

# CITY OF REVERE, MASSACHUSETTS



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
JULY 1, 2024 - JUNE 30, 2025





**CITY OF REVERE,  
MASSACHUSETTS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For Fiscal Year Ended June 30, 2025  
Mayor Patrick M. Keefe, Jr.**



**Prepared by:  
Chief Financial Officer/City Auditor – Richard Viscay**

**CITY OF REVERE, MASSACHUSETTS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2025**

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# INTRODUCTORY SECTION





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City of Revere  
Chief Financial Officer/City Auditor

281 Broadway  
Revere, MA 02151  
Tel: (781) 286-8131

**Letter of Transmittal**

February 3, 2026

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 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 Annual Comprehensive Financial Report (ACFR) of the City of Revere, Massachusetts, for the year ending June 30, 2025, 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 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 Roselli, Clark & Associates, 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 year ended June 30, 2025, 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 year ended June 30, 2025, 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 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; home of America's first public beach. The City has a population



of approximately 62,186 (according to the 2020 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, cultural and recreational programs and 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 with six members being elected from wards and five members elected city-wide. The School Committee, consisting of six elected members and the Mayor, who serves as ex-officio, appoints 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 and has a low comparable unemployment rate. The City remains a very desirable community and this is reflected in the

strong residential sales market. 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 by 5.1%, including a 5.0% increase in property and casualty insurance.

On the City's operating side, the 2025 budgets and service levels continue to be brought back to pre-pandemic staffing levels, which resulted in an increase of 5.6% in the public safety operating budget and 3.7% in the public works budget. Costs of education also increased because of the governor funding the Student Opportunity Act, which provides additional funding for low-income students, students of color and English learners who have been left behind by an outdated funding system. As a result, the City's Chapter 70 funding increased by 3.8% (approximately \$3.7 million) which resulted in an increase of 4.5% in the education budget.

Additionally, the City is funding approximately 20% of the net debt service costs of a new Vocational High School, due to 20% of the students at the Northeast Regional Vocational High school coming from the City. This project is funded annually through our apportioned assessment, with the project scheduled for completion by 2026.

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 2025, the City continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account. We have also added an Affordable Housing Trust Fund to help increase the amount of affordable housing in the city, with 10% of the City's annual free cash certification going directly toward this new fund, as well as a High School Stabilization Fund, which will help offset spikes in debt service payments while economic development and the natural increase in the levy limit catch up to the final bonded debt service for the new Revere High School.

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 (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, 2025, the latest actuarial valuation of the System completed by Public Employee Retirement Administration System (PERAC), the City now has a funded ratio of its actuarial liability of 76.2%. The remaining unfunded amount is being systematically funded over 10 years as part of the annual required contribution as calculated by the actuary, with a funding schedule increasing at 5.0% per year until 2033.

The City sponsors a postemployment health care plan that provides postemployment health care benefits for certain retirees and their dependents. There are approximately 1,000 retirees receiving these benefits, which are financed on a pay-as-you-go basis. The Plan conducts an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year's benefits. The most recent actuarial valuation was prepared in accordance with GASB Statement #74 and #75. The valuation projects a total OPEB liability of approximately \$330.9 million. The City maintains an other-postemployment benefit trust fund. At the end of 2025 the Trust had a balance of \$2.5 million. The difference between the total OPEB liability and the Trust Fund balance is the net OPEB liability that has been recorded in the Government-wide and Proprietary Funds Statement of Net Position.

### ***Economic Development and Expansion***

Recognizing that the City needs commercial development to ensure a solid tax base, the City has taken an aggressive approach in recent years to expand and diversify the commercial tax base. These efforts have yielded significant success and many prospects for further economic growth. In virtually every corner of the City, economic development is moving forward. The City has experienced a building boom in recent years. With developers looking to capitalize on the expansion of Boston's affordable housing crisis, the City has become a very desirable location with its ideal access to Boston via its 3 MBTA stations and bus lines and 3-mile crescent beach as well as its proximity to Boston Logan International Airport and major highways.

One of the largest mixed-use master developments in the Commonwealth was approved by the Revere City Council in 2018 at the 160-acre Suffolk Downs Racetrack, 52 acres of which are in Revere. The City has recently approved a master planned unit development by the HYM Investment Group, LLC for the construction of 5.8 million gross square feet of mixed-use development on the 52-acre Revere portion of the Suffolk Downs site. This master planned development will be constructed in 4 phases beginning at Beachmont Square adjacent to the Beachmont T Station. The total mixed-use project will consist of 2.9 million gross square feet of commercial uses including an Innovation Center, hotels, office buildings, restaurants, and retail and 2.9 million gross square feet of residential uses. The first phase of the project is completed with the opening of Amaya, a 475-unit apartment complex with 24,000 square feet of commercial space. Amaya is open for business and is currently negotiating with commercial tenants for the newly completed building. Infrastructure is currently being completed that will lead to more vertical construction in 2026.

Also on the horizon is the development of the new Revere High School. In 2023, the City voted to take the vacant site of the former Wonderland Greyhound Racetrack by eminent domain for \$29.0 million. The Massachusetts School Building Authority (MSBA) has subsequently voted to allow for construction of an estimated \$493 million-dollar high school, with the City funding approximately \$259 million and the MSBA funding approximately \$234 million through a reimbursable grant. The City, through its owner's project manager (OPM), is currently working with the architect and contractor on completing the 90% design/development documents for submittal to the MSBA. It is anticipated that the groundbreaking will be in the winter of 2025-2026, once final approval is awarded from the Massachusetts Environmental Protection Agency.

Many development projects are in the planning, design, and construction phase along Revere Beach. Following many years of negotiations with the Commonwealth's Department of Conservation and Recreation, the MBTA, and the subsequent designation of Eurovest Development as the master developer of Waterfront Square, the City has largely realized its vision of transforming what had been nearly nine acres of surface parking lots into a series of dynamic, mixed-use properties. These include the completed projects of Ocean 650 at 650 Ocean Avenue consisting of 230 luxury rental units; the Eliot/Vanguard at 660 Ocean Avenue consisting of 194 luxury rental units; a mixed-use development at 500 Ocean Avenue consisting of 305 luxury rental units and two restaurants; and the completion of a 172-room Marriott/Spring Hill Suites Hotel at 400 Ocean Avenue, containing significant commercial components including a restaurant, a Starbucks, and a function facility, further adding to the significant economic activity at this Transit-Oriented Development Site. The latter two projects have been built adjacent to the pedestrian plaza and bridge that connects the Wonderland T Station to the waterfront. This past year saw the opening of the newest development along Waterfront Square: the Robinson, a 230-unit mixed-use development at 656 Ocean Avenue, which opened in the spring of 2025. The final parcel in the Waterfront Square master plan currently under construction, is a 213-unit mixed use residential development at 646 Ocean Avenue, scheduled for a 2026 completion.

Both the southern and northern ends of Revere Beach are experiencing aggressive development growth as well, including the completion of a 234-unit luxury apartment project at 540 Revere Beach Boulevard called the "Beach House" by Baystone Development. The approximately 3-acre parcel at 580 Revere Beach Boulevard, just north of the Beach House, is being developed by Mill Creek Residential, which has completed permitting and has started construction of 357 residential units.

On the southern end of Revere Beach, at 50 Ocean Avenue and 21 Revere Beach Boulevard, is The Ryder, a 200-unit residential mixed-use property developed by Redgate Development featuring Cut 21, a dynamic steak house and lounge that has brought new life to the southern end of Revere Beach. Another completed development along the waterfront on Revere Beach Boulevard is the 145-unit mixed-use development "BLVD" at 320 Revere Beach Boulevard

In addition to the aforementioned developments, there are a number of additional projects that have been completed since 2021, including 195 residential units at 205 Revere Beach Parkway by Gate Residential; a 162-room Staybridge Suites/Holiday Inn by XSS Hotels next door at 245 Revere Beach Parkway; a 35 unit mixed-use residential development at 43 Nahant Avenue; a

new 15,000 square foot East Boston Neighborhood Health Center located at 10 Garofalo Way; the 100-room Avid Hotel at 405 American Legion Highway; and a 52-unit residential development at 571 Revere Street. Many other smaller developments have been built or are permitted to be built throughout the city as well, several of which are on Shirley Avenue, which has seen a dynamic transformation in recent years. Over one hundred units were built in the neighborhood in 2024, with an additional two hundred in construction or in permitting over the next year.

Work has also begun on the Riverfront Master Plan. Most importantly, construction is well underway on Redgate’s mixed development on Whitin Avenue Extension. This project will bring 290-units of housing and restaurant space to the Riverside neighborhood and will be the first in a multi-stage development along the Riverfront. This project will be matched by park and resiliency improvements at Gibson Park. This massive redevelopment effort has over \$15 million in local, state, and federal money to support this redevelopment.

In the industrial sector, two important developments have taken place. At 505 Squire Road, Amazon recently completed construction on a 142,000 square foot distribution facility. In addition, Link Logistics recently completed permitting for a 387,000 square foot technology warehouse and a separate 282,000 square foot technology warehouse at the former Global Petroleum site and is currently in the process of removing the 19 oil tanks in preparation for Phase 1, which include the larger logistics facility.

***Financial and Management Systems***

***Long-term Financial Plan***

In addition to the City’s capital plan, the following five-year projections are part of the City’s long-range financial operating plan:

	2026	2027	2028	2029	2030
Real Estate and Personal Property Taxes	\$ 126,466,294	\$ 133,198,908	\$ 140,370,581	\$ 149,673,095	\$ 158,866,023
Intergovernmental Revenue - Local Aid	123,194,213	128,121,982	133,246,861	138,576,735	144,119,805
Local Receipts	23,545,000	24,194,100	24,861,917	25,548,996	26,255,900
<b>Total Revenues</b>	<b>\$273,205,507</b>	<b>\$285,514,990</b>	<b>\$298,479,359</b>	<b>\$313,798,826</b>	<b>\$329,241,728</b>

***Internal Controls***

The Chief Financial Officer (CFO) of the City is 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 CFO 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 City 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 the 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 year.

### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Revere for its Annual Comprehensive financial report (ACFR) for the year ended June 30, 2024. This was the twelfth time that the City submitted an ACFR to the GFOA. The City was awarded this Certificate in all twelve previous consecutive years. To receive this prestigious award, a government has to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report represents a 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 my 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,



Richard Viscay  
CFO/City Auditor



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

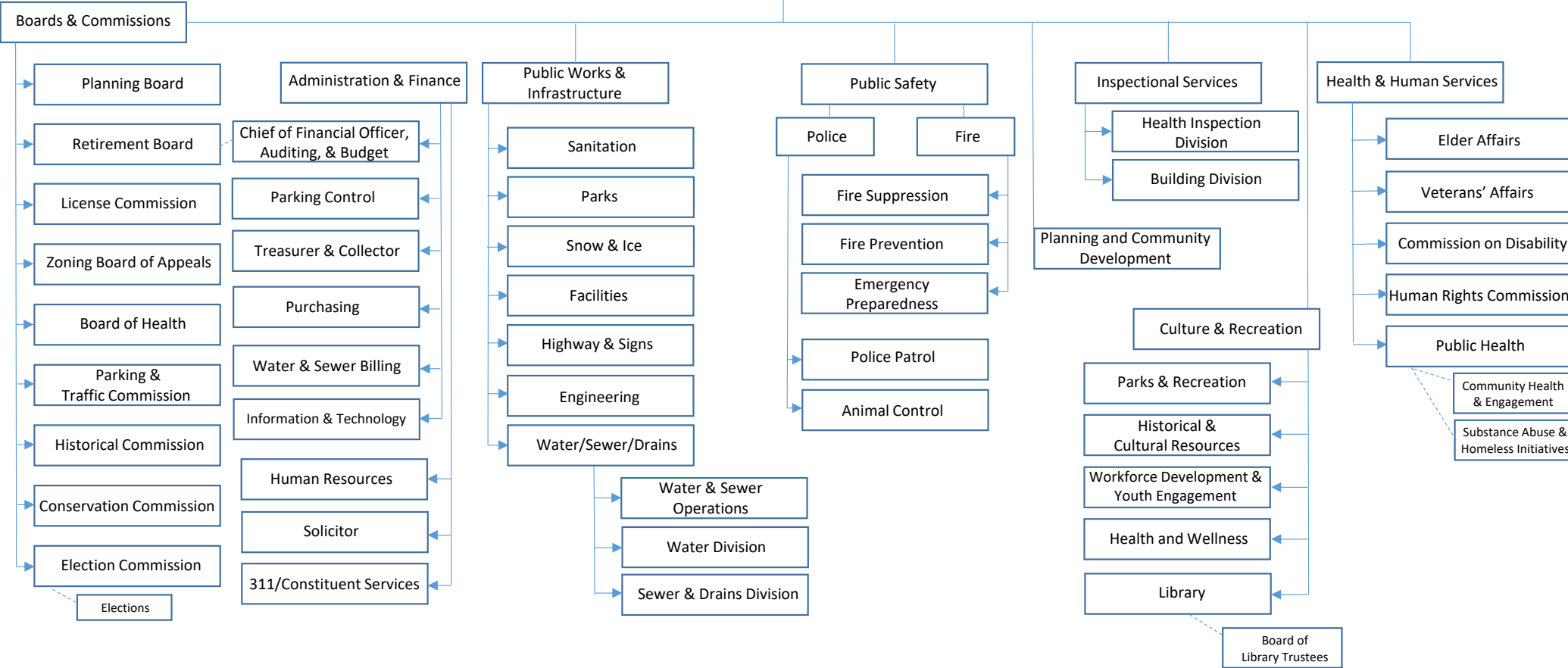
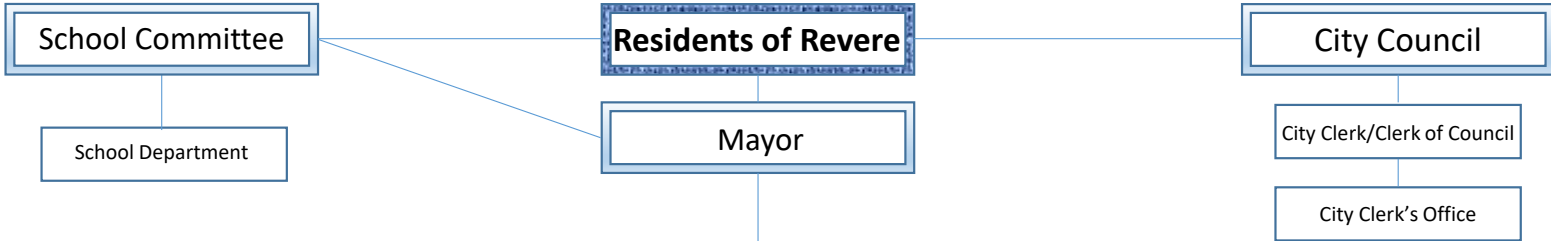
**City of Revere  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



**CITY OF REVERE, MASSACHUSETTS  
PRINCIPAL CITY OFFICIALS  
As of June 30, 2025**

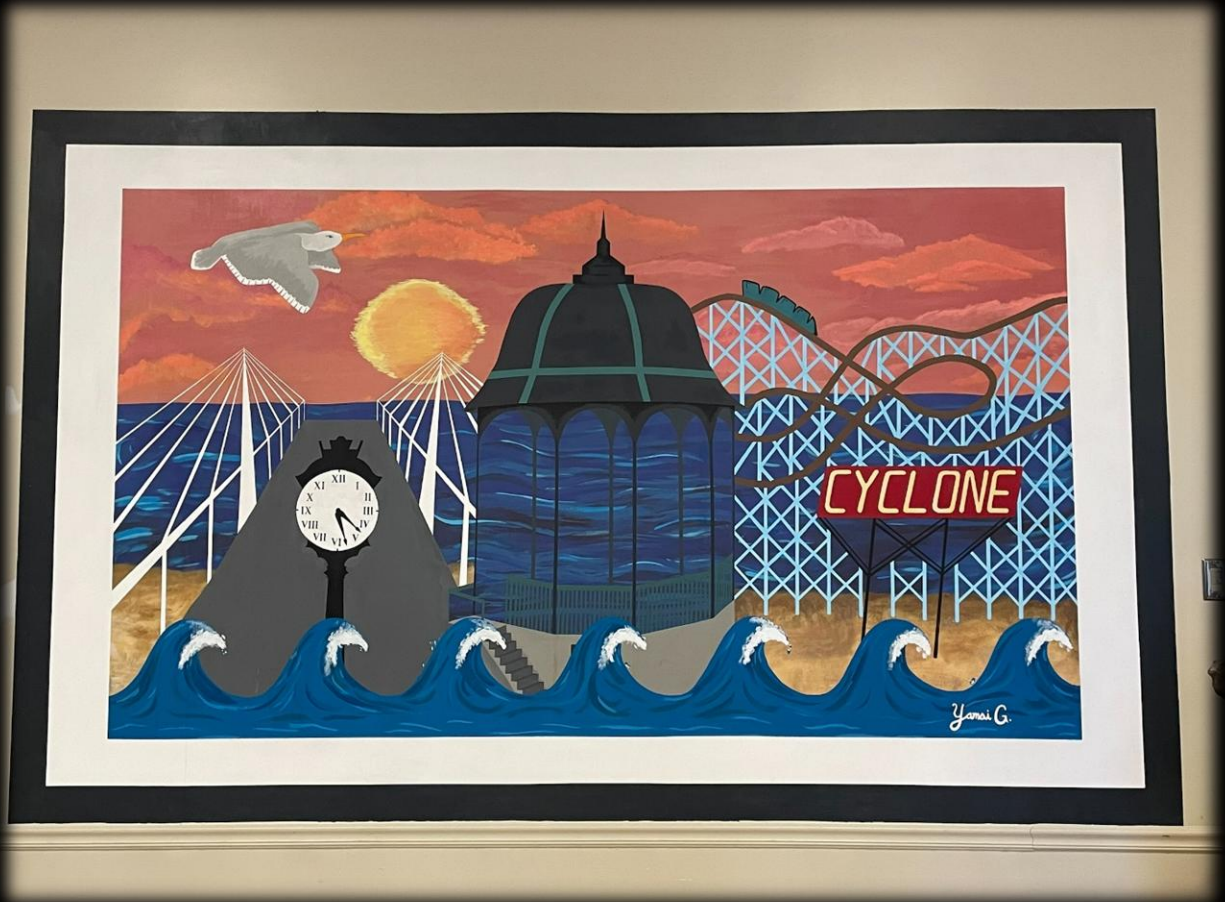
**Elected Officials**

City Mayor		Patrick M. Keefe, Jr.
City Council	City Council President	Marc Silvestri
	Councillors at Large	Robert J. Haas, III Juan Pablo Jaramillo Michelle Kelley Anthony T. Zambuto
	Ward 1 Councillor	Joanne McKenna (Council Vice President)
	Ward 2 Councillor	Ira Novoselsky
	Ward 3 Councillor	Anthony Cogliandro
	Ward 4 Councillor	Paul Argenzio
	Ward 5 Councillor	Angela Guarino-Sawaya
	Ward 6 Councillor	Chris Giannino
City Clerk		Ashley E. Melnik
School Committee		Patrick M. Keefe, Jr., Chairperson Jacqueline Monterroso, Vice Chairperson John Kingston, Secretary Anthony Caggiano, Treasurer Stacey Bronsdon-Rizzo Aisha Milbury-Ellis Frederick Sannella

**Appointed Officials**

Superintendent of Schools	Dr. Dianne Kelly
Chief Financial Officer/ Auditor/ Budget Director	Richard Viscay
City Solicitor	Paul Capizzi
Treasurer/Collector	Cathy Bowden

# FINANCIAL SECTION





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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Revere, Massachusetts

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Revere, Massachusetts, (the "City") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, (except for the Revere Contributory Retirement System, (the "System" or "Retirement System") which is as of December 31, 2024).

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City as of June 30, 2025, (except for the System which is as of December 31, 2024) and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Emphasis of Matter - Restatements**

The City's basic financial statements for the year ended June 30, 2024 were audited by other auditors, who issued an unmodified opinion dated January 29, 2025. As described in Note IV to the financial statements, the City restated its previously reported net positions and fund balances. We audited the adjustments described in Note IV that were applied to restate the June 30, 2024 basic financial statements. In our opinion, such adjustments were appropriate and properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2024 basic financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2024 basic financial statements taken as a whole.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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's internal control over financial reporting and compliance.

*Roselli, Clark & Associates*

Roselli, Clark and Associates  
Certified Public Accountants  
Woburn, Massachusetts 01801  
February 3, 2026

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the City, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025.

