FY2025. The MWRA provides wholesale drinking water services in whole or in part to 48 cities, towns and special purpose entities and provides wastewater collection and treatment services to 43 cities, towns and special purpose entities. Under its enabling legislation, as amended, the aggregate amount of all bonds issued by MWRA for its corporate purposes may not exceed \$6.45 billion outstanding at any time. Its obligations are secured by revenues of the MWRA. The MWRA assesses member cities, towns and special purpose entities, which continue to provide direct retail water and sewer services to users. The cities, towns and other entities collect fees from the users to pay all or part of the assessments; some municipalities levy property taxes to pay part of the amounts assessed upon them.
- (5) Source: MBTA. Outstanding debt as of June 30, 2023; assessment for FY2025. 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. In addition, pursuant to certain of the Commonwealth's transportation bond bills, the MBTA is authorized to issue additional bonds for particular capital projects. The MBTA also is authorized to issue bonds of 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 town is based on a weighted population formula 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.

Coverage of Qualified Debt Service

As of June 30, 2024, the City no longer has any state qualified debt outstanding.

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 interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter 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.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, (see “CONSTITUTIONAL STATUS AND FORM OF GOVERNMENT” above), cities and towns may also be empowered to make other contracts and leases.

The City has the following contractual obligation payable out of the General Fund:

Vendor	Description	Expiration Date	FY2024 Cost	FY2025 Budgeted Cost
Capital Waste Management Services, Inc.	Solid Waste Collection	7/1/2025	\$ 5,024,425	\$ 5,124,914

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. 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 (“UAAL”) 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. Proceeds of the \$475 million General Obligation Pension Bonds dated December 22, 2021 were issued to fund the UAAL and were invested in the PRIT Fund. The balance of the existing System assets (\$361.7 million as of the January 1, 2020 actuarial valuation) will remain under the management of the System’s current investment advisor. The balance of the System assets as of the January 1, 2022 actuarial valuation, which takes into account the investment of the proceeds of the Pension Bonds, is discussed below.

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 City has accepted the statutory provisions and the cost impact has been incorporated into the funding schedule.

As noted below, the City has adopted a funding schedule to fully amortize the UAAL through 2036.

Quincy Contributory Retirement System

The City contributes to the System, a cost-sharing multiple employer defined benefit pension plan administered by the Quincy Retirement Board. Substantially all employees of the City and Quincy College are members of the System, except for public school teachers, certain teachers of the Quincy College and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the City does not contribute.

There are approximately 1,707 retired persons currently receiving pensions under the contributory plan sponsored by the City. The annual required contributions of the City to each retirement system for the following fiscal years were as follows:

<u>Year Ending</u>	<u>Contributory (1)</u>	<u>Non-Contributory (2)</u>
June 30, 2025 (budgeted)	\$9,142,431 (3)	(4)
June 30, 2024 (unaudited)	8,807,364 (3)	(4)
June 30, 2023	7,352,289 (3)	(4)
June 30, 2022	7,502,340 (3)	(4)
June 30, 2021	32,403,793	(4)
June 30, 2020	29,761,320	13,628
June 30, 2019	28,017,080	13,627
June 20, 2018	25,541,290	13,267
June 30, 2017	25,050,196	12,589

(1) Excludes contributions made by the City on behalf of Quincy College, a department of the City. In FY2023 said amount was \$57,260, in FY2022 said amount was \$1,627,371, in FY2021 said amount was \$1,797,075, and in FY2020 said amount was \$1,760,826. Source: See Appendix A – Audited Financial Statements as of June 30, 2023 attached hereto.

(2) Source: Fiscal year 2020 audited financial statements and City’s MUNIS accounting system.

(3) The City funded a portion of the amount required to amortize its unfunded actuarial accrued liability (“UAAL”) with the proceeds of its \$475,000,000 General Obligation Pension Bonds (Subject to Federal and Massachusetts Taxation) dated December 21, 2021, more particularly described below. As a result, the City’s annual required contributions to the contributory retirement system for FY22 and FY23 were lower than in prior fiscal years.

(4) There are no longer any participants in the non-contributory portion of the plan.

In 1999, the City sold the former Quincy City Hospital to a private entity. Due to the hospital privatization, the City Retirement Board changed its methodology for allocating the annual employer’s contribution to the System between the City and the Quincy Housing Authority (the “QHA”), which make up the System’s two component units. This change in methodology resulted in increased contributions from the QHA. The QHA filed a lawsuit [against the Quincy Retirement Board] disputing the increased contributions. On April 28, 2010, the Massachusetts Appeals Court issued a decision (which is not subject to appeal): (i) agreeing that the QHA’s allocated share of the annual employer contribution was too high and (ii) ordering the Quincy Retirement Board to change the allocation methodology, taking into account the accrued pension benefit liability resulting from the privatization of the hospital.

In May of 2019, PERAC, the QHA and the Quincy Retirement Board agreed to a new allocation methodology for the System in compliance with the court order. Under this methodology, the QHA agreed to pay a lump sum shortfall payment of \$4,622,706 and the City agreed to pay a lump sum shortfall payment of \$1,366,494, which brought the QHA and the City up to date regarding their required contributions through and including fiscal year 2019. Additionally, under the new methodology, the QHA and the City have paid in full their respective allocated contributions to the System for each of the

fiscal years from 2020 to the present, as billed by the System, with the QHA making its annual payments in equal monthly installments.

As noted above, the City is responsible for the accrued pension benefit liability remaining for the privatized hospital; however, the City is not responsible for payments to the System relative to the QHA. Rather, the QHA makes its own separate contribution to the System. The City is responsible for payments to the System relative to Quincy College employees and certain former Quincy City Hospital employees who were not retained by the hospital after it was privatized by the City. Those employee pensions are included in the System and are treated in the same manner as current/former City employees.

The latest full actuarial valuation of the City's pension liability was completed as of January 1, 2024 and is available at <https://quincyretirement.com/retirement-system/reports/>. The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference. The actuarial valuation showed an unfunded liability of \$71,127,076 as of January 1, 2024, compared to \$(10,057,314) as of January 1, 2022. The City invested the proceeds of its December 2021 issuance of Pension Obligation Bonds (further discussed below) into the System. As a result, the City was fully funded as of January 1, 2022 (assets exceeded liabilities), with no unfunded liability to be amortized. However, calendar year 2022 saw significant investment losses that resulted in liabilities once again exceeding assets; this resulted in the need to amortize the unfunded liability in the development of a funding schedule (as shown in the table below).

As of the most recent actuarial valuation, January 1, 2024, the System's actuarial accrued liability increased from \$867.3 million as of January 1, 2022 to \$959.7 million as of January 1, 2024, an increase of approximately 10.7%. The increase was primarily due to significant calendar year 2022 investment losses, slightly offset by gains in the following year, and changes in benefit provisions regarding the COLA Base. The estimated rate of return on System assets is 6.75%. Also, as of January 1, 2024, the actuarial value of the System's assets increased from \$877.3 million as of January 1, 2022 to \$888.5 million. The UAAL increased from \$(10.1 million) as of January 1, 2022 to \$71,127,076 as of January 1, 2024, and the funded ratio decreased from 101% as of January 1, 2022 to 93% as of January 1, 2024.

At July 1, 2025, the UAAL of the System is projected to be approximately \$82.1 million at a rate of return assumption of 6.75%, as calculated by the System's actuary. The amounts shown in the table below represent the System as a whole, which includes Quincy College but not QHA, as of the latest January 1, 2024 actuarial valuation.

The amortization of the City's unfunded pension benefit obligation is shown in the table below and discussed in the paragraph below.

Fiscal Year	Housing Authority					City of Quincy					
	Normal Cost	Unfunded Actuarial Accrued Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments (1)	Schedule Contribution	Normal Cost	Unfunded Actuarial Accrued Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments (1)	Schedule Contribution	Total Contribution
2026	\$ 294,305	\$ 12,024,354	\$ 1,759,349	\$ 34,371	\$ 2,088,025	\$ 10,120,462	\$ 70,090,867	\$ 4,975,766	\$ 903,771	\$ 16,000,000	\$ 18,088,025
2027	306,077	11,009,219	1,860,330	34,371	2,200,778	10,525,281	69,835,946	5,434,948	903,771	16,864,000	19,064,778
2028	318,320	9,812,184	1,966,929	34,371	2,319,620	10,946,292	69,070,071	5,924,593	903,771	17,774,656	20,094,276
2029	331,053	8,414,036	2,079,456	34,371	2,444,880	11,384,144	67,723,526	6,446,572	903,771	18,734,487	21,179,367
2030	344,295	6,793,838	2,198,237	34,371	2,576,903	11,839,510	65,719,533	7,002,869	903,771	19,746,150	22,323,053
2031	358,067	4,928,782	2,323,618	34,371	2,716,056	12,313,090	62,973,622	7,595,581	903,771	20,812,442	23,528,497
2032	372,390	2,794,039	2,455,962	34,371	2,862,723	12,805,614	59,392,949	8,226,929	903,771	21,936,314	24,799,036
2033	387,285	362,587	362,587	34,371	784,243	13,317,838	54,875,557	8,899,265	903,771	23,120,875	23,905,118
2034	402,777	-	-	34,371	437,148	13,850,552	49,309,573	9,615,079	903,771	24,369,402	24,806,549
2035	418,888	-	-	34,371	453,259	14,404,574	42,572,345	10,377,005	903,771	25,685,350	26,138,608
2036	435,643	-	-	34,371	470,014	14,980,757	34,529,503	11,187,830	903,771	27,072,358	27,542,373
2037	453,069	-	-	34,371	487,440	15,579,987	25,033,944	12,050,508	903,771	28,534,266	29,021,706
2038	471,192	-	-	34,371	505,563	16,203,186	13,924,736	12,968,158	903,771	30,075,116	30,580,679
2039	490,040	-	-	34,371	524,411	16,851,314	1,025,929	1,025,929	903,771	18,781,014	19,305,425
2040	509,641	-	-	34,371	544,012	17,525,366	-	-	903,771	18,429,138	18,973,150

Source: Actuarial Valuation report of the Quincy Retirement System as of January 1, 2024 as prepared by Stone Consulting.

(1) 3(8)(c) payments are benefits which the Quincy Retirement System pays to or receives from other retirement boards for service that a retiree had with a different retirement system.

In June 2012, the Government Accounting Standards Board ("GASB") issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"), which sets forth new standards that modify the accounting and financial reporting of the City's pension obligations. The new standard for governments that provide employee pension benefits requires the City to report in its statement of net position a net pension liability ("NPL"), defined as the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the fiduciary net position of the plan determined based on U.S. Generally Accepted Accounting Principles set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries.

The City implemented GASB 68 effective commencing with the City's 2015 fiscal year. Based on the GASB Statements No. 67 and 68 Report for Fiscal Year 2024 – Quincy Retirement System, prepared by Stone Consulting, the Total Pension Liability ("TPL") and the Plan Fiduciary Net Position ("FNP") as of December 31, 2023 for the System were \$915,758,607 and \$837,185,473, respectively, resulting in a Net Pension Liability ("NPL") as of December 31, 2023 of \$78,573,134 (of which \$65,993,454 is allocated to the City (including Quincy College) and \$12,579,680 is allocated to the QHA). By comparison, the TPL and the FNP as of December 31, 2022 were \$893,701,925 and \$794,843,628, respectively, resulting in an NPL as of December 31, 2022 of \$78,573,134 (of which \$86,437,843 is allocated to the City (including Quincy College) and \$12,420,455 is allocated to the QHA). The measurements of the NPL assume a 6.75% discount rate as of December 31, 2022 and December 31, 2023.

While GASB 68 changes the way state and local governments report pension benefits in their financial statements, it does not impact pension funding requirements or contribution amounts. To date, the City has contributed 100% of the amounts required to be contributed to the System, as determined in accordance with actuarial valuations and a funding schedule established pursuant to state law, which are approved by PERAC, and the City expects to continue to do so.

On December 22, 2021, the City issued \$475,000,000 General Obligation Pension Bonds (Subject to Federal and Massachusetts Taxation) (the "Pension Bonds") to fund a \$472,583,041.61 portion of its approximately \$479 million (based on a determination made by the City's consulting actuary, Milliman, as of September 30, 2021) UAAL. As a result of the funding of a portion of the City's unfunded pension liability with proceeds of the Pension Bonds issue and with the expected investment earnings thereon, the City expects to achieve present value savings over the term of the Pension Bonds, as compared with the amount it would otherwise have paid under its existing funding schedule.

The Issuance of Pension Bonds is not free from risk. The invested assets of the System, including proceeds of the Pension Bonds, are subject to changes in market values, both positive and negative. Therefore, it is possible that the rate of return on pension system assets could be less than the System's assumed rate of return. It is also possible that the rate of return on pension system assets could be less than debt service payable on the Pension Bonds. Other factors to be considered include the potential for increases in unfunded liability through the adoption of different actuarial assumptions by the actuarial community (such as revised investment return and mortality assumptions), the expansion of the City's workforce and overall payroll growth over time.

The City has established a contingency reserve fund ("CRF") for the System, which is a stabilization fund dedicated to managing the City's UAAL and maintaining as near to a fully funded ratio as possible, despite adverse market and/or actuarial assumption changes. The City contributed \$5.75 million to the CRF in each of FY 2023 and FY 2024 and the City's FY 2025 budget included an additional \$1.75 million allocation for deposit in the CRF. Due to the System's funding level, in FY 2023 and FY 2024, the City Council voted to reappropriate a portion of each year's \$5.75 million CRF contribution to the General Fund for the purpose of providing tax relief to City residents. Except as noted above for FY 2025, the City still intends to budget at least \$5 million to the CRF in each succeeding fiscal year, or until the balance reaches \$30 million over time, with City Council approval. Thereafter, the City would maintain a balance in the CRF equal to the lesser of \$30 million or ten percent (10%) of the outstanding principal balance of the Pension Bonds (the "Reserve Requirement"). Additionally, the City contributed \$5.75 million to the CRF in 2022 for the purpose of making the first interest payment on the Pension Bonds which was due June 15, 2022. If the balance in the CRF falls below the Reserve Requirement, the City will appropriate at least \$5 million in each subsequent year until the Reserve Requirement is restored. Any amount to be added to the CRF, however, is subject to appropriation by the City Council.

The City reserves the right to draw on the CRF, at its discretion, based on the performance of the System. Additionally, the City Council, through its budget cutting authority, may vote to reallocate a portion of the CRF (based on the System's performance and funding level) in each fiscal year for the purpose of providing tax relief to Quincy constituents. In FY 2024 the City drew on the CRF to provide tax relief to its constituents. As of June 30, 2024 the balance in the CRF was \$6,627,772 (unaudited). The City's FY 2025 budget included an additional \$1.75 million appropriation to the CRF.

Except as otherwise indicated, the foregoing pension system data was derived from the Actuarial Valuation Report of the Quincy Retirement System as of January 1, 2024 prepared by Stone Consulting ("Stone"). Actuarially-determined amounts are subject to continued review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Copies of the actuarial valuation reports prepared by Stone may be obtained by contacting the City Treasurer's office.

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. Said costs include those for employees of Quincy College, an enterprise department of the City, but not for employees of QHA (as the Housing Authority pays the cost of such benefits separately).

<u>Fiscal Year</u>	<u>Benefit Costs</u>
2024	\$ 19,449,640
2023	19,647,853
2022	18,683,018
2021	19,010,820
2020	18,855,554

Source: Government Accounting Standards Board ("GASB") Statements No. 74 and 75 Accounting Valuation Report measured at June 30, 2023 and Actuarial Valuation and Review of OPEB measured at December 31, 2021, both as prepared by The Segal Group, Inc.

GASB Statement No. 75, "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions," replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions." GASB Statement No. 75 introduces a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. Cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

Except as otherwise indicated, the OPEB data provided in this section was derived from the GASB Statements No. 74 and 75 Accounting Valuation Report measured at June 30, 2023 and Actuarial Valuation and Review of OPEB measured at December 31, 2021, as prepared by The Segal Group, Inc. ("Segal"). Actuarially-determined amounts are subject to continued review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Copies of the reports may be obtained by contacting the City Treasurer's office.

The City anticipates receiving updated Actuarial Valuation and Review of OPEB Reports for the City and Quincy College from Segal by calendar year end. Upon receipt, the City will file the updated reports at <https://quincyretirement.com/retirement-system/reports/>. The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.

The City is required to implement the GASB reporting requirements for other post-employment benefits. The City has begun performing actuarial valuations of its non-pension, post-employment benefit liability to satisfy the GASB reporting requirements. As of June 30, 2023, the date of the most recent actuarial valuations prepared by Segal for both the City and Quincy College, the total combined OPEB liability for benefits was \$641,961,251 and the plan fiduciary net position was \$5,659,307, resulting in a net OPEB liability of \$636,301,944 based on a discount rate of 3.65% for the City and 3.86% for the College. The net OPEB liability for the City increased from \$606,132,647 as of June 30, 2022 to \$622,647,720 as of June 30, 2023 and the net OPEB liability for Quincy College increased from \$13,117,671 as of June 30, 2022 to \$13,654,223 as of June 30, 2023. The actuarial determined contribution (ADC) is an amount determined by the actuary pursuant to GASB Statement No. 75 which represents a level of funding that, if paid on an ongoing basis, is projected to cover the service cost each year and amortize any unfunded actuarial liabilities. The combined ADC for the City and Quincy College was \$37,464,447 as of June 30, 2023.

The City has established a trust fund pursuant to Section 20 of Chapter 32B of the Massachusetts General Laws for the purpose of accumulating assets to prefund the OPEB liabilities. Plan assets segregated and restricted in an OPEB trust are dedicated to providing plan benefits to retirees and beneficiaries in accordance with the terms of the plan and must be legally protected from creditors of the City. Further, City contributions to the trust are irrevocable. The City contributed \$250,000 to the OPEB Trust Fund in each of FY 2022, 2023 and 2024, and the City's FY 2025 budget included a \$250,000 appropriation to the OPEB Trust Fund. The balance in the OPEB Trust Fund at June 30, 2024 (unaudited) was \$2,781,033.

The City also pre-funded the OPEB Trust Fund for future OPEB liabilities on behalf of employees of Quincy College; such amount in the OPEB Trust Fund at June 30, 2024 (unaudited) was \$3.2 million.

