

TOWN OF FRAMINGHAM, MASSACHUSETTS

Financial Statements

For the Year Ended June 30, 2001

(With Independent Auditors' Report Thereon)

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MELANSON HEATH & COMPANY, PC

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INDEPENDENT AUDITORS' REPORT

To the Board of Selectmen
Town of Framingham, Massachusetts

We have audited the accompanying general purpose financial statements of the Town of Framingham, Massachusetts, as of and for the year ended June 30, 2001 (December 31, 2000 for the Contributory Retirement System), as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above do not include the General Fixed Asset Group of Accounts, as required by generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group has not been determined.

In our opinion, except for the effects of the item described in the third paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Framingham, Massachusetts, as of June 30, 2001 (and December 31, 2000 for the Contributory Retirement System), and the results of its operations and cash flows of its proprietary and similar trust fund types for the year(s) then ended in conformity with accounting principles generally accepted in the United States of America.

Additional Offices:

Nashua, NH • Greenfield, MA • Ellsworth, ME

The supplementary schedules presented on pages 32 and 33 are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements. The information in those schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The supplementary pension information on page 34 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 2002 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Melanson Heath + Company P.C.

Andover, Massachusetts
January 24, 2002