### **Financial Highlights**

- The assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by approximately \$111.7 million.
- The government's total net position increased by nearly \$15.8 million. This was made up of an increase in governmental activities of nearly \$7.6 million combined with an increase in business-type activities of almost \$8.2 million.
- The City reported nearly \$42.4 million in its General Fund balance; approximately \$5.8 million in its City Capital Projects fund balance, an unassigned deficit of \$2.5 million in its School Capital Projects fund balance and over \$28.6 million in its Combined Nonmajor fund balances. Total fund balances decreased by over \$6.5 million.
- The City's total debt including premiums increased by approximately \$6.6 million. Details of this increase may be reviewed in the debt administration section of this Management Discussion and Analysis.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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.)

The government-wide financial statements consist of three classifications; (1) those whose activities are principally supported by taxes and intergovernmental revenue (*governmental activities*); (2) those whose activities are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*), and (3) a *component unit*.

The governmental activities of the City include general government, public safety, public works, education, health and human services, interest expense, and culture and recreation. The business-type activities of the City are comprised completely of the water and sewer enterprise fund.

**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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted — amounts constrained by external parties, constitutional provision, or enabling legislation
- Committed — amounts constrained by a government using its highest level of decision-making authority
- Assigned — amounts a government intends to use for a particular purpose
- Unassigned — amounts that are not constrained at all will be reported in the general fund or in other major funds if negative

**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 financial 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.

The City maintains numerous 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, ARPA Grant Fund, the City Capital Projects Fund, and the School Capital Project Funds which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements.

The City adopts an annual appropriated budget for its general fund and its enterprise fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget and is included in this report as required supplementary information.

**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 an enterprise fund to account for its water and sewer enterprise.

*Internal service funds* are used to report activities that service all other City Departments. The City uses internal service funds to account for self-insured health insurance claims.

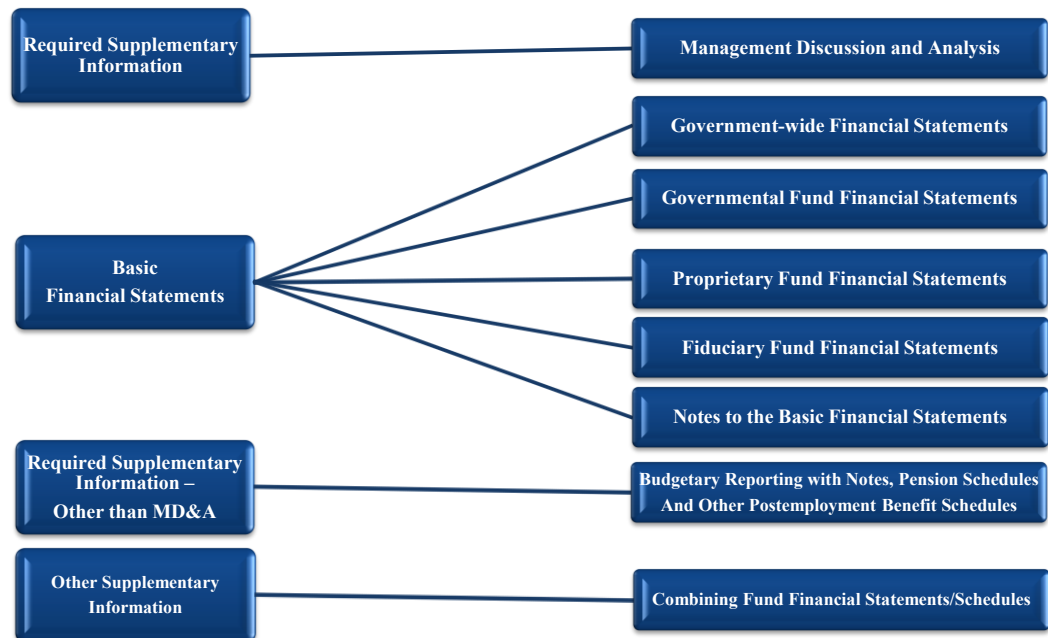
**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The System is a Pension Trust that is a legally separate entity reported as a blended fiduciary fund. Because the System services almost entirely to the City, it is presented as if it were part of the primary government as a fiduciary fund due to the significance of its operations.

**Notes to the 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.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s proportionate share of net pension liability, contributions to pension plan, the Commonwealth's collective share of net pension liability to the Massachusetts Teachers' Retirement System, as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

The layout and relationship of the financial statements described and supplementary information above is visually displayed in the illustration to the right.



## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by \$111.7 million resulting in a total overall deficit in net position. Data related to condensed net position is presented as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b><u>Assets</u></b>						
Current and other assets	\$ 191,105,444	\$ 119,184,766	\$ 26,487,848	\$ 22,181,351	\$ 217,593,292	\$ 141,366,117
Capital assets, net	<u>270,731,841</u>	<u>251,483,688</u>	<u>156,907,925</u>	<u>143,285,922</u>	<u>427,639,766</u>	<u>394,769,610</u>
<b>Total Assets</b>	461,837,285	370,668,454	183,395,773	165,467,273	645,233,058	536,135,727
<b>Deferred outflows of resources</b>	<u>52,274,799</u>	<u>53,261,165</u>	<u>1,230,869</u>	<u>1,321,141</u>	<u>53,505,668</u>	<u>54,582,306</u>
<b><u>Liabilities</u></b>						
Current liabilities	106,450,038	27,090,852	10,701,029	2,885,931	117,151,067	29,976,783
Long-term liabilities	<u>524,520,334</u>	<u>524,422,948</u>	<u>129,556,302</u>	<u>126,310,407</u>	<u>654,076,636</u>	<u>650,733,355</u>
<b>Total Liabilities</b>	630,970,372	551,513,800	140,257,331	129,196,338	771,227,703	680,710,138
<b>Deferred inflows of resources</b>	<u>38,367,582</u>	<u>32,335,402</u>	<u>843,981</u>	<u>709,084</u>	<u>39,211,563</u>	<u>33,044,486</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	133,786,290	145,139,456	31,445,074	29,288,888	165,231,364	174,428,344
Restricted	34,089,252	10,711,824	-	-	34,089,252	10,711,824
Unrestricted	<u>(323,101,412)</u>	<u>(315,770,863)</u>	<u>12,080,256</u>	<u>7,594,104</u>	<u>(311,021,156)</u>	<u>(308,176,759)</u>
<b>Total Net Position</b>	<u>\$ (155,225,870)</u>	<u>\$ (159,919,583)</u>	<u>\$ 43,525,330</u>	<u>\$ 36,882,992</u>	<u>\$ (111,700,540)</u>	<u>\$ (123,036,591)</u>

By far, the largest portion (over \$165.2 million) of the City's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, 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, (nearly \$34.1 million), of the City's net position represents resources that are subject to external restrictions on how they may be used. *Unrestricted net position* is reported as a deficit, of over \$311.0 million. This is due to the significant liabilities associated with pension and other postemployment benefits in the financial statements. The impact of these non-cash obligations was felt more heavily on the governmental activities which carried a deficit balance of over \$155.2 million as opposed to a positive balance of over \$43.5 million in the business-type activities unrestricted net position.

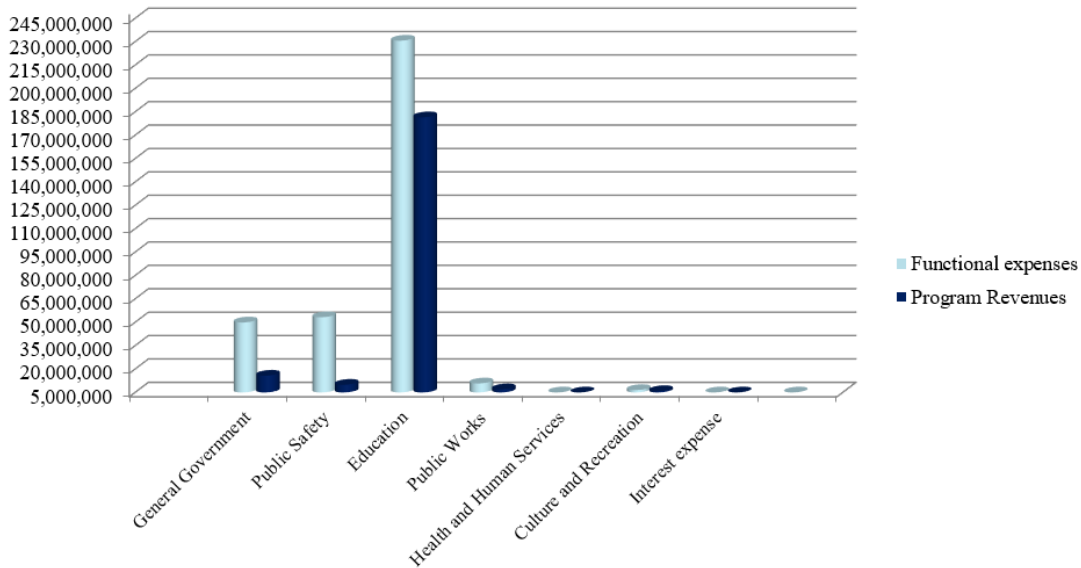
Condensed changes in net position data is presented as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services	\$ 24,420,516	\$ 21,644,091	\$ 31,026,503	\$ 31,155,713	\$ 55,447,019	\$ 52,799,804
Operating grants and contributions	176,303,462	158,337,897	681,474	-	176,984,936	158,337,897
Capital grants and contributions	21,436,626	1,142,215	645,847	1,635,777	22,082,473	2,777,992
General revenues:						
Property taxes	119,399,546	109,837,307	-	-	119,399,546	109,837,307
Excise and other taxes	11,932,821	12,329,229	-	-	11,932,821	12,329,229
Grants and contributions not restricted	11,405,631	13,219,471	-	-	11,405,631	13,219,471
Other	4,792,544	5,957,647	347,594	961,802	5,140,138	6,919,449
Total Revenues	369,691,146	322,467,857	32,701,418	33,753,292	402,392,564	356,221,149
<b><u>Expenses</u></b>						
General government	49,880,399	30,117,737	-	-	49,880,399	30,117,737
Public safety	53,250,043	62,225,549	-	-	53,250,043	62,225,549
Education	230,650,128	208,107,413	-	-	230,650,128	208,107,413
Public works	10,780,880	13,199,249	-	-	10,780,880	13,199,249
Health and human services	3,413,077	4,110,000	-	-	3,413,077	4,110,000
Culture and recreation	6,520,489	5,782,598	-	-	6,520,489	5,782,598
Interest expense	3,833,512	3,713,770	-	-	3,833,512	3,713,770
Water and sewer	-	-	28,299,699	29,919,296	28,299,699	29,919,296
Total Expenses	358,328,528	327,256,316	28,299,699	29,919,296	386,628,227	357,175,612
Increase (decrease) in net position before transfers	11,362,618	(4,788,459)	4,401,719	3,833,996	15,764,337	(954,463)
Transfers	(3,785,126)	(1,217,750)	3,785,126	1,217,750	-	-
Increase (decrease) in net position	7,577,492	(6,006,209)	8,186,845	5,051,746	15,764,337	(954,463)
Net position, beginning of year	(159,919,583)	(153,913,374)	36,882,992	38,214,599	(123,036,591)	(115,698,775)
Correction of errors	(2,883,779)	-	(1,544,507)	(6,383,353)	(4,428,286)	(6,383,353)
Net position, beginning of year, as restated	(162,803,362)	(153,913,374)	35,338,485	31,831,246	(127,464,877)	(122,082,128)
Net position, end of year	\$ (155,225,870)	\$ (159,919,583)	\$ 43,525,330	\$ 36,882,992	\$ (111,700,540)	\$ (123,036,591)

**Governmental Activities –**

Governmental activities increased net position by nearly \$7.6 million. This was primarily a result of the continued recognition of ARPA Grant revenues as operating grants and a large increase in Chapter 70 funding from the Commonwealth in addition to reimbursements received from the Massachusetts School Building Authority for eligible construction costs of the Revere High School. Overall revenues were \$47.2 million greater than the prior year, however overall expenses were up as well, by approximately \$31.1 million.

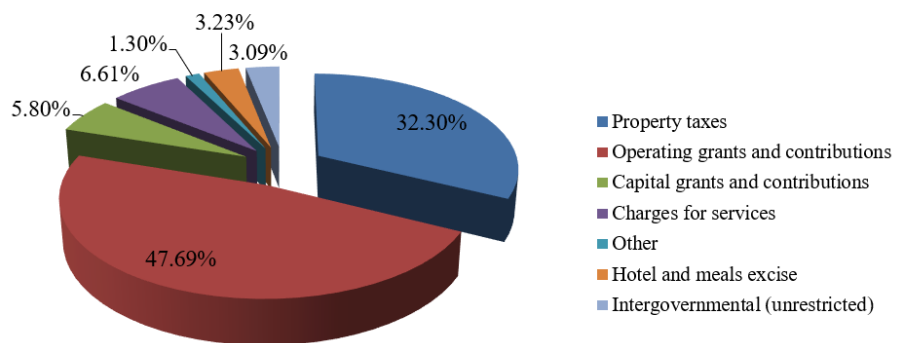
Fiscal Year 2025 Expenses and Program Revenues – governmental activities are graphically presented as follows:



**Major revenue sources of governmental activities consist of revenue from:**

(1) Operating grants which comprised approximately 48% of the total governmental activity revenues were approximately \$18.0 million greater than the previous year. This revenue is made up primarily of Chapter 70 educational assistance, special funding relative to teacher retirement charges, ARPA grant funds earned and other intergovernmental grants. The increase of \$18 million is primarily related to increases in operating activity in each of these categories, especially Chapter 70 funding, as the Commonwealth continues to increase these funds year over year.

**Revenues**



(2) Property taxes which represented 32% of total revenues experienced an increase of nearly \$9.6 million over the prior year; under Massachusetts General Laws, communities are allowed to assess taxes at 2 ½% of the prior year plus any new growth. Bolstered by a robust economy, especially in the Greater Boston region, new developments have continued to outpace forecasts and also fostered the residents ability to pay increased taxes more efficiently.

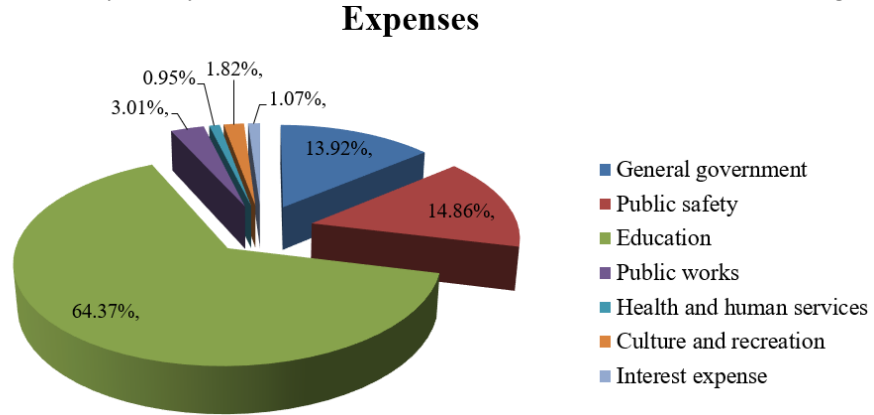
(3) Capital grants are only 5.8% of total revenues, however discussion here is noteworthy as revenues in this category were \$20.3 million greater than the prior year due primarily to reimbursements received for eligible construction costs on the new Revere High School.

All other revenue categories were consistent with the prior year, or their fluctuation were not material, or the overall amount was not significant.

**Major expense outlays are summarized as follows:**

The City’s total expenses increased by nearly \$31.2 million. One of the causes of this was the recognition of benefits expense associated with the actuarial valuations of the City’s Pension, OPEB and Special Funding activities.

The remainder of the increase was primarily related to a significant increase in educational expenses to match the increase in Chapter 70 money received from the Commonwealth as discussed above.



Specific major functions are as follows:

Education costs represent the City’s largest expense category as education continues to be an area in which the City devotes substantial resources. Approximately 64.4% of total expenses related to education; in dollar terms, this represented an increase of over \$22.5 million over the prior year. Since Education is the largest functional expense, and the most benefit intensive, a significant amount of the activity discussed above related to Education.

Public safety represented 14.8% of the total expenses. The decrease of approximately \$9.0 million is due primarily to the classification of expenses in the current year out of the general government function. The same applies to the public works expenses which decreased nearly \$2.5 million and represented 3% of total expenses.

General government, which represented 13.9% of total expenses increased \$19.7 million primarily due to the classification issue discussed above. The aggregate increase in these three expense categories is primarily due to benefit costs allocated to these functions.

Other functional expenses that were all under 10% of total expenses were either consistent with the prior year or their fluctuation was related to general cost of living increases in addition to expenses associated with benefits as discussed above.

**Business-type Activities** – Net position of the business-type activities increased by about \$8.2 million over the prior year balances as revenues exceeded expenses plus other financing uses. This was primarily due to nearly \$3.8 million being received as a transfer from the ARPA funds to subsidize construction, in addition to a reduction in expenses of nearly \$1.6 million.

The City’s water and sewer system provides these services to the majority of the City’s residents and businesses.

Expenses incurred by the City general fund on behalf of the water and sewer enterprise fund, such as administrative and other indirect costs are charged directly to the General Fund as an expense.

### **Fund-wide Financial Analysis of the Government's Funds**

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

**Governmental funds** – The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's 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.

The City maintains five governmental funds; (1) its general fund, (2) ARPA Grant Fund, (3) a city capital projects fund, (4) a school capital projects fund and (5) the aggregate remaining funds combined into a nonmajor category.

**General Fund** – The general fund closed the year with a total fund balance of nearly \$42.4 million. This consisted of unassigned fund balance at nearly \$17.5 million and assigned fund balance at \$24.8 million. Unassigned fund balance was 6.3% of total general fund expenditures, while total fund balance was 15.4%. Total fund balance decreased approximately \$2.4 million due primarily to a large transfer to the city capital project fund to subsidize the new Fire Station.

As the offset, the City continued to see positive revenues bolstered by a very strong economy. Property taxes were up over \$9 million as new growth exceeded \$6 million.

**ARPA Grant Funds** – Activities for the ARPA Grant Fund were mostly related to the receipt of funds offset by grant projects, the residual of which have been recorded as unearned revenue. This accounting treatment lends to the fund balance being zero at all times, since the City has chosen to record the interest income in the general fund.

**City Capital Projects Fund** – The City's Capital Projects Fund decreased over \$0.5 million. This fund fluctuates typically as a result of the timing of sources and expenditures.

**School Capital Projects Fund** – The School Capital Projects Fund decreased nearly \$5.0 million. This fund fluctuates typically as a result of the timing of sources and expenditures.

**Nonmajor Funds** – Except for permanent funds, which typically increase based on contributions and investment earnings, the nature of Nonmajor Funds is to record revenue, (user charges, grants or donations) that will be used specifically against expenditures they were raised or intended for. Therefore, any fluctuations in these funds are mainly due to the timing of receipts and expenditures. During fiscal 2025, the City's nonmajor funds increased nearly \$1.5 million as revenues exceeded expenditures and net transfers out.

Nonmajor funds include a restricted balance of over \$29.5 million and an unassigned fund balance that was recorded at a deficit of nearly \$0.9 million due to individual funds maintaining negative balances.

**Proprietary funds** – The City's proprietary funds are made up of (1) the Water and Sewer Enterprise Fund which provides the same type of information found in the government-wide financial statements under business-type activities, but in more detail; and (2) the City's Internal Service Fund which accounts for the City's Health Claims Fund.

The Health Claims Fund has a Net Position of over \$3.2 million which has decreased by over \$0.7 million as expenses exceeded claims. The Health fund continues to face challenges in an industry with escalating insurance costs that has seen it lose several million in net position balance over the last 4 years.

**Fiduciary Fund** – The City’s fiduciary fund is comprised primarily of the City’s Retirement System whose net position is over \$272.9 million. These assets are used strictly to pay retiree pensions and annuities and may not be used for City operating purposes.

For the year ended December 31, 2024 the net position increased by over \$25.6 million due primarily to robust market conditions related to investments held by the System during calendar year 2024.

In addition, the City manages a modest other postemployment benefit plan whose plan assets are nearly \$2.5 million. Net position in this fund increased by approximately \$0.4 million, also due to robust market conditions.

### **General Fund Budgetary Highlights**

The original budget and the final amended budget changes were minor and well below 1%. Major budget to actual differences on the revenue side were primarily experienced through charges for services which exceeded forecast by about \$1.5 million. Many minor budget to actual differences on the expenditure side were experienced across the board, which approximated \$3.5 million spread evenly across nine functional categories. Both of these results were not significant to an overall budget that approximates \$300 million.

