

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2013

On the cover: A pride filled sand sculpture at the annual Revere Beach Sand-sculpting contest.



Above: Aerial photograph of Revere Beach – America’s first public beach.

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2013**

Prepared By:

Director of Finance

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2013

TABLE OF CONTENTS

| | |
|---|----------|
| Introductory Section..... | 1 |
| Letter of Transmittal | 3 |
| Organizational Chart | 7 |
| Principal City Officials | 8 |
| Financial Section | 9 |
| Independent Auditor’s Report | 11 |
| Management’s Discussion and Analysis | 14 |
| Basic Financial Statements..... | 22 |
| Statement of net position..... | 23 |
| Statement of activities | 24 |
| Governmental funds – balance sheet | 26 |
| Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position..... | 27 |
| Governmental funds – statement of revenues, expenditures and changes in fund balances | 28 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities..... | 29 |
| Proprietary funds – statement of net position..... | 30 |
| Proprietary funds – statement of revenues, expenses and changes in net position..... | 31 |
| Proprietary funds – statement of cash flows | 32 |
| Fiduciary funds – statement of fiduciary net position | 33 |
| Fiduciary funds – statement of changes in fiduciary net position..... | 34 |
| Notes to the basic financial statements..... | 35 |
| Required Supplementary Information | 61 |
| General Fund Budgetary Comparison Schedule | 62 |
| General fund – schedule of revenues, expenditures and changes in fund balance – budget and actual..... | 63 |
| Retirement Plan Schedules..... | 68 |
| Retirement system plan schedule of funding progress and employer contributions | 69 |
| Other Postemployment Benefit Plan Schedules | 70 |
| Other postemployment benefit plan schedule of funding progress and employer contributions..... | 71 |
| Other postemployment benefit plan actuarial methods and assumptions..... | 72 |
| Notes to Required Supplementary Information | 73 |

| | |
|---|-----------|
| Other Supplementary Information..... | 76 |
| Combining Statements | 77 |
| Nonmajor governmental funds | 78 |
| Nonmajor governmental funds – combining balance sheet..... | 80 |
| Nonmajor governmental funds – combining statement of revenues, expenditures, and changes in fund balances..... | 82 |
| Agency fund..... | 84 |
| Agency fund - combining statement of changes in assets and liabilities..... | 85 |
| Statistical Section..... | 86 |
| Net position by component – last ten fiscal years..... | 87 |
| Changes in net position – last ten fiscal years..... | 88 |
| Fund balances, governmental funds – last ten fiscal years..... | 89 |
| Changes in fund balance, governmental funds – last ten fiscal years..... | 90 |
| Assessed value of taxable property by classification and tax rates – last ten fiscal years..... | 91 |
| Principal taxpayers – current year and nine years ago | 92 |
| Property tax levies and collections – last ten fiscal years..... | 93 |
| Ratios of outstanding debt and general bonded debt – last ten fiscal years | 94 |
| Direct and overlapping governmental activities debt | 95 |
| Computation of legal debt margin – last ten fiscal years | 96 |
| Demographic and economic statistics – last ten fiscal years | 97 |
| Principal employers – current year and nine years ago | 98 |
| Full-time equivalent city employees by function – last ten fiscal years..... | 99 |
| Capital asset statistics by function/program – last ten fiscal years..... | 100 |

Introductory Section



Revere City Hall

**City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2013**

Introductory Section

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THE CITY OF
REVERE MASSACHUSETTS

CITY HALL
281 BROADWAY
REVERE, MA 02151

GEORGE M. ANZUONI

Director of Finance - City Collector and City Treasurer

Letter of Transmittal

December 13, 2013

To the Honorable City Council and Citizens of the City of Revere:

State law requires the City of Revere, Massachusetts ("the City"), to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Revere, Massachusetts, for the fiscal year ending June 30, 2013 for your review.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is

designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Revere, is located on the eastern coast of Massachusetts, and is bordered by Boston, Winthrop, and Chelsea on the south, Everett and Malden on the west, Saugus and Lynn on the north, and the Atlantic Ocean on the east. The City has a population of approximately 52,000 (according to the 2010 U.S. Census) and occupies a land area of 5.95 square miles. Settled in 1626 and originally a part of Chelsea, Revere was established as a separate Town in 1871 and incorporated as a city in 1915. It is primarily a residential suburb of Boston.

The City provides general governmental services for the territory within its boundaries, including police and fire protection, disposal of solid waste, public education, street maintenance, parks and recreational facilities. The City provides water/sewer services as a business-type activity to the users.

The City is a municipal corporation governed by an elected Mayor and an eleven member City Council.

The School Committee, consisting of 6 elected members and the Mayor who serves as an ex-officio, appoint the School Superintendent who administers the public school system of the City.

Factors Affecting Financial Condition

The City continues to reflect a strong local economic condition through the recent fiscal crisis. The per capita income continues to rise and outpace the state averages. The City also has a low comparable unemployment rate.

The City remains a very desirable community and this is reflected in the strong residential sales market, which has regained the pre-fiscal crisis levels of 2007. The City offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The City offers a broad range of high quality services and an attractive quality of life.

The growth of the City's main source of revenues, property taxes, is capped by Proposition 2½ and can only be overridden by a majority vote at a City election. While revenue increases have been limited in recent years, tax base growth was enhanced by commercial construction. This helped offset the steady increases in fixed costs, including health insurance and pension costs, which have increased substantially. On the City's operating side, the fiscal year 2013 budgets and service levels were maintained through a modest 2% increase in the operating budget. This allowed the City to continue to provide high quality services while minimizing the impact on the property tax burden.

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

In fiscal year 2013, the City continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account. Despite a tight budget process, the City, in adhering to recent policies of building reserves, did not rely on the use of reserves to fund the budget.

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

The City contributes to the Revere Contributory Retirement System, a cost-sharing, multiple-employer defined benefit pension plan (Plan) administered by the Revere Contributory Retirement Board. Every two years, an independent actuary engaged by the Board calculates the amount of the annual contribution that the City must make to the pension plan to ensure its ability to fully meet its obligations to retired employees. As required by law, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of January 1, 2011, the latest actuarial valuation date, the System had succeeded in funding 57.6% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 16 years as part of the annual required contribution as calculated by the actuary.

The City also provides postemployment health care benefits for certain retirees and their dependents. There are approximately 1,100 retirees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP now requires the City to conduct an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The City's most recent actuarial valuation is dated June 30, 2012. If the City is unable to fund the minimum annual required contribution as determined by the actuarial valuation, the unpaid amount will be required to be recorded as a liability on the financial statements of the City.

Economic Development and Expansion

The City is well positioned geographically to take advantage of: access to Logan Airport which serves international fliers; access to major state and interstate highway systems; easy access to intercity public commuter rail, subway and bus systems; and access to a multitude of well-respected higher learning institutions.

All of these factors have contributed to recent and anticipated redevelopment activity within the City limits. A few national, big-box retail companies have completed projects that increased total available retail square footage by approximately 219,000. Plans are currently underway for the City to realize an additional 150,000 square feet of retail space.

The most exciting development possibilities exist along Revere Beach, and in particular, the area surrounding the Wonderland T Station. After a lengthy review, the City of Revere has designated Eurovest Development as the developer of this area. The proposal and vision that was submitted by Eurovest calls for 902 market-rate residential condominium units, a 275,000 square foot mixed use building to include a 125 room hotel, 149 condominium hotel units, 5,000 square feet of retail space and a 12,000 square foot cultural center.

Also planned for the Wonderland Station area is a 145,000 square foot office building and 20,000 square feet of retail space. The entire project will represent a \$470 million dollar investment in the City of Revere. This project was awarded and has received a state grant in the amount of \$10 million. The project is scheduled to be completed in 2018.

The Massachusetts Legislature with the signature of the Governor passed into law Chapter 194 of the Acts of 2011 which allowed for casino gaming in the Commonwealth. There are three resort style casinos and one slot parlor licenses available for designation. Suffolk Downs which is the owner and operator of a horse track racing facility of the same name, in partnership with a casino operator have proposed siting a resort style casino within the City at Suffolk Downs. Currently, a Host Community Agreement between the City, Suffolk Downs, and the casino operator is current being negotiated. It is expected that the Host Community Agreement will provide the City with additional revenue sources to could address operational and capital needs of the City. In the casino

legislation 6.5% of the gross revenues from casino gaming would be held by the Commonwealth's Gaming Commission on behalf of host cities and other surrounding communities for the purpose of lessening the impact of the expanded gaming. The City will hold a referendum in February or March of 2014 for all voters to approve or reject the concept of casino in Revere. Assuming a successful voter referendum, The Massachusetts Gaming Commission will either approve or deny the issuance of a resort-style casino license to Suffolk Downs in May of 2014. Revenues received under the terms of a host community agreement would be in addition to additional property taxes from the casino and the other major hotel chains that have shown an interest in development within the City of Revere boundaries.

Financial and Management Systems

Internal Controls

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

Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Controls

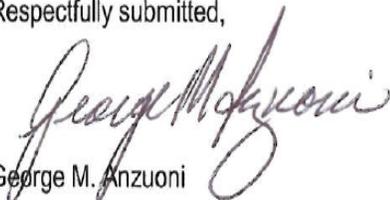
The Mayor is responsible for preparing and presenting the budget to the City Council. The Council, having the authority to amend down and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

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

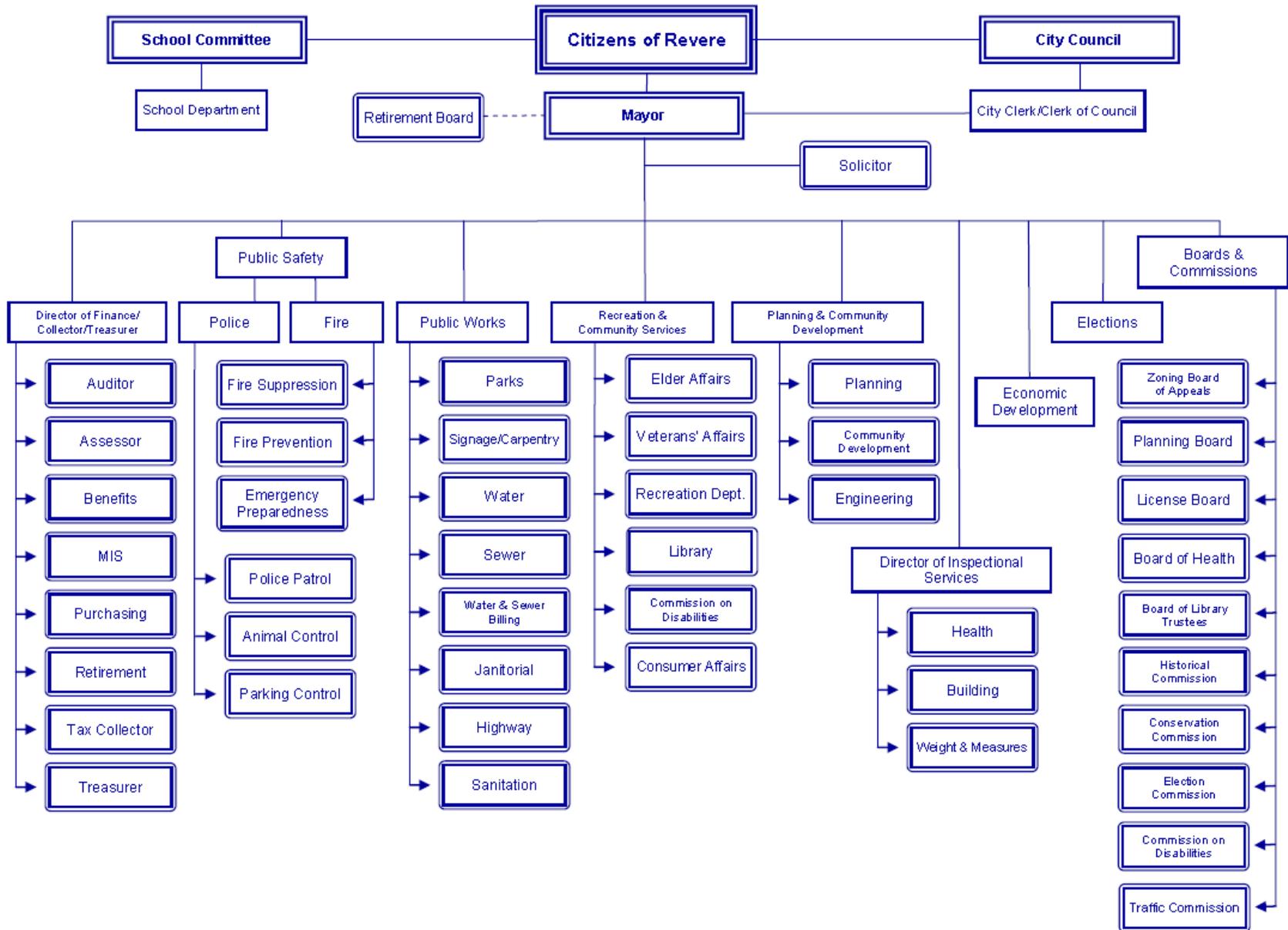
Acknowledgements

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

Respectfully submitted,



George M. Anzuoni
Director of Finance, City Collector and City Treasurer



Principal City Officials

Elected Officials

Mayor

Dan Rizzo

City Council

Councilors-at-Large

Brian M. Arrigo

Steven Marabito

Jessica Ann Giannino

Robert J. Haas, Jr.

Anthony T. Zambuto

Ward Councilors

Richard A. Penta

Ira Novoselsky

Arthur F. Guinasso

Stephen Reardon

John Powers

Charles J. Patch, Sr.

School Committee

Dan Rizzo, Mayor

Michael Ferrante

Dan Maguire

Donna Wood Pruitt

Stacey A. Rizzo

Susan Gravalles

Carol A. Tye

Principal Executive Officers

Director of Finance, City Collector and City Treasurer

George M. Anzuoni

City Auditor

Laurie Giardella

Assessor – Chairman of the Board

Andrew Iovanna

Assessor – Member of the Board

John Verrengia

Assessor – Member of the Board

Dana Brangiforte

City Clerk

Ashley E. Melnik

Police Chief

Terrence K. Reardon

Fire Chief

Gene Doherty

Superintendent of Schools

Paul Dakin

School Business Manager

Matthew Kruse

City Engineer

Nicholas Rystrom

DPW Superintendent

Donald Goodwin

City Solicitor

Paul Capizzi, Esq.

Clerk of Council

Ashley E. Melnik

Financial Section



Revere Police Headquarters

**City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2013**

Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Revere, Massachusetts, as of and for the year ended June 30, 2013 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2012), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Revere, Massachusetts, as of June 30, 2013 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2012), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the City of Revere, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Revere, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Bowers & Sullivan LLC". The signature is written in a cursive, flowing style.

December 13, 2013

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Revere (the "City"), we offer readers of these basic financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented in this report.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the City as a whole. The fund financial statements focus on the individual components of the City government, reporting the City's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all assets and liabilities with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal 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 fiscal 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 or charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, strategic planning and interest. The business type activities include costs relating to the water and sewer activities.

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 separately within the fiduciary fund statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains a variety of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Strategic Planning Fund, and the McKinley School Fund. Data from the other funds are combined into a single, aggregate presentation under the caption *nonmajor governmental funds*.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule, presented as required supplementary information, 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 the enterprise funds to account for its water and sewer operations.

Internal service fund is used to accumulate and allocate costs internally among various functions. The City uses internal service funds to account for self-insured employee health programs. Because these programs primarily benefit 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 statement 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 propriety funds.

The City maintains three different types of fiduciary funds. The *Pension Trust Fund* is used to report resources held in trust for retirees and beneficiaries covered by the Plan. The *Private Purpose Trust Funds* is used to report resources held in trust for the benefit of private individuals or organizations. The *Agency Fund* reports resources held by the City in a custodial capacity for individuals, private organizations, and other governments.

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 assets exceeded liabilities by \$103.7 million at the close of fiscal year 2013, a decrease of \$10.4 million from the prior year.

Net position of \$121.6 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, 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 portion of the City's net position, \$1.9 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a negative amount of \$19.3 million.

At the end of the current fiscal year the City is able to report positive balances in two of the three categories of net position for the City as a whole. Unrestricted net position is negative due primarily to the impact of the recognition of the other postemployment liability of \$56.9 million.

Details related to the City's governmental and business-type activities follow.

Governmental Activities

As noted earlier net position may serve, over time, as a useful indicator of a government's financial position. The assets of the governmental activities exceeded liabilities by \$84 million at the close of the fiscal year 2013. Components of the City's governmental financial position are listed below.

| | <u>FY2013</u> | <u>FY2012</u> |
|--|-----------------------------|-----------------------------|
| Assets: | | |
| Current assets..... | \$ 49,950,609 | \$ 49,372,228 |
| Capital assets, non-depreciable..... | 12,116,782 | 17,690,082 |
| Capital assets, depreciable..... | 144,711,196 | 140,146,510 |
| Total assets..... | <u>206,778,587</u> | <u>207,208,820</u> |
| Liabilities: | | |
| Current liabilities (excluding debt)..... | 10,653,200 | 8,102,734 |
| Noncurrent liabilities (excluding debt)..... | 62,976,000 | 49,965,379 |
| Current debt..... | 3,922,751 | 3,180,143 |
| Noncurrent debt..... | 45,221,156 | 47,690,488 |
| Total liabilities..... | <u>122,773,107</u> | <u>108,938,744</u> |
| Net Position: | | |
| Net investment in capital assets..... | 109,167,229 | 108,503,203 |
| Restricted..... | 1,869,989 | 2,716,851 |
| Unrestricted..... | (27,031,738) | (12,949,978) |
| Total net position..... | <u>\$ 84,005,480</u> | <u>\$ 98,270,076</u> |

A significant portion of the City's governmental activities net position, \$109.2 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

An additional portion of the net position of \$1.9 million represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position in the amount of \$27 million is due primarily to the recognition of postemployment benefits other than pensions that are recognized in accordance with GASB 45. The deficit indicates that the City does not have enough reserves to meet ongoing, both short-term and long-term, obligations to citizens and creditors.

Governmental activity liabilities include \$47.3 million in general obligation bonds and \$3.7 million in compensated absence liabilities for unused vacation, special leave, and enhanced longevity benefits payable.

The following summarizes the current and prior year governmental activities:

| | <u>FY2013</u> | <u>FY2012</u> |
|--|-----------------------------|-----------------------------|
| Program Revenues: | | |
| Charges for services..... | \$ 6,041,054 | \$ 7,387,109 |
| Operating grants and contributions..... | 80,888,598 | 88,688,231 |
| Capital grants and contributions..... | 1,120,326 | 1,953,644 |
| General Revenues: | | |
| Real estate and personal property taxes..... | 66,879,844 | 64,353,719 |
| Tax liens..... | 2,069,689 | 3,764,693 |
| Motor vehicle and other excise taxes..... | 4,075,990 | 2,726,688 |
| Hotel/Motel and meals tax..... | 1,967,019 | 1,902,531 |
| Penalties and interest on taxes..... | 386,637 | 558,307 |
| Fines and forfeitures..... | 203,909 | 179,452 |
| Grants and contributions not restricted to specific programs..... | 9,263,390 | 10,273,596 |
| Unrestricted investment income..... | 97,444 | 106,444 |
| Total revenues..... | <u>172,993,900</u> | <u>181,894,414</u> |
| Expenses: | | |
| General government..... | 13,635,709 | 13,177,547 |
| Public safety..... | 34,551,022 | 33,657,291 |
| Education..... | 122,818,604 | 114,958,701 |
| Public works..... | 9,649,872 | 8,450,014 |
| Human services..... | 2,925,397 | 2,490,676 |
| Culture and recreation..... | 1,444,959 | 1,521,865 |
| Strategic planning..... | 3,642,265 | 20,256,530 |
| Claims and judgements..... | - | 1,750,000 |
| Interest..... | 1,949,914 | 1,964,510 |
| Total expenses..... | <u>190,617,742</u> | <u>198,227,134</u> |
| Excess before transfers..... | (17,623,842) | (16,332,720) |
| Transfers..... | <u>3,359,246</u> | <u>2,873,947</u> |
| Change in net position..... | (14,264,596) | (13,458,773) |
| Net position - beginning..... | <u>98,270,076</u> | <u>111,728,849</u> |
| Net position - ending..... | <u>\$ 84,005,480</u> | <u>\$ 98,270,076</u> |

The governmental activities net position decreased in the current year by \$14.2 million. The reduction in net position is due primarily to the recognition of an expense of \$12.2 million for its portion of the other postemployment benefit liability that was not funded.