EMPLOYEE RELATIONS

The City employs approximately 4,000 full-time and part-time workers, 2,000 of whom are employed at the school department, 220 at Quincy College, 390 at the police department, 277 at the fire department, 250 at the public works, parks/forestry/cemetery and public buildings departments, with the remainder working in other essential health and human services areas including libraries, health, senior services and Veterans' services and other administrative departments within the City. City employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. Approximately 2,500 City employees are represented by unions including employees of the school, police, fire, public works and various other departments. The following are the bargaining units for City employees:

<u>Unit</u>	<u>Union</u>	<u>Expiration Date</u>	<u>Approximate Number of Employees</u>
Supervisory	Quincy Supervisors	6/30/2025	36
Fire Alarm	Quincy Public Safety	6/30/2025	7
Fire	Local #792	6/30/2025	237
Laborers	Local #1139	6/30/2025	137
Library	Mass. Library Staff Assn.	6/30/2025	44
Maintenance	School Maintenance Union	6/30/2025	20
Police	QPPOA	6/30/2025	176
Clerical	QPEA	6/30/2025	145
Superior Police Officers	Superior Officers	6/30/2025	49
Traffic Supervisors	Quincy Traffic Supervisors	6/30/2025	41
Teachers	Quincy Education Association, Inc. Unit A	8/31/2025	859
Assistant Principals	Quincy Education Association, Inc. Unit C	8/31/2025	18
Bus Attendants	QPS Student Transportation Monitors	6/30/2025	9
	Teamsters Local 122		
Bus Drivers	QPS Bus Drivers	6/30/2025	37
	Teamsters Local 122		
Custodians	QPS Custodians Association	7/1/2025	68
	Local 1911		
	District Council 35		
	Painters & Allied Trades		
Food Service Workers	Food Services Employees Association	6/30/2025	91
	SEIU Local 888		80
Paraprofessionals	QPS Paraprofessional Unit	7/1/2025	237
	SEIU Local 888		
Secretaries	QPS Educational Employees	7/1/2025	62
	Union, SEIU Local 888		
Security Guards	QPS Security Force	6/30/2025	8
	Teamsters Local 122		
College Teaching Faculty	Quincy Education Association, Inc. Unit D	8/28/2026	62
College Professional Staff	Quincy Education Association, Inc. Unit E	6/30/2026	45

LITIGATION

In the opinion of the City Solicitor, no litigation is pending or threatened which is likely to result either individually or in the aggregate in a final judgment against the City that will materially affect the City's financial position.

CITY OF QUINCY, MASSACHUSETTS
/s/ Molly Smith, City Treasurer

March 31, 2025



**Powers &
Sullivan, LLC**
CPAs AND ADVISORS

CITY OF QUINCY, MASSACHUSETTS

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

YEAR ENDED JUNE 30, 2023

CITY OF QUINCY, MASSACHUSETTS
REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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Independent Auditors' Report

To the Honorable Mayor and City Council
City of Quincy, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Quincy, Massachusetts, as of and for the year ended June 30, 2023 (except for the Quincy Contributory Retirement System which is as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the City of Quincy, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Quincy, Massachusetts, as of June 30, 2023 (except for the Quincy Contributory Retirement System which is as of and for the year ended December 31, 2022), 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.

We did not audit the financial statements of the Quincy Contributory Retirement System, which represents 100% of the assets, net position, and revenues of the discretely presented component. This statement was audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Quincy Contributory Retirement System are based solely on the reports of the other auditor.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 March 27, 2024, on our consideration of the City of Quincy, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Quincy, Massachusetts' 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 Quincy, Massachusetts' internal control over financial reporting and compliance.



March 27, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Quincy (City), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023. 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 exceeded its assets and deferred outflows of resources at the close of 2023 by \$722.4 million due to the long-term actuarially determined net pension and other postemployment liability, net of deferred inflows and outflows of resources of \$715.7 million.
- The accumulated governmental liability for net other postemployment benefits liability, net of deferred inflows and outflows of resources is \$714.8 million. The accumulated net OPEB liability, along with issuance of non-capital related debt issued in prior years and intended to fully the City's portion of the net pension liability has created a negative balance of \$1.1 billion for governmental activities unrestricted net position.
- The accumulated business-type liability for the net other postemployment benefits liability, net of deferred inflows and outflows of resources is \$28.9 million. The accumulated net OPEB liability, along with issuance of non-capital related debt issued in prior years and intended to fully the City's portion of the net pension liability has created a negative balance of \$38.4 million for business-type activities unrestricted net position.
- At the close of the current year, the City's general fund reported an ending fund balance of \$36.9 million a decrease of \$3.5 million from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These basic financial statements comprise three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements.

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two 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 City'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, human services, community preservation, culture and recreation, claims and judgments and interest. The business-type activities include the activities of the sewer, water, and Quincy College operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate public employee retirement system for which the City is financially accountable. Financial information for this *component unit* is reported 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 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 adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, and Quincy College activities.

Internal service funds are used to accumulate and allocate costs internally among various functions. The City uses internal service funds to account for the self-insured employee health program. Because this program primarily benefits governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's 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's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$721.3 million at the close of 2023.

Net position of \$383 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The 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 \$37.3 million of the net position represents resources that are subject to external restrictions on how they may be used. The remaining *unrestricted net position* deficit balance is not available to meet the City's ongoing obligations to citizens and creditors because the related non-capital liabilities exceed non-capital assets. The *unrestricted net position* deficit balance of \$1.1 billion, which represents amounts that will need to be raised over the course of time, is the result of recognizing a net pension and net OPEB liability, and related deferred inflows and outflows of resources, of \$715.7 million and non-capital related debt to fully the City's portion of the net pension liability.

The discussion and comparison of governmental and business-type activities of the City are presented on the pages that follow.

Governmental Activities

The City's governmental activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources for governmental activities by \$762.2 million at the close of 2023. Condensed financial statement information for the governmental activities follows on the next page.

Comparative information regarding the City's governmental activities assets, deferred outflows of resources, liabilities, and deferred inflows of resources, between the current and prior years, is presented below:

	2023	2022
Assets:		
Current assets.....	\$ 213,758,518	\$ 211,788,572
Noncurrent assets (excluding capital).....	-	82,202,908
Capital assets, non depreciable.....	104,906,728	100,684,544
Capital assets, net of accumulated depreciation....	788,536,143	713,583,921
Total assets.....	1,107,201,389	1,108,259,945
Deferred outflows of resources.....	197,014,576	106,414,082
Liabilities:		
Current liabilities (excluding debt).....	68,131,385	46,643,761
Noncurrent liabilities (excluding debt).....	702,305,870	603,879,247
Current debt.....	204,421,775	202,795,441
Noncurrent debt.....	898,461,624	846,542,392
Total liabilities.....	1,873,320,654	1,699,860,841
Deferred inflows of resources.....	193,067,508	242,672,563
Net position:		
Net investment in capital assets.....	304,935,211	269,669,594
Restricted.....	35,971,115	36,589,532
Unrestricted.....	(1,103,078,523)	(1,034,118,503)
Total net position.....	\$ (762,172,197)	\$ (727,859,377)

The governmental net position decreased \$34.3 million during the current year. This was mainly driven by increases in expenses associated with the net pension asset and net other postemployment benefit liability and related deferred inflows and outflows of resources. Also contributing to the change in net position was the recognition of \$5.3 million of capital grant revenue and favorable budgetary results.

The governmental activities expenses increased \$37.8 million and totaled \$498.1 million at fiscal year-end. Of this amount, \$153.1 million, or 30.7%, was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. The decrease in expenses is largely the result of lower expenses associated with the net pension asset and net other postemployment benefit liability. These two items were offset by increases expenses associated with workers compensation liabilities, accrued interest on long term debt and compensated absences.

General revenues totaled \$312 million, primarily coming from property taxes, motor vehicle excise and unrestricted grants and contributions. General revenues increased \$13.5 million over the prior year and the increase is mainly attributable to increased real estate and tax lien revenues, unrestricted grants and contribution revenue, penalties and interest in taxes, payments in lieu of taxes and investment income increasing \$11.7 million over the prior year.

Comparative information regarding the City's governmental activities revenues and expenses, between the current and prior years, is presented below in the following table:

	2023	2022
Program Revenues:		
Charges for services.....	\$ 23,454,370	\$ 28,801,425
Operating grants and contributions.....	116,892,584	116,162,734
Capital grants and contributions.....	12,789,939	10,312,559
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	256,714,037	256,759,071
Tax and other liens.....	6,281,217	253,865
Motor vehicle and other excise taxes.....	11,766,252	10,886,916
Hotel/motel tax.....	1,670,927	1,083,426
Meals tax.....	2,520,855	2,235,239
Urban development corporation tax.....	440,687	491,823
Community preservation tax.....	2,235,856	2,149,358
Penalties and interest on taxes.....	2,562,870	1,512,664
Payments in lieu of taxes.....	1,416,298	819,705
Grants and contributions not restricted to specific programs.....	23,011,951	22,254,192
Unrestricted investment income.....	3,386,885	81,258
Total revenues.....	465,144,728	453,804,235
Expenses:		
General government.....	38,949,485	39,519,668
Public safety.....	127,356,704	117,202,403
Education.....	226,884,729	202,075,043
Public works.....	39,998,972	50,082,263
Human services.....	21,915,650	18,769,753
Culture and recreation.....	19,028,941	17,446,871
Community preservation.....	1,059,336	387,617
Claims and judgments.....	691,479	317,899
Interest.....	22,239,145	14,554,781
Total expenses.....	498,124,441	460,356,298
Excess (Deficiency) before transfers.....	(32,979,713)	(6,552,063)
Transfers.....	(1,333,107)	-
Change in net position.....	(34,312,820)	(6,552,063)
Net position, beginning of year.....	(727,859,377)	(721,307,314)
Net position, end of year.....	\$ (762,172,197)	\$ (727,859,377)

Business-type Activities

The City's business-type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40.9 million at the close of 2023. Comparative information regarding the City's business-type activities assets, deferred outflows of resources, liabilities, and deferred inflows of resources, between the current and prior years, is presented in the tables that follow:

	2023	2022
Assets:		
Current assets.....	\$ 55,522,493	\$ 50,532,562
Noncurrent assets (excluding capital).....	1,133,000	13,928,430
Capital assets, non depreciable.....	1,944,088	1,692,294
Capital assets, net of accumulated depreciation....	143,150,529	128,476,046
Total assets.....	201,750,110	194,629,332
Deferred outflows of resources.....	13,214,228	9,156,463
Liabilities:		
Current liabilities (excluding debt).....	15,430,808	15,322,940
Noncurrent liabilities (excluding debt).....	33,855,228	28,657,090
Current debt.....	11,449,010	11,976,433
Noncurrent debt.....	103,251,254	89,103,941
Total liabilities.....	163,986,300	145,060,404
Deferred inflows of resources.....	10,104,954	21,112,276
Net position:		
Net investment in capital assets.....	78,024,025	72,980,332
Restricted.....	1,333,000	1,333,000
Unrestricted.....	(38,483,941)	(36,700,217)
Total net position.....	\$ 40,873,084	\$ 37,613,115

Business-type net position of \$78 million represents the net investment in capital assets, \$1.3 million is restricted for capital purposes and workers compensation financing and the remaining unrestricted net position is in a deficit of \$38.5 million. The deficit in unrestricted net position is largely due to the recognition of total business-type activities net pension and net other postemployment benefit liabilities of \$32.2 million.

Comparative information regarding the City's business-type activities revenues and expenses, between the current and prior year, is presented in the table on the following page.

	2023	2022
Program Revenues:		
Charges for services.....	\$ 80,796,392	\$ 78,302,448
Operating grants and contributions.....	521,008	498,614
Capital grants and contributions.....	1,337,567	126,447
General Revenues:		
Penalties and interest.....	542,679	418,192
Unrestricted investment income.....	655,553	27,342
Total revenues.....	83,853,199	79,373,043
Expenses:		
Water.....	24,542,282	21,812,187
Sewer.....	31,713,594	29,925,385
Quincy College.....	25,670,461	24,098,501
Total expenses.....	81,926,337	75,836,073
Excess (Deficiency) before transfers.....	1,926,862	3,536,970
Transfers.....	1,333,107	-
Change in net position.....	3,259,969	3,536,970
Net position, beginning of year.....	37,613,115	34,076,145
Net position, end of year.....	\$ 40,873,084	\$ 37,613,115

The City's business-type activities net position increased \$3.3 million in the current year as discussed in the following paragraphs.

The water enterprise fund's net position increased \$712,000 from the prior year. This is the result increased operating revenues being offset by an increase in operating expenses. Operating expense increased because of as a result of increased employee benefit costs.

The sewer enterprise net position decreased \$1.7 million from the prior year. This is the result of increased costs of services and administration, interest and depreciation expenses being offset by an increase in operating revenues. The receipt of capital grant contributions in the amount of \$1 million also contributed to overall increase in net position.

The ending net position of the Quincy College enterprise fund increased \$890,000. Operating revenues increased \$1.6 million. This is mainly due to a net decrease in certain tuition and student registrations fees declining while grant income increased \$1.9 million.

The College's operating expenses increased by \$867,000 largely due to increase grant, professional development, and bad debts expenses.

The College has established an OPEB Trust fund to begin the process of fully funding the actuarially determined and accrued liability. The activity of the trust is presented as a fiduciary fund and the net position can only be spent on retiree health insurance benefits. At year end, the balance in the OPEB Trust fund was approximately \$3.2 million.

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 *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 a combined net ending fund balance deficit of \$35.9 million. The reasons for this deficit are discussed further in the paragraphs that follow.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$24.7 million and total fund balance was \$36.9 million. Fund balance is restricted in the amount of \$5.9 million. This amount represents funds set aside, per enabling legislation, to pay for debt service associated with pension obligation bonds. Assignments of fund balance for encumbrances and continuing appropriations totaled \$6.3 million. Unassigned fund balance represents 6.5% of total general fund expenditures, while total fund balance represents 9.8% of that same amount.

The general fund experienced a decrease in fund balance of \$3.5 million. This was due to revenues increasing 4% and expenditures increasing 11%. The revenue increase was largely driven by growth in real estate tax related revenues, increase in state aid, and increased investment income. The expenditures increased largely due to increased debt service costs which is largely due to payment on pension obligations bonds. The overall increase in budgetary appropriations also led to increased spending in a variety of other expenditure categories.

Fund balance of the Downtown Improvement Capital Fund decreased by \$18.3 million which was caused by an equal amount of expenditures occurring in advance of long term debt financing proceeds. The current fund deficit balance of \$170.8 million will be funded through the issuance of long-term debt. The fund accounts for activity related to a major ongoing capital project to improve the downtown area. The fund had BANS outstanding of \$154.8 million that were issued for statutory purposes.

Fund balance of the City Capital Plan Fund increased by \$17.2 million. This was due the issuance of long-term debt and premium proceeds of \$78.9 million offsetting by total fund expenditures in the amount of \$66.7 million. The fund expenditures were incurred under various contracts for library and parkland improvements, roadway and seawall infrastructure improvements, construction of a new police station and other general government related projects. The fund began the year with a \$50.1 million fund surplus.

General Fund Budgetary Highlights.

The final budget of \$392.9 million is reflective of an increase of \$6.3 million when compared to the original budget.

Actual revenues were \$1.4 million lower than budgeted amounts due to various factors. Real estate revenues were less than budget by \$4.6 million; however actual collections were roughly 98% of the final budgeted amount. This is in line with historical norms. Offsetting the shortfall in real estate revenues were collections of \$3.1 million of receipts associated with tax liens. Tax liens are unbudgeted.

Actual expenditures and encumbrances were lower than budgeted amounts by \$8.8 million due to appropriation turn-backs in a variety of functions. The majority of the turn-backs were in the general government, public works, debt service and employee benefit functions.

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 investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$893.4 million and \$145.1 million (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, machinery, vehicles and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current year was \$84.7 million, net of \$35 million of depreciation expense.

The increase in governmental capital asset activity is due to open space land acquisition, school building improvements, park improvements and related projects funded through the Community Preservation Fund, departmental equipment, and infrastructure and other costs associated with the downtown redevelopment project, as well as various roadway infrastructure upgrades and improvements.

The major reason for the increase in water and sewer fund capital assets is due to the City's ongoing investment in the infrastructure that supports the distribution and collection systems of both funds.

Debt Administration. The City maintains an S&P Bond Rating of AA. The City continues to maintain strong market access for both note and bond sales.

Outstanding long-term debt of the general government, as of June 30, 2023, totaled approximately \$881.2 million. During fiscal year 2023 governmental funds issued \$68.5 million of general obligation bonds of which, \$22.2 million was for Citywide road and sidewalk repair, \$20.6 million was for the Public Safety Headquarters, \$15 million was for the animal shelter construction, \$3.7 was for various equipment purchases and \$7 million was for building and land improvement purposes.

The water enterprise fund had \$54.2 million in long-term debt. The fund issued a total of \$11 million of general obligation bonds. The balance of the issuance relates to the City's ongoing investment in water infrastructure. Water funds principal payments on long term debt totaled \$3.1 million which equaled the amount it was required amounts to pay to bond holders.

The sewer enterprise fund had \$28.7 million in long-term debt. The fund issued \$9.8 million of direct borrowing bonds issued through the Mass Clean Water Trust. Sewer fund principal payments on long term debt totaled \$1.5 million which equaled the amount it was required amounts to pay to bond holders.

All of the debt carried by the water and sewer enterprise funds is supported by the user rates with no subsidy from the general fund.

At June 30, 2023, the City carried \$182.6 million of short term financing notes of which \$154.8 million relates to the Quincy Center Concourse downtown redevelopment project, \$19.1 million relates to various other governmental activities capital projects, and \$5.1 million relates to water and sewer infrastructure projects.

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

Pension Obligation Bonds

In December 2021, the City issued Pension Obligation Bonds totaling \$475,000,000. At issuance, the debt issuance was deposited with the Quincy Contributory Retirement System which in turn invested 100% of the net proceeds with the Pension Reserves Investment Trust. Then intention of this transaction is reduce the City's net pension to zero in return for a fixed rate repayment stream per the terms of the long term debt issuance. The outstanding balance of these bonds at June 30, 2023 was \$470.6 million.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Municipal Finance, City Hall, 1305 Hancock St., Quincy, Massachusetts 02169.