Further details of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to this report.

### **Capital Asset and Debt Administration**

**Capital Assets** – The City’s investment in capital assets for its governmental and business type activities amounts to about \$427.6 million (net of accumulated depreciation) an increase of about \$36.7 million over the prior year as additions exceeded depreciation.

In the current year, the City’s capital additions related mostly to its new High School and Public Safety facility in addition to road and sidewalk work which is ongoing. Additional information on the City’s capital assets can be found in Note II subsection D.

**Long-term Debt** –The City’s most recent credit evaluation resulted in maintaining an “AA” rating – positive outlook from Standard and Poor’s Investment Services for general obligation debt.

At the end of the current fiscal year, the City had total debt outstanding of approximately \$239 million including unamortized bond premium of about \$6.5 million. The entire amount comprises debt backed by the full faith and credit of the government. The City also holds a proportionate share of debt of other governmental units that provide services within the City’s boundaries. The debt service from such arrangements is assessed annually to the City.

The City's total debt increased by over \$6.6 million which can be detailed as follows:

Regular scheduled maturities:	
Governmental Activities	\$ (5,347,036)
Business-Type Activities	(6,501,521)
Issuance of debt:	
Governmental Activities	6,299,000
Business-Type Activities	12,486,152
Originating premiums	
Governmental Activities	326,844
Business-Type Activities	-
Amortization of premiums	
Governmental Activities	(614,047)
Business-Type Activities	(48,515)
	\$ 6,600,877

Additional information on the City's short-term and long-term debt can be found in Note II under subsections E and F.

**Economic Factors and Next Year's Budget and Rates**

- Unemployment rates across the Commonwealth are near historic lows after the significant spikes due to the pandemic in 2020.
- The City's real estate tax base is made up predominantly of residential taxes, which comprise about 76% of the City's real estate tax base. The City also relies heavily on its commercial and industrial real estate tax base, which in aggregate comprise about 20% of the City's real estate tax base. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the City's ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The City's housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Actions by the Federal Open Market Committee to soften the economy due to inflation have caused mortgage rates to spike, which are now stabilizing. Such trends may have an adverse effect on the housing market, and the City is monitoring this.
- While inflation is beginning to stabilize, there are still challenges with respect to rising costs in wages, energy, construction, goods and services. The City has been able to balance its annual budget, but the City continues to monitor this situation.
- The City's Chapter 70 allocation is expected to be \$123.2 million which is \$5.5 million greater than fiscal 2025.

- Investment yields have spiked considerably near 25-year highs. The City's significant cash position has allowed the City to utilize this as a revenue-producing asset which has had a positive impact on operations and is expected to continue to have the same effect.

All of the above items were considered when the City developed its budget for fiscal year 2026. The budget was adopted in June of 2025 and the City's tax rate was certified in December 2025.

### **Requests for Information**

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

## **Basic Financial Statements**

CITY OF REVERE, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 135,597,886	\$ 10,303,751	\$ 145,901,637
Investments	21,946,071	4,514,845	26,460,916
Working capital deposit	4,678,100	-	4,678,100
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes	3,170,593	-	3,170,593
Tax, utility and other liens	3,459,269	-	3,459,269
Motor vehicle and other excise taxes	1,520,408	-	1,520,408
User charges	-	8,328,856	8,328,856
Parking tickets	406,213	-	406,213
Stop loss reimbursement	974,396	-	974,396
Intergovernmental	19,003,844	3,340,396	22,344,240
Prepaid items	146,401	-	146,401
Tax foreclosures	202,263	-	202,263
Capital assets not being depreciated/amortized	100,389,315	11,505,045	111,894,360
Capital assets, net of accumulated depreciation/amortization	170,342,526	145,402,880	315,745,406
<b>Total Assets</b>	<b>461,837,285</b>	<b>183,395,773</b>	<b>645,233,058</b>
<b>Deferred Outflows of Resources</b>			
Related to net other postemployment benefits liability	44,483,615	966,410	45,450,025
Related to net pension liability	7,791,184	264,459	8,055,643
<b>Total Deferred Outflows of Resources</b>	<b>52,274,799</b>	<b>1,230,869</b>	<b>53,505,668</b>
<b>Liabilities</b>			
Warrants and accounts payable	18,118,752	3,484,865	21,603,617
Accrued payroll and withholdings	-	-	-
Retainage payable	477,242	-	477,242
Tax refunds payable	1,242,500	-	1,242,500
Unearned revenue	3,298,118	-	3,298,118
Accrued interest expense	1,645,047	1,267,912	2,912,959
Health claims incurred but not reported	2,176,038	-	2,176,038
Other liabilities	219,331	-	219,331
Bond anticipation notes payable	79,273,010	5,948,252	85,221,262
Noncurrent liabilities:			
Due in one year or less	8,519,286	7,152,908	15,672,194
Due in more than one year	516,001,048	122,403,394	638,404,442
<b>Total Liabilities</b>	<b>630,970,372</b>	<b>140,257,331</b>	<b>771,227,703</b>
<b>Deferred Inflows of Resources</b>			
Related to net other postemployment benefits liability	37,512,856	814,969	38,327,825
Related to net pension liability	854,726	29,012	883,738
<b>Total Deferred Inflows of Resources</b>	<b>38,367,582</b>	<b>843,981</b>	<b>39,211,563</b>
<b>Net Position</b>			
Net investment in capital assets	133,786,290	31,445,074	165,231,364
Restricted:			
Expendable permanent funds	4,947,968	-	4,947,968
Capital	5,396,443	-	5,396,443
Revolving funds	10,827,168	-	10,827,168
Federal and State grants	9,141,473	-	9,141,473
Reserved for appropriation	2,742,634	-	2,742,634
Debt service	1,033,566	-	1,033,566
Unrestricted	(323,101,412)	12,080,256	(311,021,156)
<b>Total Net Position</b>	<b>\$ (155,225,870)</b>	<b>\$ 43,525,330</b>	<b>\$ (111,700,540)</b>

See accompanying notes to basic financial statements.

CITY OF REVERE, MASSACHUSETTS

STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total
<b>Primary Government:</b>							
<i>Governmental Activities:</i>							
General government	\$ 49,880,399	\$ 7,755,639	\$ 7,984,075	\$ -	\$ (34,140,685)	\$ -	\$ (34,140,685)
Public safety	53,250,043	7,017,406	2,883,532	-	(43,349,105)	-	(43,349,105)
Education	230,650,128	5,833,990	159,147,606	16,496,284	(49,172,248)	-	(49,172,248)
Public works	10,780,880	1,642,026	410,268	4,940,342	(3,788,244)	-	(3,788,244)
Health and human services	3,413,077	266,124	1,111,041	-	(2,035,912)	-	(2,035,912)
Culture and recreation	6,520,489	1,093,831	4,766,940	-	(659,718)	-	(659,718)
Interest expense	3,833,512	811,500	-	-	(3,022,012)	-	(3,022,012)
Total Governmental Activities	358,328,528	24,420,516	176,303,462	21,436,626	(136,167,924)	-	(136,167,924)
<i>Business-Type Activity:</i>							
Water and sewer	28,299,699	31,026,503	681,474	645,847	-	4,054,125	4,054,125
Total Business Type Activity	28,299,699	31,026,503	681,474	645,847	-	4,054,125	4,054,125
Total Primary Government	\$ 386,628,227	\$ 55,447,019	\$ 176,984,936	\$ 22,082,473	(136,167,924)	4,054,125	(132,113,799)
<b>General Revenues:</b>							
Real and personal property taxes					119,399,546	-	119,399,546
Motor vehicle and other excise					11,932,821	-	11,932,821
Penalties and interest on taxes					423,913	-	423,913
Grants and contributions not restricted to specific programs					11,405,631	-	11,405,631
Unrestricted investment income					4,368,631	347,594	4,716,225
Total General Revenues					147,530,542	347,594	147,878,136
<b>Transfers (net)</b>					(3,785,126)	3,785,126	-
Total General Revenues and Transfers					143,745,416	4,132,720	147,878,136
Change in Net Position					7,577,492	8,186,845	15,764,337
<b>Net Position:</b>							
Beginning of year as previously presented					(159,919,583)	36,882,992	(123,036,591)
Prior period adjustment: Correction of errors					(2,883,779)	(1,544,507)	(4,428,286)
Beginning of year as restated					(162,803,362)	35,338,485	(127,464,877)
End of year					\$ (155,225,870)	\$ 43,525,330	\$ (111,700,540)

See accompanying notes to basic financial statements.

**CITY OF REVERE, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	General	ARPA Grant Fund	City Capital Projects	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and short-term investments	\$ 29,247,832	\$ 3,887,705	\$ 6,658,506	\$ 67,988,015	\$ 24,785,287	\$ 132,567,345
Investments	16,583,049	-	-	-	5,363,022	21,946,071
Receivables, net of allowance for uncollectibles:						
Real estate and personal property taxes	3,170,593	-	-	-	-	3,170,593
Tax, utility and other liens	3,459,269	-	-	-	-	3,459,269
Motor vehicle and other excise taxes	1,520,408	-	-	-	-	1,520,408
Parking tickets	406,213	-	-	-	-	406,213
Intergovernmental	-	-	-	14,514,824	4,489,020	19,003,844
Due from other funds	1,750,335	-	-	-	-	1,750,335
Tax foreclosures	202,263	-	-	-	-	202,263
<b>Total Assets</b>	<u>56,339,962</u>	<u>3,887,705</u>	<u>6,658,506</u>	<u>82,502,839</u>	<u>34,637,329</u>	<u>184,026,341</u>
<b>Total Deferred Outflows of Resources</b>	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 56,339,962</u>	<u>\$ 3,887,705</u>	<u>\$ 6,658,506</u>	<u>\$ 82,502,839</u>	<u>\$ 34,637,329</u>	<u>\$ 184,026,341</u>
<b>Liabilities:</b>						
Warrants and accounts payable	\$ 3,984,287	\$ 589,587	\$ 365,417	\$ 5,695,723	\$ 4,044,244	\$ 14,679,258
Retainage payable	-	-	477,242	-	-	477,242
Tax refunds payable	1,242,500	-	-	-	-	1,242,500
Unearned revenue	-	3,298,118	-	-	-	3,298,118
Other liabilities	-	-	-	-	219,331	219,331
Bond anticipation notes payable	-	-	-	79,273,010	-	79,273,010
Due to other funds	-	-	-	-	1,750,335	1,750,335
<b>Total Liabilities</b>	<u>5,226,787</u>	<u>3,887,705</u>	<u>842,659</u>	<u>84,968,733</u>	<u>6,013,910</u>	<u>100,939,794</u>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenues - property taxes	6,832,125	-	-	-	-	6,832,125
Unavailable revenues - excise	1,520,408	-	-	-	-	1,520,408
Unavailable revenues - other	406,213	-	-	-	-	406,213
<b>Total Deferred Inflows of Resources</b>	<u>8,758,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,758,746</u>
<b>Fund Balances:</b>						
Restricted	-	-	5,815,847	-	29,513,321	35,329,168
Assigned	24,845,330	-	-	-	-	24,845,330
Unassigned	17,509,099	-	-	(2,465,894)	(889,902)	14,153,303
<b>Total Fund Balances</b>	<u>42,354,429</u>	<u>-</u>	<u>5,815,847</u>	<u>(2,465,894)</u>	<u>28,623,419</u>	<u>74,327,801</u>
<b>Total Liabilities, Deferred Inflows of Resources,     and Fund Balances</b>	<u>\$ 56,339,962</u>	<u>\$ 3,887,705</u>	<u>\$ 6,658,506</u>	<u>\$ 82,502,839</u>	<u>\$ 34,637,329</u>	<u>\$ 184,026,341</u>

See accompanying notes to basic financial statements.

**CITY OF REVERE, MASSACHUSETTS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

	Total
<b>Total Governmental Fund Balances</b>	<b>\$ 74,327,801</b>
Capital assets and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	270,731,841
Assets and liabilities of the City's internal service funds are included in the Statement of Net Position, but are not reported in the governmental funds.	3,213,906
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	8,758,746
Deferred outflows and inflows of resources to be recognized in future years' expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net other postemployment benefits liability	44,483,615
Deferred outflows related to net pension liability	7,791,184
Deferred inflows related to net other postemployment benefits liability	(37,512,856)
Deferred inflows related to net pension liability	(854,726)
Net effect of reporting deferred outflows and inflows of resources	13,907,217
In the Statement of Net Position, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(1,645,047)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the government funds:	
Bonds and notes payable	(113,349,755)
Unamortized bond premium	(5,772,419)
Workmen's compensation	(501,676)
Compensated absences	(5,625,831)
Net pension liability	(77,900,017)
Net other postemployment benefits liability	(321,370,636)
Net effect of reporting long-term liabilities	(524,520,334)
<b>Net Position of Governmental Activities</b>	<b>\$ (155,225,870)</b>

See accompanying notes to basic financial statements.

**CITY OF REVERE, MASSACHUSETTS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2025**

	General	ARPA Grant Fund	City Capital Projects	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Real estate and personal property taxes, net	\$ 117,964,774	\$ -	\$ -	\$ -	\$ -	\$ 117,964,774
Intergovernmental	135,911,625	6,306,423	-	16,496,284	36,221,265	194,935,597
Motor vehicle and other excise	11,880,558	-	-	-	-	11,880,558
Licenses and permits	3,717,957	-	-	-	-	3,717,957
Departmental and other	3,507,129	-	-	-	14,958,498	18,465,627
Penalties and interest on taxes	423,913	-	-	-	-	423,913
Fines and forfeitures	2,283,552	-	-	-	-	2,283,552
Interest and investment income	3,671,224	-	1,568	46,695	257,496	3,976,983
Contributions and donations	-	-	-	-	1,837,051	1,837,051
<b>Total Revenues</b>	<u>279,360,732</u>	<u>6,306,423</u>	<u>1,568</u>	<u>16,542,979</u>	<u>53,274,310</u>	<u>355,486,012</u>
<b>Expenditures:</b>						
Current:						
General government	12,090,887	2,568,602	34,139	-	4,130,505	18,824,133
Public safety	32,904,975	-	4,621,537	-	5,029,563	42,556,075
Education	132,638,260	-	-	21,869,452	34,576,454	189,084,166
Public works	6,248,801	-	2,155,113	-	10,001,553	18,405,467
Health and human services	2,081,708	-	-	-	367,860	2,449,568
Culture and recreation	2,067,357	-	130,433	-	3,235,019	5,432,809
Pension benefits	36,826,839	-	-	-	-	36,826,839
Employee benefits	22,540,973	-	-	-	-	22,540,973
State and county tax assessments	19,170,234	-	-	-	-	19,170,234
Debt service:						
Principal	5,347,036	-	-	-	-	5,347,036
Interest expense	4,071,445	-	-	-	-	4,071,445
<b>Total Expenditures</b>	<u>275,988,515</u>	<u>2,568,602</u>	<u>6,941,222</u>	<u>21,869,452</u>	<u>57,340,954</u>	<u>364,708,745</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,372,217</u>	<u>3,737,821</u>	<u>(6,939,654)</u>	<u>(5,326,473)</u>	<u>(4,066,644)</u>	<u>(9,222,733)</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in	543,000	-	226,640	335,581	6,288,194	7,393,415
Transfers out	(6,335,499)	(3,737,821)	(335,581)	-	(769,640)	(11,178,541)
Issuance of bonds	-	-	6,299,000	-	-	6,299,000
Bond premiums	-	-	196,639	-	-	196,639
<b>Total Other Financing Sources (Uses)</b>	<u>(5,792,499)</u>	<u>(3,737,821)</u>	<u>6,386,698</u>	<u>335,581</u>	<u>5,518,554</u>	<u>2,710,513</u>
<b>Net Change in Fund Balance</b>	<u>(2,420,282)</u>	<u>-</u>	<u>(552,956)</u>	<u>(4,990,892)</u>	<u>1,451,910</u>	<u>(6,512,220)</u>
Fund Balances - Beginning of year as previously reported	44,607,215	-	4,278,895	-	28,397,878	77,283,988
Change within financial reporting entity (nonmajor to major)	-	-	-	2,524,998	(2,524,998)	-
Prior period adjustment: Correction of errors	167,496	-	2,089,908	-	1,298,629	3,556,033
Fund Balances - Beginning of year as restated	<u>44,774,711</u>	<u>-</u>	<u>6,368,803</u>	<u>2,524,998</u>	<u>27,171,509</u>	<u>80,840,021</u>
Fund Balances - Ending	<u>\$ 42,354,429</u>	<u>\$ -</u>	<u>\$ 5,815,847</u>	<u>\$ (2,465,894)</u>	<u>\$ 28,623,419</u>	<u>\$ 74,327,801</u>

See accompanying notes to basic financial statements.

CITY OF REVERE, MASSACHUSETTS

**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, 2025**

	Total
<b>Net Change in Fund Balances - Total Governmental Fund Balances</b>	<b>\$ (6,512,220)</b>
<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. The net amounts are reflected here as reconciling items:</p>	
Capital outlays	\$ 33,516,565
Depreciation expense	<u>(11,540,790)</u>
Net effect of reporting capital assets	21,975,775
<p>In the Statement of Activities, Internal Service Funds established to administer the City's health insurance costs are included within the activity; whereas, these activities are not presented in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>	
	(727,946)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are amortized in the Statement of Activities. The net amount presented here as a reconciling item represents the following differences:</p>	
Proceeds from direct debt issuances	(6,299,000)
Amortization of bond premiums	614,047
Proceeds from bond premiums	(326,844)
Repayments of debt	<u>5,347,036</u>
Net effect of reporting long-term debt	(664,761)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	1,570,620
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt; whereas in governmental funds interest is not reported until due. The net amount presented here as a reconciling item represents the difference in accruals between this year and the prior year.</p>	
	(376,114)
<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>	
Compensated absences	(278,831)
Workmen's compensation	338,324
Other postemployment benefits	(11,164,402)
Pension benefits	<u>3,417,047</u>
Net effect of reporting long-term liabilities	<u>(7,687,862)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 7,577,492</u></b>

See accompanying notes to basic financial statements.

CITY OF REVERE, MASSACHUSETTS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2025

	Business-Type Activity	Governmental Activity
	Water and Sewer Enterprise Fund	Internal Service Fund
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 10,303,751	\$ 3,030,541
Investments	4,514,845	-
User fees, net of allowance for uncollectibles	8,328,856	-
Intergovernmental	3,340,396	-
Stop loss reimbursements	-	974,396
Prepaid insurance	-	146,401
Total current assets	<u>26,487,848</u>	<u>4,151,338</u>
Noncurrent assets:		
Working capital deposit	-	4,678,100
Capital assets not being depreciated	11,505,045	-
Capital assets, net of depreciation	145,402,880	-
Total noncurrent assets	<u>156,907,925</u>	<u>4,678,100</u>
<b>Total Assets</b>	<u>183,395,773</u>	<u>8,829,438</u>
<b>Deferred Outflows of Resources:</b>		
Related to net other postemployment benefits liability	966,410	-
Related to net pension liability	264,459	-
<b>Total Deferred Outflows of Resources</b>	<u>1,230,869</u>	<u>-</u>
<b>Liabilities:</b>		
Current liabilities:		
Warrants and accounts payable	\$3,484,865	\$3,439,494
Accrued interest expense	1,267,912	-
Health claims incurred but not reported	-	2,176,038
Bond anticipation notes payable	5,948,252	-
Compensated absences	59,000	-
Current portion of debt and premiums	7,093,908	-
Total current liabilities	<u>17,853,937</u>	<u>5,615,532</u>
Noncurrent liabilities:		
Net other postemployment benefits liability	6,981,799	-
Net pension liability	2,644,188	-
Noncurrent portion of debt and premiums	112,777,407	-
Total noncurrent liabilities	<u>122,403,394</u>	<u>-</u>
<b>Total Liabilities</b>	<u>140,257,331</u>	<u>5,615,532</u>
<b>Total Deferred Inflows of Resources:</b>		
Related to net other postemployment benefits liability	814,969	-
Related to net pension liability	29,012	-
<b>Total Deferred Inflows of Resources</b>	<u>843,981</u>	<u>-</u>
<b>Net Position:</b>		
Net investment in capital assets	31,445,074	-
Unrestricted	12,080,256	3,213,906
<b>Total Net Position</b>	<u>\$ 43,525,330</u>	<u>\$ 3,213,906</u>

See accompanying notes to basic financial statements.