Business-Type Activities

The following summarizes the financial components of the City's Business-Type Activities:

| | <u>FY2013</u> | <u>FY2012</u> |
|--|-----------------------------|-----------------------------|
| Assets: | | |
| Current assets..... | \$ 14,463,787 | \$ 17,155,582 |
| Capital assets..... | 25,023,174 | 17,773,699 |
| Total assets..... | <u>39,486,961</u> | <u>34,929,281</u> |
| Liabilities: | | |
| Current liabilities (excluding debt)..... | 1,180,673 | 1,862,729 |
| Noncurrent liabilities (excluding debt)..... | 981,000 | 704,000 |
| Current debt..... | 2,610,897 | 7,909,009 |
| Noncurrent debt..... | 15,004,168 | 8,607,066 |
| Total liabilities..... | <u>19,776,738</u> | <u>19,082,804</u> |
| Net Position: | | |
| Net investment in capital assets..... | 12,409,419 | 8,146,094 |
| Unrestricted..... | 7,300,804 | 7,700,383 |
| Total net position..... | <u>\$ 19,710,223</u> | <u>\$ 15,846,477</u> |
| Program Revenues: | | |
| Charges for services..... | \$ 21,537,126 | \$ 20,216,422 |
| Capital grants and contributions..... | 1,765,159 | - |
| General Revenues: | | |
| Unrestricted investment income..... | 9,244 | 10,389 |
| Total revenues..... | <u>23,311,529</u> | <u>20,226,811</u> |
| Expenses: | | |
| Water & Sewer..... | 16,088,537 | 16,558,665 |
| Excess before transfers..... | 7,222,992 | 3,668,146 |
| Transfers..... | <u>(3,359,246)</u> | <u>(2,873,947)</u> |
| Change in net position..... | 3,863,746 | 794,199 |
| Net position - beginning..... | <u>15,846,477</u> | <u>15,052,278</u> |
| Net position - ending..... | <u>\$ 19,710,223</u> | <u>\$ 15,846,477</u> |

The Water & Sewer enterprise fund net position increased by \$3.9 million during the current fiscal year. Most of the change is attributable to rates designed to reflect the cost of providing services and increased usage as well as the \$1.8 million of capital grants received to offset construction costs relative to sewer infrastructure upgrades.

Total business type activities assets exceeded liabilities by \$19.7 million at the close of fiscal year 2013.

Net position of \$9.7 million reflects the investment in capital assets less any debt used to acquire those assets that are still outstanding. The remaining balance of unrestricted net position of \$10 million may be used to meet ongoing obligations.

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 fiscal year.

As of the end of the fiscal year 2013, governmental funds reported combined ending fund balances of \$29.3 million, a decrease of \$2.2 million from the prior year.

General Fund

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund equaled \$12.7 million, while total fund balance equaled \$25.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents about 8.5% of general fund budgetary expenditures while total fund balance represents about 17%. The general fund increased by \$3.1 million during fiscal 2013. This is better than anticipated as revenues came in \$1.2 million higher than budgeted, and expenditure turn backs equaled \$1.5 million or 0.9% of budget.

Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the Council.

At June 30, 2013, \$5,514,885 has been set aside in a stabilization fund that is classified as part of the general fund in the governmental funds financial statements as unassigned. The stabilization fund balance can be used for general and/or capital purposes upon a two-thirds vote of the City Council.

Strategic Planning Fund

This fund accounts for activity associated with the assistance to the Massachusetts Bay Transportation Authority's Wonderland Station redevelopment project. At the end of the current year, the fund had a positive fund balance of \$27,000. During the year the fund incurred \$3.6 million of expenditures relative to final work order close-outs on the project. The expenditures were offset by \$3.8 million of state grant reimbursements.

McKinley School Fund

This fund accounts for activity associated with the design and construction of the new McKinley Elementary School. During the fiscal year the fund recognized \$3.8 million of expenditures related to land acquisition efforts and the initial design of the new school. The City received \$527,000 in reimbursements from the Massachusetts School Building Authority (MSBA) to help offset the cost of design. At June 30, 2013, the fund had a deficit balance of \$3.1 million. The deficit will be funded through future general obligation debt and construction grants from the MSBA.

General Fund Budgetary Highlights

The difference of \$4.7 million between the original budget of \$152 million and the final amended budget of \$156.7 million was due to a transfer of certified free cash in the amount of \$2.9 million to the Stabilization Fund as well as the funding of a \$1 million salary reserve fund that will provide a funding source for collective bargaining agreement negotiations that were ongoing at June 30, 2013. The City also increased the budgets of the public safety and education functions.

Capital Asset and Debt Administration

Capital Assets. The City's valuation of governmental activities capital assets as of June 30, 2013, amounts to \$156.8 million, net of accumulated depreciation. This amount represents purchases made over time in the following categories: land; construction in process; buildings and improvements; machinery, equipment and furnishings; and infrastructure.

Additional information on the City's capital assets may be found in Note 4 to the basic financial statements.

The City's valuation of business-type activities capital assets as of June 30, 2013 amounts to \$25 million, net of accumulated depreciation. This amount represents purchase made over time in relation to the water and sewer distribution, collections and disposal infrastructure.

Long-term debt. At June 30, 2013, the City had total governmental bonded debt of \$47.3 million. Of this amount, \$23.3 million is for school purposes, \$20.6 million is for public safety purposes, \$1 million for computer hardware purchases, \$1.6 million related to past pollution remediation at the Beachfront School and \$800,000 is for various other governmental purposes.

The water & sewer enterprise fund has \$16.1 million in long-term debt that is supported by the water and sewer rates.

Currently the City has \$66.5 million in authorized and unissued long-term debt relating to future projects.

Additional information on the City's debt activity may be found in notes 6, 7, & 8 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City of Revere's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Revere, 281 Broadway, Revere, Massachusetts 02151.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2013

| | <i>Primary Government</i> | | |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| CURRENT: | | | |
| Cash and cash equivalents..... | \$ 38,623,705 | \$ 6,508,253 | \$ 45,131,958 |
| Receivables, net of allowance for uncollectibles: | | | |
| Real estate and personal property taxes..... | 183,665 | - | 183,665 |
| Tax liens..... | 3,641,965 | - | 3,641,965 |
| Motor vehicle and other excise taxes..... | 909,855 | - | 909,855 |
| User fees..... | - | 7,955,534 | 7,955,534 |
| Departmental and other..... | 566,848 | - | 566,848 |
| Intergovernmental..... | 3,328,722 | - | 3,328,722 |
| Tax foreclosures..... | 90,849 | - | 90,849 |
| Due from agency fund..... | 75,000 | - | 75,000 |
| Working capital deposit..... | 2,530,000 | - | 2,530,000 |
| Total Current Assets..... | 49,950,609 | 14,463,787 | 64,414,396 |
| NONCURRENT: | | | |
| Capital assets, not being depreciated..... | 12,116,782 | - | 12,116,782 |
| Capital assets, net of accumulated depreciation..... | 144,711,196 | 25,023,174 | 169,734,370 |
| Total Noncurrent Assets..... | 156,827,978 | 25,023,174 | 181,851,152 |
| TOTAL ASSETS..... | 206,778,587 | 39,486,961 | 246,265,548 |
| LIABILITIES | | | |
| CURRENT: | | | |
| Warrants payable..... | 6,422,969 | 1,086,678 | 7,509,647 |
| Accrued payroll..... | 228,696 | - | 228,696 |
| Health claims payable..... | 1,207,672 | - | 1,207,672 |
| Tax refunds payable..... | 398,264 | - | 398,264 |
| Accrued interest..... | 574,910 | 89,995 | 664,905 |
| Other liabilities..... | - | 1,000 | 1,000 |
| Capital lease obligations..... | 92,689 | - | 92,689 |
| Compensated absences..... | 1,179,000 | 3,000 | 1,182,000 |
| Workers' compensation..... | 549,000 | - | 549,000 |
| Notes payable..... | 1,546,108 | 1,500,000 | 3,046,108 |
| Bonds payable..... | 2,376,643 | 1,110,897 | 3,487,540 |
| Total Current Liabilities..... | 14,575,951 | 3,791,570 | 18,367,521 |
| NONCURRENT: | | | |
| Capital lease obligations..... | 273,645 | - | 273,645 |
| Claims and judgments..... | 1,750,000 | - | 1,750,000 |
| Compensated absences..... | 2,504,000 | 24,000 | 2,528,000 |
| Workers' compensation..... | 2,825,000 | - | 2,825,000 |
| Other postemployment benefits..... | 55,897,000 | 957,000 | 56,854,000 |
| Bonds payable..... | 44,947,511 | 15,004,168 | 59,951,679 |
| Total Noncurrent Liabilities..... | 108,197,156 | 15,985,168 | 124,182,324 |
| TOTAL LIABILITIES..... | 122,773,107 | 19,776,738 | 142,549,845 |
| NET POSITION | | | |
| Net investment in capital assets..... | 109,167,229 | 12,409,419 | 121,576,648 |
| Restricted for: | | | |
| Debt service..... | 8,013 | - | 8,013 |
| Gifts and grants..... | 1,861,976 | - | 1,861,976 |
| Unrestricted..... | (27,031,738) | 7,300,804 | (19,730,934) |
| TOTAL NET POSITION..... | \$ 84,005,480 | \$ 19,710,223 | \$ 103,715,703 |

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|---|-----------------------|-------------------------|--|--|--------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| <i>Governmental Activities:</i> | | | | | |
| General government..... | \$ 13,635,709 | \$ 2,366,884 | \$ 1,407,929 | \$ - | \$ (9,860,896) |
| Public safety..... | 34,551,022 | 1,637,350 | 1,029,732 | - | (31,883,940) |
| Education..... | 122,818,604 | 1,249,635 | 73,557,574 | 527,105 | (47,484,290) |
| Public works..... | 9,649,872 | 182,018 | 27,355 | 593,221 | (8,847,278) |
| Human services..... | 2,925,397 | 360,261 | 942,783 | - | (1,622,353) |
| Culture and recreation..... | 1,444,959 | 244,906 | 82,506 | - | (1,117,547) |
| Strategic planning..... | 3,642,265 | - | 3,840,719 | - | 198,454 |
| Interest..... | 1,949,914 | - | - | - | (1,949,914) |
| Total Governmental Activities..... | 190,617,742 | 6,041,054 | 80,888,598 | 1,120,326 | (102,567,764) |
| <i>Business-Type Activities:</i> | | | | | |
| Water & Sewer..... | 16,088,537 | 21,537,126 | - | 1,765,159 | 7,213,748 |
| Total Primary Government..... | \$ 206,706,279 | \$ 27,578,180 | \$ 80,888,598 | \$ 2,885,485 | \$ (95,354,016) |

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

FISCAL YEAR ENDED JUNE 30, 2013

| | Primary Government | | |
|---|----------------------------|-----------------------------|------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Changes in net position: | | | |
| Net (expense) revenue from previous page..... | \$ (102,567,764) | \$ 7,213,748 | \$ (95,354,016) |
| <i>General revenues:</i> | | | |
| Real estate and personal property taxes, net of tax refunds payable..... | 66,879,844 | - | 66,879,844 |
| Tax liens..... | 2,069,689 | - | 2,069,689 |
| Motor vehicle and other excise taxes..... | 4,075,990 | - | 4,075,990 |
| Hotel/motel and meals tax..... | 1,967,019 | - | 1,967,019 |
| Penalties and interest on taxes..... | 386,637 | - | 386,637 |
| Payments in lieu of taxes..... | 203,909 | - | 203,909 |
| Grants and contributions not restricted to specific programs..... | 9,263,390 | - | 9,263,390 |
| Unrestricted investment income..... | 97,444 | 9,244 | 106,688 |
| <i>Transfers, net</i> | 3,359,246 | (3,359,246) | - |
| Total general revenues and transfers..... | 88,303,168 | (3,350,002) | 84,953,166 |
| Change in net position..... | (14,264,596) | 3,863,746 | (10,400,850) |
| <i>Net Position:</i> | | | |
| Beginning of year..... | 98,270,076 | 15,846,477 | 114,116,553 |
| End of year..... | \$ <u>84,005,480</u> | \$ <u>19,710,223</u> | \$ <u>103,715,703</u> |

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2013

| ASSETS | General | Strategic Planning | McKinley School | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------|--------------------|-----------------------------------|--------------------------------|
| Cash and cash equivalents..... | \$ 25,765,980 | \$ 27,439 | \$ 281,510 | \$ 6,713,350 | \$ 32,788,279 |
| Receivables, net of uncollectibles: | | | | | |
| Real estate and personal property taxes..... | 183,665 | - | - | - | 183,665 |
| Tax liens..... | 3,641,965 | - | - | - | 3,641,965 |
| Motor vehicle and other excise taxes..... | 909,855 | - | - | - | 909,855 |
| Departmental and other..... | 443,534 | - | - | - | 443,534 |
| Intergovernmental..... | 535,112 | - | - | 2,793,610 | 3,328,722 |
| Tax foreclosures..... | 90,849 | - | - | - | 90,849 |
| Due from other funds..... | 414,544 | - | - | - | 414,544 |
| TOTAL ASSETS..... | \$ 31,985,504 | \$ 27,439 | \$ 281,510 | \$ 9,506,960 | \$ 41,801,413 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES: | | | | | |
| Warrants payable..... | \$ 1,357,716 | \$ - | \$ 2,893,929 | \$ 587,864 | \$ 4,839,509 |
| Accrued payroll..... | 208,615 | - | - | 20,081 | 228,696 |
| Tax refunds payable..... | 398,264 | - | - | - | 398,264 |
| Deferred revenues..... | 4,415,472 | - | - | 588,255 | 5,003,727 |
| Due to other funds..... | - | - | - | 339,544 | 339,544 |
| Notes payable..... | - | - | 526,108 | 1,020,000 | 1,546,108 |
| TOTAL LIABILITIES..... | 6,380,067 | - | 3,420,037 | 2,555,744 | 12,355,848 |
| FUND BALANCES: | | | | | |
| Restricted..... | - | 27,439 | - | 7,776,632 | 7,804,071 |
| Assigned..... | 12,859,258 | - | - | - | 12,859,258 |
| Unassigned..... | 12,746,179 | - | (3,138,527) | (825,416) | 8,782,236 |
| TOTAL FUND BALANCES (DEFICITS)..... | 25,605,437 | 27,439 | (3,138,527) | 6,951,216 | 29,445,565 |
| TOTAL LIABILITIES AND FUND BALANCES..... | \$ 31,985,504 | \$ 27,439 | \$ 281,510 | \$ 9,506,960 | \$ 41,801,413 |

See notes to basic financial statements.

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

JUNE 30, 2013

| | | |
|---|--------------------|----------------------|
| Total governmental fund balances..... | | \$ 29,445,565 |
| Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds..... | | 156,827,978 |
| Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds..... | | 5,003,727 |
| Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities..... | | |
| The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position..... | | 5,697,608 |
| In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due..... | | (574,910) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | | |
| Bonds payable..... | (47,324,154) | |
| Other postemployment benefits liability..... | (55,897,000) | |
| Capital lease obligations..... | (366,334) | |
| Claims and judgments..... | (1,750,000) | |
| Compensated absences..... | (3,683,000) | |
| Workers' compensation..... | <u>(3,374,000)</u> | |
| Net effect of reporting long-term liabilities..... | | <u>(112,394,488)</u> |
| Net position of governmental activities..... | | <u>\$ 84,005,480</u> |

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

| | General | Strategic Planning | McKinley School | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| REVENUES: | | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ 66,929,836 | \$ - | \$ - | \$ - | \$ 66,929,836 |
| Tax liens..... | 1,939,232 | - | - | - | 1,939,232 |
| Motor vehicle and other excise taxes..... | 4,087,431 | - | - | - | 4,087,431 |
| Hotel/motel and meals tax..... | 1,967,019 | - | - | - | 1,967,019 |
| Charges for services..... | 1,383,462 | - | - | 1,752,791 | 3,136,253 |
| Penalties and interest on taxes..... | 386,637 | - | - | - | 386,637 |
| Payments in lieu of taxes..... | 203,909 | - | - | - | 203,909 |
| Licenses and permits..... | 985,547 | - | - | - | 985,547 |
| Fines and forfeitures..... | 985,001 | - | - | - | 985,001 |
| Intergovernmental..... | 70,229,862 | 3,840,719 | 527,105 | 15,742,813 | 90,340,499 |
| Departmental and other..... | - | - | - | 1,885,881 | 1,885,881 |
| Contributions..... | - | - | - | 150,817 | 150,817 |
| Investment income..... | 72,764 | - | - | 13,207 | 85,971 |
| TOTAL REVENUES..... | 149,170,700 | 3,840,719 | 527,105 | 19,545,509 | 173,084,033 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government..... | 5,274,912 | - | - | 2,296,355 | 7,571,267 |
| Public safety..... | 16,877,647 | - | - | 1,271,907 | 18,149,554 |
| Education..... | 68,248,979 | - | 3,806,382 | 14,862,601 | 86,917,962 |
| Public works..... | 6,832,348 | - | - | 1,127,407 | 7,959,755 |
| Human services..... | 1,987,388 | - | - | 302,009 | 2,289,397 |
| Culture and recreation..... | 727,493 | - | - | 223,009 | 950,502 |
| Strategic planning..... | - | 3,642,265 | - | - | 3,642,265 |
| Pension benefits..... | 23,330,361 | - | - | - | 23,330,361 |
| Employee benefits..... | 15,826,404 | - | - | - | 15,826,404 |
| State and county charges..... | 7,341,494 | - | - | - | 7,341,494 |
| Debt service: | | | | | |
| Principal..... | 2,460,143 | - | - | - | 2,460,143 |
| Interest..... | 1,971,856 | - | - | - | 1,971,856 |
| TOTAL EXPENDITURES..... | 150,879,025 | 3,642,265 | 3,806,382 | 20,083,288 | 178,410,960 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES..... | (1,708,325) | 198,454 | (3,279,277) | (537,779) | (5,326,927) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in..... | 5,522,992 | - | - | - | 5,522,992 |
| Transfers out..... | (722,746) | - | - | (1,441,000) | (2,163,746) |
| TOTAL OTHER FINANCING SOURCES (USES)..... | 4,800,246 | - | - | (1,441,000) | 3,359,246 |
| NET CHANGE IN FUND BALANCES..... | 3,091,921 | 198,454 | (3,279,277) | (1,978,779) | (1,967,681) |
| FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR..... | 22,513,516 | (171,015) | 140,750 | 8,929,995 | 31,413,246 |
| FUND BALANCES (DEFICITS) AT END OF YEAR..... | \$ 25,605,437 | \$ 27,439 | \$ (3,138,527) | \$ 6,951,216 | \$ 29,445,565 |

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**

FISCAL YEAR ENDED JUNE 30, 2013

| | | |
|--|--------------------|------------------------|
| Net change in fund balances - total governmental funds..... | | \$ (1,967,681) |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Capital outlay..... | 5,791,611 | |
| Depreciation expense..... | <u>(6,800,225)</u> | |
| Net effect of reporting capital assets..... | | (1,008,614) |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p> | | |
| | | (101,606) |
| <p>The issuance of long-term debt (e.g., bonds and leases) 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, however, 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 deferred and amortized in the Statement of Activities.</p> | | |
| Principal payments on capital leases..... | 87,722 | |
| Debt service principal payments..... | <u>2,460,143</u> | |
| Net effect of reporting long-term debt..... | | 2,547,865 |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p> | | |
| Net change in compensated absences accrual..... | 114,000 | |
| Net change in workers' compensation accrual..... | (868,898) | |
| Net change in other postemployment benefits accrual..... | (12,195,000) | |
| Net change in accrued interest on long-term debt..... | <u>21,942</u> | |
| Net effect of recording long-term liabilities..... | | (12,927,956) |
| <p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p> | | |
| The net activity of internal service funds is reported with Governmental Activities..... | | <u>(806,604)</u> |
| Change in net position of governmental activities..... | | <u>\$ (14,264,596)</u> |

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2013

| | Water & Sewer Enterprise | Internal Service Fund Health Insurance |
|--|-----------------------------|---|
| ASSETS | | |
| CURRENT: | | |
| Cash and cash equivalents..... | \$ 6,508,253 | \$ 5,835,426 |
| Receivables, net of allowance for uncollectibles: | | |
| User fees..... | 7,955,534 | - |
| Departmental and other..... | - | 123,314 |
| Working capital deposit..... | - | 2,530,000 |
| Total current assets..... | <u>14,463,787</u> | <u>8,488,740</u> |
| NONCURRENT: | | |
| Capital assets, net of accumulated depreciation..... | <u>25,023,174</u> | <u>-</u> |
| TOTAL ASSETS..... | <u>39,486,961</u> | <u>8,488,740</u> |
| LIABILITIES | | |
| CURRENT: | | |
| Warrants payable..... | 1,086,678 | 1,583,460 |
| Health claims payable..... | - | 1,207,672 |
| Accrued interest..... | 89,995 | - |
| Other liabilities..... | 1,000 | - |
| Compensated absences..... | 3,000 | - |
| Notes payable..... | 1,500,000 | - |
| Bonds payable..... | <u>1,110,897</u> | <u>-</u> |
| Total current liabilities..... | <u>3,791,570</u> | <u>2,791,132</u> |
| NONCURRENT: | | |
| Compensated absences..... | 24,000 | - |
| Other postemployment benefits..... | 957,000 | - |
| Bonds payable..... | <u>15,004,168</u> | <u>-</u> |
| Total noncurrent liabilities..... | <u>15,985,168</u> | <u>-</u> |
| TOTAL LIABILITIES..... | <u>19,776,738</u> | <u>2,791,132</u> |
| NET POSITION | | |
| Net investment in capital assets..... | 12,409,419 | - |
| Unrestricted..... | <u>7,300,804</u> | <u>5,697,608</u> |
| TOTAL NET POSITION..... | <u>\$ 19,710,223</u> | <u>\$ 5,697,608</u> |