Basic Financial Statements

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STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 168,568,968	\$ 35,323,975	\$ 203,892,943
Investments.....	12,856,976	-	12,856,976
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	3,796,754	-	3,796,754
Tax liens and deferrals.....	10,129,241	1,058,237	11,187,478
Community preservation fund surtax.....	24,380	-	24,380
Motor vehicle and other excise taxes.....	1,382,751	-	1,382,751
User fees.....	-	19,124,912	19,124,912
Departmental and other.....	1,641,301	-	1,641,301
Intergovernmental.....	12,193,640	-	12,193,640
Intergovernmental - subsidy.....	-	15,369	15,369
Community preservation state share.....	827,716	-	827,716
Loans.....	1,341,733	-	1,341,733
Tax foreclosures.....	995,058	-	995,058
Total current assets.....	213,758,518	55,522,493	269,281,011
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Deposit on purchase of property.....	-	1,133,000	1,133,000
Capital assets, nondepreciable.....	104,906,728	1,944,088	106,850,816
Capital assets, net of accumulated depreciation.....	788,536,143	143,150,529	931,686,672
Total noncurrent assets.....	893,442,871	146,227,617	1,039,670,488
TOTAL ASSETS.....	1,107,201,389	201,750,110	1,308,951,499
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	150,844,437	7,868,657	158,713,094
Deferred outflows related to other postemployment benefits.....	46,170,139	5,345,571	51,515,710
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	197,014,576	13,214,228	210,228,804
LIABILITIES			
CURRENT:			
Warrants payable.....	9,954,570	2,397,842	12,352,412
Accrued payroll.....	11,842,210	275,961	12,118,171
Health claims payable.....	2,410,151	-	2,410,151
Tax refunds payable.....	2,648,000	-	2,648,000
Accrued interest.....	10,004,639	497,396	10,502,035
Other liabilities.....	1,984,277	4,490,776	6,475,053
Fees collected in advance.....	15,273,538	4,299,588	19,573,126
Capital financing.....	-	2,564,171	2,564,171
Compensated absences.....	13,582,000	846,074	14,428,074
Workers' compensation.....	432,000	59,000	491,000
Notes payable.....	177,491,005	5,124,649	182,615,654
Bonds payable.....	26,930,770	6,324,361	33,255,131
Total current liabilities.....	272,553,160	26,879,818	299,432,978
NONCURRENT:			
Capital financing.....	-	6,953,371	6,953,371
Compensated absences.....	4,300,000	37,312	4,337,312
Workers' compensation.....	7,470,000	1,614,000	9,084,000
Net pension liability.....	82,146,749	4,291,093	86,437,842
Net other postemployment benefits liability.....	608,389,121	27,912,823	636,301,944
Bonds payable.....	898,461,624	96,297,883	994,759,507
Total noncurrent liabilities.....	1,600,767,494	137,106,482	1,737,873,976
TOTAL LIABILITIES.....	1,873,320,654	163,986,300	2,037,306,954
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	40,487,928	3,676,262	44,164,190
Deferred inflows related to other postemployment benefits.....	152,579,580	6,428,692	159,008,272
TOTAL DEFERRED INFLOWS OF RESOURCES.....	193,067,508	10,104,954	203,172,462
NET POSITION			
Net investment in capital assets.....	304,935,211	78,024,025	382,959,236
Restricted for:			
Capital purposes.....	-	1,133,000	1,133,000
Workers compensation.....	-	200,000	200,000
Loans.....	1,341,733	-	1,341,733
Permanent funds:			
Expendable.....	2,402,240	-	2,402,240
Nonexpendable.....	263,474	-	263,474
Gifts and grants.....	20,056,056	-	20,056,056
Community preservation.....	11,907,612	-	11,907,612
Unrestricted.....	(1,103,078,523)	(38,483,941)	(1,141,562,464)
TOTAL NET POSITION.....	\$ (762,172,197)	\$ 40,873,084	\$ (721,299,113)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

		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.....	\$ 38,949,485	\$ 7,986,624	\$ 2,133,953	\$ -	\$ (28,828,908)	
Public safety.....	127,356,704	10,931,539	1,959,276	-	(114,465,889)	
Education.....	226,884,729	1,234,566	90,694,321	7,512,794	(127,443,048)	
Public works.....	39,998,972	2,438,021	2,862,431	4,273,278	(30,425,242)	
Human services.....	21,915,650	54,513	17,994,261	-	(3,866,876)	
Culture and recreation.....	19,028,941	809,107	1,248,342	-	(16,971,492)	
Community preservation.....	1,059,336	-	-	1,003,867	(55,469)	
Claims and judgments.....	691,479	-	-	-	(691,479)	
Interest.....	22,239,145	-	-	-	(22,239,145)	
Total Governmental Activities.....	498,124,441	23,454,370	116,892,584	12,789,939	(344,987,548)	
<i>Business-Type Activities:</i>						
Water.....	24,542,282	23,949,609	377,302	-	(215,371)	
Sewer.....	31,713,594	31,470,817	143,706	1,049,279	950,208	
Quincy College.....	25,670,461	25,375,966	-	288,288	(6,207)	
Total Business-Type Activities.....	81,926,337	80,796,392	521,008	1,337,567	728,630	
Total Primary Government.....	\$ 580,050,778	\$ 104,250,762	\$ 117,413,592	\$ 14,127,506	\$ (344,258,918)	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (continued)

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page..... \$	(344,987,548)	728,630	(344,258,918)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	256,714,037	-	256,714,037
Tax and other liens.....	6,281,217	-	6,281,217
Motor vehicle and other excise taxes.....	11,766,252	-	11,766,252
Hotel/motel tax.....	1,670,927	-	1,670,927
Meals tax.....	2,520,855	-	2,520,855
Urban development corporation tax.....	440,687	-	440,687
Community preservation tax.....	2,235,856	-	2,235,856
Penalties and interest on taxes.....	2,562,870	542,679	3,105,549
Payments in lieu of taxes.....	1,416,298	-	1,416,298
Grants and contributions not restricted to specific programs.....	23,011,951	-	23,011,951
Unrestricted investment income.....	3,386,885	655,553	4,042,438
<i>Transfers, net</i>	<u>(1,333,107)</u>	<u>1,333,107</u>	<u>-</u>
Total general revenues.....	<u>310,674,728</u>	<u>2,531,339</u>	<u>313,206,067</u>
Change in net position.....	(34,312,820)	3,259,969	(31,052,851)
<i>Net position:</i>			
Beginning of year.....	<u>(727,859,377)</u>	<u>37,613,115</u>	<u>(690,246,262)</u>
End of year..... \$	<u><u>(762,172,197)</u></u>	<u><u>40,873,084</u></u>	<u><u>(721,299,113)</u></u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2023

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 34,096,366	\$ -	\$ 88,697,675	\$ 40,587,944	\$ 163,381,985
Investments.....	-	-	-	12,856,976	12,856,976
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	3,796,754	-	-	-	3,796,754
Tax liens and deferrals.....	10,086,994	-	-	42,247	10,129,241
Community preservation fund surtax.....	-	-	-	24,380	24,380
Motor vehicle and other excise taxes.....	1,382,751	-	-	-	1,382,751
Departmental and other.....	751,931	-	-	889,370	1,641,301
Intergovernmental.....	351,076	-	-	11,842,564	12,193,640
Community preservation state share.....	-	-	-	827,716	827,716
Loans.....	-	-	-	1,341,733	1,341,733
Tax foreclosures.....	995,058	-	-	-	995,058
Due from other funds.....	19,794,787	-	-	-	19,794,787
TOTAL ASSETS.....	\$ 71,255,717	\$ -	\$ 88,697,675	\$ 68,412,930	\$ 228,366,322
LIABILITIES					
Warrants payable.....	\$ 253,580	\$ -	\$ 5,482,841	\$ 4,218,149	\$ 9,954,570
Accrued payroll.....	11,829,832	-	-	12,378	11,842,210
Tax refunds payable.....	2,648,000	-	-	-	2,648,000
Due to other funds.....	-	15,974,264	-	3,820,523	19,794,787
Accrued interest on notes payable.....	2,426,400	-	-	-	2,426,400
Other liabilities.....	760,324	-	-	447,510	1,207,834
Unearned revenue.....	-	-	-	15,273,538	15,273,538
Notes payable.....	-	154,834,313	15,908,489	6,748,203	177,491,005
TOTAL LIABILITIES.....	17,918,136	170,808,577	21,391,330	30,520,301	240,638,344
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	16,485,562	-	-	7,204,657	23,690,219
FUND BALANCES					
Nonspendable.....	-	-	-	263,474	263,474
Restricted.....	5,927,141	-	67,306,345	36,790,358	110,023,844
Assigned.....	6,272,116	-	-	-	6,272,116
Unassigned.....	24,652,762	(170,808,577)	-	(6,365,860)	(152,521,675)
TOTAL FUND BALANCES.....	36,852,019	(170,808,577)	67,306,345	30,687,972	(35,962,241)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 71,255,717	\$ -	\$ 88,697,675	\$ 68,412,930	\$ 228,366,322

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....	\$ (35,962,241)
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	893,442,871
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	23,690,219
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.....	3,947,068
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	2,000,389
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(7,578,239)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(925,392,394)
Net pension liability.....	(82,146,749)
Net other postemployment benefits liability.....	(608,389,121)
Workers' compensation.....	(7,902,000)
Compensated absences.....	(17,882,000)
Net effect of reporting long-term liabilities.....	<u>(1,641,712,264)</u>
Net position of governmental activities.....	<u>\$ (762,172,197)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 262,112,978	\$ -	\$ -	\$ -	\$ 262,112,978
Tax liens.....	3,149,608	-	-	-	3,149,608
Motor vehicle and other excise taxes.....	11,613,200	-	-	-	11,613,200
Hotel/motel tax.....	-	-	-	1,670,927	1,670,927
Meals tax.....	2,520,855	-	-	-	2,520,855
Urban development corporation tax.....	440,687	-	-	-	440,687
Charges for services.....	-	-	-	4,752,773	4,752,773
Penalties and interest on taxes.....	2,550,601	-	-	12,269	2,562,870
Fees and rentals.....	904,179	-	-	-	904,179
Payments in lieu of taxes.....	1,416,298	-	-	-	1,416,298
Licenses and permits.....	3,785,183	-	-	-	3,785,183
Fines and forfeitures.....	75,828	-	-	-	75,828
Intergovernmental - state aid.....	60,080,630	-	-	-	60,080,630
Intergovernmental - Teachers Retirement.....	21,034,608	-	-	-	21,034,608
Intergovernmental - other.....	-	-	2,217,615	62,724,374	64,941,989
Departmental and other.....	3,532,631	-	-	15,643,283	19,175,914
Community preservation taxes.....	-	-	-	2,258,221	2,258,221
Community preservation state match.....	-	-	-	827,716	827,716
Contributions and donations.....	-	-	-	477,263	477,263
Investment income (loss).....	2,948,735	-	-	438,151	3,386,886
TOTAL REVENUES.....	376,166,021	-	2,217,615	88,804,977	467,188,613
EXPENDITURES:					
Current:					
General government.....	21,766,247	-	12,469,220	5,736,351	39,971,818
Public safety.....	74,796,019	-	20,738,547	8,344,651	103,879,217
Education.....	121,099,204	-	-	47,104,524	168,203,728
Public works.....	16,785,168	18,290,285	32,581,444	15,112,134	82,769,031
Human services.....	3,874,819	-	-	16,325,115	20,199,934
Culture and recreation.....	9,612,973	-	956,724	1,869,351	12,439,048
Community preservation.....	-	-	-	1,474,284	1,474,284
Pension benefits.....	3,652,728	-	-	-	3,652,728
Pension benefits - Teachers Retirement.....	21,034,608	-	-	-	21,034,608
Employee benefits.....	55,459,554	-	-	-	55,459,554
Claims and judgments.....	691,479	-	-	-	691,479
State and county charges.....	5,043,062	-	-	-	5,043,062
Debt service:					
Principal.....	19,796,769	-	-	-	19,796,769
Interest.....	23,354,813	-	-	1,029,019	24,383,832
TOTAL EXPENDITURES.....	376,967,443	18,290,285	66,745,935	96,995,429	558,999,092
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(801,422)	(18,290,285)	(64,528,320)	(8,190,452)	(91,810,479)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt.....	-	-	68,530,000	-	68,530,000
Premium from issuance of debt.....	-	-	10,320,000	-	10,320,000
Transfers in.....	1,587,585	-	2,921,743	-	4,509,328
Transfers out.....	(4,254,850)	-	-	(1,587,585)	(5,842,435)
TOTAL OTHER FINANCING SOURCES (USES)...	(2,667,265)	-	81,771,743	(1,587,585)	77,516,893
NET CHANGE IN FUND BALANCES.....	(3,468,687)	(18,290,285)	17,243,423	(9,778,037)	(14,293,586)
FUND BALANCES AT BEGINNING OF YEAR.....	40,320,706	(152,518,292)	50,062,922	40,466,009	(21,668,655)
FUND BALANCES AT END OF YEAR.....	\$ 36,852,019	\$ (170,808,577)	\$ 67,306,345	\$ 30,687,972	\$ (35,962,241)

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, 2023

Net change in fund balances - total governmental funds.....	\$ (14,293,586)
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.....	107,789,910
Depreciation expense.....	<u>(28,615,504)</u>
Net effect of reporting capital assets.....	79,174,406
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.....	
	(2,043,885)
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 bonds.....	(68,530,000)
Premium from issuance of bonds.....	(10,320,000)
Net amortization of premium from issuance of bonds.....	3,995,807
Debt service principal payments.....	<u>19,796,769</u>
Net effect of reporting long-term debt.....	(55,057,424)
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.....	(1,314,000)
Net change in accrued interest on long-term debt.....	(1,851,120)
Net change in deferred outflow/(inflow) of resources related to pensions.....	141,194,461
Net change in net pension liability /(asset).....	(164,349,657)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(988,912)
Net change in net other postemployment benefits liability.....	(16,136,874)
Net change in workers' compensation liability.....	<u>191,000</u>
Net effect of recording long-term liabilities.....	<u>(43,255,102)</u>
The net activity of internal service funds is reported with Governmental Activities.....	<u>1,162,771</u>
Change in net position of governmental activities.....	<u>\$ (34,312,820)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Quincy College	Total	
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 9,240,356	\$ 14,476,755	\$ 11,606,864	\$ 35,323,975	\$ 5,186,983
Receivables, net of allowance for uncollectibles:					
Liens - user fees.....	436,514	621,723	-	1,058,237	-
User fees.....	3,663,359	5,095,472	10,366,081	19,124,912	-
Intergovernmental - subsidy.....	-	15,369	-	15,369	-
Total current assets.....	13,340,229	20,209,319	21,972,945	55,522,493	5,186,983
NONCURRENT:					
Receivables, net of allowance for uncollectibles:					
Deposit on purchase of property.....	-	-	1,133,000	1,133,000	-
Capital assets, non depreciable.....	1,661,558	282,530	-	1,944,088	-
Capital assets, net of accumulated depreciation.....	78,092,746	54,447,642	10,610,141	143,150,529	-
Total noncurrent assets.....	79,754,304	54,730,172	11,743,141	146,227,617	-
TOTAL ASSETS.....	93,094,533	74,939,491	33,716,086	201,750,110	5,186,983
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions.....	4,005,479	2,764,602	1,098,576	7,868,657	-
Deferred outflows related to other postemployment benefits.....	652,076	430,000	4,263,495	5,345,571	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	4,657,555	3,194,602	5,362,071	13,214,228	-
LIABILITIES					
CURRENT:					
Warrants payable.....	1,582,084	-	815,758	2,397,842	-
Accrued payroll.....	-	-	275,961	275,961	-
Health claims payable.....	-	-	-	-	2,410,151
Accrued interest.....	154,234	127,162	216,000	497,396	-
Other liabilities.....	-	-	4,490,776	4,490,776	776,443
Fees collected in advance.....	-	3,781,650	517,938	4,299,588	-
Capital financing.....	-	-	2,564,171	2,564,171	-
Compensated absences.....	285,000	122,000	439,074	846,074	-
Workers' compensation.....	-	-	59,000	59,000	-
Notes payable.....	2,660,714	2,463,935	-	5,124,649	-
Bonds payable.....	3,894,015	2,210,003	220,343	6,324,361	-
Total current liabilities.....	8,576,047	8,704,750	9,599,021	26,879,818	3,186,594
NONCURRENT:					
Capital financing.....	-	-	6,953,371	6,953,371	-
Compensated absences.....	22,000	10,000	5,312	37,312	-
Workers' compensation.....	-	-	1,614,000	1,614,000	-
Net pension liability.....	2,181,301	1,505,545	604,247	4,291,093	-
Net other postemployment benefits liability.....	8,592,500	5,666,100	13,654,223	27,912,823	-
Bonds payable.....	50,344,709	26,517,633	19,435,541	96,297,883	-
Total noncurrent liabilities.....	61,140,510	33,699,278	42,266,694	137,106,482	-
TOTAL LIABILITIES.....	69,716,557	42,404,028	51,865,715	163,986,300	3,186,594
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions.....	1,075,105	742,043	1,859,114	3,676,262	-
Deferred inflows related to other postemployment benefits.....	2,154,962	1,421,000	2,852,730	6,428,692	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	3,230,067	2,163,043	4,711,844	10,104,954	-
NET POSITION					
Net investment in capital assets.....	36,072,103	40,859,323	1,092,599	78,024,025	-
Restricted for:					
Capital purposes.....	-	-	1,133,000	1,133,000	-
Workers compensation.....	-	-	200,000	200,000	-
Unrestricted.....	(11,266,639)	(7,292,301)	(19,925,001)	(38,483,941)	2,000,389
TOTAL NET POSITION.....	\$ 24,805,464	\$ 33,567,022	\$ (17,499,402)	\$ 40,873,084	\$ 2,000,389

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Quincy College	Total	
OPERATING REVENUES:					
Employee contributions.....	\$ -	\$ -	\$ -	\$ -	\$ 12,450,303
Employer contributions.....	-	-	-	-	43,386,829
Charges for services.....	23,961,428	30,121,601	25,291,741	79,374,770	-
TOTAL OPERATING REVENUES	23,961,428	30,121,601	25,291,741	79,374,770	55,837,132
OPERATING EXPENSES:					
Cost of services and administration.....	5,070,151	5,398,746	10,200,293	20,669,190	-
Salaries and wages.....	2,537,353	1,711,924	11,972,466	16,221,743	-
MWRA Assessment.....	13,856,502	22,551,652	-	36,408,154	-
Depreciation.....	2,021,792	1,488,060	2,872,757	6,382,609	-
Employee benefits.....	-	-	-	-	54,674,361
TOTAL OPERATING EXPENSES.....	23,485,798	31,150,382	25,045,516	79,681,696	54,674,361
OPERATING INCOME (LOSS).....	475,630	(1,028,781)	246,225	(306,926)	1,162,771
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	442,471	61,706	241,565	745,742	-
Interest expense.....	(1,056,484)	(563,212)	(482,020)	(2,101,716)	-
Penalties and interest.....	235,995	306,684	-	542,679	-
Intergovernmental - subsidy.....	337,000	82,000	-	419,000	-
Other nonoperating revenues.....	-	-	84,225	84,225	-
Other nonoperating assessments.....	-	1,349,216	-	1,349,216	-
Other nonoperating expenses.....	-	-	(142,925)	(142,925)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(41,018)	1,236,394	(299,155)	896,221	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	434,612	207,613	(52,930)	589,295	1,162,771
CAPITAL CONTRIBUTIONS.....	-	1,049,279	288,288	1,337,567	-
TRANSFERS:					
Transfers in.....	277,757	400,867	654,483	1,333,107	-
CHANGE IN NET POSITION.....	712,369	1,657,759	889,841	3,259,969	1,162,771
NET POSITION AT BEGINNING OF YEAR.....	24,093,095	31,909,263	(18,389,243)	37,613,115	837,618
NET POSITION AT END OF YEAR.....	\$ 24,805,464	\$ 33,567,022	\$ (17,499,402)	\$ 40,873,084	\$ 2,000,389