**CITY OF REVERE, MASSACHUSETTS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Business-Type Activity</u>	<u>Governmental Activities</u>
	<u>Water and Sewer Enterprise Fund</u>	<u>Internal Service Fund</u>
<b>Operating Revenues:</b>		
Charges for services	\$ 31,026,503	\$ -
Employer and employee contributions	-	37,913,015
Other income	1,327,321	-
<b>Total Operating Revenues</b>	<u>32,353,824</u>	<u>37,913,015</u>
<b>Operating Expenses:</b>		
Operating costs	19,256,551	-
Employee benefits	-	39,032,609
Depreciation	6,485,330	-
<b>Total Operating Expenses</b>	<u>25,741,881</u>	<u>39,032,609</u>
<b>Operating Income</b>	<u>6,611,943</u>	<u>(1,119,594)</u>
<b>Nonoperating Revenues (Expenses):</b>		
Interest income	347,594	391,648
Interest expense	(2,557,818)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(2,210,224)</u>	<u>391,648</u>
<b>Income Before Capital Contributions</b>	4,401,719	(727,946)
Transfers in	3,785,126	-
<b>Change in Net Position</b>	<u>8,186,845</u>	<u>(727,946)</u>
Net Position - Beginning of year as previously reported	36,882,992	5,243,429
Prior period adjustment: Correction of errors	(1,544,507)	(1,301,577)
Net Position - Beginning of year as restated	35,338,485	3,941,852
<b>Total Net Position - Ending</b>	<u>\$ 43,525,330</u>	<u>\$ 3,213,906</u>

See accompanying notes to basic financial statements.

CITY OF REVERE, MASSACHUSETTS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activity	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Fund
<b>Cash Flows from Operating Activities:</b>		
Receipts from users	\$ 28,596,736	\$ -
Employee contributions	-	36,252,341
Other revenues	1,327,321	-
Payments to vendors and employees	(17,306,476)	-
Payments for interfund services used	-	(39,820,726)
	<u>12,617,581</u>	<u>(3,568,385)</u>
Net Cash Provided by (Used for) Operating Activities		
<b>Cash Flows from Noncapital Financing Activities:</b>		
Working capital deposit increases	-	(957,900)
Transfers in	3,785,126	-
	<u>3,785,126</u>	<u>(957,900)</u>
Net Cash Provided By (Used for) Noncapital Financing Activities		
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from issuance of bonds	12,486,152	-
Acquisition and construction of capital assets	(18,606,594)	-
Principal payments on bonds and notes	(6,501,521)	-
Interest expense	(2,655,493)	-
	<u>(15,277,456)</u>	<u>-</u>
Net Cash (Used for) Capital and Related Financing Activities		
<b>Cash Flows from Investing Activities:</b>		
Sales of investments (net)	130,940	4,746,468
Interest income	347,594	391,648
	<u>478,534</u>	<u>5,138,116</u>
Net Cash Provided by Investing Activities		
	1,603,785	611,831
<b>Net Change in Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents:</b>		
Beginning of year	8,699,966	2,418,710
End of year	<u>\$ 10,303,751</u>	<u>\$ 3,030,541</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used in) By Operating Activities:</b>		
Operating income	\$ 6,611,943	\$ (1,119,594)
Depreciation	6,485,330	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Receivables	(2,429,767)	(579,139)
Prepaid expenses		(146,401)
Deferred outflows of resources	90,272	-
Warrants and accounts payable	1,875,906	(1,149,859)
Accrued payroll and withholdings	(52,735)	-
Other liabilities	-	(1,081,535)
Health claims incurred but not reported	-	508,143
Net other postemployment benefits liability	284,547	-
Net pension liability	(382,812)	-
Deferred inflows of resources	134,897	-
	<u>\$ 12,617,581</u>	<u>\$ (3,568,385)</u>
Net Cash Provided by (Used in) Operating Activities		

See accompanying notes to basic financial statements.

**CITY OF REVERE, MASSACHUSETTS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2025**

	Pension and Other Employee Benefit Trust Funds (1)	Asset Forfeiture	Private Purpose Trust Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 2,546,403	\$ 211,950	\$ 13,288
Investments at fair value:			
U.S. government and agencies	478,598	-	-
Corporate bonds	331,678	-	-
Equity securities	1,379,655	-	-
Fixed income mutual funds	270,578	-	-
State Treasurer investment pool - PRIT	270,389,117	-	-
Total Investments	<u>272,849,626</u>	<u>-</u>	<u>-</u>
Receivables:			
Other	25,714	-	-
Total Receivables	<u>25,714</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>275,421,743</u>	<u>211,950</u>	<u>13,288</u>
<b>Net Position:</b>			
Restricted for pensions	272,924,727	-	-
Restricted for other postemployment benefits	2,497,016	-	-
Restricted for other purposes	-	211,950	-
Restricted for private purposes	-	-	13,288
<b>Total Net Position</b>	<u>\$ 275,421,743</u>	<u>\$ 211,950</u>	<u>\$ 13,288</u>

(1) The pension trust is presented for the year ended December 31, 2024.

See accompanying notes to basic financial statements.

CITY OF REVERE, MASSACHUSETTS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2025**

	Pension and Other Employee Benefit Trust Funds (1)	Asset Forfeiture	Private Purpose Trust Funds
<b>Additions</b>			
Contributions:			
Employer	29,006,031	\$ -	\$ -
Employee	5,773,069	-	-
Other contributions	1,105,634	-	6,208
Total contributions	35,884,734	-	6,208
Investment earnings:			
Interest and dividends	6,872,777	1,156	300
Net appreciation in fair value of investments	16,723,411	-	-
Less - management fees	(1,241,004)	-	-
Net investment income	22,355,184	1,156	300
Other income	50,902	71,115	-
Total Additions	58,290,820	72,271	6,508
<b>Deductions</b>			
Benefit payments to retirees and beneficiaries	30,485,640	-	-
Member refunds	304,330	-	-
Transfers and reimbursements to other systems	1,072,874	-	-
Payroll expenses of the System	257,742	-	-
Other administrative expenses	177,913	-	-
Health and human services	-	-	15,000
Scholarships	-	-	-
Total Deductions	32,298,499	-	15,000
<b>Change in Net Position</b>	25,992,321	72,271	(8,492)
<b>Net Position - Beginning of Year</b>	249,429,422	139,679	21,780
<b>Net Position - End of Year</b>	\$ 275,421,743	\$ 211,950	\$ 13,288

(1) The pension trust is presented as of December 31, 2024.

See accompanying notes to basic financial statements.

## CITY OF REVERE, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025

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#### I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the City:

##### A. Reporting Entity

The City is located in Suffolk County, five miles to the northeast of the City of Boston. It was settled in 1630, first incorporated as a Town in 1846, first named as Revere in 1871 and subsequently incorporated as a City in 1914. The City is governed by a Mayor and an eleven-member elected City Council. The City provides governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, water and sewer services, street maintenance, parks and recreational facilities. The water and sewer services are provided via connections to the Massachusetts Water Resources Authority. These services are funded almost entirely with user charges.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the City meet certain criteria.

The entity discussed below is included in the City's reporting entity because of the significance of its operations or financial relationships with the City.

*Revere Contributory Retirement System* – The System was established to provide retirement benefits to City employees, the Revere Housing Authority employees and their beneficiaries. While legally separate, the System provides services almost entirely to the City 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 annual financial report that may be obtained by contacting the System at 14 Yeamans Street, Revere, Massachusetts.

The City is a member community of the Northeast Metropolitan Regional Vocational Technical School District that provides educational services to twelve area communities. This joint venture assesses each community its share of operational and debt service costs based on student population and other factors. In fiscal year 2025, the City's share of the operating and debt service expenses was \$3,285,660. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the District's administrative office located at 100 Hemlock Road, Wakefield, Massachusetts 01880.

The City is a member community of the Metro North Regional Emergency Communications Center (Center) that provides for the operations and maintenance of a regional public safety communications and dispatch center. This joint venture assesses each community its share of

operational and debt service costs based on resident population and other factors. In fiscal year 2025, the City's share of the operating and debt service expenses was \$1,206,046. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the Center's offices located at 400 Revere Beach Parkway, Revere, Massachusetts 02151.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least ten percent of the corresponding element (assets and deferred outflows, liabilities and deferred inflows, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five 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.

## **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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 a liability is incurred. 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 are met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to

customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available* when they are 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, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The City considers property tax revenues to be available if they are collected within 60 days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major Governmental Funds:

*General Fund* – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

*ARPA Grant Fund* – is used to account for activities of the City’s ARPA federal grant program.

*City Capital Projects Fund* – is used to account for the accumulation of resources for various non-School capital projects throughout the City.

*School Capital Projects Fund* – is used to account for the accumulation of resources for various School capital projects throughout the City.

*Nonmajor Governmental Funds* – consist of other special revenue, and permanent funds that are aggregated and presented in the Nonmajor Governmental Funds column on the Governmental Funds financial statements. The following describes the general use of these fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for education related capital outlays.

The Permanent Fund is used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major proprietary fund:

*Water and Sewer Enterprise Fund* – is used to account for the City's water and sewer department activities.

Additionally, the following proprietary fund type is reported:

*Internal Service Fund* – is used to account for the financing of services provided to one department to other departments or governmental units. This fund is used to account for risk financing activities related to the City's self-insured health insurance activities.

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

The government reports the following fiduciary funds:

*Pension and Other Employee Benefit Trust Funds* – is used to account for the activities of the System, which accumulates resources for pension benefits to retired City employees and to accumulate funds for future payments of other postemployment benefits for retirees, such as health and life insurance.

*Private-Purpose Trust Fund* – is used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. This fund is primarily used for educational scholarships.

*Asset Forfeiture Custodial Fund* – is used to account for fiduciary activities that are not required to be reported in pension and other postemployment benefit trust funds or private purpose trust funds. The City uses the custodial fund to account for asset forfeiture funds held for other governments.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

*Deposits and Investments* – The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City and System are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy. Real estate taxes and water and sewer user fees are secured through a lien process within six months after the close of the valuation year and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include land, land improvements, books and periodicals, buildings and improvements, machinery and equipment, vehicles and infrastructure (e.g. roads, water and sewer mains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported as acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated/amortized by the City on a straight-line basis.

The estimated useful lives of capital assets being depreciated/amortized are as follows:

Buildings and improvements	20-40 years
Machinery, equipment and vehicles	5-20 years
Infrastructure	30-75 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

*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 in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as *transfers, net*.

*Investment Income* – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is retained in the respective funds.

*Compensated Absences* – It is the City’s policy to permit employees to accumulate earned but unused vacation, sick and compensatory time. Unused vacation and compensatory time is accrued when it is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. Sick leave is accumulated in various rates based on individual collective bargaining agreements and is accrued only to the extent that leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. It is assumed that when sick leave is taken the leave hours earned last are the first ones utilized or paid. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are estimated and recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

*Long-term Obligations* – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight line and effective interest methods.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that are reported on the government-wide statement of net position which relate to outflows from deferred charges on refunding, changes in the net pension liability and other postemployment benefits liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A and the deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future periods and so

will not be recognized as an inflow of resources (revenue) until that time. The City has three items that are reported as deferred inflows of resources. The first arises only under a modified accrual basis of accounting and, accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, excise and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are reported on the government-wide statement of net position and relate to inflows from changes in the net pension liability and the net other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

*Net Position* – In the government-wide financial statements, 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 related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted for* the following:

*Expendable permanent funds* represent the portion of donor restricted trusts that may be spent to support governmental programs.

*Capital* represents assets that are restricted by law for capital outlays.

*Revolving funds* represents assets that are restricted by state law for specific government purposes.

*Federal and State grants* represent assets that have restrictions placed on them from federal and state granting agencies.

*Reserved for appropriation* represents assets that are required to be held by state law for specific government purposes.

*Debt service* represents assets that are restricted by law for debt service.

*Fund Balance* – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily to the extent in which the City is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

*Nonspendable* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

*Restricted* represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the

City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* represents amounts that can only be used for specific purposes pursuant to formal action of the City Council through City Council Orders, which represent the most binding constraint that give rise to committed fund balance. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (through City Council Orders) it employed previously to commit those amounts.

*Assigned* represents amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Through the City's by-laws, the City Auditor has the authority to assign fund balance.

*Unassigned* represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a *negative* unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

*Stabilization Fund* – The City maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for any municipal purpose upon a two-thirds vote of the City Council. Additions to the fund require a majority vote of the City Council. The balance of the fund totals \$11,469,505 at June 30, 2025 and is reported as unassigned fund balance in the General Fund.

The City also maintains three individual special purpose stabilization funds, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for various municipal purposes upon a two-thirds vote of the City Council. Additions to these funds require a majority vote of the City Council. The balance of these funds total \$933,972 at June 30, 2025 and are reported as unassigned fund balance in the General Fund.

*Encumbrances* – The City's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the City Auditor as assigned, and (2) classify encumbrances that result from an action of the City Council as committed. Encumbrances of funds already restricted, or committed are included within the classification of those fund balances and not reported separately. The City reports \$24,845,330 of encumbrances from normal purchasing activity in the general fund as assigned. There are no encumbrances reported in any other fund.

The following table reflects the City's fund balance categorizations:

	General	City Capital Projects	School Capital Projects	Nonmajor Governmental Funds	Total
Restricted:					
City federal and state grants	\$ -	\$ -	\$ -	\$ 3,507,428	\$ 3,507,428
School federal and state grants	-	-	-	5,634,045	5,634,045
Receipts reserved for appropriation	-	-	-	2,742,634	2,742,634
City revolving funds	-	-	-	3,468,129	3,468,129
School revolving funds	-	-	-	7,359,039	7,359,039
Debt service fund	-	-	-	1,033,566	1,033,566
Trash revolving fund	-	-	-	456,139	456,139
Other	-	-	-	364,373	364,373
Capital outlay - roadways	-	1,709,464	-	-	1,709,464
Capital outlay - fire	-	3,686,979	-	-	3,686,979
Capital outlay - other	-	419,404	-	-	419,404
Community land development trust	-	-	-	1,621,385	1,621,385
Affordable housing trust funds	-	-	-	913,996	913,996
Revere High School development trust	-	-	-	1,689,097	1,689,097
Other trust funds	-	-	-	723,490	723,490
Assigned:					
General government	1,577,535	-	-	-	1,577,535
Education	21,785,561	-	-	-	21,785,561
Highway	245,118	-	-	-	245,118
Other purposes	1,237,116	-	-	-	1,237,116
Unassigned	17,509,099	-	(2,465,894)	(889,902)	14,153,303
	<u>\$ 42,354,429</u>	<u>\$ 5,815,847</u>	<u>\$(2,465,894)</u>	<u>\$ 28,623,419</u>	<u>\$ 74,327,801</u>

#### E. Excess of Expenditures Over Appropriations and Deficits

During the fiscal year ended, expenditures exceeded appropriations in the General Fund for state and county assessments by \$546,510. This over-expenditure was be funded with available funds during the fiscal year.

The City incurred a fund deficit in its School Capital Projects Major Fund totaling \$2,465,894. The City also incurred fund deficits totaling \$889,902 in the nonmajor governmental funds. These deficits will be funded in future fiscal years with bond proceeds, grants, contributions or available funds.

#### F. Use of Estimates

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.

## II. Detailed Notes to All Funds

### A. Deposits 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 trust funds are held separately from those of other funds. State laws and regulations require the City to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool (the Pool). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the City did not enter into any repurchase agreements.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (the 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.

#### *Primary Government (City)*

Custodial Credit Risk: Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's investment policy states that safety, liquidity and yield are the most important attributes when deciding on which financial institutions to deposit funds with. These guidelines are intended to further the objective of securing the highest return that is consistent with the safety principal while meeting the daily cash requirements of the City. The Treasurer also subscribes to a bank rating service to assist in the determination of which banks to place deposits with. At year-end, the City's carrying amount of deposits totaled \$36,329,088 and the bank balance totaled \$42,829,412. Of the City's bank balance, \$22,716,628 was insured by federal depository insurance or the depositors insurance fund, \$18,340,650 was collateralized and the remainder was subject to custodial credit risk as uninsured and uncollateralized.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the City may not be able to recover the full amount of its principal investment and/or investment earnings. The City's policy is to engage only those institutions with proven financial strength, capital adequacy and overall affirmative reputation in the municipal industry. The City's investments in debt securities and equity securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

Fair Value of Investments – The City reports its investments at fair value. When actively quoted observable prices are not available, the City generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the City’s best estimate of what market participants would use in pricing the investment at the measurement date.

The following table presents the City’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2025:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments by fair value level</b>				
Debt securities:				
U.S. Government obligations	\$ 5,635,098	\$ 4,624,540	\$ 1,010,558	\$ -
Corporate bonds	4,260,277	-	4,260,277	-
Fixed income ETF	1,618,817	-	1,618,817	-
International fixed income	43,517	-	43,517	-
Fixed income mutual funds	227,061	-	227,061	-
Negotiable CD's	11,098,825	-	11,098,825	-
Total debt securities	22,883,595	4,624,540	18,259,055	-
Equity securities:				
Common stock	5,844,379	5,844,379	-	-
International equity securities	193,451	-	193,451	-
Total equity securities	6,037,830	5,844,379	193,451	-
Total investments by fair value level	28,921,425	<u>\$ 10,468,919</u>	<u>\$ 18,452,506</u>	<u>\$ -</u>
<b>Investments measured at amortized cost</b>				
MMDT	109,742,227			
Money market mutual fund	92,067			
Total investments	<u>\$ 138,755,719</u>			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Corporate bonds, U.S. government obligations, fixed income ETF’s and mutual funds, negotiable CD’s and equity securities classified in Level 2 are valued using matrix pricing based on the securities’ relationship to benchmark quoted prices.

The State Treasurer’s investment pool (MMDT) is valued at amortized cost. The MMDT’s investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool. There are no restrictions or limits on withdrawals from the pool and no direct fees are charged to participants.

Interest Rate Risk – The City’s investment policy manages interest rate risk by managing the duration in the investment accounts.

At June 30, 2025, the City's investments had the following maturities:

Investments	Fair Value	Maturities in Years		
		Less than 1	1 - 5	6 - 10
U.S. Government obligations	\$ 5,635,098	\$ 869,231	\$ 3,941,002	\$ 824,865
Corporate bonds	4,260,277	391,630	3,564,894	303,753
Negotiable CD's	11,098,825	11,098,825	-	-
MMDT	109,742,227	109,742,227	-	-
Total investments with maturities	<u>\$ 130,736,427</u>	<u>\$ 122,101,913</u>	<u>\$ 7,505,896</u>	<u>\$ 1,128,618</u>

Credit Risk – The City's policy for credit risk is to purchase investment grade securities with a high concentration in securities rated A or better at the time of purchase. The policy does not limit the amount of U.S. Treasury and U.S. Government agency obligations.

At June 30, 2025, the credit quality ratings of investments were as follows:

Quality Ratings (Moody's)	U.S. Government		Totals
	Agencies & Treasuries	Corporate Bonds	
AAA	\$ -	\$ 353,668	\$ 353,668
Aa1	5,635,098	-	5,635,098
Aa2	-	67,949	67,949
Aa3	-	411,138	411,138
A1	-	663,506	663,506
A2	-	748,771	748,771
A3	-	485,596	485,596
Baa1	-	296,206	296,206
Baa2	-	1,092,742	1,092,742
Baa3	-	140,701	140,701
Totals - All	<u>\$ 5,635,098</u>	<u>\$ 4,260,277</u>	<u>\$ 9,895,375</u>

The City's investments in negotiable certificates of deposit and MMDT are unrated.

Concentration of Credit Risk – The City's policy for concentration of credit risk is to diversify the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City limits the amount invested in a single corporate issuer, with the exception of the U.S. Government and its agencies, to 5% of the portfolio value. As of year-end, there were no investments in such securities that exceed 5% of the portfolio value.

### ***The System***

Massachusetts General Laws Chapter 32 and PERAC regulations require the System to invest funds only in pre-approved investment instruments, which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, certain corporate bonds and equities and investment pools.

The System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee and provides regulatory insight. The reported value of the pool is the same as the fair value of the System's position in pool shares.

Custodial Credit Risk: Deposits – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System's policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation ("FDIC") insurance coverage for the first \$250,000 of deposits held at each financial institution. At December 31, 2024, the carrying amount of the System's bank deposits totaled \$2,509,896 and the bank balances totaled \$2,727,735. Of the System's bank balance, \$500,000 was covered by FDIC or other depository insurance and the remainder was uncollateralized.

Investments – The System's investments at December 31, 2024 totaling \$270,389,117 were invested entirely in PRIT. Investments in PRIT are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of the Pool's shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

Interest Rate Risk: Investments – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System's investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Credit Risk: Investments – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The Systems' investments in PRIT are unrated.