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

| | Water & Sewer Enterprise | Internal Service Fund Health Insurance |
|---|-----------------------------|---|
| OPERATING REVENUES: | | |
| Employer and employee contributions | \$ - | \$ 19,383,723 |
| Charges for services..... | 21,510,983 | - |
| Other..... | 26,143 | - |
| TOTAL OPERATING REVENUES | 21,537,126 | 19,383,723 |
| OPERATING EXPENSES: | | |
| Water expenses | 4,822,699 | - |
| Sewer expenses..... | 10,374,603 | - |
| Depreciation..... | 659,260 | - |
| Employee benefits | - | 20,201,800 |
| TOTAL OPERATING EXPENSES | 15,856,562 | 20,201,800 |
| OPERATING INCOME (LOSS)..... | 5,680,564 | (818,077) |
| NONOPERATING REVENUES (EXPENSES): | | |
| Investment income..... | 9,244 | 11,473 |
| Interest expense..... | (231,975) | - |
| Intergovernmental..... | 1,765,159 | - |
| TOTAL NONOPERATING REVENUES (EXPENSES), NET..... | 1,542,428 | 11,473 |
| INCOME (LOSS) BEFORE TRANSFERS..... | 7,222,992 | (806,604) |
| TRANSFERS: | | |
| Transfers in..... | 722,746 | - |
| Transfers out..... | (4,081,992) | - |
| TOTAL TRANSFERS..... | (3,359,246) | - |
| CHANGE IN NET POSITION..... | 3,863,746 | (806,604) |
| NET POSITION AT BEGINNING OF YEAR..... | 15,846,477 | 6,504,212 |
| NET POSITION AT END OF YEAR..... | \$ 19,710,223 | \$ 5,697,608 |

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2013

| | Water & Sewer Enterprise | Internal Service Fund Health Insurance |
|---|-----------------------------|---|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Receipts from customers and users..... | \$ 21,004,796 | \$ 19,453,315 |
| Payments to vendors..... | (13,718,019) | (20,433,882) |
| Payments to employees..... | (1,117,952) | - |
| NET CASH FROM OPERATING ACTIVITIES..... | 6,168,825 | (980,567) |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u> | | |
| Transfers in..... | 722,746 | - |
| Transfers out..... | (4,081,992) | - |
| NET CASH FROM NONCAPITAL FINANCING ACTIVITIES..... | (3,359,246) | - |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u> | | |
| Proceeds from the issuance of bonds and notes..... | 10,888,470 | - |
| Intergovernmental capital contributions..... | 875,722 | - |
| Acquisition and construction of capital assets..... | (8,735,616) | - |
| Principal payments on bonds and notes..... | (2,011,573) | - |
| Interest expense..... | (172,481) | - |
| NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES..... | 844,522 | - |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | | |
| Investment income..... | 9,244 | 11,473 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS..... | 3,663,345 | (969,094) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR..... | 2,844,908 | 6,804,520 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR..... | \$ 6,508,253 | \$ 5,835,426 |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u> | | |
| <u>FROM OPERATING ACTIVITIES:</u> | | |
| Operating income (loss)..... | \$ 5,680,564 | \$ (818,077) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | |
| Depreciation..... | 659,260 | - |
| Changes in assets and liabilities: | | |
| User fees..... | (533,330) | - |
| Due from Blue Cross Blue Shield..... | - | 69,592 |
| Warrants payable..... | 84,331 | (193,108) |
| Health claims payable..... | - | (38,974) |
| Other liabilities..... | 1,000 | - |
| Other postemployment benefits..... | 277,000 | - |
| Total adjustments..... | 488,261 | (162,490) |
| NET CASH FROM OPERATING ACTIVITIES..... | \$ 6,168,825 | \$ (980,567) |

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

| | Pension Trust Fund (as of December 31, 2012) | Private Purpose Trust Funds | Agency Funds |
|--|---|-----------------------------------|-----------------|
| ASSETS | | | |
| CURRENT: | | | |
| Cash and cash equivalents..... | \$ 2,649,006 | \$ 36,994 | \$ 146,937 |
| Investments: | | | |
| Pension Reserve Investment Trust..... | 101,825,585 | - | - |
| Receivables, net of allowance for uncollectibles: | | | |
| Intergovernmental..... | 3,016,894 | - | - |
| TOTAL ASSETS..... | 107,491,485 | 36,994 | 146,937 |
| LIABILITIES | | | |
| Warrants payable..... | 290 | - | - |
| Liabilities due depositors..... | - | - | 71,937 |
| Due to other funds..... | - | - | 75,000 |
| TOTAL LIABILITIES..... | 290 | - | 146,937 |
| NET POSITION | | | |
| Held in trust for pension benefits and other purposes..... | \$ 107,491,195 | \$ 36,994 | \$ - |

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FISCAL YEAR ENDED JUNE 30, 2013

| | Pension Trust Fund (as of December 31, 2012) | Private Purpose Trust Funds |
|--|---|-----------------------------------|
| ADDITIONS: | | |
| Contributions: | | |
| Employer..... | \$ 10,162,426 | \$ - |
| Employee..... | 2,745,769 | - |
| Private donations..... | - | 5,318 |
| Total contributions..... | <u>12,908,195</u> | <u>5,318</u> |
| Net investment income (loss): | | |
| Net change in fair value of investments..... | 9,339,939 | - |
| Interest..... | 3,045,293 | 80 |
| Total investment income (loss)..... | 12,385,232 | 80 |
| Less: investment expense..... | <u>(505,268)</u> | <u>-</u> |
| Net investment income..... | <u>11,879,964</u> | <u>80</u> |
| Intergovernmental..... | 416,312 | - |
| Transfers from other systems..... | 241,517 | - |
| TOTAL ADDITIONS..... | <u>25,445,988</u> | <u>5,398</u> |
| DEDUCTIONS: | | |
| Administration..... | 230,131 | - |
| Refunds to plan members..... | 352,459 | - |
| Transfers to other systems..... | 594,500 | - |
| Retirement benefits and refunds..... | 13,566,999 | - |
| Educational scholarships..... | - | 4,500 |
| TOTAL DEDUCTIONS..... | <u>14,744,089</u> | <u>4,500</u> |
| CHANGE IN NET POSITION..... | 10,701,899 | 898 |
| NET POSITION AT BEGINNING OF YEAR..... | <u>96,789,296</u> | <u>36,096</u> |
| NET POSITION AT END OF YEAR..... | <u>\$ 107,491,195</u> | <u>\$ 36,994</u> |

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Revere, 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 City accounting policies are described herein.

A. Reporting Entity

The City is a municipal corporation governed by an elected Mayor and an eleven member 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 relationship between the City and the component unit.

The Revere Contributory Retirement System (the System) was established to provide retirement benefits to the employees and beneficiaries of the City and the Revere Housing Authority. The System is governed by a five-member board comprised of the City Auditor (ex-officio), two members elected by the System's participants, one member appointed by the Mayor and one member appointed by the other board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The System did not issue a separate audited financial statement. The System issues a publicly available 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 281 Broadway, Revere, Massachusetts 02151.

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 changes in net position) 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, liabilities, 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, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and 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 fiscal 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 *strategic planning fund* accounts for revenue and costs associated with the MBTA Wonderland redevelopment project.

The *McKinley School fund* accounts for the construction of the new McKinley Elementary School.

The nonmajor governmental funds consist of special revenue, debt service, 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 expenditure for specified purposes other than permanent funds or capital projects.

The *debt service fund* is used to account for the accumulation of resources for the payment of debt.

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

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

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the

proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The major proprietary fund reported is the *water & sewer enterprise fund*, which is used to account for water and sewer 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. The internal service fund is used to account for risk financing activities related to employee and retiree health plan financing.

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 trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

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

The *agency fund* is used to account for police and fire detail activity, student activity funds, and assets held in a purely custodial capacity. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. 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 of each fiscal year 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 fiscal year of the levy. Real estate tax liens are processed during the fourth quarter of every fiscal year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

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

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

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered in the City and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

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

User Fees

Water and sewer user fees are levied quarterly 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 fiscal year-end and are recorded as revenue in the current period. Water and sewer liens are processed in December of every year and are included as a lien on the property owner's tax bill. Water and sewer charges and liens are recorded as receivables in the fiscal year of the levy.

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

Departmental and Other

Departmental and other receivables consist primarily of outstanding parking tickets and are recorded as receivables in the fiscal year accrued.

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

Intergovernmental

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

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

Loans

The Department of Planning and Development administers loan programs that provide housing rehabilitation loans to residents. Upon issuance of the loan, a lien is placed on the respective property to fully secure the City’s interest in the loan. Loans are repayable over a 15 year period. Such loan balances are not material in total to the government-wide and fund financial statements, and therefore are not reported.

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

F. Inventories

Government-Wide and Fund Financial Statements

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

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> |
|---|---|
| Buildings and improvements..... | 20 - 40 |
| Machinery, equipment and furnishings..... | 5 |
| Infrastructure..... | 30-75 |

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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 fiscal year of the purchase.

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City did not have any items that qualify for reporting in this category.

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

Operating 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

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

K. Deferred Revenue

Deferred 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. Deferred revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

L. 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 reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position has been “restricted for” the following:

“Debt service” represents restrictions placed on assets accumulated to provide for the future payment of general obligation bond principal and interest.

“Gifts and grants” represents restrictions placed on assets from outside parties such as federal and state grants.

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

“Assigned” fund balance includes amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City’s by-laws authorize the City Auditor 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.

Sometimes the City will 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.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

N. Investment Income

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

O. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured, i.e. unused reimbursable leave still outstanding following an employee’s resignation or retirement. Vested or accumulated

vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

P. 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 fiscal year. Actual results could vary from estimates that were used.

Q. Individual Fund Deficits

There are fund deficits within the Green Communities Grant Fund, the Highway Improvements Grant Fund and the Public Safety Tech System capital project fund. These deficits will be funded through future grants, bond proceeds, and available fund balances.

R. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

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.

The City participates in the MMDT cash portfolio which as of June 30, 2013 had a balance of \$10,628,581. MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months. Credit ratings associated with the City's investment in MMDT ranged from AAA to unrated.

The Retirement System participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves

Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from .08 to 10.37 years.

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 fiscal year-end, the carrying amount of deposits totaled \$34,687,308 and the bank balance totaled \$40,558,608. Of the bank balance, \$1,009,100 was covered by Federal Depository Insurance, \$38,870,465 was collateralized and \$679,043 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2012, carrying amount of deposits for the System totaled \$2,649,006 and the bank balance totaled \$2,940,263. All of the bank balance of the System was covered by the Federal Depository Insurance.

Investments

As of December 31, 2012, the System had \$101,825,585 invested in the Pension Reserve Investment Trust.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City's investment in MMDT is not subject custodial credit risk because the investment is not evidenced by securities that exist in physical or book-entry form.

At December 31, 2012, the System investment in PRIT is not subject custodial credit risk because the investment is not evidenced by securities that exist in physical or book-entry form.

Neither the City nor the System has policies relating to custodial credit risk of investments.

NOTE 3 – RECEIVABLES

At June 30, 2013, receivables for the individual major and nonmajor governmental funds, and internal service in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|--|----------------------|------------------------------------|---------------------|
| Real estate and personal property taxes..... | \$ 660,837 | \$ (477,172) | \$ 183,665 |
| Tax liens..... | 3,641,965 | - | 3,641,965 |
| Motor vehicle and other excise taxes..... | 2,459,206 | (1,549,351) | 909,855 |
| Departmental and other..... | 1,142,378 | (575,530) | 566,848 |
| Intergovernmental..... | 3,328,722 | - | 3,328,722 |
| Total | \$ 11,233,108 | \$ (2,602,053) | \$ 8,631,055 |

At June 30, 2013, receivables for the water & sewer enterprise fund consist of the following:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|----------------|-----------------|------------------------------------|---------------|
| User fees..... | \$ 7,955,534 | \$ - | \$ 7,955,534 |

Governmental funds report *deferred 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 fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

| | General Fund | Nonmajor Governmental Funds | Total |
|--|---------------------|-----------------------------------|---------------------|
| <u>Receivable and other asset type:</u> | | | |
| Real estate and personal property taxes..... | \$ 107,583 | \$ - | \$ 107,583 |
| Tax liens..... | 2,901,113 | - | 2,901,113 |
| Motor vehicle and other excise taxes..... | 909,855 | - | 909,855 |
| Departmental and other..... | 406,072 | - | 406,072 |
| Intergovernmental..... | - | 588,255 | 588,255 |
| Tax foreclosures..... | 90,849 | - | 90,849 |
| Total..... | \$ 4,415,472 | \$ 588,255 | \$ 5,003,727 |

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| Governmental Activities: | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-----------------------|------------------|---------------------------|
| <u>Capital assets not being depreciated:</u> | | | | |
| Land..... | \$ 7,927,000 | \$ - | \$ - | \$ 7,927,000 |
| Construction in progress..... | <u>391,810</u> | <u>3,797,972</u> | <u>-</u> | <u>4,189,782</u> |
| Total capital assets, not being depreciated..... | <u>8,318,810</u> | <u>3,797,972</u> | <u>-</u> | <u>12,116,782</u> |
| <u>Capital assets being depreciated:</u> | | | | |
| Buildings and improvements..... | 210,528,754 | 366,600 | - | 210,895,354 |
| Machinery, equipment and furnishings..... | 13,776,415 | 205,440 | - | 13,981,855 |
| Infrastructure..... | <u>16,809,650</u> | <u>1,421,599</u> | <u>-</u> | <u>18,231,249</u> |
| Total capital assets being depreciated..... | <u>241,114,819</u> | <u>1,993,639</u> | <u>-</u> | <u>243,108,458</u> |
| <u>Less accumulated depreciation for:</u> | | | | |
| Buildings and improvements..... | (73,540,220) | (5,679,024) | - | (79,219,244) |
| Machinery, equipment and furnishings..... | (10,252,526) | (512,396) | - | (10,764,922) |
| Infrastructure..... | <u>(7,804,291)</u> | <u>(608,805)</u> | <u>-</u> | <u>(8,413,096)</u> |
| Total accumulated depreciation..... | <u>(91,597,037)</u> | <u>(6,800,225)</u> | <u>-</u> | <u>(98,397,262)</u> |
| Total capital assets being depreciated, net..... | <u>149,517,782</u> | <u>(4,806,586)</u> | <u>-</u> | <u>144,711,196</u> |
| Total governmental activities capital assets, net..... | <u>\$ 157,836,592</u> | <u>\$ (1,008,614)</u> | <u>\$ -</u> | <u>\$ 156,827,978</u> |
| | | | | |
| Enterprise Activities: | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
| <u>Capital assets being depreciated:</u> | | | | |
| Buildings and improvements..... | \$ 192,659 | \$ - | \$ - | \$ 192,659 |
| Machinery, equipment and furnishings..... | 4,985,683 | - | - | 4,985,683 |
| Infrastructure..... | <u>28,868,090</u> | <u>7,908,735</u> | <u>-</u> | <u>36,776,825</u> |
| Total capital assets being depreciated..... | <u>34,046,432</u> | <u>7,908,735</u> | <u>-</u> | <u>41,955,167</u> |
| <u>Less accumulated depreciation for:</u> | | | | |
| Buildings and improvements..... | (146,707) | (3,767) | - | (150,474) |
| Machinery, equipment and furnishings..... | (4,554,731) | (53,723) | - | (4,608,454) |
| Infrastructure..... | <u>(11,571,295)</u> | <u>(601,770)</u> | <u>-</u> | <u>(12,173,065)</u> |
| Total accumulated depreciation..... | <u>(16,272,733)</u> | <u>(659,260)</u> | <u>-</u> | <u>(16,931,993)</u> |
| Total enterprise activities capital assets, net..... | <u>\$ 17,773,699</u> | <u>\$ 7,249,475</u> | <u>\$ -</u> | <u>\$ 25,023,174</u> |

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

Governmental Activities:

| | |
|-----------------------------|---------------|
| General government..... | \$ 120,174 |
| Public safety..... | 1,173,154 |
| Education..... | 4,777,114 |
| Public works..... | 669,008 |
| Human services..... | 48,800 |
| Culture and recreation..... | <u>11,975</u> |

Total depreciation expense - governmental activities..... \$ 6,800,225

Business-Type Activities:

| | |
|--------------------|-------------------|
| Water & sewer..... | <u>\$ 659,260</u> |
|--------------------|-------------------|

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2013, the City had an interfund receivable and payable between the general fund and the agency fund of \$75,000 and the highway improvements nonmajor governmental fund of \$339,544. These will be funded in fiscal year 2014 with collections from users and state grant funding.

Interfund transfers for the fiscal year ended June 30, 2013, are summarized as follows:

| Transfers Out: | Transfers In: | | |
|------------------------------------|---------------------|-------------------------------|----------------------|
| | General Fund | Water & Sewer Enterprise Fund | Total |
| General Fund..... | \$ - | \$ 722,746 | \$ 722,746 (1) |
| Nonmajor Governmental Funds..... | 1,441,000 | - | 1,441,000 (2) |
| Water & Sewer Enterprise Fund..... | <u>4,081,992</u> | <u>-</u> | <u>4,081,992 (3)</u> |
| Total..... | <u>\$ 5,522,992</u> | <u>\$ 722,746</u> | <u>\$ 6,245,738</u> |

- (1) Budgeted transfers to the Water & Sewer Enterprise Fund for principal and interest payments budgeted in and paid for by the General Fund.
- (2) Budgeted transfers of \$161,000 from the Debt Service Fund and \$1,280,000 from the Public Safety Facility Fund to offset debt service in the General Fund.
- (3) Budgeted transfer from the Water & Sewer Enterprise Fund for indirect costs incurred.

NOTE 6 – CAPITAL LEASES

The City has entered into a lease agreement to finance the acquisition of recycling bins. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The following identifies the assets acquired through capital lease agreements:

| <u>Asset:</u> | | <u>Governmental Activities</u> |
|-------------------------------------|----|------------------------------------|
| Machinery and equipment..... | \$ | 638,837 |
| Less: accumulated depreciation..... | | <u>(250,972)</u> |
| Total..... | \$ | <u><u>387,865</u></u> |

The future minimum lease obligations and the net present value of the minimum lease payments at June 30, 2013, are as follows:

| <u>Fiscal Years Ending June 30</u> | | <u>Governmental Activities</u> |
|--|----|------------------------------------|
| 2014..... | \$ | 110,590 |
| 2015..... | | 110,590 |
| 2016..... | | 110,590 |
| 2017..... | | <u>73,728</u> |
| Total minimum lease payments..... | | 405,498 |
| Less: amounts representing interest..... | | <u>(39,164)</u> |
| Present value of minimum lease payments..... | \$ | <u><u>366,334</u></u> |

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).
- Current project costs and other approved expenditures incurred, that are approved to be reimbursed by the Commonwealth, through the issuance of state anticipation notes (SANS).

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.

As of June 30, 2013, the City had the following outstanding short-term debt:

| Type | Description | Maturity Date | Rate % | Balance at June 30, 2012 | Renewed/ Issued | Retired/ Redeemed | Balance at June 30, 2013 |
|--|----------------------------|---------------|--------|--------------------------|-----------------|-------------------|--------------------------|
| <i>Governmental Funds</i> | | | | | | | |
| BAN | Bond Anticipation Note.... | 7/20/12 | 1.55 | \$ 720,000 | \$ - | \$ (720,000) | \$ - |
| BAN | Bond Anticipation Note.... | 7/19/13 | 0.89 | - | 720,000 | - | 720,000 (1) |
| BAN | Bond Anticipation Note.... | 7/19/13 | 1.49 | - | 826,108 | - | 826,108 (1) |
| Total governmental funds..... | | | | 720,000 | 1,546,108 | (720,000) | 1,546,108 |
| <i>Water & Sewer Enterprise Fund</i> | | | | | | | |
| BAN | MWPAT Interim Loan..... | 6/30/13 | 2.00 | 7,397,436 | - | (7,397,436) | - |
| BAN | MWPAT Interim Loan..... | 6/30/14 | 2.00 | - | 1,500,000 | - | 1,500,000 |
| Total water & sewer enterprise fund..... | | | | 7,397,436 | 1,500,000 | (7,397,436) | 1,500,000 |
| Total short-term debt..... | | | | \$ 8,117,436 | \$ 3,046,108 | \$ (8,117,436) | \$ 3,046,108 |

Subsequent Event

(1) On July 19, 2013, the City issued a BAN totaling \$4,518,608 that will mature on July 18, 2014, with an interest rate of .75%. The note was issued in anticipation of the issuance of long-term debt relative to the design and implementation of the new public safety 911 system, the McKinley School feasibility study, and for land acquisition.