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water	Sewer	Quincy College	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 24,103,553	\$ 31,538,422	\$ 20,961,385	\$ 76,603,360	\$ 11,313,585
Receipts from interfund services provided.....	-	-	-	-	43,386,829
Payments to vendors.....	(18,210,404)	(28,140,346)	(7,274,252)	(53,625,002)	(53,961,159)
Payments to employees.....	(2,537,353)	(1,711,924)	(13,684,950)	(17,934,227)	-
NET CASH FROM OPERATING ACTIVITIES.....	3,355,796	1,686,152	2,183	5,044,131	739,255
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in.....	277,757	400,867	654,483	1,333,107	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds and notes.....	13,190,164	13,056,070	-	26,246,234	-
Premium from the issuance of bonds.....	1,650,000	-	-	1,650,000	-
Capital contributions.....	337,000	1,224,565	288,288	1,849,853	-
Acquisition and construction of capital assets.....	(13,758,615)	(5,608,031)	(1,690,446)	(21,057,092)	-
Principal payments on bonds and notes.....	(3,740,595)	(7,407,141)	-	(11,147,736)	-
Principal payments on right-to-use lease obligations.....	-	-	(2,474,573)	(2,474,573)	-
Interest expense.....	(1,138,002)	(609,185)	-	(1,747,187)	-
Capital financing proceeds.....	-	-	602,226	602,226	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,460,048)	656,278	(3,274,505)	(6,078,275)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income.....	442,471	61,706	241,565	745,742	-
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	615,976	2,805,003	(2,376,274)	1,044,705	739,255
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	8,624,380	11,671,752	13,983,138	34,279,270	4,447,728
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 9,240,356	\$ 14,476,755	\$ 11,606,864	\$ 35,323,975	\$ 5,186,983
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH					
FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 475,630	\$ (1,028,781)	\$ 246,225	\$ (306,926)	\$ 1,162,771
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	2,021,792	1,488,060	2,872,757	6,382,609	-
Deferred (outflows)/inflows related to pensions.....	(3,805,534)	(2,620,193)	(9,729,260)	(16,154,987)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	13,986	9,200	1,066,714	1,089,900	-
Credit card fees.....	-	-	(142,925)	(142,925)	-
Vending commission and other revenues.....	-	-	84,225	84,225	-
Principal payments on pension obligation bonds.....	-	-	(185,464)	(185,464)	-
Interest payments on pension obligation bonds.....	-	-	(469,020)	(469,020)	-
Other nonoperating assessments.....	-	1,349,216	-	1,349,216	-
Penalties and interest.....	235,995	306,684	-	542,679	-
Changes in assets and liabilities:					
User charges.....	(93,870)	(20,729)	(3,826,543)	(3,941,142)	-
Warrants payable.....	(259,267)	(838,878)	352,925	(745,220)	-
Accrued payroll.....	-	-	(522,534)	(522,534)	-
Health claims payable.....	-	-	-	-	(1,136,718)
Fees collected in advance.....	-	(218,350)	340,183	121,833	-
Other liabilities.....	-	-	(142,874)	(142,874)	713,202
Compensated absences.....	25,000	11,000	65,855	101,855	-
Workers' compensation.....	-	-	(3,000)	(3,000)	-
Net pension asset.....	2,332,863	1,593,078	8,854,120	12,780,061	-
Net pension liability.....	2,181,301	1,505,545	604,247	4,291,093	-
Net other postemployment benefits liability.....	227,900	150,300	536,552	914,752	-
Total adjustments.....	2,880,166	2,714,933	(244,042)	5,351,057	(423,516)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,355,796	\$ 1,686,152	\$ 2,183	\$ 5,044,131	\$ 739,255
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Intergovernmental subsidy of debt service.....	\$ 337,000	\$ 93,286	\$ -	\$ 430,286	\$ -
Capital financing proceeds.....	-	-	602,226	602,226	-
Acquisition of right to use leased asset.....	-	-	(602,226)	(602,226)	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
ASSETS		
Cash and cash equivalents.....	\$ 10,993,220	\$ 989,586
Investments:		
Investments in Pension Reserve Investment Trust....	388,656,845	-
Equity securities.....	173,111,734	-
Equity mutual funds.....	1,868,069	-
Fixed income mutual funds.....	581,772	-
Pooled alternative investments.....	92,771,503	-
Pooled real estate.....	46,416,942	-
Pooled mutual funds.....	81,997,905	-
Plymouth County OPEB trust investment pool.....	3,197,247	-
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	1,093,091	-
TOTAL ASSETS.....	800,688,328	989,586
LIABILITIES		
Warrants payable.....	185,393	-
NET POSITION		
Restricted for pensions.....	794,843,627	-
Restricted for other postemployment benefits.....	5,659,308	-
Held in trust for other purposes.....	-	989,586
TOTAL NET POSITION.....	\$ 800,502,935	\$ 989,586

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 9,407,970	\$ -
Employer contributions for other postemployment benefit payments.....	19,397,853	-
Member contributions.....	11,636,434	-
Transfers from other systems.....	2,592,786	-
Workers' compensation settlements.....	34,500	-
State COLA reimbursements.....	191,584	-
Interest not refunded.....	10,534	-
Private donations.....	-	13,125
Other.....	3,139	-
	<u>43,274,800</u>	<u>13,125</u>
Total contributions.....		
	<u>43,274,800</u>	<u>13,125</u>
Net investment income:		
Investment income (loss).....	(83,017,972)	11,902
Less: investment expense.....	(8,413,760)	-
	<u>(91,431,732)</u>	<u>11,902</u>
Net investment income (loss).....		
	<u>(91,431,732)</u>	<u>11,902</u>
TOTAL ADDITIONS.....	<u>(48,156,932)</u>	<u>25,027</u>
DEDUCTIONS:		
Administration.....	728,312	-
Transfers to other systems.....	2,251,396	-
Retirement benefits and refunds.....	52,733,651	-
Other postemployment benefit payments.....	19,397,853	-
Educational scholarships.....	-	4,250
	<u>75,111,212</u>	<u>4,250</u>
TOTAL DEDUCTIONS.....		
	<u>75,111,212</u>	<u>4,250</u>
NET INCREASE (DECREASE) IN NET POSITION.....	(123,268,144)	20,777
NET POSITION AT BEGINNING OF YEAR.....	<u>923,771,079</u>	<u>968,809</u>
NET POSITION AT END OF YEAR.....	<u>\$ 800,502,935</u>	<u>\$ 989,586</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Quincy, 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. 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 (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

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

The Quincy Contributory Retirement System (the System) was established to provide retirement benefits to City employees, the Quincy 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 City Council and one member appointed by the Retirement Board's members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The System issued a separate audited financial statement along with a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 1250 Hancock St., Suite 506, Quincy, Massachusetts 02169.

Quincy College is not a separate legal entity and therefore the condensed financial statements are presented as an Enterprise Fund. The College's stand-alone financial statements present only the financial activity and net position of the enterprise fund department and do not include the financial activity or position of the Quincy College Trust, Inc. which is a separate legal entity but considered a component unit. The activity and ending balances of the Quincy College Trust, Inc. are not material to the City and are not presented in these financial statements. The College prepared stand-alone audited financial statements for the year ended June 30, 2023, and they can be obtained directly from their Director of Finance, 1250 Hancock Street, Quincy, Massachusetts 02169.

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

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

Fund Financial Statements

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

Major Fund Criteria

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

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, 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 that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the water, sewer and Quincy College enterprise funds. 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 *Downtown Improvement Capital Fund* is a capital project used to account for costs and funding related to a major ongoing capital project to improve the downtown area.

The *City Capital Plan Fund* is a capital project used to account for costs and funding related to a major ongoing non-education related capital project to improve parklands, improve general government facilities, and to provide for the acquisition of new machinery and equipment.

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

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than 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 expenditures for education related capital outlays, including the acquisition or construction of major 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 following major proprietary funds are reported:

The *water enterprise fund* is used to account for the water activities.

The *sewer enterprise fund* is used to account for the sewer activities.

The *Quincy College enterprise fund* is used to account for the Quincy College activities.

Additionally, the *internal service fund* is reported as a proprietary fund type, which is designed to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to the self-insured health care plan.

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

The following fiduciary fund types are reported:

The *pension and other employee benefit trust funds* are used to account for the activities of the Quincy Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries. The fund also accumulates resources, that has been set aside by the City and Quincy College, to provide funding for future other postemployment benefit liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The City's educational scholarship trusts that are under the custody of the City Treasurer are accounted for in this fund. Educational scholarship trusts that are under the custody of Quincy College are also accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. 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.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

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

Real estate tax liens are processed on delinquent properties and are recorded as receivables in the year they are processed.

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

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

Motor Vehicle Excise

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 uncollectible accounts is estimated based on historical trends and specific account analysis.

Water and Sewer User Fees and Liens

User fees are levied monthly based on individual meter readings and 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 on delinquent accounts and included as a lien on the property owner's tax bill. Water and Sewer charges 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 uncollectible accounts.

Quincy College User Fees

Represent student accounts and other receivables. The recognition of revenue related to accounts receivable are reported under the accrual basis of accounting.

Community Preservation Fund Surcharge

The City has adopted the Community Preservation Act and the provisions of the Act allow the City to assess property owners an additional 1% - 3% of the total real estate commitment. The City has opted to a surcharge of 1% added to each real estate tax bill. Revenues from this surcharge are credited to the Community Preservation Fund, a component of the nonmajor governmental funds to fund open space acquisitions, affordable housing initiatives, historic preservation and recreational uses.

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

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 uncollectible accounts.

Real Estate Tax Deferrals

Real estate tax deferrals are receivables from owners of real property that have entered into a tax deferral and recovery agreement with the Board of Assessors (M.G.L. Ch 59, §5).

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

G. 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.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings and building improvements, right-to-use building space, machinery and equipment, vehicles 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.

All purchases and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20
Leasehold improvements.....	5
Rigt-to-use building space.....	2 - 7
Buildings and improvements.....	7 - 40
Machinery and equipment.....	3 - 20
Vehicles.....	5
Infrastructure.....	10 - 50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets 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 financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets 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 recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Unavailable revenue

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

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

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

Net position has been "restricted for" the following:

"Capital purposes" represents funds paid on deposit for the acquisition of land and buildings.

"Workers compensation" represents amounts restricted by Quincy College for purposes of paying future workers' compensation claims.

"Loans" represents various community development loans to individuals and businesses in the City.

"Permanent funds – nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

"Permanent funds – expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

"Grants and gifts" represents assets that have restrictions placed on them from outside parties.

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

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.

“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. Massachusetts General Law authorizes the Director of Municipal Finance, at his or her discretion, to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only governmental fund that can report a positive unassigned fund balance.

The City will, from time to time, fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the City’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

N. 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 Quincy Contributory Retirement System (QCRS) and the Massachusetts Teachers Retirement System (MTRS) 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.

O. Long-term Debt and Capital Financing*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt and capital financing are reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are capitalized 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 and capital financing are 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.

P. Investment Income

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

Proprietary funds retain their investment income.

Q. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

R. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

S. Fund Deficits

At June 30, 2023, the Downtown Improvement Capital Fund (major governmental fund) and various non-major governmental grant funds had fund deficits of \$170.8 million and \$6.4 million, respectively. These deficits will be funded in future years through grant receipts, issuances of long-term debt and other available funds.

T. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

MMDT maintains a cash portfolio and a short-term bond portfolio. The City participates in the cash portfolio which had a weighted average maturity of 27 days.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$180,846,807 and the bank balance totaled \$191,325,306. Of the bank balance, \$2,595,413 was covered by Federal Depository Insurance, \$57,040,988 was covered by the Depositors Insurance Fund, and \$131,059,620 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2022, carrying amount of deposits for the Retirement System's deposits totaled \$2,705,440. The bank balance of \$3,061,379 was fully covered by Federal Depository Insurance.

Investments

As of June 30, 2023, the City had the following investments and maturities:

Investment Type	Fair value	Maturities	
		Under 1 Year	1-5 Years
<u>Debt securities:</u>			
U.S. treasury notes.....	\$ 2,858,255	\$ 1,513,721	\$ 1,344,534
Government sponsored enterprises.....	258,959	-	258,959
Corporate bonds.....	2,429,551	617,170	1,812,381
Total debt securities.....	5,546,765	\$ 2,130,891	\$ 3,415,874
<u>Other investments:</u>			
Equity securities.....	1,331,993		
Equity mutual funds.....	7,795,210		
Fixed income mutual funds.....	632,849		
Money market mutual funds.....	245,915		
MMDT - Cash portfolio.....	23,802,027		
Plymouth County OPEB trust investment pool.....	3,197,247		
Total investments.....	\$ 42,552,006		

The College is part of the Plymouth County OPEB Trust Program (PCOT) which maintains a pooled investment trust for various Massachusetts governmental organizations. The PCOT administrator is the Public Agency Retirement Services (PARS) which is an IRS approved multiple-employer Section 115 OPEB trust. U.S. Bank is the trustee for the funds invested. Since this is an irrevocable Section 115 trust, the investments are not subject to custodial credit risk. The College's position in this trust is measured at fair value.

As of December 31, 2022, the System had the following investments:

Investment Type	Fair value
Domestic equities.....	\$ 81,907,626
Fixed income.....	15,638,105
International equities.....	91,204,108
Pooled alternative investments.....	92,771,503
Real estate funds.....	46,416,942
Pooled domestic fixed income mutual funds.....	66,359,800
PRIT Core General Allocation fund.....	363,828,149
PRIT Core fixed income fund.....	24,754,939
PRIT Core private equity fund.....	73,757
Money market mutual funds.....	8,275,560
Total investments.....	\$ 791,230,489

The System has investments in the Pension Reserve Investment Trust (PRIT). 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. The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Administration does not have the ability to control any of the investment decisions relative to its funds in PRIT. The effective weighted duration rate for PRIT

investments ranged from 1.98 to 14.64 years.

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. Of the total investments the City has custodial credit risk exposure equal to its investments in government sponsored enterprises, corporate bonds, equity securities and fixed income because the related securities are uninsured, unregistered and held by the counterparty. The City does not have a formal investment policy for custodial credit risk.

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

Interest Rate Risk

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

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

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. The City has not adopted a formal policy related to credit risk. At June 30, 2023 the City's investments were rated as follows:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds
A+.....	\$ 175,038	\$ 854,608
A.....	-	277,669
A-.....	-	319,780
AAA.....	83,921	-
BBB+.....	-	360,324
BBB.....	-	617,170
Total.....	\$ <u>258,959</u>	\$ <u>2,429,551</u>

The City's investments in equity securities, fixed income mutual funds, money market mutual funds and MMDT are unrated.

The System has not adopted a formal policy related to credit risk.

Concentration of Credit Risk

The City does not place a limit on the amount the City may invest in any one issuer. Of the total investment balance, the City had no investment that exceeded 5% of total investments at June 30, 2023.

The System places no limit on the amount the System may invest in any one issuer. The System does not currently have any investments that are subject to concentration of credit risk.

Fair Value Measurement

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

The following table presents financial assets at June 30, 2023, that the City measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 2,858,255	\$ 2,858,255	\$ -	\$ -
Government sponsored enterprises.....	258,959	258,959	-	-
Corporate bonds.....	2,429,551	-	2,429,551	-
Total debt securities.....	5,546,765	3,117,214	2,429,551	-
<u>Other investments:</u>				
Equity securities.....	1,331,993	1,331,993	-	-
Equity mutual funds.....	7,795,210	7,795,210	-	-
Fixed income mutual funds.....	632,849	632,849	-	-
Money market mutual funds.....	245,915	245,915	-	-
Total other investments.....	10,005,967	10,005,967	-	-
Total investments measured at fair value.....	15,552,732	\$ 13,123,181	\$ 2,429,551	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	23,802,027			
Investments measured at net asset value:				
Plymouth County OPEB trust investment pool.....	3,197,247			
Total investments.....	\$ 42,552,006			

U.S. treasury notes, government sponsored enterprises, equity securities, fixed income mutual funds and money market mutual funds are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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.

Plymouth County OPEB trust investments are valued using the net asset value (NAV) method.

The following table presents financial assets at December 31, 2022, that the System measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	December 31, 2022	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)
Domestic equities.....	\$ 81,907,626	\$ -	\$ -	\$ 81,907,626
International equities.....	91,204,108	-	-	91,204,108
Fixed income.....	15,638,105	-	-	15,638,105
Pooled alternative investments.....	64,488,476	-	-	64,488,476
Real estate funds.....	22,703,569	-	-	22,703,569
Pooled domestic fixed income mutual funds...	58,429,898	-	-	58,429,898
Money market mutual funds.....	8,275,560	8,275,560	-	-
Total investments measured at fair value.....	\$ 342,647,342	\$ 8,275,560	\$ -	\$ 334,371,782
Investments measured at net asset value:				
Pooled domestic fixed income mutual funds...	7,929,902			
Real estate funds.....	23,713,373			
Pooled alternative investments.....	28,283,027			
Pension Reserve Investment Trust (PRIT).....	388,656,845			
Total investments.....	\$ 791,230,489			

Money market mutual funds are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Fixed income, domestic equities, international equities, pooled domestic fixed income, pooled alternative investments and real estate funds classified in Level 3 of the fair value hierarchy require significant management judgement or estimation. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Remaining investments are valued using the net asset value (NAV) method.