Concentration of Credit Risk – The System did not have any investments that were subject to concentration of credit risk.

**B. Receivables**

Receivables as of year-end for the City's major governmental funds, non-major governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Receivables:			
Real estate and personal property taxes	\$ 3,255,176	\$ (84,583)	\$ 3,170,593
Tax liens	3,459,269	-	3,459,269
Excise	2,156,553	(636,145)	1,520,408
Other departmental	2,451,210	(1,070,601)	1,380,609
Intergovernmental	19,003,844	-	19,003,844
Total	<u>\$ 30,326,052</u>	<u>\$ (1,791,329)</u>	<u>\$ 28,534,723</u>

Receivables as of year-end for City's water and sewer enterprise fund are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Receivables:			
User fees	\$ 8,328,856	\$ -	\$ 8,328,856
Intergovernmental	3,340,396	-	3,340,396
Total	<u>\$ 11,669,252</u>	<u>\$ -</u>	<u>\$ 11,669,252</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. The following identifies the components of deferred inflows of resources in the governmental funds:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Receivable and other asset type:			
Real estate and personal property taxes	\$ 3,170,593	\$ -	\$ 3,170,593
Tax liens	3,459,269	-	3,459,269
Excise	1,520,408	-	1,520,408
Other departmental	406,213	-	406,213
Tax foreclosures	202,263	-	202,263
Total	<u>\$ 8,758,746</u>	<u>\$ -</u>	<u>\$ 8,758,746</u>

**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances at June 30, 2025 is as follows:

Receivable Fund	Payable Funds	Amount
General Fund	Nonmajor Governmental Funds - Highway Improvements Grant Fund	\$ 644,473
General Fund	Nonmajor Governmental Funds - Community Development Grants Fund	386,511
General Fund	Nonmajor Governmental Funds - Coronavirus Relief Fund	719,351
Total		<u>\$ 1,750,335</u>

The outstanding balances between funds result mainly from the timing difference between the dates that (1) reimburseable expenditures occur, (2) the intergovernmental reimbursements are received and (3) the payments to the general fund are made.

The composition of interfund transfers for the fiscal year ended June 30, 2025 is as follows:

Transfers Out	Transfers In					Total
	General Fund	City Capital Projects Fund	School Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Enterprise	
General Fund	\$ -	\$ -	\$ -	\$ 6,288,194	\$ 47,305	\$ 6,335,499 (1)
ARPA Grant Fund	-	-	-	-	3,737,821	3,737,821 (2)
City Capital Projects Fund	-	-	335,581	-	-	335,581 (3)
Nonmajor Governmental Funds	543,000	226,640	-	-	-	769,640 (4)
Total	<u>\$ 543,000</u>	<u>\$ 226,640</u>	<u>\$ 335,581</u>	<u>\$ 6,288,194</u>	<u>\$ 3,785,126</u>	<u>\$ 11,178,541</u>

- (1) Transfer to subsidize trash and other minor revolving funds.
- (2) Transfer to subsidize water and sewer infrastructure.
- (3) Transfers to repurpose City capital to School capital.
- (4) Transfers to subsidize appropriations in the general fund and City capital.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Governmental Activities:</u></i>				
Capital assets not being depreciated:				
Land	\$ 38,776,910	\$ -	\$ -	\$ 38,776,910
Construction in progress	35,127,176	26,485,229	-	61,612,405
Total capital assets not being depreciated	<u>73,904,086</u>	<u>26,485,229</u>	<u>-</u>	<u>100,389,315</u>
Capital assets being depreciated:				
Buildings and improvements	284,327,485	2,890,985	-	287,218,470
Machinery and equipment	33,428,684	1,938,540	(37,811)	35,329,413
Infrastructure	* 57,976,358	2,201,811	-	60,178,169
Total capital assets being depreciated	<u>375,732,527</u>	<u>7,031,336</u>	<u>(37,811)</u>	<u>382,726,052</u>
Less accumulated depreciation for:				
Buildings and improvements	(149,541,960)	(6,460,380)	-	(156,002,340)
Machinery and equipment	(26,711,878)	(2,410,126)	37,811	(29,084,193)
Infrastructure	* (24,626,709)	(2,670,284)	-	(27,296,993)
Total accumulated depreciation	<u>(200,880,547)</u>	<u>(11,540,790)</u>	<u>37,811</u>	<u>(212,383,526)</u>
Total capital assets being depreciated, net	<u>174,851,980</u>	<u>(4,509,454)</u>	<u>-</u>	<u>170,342,526</u>
Total governmental activities capital assets, net	<u>\$ 248,756,066</u>	<u>\$ 21,975,775</u>	<u>\$ -</u>	<u>\$ 270,731,841</u>

\* - As restated. See Note IV.

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-Type Activities: Water and Sewer</u></i>				
Capital assets not being depreciated:				
Construction in progress	\$ 11,505,045	\$ -	\$ -	\$ 11,505,045
Total capital assets not being depreciated	<u>11,505,045</u>	<u>-</u>	<u>-</u>	<u>11,505,045</u>
Capital assets being depreciated:				
Buildings and improvements	192,659	-	-	192,659
Machinery and equipment	9,352,021	1,179,258	-	10,531,279
Infrastructure	* 163,219,032	17,427,336	-	180,646,368
Total capital assets being depreciated	<u>172,763,712</u>	<u>18,606,594</u>	<u>-</u>	<u>191,370,306</u>
Less accumulated depreciation for:				
Buildings and improvements	(184,095)	(2,833)	-	(186,928)
Machinery and equipment	(6,524,836)	(446,784)	-	(6,971,620)
Infrastructure	* (35,425,792)	(3,383,086)	-	(38,808,878)
Total accumulated depreciation	<u>(42,134,723)</u>	<u>(3,832,703)</u>	<u>-</u>	<u>(45,967,426)</u>
Total capital assets being depreciated, net	<u>130,628,989</u>	<u>14,773,891</u>	<u>-</u>	<u>145,402,880</u>
Total business-type activities capital assets, net	<u>\$ 142,134,034</u>	<u>\$ 14,773,891</u>	<u>\$ -</u>	<u>\$ 156,907,925</u>

\* - As restated. See Note IV.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$ 1,563,395
Public safety	1,985,593
Education	5,746,288
Public works	2,098,945
Health and human services	9,210
Culture and recreation	137,359
	<u>\$ 11,540,790</u>

Business-Type Activities:

Water and sewer	<u>\$ 3,832,703</u>
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**E. Temporary Debt**

The City is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to collection of revenues, expenditures may be financed through the issuance of revenue or tax anticipation notes (RANS or TANS).

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the City and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively.

Temporary debt outstanding at June 30, 2025, are payable as follows:

Type	Interest Rate	Maturity Date	July 1, 2024	Additions	Retirements	June 30, 2025
<u>Governmental Activities:</u>						
BAN	4.00%	08/22/24	\$ 4,484,522	\$ -	\$ (4,484,522)	\$ -
BAN	4.00%	08/21/25	-	4,273,010	-	4,273,010
BAN	4.00%	06/10/26	-	75,000,000	-	75,000,000
Total Governmental Activities Notes			<u>4,484,522</u>	<u>79,273,010</u>	<u>(4,484,522)</u>	<u>79,273,010</u>
<u>Business-type Activities - Water and Sewer:</u>						
MCWT Interim Loan	0.00%	12/31/25	3,943,109	5,948,252	(3,943,109)	5,948,252
Total Business-type Activities Notes			<u>3,943,109</u>	<u>5,948,252</u>	<u>(3,943,109)</u>	<u>5,948,252</u>
<b>Total Notes Payable - All Funds</b>			<u>\$ 8,427,631</u>	<u>\$ 85,221,262</u>	<u>\$ (8,427,631)</u>	<u>\$ 85,221,262</u>

On August 21, 2025, the City issued bond anticipation notes totaling \$2,441,833, maturing on July 10, 2026 and paying interest at 4% per annum. The proceeds of the notes, along with \$1,831,177 of state school building authority reimbursements, were used to retire the BAN's maturing on August 21, 2025 noted above. The notes were issued for school capital purposes.

## H. Long-Term Debt

The City issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the City incurs various other long-term obligations relative to associated personnel costs.

State law permits a City, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5.0 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, a City may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

The following reflects the activity in the long-term liability accounts for the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 112,397,791	\$ 6,299,000	\$ (5,347,036)	\$ 113,349,755	\$ 5,737,042
Unamortized bond premium	6,059,622	326,844	(614,047)	5,772,419	562,365
Workers' compensation	840,000	-	(338,324)	501,676	250,838
Compensated absences, net	5,347,000	278,831	-	5,625,831	1,969,041
Net pension liability	89,178,000	20,712,742	(31,990,725)	77,900,017	-
Total other post-employment liability	308,273,013	66,581,418	(53,483,795)	321,370,636	-
<b>Total Governmental Activities</b>	<b>\$ 522,095,426</b>	<b>\$ 94,198,835</b>	<b>\$ (91,773,927)</b>	<b>\$524,520,334</b>	<b>\$ 8,519,286</b>
<i>Business-Type Activities - Water and Sewer:</i>					
General obligation bonds	\$ 15,510,000	\$ 1,500,000	\$ (557,500)	\$ 16,452,500	\$ 582,500
Unamortized bond premium	750,436	-	(48,515)	701,921	59,157
Notes from direct borrowings and placements *	97,674,763	10,986,152	(5,944,021)	102,716,894	6,452,251
Compensated absences, net	59,000	-	-	59,000	59,000
Net pension liability	3,027,000	703,382	(1,086,194)	2,644,188	-
Total other post-employment liability	6,697,252	1,446,486	(1,161,939)	6,981,799	-
<b>Total Business-Type Activities</b>	<b>\$ 123,718,451</b>	<b>\$ 14,636,020</b>	<b>\$ (8,798,169)</b>	<b>\$129,556,302</b>	<b>\$ 7,152,908</b>

\* As restated. See Note IV.

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

The following is a summary of outstanding long-term debt obligations as of June 30, 2025:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<i>Governmental Activities:</i>					
General Obligation Bonds	2.00 - 5.00%	\$ 93,897,791	\$ 6,299,000	\$ (3,837,036)	\$ 96,359,755
General Obligation Refunding Bonds	2.00 - 5.00%	18,500,000	-	(1,510,000)	16,990,000
Total General Obligation Bonds		112,397,791	6,299,000	(5,347,036)	113,349,755
Add: Unamortized bond premium		6,059,622	326,844	(614,047)	5,772,419
Total Governmental Activities debt		<u>\$118,457,413</u>	<u>\$ 6,625,844</u>	<u>\$ (5,961,083)</u>	<u>\$119,122,174</u>
<i>Business-Type Activities - Water and Sewer:</i>					
General Obligation Bonds	2.00 - 5.00%	\$ 15,510,000	\$ 1,500,000	\$ (557,500)	\$ 16,452,500
Add: Unamortized bond premium		750,436	-	(48,515)	701,921
Total General Obligation Bonds, net		16,260,436	1,500,000	(606,015)	17,154,421
Massachusetts Water Resources Authority	0.00%	4,793,998	1,567,850	(1,081,000)	5,280,848
Massachusetts Clean Water Trust	2.00 - 2.40% *	92,880,765	9,418,302	(4,863,021)	97,436,046
Total notes from direct borrowings and placements		97,674,763	10,986,152	(5,944,021)	102,716,894
Total Business-Type Activities debt		<u>\$113,935,199</u>	<u>\$ 12,486,152</u>	<u>\$ (6,550,036)</u>	<u>\$119,871,315</u>

\* As restated. See Note IV.

Payments on outstanding bond balances due in future years consist of the following:

Year Ending June 30,	<i>Governmental Activities</i>			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 5,737,042	\$ 4,386,958	\$ -	\$ -
2027	5,764,543	3,921,213	-	-
2028	5,974,542	3,657,073	-	-
2029	5,904,543	3,391,112	-	-
2030	5,454,542	3,146,994	-	-
2031-2035	24,829,543	12,764,978	-	-
2036-2040	24,350,000	8,263,628	-	-
2041-2045	21,952,500	4,437,515	-	-
2046-2050	10,442,500	1,249,263	-	-
2051-2055	2,940,000	257,300	-	-
Total	<u>\$ 113,349,755</u>	<u>\$ 45,476,034</u>	<u>\$ -</u>	<u>\$ -</u>

Year Ending June 30,	<i>Business-Type Activities: Water and Sewer</i>			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 582,500	\$ 644,414	\$ 6,452,251	\$ 2,143,197
2027	590,000	540,294	6,194,742	2,040,571
2028	615,000	510,169	6,040,967	1,929,711
2029	550,000	481,044	5,961,303	1,816,937
2030	575,000	452,919	5,588,809	1,705,732
2031-2035	3,060,000	1,900,081	23,866,201	6,943,931
2036-2040	3,480,000	1,357,382	18,046,392	4,638,766
2041-2045	3,907,500	846,441	16,749,121	2,663,760
2046-2050	3,092,500	443,238	13,817,108	1,149,542
<b>Total</b>	<b>\$ 16,452,500</b>	<b>\$ 7,175,982</b>	<b>\$ 102,716,894</b>	<b>\$ 25,032,147</b>

The Massachusetts Water Resource Authority (MWRA) operates financial assistance programs for community owned collection systems. For each community approved for the program, financial assistance received from the MWRA consists of non-interest-bearing loans. The amount of imputed interest on these loans is not material.

The City has outstanding notes from direct borrowings and placements issued to the MCWT under its State Revolving Loan Fund. The financing agreements with the MCWT contains a provision that in the event of default, outstanding amounts due and payable shall be paid from any undisbursed proceeds on account or be deducted from any state local aid distributions owed to the City. This provision also allows the MCWT to declare the entire outstanding principal amount due immediately.

The following represents authorized and unissued debt as of June 30, 2025:

Project	Amount
<i>Governmental:</i>	
Lincoln School windows	\$ 60,000
Beachmont School design	60,000
Oak Island MBTA	872,830
High School	418,217,901
Garfield School boiler	331,721
<i>Business-type:</i>	
Water and Sewer improvements	17,068,226
<b>Total Authorized and Unissued</b>	<b>\$436,610,678</b>

### III. Other Information

#### A. Retirement System

Pension Plan Description – The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan for the City, the Metro North Regional Emergency Communication Center and the Revere Housing Authority. The System was established under Chapter 32 of Massachusetts General Laws. The System is administered by the City and is included as part of the reporting entity as a fiduciary fund. An annual financial report for the year ended December 31, 2024 is available at the Retirement Office, 14 Yeamans Street, Revere, Massachusetts.

Current membership in the System for all employers as of December 31, 2023, the date of the last actuarial valuation was as follows:

Retired participants and beneficiaries receiving benefits	498
Active participants	764
Inactive participants	173
Total	<u>1,435</u>

Benefit Terms – Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the school department participate in a separate pension plan administered by the Massachusetts Teachers' Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest three-year or five-year average annual rate of regular compensation, depending on the participant's date of hire. Benefit payments are based upon a participant's age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the System include normal retirement, disability retirement and survivor benefits.

Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the System.

The System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws.

Contributions Requirements – The City has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The City contributed \$16,892,859 to the System in fiscal year 2025, which equaled the actuarially determined contribution requirement for the fiscal year. The City's contributions as a percentage of covered payroll was approximately 31% in fiscal year 2025.

Net Pension Liability – At June 30, 2024, the City reported a liability of \$80,544,205 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 and rolled to December 31, 2024. There were no material changes to the System's benefit terms since the actuarial valuation.

The City's proportion of the net pension liability is based on a projection of the City's long-term share of contributions to the System relative to the projected contributions of all employers. The City's proportion was approximately 94.7% at December 31, 2024, which was consistent with the proportion as of the prior measurement date.

Fiduciary Net Position – The elements of the System's basic financial statements (that is, all information about the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) can be found in the fiduciary fund financial statements. The System's Annual Report as of and for the year ended December 31, 2024 can be obtained by contacting the Retirement Board.

The System's fiduciary net position was determined using the accrual basis of accounting. The System's accounting records are maintained on a calendar-year basis in accordance with GAAP and the standards and procedures established by PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Actuarial Valuation – The measurement of the System’s total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2024 and included the following significant actuarial assumptions:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Appropriation increasing 6.8% per year
Asset valuation method	Fair value of assets less unrecognized returns in each of the last four years
Investment rate of return / discount rate	7.0%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Projected salary increases	4.25% for Group 1 and 4.75% for Group 4
Cost of living adjustments	3.0% of the first \$14,000 of retirement income
Mortality rates:	
Pre-retirement	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Healthy retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
Disabled retiree	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021

Pension Expense – The City recognized \$13,360,160 in pension expense in the statement of activities in fiscal year 2025.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,935,373	\$ 883,738
Net differences between projected and actual earnings on pension plan investments	4,176,205	-
Changes of assumptions	824,064	-
Changes in proportion and differences between employers' contributions and proportionate share of contributions	120,000	-
Total	<u>\$ 8,055,642</u>	<u>\$ 883,738</u>

The deferred outflows of resources are expected to be recognized in the City’s pension expense as follows:

Year Ended June 30,	Amount
2026	\$ 3,297,557
2027	7,075,603
2028	(1,991,952)
2029	(1,033,125)
2030	(176,179)
Total	<u>\$ 7,171,904</u>

The investment rate of return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns and professional judgment. The market expectations analysis used a building-block approach, which included expected returns by asset class and the target asset allocation. The target allocation and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	31% to 41%	6.9% to 9.2%
Core fixed income	12% to 18%	4.4% to 5.3%
Value-added fixed income	6% to 12%	8.0%
Private equity	13% to 19%	10.5%
Real estate	7% to 13%	6.8%
Timberland	1% to 7%	6.8%
Portfolio completion	7% to 13%	6.8%

The System’s investment policy’s total blended expected rate of return seeks to meet or exceed the assumed actuarial rate of return, which is currently 7.0%.

Discount Rate – The discount rate used to measure the total pension liability in the January 1, 2024 actuarial valuation report was 7.0%, which was consistent with the prior valuation. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially-determined contribution rates and the member rate.

Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis – The following presents the System’s and the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0% as well as the System’s and the City’s proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Current Rate	System Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 125,200,000	\$ 85,034,000	\$ 51,000,000

Current Rate	City's Proportionate Net Pension Liability at		
	1% Decrease	Current	1% Increase
7.00%	\$ 118,589,440	\$ 80,554,205	\$ 48,307,200

Massachusetts Teachers' Retirement System – Teachers and certain administrative employees of the City's School Department participate in the Massachusetts Teachers' Retirement System ("MTRS"), a cost-sharing multiple employer defined benefit pension plan. The MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the System, MTRS was established under Chapter 32 of Massachusetts General Laws. The Commonwealth's legislature has the authority to amend or modify the MTRS's funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

For the year ended June 30, 2025, the Commonwealth contributed \$20,318,913 to the MTRS on behalf of the City. The City's proportionate share of the collective MTRS net pension liability at this reporting date was 0.84%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the City as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The table below presents the City's proportionate share of the following:

	Commonwealth Portion	Paid (or assumed) On Behalf of the City	City Portion
Net pension liability	\$ 213,116,311	\$ (213,116,311)	\$ -
Pension expense	17,590,964	(17,590,964)	-

The City has recognized intergovernmental revenue and pension expense of \$17,590,964 associated with this arrangement.

**B. Other Postemployment Benefits**

The City administers a single employer defined benefit healthcare plan (the "OPEB Plan"). The OPEB Plan provides health, dental and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and City ordinance. All benefits are provided through the City's premium-

based insurance program. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the City’s financial statements.

With respect to OPEB plan reporting, GASB issued GASB Statement No.’s 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, and Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Reporting requirements for governments who administer an OPEB plan as defined under the accounting standard are required to present disclosures under both GASB 74 and GASB 75.

GASB 74 requires specific disclosures and required supplementary information that relate directly to the fiduciary fund in which the OPEB Plan is recorded. GASB 75 address disclosures related to the net OPEB liability required to be recorded by the government in its applicable financial statements. A number of these disclosures are identical, especially if the measurement date under GASB 75 is the same as the plan year-end date. When a different measurement date is used different assumptions and calculations will result.

For the year ended June 30, 2025, the City elected to use a measurement date that was the same as the plan year-end date thus the majority of the same disclosures are used and will not be repeated.

**GASB Statement No. 75**

OPEB Plan disclosures that impact the City’s net OPEB liability using a measurement date of June 30, 2025 are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2025:

Retired members and beneficiaries currently receiving benefits	1,046
Active employee members	1,433
Total	2,479

Contributions – The contribution requirements of OPEB Plan members and the City are established and may be amended by the City. Retirees contribute 25% of the set premium for medical, dental and life insurance plans. The remainder of the cost is funded by general revenues of the City. The City currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the OPEB Plan are paid by the City. For the year ended June 30, 2025, the City’s average contribution rate was 8.7% of covered payroll.