NOTE 8 – LONG-TERM DEBT

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

Details related to the City's outstanding general obligation indebtedness as of June 30, 2013, and the debt service requirements for the governmental activities are as follows:

| Project | Maturities Through | Original Loan Amount | Interest Rate (%) | Outstanding at June 30, 2012 | Issued | Redeemed | Outstanding at June 30, 2013 |
|--|--------------------|----------------------|-------------------|------------------------------|--------|----------------|------------------------------|
| RESCO Improvements Refunding..... | 2013 | \$ 1,156,500 | 3.6 | \$ 110,000 | \$ - | \$ (110,000) | \$ - |
| General Obligation State Qualified Issue 2004..... | 2021 | 440,000 | 4.2 | 230,000 | - | (30,000) | 200,000 |
| Refunding Issue 1997..... | 2017 | 2,235,772 | 4.0 | 1,042,990 | - | (215,600) | 827,390 |
| General Obligation State Qualified Issue 2007..... | 2026 | 9,286,000 | 4.0 - 5.5 | 6,300,000 | - | (495,000) | 5,805,000 |
| General Obligation State Qualified Issue 2009..... | 2039 | 26,381,000 | 3.2 - 4.9 | 24,275,000 | - | (750,000) | 23,525,000 |
| MSBA School Debt 2010..... | 2031 | 5,990,850 | 2.0 | 5,691,307 | - | (299,543) | 5,391,764 |
| General Obligation State Qualified Issue 2010..... | 2031 | 12,686,000 | 2.0 - 4.0 | 12,135,000 | - | (560,000) | 11,575,000 |
| Total..... | | | | \$ 49,784,297 | \$ - | \$ (2,460,143) | \$ 47,324,154 |

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

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|----------------------|-------------------|
| 2014..... \$ | 2,376,643 \$ | 1,886,694 \$ | 4,263,337 |
| 2015..... | 2,421,893 | 1,807,208 | 4,229,101 |
| 2016..... | 2,447,343 | 1,723,321 | 4,170,664 |
| 2017..... | 2,479,683 | 1,643,403 | 4,123,086 |
| 2018..... | 2,339,543 | 1,558,733 | 3,898,276 |
| 2019..... | 2,389,543 | 1,466,480 | 3,856,023 |
| 2020..... | 2,254,543 | 1,366,914 | 3,621,457 |
| 2021..... | 2,214,543 | 1,283,998 | 3,498,541 |
| 2022..... | 2,254,543 | 1,204,395 | 3,458,938 |
| 2023..... | 2,324,543 | 1,118,029 | 3,442,572 |
| 2024..... | 2,329,543 | 1,025,519 | 3,355,062 |
| 2025..... | 2,259,543 | 939,438 | 3,198,981 |
| 2026..... | 2,049,543 | 847,710 | 2,897,253 |
| 2027..... | 1,994,543 | 761,407 | 2,755,950 |
| 2028..... | 2,069,543 | 677,376 | 2,746,919 |
| 2029..... | 1,914,543 | 594,111 | 2,508,654 |
| 2030..... | 1,594,543 | 525,407 | 2,119,950 |
| 2031..... | 1,249,533 | 467,891 | 1,717,424 |
| 2032..... | 875,000 | 418,000 | 1,293,000 |
| 2033..... | 920,000 | 374,250 | 1,294,250 |
| 2034..... | 960,000 | 328,250 | 1,288,250 |
| 2035..... | 1,015,000 | 280,250 | 1,295,250 |
| 2036..... | 1,060,000 | 229,500 | 1,289,500 |
| 2037..... | 1,115,000 | 176,500 | 1,291,500 |
| 2038..... | 1,180,000 | 120,750 | 1,300,750 |
| 2039..... | 1,235,000 | 61,750 | 1,296,750 |
| Total..... \$ | <u>47,324,154</u> \$ | <u>22,887,284</u> \$ | <u>70,211,438</u> |

Details related to the City's outstanding general obligation indebtedness as of June 30, 2013, and the debt service requirements for the business-type activities are as follows:

| <u>Project</u> | <u>Maturities Through</u> | <u>Original Loan Amount</u> | <u>Interest Rate (%)</u> | <u>Outstanding at June 30, 2012</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Outstanding at June 30, 2013</u> |
|--|---------------------------|-----------------------------|--------------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| General Obligation State Qualified Issue 2007..... | 2025 | \$ 1,500,000 | 4.1% | \$ 1,100,000 | \$ - | \$ (80,000) | \$ 1,020,000 |
| Refunded Debt Water 2005..... | 2017 | 959,228 | 3.9% | 412,010 | - | (99,400) | 312,610 |
| MWRA Water 2004..... | 2015 | 1,000,000 | 0.0% | 300,000 | - | (100,000) | 200,000 |
| MWRA Sewer 2010..... | 2015 | 107,965 | 0.0% | 64,779 | - | (21,593) | 43,186 |
| MWRA Sewer 2010..... | 2016 | 398,035 | 0.0% | 318,428 | - | (79,607) | 238,821 |
| MWPAT Water 2001..... | 2015 | 665,075 | 5.7% | 188,432 | - | (59,363) | 129,069 |
| MWPAT Water 2007..... | 2018 | 480,000 | 2.0% | 299,880 | - | (47,515) | 252,365 |
| MWPAT Water 2010..... | 2031 | 575,000 | 2.0% | 551,383 | - | (24,095) | 527,288 |
| MWPAT Water 2012..... | 2043 | 5,883,727 | 2.0% | 5,883,727 | - | - | 5,883,727 |
| MWRA Water 2013..... | 2023 | 2,500,000 | 0.0% | - | 2,500,000 | - | 2,500,000 |
| MWPAT Water 2013..... | 2033 | 5,007,999 | 2.0% | - | 5,007,999 | - | 5,007,999 |
| Total..... | | | | <u>\$ 9,118,639</u> | <u>\$ 7,507,999</u> | <u>\$ (511,573)</u> | <u>\$ 16,115,065</u> |

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

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------|---------------------|----------------------|
| 2014..... | \$ 1,110,897 | \$ 212,568 | \$ 1,323,465 |
| 2015..... | 1,123,672 | 291,871 | 1,415,543 |
| 2016..... | 909,971 | 272,130 | 1,182,101 |
| 2017..... | 832,906 | 257,155 | 1,090,061 |
| 2018..... | 788,154 | 242,262 | 1,030,416 |
| 2019..... | 744,919 | 229,885 | 974,804 |
| 2020..... | 754,409 | 217,831 | 972,240 |
| 2021..... | 764,117 | 205,576 | 969,693 |
| 2022..... | 774,049 | 193,111 | 967,160 |
| 2023..... | 779,210 | 180,433 | 959,643 |
| 2024..... | 539,605 | 167,643 | 707,248 |
| 2025..... | 550,240 | 154,627 | 704,867 |
| 2026..... | 561,119 | 141,384 | 702,503 |
| 2027..... | 497,250 | 127,906 | 625,156 |
| 2028..... | 508,637 | 117,282 | 625,919 |
| 2029..... | 520,285 | 106,416 | 626,701 |
| 2030..... | 532,205 | 95,295 | 627,500 |
| 2031..... | 544,397 | 83,923 | 628,320 |
| 2032..... | 521,638 | 72,638 | 594,276 |
| 2033..... | 533,687 | 61,444 | 595,131 |
| 2034..... | 198,010 | 50,355 | 248,365 |
| 2035..... | 203,063 | 45,602 | 248,665 |
| 2036..... | 208,246 | 40,728 | 248,974 |
| 2037..... | 213,561 | 35,730 | 249,291 |
| 2038..... | 219,011 | 30,604 | 249,615 |
| 2039..... | 224,601 | 25,347 | 249,948 |
| 2040..... | 230,333 | 19,956 | 250,289 |
| 2041..... | 236,211 | 14,427 | 250,638 |
| 2042..... | 242,240 | 8,758 | 250,998 |
| 2043..... | 248,422 | 2,944 | 251,366 |
| Total..... | \$ <u>16,115,065</u> | \$ <u>3,705,831</u> | \$ <u>19,820,896</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, 2013, the City had the following authorized and unissued debt:

| <u>Purpose</u> | <u>Amount</u> |
|---|----------------------|
| Stormwater and Wastewater..... | \$ 6,750,000 |
| Beachmont (additional school)..... | 200,000 |
| SSES Investigations and Planning..... | 800,000 |
| Park Improvements..... | 2,100,000 |
| Land Acquisition..... | 4,100,000 |
| Hill Elementary School..... | 42,402,396 |
| Public Safety Facility Planning..... | 6,580 |
| MWRA Infiltration & Inflow..... | 626,925 |
| Della Russo Stadium..... | 5,500,000 |
| McKinley Elementary School..... | 2,500,000 |
| School Building Energy Management Contract..... | 616 |
| Public Safety Technology..... | 480,000 |
| Clean Water Construction Project # 3518..... | 852,564 |
| School Feasibility Study (McKinley)..... | 174,488 |
| Total..... | \$ 66,493,569 |

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2013, the following changes occurred in long-term liabilities:

| | <u>Beginning Balance</u> | <u>Bonds Issued</u> | <u>Bonds Redeemed</u> | <u>Other Increases</u> | <u>Other Decreases</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|--|------------------------------|-------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|
| Governmental Activities: | | | | | | | |
| Bonds payable..... | \$ 49,784,297 | \$ - | \$ (2,460,143) | \$ - | \$ - | \$ 47,324,154 | \$ 2,376,643 |
| Capital lease obligations..... | 454,056 | - | - | - | (87,722) | 366,334 | 92,689 |
| Workers' compensation..... | 2,505,102 | - | - | 1,279,621 | (410,723) | 3,374,000 | 549,000 |
| Compensated absences..... | 3,797,000 | - | - | 1,264,000 | (1,378,000) | 3,683,000 | 1,179,000 |
| Claims and judgements..... | 1,750,000 | - | - | - | - | 1,750,000 | - |
| Other postemployment benefits..... | 43,702,000 | - | - | 19,918,000 | (7,723,000) | 55,897,000 | - |
| Total governmental activity long-term liabilities..... | \$ 101,992,455 | \$ - | \$ (2,460,143) | \$ 22,461,621 | \$ (9,599,445) | \$ 112,394,488 | \$ 4,197,332 |
| Business-Type Activities: | | | | | | | |
| Bonds payable..... | \$ 9,118,639 | \$ 7,507,999 | \$ (511,573) | \$ - | \$ - | \$ 16,115,065 | \$ 1,110,897 |
| Compensated absences..... | 27,000 | - | - | 3,000 | (3,000) | 27,000 | 3,000 |
| Other postemployment benefits..... | 680,000 | - | - | 444,000 | (167,000) | 957,000 | - |
| Total business type activity long-term liabilities..... | \$ 9,825,639 | \$ 7,507,999 | \$ (511,573) | \$ 447,000 | \$ (170,000) | \$ 17,099,065 | \$ 1,113,897 |

The governmental activities long-term liabilities are generally liquidated by the general fund and the business-type activities long-term liabilities are generally liquidated by the applicable enterprise fund.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

In addition to the nonspendable fund balance, spendable fund balances are classified based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The City’s highest level of decision making authority is the City Council.
- **Assigned:** fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- **Unassigned:** fund balance of the general fund that is not constrained for any particular purpose.

As of June 30, 2013, the governmental fund balances consisted of the following:

| | General | Strategic Planning | McKinley School | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|--------------------|-----------------------|-----------------------------|--------------------------|
| FUND BALANCES | | | | | |
| Restricted for: | | | | | |
| Strategic Planning..... | \$ - | \$ 27,439 | \$ - | \$ - | \$ 27,439 |
| City revolving funds..... | - | - | - | 1,723,009 | 1,723,009 |
| City grant funds..... | - | - | - | 954,161 | 954,161 |
| Community development grant funds..... | - | - | - | 113,817 | 113,817 |
| City receipts reserved for appropriation..... | - | - | - | 122,650 | 122,650 |
| School revolving funds..... | - | - | - | 1,660,739 | 1,660,739 |
| School grant funds..... | - | - | - | 793,998 | 793,998 |
| Other special revenue..... | - | - | - | 17,085 | 17,085 |
| City capital projects..... | - | - | - | 226,128 | 226,128 |
| School capital projects..... | - | - | - | 2,157,032 | 2,157,032 |
| Debt service fund..... | - | - | - | 8,013 | 8,013 |
| Assigned to: | | | | | |
| General government..... | 1,177,378 | - | - | - | 1,177,378 |
| Public safety..... | 357,607 | - | - | - | 357,607 |
| Education..... | 9,927,061 | - | - | - | 9,927,061 |
| Public works..... | 1,253,839 | - | - | - | 1,253,839 |
| Human services..... | 8,461 | - | - | - | 8,461 |
| Culture and recreation..... | 47,512 | - | - | - | 47,512 |
| Employee benefits..... | 12,000 | - | - | - | 12,000 |
| Debt service interest..... | 75,400 | - | - | - | 75,400 |
| Unassigned..... | 12,746,179 | - | (3,138,527) | (825,416) | 8,782,236 |
| TOTAL FUND BALANCES..... | \$ 25,605,437 | \$ 27,439 | \$ (3,138,527) | \$ 6,951,216 | \$ 29,445,565 |

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes on an as needed basis. The creation of a fund requires a two-thirds vote of the legislative body

and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the Council.

At June 30, 2013, \$5,514,885 has been set aside in a stabilization fund that is classified as part of the general fund in the governmental funds financial statements as unassigned. The stabilization fund balance can be used for general and/or capital purposes upon approval of the Council. Additions to the fund can only be made upon Council approval.

NOTE 10 – RISK FINANCING

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these risks; except for its' workers compensation and employee and retiree health insurance programs for which the City is self-insured. The health insurance activities are accounted for in the internal service fund and the workers' compensation activities are accounted for in the general fund where revenues are recorded when earned and expenses are recorded when the liability is incurred. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

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) including non-incremental expenses. 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.

Changes in the reported health insurance and workers compensation liability since July 1, 2011, are as follows:

Health Insurance

| | Balance at Beginning of Fiscal Year | | Current Year Claims and Changes in Estimate | | Claims Payments | | Balance at Fiscal Year-End |
|-----------------------|---|----|--|----|--------------------|----|----------------------------------|
| Fiscal Year 2012..... | \$ 1,170,690 | \$ | 20,495,760 | \$ | (20,419,804) | \$ | 1,246,646 |
| Fiscal Year 2013..... | 1,246,646 | | 20,162,826 | | (20,201,800) | | 1,207,672 |

Workers Compensation

| | Balance at Beginning of Fiscal Year | | Current Year Claims and Changes in Estimate | | Claims Payments | | Balance at Fiscal Year-End |
|-----------------------|---|----|--|----|--------------------|----|----------------------------------|
| Fiscal Year 2012..... | \$ 2,767,000 | \$ | 243,102 | \$ | (505,000) | \$ | 2,505,102 |
| Fiscal Year 2013..... | 2,505,102 | | 1,279,621 | | (410,723) | | 3,374,000 |

NOTE 11 – PENSION PLAN

Plan Description - The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Revere Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the City does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$13,865,000 for the fiscal year ended June 30, 2013, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. 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 Revere Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth’s PERAC. That report may be obtained by contacting the System located at 281 Broadway, Revere, Massachusetts, 02151. At December 31, 2012, the System’s membership consists of the following:

| | |
|--|--------------|
| Active members..... | 632 |
| Inactive members..... | 72 |
| Retirees and beneficiaries currently receiving benefits..... | <u>530</u> |
| Total..... | <u>1,234</u> |

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The City is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding fiscal years apportionment of the annual pension cost between the two employers required the City to contribute 93% of the total. Chapter 32 of the MGL governs the contributions of plan members and the City.

Annual Pension Cost - The City’s contributions to the System for the fiscal years ended June 30, 2013, 2012, and 2011 were \$9,465,705, \$9,153,867, and \$8,863,033, respectively, which equaled its required contribution for each fiscal year. The required contribution was determined as part of the January 1, 2011 actuarial valuation using the individual entry age normal actuarial cost method. The actuarial assumptions included an 8.00% investment rate of return and projected salary increases of 4.75 – 5.25% per year. The actuarial value of the System's assets was determined using the actuarial value with a five year smoothing. The System's unfunded actuarial accrued liability is being amortized at 2.45% increasing rate on a closed basis. The remaining amortization period at January 1, 2011, was 16 years.

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Liability (AAL) Entry Age (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 01/01/11 | \$ 102,944,834 | \$ 178,575,772 | \$ 75,630,938 | 57.6% | \$ 25,257,501 | 299.4% |
| 01/01/08 | 97,013,837 | 163,452,818 | 66,438,981 | 59.4% | 23,567,705 | 281.9% |
| 01/01/06 | 77,819,517 | 155,171,086 | 77,351,569 | 50.2% | 20,800,160 | 371.9% |
| 01/01/04 | 72,763,386 | 142,024,010 | 69,260,624 | 51.2% | 17,767,375 | 389.8% |
| 01/01/01 | 69,238,735 | 120,685,852 | 51,447,117 | 57.4% | 18,299,653 | 281.1% |

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description - The City of Revere 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 participation in the Group Insurance Commission of the Commonwealth of Massachusetts (GIC) and through the purchase of additional coverage through various non-GIC premium based plans. These plans cover both active and retired members and their spouses. 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.

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 75 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25 percent of their premium costs. Administrative costs are assumed to be included in the fully insured premium rates.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the City's annual OPEB cost for the 2013 fiscal year, the estimated amount actually contributed to the plan, and changes in the City's net OPEB obligation are summarized the table on the following page.

| | |
|--|----------------------|
| Annual required contribution..... | \$ 21,155,000 |
| Interest on existing net OPEB obligation..... | 1,775,000 |
| Adjustments to annual required contribution..... | <u>(2,567,000)</u> |
| Annual OPEB cost (expense)..... | 20,363,000 |
| Contributions made..... | <u>(7,891,000)</u> |
| Increase in net OPEB obligation..... | 12,472,000 |
| Net OPEB obligation - beginning of year..... | <u>44,382,000</u> |
| Net OPEB obligation - end of year..... | <u>\$ 56,854,000</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and the two preceding years is as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|---|------------------------|
| 6/30/13 | \$ 20,363,000 | 38.8% | \$ 56,854,000 |
| 6/30/12 | 19,678,000 | 37.0% | 31,976,000 |
| 6/30/11 | 23,519,000 | 39.7% | 31,976,000 |

Funded Status and Funding Progress - As of June 30, 2012, the most recent actuarial valuation date, the actuarial liability for benefits was \$232 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$69,700,000 and the unfunded actuarial accrued liability as a percentage of covered payroll was 332.6%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress and employer contributions, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012, actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.0% investment rate of return net of investment expenses, projected salary increases of 4.5%, an annual medical/drug cost trend rate for City plans is 8.5% decreasing by 0.5% for 7 years to an ultimate level of 5%, an annual medical/drug cost trend rate for GIC plans is 7.5% decreasing by 0.5% for 5 years to an ultimate level of 5% and a dental rate of 5%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, was thirty years.

NOTE 13 – COMMITMENTS

The Commonwealth of Massachusetts has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Business Authority (MSBA), provides resources to fund school construction under a grant program. The program is for all new construction where the City submits grant reimbursement requests as the construction occurs. The City is currently in the process of designing the McKinley Elementary School. The MSBA has approved grant funding of approximately \$36,000,000, which represents an 80% reimbursement rate of eligible costs. Through the end of FY2013 the City has expended approximately \$3.9 million and has received approximately \$527,000 in construction grant reimbursements.

The City also anticipates embarking on three additional school construction projects; however, the level of MSBA participation and the initial cost estimates were not complete at June 30, 2013.

The City is also operating under the terms of a Consent Decree between the City, the United State Environmental Protection Agency and the Commonwealth of Massachusetts. Under the terms of the decree, the City is anticipating expenditures of more than \$100,000,000 to address various sewer infrastructure matters. The City anticipates the expenditure to occur over the next eight years. As of June 30, 2013, the City has expended approximately \$18.5 million under the terms of the consent decree.

NOTE 14 - CONTINGENCIES

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2013, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various other legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2013, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2013.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2013, the following GASB pronouncements were implemented:

- GASB Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #61, *The Financial Reporting Entity: Omnibus*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Financial statement changes include net assets changing to net position and invested in capital assets, net of related debt changing to net investment in capital assets. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- GASB Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The implementation of this pronouncement did not impact the basic financial statements.

Future implementation of GASB pronouncements:

- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015.

- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is required to be implemented in fiscal year 2014.