NOTE 3 – RECEIVABLES

At June 30, 2023, receivables for the individual major and non-major 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.....	\$ 6,874,754	\$ (3,078,000)	\$ 3,796,754
Tax liens and deferrals.....	10,129,241	-	10,129,241
Community preservation fund surtax.....	24,380	-	24,380
Motor vehicle and other excise taxes.....	7,226,751	(5,844,000)	1,382,751
Departmental and other.....	1,641,301	-	1,641,301
Intergovernmental.....	12,193,640	-	12,193,640
Community preservation state share.....	827,716	-	827,716
Loans.....	1,341,733	-	1,341,733
Total.....	\$ <u>40,259,516</u>	\$ <u>(8,922,000)</u>	\$ <u>31,337,516</u>

At June 30, 2023, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water liens - user fees.....	\$ 436,514	\$ -	\$ 436,514
Water user fees.....	3,663,359	-	3,663,359
Sewer liens - user fees.....	621,723	-	621,723
Sewer user fees.....	5,095,472	-	5,095,472
Sewer intergovernmental - subsidy.....	15,369	-	15,369
Quincy College user fees.....	12,443,941	(2,077,860)	10,366,081
Total.....	\$ <u>22,276,378</u>	\$ <u>(2,077,860)</u>	\$ <u>20,198,518</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 are as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 2,931,398	\$ -	\$ 2,931,398
Tax liens and deferrals.....	10,086,994	42,247	10,129,241
Community preservation fund surtax.....	-	24,380	24,380
Motor vehicle and other excise taxes.....	1,382,751	-	1,382,751
Departmental and other.....	738,285	903,016	1,641,301
Intergovernmental - highway improvements.....	-	1,281,801	1,281,801
Community development block grants.....	-	2,783,764	2,783,764
Intergovernmental - other.....	351,076	-	351,076
Community preservation state share.....	-	827,716	827,716
Loans.....	-	1,341,733	1,341,733
Tax foreclosures.....	995,058	-	995,058
Total.....	\$ <u>16,485,562</u>	\$ <u>7,204,657</u>	\$ <u>23,690,219</u>

NOTE 4 – CAPITAL ASSETS

Governmental and Business-type capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 96,625,530	\$ 123,178	\$ -	\$ 96,748,708
Construction in progress.....	4,059,014	8,158,020	(4,059,014)	8,158,020
Total capital assets not being depreciated....	100,684,544	8,281,198	(4,059,014)	104,906,728
<u>Capital assets being depreciated:</u>				
Land improvements.....	60,260,271	947,220	-	61,207,491
Buildings and improvements.....	466,918,481	61,848,928	(9,048)	528,758,361
Machinery, vehicles and equipment.....	41,781,976	862,149	(1,357,501)	41,286,624
Infrastructure.....	367,833,016	39,909,429	-	407,742,445
Total capital assets being depreciated.....	936,793,744	103,567,726	(1,366,549)	1,038,994,921
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(17,776,030)	(4,082,966)	-	(21,858,996)
Buildings and improvements.....	(129,698,989)	(13,567,893)	9,048	(143,257,834)
Machinery, vehicles and equipment.....	(24,821,564)	(2,913,519)	1,357,501	(26,377,582)
Infrastructure.....	(50,913,240)	(8,051,126)	-	(58,964,366)
Total accumulated depreciation.....	(223,209,823)	(28,615,504)	1,366,549	(250,458,778)
Total capital assets being depreciated, net.....	713,583,921	74,952,222	-	788,536,143
Total governmental activities capital assets, net.....	\$ 814,268,465	\$ 83,233,420	\$ (4,059,014)	\$ 893,442,871
Water Enterprise Fund:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 79,474	\$ -	\$ -	\$ 79,474
Construction in progress.....	910,851	1,582,084	(910,851)	1,582,084
Total capital assets not being depreciated....	990,325	1,582,084	(910,851)	1,661,558
<u>Capital assets being depreciated:</u>				
Land improvements.....	25,464	-	-	25,464
Machinery, vehicles and equipment.....	2,193,801	200,000	(63,250)	2,330,551
Infrastructure.....	85,749,364	13,558,615	(1,320,000)	97,987,979
Total capital assets being depreciated.....	87,968,629	13,758,615	(1,383,250)	100,343,994
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(17,506)	(1,273)	-	(18,779)
Machinery, vehicles and equipment.....	(1,264,504)	(160,873)	63,250	(1,362,127)
Infrastructure.....	(20,330,696)	(1,859,646)	1,320,000	(20,870,342)
Total accumulated depreciation.....	(21,612,706)	(2,021,792)	1,383,250	(22,251,248)
Total capital assets being depreciated, net.....	66,355,923	11,736,823	-	78,092,746
Total water activities capital assets, net.....	\$ 67,346,248	\$ 13,318,907	\$ (910,851)	\$ 79,754,304

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer Enterprise Fund:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 282,530	\$ -	\$ -	\$ 282,530
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	13,935	-	-	13,935
Machinery, vehicles and equipment.....	2,137,045	200,000	-	2,337,045
Infrastructure.....	67,372,684	5,406,031	(2,155,000)	70,623,715
Total capital assets being depreciated.....	69,523,664	5,606,031	(2,155,000)	72,974,695
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(13,935)	-	-	(13,935)
Machinery, vehicles and equipment.....	(1,213,542)	(157,183)	-	(1,370,725)
Infrastructure.....	(17,968,516)	(1,330,877)	2,155,000	(17,144,393)
Total accumulated depreciation.....	(19,195,993)	(1,488,060)	2,155,000	(18,529,053)
Total capital assets being depreciated, net.....	50,327,671	4,117,971	-	54,445,642
Total sewer activities capital assets, net.....	\$ 50,610,201	\$ 4,117,971	\$ -	\$ 54,728,172
Quincy College:				
<u>Capital assets being depreciated:</u>				
Leasehold improvements.....	\$ 9,580,083	\$ 992,711	\$ -	\$ 10,572,794
Right-to-use lease building space.....	13,634,292	602,226	-	14,236,518
Machinery and equipment.....	7,299,467	95,509	-	7,394,976
Total capital assets being depreciated.....	30,513,842	1,690,446	-	32,204,288
<u>Less accumulated depreciation for:</u>				
Leasehold improvements.....	(9,190,758)	(229,763)	-	(9,420,521)
Right-to-use lease building space.....	(2,244,403)	(2,474,573)	-	(4,718,976)
Machinery and equipment.....	(7,286,229)	(168,421)	-	(7,454,650)
Total accumulated depreciation.....	(18,721,390)	(2,872,757)	-	(21,594,147)
Total Quincy College capital assets, net.....	\$ 11,792,452	\$ (1,182,311)	\$ -	\$ 10,610,141

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

Governmental Activities:

General government.....	\$ 2,677,992
Public safety.....	2,906,889
Education.....	9,936,771
Public works.....	8,632,454
Human services.....	33,235
Culture and recreation.....	4,203,995
Community preservation.....	<u>224,168</u>

Total depreciation expense - governmental activities..... \$ 28,615,504

Business-Type Activities:

Water.....	\$ 2,021,792
Sewer.....	1,488,060
Quincy College.....	<u>2,872,757</u>

Total depreciation expense - business-type activities..... \$ 6,382,609

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:						Total	
	General fund	City Capital Plan	Sewer Enterprise fund	Water Enterprise fund	Quincy College			
General fund.....	\$ -	\$ 2,921,743	\$ 277,756	\$ 400,868	\$ 654,483	\$	4,254,850	(1)
Nonmajor governmental funds.....	<u>1,587,585</u>		<u>-</u>	<u>-</u>	<u>-</u>		<u>1,587,585</u>	(2)
Total.....	\$ <u>1,587,585</u>	\$ <u>2,921,743</u>	\$ <u>277,756</u>	\$ <u>400,868</u>	\$ <u>654,483</u>	\$	<u>5,842,435</u>	

1) Represents voted transfers from the general fund to support debt service costs

2) Represents voted transfers from various special revenue fund costs appropriated in the general fund.

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

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively. Details related to the short-term debt activity for the year ended June 30, 2023 is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
Governmental Funds:							
BAN	Municipal Purpose BAN of 2022.....	2.00%	7/9/2023	\$ 63,212,840	\$ -	\$ (63,212,840)	\$ -
BAN	Municipal Purpose BAN of 2023.....	4.00%	7/9/2024	-	69,712,840	-	69,712,840
BAN	Municipal Purpose BAN of 2022.....	2.50%	7/25/2022	550,000	-	(550,000)	-
BAN	Municipal Purpose BAN of 2021.....	2.50%	9/16/2023	33,340,360	-	(33,340,360)	-
BAN	Municipal Purpose BAN of 2023.....	3.75%	9/15/2023	-	33,340,360	-	33,340,360 (A)
BAN	Municipal Purpose BAN of 2022.....	2.00%	1/13/2023	44,965,216	-	(44,965,216)	-
BAN	Municipal Purpose BAN of 2022.....	1.00%	7/8/2022	2,500,000	-	(2,500,000)	-
BAN	Municipal Purpose BAN of 2022.....	2.00%	6/9/2023	11,629,704	-	(11,629,704)	-
BAN	Municipal Purpose BAN of 2022.....	3.00%	1/13/2023	6,163,000	-	(6,163,000)	-
BAN	Municipal Purpose BAN of 2022.....	4.00%	8/30/2022	13,720,000	-	(13,720,000)	-
BAN	Municipal Purpose BAN of 2023.....	5.00%	1/12/2024	-	50,584,070	-	50,584,070 (A)
BAN	Municipal Purpose BAN of 2023.....	4.50%	6/7/2024	-	8,968,536	-	8,968,536
BAN	Municipal Purpose BAN of 2023.....	5.00%	9/15/2023	-	11,334,251	-	11,334,251 (A)
	Premiums on Bond Anticipation Notes.....			2,921,743	3,550,948	(2,921,743)	3,550,948
	Total Governmental Funds.....			\$ 179,002,863	\$ 177,491,005	\$ (179,002,863)	\$ 177,491,005
Water Enterprise Fund:							
IL	Massachusetts Clean Water Trust.....	0.00%	6/30/2023	\$ 470,550	\$ 2,190,164	\$ -	\$ 2,660,714
BAN	Municipal Purpose BAN of 2022.....	2.50%	7/25/2022	650,000	-	(650,000)	-
	Total Water Enterprise Fund.....			\$ 1,120,550	\$ 2,190,164	\$ (650,000)	\$ 2,660,714
Sewer Enterprise Fund:							
IL	Massachusetts Clean Water Trust.....	0.00%	6/30/2023	\$ 5,931,034	\$ 3,272,450	\$ (6,739,549)	\$ 2,463,935
	Total Enterprise Fund.....			\$ 7,051,584	\$ 5,462,614	\$ (7,389,549)	\$ 5,124,649

(A) At maturity, the BAN was renewed and will mature on July 5, 2024.

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".

Bonds Payable Schedule – Governmental Activities

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
Municipal Purpose Bonds of 2011.....	2040	\$ 31,088,000	2.0-5.25	\$ 19,193,105
Municipal Purpose Bonds of 2012.....	2040	33,518,000	2.5-4.0	22,810,000
Municipal Purpose Bonds of 2013 - Refunding.....	2025	5,700,000	2.0-3.0	390,000
Municipal Purpose Bonds of 2013.....	2039	8,250,000	4.0-5.0	6,245,000
Municipal Purpose Bonds of 2014.....	2034	46,385,000	2.5-5.0	30,875,000
Energy Efficiency Refunding Bonds of 2015.....	2027	21,333,300	3.0	6,970,100
Municipal Purpose Bonds of 2015.....	2027	10,126,260	3.4	630,000
Municipal Purpose Bonds of 2017.....	2037	39,797,000	2.0-4.0	30,725,000
Municipal Purpose Bonds of 2018.....	2038	9,130,000	3.0-5.0	7,550,000
Municipal Purpose Bonds of 2019.....	2047	14,925,000	2.5-5.0	12,050,000
Municipal Purpose Bonds of 2019.....	2039	9,485,000	3.0-5.0	8,355,000
Municipal Purpose Bonds of 2020.....	2033	17,725,000	4.0-5.0	14,880,000
Municipal Purpose Bonds of 2020.....	2048	30,210,000	2.0-5.0	26,675,000
Municipal Purpose Bonds of 2020.....	2049	29,933,500	2.0-5.0	27,665,000
Municipal Purpose Bonds of 2020.....	2039	7,251,875	2.0-5.0	6,580,000
Municipal Purpose Bonds of 2021.....	2040	34,625,000	2.0-5.0	32,160,000
Municipal Purpose Bonds of 2021.....	2037	19,327,000	2.0-5.0	18,705,000
Municipal Purpose Bonds of 2021.....	2040	3,969,250	2.0-5.0	3,900,000
Pension Obligation Bonds of 2022.....	2040	434,585,481	0.6-3.0	430,523,253
Municipal Purpose Bonds of 2021.....	2050	43,289,000	2.0-5.0	42,895,000
Municipal Purpose Bonds of 2022.....	2052	62,900,000	5.0	62,900,000
Municipal Purpose Bonds of 2022.....	2050	23,420,000	4.0-5.0	23,420,000
Municipal Purpose Bonds of 2022.....	2052	20,600,000	4.42-5.0	20,600,000
Municipal Purpose Bonds of 2022.....	2050	24,510,000	4.0-5.0	24,510,000
Total Bonds Payable.....		<u>\$ 982,083,666</u>		881,206,458
Add: Unamortized premium on bonds.....				<u>44,185,936</u>
Total Bonds Payable, net.....				<u>\$ 925,392,394</u>

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

Year	Principal	Interest	Total
2024.....	\$ 24,355,128	\$ 30,107,240	\$ 54,462,368
2025.....	27,502,505	27,129,736	54,632,241
2026.....	46,728,858	25,914,910	72,643,768
2027.....	46,473,001	24,543,757	71,016,758
2028.....	45,599,039	23,150,989	68,750,028
2029.....	46,395,647	21,722,537	68,118,184
2030.....	47,858,000	20,246,475	68,104,475
2031.....	49,216,524	18,735,403	67,951,927
2032.....	50,310,795	17,211,675	67,522,470
2033.....	50,636,237	15,683,632	66,319,869
2034.....	50,121,574	14,188,911	64,310,485
2035.....	49,032,230	12,677,768	61,709,998
2036.....	49,702,358	11,180,277	60,882,635
2037.....	51,297,380	9,624,134	60,921,514
2038.....	51,077,296	8,012,653	59,089,949
2039.....	49,013,384	6,393,730	55,407,114
2040.....	48,441,502	4,895,821	53,337,323
2041.....	12,480,000	3,897,419	16,377,419
2042.....	12,560,000	3,416,973	15,976,973
2043.....	12,655,000	2,921,749	15,576,749
2044.....	8,755,000	2,463,871	11,218,871
2045.....	9,095,000	2,119,327	11,214,327
2046.....	8,110,000	1,760,266	9,870,266
2047.....	6,860,000	1,430,913	8,290,913
2048.....	6,685,000	1,125,312	7,810,312
2049.....	6,245,000	834,712	7,079,712
2050.....	6,205,000	556,500	6,761,500
2051.....	3,810,000	264,550	4,074,550
2052.....	3,985,000	89,850	4,074,850
Total.....	\$ 881,206,458	\$ 312,301,089	\$ 1,193,507,547

Bonds Payable Schedule – Sewer Enterprise Fund

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
Energy Efficiency Refunding Bonds of 2015.....	2027	\$ 817,020	3.0	\$ 266,940
Sewer Bonds of 2015 - Refunding.....	2027	653,500	3.4	265,000
Pension Obligation Bonds of 2022.....	2040	8,420,435	0.6-3.0	8,341,727
Sub-Total General Obligation.....		9,890,955		8,873,667
Massachusetts Clean Water Trust of 2007.....	2024	2,793,729	2.0	213,002
Massachusetts Clean Water Trust of 2008.....	2028	2,638,319	2.0	712,565
Massachusetts Clean Water Trust of 2010.....	2031	2,065,000	2.0	550,788
Massachusetts Clean Water Trust of 2012.....	2033	2,081,493	0.0	1,108,564
Massachusetts Water Resources Authority of 2019.....	2030	911,510	0.0	672,358
Massachusetts Water Resources Authority of 2016.....	2036	2,975,754	0.0	1,999,609
Massachusetts Water Resources Authority of 2017.....	2028	3,099,453	0.0	330,325
Massachusetts Water Resources Authority of 2018.....	2029	830,000	0.0	513,000
Massachusetts Clean Water Trust of 2019.....	2039	3,634,026	2.0	2,933,538
Massachusetts Water Resources Authority of 2020.....	2031	445,088	0.0	363,048
Massachusetts Water Resources Authority of 2021.....	2031	841,940	0.0	673,552
Massachusetts Water Resources Authority of 2023.....	2033	2,875,000	0.0	2,875,000
Massachusetts Water Resources Authority of 2023.....	2033	1,000,000	0.0	1,000,000
Massachusetts Clean Water Trust of 2023.....	2043	3,184,496	1.5	3,184,496
Massachusetts Clean Water Trust of 2023.....	2043	2,724,124	1.5	2,724,124
Sub-Total Direct Borrowings.....		32,099,932		19,853,969
Total Bonds Payable, net.....		\$ 41,990,887		\$ 28,727,636

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

Year	General Obligation Bonds				Direct Borrowings Payable		
	Principal	Interest	Total		Principal	Interest	Total
2024..... \$	237,491	\$ 211,096	\$ 448,587	\$	1,972,512	\$ 237,558	\$ 2,210,070
2025.....	250,074	206,534	456,608		1,800,035	214,193	2,014,228
2026.....	608,643	199,014	807,657		1,703,093	198,173	1,901,266
2027.....	575,328	188,310	763,638		1,641,845	181,833	1,823,678
2028.....	479,876	179,019	658,895		1,595,268	169,165	1,764,433
2029.....	488,917	169,986	658,903		1,358,137	149,670	1,507,807
2030.....	498,844	160,038	658,882		1,298,163	135,379	1,433,542
2031.....	509,569	149,256	658,825		1,287,252	120,799	1,408,051
2032.....	521,181	137,719	658,900		1,133,766	106,680	1,240,446
2033.....	533,590	125,252	658,842		1,148,526	93,025	1,241,551
2034.....	547,062	111,806	658,868		651,542	80,394	731,936
2035.....	561,510	97,317	658,827		664,189	68,804	732,993
2036.....	577,110	81,725	658,835		677,090	56,986	734,076
2037.....	593,774	65,106	658,880		516,935	44,933	561,868
2038.....	611,501	47,390	658,891		526,581	36,106	562,687
2039.....	630,026	28,829	658,855		536,411	27,118	563,529
2040.....	649,171	9,705	658,876		327,395	20,540	347,935
2041.....	-	-	-		332,841	15,228	348,069
2042.....	-	-	-		338,379	10,236	348,615
2043.....	-	-	-		344,009	5,162	349,171
Total..... \$	<u>8,873,667</u>	<u>\$ 2,168,101</u>	<u>\$ 11,041,768</u>	\$	<u>19,853,969</u>	<u>\$ 1,971,982</u>	<u>\$ 21,825,951</u>

Bonds Payable Schedule – Water Enterprise Fund

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
Energy Efficiency Refunding Bonds of 2015.....	2027	\$ 544,680	3.0	\$ 177,960
Water Bonds of 2020.....	2041	7,986,500	2.0-5.0	7,575,000
Water Main System Repairs of 2022.....	2052	7,653,000	2.0-5.0	7,610,000
Pension Obligation Bonds of 2022.....	2040	12,152,735	0.6-3.0	12,039,138
Water Bonds of 2023.....	2043	11,000,000	4.0-5.0	11,000,000
Sub-Total General Obligation.....		39,336,915		38,402,098
Massachusetts Water Resources Authority of 2012.....	2025	2,101,000	0.0	114,200
Massachusetts Clean Water Trust of 2010.....	2031	1,435,000	2.0	382,753
Massachusetts Clean Water Trust of 2012.....	2023	2,534,102	2.0	1,372,415
Massachusetts Water Resources Authority of 2015.....	2026	449,835	0.0	70,983
Massachusetts Clean Water Trust of 2015.....	2036	233,275	2.0	162,751
Massachusetts Water Resources Authority of 2016.....	2027	1,102,122	0.0	366,484
Massachusetts Water Resources Authority of 2017.....	2028	3,099,543	0.0	1,472,679
Massachusetts Water Resources Authority of 2018.....	2029	2,325,959	0.0	1,434,767
Massachusetts Water Resources Authority of 2019.....	2030	3,675,940	0.0	2,731,938
Massachusetts Water Resources Authority of 2020.....	2031	5,700,800	0.0	4,676,800
Sub-Total Direct Borrowings.....		22,657,576		12,785,770
Subtotal Bonds Payable.....				51,187,868
Add: Unamortized premium on bonds.....				3,050,856
Total Bonds Payable, net.....		\$ 61,994,491		\$ 54,238,724