Net OPEB Liability – The City’s net OPEB liability was measured as of June 30, 2025 using an actuarial valuation as of July 1, 2024. The components of the net OPEB liability of the City as of June 30, 2025 was as follows:

Total OPEB Liability	\$ 330,849,450
Plan fiduciary net position	<u>(2,497,015)</u>
Net OPEB liability	<u>\$ 328,352,435</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.75%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal - Level percentage of payroll
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Investment rate of return	5.91%
Municipal bond rate	4.81%
Discount rate	5.23%
Wage inflation	2.50%
Health care trend rate	Currently at 5.00% decreasing by .04% until 4.77%.
Salary increases	3.00%
Pre-retirement mortality	Non-Teachers: RP-2014 Blue Collar Employee Mortality Table projected generationally using with Scale MP-2021, set forward 1 year for females  Teachers: Pub-2010 Teacher Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Post-retirement mortality	Non-Teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using with Scale MP-2021, set forward 1 year for females  Teachers: PubT-2010 Teacher Employee Headcount-Weighted Healthy Annuitantes Mortality Table projected generationally with Scale MP-2021
Disabled mortality	Non-Teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using with Scale MP-2021, set forward 1 year for males and 2 years for females  Teachers: PubT-2010 Teacher Employee Headcount-Weighted Healthy Annuitantes Mortality Table projected generationally with Scale MP-2021

Key assumption changes effective Fiscal Year ending June 30, 2025

Single equivalent discount rate changed to 5.23%, previously 4.98%

Mortality tables have been updated.

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Domestic equity - large cap	38.25%	4.52%
Domestic equity - small/mid cap	3.75%	5.06%
International equity - developed	5.75%	5.08%
International equity - emerging r	2.00%	5.80%
Domestic fixed	39.75%	2.44%
International fixed	3.50%	2.13%
Alternatives	3.50%	6.09%
Real estate	2.00%	3.73%
Cash	1.50%	0.00%
	100.00%	

Sensitivity Analyses – The following presents the City’s net OPEB liability as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

Discount Rate			
Current Rate	1% Decrease	Current Discount	1% Increase
5.23%	\$ 380,176,994	\$ 328,352,435	\$ 286,811,570

Healthcare Trend Rate			
Current Rate	1% Decrease	Current Trend	1% Increase
9.00 > 3.63%	\$ 281,879,147	\$ 328,352,435	\$ 387,466,277

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2025:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2024	\$ 317,059,031	\$ 2,088,766	\$ 314,970,265
Changes for the year:			
Service cost	9,536,334	-	9,536,334
Interest	15,995,149	-	15,995,149
Difference between expected and actual experience	17,929,243	-	17,929,243
Changes of assumptions	(18,722,012)	-	(18,722,012)
Employer contributions	-	11,170,929	(11,170,929)
Net investment income	-	185,615	(185,615)
Benefit payments withdrawn from trust	-	(10,948,295)	10,948,295
Benefit payments	(10,948,295)	-	(10,948,295)
Net changes	13,790,419	408,249	13,382,170
Balances at June 30, 2025	<u>\$ 330,849,450</u>	<u>\$ 2,497,015</u>	<u>\$ 328,352,435</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the City recognized OPEB expense of \$11,170,929. Deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2025 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,920,490	\$ 1,654,064
Changes of assumptions	14,529,534	36,606,700
Net difference between projected and actual earnings	-	67,062
Totals	<u>\$ 45,450,024</u>	<u>\$ 38,327,826</u>

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

Year Ended June 30,	Amounts
2026	\$ 438,611
2027	406,234
2028	2,846,448
2029	5,524,376
2030	(1,980,220)
Thereafter	(113,251)
Total	<u>\$ 7,122,198</u>

**GASB Statement No. 74**

OPEB Plan disclosures that impact the City's net OPEB liability using a measurement date of June 30, 2025 are summarized in this section except disclosures under GASB 74 that are identical to GASB 75 are not repeated.

*Investment Custody* – In accordance with Massachusetts General Laws, the City Treasurer is the custodian of the OPEB Plan and since the City has not designated a Board of Trustees, the City Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the City.

*Investment Policy* – The OPEB Plan has a formal investment policy to invest in Domestic Equity, Domestic Fixed Income, International Equity, International Fixed Income, Alternative Investments and Cash Equivalents with target allocations highlighted previously under the caption *long-term expected rate of return*.

*Investment Rate of Return* – For the year ended June 30, 2025 the annual money-weighted rate of return on investments, net of investment expense, was 8.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### C. Pension and Other Employee Benefit Trust Funds

The City reports a pension and other postemployment benefit trust funds in a single column in the Statement of Net Position and Statement of Changes in Net Position in the Fiduciary Funds. The City's Other Postemployment Benefits Trust Fund does not issue stand-alone financial statements and must be reported separately.

The Statement of Net Position of the City's pension and other postemployment benefit trust funds are as follows:

	Pension Trust Fund (December 31, 2024)	Other Postemployment Benefits Trust Fund	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,509,896	\$ 36,507	\$ 2,546,403
Investments (at fair value):			
U.S. government and agencies	-	478,598	478,598
Corporate bonds	-	331,678	331,678
Equity securities	-	1,379,655	1,379,655
Fixed income mutual funds	-	270,578	270,578
State Treasurer investment pool - PRIT	270,389,117	-	270,389,117
Total Investments	270,389,117	2,460,509	272,849,626
Receivables:			
Other	25,714	-	25,714
Total Receivables	25,714	-	25,714
<b>Total Assets</b>	<b>272,924,727</b>	<b>2,497,016</b>	<b>272,875,340</b>
<b>Net Position:</b>			
Restricted for pensions	272,924,727	-	272,924,727
Restricted for other postemployment benefits	-	2,497,016	2,497,016
<b>Total Net Position</b>	<b>\$ 272,924,727</b>	<b>\$ 2,497,016</b>	<b>\$ 275,421,743</b>

The Statement of Changes in Net Position of the City's pension and other postemployment benefit trust funds are as follows:

	Pension Trust Fund (December 31, 2024)	Other Postemployment Benefits Trust Fund	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 17,835,102	\$ 11,170,930	\$ 29,006,032
Employee	5,773,069	-	5,773,069
Other contributions	1,105,634	-	1,105,634
<b>Total Contributions</b>	<b>24,713,805</b>	<b>11,170,930</b>	<b>35,884,735</b>
Investment income:			
Interest and dividends	6,687,161	185,615	6,872,776
Net appreciation in fair value of investments	16,723,411	-	16,723,411
Less - investment management fees	(1,241,004)	-	(1,241,004)
<b>Net investment earnings</b>	<b>22,169,568</b>	<b>185,615</b>	<b>22,355,183</b>
Other income	50,902	-	50,902
<b>Total Additions (net)</b>	<b>46,934,275</b>	<b>11,356,545</b>	<b>58,290,820</b>
<b>Deductions</b>			
Benefit payments to retirees and beneficiaries	19,537,345	10,948,295	30,485,640
Member refunds	304,330	-	304,330
Transfers and reimbursements to other systems	1,072,874	-	1,072,874
Payroll expenses of the System	257,742	-	257,742
Other administrative expenses	177,913	-	177,913
<b>Total Deductions</b>	<b>21,350,204</b>	<b>10,948,295</b>	<b>32,298,499</b>
<b>CHANGE IN NET POSITION</b>	<b>25,584,071</b>	<b>408,250</b>	<b>25,992,321</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>247,340,656</b>	<b>2,088,766</b>	<b>249,429,422</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 272,924,727</b>	<b>\$ 2,497,016</b>	<b>\$ 275,421,743</b>

**D. Risk Financing**

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

Health Insurance Plan – The City maintains a health insurance Plan which covers the group health and dental insurance requirements of the City employees. The Plan is essentially a self-insurance program and employee claims in excess of \$200,000 are reinsured by the Plan. The Plan is funded from monthly contributions from the City and withholdings from the City’s employees. The City accrues an amount representing claims incurred but not reported (IBNR), which is based on historical claims paid averages for the twelve months prior to fiscal year end. At June 30, 2025, the amount of the liability for incurred but not reported (IBNR) health insurance claims totaled \$2,176,038. This liability is the best estimate based on available information. In the fund-wide financial statements, the City reports the activities of the health insurance Plan in the Internal Service Fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Changes in the reported liability since July 1, 2023, are as follows:

	Balance at Beginning of Year	Claims and Changes in Estimates	Claims Payments	Balance at End of Year
Fiscal Year 2025	\$ 1,667,895	\$ 39,540,751	\$(39,032,608)	\$ 2,176,038
Fiscal Year 2024	1,878,457	38,297,282	( 38,507,844)	1,667,895

Workers’ Compensation – The City is self-insured for its workers’ compensation activities. These activities are accounted for in the general fund where revenues are recorded when earned and expenses are recorded when incurred. Claims are administered by the City and are funded on a pay-as-you -go basis from annual appropriations. The estimated future workers’ compensation liability is based on history and injury type. At June 30, 2025, the amount of the liability for workers’ compensation claims totaled \$501,676.

Changes in the reported liability since July 1, 2023, are as follows:

	Balance at Beginning of Year	Claims and Changes in Estimates	Claims Payments	Balance at End of Year
Fiscal Year 2025	\$ 840,000	\$ (9,852)	\$( 328,472)	\$ 501,676
Fiscal Year 2024	629,000	635,234	( 424,234)	840,000

**E. Commitments**

The City is operating under the terms of a Consent Decree between the City, the Federal Environmental Protection Agency and the Commonwealth of Massachusetts. Under the terms of the decree, the City is anticipating expenditures in excess of \$100 million to address various sewer infrastructure items. The City anticipates the expenditures to occur over the next seven years and will be funded through the issuance of long-term debt. As of June 30, 2025, the City has expended approximately \$123.4 million under the terms of the consent decree.

The City has entered into or is planning to enter into contracts to expend approximately \$493 million for the construction of the new Revere High School. The City is financing the projects through a combination of bond issuances and capital reimbursements from the Massachusetts School Building Authority.

#### **F. Contingencies**

The City is party to other certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters in these situations cannot be reasonably estimated. Although the amount of liability, if any, in these situations at June 30, 2025, cannot be ascertained, management believes that the resulting liability, if any, should not materially affect the basic financial statements of the City at June 30, 2025. Other amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is subject to certain Federal arbitration laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The City does not believe it has failed to comply with any of these agreements.

#### **G. Implementation of GASB pronouncements**

##### Current Year Implementations –

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement became effective in fiscal year 2025. The adoption of this accounting standard did not have a material effect on the City's financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this Statement became effective in fiscal year 2025. The adoption of this accounting standard did not have a material effect on the City's financial statements.

##### Future Implementations –

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The City is currently evaluating whether adoption will have a material impact on its financial statements.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of governmental financial statements

with essential information about certain types of capital assets. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The City is currently evaluating whether adoption will have a material impact on its financial statements.

**IV. Restatement of Prior Year Balances**

During fiscal year 2025, the City determined that prior year intergovernmental receivables and revenue were understated in the nonmajor funds; claims liabilities of the internal service fund, and payables in the nonmajor governmental funds and water and sewer enterprise funds were understated; deferred outflows for refunding debt of governmental activities were overstated; and capital assets of governmental activities were overstated. The effect of these error corrections is shown in the table below.

During fiscal year 2025, changes to or within the financial reporting entity and the error corrections resulted in adjustments to and restatements of beginning net position and fund net position as follows:

	Governmental Activities	Business-type Activities
Prior year, as previously reported	\$(159,919,583)	\$ 36,882,992
Error: Intergovernmental receivables not recorded	4,187,937	-
Error: Liabilities understated	(1,933,481)	(1,544,507)
Error: Receivables overstated	(1,319,782)	-
Error: Deferred outflow correction	(1,090,841)	-
Error: Capital assets corrected	(2,727,612)	-
Prior year, as restated	<u><u>\$ (162,803,362)</u></u>	<u><u>\$ 35,338,485</u></u>

	General	City Capital Projects	School Capital Projects	Nonmajor Governmental Funds	Water and Sewer Enterprise	Internal Service Funds
Prior year, as previously reported	\$ 44,607,215	\$ 4,278,895	\$ -	\$28,397,878	\$36,882,992	\$5,243,429
Change within financial reporting entity (Nonmajor to Major)	-	-	2,524,998	(2,524,998)	-	-
Error: Incorrect fund classification	167,496	2,089,908	-	(2,257,404)	-	-
Error: Intergovernmental receivables not recorded	-	-	-	4,187,937	-	-
Error: Liabilities understated	-	-	-	(631,904)	(1,544,507)	(1,301,577)
Prior year, as restated	<u><u>\$ 44,774,711</u></u>	<u><u>\$ 6,368,803</u></u>	<u><u>\$ 2,524,998</u></u>	<u><u>\$27,171,509</u></u>	<u><u>\$35,338,485</u></u>	<u><u>\$ 3,941,852</u></u>

**V. Subsequent Events**

On August 21, 2025, the City issued bond anticipation notes totaling \$2,441,833, maturing on July 10, 2026 and paying interest at 4% per annum. The proceeds of the notes, along with \$1,831,177 of state school building authority reimbursements, were used to retire the BAN’s maturing on August 21, 2025 noted above. The notes were issued for school capital purposes.



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## **Required Supplementary Information**

CITY OF REVERE, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2025

SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS  
(SYSTEM)

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 8,913,000	\$ 8,530,004	\$ 8,429,492	\$ 7,882,000	\$ 6,550,000	\$ 6,227,000	\$ 5,827,000	\$ 5,576,000	\$ 5,625,000	\$ 5,383,000
Interest	24,062,000	23,204,000	22,017,000	20,617,744	20,147,071	19,538,556	18,676,000	17,915,000	17,803,000	15,746,000
Changes in benefit terms	1,300,000	-	-	-	-	-	1,200,000	-	-	-
Differences between expected and actual experience	(1,119,000)	-	5,033,000	-	8,385,000	-	509,000	(2,037,000)	-	11,315,000
Changes in assumptions	-	-	640,000	-	6,300,000	-	6,900,000	4,661,000	-	9,300,000
Benefit payments, including refunds	(20,066,000)	(19,650,000)	(19,050,455)	(17,326,909)	(17,585,520)	(16,485,327)	(16,403,000)	(15,761,000)	(15,302,000)	(14,534,000)
Net change in total pension liability	13,090,000	12,084,004	17,069,037	11,172,835	23,796,551	9,280,229	16,709,000	10,354,000	8,126,000	27,210,000
Total pension liability - beginning of year	344,869,656	332,785,652	315,716,615	304,543,780	280,747,229	271,467,000	254,758,000	244,404,000	236,278,000	209,068,000
Total pension liability - end of year (a)	<u>\$ 357,959,656</u>	<u>\$ 344,869,656</u>	<u>\$ 332,785,652</u>	<u>\$ 315,716,615</u>	<u>\$ 304,543,780</u>	<u>\$ 280,747,229</u>	<u>\$ 271,467,000</u>	<u>\$ 254,758,000</u>	<u>\$ 244,404,000</u>	<u>\$ 236,278,000</u>
Plan fiduciary net position:										
Contributions - employer	\$ 18,991,638	\$ 17,626,546	\$ 15,976,121	\$ 15,026,449	\$ 14,310,904	\$ 13,629,432	\$ 13,040,664	\$ 12,219,658	\$ 11,773,616	\$ 11,212,968
Contributions - employee	5,773,069	5,444,376	5,110,420	4,706,769	4,312,233	4,184,259	3,921,000	3,117,000	3,331,000	3,249,000
Net investment income	22,169,568	23,756,087	(28,115,419)	40,188,413	21,600,697	25,138,406	(3,913,992)	22,806,690	9,399,263	805,050
Administrative expenses	(435,655)	(436,174)	(443,630)	(383,887)	(323,763)	(365,623)	(359,716)	(332,546)	(237,390)	(233,905)
Benefit payments, including refunds	(20,914,549)	(20,832,831)	(19,050,455)	(17,326,909)	(17,585,520)	(16,485,327)	(16,403,000)	(15,761,000)	(15,302,000)	(14,534,000)
Net change in plan fiduciary net position	25,584,071	25,558,004	(26,522,963)	42,210,835	22,314,551	26,101,147	(3,715,044)	22,049,802	8,964,489	499,113
Plan fiduciary net position - beginning of year	247,340,656	221,782,652	248,305,615	206,094,780	183,780,229	157,679,082	161,394,126	139,344,324	130,379,835	129,880,722
Plan fiduciary net position - end of year (b)	<u>\$ 272,924,727</u>	<u>\$ 247,340,656</u>	<u>\$ 221,782,652</u>	<u>\$ 248,305,615</u>	<u>\$ 206,094,780</u>	<u>\$ 183,780,229</u>	<u>\$ 157,679,082</u>	<u>\$ 161,394,126</u>	<u>\$ 139,344,324</u>	<u>\$ 130,379,835</u>
Net pension liability - end of year (a) - (b)	<u>\$ 85,034,929</u>	<u>\$ 97,529,000</u>	<u>\$ 111,003,000</u>	<u>\$ 67,411,000</u>	<u>\$ 98,449,000</u>	<u>\$ 96,967,000</u>	<u>\$ 113,787,918</u>	<u>\$ 93,363,874</u>	<u>\$ 105,059,676</u>	<u>\$ 105,898,165</u>
Plan fiduciary net position as a percentage of the total pension liability	76.24%	71.72%	66.64%	78.65%	67.67%	65.46%	58.08%	63.35%	57.01%	55.18%
Covered payroll	\$ 57,195,000	\$ 48,569,000	\$ 48,520,000	\$ 43,361,000	\$ 43,318,000	\$ 36,788,000	\$ 36,788,000	\$ 33,296,000	\$ 32,748,000	\$ 32,748,000
Net pension liability as a percentage of covered payroll	148.68%	200.81%	228.78%	155.46%	227.27%	263.58%	309.31%	280.41%	320.81%	323.37%

See notes to required supplementary information.

**CITY OF REVERE, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2025**

**SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN**  
**REVERE CONTRIBUTORY RETIREMENT SYSTEM**

Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	\$ 17,835,102	\$ 17,835,102	\$ -	\$ 57,195,000	31.18%
2023	16,986,000	16,986,000	-	48,569,000	34.97%
2022	15,976,000	15,976,000	-	48,520,000	32.93%
2021	15,027,000	15,027,000	-	43,361,000	34.66%
2020	14,311,000	14,311,000	-	43,318,000	33.04%
2019	13,630,000	13,630,000	-	36,788,000	37.05%
2018	12,980,000	12,980,000	-	36,788,000	35.28%
2017	11,929,000	11,929,000	-	33,296,000	35.83%
2016	11,773,616	11,773,616	-	32,748,000	35.95%
2015	11,212,968	11,212,968	-	32,748,000	34.24%

**SCHEDULE OF INVESTMENT RETURNS**  
**REVERE CONTRIBUTORY RETIREMENT SYSTEM**

Year Ended December 31,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	9.03%
2023	10.88%
2022	-11.49%
2021	19.78%
2020	12.07%
2019	16.13%
2018	-2.49%
2017	17.28%
2016	7.59%
2015	0.65%

See notes to required supplementary information.

CITY OF REVERE, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
YEAR ENDED JUNE 30, 2025

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	94.72%	\$ 80,544,205	\$ 54,175,000	148.7%	76.2%
2023	94.54%	92,205,000	45,871,000	201.0%	71.7%
2022	94.47%	104,864,000	45,837,000	228.8%	66.6%
2021	94.09%	63,425,000	40,756,000	155.6%	78.7%
2020	95.16%	93,684,000	41,221,000	227.3%	67.7%
2019	96.12%	93,204,000	35,360,000	263.6%	65.5%
2018	93.59%	107,323,000	34,698,000	309.3%	58.1%
2017	93.56%	98,718,929	31,152,404	316.9%	63.4%
2016	93.72%	98,459,029	30,692,522	320.8%	57.0%
2015	93.58%	99,095,075	30,644,257	323.4%	55.2%

SCHEDULE OF THE CITY'S CONTRIBUTIONS TO PENSION PLAN

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 16,892,859	\$ 16,892,859	\$ -	\$ 54,987,625	30.7%
2024	16,058,000	16,058,000	-	46,788,420	34.3%
2023	15,093,000	15,093,000	-	46,753,740	32.3%
2022	14,138,000	14,138,000	-	41,571,120	34.0%
2021	13,618,000	13,618,000	-	42,045,420	32.4%
2020	13,101,000	13,101,000	-	36,067,200	36.3%
2019	12,243,000	12,243,000	-	35,391,960	34.6%
2018	11,567,000	11,567,000	-	31,775,452	36.4%
2017	11,033,908	11,033,908	-	31,306,372	35.2%
2016	10,492,643	10,492,643	-	31,257,142	33.6%

See notes to required supplementary information.