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 which is used to account for all 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

FISCAL YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | Actual 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..... | \$ 65,336,999 | \$ 67,186,861 | \$ 66,869,875 | \$ - | \$ (316,986) |
| Tax liens..... | - | - | 1,703,192 | - | 1,703,192 |
| Motor vehicle and other excise taxes..... | 4,100,000 | 4,100,000 | 4,087,431 | - | (12,569) |
| Hotel/motel and meals tax..... | 1,900,000 | 1,900,000 | 1,967,019 | - | 67,019 |
| Charges for services..... | 1,400,000 | 1,400,000 | 1,383,462 | - | (16,538) |
| Penalties and interest on taxes..... | 500,000 | 500,000 | 386,637 | - | (113,363) |
| Payments in lieu of taxes..... | 179,500 | 179,500 | 203,909 | - | 24,409 |
| Licenses and permits..... | 915,000 | 915,000 | 985,547 | - | 70,547 |
| Fines and forfeitures..... | 1,030,000 | 1,030,000 | 985,001 | - | (44,999) |
| Intergovernmental..... | 56,599,640 | 56,599,640 | 56,365,206 | - | (234,434) |
| Interest income..... | 75,000 | 75,000 | 72,764 | - | (2,236) |
| TOTAL REVENUES..... | 132,036,139 | 133,886,001 | 135,010,043 | - | 1,124,042 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Appeal Board: | | | | | |
| Salaries..... | 11,600 | 11,600 | 11,600 | - | - |
| Office supplies..... | 800 | 800 | - | - | 800 |
| Total..... | 12,400 | 12,400 | 11,600 | - | 800 |
| Assessors: | | | | | |
| Salaries..... | 241,483 | 241,483 | 237,692 | - | 3,791 |
| Computer services/data processing..... | 8,085 | 8,085 | 7,201 | - | 884 |
| Office supplies..... | 4,320 | 4,320 | 4,136 | 153 | 31 |
| Dues, conferences, etc..... | 1,528 | 1,528 | 1,482 | 28 | 18 |
| Travel allowance..... | 2,700 | 2,700 | 2,700 | - | - |
| Property revaluation..... | 31,000 | 31,000 | 31,000 | - | - |
| Total..... | 289,116 | 289,116 | 284,211 | 181 | 4,724 |
| Auditing: | | | | | |
| Salaries..... | 240,709 | 240,709 | 236,667 | - | 4,042 |
| City Hall telephone systems..... | 76,519 | 76,519 | 44,389 | 32,130 | - |
| Office supplies..... | 9,314 | 9,314 | 7,170 | 2,144 | - |
| Insurance..... | 550,000 | 550,000 | 547,282 | 2,718 | - |
| Total..... | 876,542 | 876,542 | 835,508 | 36,992 | 4,042 |
| City Clerk: | | | | | |
| Salaries..... | 227,642 | 227,642 | 217,598 | - | 10,044 |
| Contracted services..... | 31,225 | 31,225 | 27,302 | 3,144 | 779 |
| Capital outlay..... | 8,364 | 8,364 | - | 99 | 8,265 |
| Total..... | 267,231 | 267,231 | 244,900 | 3,243 | 19,088 |
| City Council: | | | | | |
| Salaries..... | 227,367 | 227,367 | 227,250 | - | 117 |
| Office supplies..... | 64,344 | 64,344 | 63,660 | - | 684 |
| Total..... | 291,711 | 291,711 | 290,910 | - | 801 |
| Collector/Treasurer: | | | | | |
| Salaries..... | 571,342 | 571,342 | 567,116 | - | 4,226 |
| Group health..... | 14,262,689 | 14,262,689 | 14,262,689 | - | - |
| Workers compensation..... | 332,017 | 376,517 | 376,517 | - | - |
| Unemployment compensation..... | 62,668 | 42,668 | 28,122 | 12,000 | 2,546 |
| Medical benefits..... | 83,061 | 117,561 | 117,561 | - | - |
| Banking services..... | 213,199 | 213,199 | 192,436 | - | 20,763 |
| Certification of notes/bonds..... | 90,000 | 39,609 | 30,470 | - | 9,139 |
| Office supplies..... | 56,096 | 56,095 | 42,633 | 13,462 | - |
| Computer operations..... | 273,486 | 273,486 | 95,470 | 163,416 | 14,600 |
| Tax title..... | 157,380 | 257,380 | 186,100 | 71,250 | 30 |
| Medicare tax account..... | 1,051,496 | 1,051,496 | 1,051,496 | - | - |
| Municipal auditing service..... | 100,600 | 100,600 | 67,000 | 12,500 | 21,100 |
| Bonded debt..... | 2,460,143 | 2,460,143 | 2,460,143 | - | - |
| Bonded debt interest..... | 2,361,860 | 2,551,719 | 1,971,856 | 75,400 | 504,463 |
| Total..... | 22,076,037 | 22,374,504 | 21,449,609 | 348,028 | 576,867 |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | Actual Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
|--|--------------------|------------------|-------------------|--|-----------------------------|
| | Original Budget | Final Budget | | | |
| Conservation Commission: | | | | | |
| Salaries..... | 6,400 | 6,400 | 6,134 | - | 266 |
| Office supplies..... | 800 | 800 | - | - | 800 |
| Total..... | 7,200 | 7,200 | 6,134 | - | 1,066 |
| Election: | | | | | |
| Salaries..... | 162,238 | 162,238 | 161,162 | - | 1,076 |
| Administrative personnel..... | 52,600 | 76,864 | 75,364 | 1,500 | - |
| Rentals..... | 3,453 | 4,753 | 4,355 | 333 | 65 |
| Data processing..... | 31,866 | 30,565 | 26,297 | 4,268 | - |
| Census material..... | 11,500 | 11,500 | 11,500 | - | - |
| Other supplies..... | 2,021 | 2,021 | 2,000 | 21 | - |
| Total..... | 263,678 | 287,941 | 280,678 | 6,122 | 1,141 |
| License Commission: | | | | | |
| Salaries..... | 3,200 | 3,200 | 3,200 | - | - |
| Office supplies..... | 1,000 | 1,000 | 994 | - | 6 |
| Total..... | 4,200 | 4,200 | 4,194 | - | 6 |
| Management Information System: | | | | | |
| Salaries..... | 85,719 | 85,719 | 85,719 | - | - |
| Computer operations..... | 656,658 | 656,658 | 639,498 | 16,084 | 1,076 |
| Supplies..... | 3,039 | 3,039 | 2,226 | 798 | 15 |
| Total..... | 745,416 | 745,416 | 727,443 | 16,882 | 1,091 |
| Mayor: | | | | | |
| Salaries..... | 330,780 | 330,780 | 326,162 | - | 4,618 |
| Home care..... | 45,000 | 45,000 | 45,000 | - | - |
| Consultant negotiator..... | 58,761 | 73,761 | 72,302 | 1,459 | - |
| Contract services..... | 50,000 | 50,000 | 24,963 | 13,037 | 12,000 |
| Office supplies..... | 10,591 | 10,591 | 8,844 | 1,747 | - |
| Massachusetts public employee dental/vision..... | 36,439 | 36,439 | 33,247 | - | 3,192 |
| Reserve for contract negotiations..... | - | 1,053,852 | 286,670 | 767,182 | - |
| Municipal association..... | 30,000 | 30,000 | 26,530 | 3,470 | - |
| Total..... | 561,571 | 1,630,423 | 823,718 | 786,895 | 19,810 |
| Planning & Community Development: | | | | | |
| Salaries..... | 187,422 | 187,422 | 187,422 | - | - |
| Design and engineering..... | 36,000 | 36,000 | 36,000 | - | - |
| Work study program..... | 7,500 | 7,500 | 7,500 | - | - |
| Office supplies..... | 3,208 | 3,208 | 3,100 | 108 | - |
| Traffic commission..... | 3,175 | 3,175 | 2,809 | 265 | 101 |
| Total..... | 237,305 | 237,305 | 236,831 | 373 | 101 |
| Purchasing: | | | | | |
| Salaries..... | 104,293 | 104,293 | 104,293 | - | - |
| Postage..... | 86,902 | 86,902 | 83,105 | 3,700 | 97 |
| Office supplies..... | 15,115 | 15,115 | 4,837 | 10,164 | 114 |
| Total..... | 206,310 | 206,310 | 192,235 | 13,864 | 211 |
| Solicitor: | | | | | |
| Salaries..... | 242,747 | 249,027 | 236,552 | - | 12,475 |
| Outside legal services..... | 81,896 | 231,896 | 187,935 | 43,961 | - |
| Software updates..... | 37,961 | 37,961 | 23,955 | 280 | 13,726 |
| Other expenses, appraisals..... | 5,237 | 5,237 | 3,672 | 837 | 728 |
| Executions..... | - | 110,634 | 103,765 | 6,869 | - |
| Releases..... | 10,000 | 10,000 | 5,312 | - | 4,688 |
| Office supplies..... | 5,068 | 5,068 | 4,798 | 194 | 76 |
| Litigation expenses..... | 8,557 | 8,557 | 7,903 | 57 | 597 |
| Total..... | 391,466 | 658,380 | 573,892 | 52,198 | 32,290 |
| Pension and Retirement: | | | | | |
| Pension contribution..... | 9,575,705 | 9,465,705 | 9,465,705 | - | - |
| Pension noncontributory..... | - | 1,276 | - | - | 1,276 |
| Total..... | 9,575,705 | 9,466,981 | 9,465,705 | - | 1,276 |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | Actual Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
|--|--------------------|------------------|-------------------|--|-----------------------------|
| | Original Budget | Final Budget | | | |
| Fire: | | | | | |
| Salaries..... | 7,440,438 | 7,390,438 | 7,222,043 | - | 168,395 |
| Emergency medical training..... | 4,120 | 1,620 | 1,235 | 323 | 62 |
| Fire alarm..... | 31,315 | 31,315 | 30,836 | - | 479 |
| Utilities..... | 135,965 | 115,965 | 85,435 | 28,662 | 1,868 |
| Fire radio and vocal..... | 49,283 | 49,283 | 46,465 | 1,019 | 1,799 |
| Medical..... | 49,351 | 99,351 | 86,141 | - | 13,210 |
| Emergency management..... | 400 | - | - | - | - |
| EMS supplies..... | 5,000 | 2,500 | 69 | 2,431 | - |
| Maintenance and supplies..... | 90,774 | 90,774 | 68,391 | 21,846 | 537 |
| Automotive maintenance..... | 121,444 | 146,444 | 97,535 | 37,360 | 11,549 |
| Firefighters memorial..... | 1,342 | 1,342 | 1,107 | 112 | 123 |
| Other expenses..... | 3,000 | 3,000 | 2,500 | 433 | 67 |
| Uniform allowance..... | 113,100 | 113,100 | 109,800 | - | 3,300 |
| Personal equipment..... | 13,534 | 13,534 | 12,554 | 697 | 283 |
| New equipment/leases..... | 16,191 | 16,191 | 8,900 | 3,935 | 3,356 |
| Total..... | 8,075,257 | 8,074,857 | 7,773,011 | 96,818 | 205,028 |
| Police: | | | | | |
| Salaries..... | 7,886,132 | 7,910,937 | 7,881,618 | - | 29,319 |
| Medical..... | 168,913 | 168,914 | 164,829 | 4,085 | - |
| Maintenance of equipment..... | 107,137 | 97,136 | 58,971 | 35,700 | 2,465 |
| Utilities..... | 239,397 | 209,397 | 119,390 | 85,876 | 4,131 |
| Radio system..... | 48,919 | 48,919 | 14,454 | 12,650 | 21,815 |
| Animal control..... | 23,616 | 23,616 | 12,227 | 8,303 | 3,086 |
| Communications..... | 39,738 | 39,738 | 35,443 | 4,155 | 140 |
| Computer services..... | 28,016 | 28,016 | 13,641 | - | 14,375 |
| Training expense..... | 15,725 | 41,725 | 35,983 | 3,851 | 1,891 |
| Auxiliary police..... | 5,016 | 5,016 | 1,824 | 216 | 2,976 |
| Weapons and support items..... | 13,500 | 13,500 | 13,434 | - | 66 |
| Gasoline and oil..... | 166,212 | 166,212 | 139,385 | 26,827 | - |
| Traffic control..... | 9,296 | 12,296 | 10,749 | 59 | 1,488 |
| Automotive maintenance..... | 41,395 | 51,395 | 39,985 | 11,322 | 88 |
| Office supplies..... | 16,000 | 16,000 | 12,999 | 820 | 2,181 |
| Identification..... | 7,785 | 7,785 | 7,168 | 500 | 117 |
| Drug unit..... | 5,000 | 5,000 | 5,000 | - | - |
| Other services..... | 35,737 | 36,737 | 33,251 | 3,302 | 184 |
| Building maintenance..... | 88,974 | 88,974 | 57,199 | 28,710 | 3,065 |
| Uniform allowance..... | 105,250 | 105,250 | 97,330 | - | 7,920 |
| Grant writer..... | 25,000 | 24,999 | 24,999 | - | - |
| Total..... | 9,076,758 | 9,101,562 | 8,779,879 | 226,376 | 95,307 |
| Inspectional Services - Building Department: | | | | | |
| Salaries..... | 260,059 | 260,059 | 259,106 | - | 953 |
| Training..... | 4,480 | 4,480 | 895 | 50 | 3,535 |
| Telephone..... | 2,504 | 2,504 | 1,746 | 578 | 180 |
| Materials..... | 5,413 | 5,413 | 2,006 | 2,462 | 945 |
| Travel allowance..... | 12,600 | 12,600 | 10,800 | - | 1,800 |
| Total..... | 285,056 | 285,056 | 274,553 | 3,090 | 7,413 |
| Inspectional Services - Health: | | | | | |
| Salaries..... | 404,705 | 624,705 | 624,344 | - | 361 |
| Elderly flu shot program..... | 20,405 | 20,405 | 7,933 | 12,472 | - |
| Telephone..... | 2,040 | 2,040 | 900 | - | 1,140 |
| Inspector of slaughtering..... | 1,860 | 1,860 | 1,860 | - | - |
| Rodent control..... | 4,332 | 4,332 | - | 4,332 | - |
| Abandoned buildings..... | 12,240 | 12,239 | 196 | 12,043 | - |
| Office supplies..... | 4,085 | 4,086 | 2,986 | 853 | 247 |
| Travel allowance..... | 20,882 | 20,882 | 19,800 | 1,082 | - |
| Total..... | 470,549 | 690,549 | 658,019 | 30,782 | 1,748 |
| Inspectional Services - Weights & Measures: | | | | | |
| Salaries..... | 102,522 | 102,522 | 102,522 | - | - |
| Other expenses..... | 822 | 822 | 809 | - | 13 |
| Travel..... | 7,741 | 7,741 | 5,400 | 541 | 1,800 |
| Total..... | 111,085 | 111,085 | 108,731 | 541 | 1,813 |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | Actual Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
|--|--------------------|------------------|-------------------|--|-----------------------------|
| | Original Budget | Final Budget | | | |
| Public Works: | | | | | |
| Salaries..... | 1,204,382 | 1,225,793 | 1,217,071 | - | 8,722 |
| Clothing allowance..... | 16,500 | 16,500 | 16,500 | - | - |
| Stipend..... | 9,900 | 16,300 | 16,230 | - | 70 |
| Public building lighting..... | 232,064 | 232,064 | 137,251 | 94,813 | - |
| Public building heating..... | 141,862 | 141,862 | 53,872 | 87,990 | - |
| Rubbish collection..... | 2,461,813 | 2,359,013 | 2,037,234 | 321,779 | - |
| Rubbish disposal..... | 1,840,230 | 1,641,230 | 1,506,230 | 135,000 | - |
| Street and memorial signs..... | 31,539 | 31,539 | 30,176 | 1,363 | - |
| Snow removal..... | 200,000 | 300,000 | 299,339 | 661 | - |
| Street lighting..... | 1,060,616 | 977,461 | 613,743 | 361,872 | 1,846 |
| Contracted painting service..... | 30,000 | 30,000 | 27,735 | 2,265 | - |
| Gasoline and oil..... | 125,874 | 131,874 | 68,454 | 32,107 | 31,313 |
| Maintenance and repair..... | 28,765 | 34,765 | 23,657 | 9,608 | 1,500 |
| Materials..... | 116,666 | 121,666 | 100,196 | 21,081 | 389 |
| Maintenance of equipment..... | 84,667 | 98,267 | 76,025 | 15,490 | 6,752 |
| Tools and equipment..... | 4,206 | 4,206 | 4,050 | - | 156 |
| Janitorial supplies..... | 16,145 | 18,445 | 18,336 | 109 | - |
| Office supplies..... | 5,592 | 5,592 | 3,366 | 2,136 | 90 |
| Computer supplies and maintenance..... | 3,054 | 3,054 | 1,202 | 200 | 1,652 |
| Traffic signal repair..... | 20,100 | 36,100 | 35,530 | - | 570 |
| Equipment rental..... | 960 | 960 | - | - | 960 |
| Street sweeping..... | 130,447 | 130,447 | 125,807 | 3,217 | 1,423 |
| Prisoner crews..... | 144,690 | 154,690 | 121,784 | 32,906 | - |
| Guard rails..... | 10,000 | - | - | - | - |
| Total..... | 7,920,072 | 7,711,828 | 6,533,788 | 1,122,597 | 55,443 |
| Public Works Parks Division: | | | | | |
| Salaries..... | 307,339 | 325,199 | 325,174 | - | 25 |
| Clothing allowance..... | 1,100 | 1,100 | 1,100 | - | - |
| Stipend..... | 1,200 | 2,200 | 2,200 | - | - |
| Equipment and supplies..... | 23,314 | 23,314 | 18,837 | 2,976 | 1,501 |
| Equipment repair..... | 14,810 | 14,810 | 14,245 | 565 | - |
| Field Maintenance..... | 113,479 | 142,179 | 104,564 | 37,288 | 327 |
| Spraying and planting..... | 27,699 | 57,699 | 49,820 | 7,151 | 728 |
| Tree removal..... | 40,000 | 62,200 | 54,531 | 7,669 | - |
| Capital improvements..... | 45,834 | 107,834 | 32,241 | 75,593 | - |
| Total..... | 574,775 | 736,535 | 602,712 | 131,242 | 2,581 |
| Council on Elder Affairs: | | | | | |
| Salaries..... | 220,848 | 226,080 | 219,007 | - | 7,073 |
| Bus hire..... | 2,000 | 2,000 | 2,000 | - | - |
| Office supplies..... | 500 | 500 | 473 | - | 27 |
| Clothing allowance..... | 600 | 600 | 600 | - | - |
| Elderly programs..... | 25,117 | 25,117 | 18,706 | 3,616 | 2,795 |
| Total..... | 249,065 | 254,297 | 240,786 | 3,616 | 9,895 |
| Commission on Disabilities: | | | | | |
| Salaries..... | 3,900 | 3,900 | 3,900 | - | - |
| Other expenses..... | 1,513 | 1,513 | - | 513 | 1,000 |
| Total..... | 5,413 | 5,413 | 3,900 | 513 | 1,000 |
| Consumer Affairs: | | | | | |
| Salaries..... | 30,559 | 30,559 | 30,559 | - | - |
| Veterans Affairs: | | | | | |
| Salaries..... | 75,948 | 75,949 | 75,949 | - | - |
| Office supplies..... | 5,537 | 5,537 | 3,005 | 2,251 | 281 |
| Celebration programs..... | 5,708 | 5,708 | 3,380 | 1,968 | 360 |
| Veterans benefits..... | 1,410,871 | 1,262,167 | 971,790 | 113 | 290,264 |
| Total..... | 1,498,064 | 1,349,361 | 1,054,124 | 4,332 | 290,905 |
| Library: | | | | | |
| Salaries..... | 317,141 | 317,141 | 289,435 | - | 27,706 |
| Maintenance and repairs..... | 6,144 | 6,144 | 2,066 | 4,078 | - |
| Utilities..... | 33,603 | 33,603 | 15,758 | 11,368 | 6,477 |
| Telephone..... | 500 | 500 | - | - | 500 |
| Other services..... | 1,864 | 48,064 | 48,000 | - | 64 |
| Custodial supplies..... | 1,016 | 1,016 | 1,000 | 16 | - |
| Office supplies..... | 2,000 | 2,000 | 2,000 | - | - |
| Library materials..... | 75,504 | 75,504 | 68,777 | 6,711 | 16 |
| Local matching funds..... | 14,548 | 14,548 | 12,544 | 1,995 | 9 |
| Control account: library network..... | 47,704 | 1,504 | - | 1,504 | - |
| Total..... | 500,024 | 500,024 | 439,580 | 25,672 | 34,772 |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

| | <u>Budgeted Amounts</u> | | Actual Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
|---|-----------------------------|-----------------------------|-----------------------------|--|-------------------------------|
| | Original Budget | Final Budget | | | |
| Recreation Services: | | | | | |
| Salaries..... | 108,210 | 108,210 | 106,534 | - | 1,676 |
| Seasonal salaries..... | 90,780 | 90,780 | 74,081 | 16,699 | - |
| Equipment and supplies..... | 8,010 | 8,010 | 6,905 | 464 | 641 |
| Recreation services..... | <u>105,070</u> | <u>105,070</u> | <u>100,393</u> | <u>4,677</u> | <u>-</u> |
| Total..... | <u>312,070</u> | <u>312,070</u> | <u>287,913</u> | <u>21,840</u> | <u>2,317</u> |
| Education: | | | | | |
| Education..... | 77,138,421 | 77,360,033 | 67,432,972 | 9,927,061 | - |
| Expenses Northeast Metropolitan Regional Vocational School..... | 6,000 | 6,000 | 6,000 | - | - |
| Northeast Regional Vocational School Assessment..... | <u>1,817,833</u> | <u>1,817,833</u> | <u>1,810,168</u> | <u>-</u> | <u>7,665</u> |
| Total..... | <u>78,962,254</u> | <u>79,183,866</u> | <u>69,249,140</u> | <u>9,927,061</u> | <u>7,665</u> |
| State and county charges..... | <u>7,430,021</u> | <u>7,430,021</u> | <u>7,341,494</u> | <u>-</u> | <u>88,527</u> |
| TOTAL EXPENDITURES..... | <u>151,306,910</u> | <u>153,132,743</u> | <u>138,805,757</u> | <u>12,859,258</u> | <u>1,467,728</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES..... | <u>(19,270,771)</u> | <u>(19,246,742)</u> | <u>(3,795,714)</u> | <u>(12,859,258)</u> | <u>2,591,770</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Use of fund balance to fund prior year carryforwards..... | 14,570,525 | 14,570,525 | - | - | (14,570,525) |
| Other amounts to be raised..... | (100,000) | (124,029) | - | - | 124,029 |
| Use of free cash to fund transfer out to the stabilization fund..... | - | 2,851,427 | - | - | (2,851,427) |
| Transfers in..... | 5,522,992 | 5,522,992 | 5,522,992 | - | - |
| Transfers out..... | <u>(722,746)</u> | <u>(3,574,173)</u> | <u>(3,574,173)</u> | <u>-</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES)..... | <u>19,270,771</u> | <u>19,246,742</u> | <u>1,948,819</u> | <u>-</u> | <u>(17,297,923)</u> |
| NET CHANGE IN FUND BALANCE..... | - | - | (1,846,895) | (12,859,258) | (14,706,153) |
| BUDGETARY FUND BALANCE, Beginning of year..... | <u>21,350,957</u> | <u>21,350,957</u> | <u>21,350,957</u> | <u>-</u> | <u>-</u> |
| BUDGETARY FUND BALANCE, End of year..... | <u>\$ 21,350,957</u> | <u>\$ 21,350,957</u> | <u>\$ 19,504,062</u> | <u>\$ (12,859,258)</u> | <u>\$ (14,706,153)</u> |

See notes to required supplementary information.

(Concluded)

Retirement System Schedule of Funding Progress and Employer Contributions

The Retirement System Schedule of Funding progress presents multiyear trend information relating to the cost-sharing plan as a whole, of which the City is on participating employer, about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The Retirement System Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the City is one of two participating employers, as well as the City's proportionate share of the plan's annual contributions.