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

Year	General Obligation Bonds			Direct Borrowings Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024.....	\$ 909,279	\$ 1,223,460	\$ 2,132,739	\$ 2,724,115	\$ 37,249	\$ 2,761,364
2025.....	962,978	1,195,377	2,158,355	2,479,120	33,559	2,512,679
2026.....	1,523,663	1,150,442	2,674,105	2,160,642	29,791	2,190,433
2027.....	1,536,753	1,098,712	2,635,465	1,867,590	25,941	1,893,531
2028.....	1,567,578	1,045,047	2,612,625	1,454,422	22,011	1,476,433
2029.....	1,625,626	987,885	2,613,511	796,923	17,999	814,922
2030.....	1,679,954	929,533	2,609,487	594,792	13,899	608,691
2031.....	1,740,432	868,297	2,608,729	341,557	9,710	351,267
2032.....	1,807,190	806,216	2,613,406	160,713	5,954	166,667
2033.....	1,870,100	745,073	2,615,173	164,207	2,644	166,851
2034.....	1,929,544	681,793	2,611,337	13,600	834	14,434
2035.....	2,000,396	616,506	2,616,902	13,896	560	14,456
2036.....	2,057,910	551,653	2,609,563	14,193	282	14,475
2037.....	2,121,960	485,118	2,607,078	-	-	-
2038.....	2,202,544	415,200	2,617,744	-	-	-
2039.....	2,269,280	342,013	2,611,293	-	-	-
2040.....	2,341,911	267,164	2,609,075	-	-	-
2041.....	1,445,000	210,356	1,655,356	-	-	-
2042.....	1,385,000	167,306	1,552,306	-	-	-
2043.....	1,430,000	91,071	1,521,071	-	-	-
2044.....	635,000	78,096	713,096	-	-	-
2045.....	645,000	64,862	709,862	-	-	-
2046.....	655,000	51,225	706,225	-	-	-
2047.....	325,000	44,025	369,025	-	-	-
2048.....	330,000	36,656	366,656	-	-	-
2049.....	340,000	29,119	369,119	-	-	-
2050.....	345,000	21,197	366,197	-	-	-
2051.....	355,000	12,884	367,884	-	-	-
2052.....	365,000	4,334	369,334	-	-	-
Total.....	\$ 38,402,098	\$ 14,220,620	\$ 52,622,718	\$ 12,785,770	\$ 200,433	\$ 12,986,203

Massachusetts Clean Water Trust funded debt

The City has entered into various long-term debt agreements with the Massachusetts Clean Water Trust (MCWT), an agency of the Commonwealth of Massachusetts that requires the City to be subsidized by the MCWT on a periodic basis for principal in the amount of \$15,369 and interest costs for \$38,747. Thus, net MCWT loan repayments, including interest, are scheduled to be \$946,398 for the subsidized debt. The principal subsidies are guaranteed and therefore a \$15,369 intergovernmental receivable has been reported in the sewer enterprise fund financial statements. Since the City is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2023 interest subsidy totaled \$26,655.

Massachusetts Water Resources Authority funded debt

The City has entered into various long-term debt transactions with the Massachusetts Water Resources Authority. The debt balances are associated with a zero percent interest rate. Future imputed interest payments total \$1 million in the water fund and \$933,000 in the sewer fund. Imputed interest for 2023 was \$337,000 and \$82,000 in

the water and sewer funds, respectively. Accordingly, interest expense and corresponding intergovernmental revenue have been reported, equal to these amounts, in the respective proprietary fund's financial statements.

Pension Obligation Bonds

The City carries outstanding long-term debt relative to pension obligations bonds that were issued to fully fund the City's and Quincy College's unfunded pension liability as of December 2022. Debt service requirements for the City's governmental activities, the sewer enterprise fund and the water enterprise fund are included in the tables presented on pages 50-55 of this note disclosure. Debt service requirements for Quincy College's general pension obligation bonds principal and interest payable in future years are as follows:

Year	General Obligation Bonds		
	Principal	Interest	Total
2024..... \$	220,343	\$ 467,674	\$ 688,017
2025.....	256,684	465,464	722,148
2026.....	1,096,078	456,523	1,552,601
2027.....	1,112,160	440,452	1,552,612
2028.....	1,130,748	421,829	1,552,577
2029.....	1,152,051	400,545	1,552,596
2030.....	1,175,443	377,104	1,552,547
2031.....	1,200,715	351,696	1,552,411
2032.....	1,228,075	324,511	1,552,586
2033.....	1,257,315	295,136	1,552,451
2034.....	1,289,061	263,451	1,552,512
2035.....	1,323,105	229,310	1,552,415
2036.....	1,359,863	192,571	1,552,434
2037.....	1,399,128	153,411	1,552,539
2038.....	1,440,900	111,667	1,552,567
2039.....	1,484,551	67,931	1,552,482
2040.....	1,529,664	22,868	1,552,532
Total..... \$	<u>19,655,884</u>	<u>\$ 5,042,143</u>	<u>\$ 24,698,027</u>

Capital Financing Payable

The College has entered into lease agreements to finance right-to-use building space for use in the College's delivery of academic instruction and related administrative support. The lease agreements have been recorded at the present value of their future minimum lease payments using various imputed interest.

The College leases certain premises under leases with various expiration dates that extend through 2028. The leases generally provide that the College pay certain maintenance, taxes and insurance costs and includes various renewal provisions. Rent expense, including maintenance and interest costs, in fiscal year 2023 amounted to \$2,234,835.

The College's minimum future obligations under non-cancelable leases are as presented as follows:

Years ending June 30:	Principal	Interest	Total
2024.....	\$ 2,564,171	\$ 334,024	\$ 2,898,195
2025.....	2,384,818	234,734	2,619,552
2026.....	1,988,296	146,552	2,134,848
2027.....	2,113,341	64,743	2,178,084
2028.....	466,916	7,778	474,694
Total	<u>\$ 9,517,542</u>	<u>\$ 787,831</u>	<u>\$ 10,305,373</u>

Authorized and unissued debt

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2023, the City had the following authorized and unissued debt:

Purpose	Amount
District improvement financing.....	\$ 199,000,000
Water and sewer.....	69,490,537
Various capital improvements.....	62,452,912
School.....	25,772,286
Land acquisition.....	9,800,000
Park improvements.....	17,965,000
Vehicles and equipment upgrades.....	3,316,320
MWRA.....	6,946,450
Animal shelter.....	3,550,000
Public Safety Headquarters.....	62,130,000
Pine hills cemetery.....	16,400,000
Total.....	<u>\$ 476,823,505</u>

Changes in Long-term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 832,473,227	\$ 68,530,000	\$ (19,796,769)	\$ -	\$ -	\$ 881,206,458	\$ 22,330,128
Add: Unamortized premium on bonds.....	37,861,743	-	-	10,320,000	(3,995,807)	44,185,936	4,600,642
Total bonds payable.....	870,334,970	68,530,000	(19,796,769)	10,320,000	(3,995,807)	925,392,394	26,930,770
Compensated absences.....	16,568,000	-	-	13,736,000	(12,422,000)	17,882,000	13,582,000
Workers' compensation.....	8,093,000	-	-	421,000	(612,000)	7,902,000	432,000
Net pension liability.....	-	-	-	82,146,749	-	82,146,749	-
Net other postemployment benefits liability..	592,252,247	-	-	272,741,064	(256,604,190)	608,389,121	-
Total governmental activity							
long-term liabilities.....	<u>\$ 1,487,248,217</u>	<u>\$ 68,530,000</u>	<u>\$ (19,796,769)</u>	<u>\$ 379,364,813</u>	<u>\$ (273,633,997)</u>	<u>\$ 1,641,712,264</u>	<u>\$ 40,944,770</u>

Business-Type Activities:

Long-term bonds payable.....	\$ 53,948,340	\$ 11,000,000	\$ (835,470)	\$ -	\$ -	\$ 64,112,870	\$ 1,367,113
Long-term direct borrowing payable.....	29,614,009	9,783,620	(3,939,111)	-	-	35,458,518	4,696,627
Capital financing payable.....	11,389,889	-	-	602,226	(2,474,573)	9,517,542	2,474,753
Add: Unamortized premium on bonds.....	1,551,125	-	-	1,650,000	(150,269)	3,050,856	260,621
Total bonds payable.....	96,503,363	20,783,620	(4,774,581)	2,252,226	(2,624,842)	112,139,786	8,799,114
Compensated absences.....	781,531	-	-	843,367	(741,512)	883,386	846,074
Workers' compensation.....	1,676,000	-	-	102,000	(105,000)	1,673,000	59,000
Net pension liability.....	-	-	-	40,486,673	(36,195,580)	4,291,093	-
Net other postemployment benefits liability..	26,998,071	-	-	12,724,987	(11,810,235)	27,912,823	-
Total business-type activity							
long-term liabilities.....	\$ 125,958,965	\$ 20,783,620	\$ (4,774,581)	\$ 56,409,253	\$ (51,477,169)	\$ 146,900,088	\$ 9,704,188

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The City presents its governmental fund balances in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the Statement is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

At June 30, 2023, \$3,666,842 has been set aside in the general stabilization fund and \$517,010 has been set aside in the weather stabilization fund. These funds have been classified as part of the general fund in the governmental fund financial statements. Municipal finance laws of the Commonwealth of Massachusetts authorize municipalities to establish stabilization funds on an as needed basis. The number of and exact purpose of the stabilization funds of the City are dependent upon authorization and approval of the City Council. The actual use of the funds is contingent upon City Council approval. Additions to the fund can only be made upon City Council approval.

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 highest level of decision-making authority is the City Council.
- **Assigned:** fund balances that contain self-imposed constraints of the City 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, 2023, the governmental fund balances consisted of the information presented on the following page.

	General	Downtown Improvement Capital Fund	City Capital Plan	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 263,474	\$ 263,474
Restricted for:					
Pension stabilization.....	5,927,141	-	-	-	5,927,141
City capital plan.....	-	-	67,306,345	-	67,306,345
CDBG grants.....	-	-	-	154,000	154,000
Receipts reserved for appropriation.....	-	-	-	4,485,546	4,485,546
Community preservation act.....	-	-	-	11,013,267	11,013,267
JTPA funds.....	-	-	-	203,091	203,091
City trust funds.....	-	-	-	3,873,648	3,873,648
School revolving.....	-	-	-	7,405,013	7,405,013
Mitigation trusts.....	-	-	-	456,666	456,666
Other special revenue.....	-	-	-	4,627,746	4,627,746
Capital projects (not bonded).....	-	-	-	2,169,141	2,169,141
Permanent trusts.....	-	-	-	1,864,919	1,864,919
Library permanent trusts.....	-	-	-	537,321	537,321
Assigned to:					
General government.....	944,159	-	-	-	944,159
Public safety.....	583,993	-	-	-	583,993
Education.....	1,642,270	-	-	-	1,642,270
Public works.....	2,496,874	-	-	-	2,496,874
Human services.....	84,396	-	-	-	84,396
Culture and recreation.....	59,870	-	-	-	59,870
Employee benefits.....	419,932	-	-	-	419,932
Claims and judgements.....	40,622	-	-	-	40,622
Unassigned.....	24,652,762	(170,808,577)	-	(6,365,860)	(152,521,675)
Total Fund Balances.....	\$ 36,852,019	\$ (170,808,577)	\$ 67,306,345	\$ 30,687,972	\$ (35,962,241)

NOTE 10 – RISK FINANCING

The City is self-insured for its workers compensation claims which are accounted for in the government entity-wide financial statements where revenues are recorded when earned and expenses are recorded when the liability is incurred.

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

Health Claims

The City estimates its' incurred but not reported (IBNR) health claims based on historical and current claim payment analysis. The City purchases individual stop loss insurance for claims in excess of the \$250,000 coverage provided by the City. At June 30, 2023, the amount of the liability for health insurance claims totaled \$2.4 million.

Changes in the reported liability since July 1, 2021, are as follows:

		Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2022.....	\$	3,437,263	\$	52,717,599	\$	(52,607,993)	\$	3,546,869
2023.....		3,546,869		53,537,643		(54,674,361)		2,410,151

Workers' Compensation

Workers' compensation claims are administered by a contracted consultant and are funded on a pay-as-you-go basis from annual appropriations. The City recorded a liability of \$9,575,000 at June 30, 2023, which represents an estimate of all outstanding claims as of that date.

Changes in the reported liability since July 1, 2021, are as follows:

		Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End		Current Portion
2022.....	\$	4,945,000	\$	6,451,824	\$	(1,627,824)	\$	9,769,000	\$	669,000
2023.....		9,769,000		1,476,153		(1,670,153)		9,575,000		491,000

NOTE 11 – PENSION PLAN

Plan Descriptions

The City is a member of the Quincy Contributory Retirement System (QCRS), 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), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the 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, 2022. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$21,034,608 is reported in the general fund as intergovernmental revenue and pension expenditures in the current fiscal year. The College's portion of the collective pension expense, contributed by the Commonwealth, of \$928,221 is reported as charges for services operating and pension expense. The portion of the Commonwealth's collective net pension liability associated with the City and College is \$266,993,613 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 System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service. Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There have been no changes in benefit terms as of December 31, 2022.

At December 31, 2022, the QCRS membership consists of the following:

Active members.....	1,575
Inactive members.....	286
Retirees and beneficiaries currently receiving benefits.....	<u>1,496</u>
Total.....	<u><u>3,357</u></u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System 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 QCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2022 was an actuarially determined amount of \$9.16 million. This amount when combined with plan member contributions is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The total member units' contribution, due to the City fully funding its share of the Systemwide pension liability, is equal to 8.16% of covered payroll. The City and College's proportionate share of the required contribution were \$7.35 million and \$57,260, respectively. The City and College's actual contributions equaled their required amounts.

Pension Liabilities / (Assets)

The components of the net pension liability of the participating member units at June 30, 2023 were as follows:

Total pension liability.....	\$	893,701,924
Total pension plan's fiduciary net position.....		<u>(794,843,627)</u>
Total net pension liability (asset).....	\$	<u>98,858,297</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		88.94%

At June 30, 2023, the City, including the College, reported a liability of \$86.44 million for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. The Quincy Housing Authority, a legally separate member unit of the QCRS, did not participate in the Pension Obligation Bond additional contribution made by the City and its net pension liability was \$8.47 million as of December 31, 2022.

Accordingly, update procedures were used to roll forward the total pension asset forward to the measurement date. The City's proportion of the net pension asset 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, actuarially determined. At December 31, 2022, the City's proportion was 90.53%, which decreased from its 90.61% proportion measured at December 31, 2021. At December 31, 2022, the College's proportion was 4.66%, which decreased from its 5.06% proportion measured at December 31, 2021.

Pension Expense

For the year ended June 30, 2023, the City, including the College, recognized pension expense of \$31.48 million. At June 30, 2023, the City and College reported deferred outflows of resources related to pensions of \$158.71 million, and deferred inflows of resources related to pensions of \$44.16 million.

The balances of deferred outflows and inflows at June 30, 2023, consisted of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	(4,766,198)	\$ (4,766,198)
Difference between projected and actual earnings, net.....	123,435,202	(37,545,237)	85,889,965
Changes in assumptions.....	33,373,990	-	33,373,990
Changes in proportion and proportionate share of contributions...	<u>1,903,902</u>	<u>(1,852,755)</u>	<u>51,147</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>158,713,094</u>	\$ <u>(44,164,190)</u>	\$ <u>114,548,904</u>

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

Year ended June 30:

2024.....	\$	20,263,064
2025.....		27,260,877
2026.....		31,568,619
2027.....		<u>35,456,344</u>
Total deferred outflows/(inflows) of resources...	\$	<u>114,548,904</u>

Actuarial Assumptions

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

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Varying contribution increases.
Remaining amortization period.....	19 years for the fresh start base.
Asset valuation method.....	Fair Value of Assets, adjusted for payables and receivables adjusted to phase in investment gains compared to the expected market value and losses evenly over four years. The asset valuation method adjusts the results to no less than 90% and no more than 110% of the fair values of assets adjusted for payables and receivables.
Inflation rate.....	3.00%
Projected salary increases.....	3.75% ultimate rate.
Cost of living adjustments.....	3.00% of the first \$15,000.
Mortality rates.....	RP-2014 adjusted to 2006, projected generationally using MP-2021 (sex-distinct). During employment the healthy employee mortality table is used. Post-employment the healthy annuitant table is used.
Investment rate of return/Discount rate.....	6.75% nominal rate, net of investment expense.

Changes in Assumptions

None.

Changes in Provisions

None.

Investment policy

The System'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 System's target asset allocation as of December 31, 2022 are summarized as follows:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity.....	27.00%	5.90%
Developed market equity.....	10.00%	7.00%
Emerging market equity.....	11.00%	7.20%
Real estate.....	8.00%	5.10%
Private equity.....	12.00%	8.20%
High yield bonds.....	5.00%	4.60%
Investment grade bonds.....	9.00%	2.00%
TIPS.....	6.00%	1.90%
Emerging market debt.....	5.00%	3.50%
Infrastructure.....	7.00%	5.10%
Total.....	<u>100.00%</u>	

Rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 6.75%. 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 System'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 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
The College's proportionate share of the net pension asset.....	\$ 1,247,002	\$ 604,247	\$ 58,787
The City's proportionate share of the net pension asset.....	\$ 177,137,162	\$ 85,833,595	\$ 8,350,673
QCRS total net pension asset.....	\$ 194,340,175	\$ 98,858,297	\$ 17,832,495

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS*Plan Description*

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

Quincy College, an enterprise fund department of the City, also provides healthcare benefits to its employees and retirees. The coverage is provided through the plan administered by the City; however, the College's net OPEB obligation and related expense and deferred items is determined through an actuarial valuation that is separate from the City's valuation. The College maintains a separate OPEB Trust and contributes to the Trust at different rates than the City.

The required disclosures and required supplementary information for both the College and the City is presented within this footnote.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended through collective bargaining. The required contribution is based on projected pay-as-you-go financing requirements. The City contributes 90 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 10 percent of their premium costs.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish the Postemployment Benefit Trust Fund and to enable the City to raise taxes necessary to begin pre-funding its OPEB liabilities. This is an irrevocable trust. At June 30, 2023, the City has pre-funded future OPEB liabilities in the amount of \$2,462,061. The College is a participant in the Plymouth County OPEB Trust which is irrevocable. At June 30, 2023, the College has pre-funded future OPEB liabilities in the amount of \$3,197,247.

Investment policy

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.

Measurement Date

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at June 30, 2023:

	City of Quincy	Quincy College
Active members	1,791	96
Retired members or beneficiaries currently receiving benefits...	2,608	40
Total.....	<u>4,399</u>	<u>136</u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2023:

	City of Quincy	Quincy College
Total OPEB liability..... \$	625,109,781	\$ 16,851,470
Less: OPEB plan's fiduciary net position.....	<u>(2,462,061)</u>	<u>(3,197,247)</u>
Net OPEB liability..... \$	<u>622,647,720</u>	<u>\$ 13,654,223</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	0.39%	18.97%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2023, are as follows on the next page. These assumptions were applied to both Quincy College and the City's valuations. Mortality rates for Quincy College follow the rates for non-teachers.