CITY OF REVERE, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS  
 YEAR ENDED JUNE 30, 2025

SCHEDULE OF THE COMMONWEALTH'S COLLECTIVE SHARE OF THE NET PENSION LIABILITY  
 MASSACHUSETTS TEACHER'S RETIREMENT SYSTEM

Year Ended June 30, *	Commonwealth's Proportionate Share of the Collective Net Pension Liability	City's Proportion Share of the Collective Net Pension Liability	Commonwealth's Proportionate Share of the Net Pension Liability Associated with the City	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	100.0%	0.0%	\$ 213,116,311	\$ 17,590,964	61.45%
2024	100.0%	0.0%	211,038,495	19,704,693	58.48%
2023	100.0%	0.0%	224,580,612	18,473,947	57.75%
2022	100.0%	0.0%	175,138,868	14,054,165	62.03%
2021	100.0%	0.0%	227,026,690	28,041,049	50.67%
2020	100.0%	0.0%	198,259,260	24,042,376	53.95%
2019	100.0%	0.0%	182,313,296	18,474,813	54.84%
2018	100.0%	0.0%	173,853,635	18,145,610	54.25%
2017	100.0%	0.0%	172,208,154	17,566,361	52.73%
2016	100.0%	0.0%	157,005,486	12,734,542	55.38%

\* Amounts determined for the previous year ended June 30.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the City has not recognized any portion of the net pension liability relative to Town employees covered under the MTRS pension plan.

CITY OF REVERE, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2025

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	\$ 9,536,334	\$ 9,958,278	\$ 6,763,895	\$ 7,562,204	\$ 8,708,055	\$ 8,221,059	\$ 9,364,288	\$ 8,097,434
Interest	15,995,149	15,049,039	12,673,383	11,847,688	9,507,691	8,042,414	8,123,874	7,481,159
Changes of benefit terms	-	-	-	-	-	(599,550)	-	-
Differences between expected and actual experience	17,929,243	32,427	27,176,454	-	(5,789,219)	-	(4,809,545)	-
Changes in assumptions	(18,722,012)	(13,101,202)	25,426,680	(18,643,527)	(11,239,110)	(28,943,759)	38,531,265	-
Benefit payments	(10,948,295)	(10,110,998)	(8,952,512)	(8,590,529)	(8,248,885)	(7,789,793)	(7,365,297)	(6,360,572)
Net change in total OPEB liability	13,790,419	1,827,544	63,087,900	(7,824,164)	(7,061,468)	(21,069,629)	43,844,585	9,218,021
Total OPEB liability - beginning of year	317,059,031	315,231,487	252,143,587	259,967,751	267,029,219	288,098,848	244,254,263	235,036,242
Total OPEB liability - end of year (a)	\$ 330,849,450	\$ 317,059,031	\$ 315,231,487	\$ 252,143,587	\$ 259,967,751	\$ 267,029,219	\$ 288,098,848	\$ 244,254,263
Plan fiduciary net position:								
Contributions - employer	\$ 11,170,929	\$ 10,360,998	\$ 9,202,512	\$ 8,840,529	\$ 8,498,885	\$ 8,039,793	\$ 7,865,297	\$ -
Net investment income (loss)	185,615	164,907	115,670	(86,086)	144,605	(4,474)	4,144	-
Benefit payments	(10,948,295)	(10,110,998)	(8,952,512)	(8,590,529)	(8,248,885)	(7,789,793)	(7,365,297)	-
Net change in Plan fiduciary net position	408,249	414,907	365,670	163,914	394,605	245,526	504,144	-
Plan fiduciary net position - beginning of year	2,088,766	1,673,859	1,308,189	1,144,275	749,670	504,144	-	-
Plan fiduciary net position - end of year (b)	\$ 2,497,015	\$ 2,088,766	\$ 1,673,859	\$ 1,308,189	\$ 1,144,275	\$ 749,670	\$ 504,144	\$ -
Net OPEB liability - end of year (a) - (b)	\$ 328,352,435	\$ 314,970,265	\$ 313,557,628	\$ 250,835,398	\$ 258,823,476	\$ 266,279,549	\$ 287,594,704	\$ 244,254,263
Plan fiduciary net position as a percentage of the total OPEB liability	0.75%	0.66%	0.53%	0.52%	0.44%	0.28%	0.17%	0.00%
Covered-employee payroll	\$ 128,219,221	\$ 132,429,753	\$ 128,572,576	\$ 87,148,270	\$ 84,609,971	\$ 89,393,596	\$ 86,789,899	\$ 92,586,340
Net OPEB liability as a percentage of covered-employee payroll	256.09%	237.84%	243.88%	287.83%	305.90%	297.87%	331.37%	263.81%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See notes to required supplementary information.

CITY OF REVERE, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2025

SCHEDULE OF CONTRIBUTIONS

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially-determined contribution	\$ 24,214,268	\$ 23,609,507	\$ 19,883,854	\$ 18,433,742	\$ 19,264,887	\$ 22,209,439	\$ 23,186,865	\$ 20,060,645
Contributions in relation to the actuarially-determined contribution	(11,170,929)	(10,360,998)	(9,202,512)	(8,840,529)	(8,498,885)	(8,039,793)	(7,865,297)	(6,360,572)
Contribution deficiency (excess)	<u>\$ 13,043,339</u>	<u>\$ 13,248,509</u>	<u>\$ 10,681,342</u>	<u>\$ 9,593,213</u>	<u>\$ 10,766,002</u>	<u>\$ 14,169,646</u>	<u>\$ 15,321,568</u>	<u>\$ 13,700,073</u>
Covered-employee payroll	\$ 128,219,221	\$ 132,429,753	\$ 128,572,576	\$ 87,148,270	\$ 84,609,971	\$ 89,393,596	\$ 86,789,899	\$ 92,586,340
Contribution as a percentage of covered-employee payroll	8.71%	7.82%	7.16%	10.14%	10.04%	8.99%	9.06%	6.87%
Valuation Date	July 1, 2024							
Amortization Period	30 years							
Investment rate of return	5.91%							
Municipal bond rate	4.81%							
Single Equivalent Discount Rate	5.23%							
Inflation	2.50%							
Healthcare cost trend rates	9.00% > 3.63%							
Salary increases	3.00%							
Actuarial Cost Method	Individual entry age normal - Level percentage of payroll (for all years presented)							
Asset Valuation Method	Fair value of assets as of reporting date (for all years presented)							

SCHEDULE OF INVESTMENT RETURNS

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	8.66%	9.40%	8.09%	-7.25%	19.29%	-0.76%	2.50%	N/A

Note: These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See notes to required supplementary information.

CITY OF REVERE, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
<b>Revenues:</b>						
<i>Taxes:</i>						
Real estate tax and personal property taxes	\$ 116,482,989	\$ 118,709,064	\$ 117,001,474	\$ -	117,001,474	(1,707,590)
Tax liens	-	-	741,560	-	741,560	741,560
Motor vehicle excise	7,200,000	7,200,000	7,436,937	-	7,436,937	236,937
Hotel/motel excise	3,600,000	3,600,000	3,292,155	-	3,292,155	(307,845)
Meals excise	1,100,000	1,100,000	1,151,466	-	1,151,466	51,466
Charges for services	1,830,000	1,830,000	3,344,111	-	3,344,111	1,514,111
Penalties and interest on taxes	575,000	575,000	423,913	-	423,913	(151,087)
Payments in lieu of taxes	140,000	140,000	163,018	-	163,018	23,018
Licenses and permits	3,450,000	3,450,000	3,717,957	-	3,717,957	267,957
Fines and forfeitures	1,900,000	1,900,000	2,283,552	-	2,283,552	383,552
Intergovernmental	117,703,433	117,703,433	118,320,661	-	118,320,661	617,228
Investment income	2,500,000	2,500,000	3,137,163	-	3,137,163	637,163
<b>Total Revenues</b>	<b>256,481,422</b>	<b>258,707,497</b>	<b>261,013,967</b>	<b>-</b>	<b>261,013,967</b>	<b>2,306,470</b>
<b>Expenditures:</b>						
<i>General Government:</i>						
<i>City Council:</i>						
Salaries	387,000	387,000	386,800	-	386,800	200
Expenses	49,720	49,720	42,216	580	42,796	6,924
	436,720	436,720	429,016	580	429,596	7,124
<i>Mayor:</i>						
Salaries	592,936	545,436	545,052	-	545,052	384
Expenses	1,194,064	1,167,564	739,290	427,569	1,166,859	705
	1,787,000	1,713,000	1,284,342	427,569	1,711,911	1,089
<i>Human Resources:</i>						
Salaries	414,159	428,659	428,176	-	428,176	483
Employee group health	1,315,318	1,495,318	1,489,932	85	1,490,017	5,301
Expenses	329,375	329,375	228,889	64,427	293,316	36,059
	2,058,852	2,253,352	2,146,997	64,512	2,211,509	41,843
<i>Office of Innovation and Data Management:</i>						
Salaries	251,164	251,164	225,699	-	225,699	25,465
Expenses	103,361	103,361	98,795	1,476	100,271	3,090
	354,525	354,525	324,494	1,476	325,970	28,555
<i>Auditor:</i>						
Salaries	568,337	585,837	585,582	-	585,582	255
Expenses	375,008	375,008	165,601	209,226	374,827	181
	943,345	960,845	751,183	209,226	960,409	436
<i>Purchasing:</i>						
Salaries	185,381	188,881	186,714	-	186,714	2,167
Expenses	243,840	258,840	182,976	74,959	257,935	905
	429,221	447,721	369,690	74,959	444,649	3,072
<i>Information Technology:</i>						
Salaries	420,733	420,733	404,027	-	404,027	16,706
Expenses	1,413,775	1,563,775	1,456,126	106,388	1,562,514	1,261
	1,834,508	1,984,508	1,860,153	106,388	1,966,541	17,967
<i>Assessors:</i>						
Salaries	414,727	428,727	428,484	-	428,484	243
Expenses	139,051	139,051	112,445	3,527	115,972	23,079
	553,778	567,778	540,929	3,527	544,456	23,322
<i>Treasurer-Collector:</i>						
Salaries	842,722	864,222	863,843	-	863,843	379
Banking services	240,000	258,000	255,318	-	255,318	2,682
Other expenses	161,563	113,563	92,527	15,025	107,552	6,011
	1,244,285	1,235,785	1,211,688	15,025	1,226,713	9,072

CITY OF REVERE, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Legal:						
Salaries	536,682	542,882	542,713	-	542,713	169
Outside legal services	369,920	528,220	499,076	28,671	527,747	473
Expenses	18,420	14,120	12,797	1,269	14,066	54
	<u>925,022</u>	<u>1,085,222</u>	<u>1,054,586</u>	<u>29,940</u>	<u>1,084,526</u>	<u>696</u>
City Clerk:						
Salaries	381,495	386,995	386,809	-	386,809	186
Expenses	51,612	51,612	49,023	717	49,740	1,872
	<u>433,107</u>	<u>438,607</u>	<u>435,832</u>	<u>717</u>	<u>436,549</u>	<u>2,058</u>
Election						
Salaries	415,672	415,672	396,208	-	396,208	19,464
Expenses	98,200	173,200	38,052	114,921	152,973	20,227
	<u>513,872</u>	<u>588,872</u>	<u>434,260</u>	<u>114,921</u>	<u>549,181</u>	<u>39,691</u>
License Commission:						
Salaries	12,400	12,401	12,400	-	12,400	1
Expenses	3,000	2,999	-	55	55	2,944
	<u>15,400</u>	<u>15,400</u>	<u>12,400</u>	<u>55</u>	<u>12,455</u>	<u>2,945</u>
Conservation Commission:						
Salaries	12,800	18,300	18,266	-	18,266	34
Expenses	600	600	576	-	576	24
	<u>13,400</u>	<u>18,900</u>	<u>18,842</u>	<u>-</u>	<u>18,842</u>	<u>58</u>
Appeals Board:						
Salaries	23,200	23,200	23,200	-	23,200	-
Expenses	720	720	-	-	-	720
	<u>23,920</u>	<u>23,920</u>	<u>23,200</u>	<u>-</u>	<u>23,200</u>	<u>720</u>
Office of Strategic Planning & Economic Development:						
Salaries	349,444	377,444	377,299	-	377,299	145
Expenses	504,655	504,655	155,814	347,112	502,926	1,729
	<u>854,099</u>	<u>882,099</u>	<u>533,113</u>	<u>347,112</u>	<u>880,225</u>	<u>1,874</u>
Engineering						
Salaries	502,255	396,755	396,192	-	396,192	563
Expenses	230,972	298,451	113,522	181,528	295,050	3,401
	<u>733,227</u>	<u>695,206</u>	<u>509,714</u>	<u>181,528</u>	<u>691,242</u>	<u>3,964</u>
<b>Total General Government</b>	<b>13,154,281</b>	<b>13,702,460</b>	<b>11,940,439</b>	<b>1,577,535</b>	<b>13,517,974</b>	<b>184,486</b>
Public Safety:						
Police:						
Salaries	13,047,996	13,069,696	13,051,254	9,507	13,060,761	8,935
Expenses	1,496,598	1,724,898	1,209,599	505,922	1,715,521	9,377
	<u>14,544,594</u>	<u>14,794,594</u>	<u>14,260,853</u>	<u>515,429</u>	<u>14,776,282</u>	<u>18,312</u>
Fire:						
Salaries	13,715,787	13,947,787	13,945,183	-	13,945,183	2,604
Expenses	995,482	1,082,482	839,362	180,705	1,020,067	62,415
	<u>14,711,269</u>	<u>15,030,269</u>	<u>14,784,545</u>	<u>180,705</u>	<u>14,965,250</u>	<u>65,019</u>
Regional Emergency Communication Center:						
Expenses	1,629,450	1,206,050	1,206,046	-	1,206,046	4
	<u>1,629,450</u>	<u>1,206,050</u>	<u>1,206,046</u>	<u>-</u>	<u>1,206,046</u>	<u>4</u>
Inspectional Services - Municipal Inspections:						
Salaries	417,149	381,149	379,913	-	379,913	1,236
Expenses	53,960	53,960	28,770	15	28,785	25,175
	<u>471,109</u>	<u>435,109</u>	<u>408,683</u>	<u>15</u>	<u>408,698</u>	<u>26,411</u>
Inspectional Services - Short Term Rental Inspections:						
Salaries	808,613	808,613	807,787	-	807,787	826
Expenses	-	-	-	-	-	-
	<u>808,613</u>	<u>808,613</u>	<u>807,787</u>	<u>-</u>	<u>807,787</u>	<u>826</u>

(continued)

CITY OF REVERE, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
Parking:						
Salaries	1,399,468	1,255,968	1,251,192	-	1,251,192	4,776
Expenses	128,440	202,440	185,869	16,478	202,347	93
	<u>1,527,908</u>	<u>1,458,408</u>	<u>1,437,061</u>	<u>16,478</u>	<u>1,453,539</u>	<u>4,869</u>
<i>Total Public Safety</i>	<u>33,692,943</u>	<u>33,733,043</u>	<u>32,904,975</u>	<u>712,627</u>	<u>33,617,602</u>	<u>115,441</u>
Education:						
Public schools	152,304,723	152,304,723	129,924,611	21,785,561	151,710,172	594,551
Regional School Assessment	3,285,660	3,285,660	3,285,660	-	3,285,660	-
	<u>155,590,383</u>	<u>155,590,383</u>	<u>133,210,271</u>	<u>21,785,561</u>	<u>154,995,832</u>	<u>594,551</u>
Public Works:						
Public Works:						
Salaries	583,550	617,750	617,508	-	617,508	242
Expenses	153,203	203,203	184,694	4,082	188,776	14,427
	<u>736,753</u>	<u>820,953</u>	<u>802,202</u>	<u>4,082</u>	<u>806,284</u>	<u>14,669</u>
Snow and Ice:						
Salaries	100,000	205,000	204,884	-	204,884	116
Expenses	648,072	1,275,072	1,263,785	-	1,263,785	11,287
	<u>748,072</u>	<u>1,480,072</u>	<u>1,468,669</u>	<u>-</u>	<u>1,468,669</u>	<u>11,403</u>
Highway:						
Expenses	493,722	499,222	427,613	34,915	462,528	36,694
	<u>493,722</u>	<u>499,222</u>	<u>427,613</u>	<u>34,915</u>	<u>462,528</u>	<u>36,694</u>
Open Space/Park						
Salaries	401,466	458,466	458,190	-	458,190	276
Expenses	647,991	897,991	725,924	145,929	871,853	26,138
	<u>1,049,457</u>	<u>1,356,457</u>	<u>1,184,114</u>	<u>145,929</u>	<u>1,330,043</u>	<u>26,414</u>
Trash and Recycling						
Salaries	534,710	561,210	560,304	-	560,304	906
Expenses	1,597,680	1,867,680	1,805,899	60,192	1,866,091	1,589
	<u>2,132,390</u>	<u>2,428,890</u>	<u>2,366,203</u>	<u>60,192</u>	<u>2,426,395</u>	<u>2,495</u>
<i>Total Public Works</i>	<u>5,160,394</u>	<u>6,585,594</u>	<u>6,248,801</u>	<u>245,118</u>	<u>6,493,919</u>	<u>91,675</u>
Health and Human Services:						
Public Health:						
Salaries	977,508	926,508	925,486	-	925,486	1,022
Expenses	111,868	404,868	152,554	246,640	399,194	5,674
	<u>1,089,376</u>	<u>1,331,376</u>	<u>1,078,040</u>	<u>246,640</u>	<u>1,324,680</u>	<u>6,696</u>
Council on Aging:						
Salaries	316,967	316,967	313,623	-	313,623	3,344
Expenses	77,250	101,878	65,616	25,495	91,111	10,767
	<u>394,217</u>	<u>418,845</u>	<u>379,239</u>	<u>25,495</u>	<u>404,734</u>	<u>14,111</u>
Veterans Services:						
Salaries	236,402	177,774	176,775	-	176,775	999
Expenses	24,229	21,072	15,960	-	15,960	5,112
Veterans benefits	705,000	433,157	419,453	7,423	426,876	6,281
	<u>965,631</u>	<u>632,003</u>	<u>612,188</u>	<u>7,423</u>	<u>619,611</u>	<u>12,392</u>
Commission on Disability:						
Salaries	13,900	13,900	11,800	-	11,800	2,100
Expenses	3,000	3,000	-	-	-	3,000
	<u>16,900</u>	<u>16,900</u>	<u>11,800</u>	<u>-</u>	<u>11,800</u>	<u>5,100</u>
Human Rights Commission:						
Expenses	1,075	1,075	441	-	441	634
	<u>1,075</u>	<u>1,075</u>	<u>441</u>	<u>-</u>	<u>441</u>	<u>634</u>
<i>Total Health and Human Services</i>	<u>2,467,199</u>	<u>2,400,199</u>	<u>2,081,708</u>	<u>279,558</u>	<u>2,361,266</u>	<u>38,933</u>

CITY OF REVERE, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
<i>Culture and Recreation:</i>						
Library:						
Personal services	648,469	648,469	642,179	-	642,179	6,290
Ordinary maintenance	398,393	388,393	249,167	133,840	383,007	5,386
	<u>1,046,862</u>	<u>1,036,862</u>	<u>891,346</u>	<u>133,840</u>	<u>1,025,186</u>	<u>11,676</u>
Recreation:						
Personal services	732,139	765,139	764,053	-	764,053	1,086
Ordinary maintenance	236,580	236,580	146,630	88,731	235,361	1,219
	<u>968,719</u>	<u>1,001,719</u>	<u>910,683</u>	<u>88,731</u>	<u>999,414</u>	<u>2,305</u>
Other Culture and Recreation:						
Personal services	240,376	177,376	176,066	-	176,066	1,310
Ordinary maintenance	112,000	102,000	89,262	-	89,262	12,738
	<u>352,376</u>	<u>279,376</u>	<u>265,328</u>	<u>-</u>	<u>265,328</u>	<u>14,048</u>
<i>Total Culture and Recreation</i>	<u>2,367,957</u>	<u>2,317,957</u>	<u>2,067,357</u>	<u>222,571</u>	<u>2,289,928</u>	<u>28,029</u>
<i>State and County Assessments</i>	<u>18,623,724</u>	<u>18,623,724</u>	<u>19,170,234</u>	<u>-</u>	<u>19,170,234</u>	<u>(546,510)</u>
<i>Pension and Fringe Benefits</i>						
Pension benefits	16,677,115	16,732,115	16,731,401	-	16,731,401	714
Employee benefits	28,141,526	28,683,160	27,882,960	22,360	27,905,320	777,840
	<u>44,818,641</u>	<u>45,415,275</u>	<u>44,614,361</u>	<u>22,360</u>	<u>44,636,721</u>	<u>778,554</u>
<i>Total Pension and Fringe Benefits</i>	<u>44,818,641</u>	<u>45,415,275</u>	<u>44,614,361</u>	<u>22,360</u>	<u>44,636,721</u>	<u>778,554</u>
<i>Debt Service:</i>						
Ordinary maintenance - long-term debt principal	5,147,043	5,347,044	5,347,043	-	5,347,043	1
Ordinary maintenance - long-term debt interest	3,966,937	3,966,937	3,966,748	-	3,966,748	189
Ordinary maintenance - temporary debt interest	104,691	104,690	104,690	-	104,690	-
<i>Total Debt Service</i>	<u>9,218,671</u>	<u>9,418,671</u>	<u>9,418,481</u>	<u>-</u>	<u>9,418,481</u>	<u>190</u>
<b>Total Expenditures</b>	<u>285,094,193</u>	<u>287,787,306</u>	<u>261,656,627</u>	<u>24,845,330</u>	<u>286,501,957</u>	<u>1,285,349</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	4,566,971	4,566,971		4,566,971	-
Transfers out	-	(8,552,588)	(8,599,893)		(8,599,893)	(47,305)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(3,985,617)</u>	<u>(4,032,922)</u>		<u>\$ (4,032,922)</u>	<u>(47,305)</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>						
	<u>(28,612,771)</u>	<u>(33,065,426)</u>	<u>(4,675,582)</u>			<u>\$ 3,544,514</u>
<b>Other Budgetary Items</b>						
Use of unassigned fund balance (free cash)	-	4,452,655				
Prior year encumbrances	28,612,743	28,612,743				
Other items	<u>28</u>	<u>28</u>				
<b>Total Other Budgetary Items</b>	<u>28,612,771</u>	<u>33,065,426</u>				
<b>Net budget and actual</b>	<u>\$ -</u>	<u>\$ -</u>				

(Concluded)

See notes to required supplementary information.