RETIREMENT SYSTEM BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) Projected Unit Credit (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 1/1/2011 | \$ 102,944,834 | \$ 178,575,772 | \$ 75,630,938 | 57.6% | \$ 25,257,501 | 299.4% |
| 1/1/2008 | 97,013,837 | 163,452,818 | 66,438,981 | 59.4% | 23,567,705 | 281.9% |
| 1/1/2006 | 77,819,517 | 155,174,086 | 77,354,569 | 50.1% | 20,800,160 | 371.9% |
| 1/1/2004 | 72,763,386 | 142,024,010 | 69,260,624 | 51.2% | 17,767,375 | 389.8% |
| 1/1/2001 | 69,238,735 | 120,685,852 | 51,447,117 | 57.4% | 18,299,653 | 281.1% |

Schedule of Employer Contributions

| Fiscal Year Ended | System Wide | | | City of Revere | | |
|-------------------|------------------------------|---------------------------|------------------------|---------------------------|---|--|
| | Annual Required Contribution | Actual Contributions Made | Percentage Contributed | Actual Contributions Made | City's Contributions as a Percentage of System Wide Contributions | |
| 6/30/2013 | \$ 10,162,426 | \$ 10,162,426 | 100% | \$ 9,465,705 | 93.14% | |
| 6/30/2012 | 9,843,418 | 9,843,418 | 100% | 9,153,867 | 92.99% | |
| 6/30/2011 | 9,536,219 | 9,536,219 | 100% | 8,863,033 | 92.94% | |

The City's actual contributions equaled 100% of its' required contribution for each year presented.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Funding progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (A) | Actuarial Accrued Liability (AAL) Projected Unit Credit (B) | Unfunded AAL (UAAL) (B-A) | Funded Ratio (A/B) | Covered Payroll (C) | UAAL as a Percentage of Covered Payroll ((B-A)/C) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| 6/30/2012 | \$ - | \$ 231,920,000 | \$ 231,920,000 | 0% | \$ 69,732,876 | 332.6% |
| 7/1/2010 | - | 241,621,000 | 241,621,000 | 0% | 67,701,821 | 356.9% |
| 7/1/2008 | - | 160,287,000 | 160,287,000 | 0% | 65,332,257 | 245.3% |

Schedule of Employer Contributions

| Fiscal Year Ended | Annual Required Contribution | Actual Contributions Made | Percentage Contributed |
|-------------------------|------------------------------------|---------------------------------|---------------------------|
| 6/30/2013 | \$ 21,155,000 | \$ 7,891,000 | 37% |
| 6/30/2012 | 20,248,000 | 7,272,000 | 36% |
| 6/30/2011 | 23,811,000 | 9,326,000 | 39% |
| 6/30/2010 | 17,726,000 | 8,535,000 | 48% |
| 6/30/2009 | 15,636,000 | 6,912,000 | 44% |

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

| | |
|------------------------------------|--|
| Valuation date..... | June 30, 2012 |
| Actuarial cost method..... | Projected Unit Credit |
| Amortization method..... | Amortization payments increasing at 4.0%, open |
| Remaining amortization period..... | 30 years as of June 30, 2012 |

Actuarial Assumptions:

| | |
|--|---|
| Investment rate of return..... | 4.0% |
| Projected salary increases..... | 4.5% |
| Medical/drug cost trend rate - City plans..... | 8.5% decreasing by 0.5% for 7 years to an ultimate level of 5.0% per year |
| Medical/drug cost trend rate - GIC plans..... | 7.5% decreasing by 0.5% for 5 years to an ultimate level of 5.0% per year |
| Dental | 5.0% |

Plan Membership:

| | |
|--|---------------------|
| Current retirees, beneficiaries, and dependents... | 1,108 |
| Current active members..... | <u>913</u> |
| Total..... | <u><u>2,021</u></u> |

See notes to required supplementary information.

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

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

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires two-thirds vote or a majority Council, respectively, and the Mayor’s approval via a supplemental appropriation or Council order.

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2013 approved budget authorizing approximately \$152 million in current year appropriations, other financing uses, and approximately \$14.5 million in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2013, the Council approved supplemental appropriations totaling approximately \$4.7 million. The additional appropriations mainly funded a transfer of certified free cash to the Stabilization Fund, the funding of a salary reserve account to provide a funding source for collective bargaining agreement negotiations that were ongoing at June 30, 2013 as well as increase to the school and public safety functions.

The City Auditor has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the City’s accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2013, is presented below:

| | |
|--|---------------------|
| Net change in fund balance - budgetary basis..... | \$ (1,790,340) |
| <u>Perspective difference:</u> | |
| Activity of the stabilization fund recorded in the general fund for GAAP..... | 2,851,427 |
| <u>Basis of accounting differences:</u> | |
| Net change in recording 60-day receipts accrual..... | 283,000 |
| Net change in recording tax refunds payable..... | 13,000 |
| Increase in expenditures due to unrecorded liabilities..... | 1,366,134 |
| Decrease in expenditures due to accruals..... | 368,700 |
| Increase in revenues due to on-behalf payments..... | (13,864,656) |
| Increase in expenditures due to on-behalf payments..... | <u>13,864,656</u> |
| Net change in fund balance - GAAP basis..... | <u>\$ 3,091,921</u> |

NOTE B – OTHER POSTEMPLOYMENT BENEFITS

The City of Revere 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 participation in the Group Insurance Commission of the Commonwealth of Massachusetts (GIC) and through the purchase of additional coverage through various non-GIC premium based plans. These plans which covers both active and retired members.

The City currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the City has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Schedule of Employer Contributions presents multi-year trend information for required and actual contributions relating to the plan.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

NOTE C – PENSION PLAN

The City contributes to the Revere Contributory Retirement System (the System), a cost-sharing, multiple-employer defined benefit pension plan (“Plan”) administered by the Revere Contributory. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of MGL assigns authority to establish and amend benefit provisions of the Plan. Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The City is required to pay into the System its share of the system-wide actuarially determined contribution which is apportioned among the employers based on active current payroll.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. 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 Revere Contributory Retirement Board and are borne by the System.

The Schedule of Funding Progress presents multiyear trend information relating to the cost-sharing plan as a whole, of which the City is one participating employer, about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the City is one participating employer, as well as the City’s proportionate share of the plan’s annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the City.

At June 30, 2013, the City did not have a net pension obligation. The required contribution was determined as part of the January 1, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included an investment rate of return of 8.00% and projected salary increases ranging from 4.75% to 5.25%. The actuarial value of the System’s assets was determined using the fair value of the assets. The System’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. The remaining amortization period at January 1, 2011, was 16 years. The System is scheduled to be fully funded by fiscal 2028 which is in compliance with the Massachusetts General Law requirement of full funding by fiscal 2040. The City’s funded rate was 57.6% as of the last actuarial valuation.

Other Supplementary Information

Combining and Individual Statements

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

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

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes. The City's special revenue funds are grouped into the following categories:

City Revolving Funds – accounts for the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

City Grant Funds – accounts for other non-school related funds designated for specific programs, this fund consists primarily of state and federal grants.

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

Community Development Grant Funds – accounts for the community development block grant program.

Green Community Grant Funds – accounts for the grant funded resources and activity that is designed to assist the City in meeting energy conservation goals.

City Receipts Reserved Funds – accounts for activities associated with operations of City owned public parking lots.

School Revolving Funds – accounts for the school department's revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71. The School Lunch program is included within fund and includes charges for services along with federal and state grant revenue.

School Grant Funds – accounts for the school department's grant funds received from state and federal governments which are designated for specific programs.

Other Special Revenue Funds – accounts for other non-school related funds designated for specific programs. This fund consisted mainly of the Suffolk Downs mitigation project.

Capital Project Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants.

Public Safety Tech System Fund – accounts for the design and implementation of a new 911 public safety dispatch system.

City Capital Project Funds – accounts for the construction and renovation of City's non-school projects.

School Capital Project Funds – accounts for the construction and renovation of City's school projects.

Debt Service Fund

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of debt service costs.

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NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2013

| | <i>Special Revenue Funds</i> | | | | | |
|---|------------------------------|---------------------|---------------------------------------|---|----------------------------------|------------------------------|
| | City Revolving Funds | City Grant Funds | Highway Improvements Grant Fund | Community Development Grant Funds | Green Community Grant Fund | City Receipts Reserved |
| ASSETS | | | | | | |
| Cash and cash equivalents..... | \$ 1,727,917 | \$ 347,566 | \$ - | \$ 115,318 | \$ - | \$ 122,650 |
| Receivables, net of uncollectibles: | | | | | | |
| Intergovernmental..... | - | 724,930 | 687,808 | - | 183,300 | - |
| TOTAL ASSETS..... | \$ 1,727,917 | \$ 1,072,496 | \$ 687,808 | \$ 115,318 | \$ 183,300 | \$ 122,650 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| Warrants payable..... | \$ 4,908 | \$ 118,335 | \$ 38,957 | \$ 1,501 | \$ 183,300 | \$ - |
| Accrued payroll..... | - | - | - | - | - | - |
| Deferred revenues..... | - | - | 588,255 | - | - | - |
| Due to other funds..... | - | - | 339,544 | - | - | - |
| Notes payable..... | - | - | - | - | - | - |
| TOTAL LIABILITIES..... | 4,908 | 118,335 | 966,756 | 1,501 | 183,300 | - |
| FUND BALANCES: | | | | | | |
| Restricted..... | 1,723,009 | 954,161 | - | 113,817 | - | 122,650 |
| Unassigned..... | - | - | (278,948) | - | - | - |
| TOTAL FUND BALANCES (DEFICITS)..... | 1,723,009 | 954,161 | (278,948) | 113,817 | - | 122,650 |
| TOTAL LIABILITIES AND FUND BALANCES..... | \$ 1,727,917 | \$ 1,072,496 | \$ 687,808 | \$ 115,318 | \$ 183,300 | \$ 122,650 |

| Special Revenue Funds | | | | Capital Project Funds | | | | | | Total |
|------------------------------|-----------------------|-----------------------------|---------------------|---------------------------------|-----------------------------|-------------------------------|---------------------|----------------------|--|-------|
| School Revolving Funds | School Grant Funds | Other Special Revenue | Subtotal | Public Safety Tech System | City Capital Projects | School Capital Projects | Subtotal | Debt Service Fund | Total Nonmajor Governmental Funds | |
| \$ 1,141,812 | \$ 366,332 | \$ 18,266 | \$ 3,839,861 | \$ 473,532 | \$ 226,128 | \$ 2,165,816 | \$ 2,865,476 | \$ 8,013 | \$ 6,713,350 | |
| <u>677,696</u> | <u>519,876</u> | <u>-</u> | <u>2,793,610</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,793,610</u> | |
| <u>\$ 1,819,508</u> | <u>\$ 886,208</u> | <u>\$ 18,266</u> | <u>\$ 6,633,471</u> | <u>\$ 473,532</u> | <u>\$ 226,128</u> | <u>\$ 2,165,816</u> | <u>\$ 2,865,476</u> | <u>\$ 8,013</u> | <u>\$ 9,506,960</u> | |
| | | | | | | | | | | |
| \$ 156,173 | \$ 74,725 | \$ 1,181 | \$ 579,080 | \$ - | \$ - | \$ 8,784 | \$ 8,784 | \$ - | \$ 587,864 | |
| 2,596 | 17,485 | - | 20,081 | - | - | - | - | - | 20,081 | |
| - | - | - | 588,255 | - | - | - | - | - | 588,255 | |
| - | - | - | 339,544 | - | - | - | - | - | 339,544 | |
| - | - | - | - | 1,020,000 | - | - | 1,020,000 | - | 1,020,000 | |
| <u>158,769</u> | <u>92,210</u> | <u>1,181</u> | <u>1,526,960</u> | <u>1,020,000</u> | <u>-</u> | <u>8,784</u> | <u>1,028,784</u> | <u>-</u> | <u>2,555,744</u> | |
| | | | | | | | | | | |
| 1,660,739 | 793,998 | 17,085 | 5,385,459 | - | 226,128 | 2,157,032 | 2,383,160 | 8,013 | 7,776,632 | |
| - | - | - | (278,948) | (546,468) | - | - | (546,468) | - | (825,416) | |
| <u>1,660,739</u> | <u>793,998</u> | <u>17,085</u> | <u>5,106,511</u> | <u>(546,468)</u> | <u>226,128</u> | <u>2,157,032</u> | <u>1,836,692</u> | <u>8,013</u> | <u>6,951,216</u> | |
| <u>\$ 1,819,508</u> | <u>\$ 886,208</u> | <u>\$ 18,266</u> | <u>\$ 6,633,471</u> | <u>\$ 473,532</u> | <u>\$ 226,128</u> | <u>\$ 2,165,816</u> | <u>\$ 2,865,476</u> | <u>\$ 8,013</u> | <u>\$ 9,506,960</u> | |

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

FISCAL YEAR ENDED JUNE 30, 2013

| | <i>Special Revenue Funds</i> | | | | | |
|---|------------------------------|---------------------|---------------------------------------|---|----------------------------------|------------------------------|
| | City Revolving Funds | City Grant Funds | Highway Improvements Grant Fund | Community Development Grant Funds | Green Community Grant Fund | City Receipts Reserved |
| REVENUES: | | | | | | |
| Charges for services..... | \$ 965,553 | \$ - | \$ - | \$ 342,138 | \$ - | \$ 104,579 |
| Intergovernmental..... | - | 1,118,917 | 700,964 | 791,393 | 183,300 | - |
| Departmental and other..... | 382,766 | 293,996 | - | - | - | - |
| Contributions..... | 8,610 | - | - | - | - | - |
| Investment income..... | 4,300 | 64 | - | 194 | - | 198 |
| TOTAL REVENUES..... | 1,361,229 | 1,412,977 | 700,964 | 1,133,725 | 183,300 | 104,777 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government..... | 44,868 | 410,038 | - | 1,113,534 | 366,600 | 168,400 |
| Public safety..... | 151,701 | 929,218 | - | - | - | - |
| Education..... | - | - | - | - | - | - |
| Public works..... | 122,629 | 63,304 | 941,474 | - | - | - |
| Human services..... | 73,003 | 229,006 | - | - | - | - |
| Culture and recreation..... | 213,155 | 9,854 | - | - | - | - |
| TOTAL EXPENDITURES..... | 605,356 | 1,641,420 | 941,474 | 1,113,534 | 366,600 | 168,400 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES..... | 755,873 | (228,443) | (240,510) | 20,191 | (183,300) | (63,623) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers out..... | (1,280,000) | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES..... | (524,127) | (228,443) | (240,510) | 20,191 | (183,300) | (63,623) |
| FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR.... | 2,247,136 | 1,182,604 | (38,438) | 93,626 | 183,300 | 186,273 |
| FUND BALANCES (DEFICITS) AT END OF YEAR..... | \$ 1,723,009 | \$ 954,161 | \$ (278,948) | \$ 113,817 | \$ - | \$ 122,650 |

| Special Revenue Funds | | | | Capital Project Funds | | | | Total | |
|------------------------------|-----------------------|-----------------------------|---------------------|---------------------------------|-----------------------------|-------------------------------|---------------------|-------------------------|-----------------------------------|
| School Revolving Funds | School Grant Funds | Other Special Revenue | Subtotal | Public Safety Tech System | City Capital Projects | School Capital Projects | Subtotal | Debt Service Fund | Nonmajor Governmental Funds |
| \$ 340,521 | \$ - | \$ - | \$ 1,752,791 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,752,791 |
| 2,689,221 | 10,259,018 | - | 15,742,813 | - | - | - | - | - | 15,742,813 |
| 999,119 | - | 210,000 | 1,885,881 | - | - | - | - | - | 1,885,881 |
| 142,207 | - | - | 150,817 | - | - | - | - | - | 150,817 |
| - | - | - | 4,756 | 3,134 | 443 | 1,080 | 4,657 | 3,794 | 13,207 |
| <u>4,171,068</u> | <u>10,259,018</u> | <u>210,000</u> | <u>19,537,058</u> | <u>3,134</u> | <u>443</u> | <u>1,080</u> | <u>4,657</u> | <u>3,794</u> | <u>19,545,509</u> |
| - | - | 192,915 | 2,296,355 | - | - | - | - | - | 2,296,355 |
| - | - | - | 1,080,919 | 183,899 | 7,089 | - | 190,988 | - | 1,271,907 |
| 4,210,854 | 10,617,101 | - | 14,827,955 | - | - | 34,646 | 34,646 | - | 14,862,601 |
| - | - | - | 1,127,407 | - | - | - | - | - | 1,127,407 |
| - | - | - | 302,009 | - | - | - | - | - | 302,009 |
| - | - | - | 223,009 | - | - | - | - | - | 223,009 |
| <u>4,210,854</u> | <u>10,617,101</u> | <u>192,915</u> | <u>19,857,654</u> | <u>183,899</u> | <u>7,089</u> | <u>34,646</u> | <u>225,634</u> | <u>-</u> | <u>20,083,288</u> |
| <u>(39,786)</u> | <u>(358,083)</u> | <u>17,085</u> | <u>(320,596)</u> | <u>(180,765)</u> | <u>(6,646)</u> | <u>(33,566)</u> | <u>(220,977)</u> | <u>3,794</u> | <u>(537,779)</u> |
| - | - | - | (1,280,000) | - | - | - | - | (161,000) | (1,441,000) |
| (39,786) | (358,083) | 17,085 | (1,600,596) | (180,765) | (6,646) | (33,566) | (220,977) | (157,206) | (1,978,779) |
| 1,700,525 | 1,152,081 | - | 6,707,107 | (365,703) | 232,774 | 2,190,598 | 2,057,669 | 165,219 | 8,929,995 |
| <u>\$ 1,660,739</u> | <u>\$ 793,998</u> | <u>\$ 17,085</u> | <u>\$ 5,106,511</u> | <u>\$ (546,468)</u> | <u>\$ 226,128</u> | <u>\$ 2,157,032</u> | <u>\$ 1,836,692</u> | <u>\$ 8,013</u> | <u>\$ 6,951,216</u> |

Agency Fund

The Agency Fund is used to account for the collection and payment of charges for police extra duty, student activities, performance bonds and other minor activity.

AGENCY FUND
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FISCAL YEAR ENDED JUNE 30, 2013

| | July 1, 2012 | Additions | Deletions | June 30, 2013 |
|---------------------------------|----------------|------------------|--------------------|----------------|
| ASSETS | | | | |
| CURRENT: | | | | |
| Cash and cash equivalents..... | \$ 162,622 | \$ 3,200,882 | \$ (3,216,567) | \$ 146,937 |
| | <u>162,622</u> | <u>3,200,882</u> | <u>(3,216,567)</u> | <u>146,937</u> |
| LIABILITIES | | | | |
| Liabilities due depositors..... | \$ 162,622 | \$ 3,125,882 | \$ (3,216,567) | \$ 71,937 |
| Due to other funds..... | - | 75,000 | - | 75,000 |
| | <u>-</u> | <u>75,000</u> | <u>-</u> | <u>75,000</u> |
| TOTAL LIABILITIES..... | \$ 162,622 | \$ 3,200,882 | \$ (3,216,567) | \$ 146,937 |
| | <u>162,622</u> | <u>3,200,882</u> | <u>(3,216,567)</u> | <u>146,937</u> |

Statistical Section

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present non-accounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.