Valuation date.....	December 31, 2021
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Level percentage of payroll, payments increase 3.0% per year.
Remaining amortization period.....	24 years as of December 31, 2022.
Asset valuation method.....	Fair value
Investment rate of return.....	6.50%.
Discount rate.....	3.65% as of June 30, 2023, previously 3.54%.
Inflation rate.....	3.00%
Projected salary increases.....	Non Teachers: 4.00% Teachers: Service-related increase of 7.00% decreasing to an ultimate level of 4.00%.
Healthcare trend rates.....	Non-Medicare and Medicare Medical/Rx: 6.40% for one year, then 4.04% for one year, then 6.50% graded by 0.25% down to an ultimate level of 4.50% over 8 years. Dental: 3.00% Part B reimbursement: -3.06 for one year, then 4.50%. Medicare Contributions: 0.79% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years. Non-Medicare Contributions: 14.63% for one year, then 6.64% for one year, then 6.50% graded by 0.25% down to an ultimate level of 4.50% over 8 years.
Pre-retirement mortality (non-teachers).....	RP-2006 Employee Mortality Table projected generationally using Scale MP-2021.
Healthy mortality (non-teachers).....	RP-2006 Healthy Annuitant Mortality Table projected generationally using Scale MP-2021.
Disabled mortality (non-teachers).....	RP-2006 Healthy Annuitant Mortality Table set forward 2 years, and projected generationally using Scale MP-2021.
Pre-retirement mortality (teachers).....	Pub-2010 Teachers (headcount-weighted) Employee Mortality Tables projected generationally with Scale MP-2020.
Healthy mortality (teachers).....	Pub-2010 Teachers (headcount-weighted) Healthy Retiree Mortality Tables projected generationally with Scale MP-2020.
Disabled mortality (teachers).....	Pub-2010 Teachers (headcount-weighted) Healthy Retiree Mortality Tables projected generationally with Scale MP-2020.

Rate of return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.74% for the City and 11.10% for Quincy College. 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 City and the College'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 arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 are summarized as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	6.59%
International developed markets equity..	6.87%
International emerging markets equity...	8.30%
Core fixed income.....	1.53%
High-yield fixed income.....	3.54%
Real estate.....	3.44%
Commodities.....	4.01%
Hedge fund, GTAA, risk parity.....	3.06%
Private equity.....	9.49%

City of Quincy – Discount rate

The discount rate used to measure the total pension liability was 3.65% at June 30, 2023, and 3.54% at June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made in accordance with the plan's funding policy. Based on those assumptions, the City's OPEB plan fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, the 3.65% municipal bond rate was applied to all periods to determine the total OPEB liability. The 3.65% municipal bond rate was based on the yield or index rate for the 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Buyer Bond 20-Bond General Obligation Index as of June 30, 2023.

Quincy College – Discount rate

The discount rate used to measure the total pension liability was 3.86% at June 30, 2023 and 3.72% at June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from the College will be made in accordance with the plan's funding policy. Based on those assumptions, the College's OPEB plan fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return was applied to all periods to determine the total OPEB liability.

City of Quincy – 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, 2022.....	\$ 608,182,716	\$ 2,050,069	\$ 606,132,647
Changes for the year:			
Service cost.....	25,681,934	-	25,681,934
Interest.....	22,104,809	-	22,104,809
Changes in assumptions.....	(11,824,122)	-	(11,824,122)
Benefit payments.....	(19,035,556)	(19,035,556)	-
Contributions - employer.....	-	19,285,556	(19,285,556)
Net investment income.....	-	161,991	(161,991)
Net change.....	16,927,065	411,991	16,515,074
Balances at June 30, 2023.....	\$ 625,109,781	\$ 2,462,060	\$ 622,647,721

Quincy College – 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, 2022.....	\$ 15,995,356	\$ 2,877,685	\$ 13,117,671
Changes for the year:			
Service cost.....	1,093,652	-	1,093,652
Interest.....	629,034	-	629,034
Changes in assumptions.....	(504,275)	-	(504,275)
Benefit payments.....	(362,297)	(362,297)	-
Contributions - employer.....	-	362,297	(362,297)
Net investment income.....	-	319,562	(319,562)
Net change.....	856,114	319,562	536,552
Balances at June 30, 2023.....	\$ 16,851,470	\$ 3,197,247	\$ 13,654,223

City of Quincy – Sensitivity of the net OPEB liability to changes in the discount rate

The following table presents the Plan's net OPEB liability, calculated using the discount rate of 3.65%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability..... \$	<u>723,163,572</u>	<u>\$ 622,647,721</u>	<u>\$ 541,825,713</u>

City of Quincy – Sensitivity of the net OPEB liability to changes in the healthcare trend

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability..... \$	<u>530,516,469</u>	<u>\$ 622,647,721</u>	<u>\$ 740,875,211</u>

Quincy College – Sensitivity of the net OPEB liability to changes in the discount rate

The following table presents the Plan's net OPEB liability, calculated using the discount rate of 3.86%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB liability..... \$	<u>16,512,965</u>	<u>\$ 13,654,223</u>	<u>\$ 11,350,939</u>

Quincy College – Sensitivity of the net OPEB liability to changes in the healthcare trend

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability..... \$	<u>10,965,769</u>	<u>\$ 13,654,223</u>	<u>\$ 17,124,750</u>

City of Quincy – OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized an OPEB expense of \$36.8 million. At June 30, 2023, the City reported deferred outflows and 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.....	\$ 12,760,120	\$ (16,140,870)	\$ (3,380,750)
Difference between projected and actual earnings, net.....		(8,954)	(8,954)
Changes in assumptions.....	34,492,095	(140,005,718)	(105,513,623)
Total deferred outflows/(inflows) of resources.....	\$ <u>47,252,215</u>	\$ <u>(156,155,542)</u>	\$ <u>(108,903,327)</u>

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

Year ended June 30:

2024.....	\$ (5,413,163)
2025.....	(49,939,851)
2026.....	(51,181,367)
2027.....	<u>(2,368,946)</u>
Total deferred outflows/(inflows) of resources....	\$ <u>(108,903,327)</u>

Quincy College – OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the College recognized an OPEB expense of \$2.0 million. At June 30, 2023, the College reported deferred outflows and 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.....	\$ 725,648	\$ (2,420,496)	\$ (1,694,848)
Difference between projected and actual earnings, net.....	73,429	-	73,429
Changes in assumptions.....	3,464,418	(432,234)	3,032,184
Total deferred outflows/(inflows) of resources.....	\$ <u>4,263,495</u>	\$ <u>(2,852,730)</u>	\$ <u>1,410,765</u>

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

Year ended June 30:

2024.....	\$	358,937
2025.....		263,724
2026.....		382,544
2027.....		251,204
2028.....		77,178
Thereafter.....		<u>77,178</u>

Total deferred outflows/(inflows) of resources....	\$	<u><u>1,410,765</u></u>
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Changes in Assumptions:

- The City's discount rate was increased from 3.54% to 3.65%.

Changes in Plan Provisions:

- None.

NOTE 13 – 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 on the following page 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, 2022)	City of Quincy OPEB Trust Fund	Quincy College OPEB Trust Fund	Total Pension and OPEB Trust Funds
ASSETS				
Cash and cash equivalents.....	\$ 10,981,000	\$ 12,220	\$ -	\$ 10,993,220
Investments:				
Investments in Pension Reserve Investment Trust.....	388,656,845	-	-	388,656,845
Equity securities.....	173,111,734	-	-	173,111,734
Equity mutual funds.....	-	1,868,069	-	1,868,069
Fixed income mutual funds.....	-	581,772	-	581,772
Pooled alternative investments.....	92,771,503	-	-	92,771,503
Pooled real estate.....	46,416,942	-	-	46,416,942
Pooled mutual funds.....	81,997,905	-	-	81,997,905
Plymouth County OPEB trust investment pool.....	-	-	3,197,247	3,197,247
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	1,093,091	-	-	1,093,091
TOTAL ASSETS.....	795,029,020	2,462,061	3,197,247	800,688,328
LIABILITIES				
Warrants payable.....	185,393	-	-	185,393
NET POSITION				
Restricted for pensions.....	794,843,627	-	-	794,843,627
Restricted for other postemployment benefits.....	-	2,462,061	3,197,247	5,659,308
TOTAL NET POSITION.....	\$ 794,843,627	\$ 2,462,061	\$ 3,197,247	\$ 800,502,935

	Pension Trust Fund (as of December 31, 2022)	City of Quincy OPEB Trust Fund	Quincy College OPEB Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS:				
Contributions:				
Employer contributions.....	\$ 9,157,970	\$ 250,000	\$ -	\$ 9,407,970
Employer contributions for other postemployment benefit payments.....	-	19,035,556	362,297	19,397,853
Member contributions.....	11,636,434	-	-	11,636,434
Transfers from other systems.....	2,592,786	-	-	2,592,786
Workers compensation settlements.....	34,500	-	-	34,500
State COLA reimbursements.....	191,584	-	-	191,584
Interest not refunded.....	10,534	-	-	10,534
Other.....	3,139	-	-	3,139
Total contributions.....	23,626,947	19,285,556	362,297	43,274,800
Net investment income:				
Investment income (loss).....	(83,510,656)	161,992	330,692	(83,017,972)
Less: investment expense.....	(8,402,630)	-	(11,130)	(8,413,760)
Net investment income (loss).....	(91,913,286)	161,992	319,562	(91,431,732)
TOTAL ADDITIONS.....	(68,286,339)	19,447,548	681,859	(48,156,932)
DEDUCTIONS:				
Administration.....	728,312	-	-	728,312
Transfers to other systems.....	2,251,396	-	-	2,251,396
Retirement benefits and refunds.....	52,733,651	-	-	52,733,651
Other postemployment benefit payments.....	-	19,035,556	362,297	19,397,853
TOTAL DEDUCTIONS.....	55,713,359	19,035,556	362,297	75,111,212
NET INCREASE (DECREASE) IN NET POSITION.....	(123,999,698)	411,992	319,562	(123,268,144)
NET POSITION AT BEGINNING OF YEAR.....	918,843,325	2,050,069	2,877,685	923,771,079
NET POSITION AT END OF YEAR.....	\$ 794,843,627	\$ 2,462,061	\$ 3,197,247	\$ 800,502,935

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The City is committed to fund a variety of construction and design contracts relating to ongoing improvements to the downtown business district, various governmental, water and sewer enterprise infrastructure improvements and ongoing education facility construction or rehabilitation.

Federal Grant Participation

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, 2023, 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.

Other

Various other legal actions and claims are pending against the City. 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, 2023 cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2023.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2024 which is the date the financial statements were available to be issued.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the basic financial statements.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 279,943,477	\$ 268,933,025	\$ 264,324,978	\$ -	\$ (4,608,047)
Tax liens.....	-	-	3,149,608	-	3,149,608
Motor vehicle and other excise taxes.....	11,518,500	11,518,500	11,613,200	-	94,700
Meals tax.....	2,200,000	2,200,000	2,520,855	-	320,855
Urban development corporation tax.....	490,000	490,000	440,687	-	(49,313)
Penalties and interest on taxes.....	1,500,000	1,500,000	2,550,601	-	1,050,601
Fees and rentals.....	2,410,000	2,410,000	904,179	-	(1,505,821)
Payments in lieu of taxes.....	820,000	820,000	1,416,298	-	596,298
Licenses and permits.....	5,500,000	5,500,000	3,785,183	-	(1,714,817)
Fines and forfeitures.....	540,000	540,000	75,828	-	(464,172)
Intergovernmental - state aid.....	59,539,073	59,539,073	60,080,630	-	541,557
Departmental and other.....	4,130,000	4,130,000	3,532,631	-	(597,369)
Investment income.....	140,000	140,000	1,888,528	-	1,748,528
TOTAL REVENUES.....	368,731,050	357,720,598	356,283,206	-	(1,437,392)
EXPENDITURES:					
Current:					
General government.....	26,794,079	25,702,336	22,418,749	944,159	2,339,428
Public safety.....	70,295,306	75,065,217	74,796,019	583,993	(314,795)
Education.....	121,078,155	123,397,369	121,099,204	1,642,270	655,895
Public works.....	22,442,624	21,492,265	17,437,670	2,496,874	1,557,721
Human services.....	4,289,108	4,354,239	3,874,819	84,396	395,024
Culture and recreation.....	9,989,000	9,979,873	9,612,973	59,870	307,030
Pension benefits.....	7,352,289	7,352,289	7,352,289	-	-
Employee benefits.....	61,601,095	58,974,642	56,757,989	419,932	1,796,721
Claims and judgments.....	382,101	732,101	691,479	40,622	-
State and county charges.....	4,898,304	4,898,304	5,043,062	-	(144,758)
Debt service:					
Principal.....	18,917,822	19,796,769	19,796,769	-	-
Interest.....	27,066,952	28,793,313	26,599,856	-	2,193,457
TOTAL EXPENDITURES.....	375,106,835	380,538,717	365,480,878	6,272,116	8,785,723
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(6,375,785)	(22,818,119)	(9,197,672)	(6,272,116)	7,348,331
OTHER FINANCING SOURCES (USES):					
Use of prior year reserves to fund carryovers.....	10,272,785	10,272,785	-	-	(10,272,785)
Use of free cash.....	-	1,256,451	-	-	(1,256,451)
Transfers in.....	7,603,000	23,621,990	23,621,990	-	-
Transfers out.....	(11,500,000)	(12,333,107)	(12,333,107)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	6,375,785	22,818,119	11,288,883	-	(11,529,236)
NET CHANGE IN FUND BALANCE.....	-	-	2,091,211	(6,272,116)	(4,180,905)
BUDGETARY FUND BALANCE, Beginning of year.....	28,844,546	28,844,546	28,844,546	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 28,844,546	\$ 28,844,546	\$ 30,935,757	\$ (6,272,116)	\$ (4,180,905)

See notes to required supplementary information.

Pension Plan Schedules – Retirement System

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

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

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

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

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

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability:				
Service cost.....	\$ 10,424,753	\$ 10,038,512	\$ 12,340,386	\$ 12,661,777
Interest.....	49,770,644	51,092,338	51,660,742	52,739,949
Changes in benefit terms.....	-	3,078,458	-	-
Differences between expected and actual experience.....	-	1,858,637	-	-
Changes in assumptions.....	-	3,665,324	-	-
Benefit payments.....	(43,044,059)	(43,531,889)	(44,500,835)	(45,049,416)
Net change in total pension liability.....	17,151,338	26,201,380	19,500,293	20,352,310
Total pension liability - beginning.....	633,230,325	650,381,663	676,583,043	696,083,336
Total pension liability - ending (a).....	<u>\$ 650,381,663</u>	<u>\$ 676,583,043</u>	<u>\$ 696,083,336</u>	<u>\$ 716,435,646</u>
Plan fiduciary net position:				
Employer contributions.....	\$ 23,673,089	\$ 24,784,041	\$ 26,703,193	\$ 28,203,770
Member contributions.....	8,661,380	8,503,208	8,263,021	9,217,597
Net investment income (loss).....	13,166,200	156,718	9,124,449	57,900,393
Administrative expenses.....	(611,927)	(461,545)	(466,622)	(466,403)
Retirement benefits and refunds.....	(43,044,059)	(43,531,889)	(44,500,835)	(45,049,416)
Net increase (decrease) in fiduciary net position.....	1,844,683	(10,549,467)	(876,794)	49,805,941
Fiduciary net position - beginning of year.....	302,114,325	303,959,008	293,409,541	292,532,747
Fiduciary net position - end of year (b).....	<u>\$ 303,959,008</u>	<u>\$ 293,409,541</u>	<u>\$ 292,532,747</u>	<u>\$ 342,338,688</u>
Net pension liability - ending (a)-(b).....	<u>\$ 346,422,655</u>	<u>\$ 383,173,502</u>	<u>\$ 403,550,589</u>	<u>\$ 374,096,958</u>
Plan fiduciary net position as a percentage of the total pension liability.....	46.74%	43.37%	42.03%	47.78%
Covered payroll.....	\$ 83,775,407	\$ 87,269,494	\$ 92,374,654	\$ 96,535,798
Net pension liability as a percentage of covered payroll.....	413.51%	439.07%	436.86%	387.52%

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

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

(1) For the year ended December 31, 2018, the System restated beginning net position.

See notes to required supplementary information.