Revere Public Library

City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2013

Statistical Section

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present nonaccounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

**Net Position By Component
Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets..... | \$ 41,216,588 | \$ 38,854,817 | \$ 64,017,476 | \$ 86,777,781 | \$ 106,607,675 | \$ 113,686,482 | \$ 113,452,351 | \$ 111,575,070 | \$ 107,332,295 | \$ 109,167,229 |
| Restricted..... | 2,965,982 | 3,509,525 | 5,734,978 | 9,139,393 | 9,771,513 | 5,865,025 | 7,954,894 | 7,779,724 | 2,716,851 | 1,869,989 |
| Unrestricted..... | 446,017 | 7,578,364 | 9,445,337 | 8,768,202 | 14,472,670 | 9,459,834 | 7,156,081 | (8,855,945) | (11,779,070) | (27,031,738) |
| Total governmental activities net position..... | \$ 44,628,587 | \$ 49,942,706 | \$ 79,197,791 | \$ 104,685,376 | \$ 130,851,858 | \$ 129,011,341 | \$ 128,563,326 | \$ 110,498,849 | \$ 98,270,076 | \$ 84,005,480 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets..... | \$ 5,497,065 | \$ 7,140,683 | \$ 5,958,617 | \$ 6,204,751 | \$ 5,251,582 | \$ 5,852,519 | \$ 6,301,464 | \$ 6,435,325 | \$ 8,146,094 | \$ 12,409,419 |
| Unrestricted..... | 3,541,422 | 4,486,874 | 6,554,995 | 4,568,381 | 6,400,336 | 5,553,227 | 7,417,693 | 9,846,953 | 7,700,383 | 7,300,804 |
| Total business-type activities net position..... | \$ 9,038,487 | \$ 11,627,557 | \$ 12,513,612 | \$ 10,773,132 | \$ 11,651,918 | \$ 11,405,746 | \$ 13,719,157 | \$ 16,282,278 | \$ 15,846,477 | \$ 19,710,223 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets..... | \$ 46,713,653 | \$ 45,995,500 | \$ 69,976,093 | \$ 92,982,532 | \$ 111,859,257 | \$ 119,539,001 | \$ 119,753,815 | \$ 118,010,395 | \$ 115,478,389 | \$ 121,576,648 |
| Restricted..... | 2,965,982 | 3,509,525 | 5,734,978 | 9,139,393 | 9,771,513 | 5,865,025 | 7,954,894 | 7,779,724 | 2,716,851 | 1,869,989 |
| Unrestricted..... | 3,987,439 | 12,065,238 | 16,000,332 | 13,336,583 | 20,873,006 | 15,013,061 | 14,573,774 | 991,008 | (4,078,687) | (19,730,934) |
| Total primary government net position..... | \$ 53,667,074 | \$ 61,570,263 | \$ 91,711,403 | \$ 115,458,508 | \$ 142,503,776 | \$ 140,417,087 | \$ 142,282,483 | \$ 126,781,127 | \$ 114,116,553 | \$ 103,715,703 |

**Changes in Net Position
Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government..... | \$ 11,244,284 | \$ 10,114,728 | \$ 10,157,388 | \$ 12,679,150 | \$ 14,130,382 | \$ 15,229,524 | \$ 16,445,366 | \$ 13,876,016 | \$ 13,177,547 | \$ 13,635,709 |
| Public safety..... | 20,489,686 | 19,562,110 | 21,999,822 | 23,763,647 | 23,963,165 | 18,123,530 | 27,690,307 | 30,177,585 | 33,635,750 | 34,551,022 |
| Education..... | 73,455,350 | 73,468,908 | 79,265,074 | 85,689,750 | 91,781,232 | 104,179,630 | 109,888,965 | 121,902,392 | 114,958,701 | 122,818,604 |
| Public works..... | 7,314,904 | 8,023,922 | 8,704,631 | 7,817,468 | 10,249,934 | 10,280,884 | 10,308,314 | 10,772,461 | 8,471,555 | 9,649,872 |
| Human services..... | 1,186,706 | 1,230,914 | 1,524,476 | 1,550,623 | 1,874,235 | 2,034,882 | 2,244,371 | 2,454,502 | 2,490,676 | 2,925,397 |
| Culture and recreation..... | 690,214 | 658,225 | 798,112 | 937,572 | 980,199 | 1,217,336 | 1,053,825 | 1,192,257 | 1,521,865 | 1,444,959 |
| Strategic planning..... | - | - | - | - | - | - | - | 25,548,137 | 20,256,530 | 3,642,265 |
| Claims and judgements..... | - | - | - | - | - | - | - | - | 1,750,000 | - |
| Interest..... | 575,966 | 1,345,912 | 1,689,238 | 1,115,628 | 1,550,283 | 2,020,777 | 1,967,472 | 2,220,225 | 1,964,510 | 1,949,914 |
| Total government activities expenses..... | 114,957,110 | 114,404,719 | 124,138,741 | 133,553,838 | 144,529,430 | 153,086,563 | 169,598,620 | 208,143,575 | 198,227,134 | 190,617,742 |
| Business-type activities: | | | | | | | | | | |
| Water & sewer..... | 11,079,609 | 11,325,147 | 12,123,602 | 13,611,579 | 14,762,578 | 14,227,815 | 15,100,676 | 15,910,330 | 16,558,665 | 16,088,537 |
| Total primary government expenses..... | \$ 126,036,719 | \$ 125,729,866 | \$ 136,262,343 | \$ 147,165,417 | \$ 159,292,008 | \$ 167,314,378 | \$ 184,699,296 | \$ 224,053,905 | \$ 214,785,799 | \$ 206,706,279 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government charges for services..... | \$ 557,751 | \$ 662,348 | \$ 747,236 | \$ 1,887,133 | \$ 1,457,045 | \$ 2,844,202 | \$ 2,379,823 | \$ 2,008,916 | \$ 3,004,120 | \$ 2,366,884 |
| Public safety charges for services..... | 376,024 | 406,638 | 706,361 | 1,193,511 | 1,116,737 | 992,072 | 971,049 | 982,186 | 1,537,451 | 1,637,350 |
| Education charges for services..... | 2,452,729 | 2,542,164 | 3,259,961 | 5,019,949 | 3,477,326 | 1,662,912 | 1,400,251 | 1,364,209 | 2,252,117 | 1,249,635 |
| Other charges for services..... | 3,460,877 | 2,908,669 | 2,629,802 | 3,033,687 | 4,086,957 | 4,340,835 | 4,008,841 | 5,550,005 | 593,421 | 787,185 |
| Public safety operating grants and contributions..... | 806,307 | 814,710 | 1,165,711 | 1,369,458 | 412,178 | 1,402,730 | 796,857 | 804,148 | 1,194,480 | 1,029,732 |
| Education operating grants and contributions..... | 29,316,711 | 30,313,227 | 40,104,544 | 43,421,777 | 50,895,911 | 56,273,087 | 64,048,205 | 66,082,994 | 67,256,169 | 73,557,574 |
| Other operating grants and contributions..... | 3,623,311 | 2,643,360 | 2,819,181 | 1,830,206 | 3,431,288 | 4,419,990 | 6,190,045 | 2,368,839 | 630,228 | 2,460,573 |
| Strategic planning operating grant and contributions..... | - | - | - | - | - | - | - | 27,525,717 | 19,607,354 | 3,840,719 |
| Education capital grant and contributions..... | 24,625 | 24,874 | - | - | 22,181,902 | 6,762,026 | 8,383,233 | - | 532,031 | 527,105 |
| Public works and other capital grant and contributions..... | 566,767 | 280,000 | 10,000 | 228,585 | 542,392 | 284,858 | 229,466 | 245,549 | 1,421,613 | 593,221 |
| Total government activities program revenues..... | 41,185,102 | 40,595,990 | 51,442,796 | 57,984,306 | 87,601,736 | 78,982,712 | 88,407,770 | 106,932,563 | 98,028,984 | 88,049,978 |
| Business-type activities: | | | | | | | | | | |
| Water & sewer charges for services..... | 12,770,176 | 14,811,890 | 15,289,892 | 15,907,665 | 17,003,371 | 16,824,327 | 19,083,686 | 20,217,325 | 20,216,422 | 21,537,126 |
| Water & sewer capital grant and contributions..... | - | - | - | - | - | - | - | 610,487 | - | 1,765,159 |
| Total business-type activities program revenues..... | 12,770,176 | 14,811,890 | 15,289,892 | 15,907,665 | 17,003,371 | 16,824,327 | 19,083,686 | 20,827,812 | 20,216,422 | 23,302,285 |
| Total primary government program revenues..... | \$ 53,955,278 | \$ 55,407,880 | \$ 66,732,688 | \$ 73,891,971 | \$ 104,605,107 | \$ 95,807,039 | \$ 107,491,456 | \$ 127,760,375 | \$ 118,245,406 | \$ 111,352,263 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities..... | \$ (73,772,008) | \$ (73,808,729) | \$ (72,695,945) | \$ (75,569,532) | \$ (56,927,694) | \$ (74,103,851) | \$ (81,190,850) | \$ (101,211,012) | \$ (100,198,150) | \$ (102,567,764) |
| Business-type activities..... | 1,690,567 | 3,486,743 | 3,166,290 | 2,296,086 | 2,240,793 | 2,596,512 | 3,983,010 | 4,917,482 | 3,657,757 | 7,213,748 |
| Total primary government net expense..... | \$ (72,081,441) | \$ (70,321,986) | \$ (69,529,655) | \$ (73,273,446) | \$ (54,686,901) | \$ (71,507,339) | \$ (77,207,840) | \$ (96,293,530) | \$ (96,540,393) | \$ (95,354,016) |
| General Revenues and other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Real estate and personal property taxes and tax liens, net of tax refunds payable..... | \$ 44,770,911 | \$ 47,727,870 | \$ 51,249,825 | \$ 54,855,688 | \$ 57,518,974 | \$ 59,675,342 | \$ 62,260,654 | \$ 64,124,854 | \$ 68,118,412 | \$ 68,949,533 |
| Motor vehicle and other excise taxes..... | 4,044,374 | 4,797,982 | 4,831,645 | 4,568,506 | 5,666,980 | 4,741,395 | 4,992,655 | 4,154,646 | 2,726,688 | 4,075,990 |
| Hotel/motel tax and meals tax..... | - | - | - | - | - | - | - | 1,607,745 | 1,902,531 | 1,967,019 |
| Penalties and interest on taxes..... | 572,336 | 813,282 | 1,020,118 | 502,479 | 572,379 | 597,696 | 681,735 | 517,927 | 558,307 | 386,637 |
| Payments in lieu of taxes..... | - | - | - | - | - | - | - | - | 179,452 | 203,909 |
| Fines and forfeitures..... | - | - | - | 1,194,233 | 1,154,008 | 1,217,147 | 1,196,664 | 1,063,952 | - | - |
| Nonrestricted grants, contributions, and other..... | 19,190,487 | 22,004,635 | 39,697,354 | 25,086,672 | 13,231,804 | 12,186,233 | 9,386,501 | 9,374,903 | 10,273,596 | 9,263,390 |
| Unrestricted investment income..... | 52,349 | 641,974 | 373,335 | 1,416,997 | 1,001,926 | 600,258 | 177,749 | 297,900 | 106,444 | 97,444 |
| Miscellaneous..... | 2,823,416 | 2,222,275 | 2,437,516 | 199,118 | 2,489,158 | 385,352 | 367,805 | - | - | - |
| Transfers..... | 732,861 | 914,830 | 2,341,237 | 4,167,264 | 1,458,947 | 2,859,911 | 1,679,072 | 2,529,382 | 2,873,947 | 3,359,246 |
| Total governmental activities..... | 72,186,734 | 79,122,848 | 101,951,030 | 91,990,957 | 83,094,176 | 82,263,334 | 80,742,835 | 83,671,309 | 86,739,377 | 88,303,168 |
| Business-type activities: | | | | | | | | | | |
| Unrestricted investment income..... | 648 | 17,157 | 61,002 | 130,698 | 96,940 | 17,227 | 9,473 | 10,247 | 10,389 | 9,244 |
| Transfers..... | (732,861) | (914,830) | (2,341,237) | (4,167,264) | (1,458,947) | (2,859,911) | (1,679,072) | (2,529,382) | (2,873,947) | (3,359,246) |
| Total business type activities..... | (732,213) | (897,673) | (2,280,235) | (4,036,566) | (1,362,007) | (2,842,684) | (1,669,599) | (2,519,135) | (2,863,558) | (3,350,002) |
| Total primary government..... | \$ 71,454,521 | \$ 78,225,175 | \$ 99,670,795 | \$ 87,954,391 | \$ 81,732,169 | \$ 79,420,650 | \$ 79,073,236 | \$ 81,152,174 | \$ 83,875,819 | \$ 84,953,166 |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities..... | \$ (1,585,274) | \$ 5,314,119 | \$ 29,255,085 | \$ 16,421,425 | \$ 26,166,482 | \$ 8,159,483 | \$ (448,015) | \$ (17,539,703) | \$ (13,458,773) | \$ (14,264,596) |
| Business-type activities..... | 958,354 | 2,589,070 | 886,055 | (1,740,480) | 878,786 | (246,172) | 2,313,411 | 2,398,347 | 794,199 | 3,863,746 |
| Total primary government..... | \$ (626,920) | \$ 7,903,189 | \$ 30,141,140 | \$ 14,680,945 | \$ 27,045,268 | \$ 7,913,311 | \$ 1,865,396 | \$ (15,141,356) | \$ (12,664,574) | \$ (10,400,850) |

**Fund Balances, Governmental Funds
Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|------------------------|-----------------------|-----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund | | | | | | | | | | |
| Reserved..... | \$ 5,276,724 | \$ 6,879,643 | \$ 7,893,789 | \$ 7,818,679 | \$ 8,649,262 | \$ 9,538,603 | \$ 12,508,304 | \$ - | \$ - | \$ - |
| Unreserved..... | 148,175 | 1,285,050 | 2,145,291 | 2,949,748 | 1,946,036 | 2,322,501 | 3,409,710 | - | - | - |
| Nonspendable..... | - | - | - | - | - | - | - | 2,800 | - | - |
| Committed..... | - | - | - | - | - | - | - | 1,244,428 | - | - |
| Assigned..... | - | - | - | - | - | - | - | 13,554,433 | 13,888,938 | 12,859,258 |
| Unassigned..... | - | - | - | - | - | - | - | 5,104,769 | 8,624,578 | 12,746,179 |
| Total general fund..... | \$ 5,424,899 | \$ 8,164,693 | \$ 10,039,080 | \$ 10,768,427 | \$ 10,595,298 | \$ 11,861,104 | \$ 15,918,014 | \$ 19,906,430 | \$ 22,513,516 | \$ 25,605,437 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 850,000 | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds..... | - | 2,695,274 | 4,611,598 | 7,314,806 | 7,772,535 | 7,774,957 | 9,103,728 | - | - | - |
| Capital projects funds..... | (9,503,112) | (26,131,133) | (14,915,797) | (17,256,804) | (22,785,406) | (766,370) | (3,964,271) | - | - | - |
| Debt service fund..... | - | 511,446 | - | 1,824,587 | 1,998,978 | 2,182,947 | 1,491,793 | - | - | - |
| Permanent funds..... | 118,259 | 302,805 | 611,934 | - | - | - | - | - | - | - |
| Restricted..... | - | - | - | - | - | - | - | 11,741,935 | 9,414,907 | 7,804,071 |
| Committed..... | - | - | - | - | - | - | - | 93,674 | - | - |
| Unassigned..... | - | - | - | - | - | - | - | (230,008) | (515,177) | (3,963,943) |
| Total all other governmental funds..... | \$ (9,384,853) | \$ (22,621,608) | \$ (9,692,265) | \$ (8,117,411) | \$ (13,013,893) | \$ 9,191,534 | \$ 7,481,250 | \$ 11,605,601 | \$ 8,899,730 | \$ 3,840,128 |

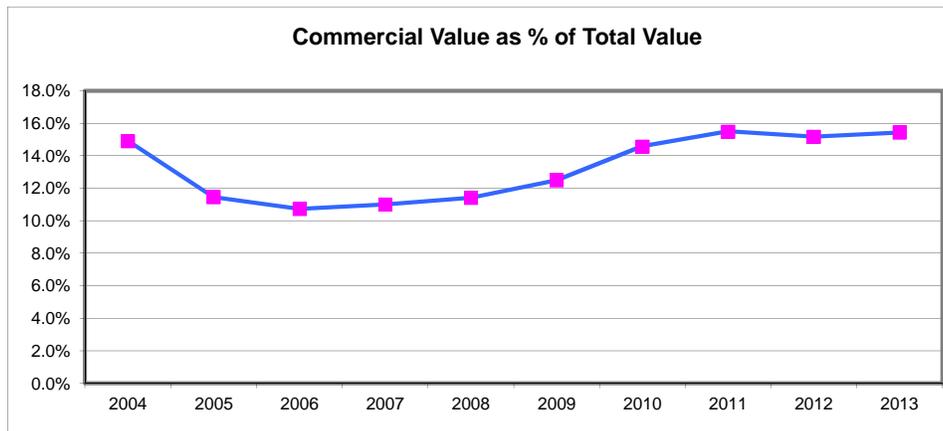
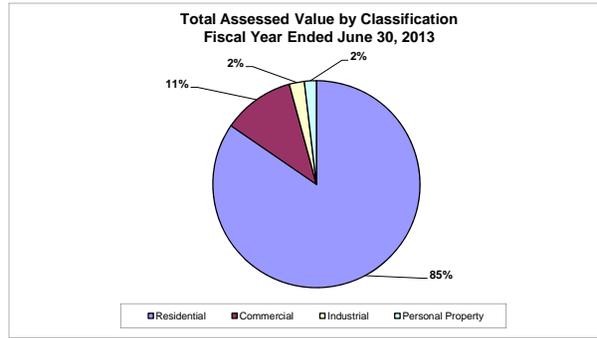
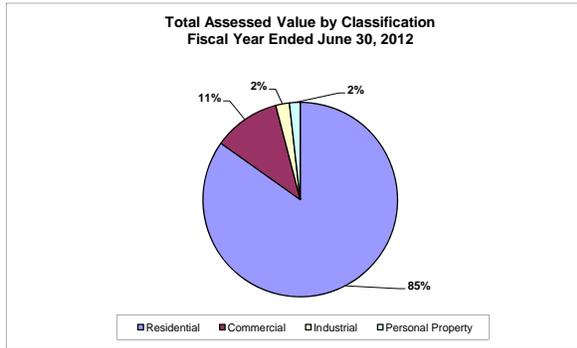
The City implemented GASB 54 in fiscal year 2011, fund balances prior to fiscal year 2011 have been reported in the pre-GASB 54 format.

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---------------------|------------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|---------------------|--------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues: | | | | | | | | | | |
| Real estate and personal property taxes and tax liens, net of tax refunds..... | \$ 44,507,841 | \$ 48,490,001 | \$ 51,328,127 | \$ 53,332,453 | \$ 56,651,709 | \$ 59,647,753 | \$ 62,800,086 | \$ 63,899,454 | \$ 63,011,680 | \$ 66,929,836 |
| Tax liens..... | - | - | - | - | - | - | - | - | 2,803,933 | 1,939,232 |
| Motor vehicle and other excise taxes..... | 3,982,748 | 4,161,309 | 5,786,648 | 5,341,095 | 5,635,099 | 4,818,634 | 5,061,846 | 4,222,467 | 4,132,214 | 4,087,431 |
| Hotel/motel and meals tax..... | - | - | - | - | - | - | - | 1,607,745 | 1,902,531 | 1,967,019 |
| Charges for service..... | 3,889,966 | 3,204,839 | 4,090,158 | 7,147,238 | 5,567,090 | 5,291,334 | 4,552,069 | 4,268,111 | 2,894,974 | 3,136,253 |
| Penalties and interest on taxes..... | 1,341,933 | 1,665,145 | 1,777,394 | 502,479 | 572,379 | 597,696 | 681,735 | - | 558,307 | 386,637 |
| Payments in lieu of taxes..... | - | - | - | - | - | - | - | - | 179,452 | 203,909 |
| Licenses and permits..... | 1,371,872 | 1,374,019 | 1,393,848 | 1,097,507 | 857,647 | 745,577 | 695,953 | - | 914,911 | 985,547 |
| Fines and forfeitures..... | - | - | - | 1,194,233 | 1,154,008 | 1,217,147 | 1,196,664 | 1,063,952 | 1,034,896 | 985,001 |
| Intergovernmental..... | 53,592,884 | 55,664,009 | 83,319,248 | 71,936,698 | 90,695,475 | 81,328,924 | 89,034,307 | 106,402,150 | 100,220,957 | 90,340,499 |
| Departmental and other..... | - | - | - | - | - | - | - | 2,177,104 | 1,911,896 | 1,885,881 |
| Contributions..... | 43,500 | 90,884 | - | - | - | - | - | - | 156,683 | 150,817 |
| Investment income..... | 56,786 | 646,181 | 1,038,427 | 1,341,265 | 952,823 | 584,013 | 167,546 | 281,228 | 92,033 | 85,971 |
| Miscellaneous..... | 239,111 | 970,454 | 1,134,431 | 199,118 | 2,489,158 | 385,353 | 367,805 | - | - | - |
| Total Revenue..... | 109,026,641 | 116,266,841 | 149,868,281 | 142,092,086 | 164,575,388 | 154,616,431 | 164,558,011 | 183,922,211 | 179,814,467 | 173,084,033 |
| Expenditures: | | | | | | | | | | |
| General government..... | 19,687,345 | 5,886,770 | 6,128,778 | 8,048,602 | 10,350,567 | 10,355,391 | 9,911,012 | 7,085,363 | 7,009,979 | 7,571,267 |
| Public safety..... | 14,316,456 | 14,803,666 | 16,528,795 | 25,307,860 | 26,529,669 | 19,029,101 | 15,599,101 | 16,677,931 | 17,964,253 | 18,149,554 |
| Education..... | 55,867,323 | 76,160,477 | 77,291,308 | 83,894,151 | 91,889,029 | 86,382,664 | 100,391,285 | 91,587,890 | 76,915,303 | 86,917,962 |
| Public works..... | 6,746,240 | 7,576,991 | 7,749,899 | 6,804,735 | 8,650,438 | 9,442,425 | 7,703,788 | 8,948,893 | 7,382,800 | 7,959,755 |
| Human services..... | 1,029,531 | 1,024,108 | 1,236,850 | 1,255,085 | 1,446,409 | 1,570,829 | 1,772,607 | 1,966,600 | 1,904,361 | 2,289,397 |
| Culture and recreation..... | 428,975 | 499,887 | 540,689 | 651,239 | 663,391 | 818,125 | 641,768 | 799,328 | 969,802 | 950,502 |
| Strategic planning..... | - | - | - | - | - | - | - | 25,548,137 | 20,256,530 | 3,642,265 |
| Pension benefits..... | - | - | - | - | - | - | - | 8,861,168 | 22,451,967 | 23,330,361 |
| Employee benefits..... | 6,264,076 | 18,402,074 | 19,728,174 | 20,506,387 | 21,317,941 | 22,545,085 | 22,567,589 | 16,300,467 | 15,931,499 | 15,826,404 |
| State and county charges..... | 4,861,251 | 5,319,265 | 5,492,451 | 6,277,717 | 6,706,619 | 7,165,980 | 8,086,965 | 8,201,209 | 7,500,902 | 7,341,494 |
| Debt service: | | | | | | | | | | |
| Principal..... | 856,000 | 5,228,000 | 1,044,500 | 1,040,900 | 1,977,950 | 1,411,428 | 1,905,199 | 1,867,600 | 2,454,643 | 2,460,143 |
| Interest..... | 374,329 | 233,994 | 268,726 | 216,170 | 639,247 | 554,972 | 1,727,992 | 2,008,366 | 2,045,160 | 1,971,856 |
| Total Expenditures..... | 110,431,526 | 135,135,232 | 136,010,170 | 154,002,846 | 170,171,260 | 159,276,000 | 170,307,306 | 189,852,952 | 182,787,199 | 178,410,960 |
| Excess of revenues over (under) expenditures..... | (1,404,885) | (18,868,391) | 13,858,111 | (11,910,760) | (5,595,872) | (4,659,569) | (5,749,295) | (5,930,741) | (2,972,732) | (5,326,927) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of long-term debt..... | - | 1,090,000 | 40,000 | 11,112,000 | 10,000 | 26,381,000 | 6,628,350 | 12,049,000 | - | - |
| Transfers in..... | 1,602,496 | 1,935,564 | 3,417,448 | 7,677,117 | 6,354,385 | 4,577,215 | 6,496,045 | 5,667,139 | 5,142,602 | 5,522,992 |
| Transfers out..... | (869,635) | (1,020,734) | (1,076,211) | (3,509,853) | (4,895,438) | (1,717,304) | (4,816,973) | (3,137,757) | (2,268,655) | (2,163,746) |
| Total other financing sources (uses)..... | 732,861 | 2,004,830 | 2,381,237 | 15,279,264 | 1,468,947 | 29,240,911 | 8,307,422 | 14,578,382 | 2,873,947 | 3,359,246 |
| Net change in fund balance..... | \$ (672,024) | \$ (16,863,561) | \$ 16,239,348 | \$ 3,368,504 | \$ (4,126,925) | \$ 24,581,342 | \$ 2,558,127 | \$ 8,647,641 | \$ (98,785) | \$ (1,967,681) |
| Debt service as a percentage of noncapital expenditures..... | 1.13% | 4.69% | 1.10% | 1.09% | 1.89% | 1.34% | 2.38% | 2.10% | 2.51% | 2.57% |

**Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Fiscal Years**

| Fiscal Year | Assessed and Actual Values and Tax Rates | | | | | | | | | | |
|-------------|--|----------------------|------------------------------|------------------|------------------|-------------------|------------------------|---------------------|-----------------------------|-----------------------|------------------|
| | Residential Value | Residential Tax Rate | Residential % of Total Value | Commercial Value | Industrial Value | Personal Property | Total Commercial Value | Commercial Tax Rate | Commercial % of Total Value | Total Direct Rate (2) | Total City Value |
| 2004 | (1) \$2,329,851,896 | 14.15 | 85.08% | \$321,848,404 | \$42,255,400 | \$44,474,144 | \$408,577,948 | \$28.51 | 14.92% | \$16.29 | \$2,738,429,844 |
| 2005 | \$3,705,638,090 | 10.13 | 88.53% | \$363,587,550 | \$75,491,600 | \$40,864,411 | \$479,943,561 | \$22.82 | 11.47% | \$11.59 | \$4,185,581,651 |
| 2006 | \$4,030,780,338 | 10.13 | 89.26% | \$368,110,362 | \$75,426,900 | \$41,387,251 | \$484,924,513 | \$21.59 | 10.74% | \$11.36 | \$4,515,704,851 |
| 2007 | (1) \$4,255,583,294 | 10.13 | 88.99% | \$402,677,826 | \$79,360,700 | \$44,373,745 | \$526,412,271 | \$20.66 | 11.01% | \$11.29 | \$4,781,995,565 |
| 2008 | \$4,516,677,308 | 10.13 | 88.57% | \$446,544,292 | \$88,298,500 | \$48,051,760 | \$582,894,552 | \$19.63 | 11.43% | \$11.22 | \$5,099,571,860 |
| 2009 | \$4,153,116,437 | 11.23 | 87.49% | \$451,416,463 | \$87,148,300 | \$55,157,055 | \$593,721,818 | \$22.01 | 12.51% | \$12.58 | \$4,746,838,255 |
| 2010 | (1) \$3,447,300,073 | 13.37 | 85.41% | \$441,902,327 | \$84,948,600 | \$61,925,629 | \$588,776,556 | \$26.84 | 14.59% | \$15.33 | \$4,036,076,629 |
| 2011 | \$3,221,193,935 | 14.44 | 84.49% | \$440,181,065 | \$85,194,800 | \$65,949,860 | \$591,325,725 | \$29.30 | 15.51% | \$16.74 | \$3,812,519,660 |
| 2012 | \$3,206,665,958 | 15.07 | 84.81% | \$420,326,392 | \$85,911,296 | \$68,221,210 | \$574,458,898 | \$30.47 | 15.19% | \$17.41 | \$3,781,124,856 |
| 2013 | (1) \$3,187,488,035 | 15.56 | 84.55% | \$423,237,215 | \$88,076,056 | \$71,004,225 | \$582,317,496 | \$31.56 | 15.45% | \$18.03 | \$3,769,805,531 |



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

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

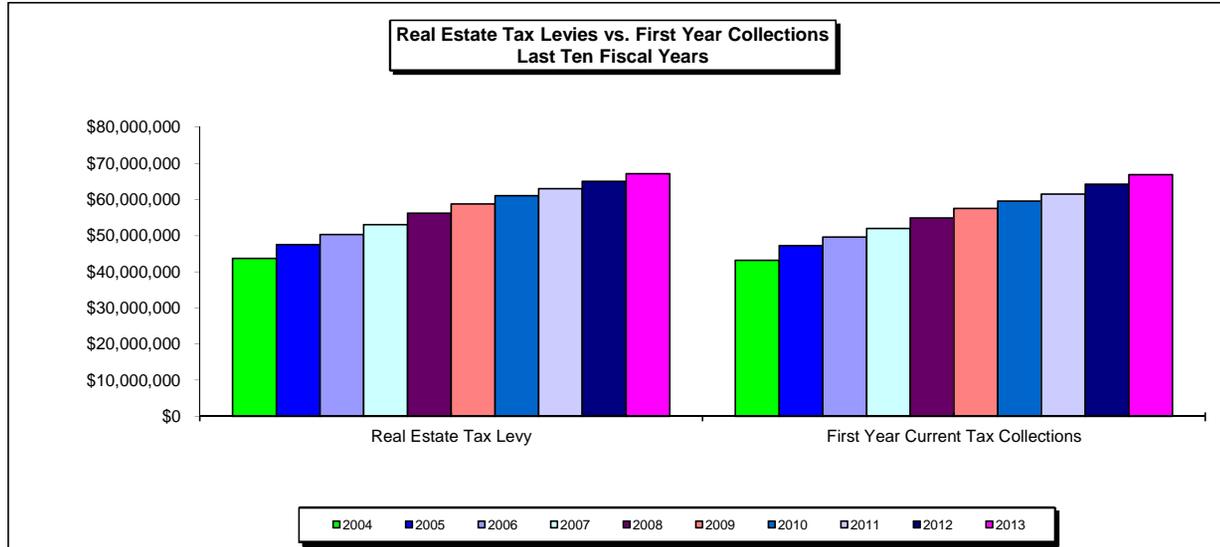
**Principal Taxpayers
Current Year and Nine Years Ago**

| Name | Nature of Business | 2013 | | | 2004 | | |
|--|--------------------|-----------------------|------|--|-----------------------|------|--|
| | | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| Overlook Ridge Phase IB, LLC | Apartments | \$ 53,300,100 | 1 | 1.41% | \$ - | - | - |
| Overlook Ridge Phase I, LLC | Apartments | 43,815,200 | 2 | 1.16% | - | - | - |
| NECCO Realty MA LLC | Manufacturing | 27,972,456 | 3 | 0.74% | 18,336,100 | 1 | 0.67% |
| Waters Edge Limited Partnership | Apartments | 23,273,500 | 4 | 0.62% | 17,897,100 | 2 | 0.65% |
| Rumney Marshview LLC (BJS) | Retail | 20,724,700 | 5 | 0.55% | - | - | - |
| Cedar-Rever LLC (Target, Wendy's, Shops at Suffok Downs) | Retail | 18,434,400 | 6 | 0.49% | - | - | - |
| Richard K Bendetson | Apartments | 17,137,300 | 7 | 0.45% | 13,184,400 | 6 | 0.35% |
| Wonderland Marketplace LTD Partnership II | Retail | 16,553,200 | 8 | N/A | 11,469,400 | 8 | 0.30% |
| NAI Entertainment Holdings LLC | Cinema | 16,285,300 | 9 | 0.43% | - | - | - |
| Northgate Shopping Center | Retail | 15,136,000 | 10 | 0.40% | - | - | - |
| Sunshine Realty Trust | Housing | - | - | - | 16,243,100 | 3 | 0.43% |
| Airing LLC | Hotel | - | - | - | 13,718,000 | 4 | 0.36% |
| Caruso, Patrick | Housing | - | - | - | 13,718,000 | 4 | 0.36% |
| Wonderland Greyhound Park | Dog Racing | - | - | - | 13,436,200 | 5 | 0.36% |
| Bell Circle Associates, LLC | Hotel | - | - | - | 12,332,400 | 7 | 0.33% |
| Squire Realty, Inc. | Entertainment | - | - | - | 11,229,000 | 9 | 0.30% |
| | Totals | <u>\$ 252,632,156</u> | | <u>6.26%</u> | <u>\$ 141,563,700</u> | | <u>4.12%</u> |

Source: Board of Assessors

**Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year | | Total Tax Levy | Less Estimated Abatements & Exemptions | Net Tax Levy | First Year Current Tax Collections | Percent of Net Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Net Tax Levy |
|-------------|-----|----------------|--|--------------|------------------------------------|-------------------------------|----------------------------|-----------------------|--|
| 2004 | (1) | \$44,615,961 | \$900,552 | \$43,715,409 | \$43,195,842 | 98.8% | \$115,135 | \$43,310,977 | 99.07% |
| 2005 | | \$48,490,426 | \$991,244 | \$47,499,182 | \$47,201,123 | 99.4% | \$98,904 | \$47,300,027 | 99.58% |
| 2006 | | \$51,301,326 | \$948,604 | \$50,352,722 | \$49,637,287 | 98.6% | \$53,485 | \$49,690,772 | 98.69% |
| 2007 | (1) | \$53,984,737 | \$941,693 | \$53,043,044 | \$52,001,330 | 98.0% | \$43,493 | \$52,044,823 | 98.12% |
| 2008 | | \$57,196,161 | \$965,858 | \$56,230,303 | \$54,908,602 | 97.6% | \$36,346 | \$54,944,948 | 97.71% |
| 2009 | | \$59,707,315 | \$934,756 | \$58,772,559 | \$57,577,844 | 98.0% | \$38,679 | \$57,616,523 | 98.03% |
| 2010 | (1) | \$61,893,165 | \$800,139 | \$61,093,026 | \$59,586,235 | 97.5% | \$378,918 | \$59,965,153 | 98.15% |
| 2011 | | \$63,839,884 | \$803,512 | \$63,036,372 | \$61,501,551 | 97.6% | \$175,758 | \$61,677,309 | 97.84% |
| 2012 | | \$65,828,219 | \$785,043 | \$65,043,176 | \$64,200,678 | 98.7% | \$31,804 | \$64,232,482 | 98.75% |
| 2013 | (1) | \$67,975,254 | \$788,393 | \$67,186,861 | \$66,871,892 | 99.5% | \$0 | \$66,871,892 | 99.53% |



Source: Massachusetts Department of Revenue Municipal Databank, Debt Offering Statements, City Ledgers

(1) Revaluation year.

**Ratios of Outstanding Debt and General Bonded Debt
Last Ten Fiscal Years**

| Fiscal Year | Population Estimates (1) | Personal Income | Assessed Value | Governmental Activities | | | | | | |
|-------------|--------------------------|-----------------|-----------------|------------------------------|---|-------------------------------|--------------------|-------------------------------|-------------------------------|------------------------------|
| | | | | General Obligation Bonds (2) | Less: Resources Restricted for Debt Principal (3) | Total Net General Bonded Debt | Capital Leases (2) | Total Net General Bonded Debt | | |
| | | | | | | | | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
| 2004 | 47,002 | \$799,457,018 | \$2,738,429,844 | \$5,892,000 | \$0 | \$5,892,000 | \$0 | \$125 | 0.74% | 0.22% |
| 2005 | 46,169 | \$905,928,118 | \$4,185,581,651 | \$6,784,772 | \$511,446 | \$6,273,326 | \$0 | \$136 | 0.69% | 0.15% |
| 2006 | 45,807 | \$901,756,602 | \$4,515,704,851 | \$5,740,272 | \$1,226,556 | \$4,513,716 | \$0 | \$99 | 0.50% | 0.10% |
| 2007 | 46,833 | \$783,937,587 | \$4,781,995,565 | \$15,485,372 | \$1,778,007 | \$13,707,365 | \$0 | \$293 | 1.75% | 0.29% |
| 2008 | 55,341 | \$963,320,787 | \$5,099,571,860 | \$13,987,422 | \$1,998,978 | \$11,988,444 | \$0 | \$217 | 1.24% | 0.24% |
| 2009 | 60,204 | \$1,066,513,860 | \$4,746,838,255 | \$38,956,994 | \$2,171,947 | \$36,785,047 | \$0 | \$611 | 3.45% | 0.77% |
| 2010 | 51,693 | \$818,300,190 | \$4,036,076,629 | \$42,650,540 | \$1,480,793 | \$41,169,747 | \$693,728 | \$810 | 5.12% | 1.04% |
| 2011 | 51,858 | \$798,250,194 | \$3,812,519,660 | \$52,238,940 | \$161,105 | \$52,077,835 | \$600,785 | \$1,016 | 6.60% | 1.38% |
| 2012 | 52,562 | \$960,412,864 | \$3,781,124,856 | \$49,784,297 | \$165,219 | \$49,619,078 | \$454,056 | \$953 | 5.21% | 1.32% |
| 2013 | 53,179 | \$936,375,832 | \$3,769,805,531 | \$47,324,154 | \$8,013 | \$47,316,141 | \$366,334 | \$897 | 5.09% | 1.26% |

| Fiscal Year | Business-Type Activities | Total Primary Government | | | |
|-------------|------------------------------|--------------------------------|------------|-------------------------------|------------------------------|
| | General Obligation Bonds (2) | Total Net Debt Outstanding (2) | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
| 2004 | \$2,030,048 | \$7,922,048 | \$169 | 0.99% | 0.29% |
| 2005 | \$3,420,668 | \$9,693,994 | \$210 | 1.07% | 0.23% |
| 2006 | \$2,916,206 | \$7,429,922 | \$162 | 0.82% | 0.16% |
| 2007 | \$3,732,710 | \$17,440,075 | \$372 | 2.22% | 0.36% |
| 2008 | \$3,112,098 | \$15,100,542 | \$273 | 1.57% | 0.30% |
| 2009 | \$2,505,066 | \$39,290,113 | \$653 | 3.68% | 0.83% |
| 2010 | \$2,391,630 | \$43,561,377 | \$843 | 5.32% | 1.08% |
| 2011 | \$8,686,353 | \$60,764,188 | \$1,172 | 7.61% | 1.59% |
| 2012 | \$9,118,639 | \$58,737,717 | \$1,117 | 6.12% | 1.55% |
| 2013 | \$16,115,065 | \$63,431,206 | \$1,193 | 6.77% | 1.68% |

(1) Massachusetts Department of Revenue Municipal Databank
(2) FY2004 - FY2010: City of Revere Statement of Indebtedness
(2) FY2011 - FY2013: City of Revere Audited Financial Statements
(3) City Finance Records.

Direct and Overlapping Governmental Activities Debt

As of June 30, 2013

| <u>City of Revere, Massachusetts</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|--|--|
| Total direct debt..... | | | \$ <u>47,324,154</u> |
| Total direct and overlapping debt..... | | | \$ <u><u>47,324,154</u></u> |

The City had no governmental overlapping debt outstanding at year-end.
 Source: Audited Financial Statements

**Computation of Legal Debt Margin
Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Equalized Valuation..... | \$ 2,960,729,900 | \$ 4,068,269,400 | \$ 4,068,269,400 | \$ 5,049,492,600 | \$ 5,049,492,600 | \$ 5,571,573,100 | \$ 5,571,573,100 | \$ 4,308,496,500 | \$ 4,308,496,500 | \$ 4,012,985,500 |
| Debt Limit -5% of Equalized Valuation..... | \$ 148,036,495 | \$ 203,413,470 | \$ 203,413,470 | \$ 252,474,630 | \$ 252,474,630 | \$ 278,578,655 | \$ 278,578,655 | \$ 215,424,825 | \$ 215,424,825 | \$ 200,649,275 |
| Less: | | | | | | | | | | |
| Outstanding debt applicable to limit..... | 5,892,000 | 6,784,772 | 5,740,272 | 15,485,372 | 13,987,422 | 38,956,994 | 43,042,644 | 52,238,940 | 49,784,297 | 47,324,154 |
| Authorized and unissued debt..... | 87,309,476 | 73,216,056 | 82,816,056 | 82,816,056 | 87,900,271 | 112,284,887 | 95,355,704 | 114,079,404 | 91,667,845 | 66,493,569 |
| Legal debt margin..... | <u>\$ 54,835,019</u> | <u>\$ 123,412,642</u> | <u>\$ 114,857,142</u> | <u>\$ 154,173,202</u> | <u>\$ 150,586,937</u> | <u>\$ 127,336,774</u> | <u>\$ 140,180,307</u> | <u>\$ 49,106,481</u> | <u>\$ 73,972,683</u> | <u>\$ 86,831,552</u> |
| Total debt applicable to the limit as a percentage of debt limit..... | 62.96% | 39.33% | 43.54% | 38.94% | 40.36% | 54.29% | 49.68% | 77.20% | 65.66% | 56.72% |

Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two fiscal years

**Demographic and Economic Statistics
Last Ten Fiscal Years**

| Fiscal Year | Population Estimates (1) | Personal Income | Per Capita Personal Income (2) | School Enrollment (2) | Unemployment Rate (1) |
|--------------------|-------------------------------------|------------------------|---|----------------------------------|----------------------------------|
| 2004 | 47,002 | \$ 799,457,018 | \$ 17,009 | 5,986 | 4.80% |
| 2005 | 46,169 | \$ 905,928,118 | \$ 19,622 | 5,845 | 5.50% |
| 2006 | 45,807 | \$ 901,756,602 | \$ 19,686 | 5,839 | 6.20% |
| 2007 | 46,833 | \$ 783,937,587 | \$ 16,739 | 5,859 | 5.00% |
| 2008 | 55,341 | \$ 963,320,787 | \$ 17,407 | 5,942 | 7.60% |
| 2009 | 60,204 | \$ 1,066,513,860 | \$ 17,715 | 6,083 | 8.60% |
| 2010 | 51,693 | \$ 818,300,190 | \$ 15,830 | 6,145 | 8.10% |
| 2011 | 51,858 | \$ 798,250,194 | \$ 15,393 | 6,233 | 8.90% |
| 2012 | 52,562 | \$ 960,412,864 | \$ 18,272 | 6,517 | 7.40% |
| 2013 | 53,179 | \$ 936,375,832 | \$ 17,608 | 6,648 | 7.30% |

Source: (1) Massachusetts Department of Revenue Municipal Databank
(2) Massachusetts Department of Revenue Municipal Databank and Debt Offering Statements

**Principal Employers (excluding the City)
Current Year and Nine Years Ago**

| Employer | Nature of Business | 2013 | | | 2004 | | |
|-------------------------------|--------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
| | | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| New England Confectionary Co. | Manufacturing | 694 | 1 | 5.23% | 694 | 1 | 5.22% |
| Stop and Shop | Supermarket | 606 | 2 | 4.57% | 388 | 2 | 2.92% |
| Target | Retail | 233 | 3 | 1.76% | - | - | - |
| Lighthouse Nursing | Nursing | 182 | 4 | 1.37% | 182 | 4 | 1.37% |
| Mass General Hospital | Health Care | 150 | 5 | 1.13% | 150 | 5 | 1.13% |
| Showcase Cinema | Entertainment | 150 | 5 | 1.13% | 150 | 6 | 1.13% |
| Annemark Nursing | Nursing Home | 140 | 6 | 1.06% | 140 | 7 | 1.05% |
| Wonderland | Dog Track | - | - | - | 300 | 3 | 2.26% |
| Shaw's | Supermarket | - | - | - | 140 | 8 | 1.05% |
| Foodmaster | Supermarket | - | - | - | 110 | 9 | 0.83% |

According to the Massachusetts Workforce Development Data, in June 2013 the City had a total labor force of 25,167. Of this amount, 23,345 were employed and 1,822 were unemployed. It is acknowledged that not all of these employees may be residents of the City of Revere.

Information on the 10th largest employer for 2004 was unavailable. Information on the 7th through 10th largest employers for 2013 was unavailable.

Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

**Full-time Equivalent Town Employees by Function
Last Ten Fiscal Years**

| Function | Fiscal Year | | | | | | | | | |
|---------------------------|-------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General government..... | 73 | 73 | 76 | 78 | 77 | 77 | 74 | 75 | 76 | 80 |
| Public safety..... | 182 | 182 | 183 | 185 | 185 | 186 | 184 | 184 | 184 | 191 |
| Public education..... | 688 | 692 | 695 | 707 | 722 | 699 | 701 | 703 | 706 | 708 |
| Public works..... | 28 | 28 | 28 | 27 | 27 | 28 | 28 | 28 | 29 | 32 |
| Human services..... | 12 | 12 | 12 | 14 | 14 | 14 | 14 | 14 | 15 | 16 |
| Culture & recreation..... | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 6 |
| Water/Sewer..... | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 11 |
| Total | 995 | 999 | 1,007 | 1,025 | 1,039 | 1,018 | 1,015 | 1,018 | 1,025 | 1,044 |

Source: Various City Departments

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

| <u>Function/Program</u> | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| General Government | | | | | | | | | | |
| Number of buildings..... | 7 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Police | | | | | | | | | | |
| Number of stations..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Number of stations..... | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Education | | | | | | | | | | |
| Number of elementary schools..... | 4 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Number of middle schools..... | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of high schools..... | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Works | | | | | | | | | | |
| Streets to maintain (miles)..... | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 |
| Culture and recreation | | | | | | | | | | |
| Buildings..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Miles of public beach front..... | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public beaches..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis courts..... | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |

Source: Various City Departments



The Paul Revere School was built in 2011 and houses grades K - 5