December 31, 2018 (1)	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
\$ 13,670,881	\$ 14,217,717	\$ 14,786,426	\$ 16,039,097	\$ 16,680,661
52,782,682	56,116,246	57,982,177	58,479,731	60,262,423
-	-	7,251,751	-	-
(10,089,925)	-	(6,534,048)	-	(10,311,393)
33,835,300	-	9,088,622	-	39,477,786
<u>(46,417,237)</u>	<u>(47,287,451)</u>	<u>(49,909,179)</u>	<u>(50,703,485)</u>	<u>(52,733,651)</u>
43,781,701	23,046,512	32,665,749	23,815,343	53,375,826
<u>716,435,646</u>	<u>760,217,347</u>	<u>783,263,859</u>	<u>815,929,608</u>	<u>839,744,951</u>
<u>\$ 760,217,347</u>	<u>\$ 783,263,859</u>	<u>\$ 815,929,608</u>	<u>\$ 839,744,951</u>	<u>\$ 893,120,777</u>
\$ 30,614,051	\$ 32,603,375	\$ 35,642,220	\$ 483,002,343	\$ 9,384,054
9,521,007	10,229,640	10,630,981	10,661,874	11,991,497
(10,572,153)	54,059,788	47,275,328	59,403,593	(91,913,286)
(498,132)	(507,604)	(572,652)	(671,670)	(728,312)
<u>(46,417,237)</u>	<u>(47,287,451)</u>	<u>(49,909,179)</u>	<u>(50,703,485)</u>	<u>(52,733,651)</u>
(17,352,464)	49,097,748	43,066,698	501,692,655	(123,999,698)
<u>342,338,688</u>	<u>324,986,224</u>	<u>374,083,972</u>	<u>417,150,670</u>	<u>918,843,325</u>
<u>\$ 324,986,224</u>	<u>\$ 374,083,972</u>	<u>\$ 417,150,670</u>	<u>\$ 918,843,325</u>	<u>\$ 794,843,627</u>
<u>\$ 435,231,123</u>	<u>\$ 409,179,887</u>	<u>\$ 398,778,938</u>	<u>\$ (79,098,374)</u>	<u>\$ 98,277,150</u>
42.75%	47.76%	51.13%	109.42%	89.00%
\$ 98,970,327	\$ 103,475,444	\$ 106,483,560	\$ 110,956,375	\$ 112,263,816
439.76%	395.44%	374.50%	-71.29%	87.54%

SCHEDULE OF CONTRIBUTIONS
QUINCY 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, 2022.....	\$ 9,157,970	\$ (9,157,970)	\$ -	\$ 112,263,816	8.16%
December 31, 2021.....	38,315,387	(483,002,343)	(444,686,956)	110,956,375	435.31%
December 31, 2020.....	35,642,220	(35,642,220)	-	106,483,560	33.47%
December 31, 2019.....	32,789,500	(32,789,500)	-	103,475,444	31.69%
December 31, 2018.....	30,842,375	(30,842,375)	-	98,970,327	31.16%
December 31, 2017.....	28,360,805	(28,360,805)	-	96,535,798	29.38%
December 31, 2016.....	26,078,901	(26,078,901)	-	92,374,654	28.23%
December 31, 2015.....	24,742,790	(24,424,577)	318,213	87,269,494	27.99%
December 31, 2014.....	23,626,173	(23,360,807)	265,366	83,775,407	27.89%

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
QUINCY CONTRIBUTORY RETIREMENT SYSTEM

Year	Annual money-weighted rate of return, net of investment expense
December 31, 2022.....	-11.20%
December 31, 2021.....	11.57%
December 31, 2020.....	12.85%
December 31, 2019.....	16.11%
December 31, 2018.....	-3.09%
December 31, 2017.....	20.16%
December 31, 2016.....	3.15%
December 31, 2015.....	0.07%
December 31, 2014.....	4.18%

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 and Quincy College

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

The Schedule of Quincy College's Contributions presents multi-year trend information on the College'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 and Quincy College 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
QUINCY CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
December 31, 2022.....	86.82%	\$ 85,833,595	\$ 101,626,997	84.46%	89.00%
December 31, 2021.....	108.89%	(86,128,849)	100,541,922	-85.66%	-109.42%
December 31, 2020.....	89.64%	363,894,330	95,454,762	381.22%	51.13%
December 31, 2019.....	88.96%	372,223,330	92,768,804	401.24%	47.76%
December 31, 2018.....	89.25%	395,648,555	88,476,642	447.18%	42.75%
December 31, 2017.....	90.30%	337,831,256	85,560,040	394.85%	47.78%
December 31, 2016.....	90.92%	366,908,857	82,446,938	445.02%	42.03%
December 31, 2015.....	89.29%	342,171,573	77,632,927	440.76%	43.37%
December 31, 2014.....	89.11%	308,731,255	74,859,778	412.41%	46.74%

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
QUINCY 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, 2023.....	\$ 7,352,289	\$ (7,352,289)	\$ -	\$ 103,659,537	7.09%
June 30, 2022.....	35,070,882	(490,229,534)	(455,158,652)	102,552,760	478.03%
June 30, 2021.....	32,403,793	(32,403,793)	-	97,363,857	33.28%
June 30, 2020.....	29,761,321	(29,761,321)	-	94,624,180	31.45%
June 30, 2019.....	28,017,079	(28,017,079)	-	90,246,175	31.05%
June 30, 2018.....	25,541,290	(25,541,290)	-	87,271,241	29.27%
June 30, 2017.....	25,050,196	(25,050,196)	-	84,095,877	29.79%
June 30, 2016.....	23,840,267	(23,840,267)	-	79,185,586	30.11%
June 30, 2015.....	22,674,720	(22,727,803)	(53,083)	76,356,974	29.77%

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 - CITY OF QUINCY
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
2023.....	\$ 255,709,586	\$ 21,034,608	57.75%
2022.....	229,487,412	18,415,409	62.03%
2021.....	289,985,740	35,817,393	50.67%
2020.....	256,836,706	31,145,908	53.95%
2019.....	244,631,836	24,789,894	54.84%
2018.....	237,562,230	24,795,061	54.25%
2017.....	229,760,795	23,437,107	52.73%
2016.....	212,457,308	17,232,179	55.38%
2015.....	166,516,454	11,568,697	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.

This schedule excludes Quincy College.

See notes to required supplementary information.

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
QUINCY CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
December 31, 2022.....	61.12%	\$ 604,247	\$ 5,229,307	11.56%	-89.00%
December 31, 2021.....	11.19%	(8,854,120)	5,615,740	-157.7%	109.42%
December 31, 2020.....	4.92%	19,608,482	6,443,332	304.32%	51.13%
December 31, 2019.....	5.32%	21,776,639	6,748,452	322.69%	47.76%
December 31, 2018.....	5.60%	24,374,173	6,689,330	364.37%	42.75%
December 31, 2017.....	5.70%	21,206,902	6,872,290	308.59%	47.78%
December 31, 2016.....	5.21%	20,938,259	5,911,157	354.22%	42.03%
December 31, 2015.....	6.49%	24,754,863	5,843,207	423.65%	43.37%
December 31, 2014.....	6.20%	21,362,172	5,417,029	394.35%	46.74%

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 COLLEGE'S CONTRIBUTIONS
QUINCY 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, 2023.....	\$ 57,260	\$ (57,260)	\$ -	\$ 5,281,600	1.08%
June 30, 2022.....	1,627,371	(21,468,719)	(19,841,348)	5,671,897	378.51%
June 30, 2021.....	1,797,075	(1,797,075)	-	6,507,765	27.61%
June 30, 2020.....	1,760,826	(1,760,826)	-	6,815,937	25.83%
June 30, 2019.....	1,714,546	(1,714,546)	-	6,756,223	25.38%
June 30, 2018.....	1,639,328	(1,639,328)	-	6,941,013	23.62%
June 30, 2017.....	1,339,704	(1,339,704)	-	5,970,269	22.44%
June 30, 2016.....	1,668,819	(1,668,819)	-	5,901,639	28.28%
June 30, 2015.....	1,216,740	(1,216,740)	-	5,471,199	22.24%

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 - QUINCY COLLEGE
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
2023.....	\$ 11,284,027	\$ 928,221	57.75%
2022.....	11,301,061	906,863	62.03%
2021.....	16,505,634	2,038,682	50.67%
2020.....	15,777,095	1,913,247	53.95%
2019.....	16,639,325	1,686,155	54.84%
2018.....	16,637,117	1,736,464	54.25%
2017.....	15,892,880	1,621,178	52.73%
2016.....	13,109,803	1,063,322	55.38%
2015.....	10,221,459	602,741	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 the City's Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

The Schedule of Changes in the College'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 College's Contributions presents multi-year trend information on the College's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of the College's 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.....	\$ 35,151,434	\$ 29,523,601	\$ 25,072,182	\$ 28,430,305
Interest.....	21,124,314	24,698,709	26,610,994	26,840,368
Changes of benefit terms.....	-	-	-	(197,360,006)
Differences between expected and actual experience....	-	-	-	63,800,598
Changes of assumptions.....	(84,254,759)	(32,863,385)	41,856,741	123,825,227
Benefit payments.....	(17,028,972)	(18,391,290)	(19,132,995)	(17,019,319)
Net change in total OPEB liability.....	(45,007,983)	2,967,635	74,406,922	28,517,173
Total OPEB liability - beginning.....	714,507,247	669,499,264	672,466,899	746,873,821
Total OPEB liability - ending (a).....	\$ 669,499,264	\$ 672,466,899	\$ 746,873,821	\$ 775,390,994
Plan fiduciary net position				
Employer contributions.....	\$ 100,000	\$ 100,000	\$ 250,000	\$ 1,284,018
Employer contributions for OPEB payments.....	17,028,972	18,391,290	19,132,995	17,019,319
Net investment income/(loss).....	41,556	36,720	187,869	42,110
Benefit payments.....	(17,028,972)	(18,391,290)	(19,132,995)	(17,019,319)
Net change in plan fiduciary net position.....	141,556	136,720	437,869	1,326,128
Plan fiduciary net position - beginning of year.....	1,232,612	1,374,168	1,510,888	1,948,757
Plan fiduciary net position - end of year (b).....	\$ 1,374,168	\$ 1,510,888	\$ 1,948,757	\$ 3,274,885
Net OPEB liability - ending (a)-(b).....	\$ 668,125,096	\$ 670,956,011	\$ 744,925,064	\$ 772,116,109
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.21%	0.22%	0.26%	0.42%
Covered-employee payroll.....	\$ 158,710,844	\$ 160,019,397	\$ 167,478,101	\$ 175,194,338
Net OPEB liability as a percentage of covered-employee payroll.....	420.97%	419.30%	444.79%	440.72%

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.

	June 30, 2021	June 30, 2022	June 30, 2023
\$	38,205,745	\$ 38,770,712	\$ 25,681,934
	17,774,262	18,343,763	22,104,809
	-	(5,828,716)	-
	-	(26,901,448)	-
	6,877,316	(217,577,371)	(11,824,122)
	<u>(18,765,650)</u>	<u>(18,106,890)</u>	<u>(19,035,556)</u>
	44,091,673	(211,299,950)	16,927,065
	<u>775,390,994</u>	<u>819,482,667</u>	<u>608,182,717</u>
\$	<u>819,482,667</u>	\$ <u>608,182,717</u>	\$ <u>625,109,782</u>
\$	-	\$ 250,000	\$ 250,000
	18,765,650	18,106,890	19,035,556
	(1,201,024)	(273,792)	161,992
	<u>(18,765,650)</u>	<u>(18,106,890)</u>	<u>(19,035,556)</u>
	(1,201,024)	(23,792)	411,992
	<u>3,274,885</u>	<u>2,073,861</u>	<u>2,050,069</u>
\$	<u>2,073,861</u>	\$ <u>2,050,069</u>	\$ <u>2,462,061</u>
\$	<u>817,408,806</u>	\$ <u>606,132,648</u>	\$ <u>622,647,721</u>
	0.25%	0.34%	0.39%
\$	177,010,255	\$ 182,892,587	\$ 201,691,250
	461.79%	331.41%	308.71%

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2023.....	\$ 36,445,957	\$ (19,285,556)	\$ 17,160,401	\$ 201,691,250	9.56%
June 30, 2022.....	35,366,259	(18,356,890)	17,009,369	182,892,587	10.04%
June 30, 2021.....	36,217,942	(18,765,650)	17,452,292	177,010,255	10.60%
June 30, 2020.....	34,002,126	(18,303,337)	15,698,789	175,194,338	10.45%
June 30, 2019.....	33,816,694	(19,382,995)	14,433,699	167,478,101	11.57%
June 30, 2018.....	32,656,643	(18,491,290)	14,165,353	160,019,397	11.56%
June 30, 2017.....	31,462,354	(14,333,382)	17,128,972	158,710,844	9.03%

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 INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	7.74%
June 30, 2022.....	-12.80%
June 30, 2021.....	-36.67%
June 30, 2020.....	5.27%
June 30, 2019.....	-9.31%
June 30, 2018.....	2.51%
June 30, 2017.....	3.26%

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

See notes to required supplementary information.

**SCHEDULE OF CHANGES IN THE
COLLEGE'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.....	\$ 674,800	\$ 699,466	\$ 747,474	\$ 834,659
Interest.....	627,199	712,688	807,004	910,383
Changes of benefit terms.....	-	-	-	(3,223,536)
Differences between expected and actual experience.....	-	-	-	1,451,299
Changes of assumptions.....	-	368,056	432,926	152,928
Benefit payments.....	<u>(179,759)</u>	<u>(194,140)</u>	<u>(201,606)</u>	<u>(202,217)</u>
Net change in total OPEB liability.....	1,122,240	1,586,070	1,785,798	(76,484)
Total OPEB liability - beginning.....	<u>7,776,109</u>	<u>8,898,349</u>	<u>10,484,419</u>	<u>12,270,217</u>
Total OPEB liability - ending (a).....	<u>\$ 8,898,349</u>	<u>\$ 10,484,419</u>	<u>\$ 12,270,217</u>	<u>\$ 12,193,733</u>
Plan fiduciary net position				
Employer contributions.....	\$ 327,405	\$ 357,313	\$ -	\$ -
Employer contributions for OPEB payments.....	179,759	194,140	201,606	202,217
Net investment income.....	209,428	208,373	126,627	59,621
Benefit payments.....	<u>(179,759)</u>	<u>(194,140)</u>	<u>(201,606)</u>	<u>(202,217)</u>
Net change in plan fiduciary net position.....	536,833	565,686	126,627	59,621
Plan fiduciary net position - beginning of year.....	<u>1,269,514</u>	<u>1,806,347</u>	<u>2,372,033</u>	<u>2,498,660</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 1,806,347</u>	<u>\$ 2,372,033</u>	<u>\$ 2,498,660</u>	<u>\$ 2,558,281</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 7,092,002</u>	<u>\$ 8,112,386</u>	<u>\$ 9,771,557</u>	<u>\$ 9,635,452</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	20.30%	22.62%	20.36%	20.98%
Covered-employee payroll.....	\$ 18,980,282	\$ 20,133,908	\$ 16,242,541	\$ 16,175,514
Net OPEB liability as a percentage of covered-employee payroll.....	37.37%	40.29%	60.16%	59.57%

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.

	June 30, 2021	June 30, 2022	June 30, 2023
\$	762,412	\$ 799,114	\$ 1,093,652
	834,308	921,954	629,034
	-	(138,604)	-
	-	(3,227,324)	-
	-	4,421,061	(504,275)
	<u>(245,170)</u>	<u>(326,128)</u>	<u>(362,297)</u>
	1,351,550	2,450,073	856,114
	<u>12,193,733</u>	<u>13,545,283</u>	<u>15,995,356</u>
\$	<u>13,545,283</u>	<u>15,995,356</u>	<u>16,851,470</u>
\$	-	\$ -	\$ -
	245,170	326,128	362,297
	760,390	(440,986)	319,562
	<u>(245,170)</u>	<u>(326,128)</u>	<u>(362,297)</u>
	760,390	(440,986)	319,562
	<u>2,558,281</u>	<u>3,318,671</u>	<u>2,877,685</u>
\$	<u>3,318,671</u>	<u>2,877,685</u>	<u>3,197,247</u>
\$	<u>10,226,612</u>	<u>13,117,671</u>	<u>13,654,223</u>
	24.50%	17.99%	18.97%
\$	11,916,674	\$ 12,095,962	\$ 11,972,466
	85.82%	108.45%	114.05%

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2023.....	\$ 1,018,490	\$ (362,297)	\$ 656,193	\$ 11,972,466	3.03%
June 30, 2022.....	987,973	(326,128)	661,845	12,095,962	2.70%
June 30, 2021.....	1,379,278	(245,170)	1,134,108	11,916,674	2.06%
June 30, 2020.....	1,278,203	(202,217)	1,075,986	16,175,514	1.25%
June 30, 2019.....	1,232,260	(201,606)	1,030,654	16,242,541	1.24%
June 30, 2018.....	1,152,210	(551,453)	600,757	20,133,908	2.74%
June 30, 2017.....	1,083,386	(507,164)	576,222	18,980,282	2.67%

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 COLLEGE'S INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	11.10%
June 30, 2022.....	-13.29%
June 30, 2021.....	29.72%
June 30, 2020.....	2.39%
June 30, 2019.....	5.41%
June 30, 2018.....	11.54%
June 30, 2017.....	16.50%

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.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYBudgetary Information

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

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 two-thirds majority vote of a City Council.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2023 approved budget authorized approximately \$386.6 million in appropriations inclusive of \$10.3 million of encumbrances carried forward from 2022. During 2023, the Council also approved supplemental appropriations that collectively rescinded \$6.3 million in a variety of appropriations.

The Municipal Finance Office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is as the follows:

Net change in fund balance - budgetary basis.....	\$ 2,091,211
<u>Perspective differences:</u>	
Activity of the stabilization funds recorded in the general fund for GAAP.....	(3,671,198)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(1,774,000)
Net change in recording 60 day receipts.....	(438,000)
Net change in recording accrued interest on notes payable.....	323,300
Recognition of revenue for on-behalf payments.....	21,034,608
Recognition of expenditures for on-behalf payments.....	<u>(21,034,608)</u>
Net change in fund balance - GAAP basis.....	\$ <u>(3,468,687)</u>

Appropriation Deficits

An appropriation deficit exists in the public safety function. This deficit will be funded in future years through the tax rate.

An appropriation deficit exists in the state and county charges function. In accordance with municipal finance laws of the Commonwealth of Massachusetts, this deficit is not required to be funded through future years tax rates.

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 total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The 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 pension fund appropriations are allocated amongst employers based on covered payroll.

Schedule of Investment Returns

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 – City and College

The following schedules apply to both the City and the College but have been presented separately.

Schedule of the City's and the College's Proportionate Share of the Net Pension Liability (Asset)

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

Schedule of City's and College'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 and the College may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the City and the College based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the City, and the College do 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 and College; the portion of the collective pension expense as both revenue and pension expense recognized by the City and College; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions

None.

Changes in Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Other Postemployment Benefit Plan**The Schedule of Changes in the City’s and the College’s Net Other Postemployment Benefit Liability and Related Ratios**

The Schedule of Changes in the City’s and College’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.

Schedule of the City’s and the College’s Contributions

The Schedule of the City’s and the College’s Contributions includes the 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 and College are not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially 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.....	December 31, 2021
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Level percentage of payroll, payments increase 3.0% per year.
Remaining amortization period.....	24 years as of December 31, 2022.
Asset valuation method.....	Fair value
Investment rate of return.....	6.50%.
Discount rate.....	3.65% as of June 30, 2023, previously 3.54%.
Inflation rate.....	3.00%
Projected salary increases.....	Non Teachers: 4.00% Teachers: Service-related increase of 7.00% decreasing to an ultimate level of 4.00%.

Healthcare trend rates.....	Non-Medicare and Medicare Medical/Rx: 6.40% for one year, then 4.04% for one year, then 6.50% graded by 0.25% down to an ultimate level of 4.50% over 8 years. Dental: 3.00% Part B reimbursement: -3.06 for one year, then 4.50%. Medicare Contributions: 0.79% for one year, then 6.75% graded by 0.25% down to an ultimate level of 4.50% over 9 years. Non-Medicare Contributions: 14.63% for one year, then 6.64% for one year, then 6.50% graded by 0.25% down to an ultimate level of 4.50% over 8 years.
Pre-retirement mortality (non-teachers).....	RP-2006 Employee Mortality Table projected generationally using Scale MP-2021.
Healthy mortality (non-teachers).....	RP-2006 Healthy Annuitant Mortality Table projected generationally using Scale MP-2021.
Disabled mortality (non-teachers).....	RP-2006 Healthy Annuitant Mortality Table set forward 2 years, and projected generationally using Scale MP-2021.
Pre-retirement mortality (teachers).....	Pub-2010 Teachers (headcount-weighted) Employee Mortality Tables projected generationally with Scale MP-2020.
Healthy mortality (teachers).....	Pub-2010 Teachers (headcount-weighted) Healthy Retiree Mortality Tables projected generationally with Scale MP-2020.
Disabled mortality (teachers).....	Pub-2010 Teachers (headcount-weighted) Healthy Retiree Mortality Tables projected generationally with Scale MP-2020.

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.

Changes in Assumptions

- The City's discount rate was increased from 3.54% to 3.65%.

Changes in Plan Provisions

- None.