# CITY OF REVERE, MASSACHUSETTS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2025

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### **I. Pension Plan**

*Pension Contributions* – The City has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

*Changes in Assumptions* – None.

### **II. Other Postemployment Benefit Plan**

The City administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The City is not required to fully fund the actuarially determined contribution.

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

Actuarial cost method	Entry age normal - Level percentage of payroll
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Investment rate of return	5.91%
Municipal bond rate	4.81%
Discount rate	5.23%
Wage inflation	2.50%
Health care trend rate	Currently at 5.00% decreasing by .04% until 4.77%.
Salary increases	3.00%
Pre-retirement mortality	Non-Teachers: RP-2014 Blue Collar Employee Mortality Table projected generationally using with Scale MP-2021, set forward 1 year for females Teachers: Pub-2010 Teacher Employee Headcount-Weighted Mortality Table projected generationally with Scale MP-2021
Post-retirement mortality	Non-Teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using with Scale MP-2021, set forward 1 year for females Teachers: PubT-2010 Teacher Employee Headcount-Weighted Healthy Annuitantes Mortality Table projected generationally with Scale MP-2021
Disabled mortality	Non-Teachers: RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using with Scale MP-2021, set forward 1 year for males and 2 years for females Teachers: PubT-2010 Teacher Employee Headcount-Weighted Healthy Annuitantes Mortality Table projected generationally with Scale MP-2021

Changes in Assumptions – The discount rate increased to 5.23% from 4.98% and the mortality tables were updated.

### III. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund and the Enterprise Fund. The Mayor presents an annual budget to the City Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The City Council, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote. Increases or transfers between and within departments subsequent to the approval of the annual budget requires a two-thirds vote or a majority City Council, respectively, and the Mayor’s approval through a supplemental appropriation or City Council Order. Expenditures may not legally exceed appropriations at the department level, or in the categories of salaries, expenses and capital. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The City adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2025, City Council approved various supplemental budgetary appropriations which resulted in a net increase of approximately \$11.2 million from the original voted budget, which was primarily utilized for general government (\$0.5 million), public works (\$1.4 million), employee benefits (\$0.5 million), debt service (\$0.2 million) and transfers to other funds (\$8.6 million).

The City Auditor has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted by City Council. Budgetary control is exercised through the City’s accounting system.

Budgetary-to-GAAP Reconciliation – The City’s general fund is prepared on a basis of accounting other than GAAP to conform to the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2025, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues on a budgetary basis			\$ 261,013,967
On behalf payments	\$ 17,590,964	\$ -	17,590,964
Stabilization revenue	-	534,061	534,061
Impact of revenue accruals	(83,760)	-	(83,760)
Impact of tax refunds payable accrual	305,500	-	305,500
Revenues on a GAAP basis	<u>\$ 17,812,704</u>	<u>\$ 534,061</u>	<u>\$ 279,360,732</u>
Expenditures on a budgetary basis			\$ 261,656,627
On behalf payments	\$ 17,590,964	\$ -	17,590,964
Stabilization expenses	-	311,906	311,906
Impact of expenditure accruals	-	(572,011)	(572,011)
Expenditures on a GAAP basis	<u>\$ 17,590,964</u>	<u>\$ (260,105)</u>	<u>\$ 278,987,486</u>
Other financing sources (uses) on a budgetary basis			\$ (4,032,922)
Stabilization transfers	\$ -	\$ 1,239,394	1,239,394
Other financing sources (uses) on a GAAP basis	<u>\$ -</u>	<u>\$ 1,239,394</u>	<u>\$ (2,793,528)</u>

Excess of Expenditures Over Appropriations – During the fiscal year ended, expenditures exceeded appropriations in the General Fund for state and county assessments by \$546,510. This over-expenditure was funded with available funds during the fiscal year.

## **Combining Statements**

## **Nonmajor Governmental Funds**

### *Special Revenue Funds –*

Special revenue funds are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specific purpose. From the City's financial ledgers, these activities can be distinctly categorized into the following groupings:

*City Revolving Fund* – This fund accounts for the non-school related activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

*City Grant Fund* – This fund accounts for non-school grant programs received either directly from federal and state agencies or indirectly through pass-through entities and other organizations.

*Highway Improvements Grant Fund* – This fund accounts for construction, reconstruction and improvements to roadways, streets and sidewalks that are primarily funded by grants.

*Community Development Grant Fund* – This fund accounts for the City's Community Development Block Grant and related funds.

*Northern Strand Community Trail* – This fund accounts for activities associated with the design and construction of a recreational walking trail.

*City Receipts Reserved* – This fund accounts for receipts collected which are designated to fund and supplement specific operating budgets of various departments.

*School Revolving Fund* – This fund accounts for the school related activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71. The school lunch program is also included within the fund and includes charges for services along with federal and state grant revenue.

*School Grant Fund* – This fund accounts for state and federally funded educational-based grant programs which are designated for specific programs.

*Trash Revolving Fund* – This fund accounts for the City's solid waste disposal and recycling program.

*Coronavirus Relief Fund* – This fund accounts for funding received from federal and state governments to assist in meeting obligations associated with the COVID-19 pandemic.

*Other Special Revenue* – This fund accounts for activities not specified in the funds above.

*Debt Service Fund* –

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

*Permanent Fund* –

The *Permanent Trust Fund* is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2025

	<b>Special Revenue Funds</b>				
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Fund	Northern Strand Community Trail
<b>Assets:</b>					
Cash and cash equivalents	\$ 4,004,745	\$ 2,638,512	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Receivables, net of allowance for uncollectibles:					
Intergovernmental	-	1,590,942	305,480	576,262	-
<b>Total Assets</b>	<b>\$ 4,004,745</b>	<b>\$ 4,229,454</b>	<b>\$ 305,480</b>	<b>\$ 576,262</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Warrants and accounts payable	\$ 536,616	\$ 735,393	\$ 263,241	\$ 176,384	\$ -
Other liabilities	-	-	-	-	-
Due to other funds	-	-	644,473	386,511	-
<b>Total Liabilities</b>	<b>536,616</b>	<b>735,393</b>	<b>907,714</b>	<b>562,895</b>	<b>-</b>
Fund Balances:					
Restricted	3,468,129	3,576,061	-	13,367	-
Unassigned	-	(82,000)	(602,234)	-	-
<b>Total Fund Balances</b>	<b>3,468,129</b>	<b>3,494,061</b>	<b>(602,234)</b>	<b>13,367</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,004,745</b>	<b>\$ 4,229,454</b>	<b>\$ 305,480</b>	<b>\$ 576,262</b>	<b>\$ -</b>

<u>City Receipts Reserved</u>	<u>School Revolving Fund</u>	<u>School Grant Fund</u>	<u>Trash Revolving Fund</u>	<u>Coronavirus Relief Fund</u>	<u>Other Special Revenue</u>	<u>Sub-total Special Revenue Funds</u>
\$ 2,771,683	\$ 7,206,853	\$ 6,085,202	\$ 456,139	\$ -	\$ 588,587	\$ 23,751,721
-	-	-	-	-	-	-
-	371,951	111,072	-	1,533,313	-	4,489,020
<u>\$ 2,771,683</u>	<u>\$ 7,578,804</u>	<u>\$ 6,196,274</u>	<u>\$ 456,139</u>	<u>\$ 1,533,313</u>	<u>\$ 588,587</u>	<u>\$ 28,240,741</u>
\$ 29,049	\$ 219,765	\$ 720,870	\$ -	\$ 916,576	\$ 250,627	\$ 3,848,521
-	-	-	-	-	-	-
-	-	-	-	719,351	-	1,750,335
<u>29,049</u>	<u>219,765</u>	<u>720,870</u>	<u>-</u>	<u>1,635,927</u>	<u>250,627</u>	<u>5,598,856</u>
2,742,634	7,359,039	5,578,458	456,139	-	337,960	23,531,787
-	-	(103,054)	-	(102,614)	-	(889,902)
<u>2,742,634</u>	<u>7,359,039</u>	<u>5,475,404</u>	<u>456,139</u>	<u>(102,614)</u>	<u>337,960</u>	<u>22,641,885</u>
<u>\$ 2,771,683</u>	<u>\$ 7,578,804</u>	<u>\$ 6,196,274</u>	<u>\$ 456,139</u>	<u>\$ 1,533,313</u>	<u>\$ 588,587</u>	<u>\$ 28,240,741</u>

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2025

	Debt Service Fund	Permanent Trust Fund	<b>Total</b> Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,033,566	\$ -	\$ 24,785,287
Investments	-	5,363,022	5,363,022
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	-	4,489,020
<b>Total Assets</b>	<b>\$ 1,033,566</b>	<b>\$ 5,363,022</b>	<b>\$ 34,637,329</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Warrants and accounts payable	\$ -	\$ 195,723	\$ 4,044,244
Other liabilities	-	219,331	219,331
Due to other funds	-	-	1,750,335
<b>Total Liabilities</b>	<b>-</b>	<b>415,054</b>	<b>6,013,910</b>
<b>Fund Balances:</b>			
Restricted	1,033,566	4,947,968	29,513,321
Unassigned	-	-	(889,902)
<b>Total Fund Balances</b>	<b>1,033,566</b>	<b>4,947,968</b>	<b>28,623,419</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,033,566</b>	<b>\$ 5,363,022</b>	<b>\$ 34,637,329</b>

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**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2025

	<b>Special Revenue Funds</b>				
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Fund	Northern Strand Community Trail
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 6,998,351	\$ 773,518	\$ 1,932,501	\$ -
Departmental and other	2,805,054	-	-	30,055	-
Investment income	-	-	-	-	-
Contributions and donations	500,000	-	-	-	-
<b>Total Revenues</b>	<u>3,305,054</u>	<u>6,998,351</u>	<u>773,518</u>	<u>1,962,556</u>	<u>-</u>
<b>Expenditures:</b>					
Current:					
General government	2,162,882	1,338,600	-	-	-
Public safety	39,793	635,933	-	-	-
Education	274,438	15,000	-	-	-
Public works	470,801	2,841,465	1,375,752	-	-
Health and human services	77,969	289,891	-	-	-
Culture and recreation	1,324,804	360,301	-	1,549,914	-
<b>Total Expenditures</b>	<u>4,350,687</u>	<u>5,481,190</u>	<u>1,375,752</u>	<u>1,549,914</u>	<u>-</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(1,045,633)</u>	<u>1,517,161</u>	<u>(602,234)</u>	<u>412,642</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	240,000	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(805,633)</u>	<u>1,517,161</u>	<u>(602,234)</u>	<u>412,642</u>	<u>-</u>
Fund Balances - Beginning of Year, as previously reported	4,036,003	7,113,396	-	147,995	-
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-
Change within financial reporting entity (within nonmajor)	237,759	(5,136,496)	-	(547,270)	-
Error corrections	-	-	-	-	-
Fund Balances - Beginning of Year, as restated	<u>4,273,762</u>	<u>1,976,900</u>	<u>-</u>	<u>(399,275)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 3,468,129</u>	<u>\$ 3,494,061</u>	<u>\$ (602,234)</u>	<u>\$ 13,367</u>	<u>\$ -</u>

City Receipts Reserved	School Revolving Fund	School Grant Fund	Trash Revolving Fund	Coronavirus Relief Fund	Other Special Revenue	Sub-total Special Revenue Funds
\$ -	\$ 6,029,813	\$ 12,367,099	\$ -	\$ 8,119,983	\$ -	\$ 36,221,265
1,314,264	5,428,280	-	353,542	-	4,215,803	14,146,998
-	-	-	-	-	-	-
-	-	-	-	-	-	500,000
<u>1,314,264</u>	<u>11,458,093</u>	<u>12,367,099</u>	<u>353,542</u>	<u>8,119,983</u>	<u>4,215,803</u>	<u>50,868,263</u>
629,023	-	-	-	-	-	4,130,505
240,707	-	-	-	-	4,113,130	5,029,563
-	11,218,020	14,451,588	-	8,394,441	222,967	34,576,454
124,244	-	-	5,133,150	-	-	9,945,412
-	-	-	-	-	-	367,860
-	-	-	-	-	-	3,235,019
<u>993,974</u>	<u>11,218,020</u>	<u>14,451,588</u>	<u>5,133,150</u>	<u>8,394,441</u>	<u>4,336,097</u>	<u>57,284,813</u>
<u>320,290</u>	<u>240,073</u>	<u>(2,084,489)</u>	<u>(4,779,608)</u>	<u>(274,458)</u>	<u>(120,294)</u>	<u>(6,416,550)</u>
-	-	-	4,635,024	-	300,000	5,175,024
(122,640)	-	-	-	-	-	(122,640)
<u>(122,640)</u>	<u>-</u>	<u>-</u>	<u>4,635,024</u>	<u>-</u>	<u>300,000</u>	<u>5,052,384</u>
197,650	240,073	(2,084,489)	(144,584)	(274,458)	179,706	(1,364,166)
2,544,984	7,016,369	3,240,213	597,821	166,221	158,254	25,021,256
-	-	-	-	-	-	-
-	102,597	79,643	2,902	5,623	-	(5,255,242)
-	-	4,240,037	-	-	-	4,240,037
<u>2,544,984</u>	<u>7,118,966</u>	<u>7,559,893</u>	<u>600,723</u>	<u>171,844</u>	<u>158,254</u>	<u>24,006,051</u>
<u>\$ 2,742,634</u>	<u>\$ 7,359,039</u>	<u>\$ 5,475,404</u>	<u>\$ 456,139</u>	<u>\$ (102,614)</u>	<u>\$ 337,960</u>	<u>\$ 22,641,885</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2025

	<b>Capital Project Funds</b>			
	Harry Della Russo Stadium	School Capital Projects	School Construction Project	Sub-total Capital Project Funds
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Departmental and other	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Education	-	-	-	-
Public works	-	-	-	-
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year, as previously reported	57,951	2,409,503	698,948	3,166,402
Change within financial reporting entity (nonmajor to major)	-	(1,826,050)	(698,948)	(2,524,998)
Change within financial reporting entity (within nonmajor)	(57,951)	(583,453)	-	(641,404)
Error corrections	-	-	-	-
Fund Balances - Beginning of Year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

		<b>Total</b>
Debt Service Fund	Permanent Trust Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ 36,221,265
811,500	-	14,958,498
211,846	45,650	257,496
-	1,337,051	1,837,051
1,023,346	1,382,701	53,274,310
-	-	4,130,505
-	-	5,029,563
-	-	34,576,454
-	56,141	10,001,553
-	-	367,860
-	-	3,235,019
-	56,141	57,340,954
1,023,346	1,326,560	(4,066,644)
-	1,113,170	6,288,194
(200,000)	(447,000)	(769,640)
(200,000)	666,170	5,518,554
823,346	1,992,730	1,451,910
210,220	-	28,397,878
-	-	(2,524,998)
-	2,955,238	(2,941,408)
-	-	4,240,037
210,220	2,955,238	27,171,509
\$ 1,033,566	\$ 4,947,968	\$ 28,623,419

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# STATISTICAL SECTION





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# Statistical Section

This part of the annual comprehensive financial report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

## **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; as well as 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 financial statements for the relevant year.

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018 (1)</u>	<u>2019</u>	<u>2020 (2)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (3)</u>	<u>2025</u>
<b>Governmental activities:</b>										
Net investment in capital assets.....	\$ 131,609,885	\$ 127,306,721	\$ 131,607,988	\$ 135,224,722	\$ 136,410,191	\$ 140,797,789	\$ 137,126,704	\$ 146,988,855	\$ 142,411,844	\$ 133,786,290
Restricted.....	3,896,591	8,907,370	5,196,858	6,942,042	10,381,399	8,708,268	12,065,174	12,611,291	12,948,075	34,089,252
Unrestricted.....	<u>(120,807,092)</u>	<u>(123,718,614)</u>	<u>(270,717,192)</u>	<u>(295,045,768)</u>	<u>(311,401,023)</u>	<u>(314,884,070)</u>	<u>(298,407,847)</u>	<u>(313,513,520)</u>	<u>(318,163,281)</u>	<u>(323,101,412)</u>
<b>Total governmental activities net position.....</b>	<b>\$ 14,699,384</b>	<b>\$ 12,495,477</b>	<b>\$ (133,912,346)</b>	<b>\$ (152,879,004)</b>	<b>\$ (164,609,433)</b>	<b>\$ (165,378,013)</b>	<b>\$ (149,215,969)</b>	<b>\$ (153,913,374)</b>	<b>\$ (162,803,362)</b>	<b>\$ (155,225,870)</b>
<b>Business-type activities:</b>										
Net investment in capital assets.....	\$ 14,989,438	\$ 13,684,220	\$ 14,660,627	\$ 16,967,652	\$ 20,081,984	\$ 23,340,253	\$ 27,674,103	\$ 30,873,136	\$ 29,288,888	\$ 31,445,074
Unrestricted.....	<u>8,601,135</u>	<u>14,977,464</u>	<u>9,393,818</u>	<u>9,393,818</u>	<u>7,381,792</u>	<u>7,765,823</u>	<u>6,513,120</u>	<u>7,341,463</u>	<u>6,049,597</u>	<u>12,080,256</u>
<b>Total business-type activities net position.....</b>	<b>\$ 23,590,573</b>	<b>\$ 28,661,684</b>	<b>\$ 24,054,445</b>	<b>\$ 26,361,470</b>	<b>\$ 27,463,776</b>	<b>\$ 31,106,076</b>	<b>\$ 34,187,223</b>	<b>\$ 38,214,599</b>	<b>\$ 35,338,485</b>	<b>\$ 43,525,330</b>
<b>Primary government:</b>										
Net investment in capital assets.....	\$ 146,599,323	\$ 140,990,941	\$ 146,268,615	\$ 152,192,374	\$ 149,677,288	\$ 164,138,042	\$ 164,800,807	\$ 177,861,991	\$ 174,428,344	\$ 165,231,364
Restricted.....	3,896,591	8,907,370	5,196,858	6,942,042	10,381,399	8,708,268	12,065,174	12,611,291	10,711,824	34,089,252
Unrestricted.....	<u>(112,205,957)</u>	<u>(108,741,150)</u>	<u>(261,323,374)</u>	<u>(285,651,950)</u>	<u>(297,204,344)</u>	<u>(307,118,247)</u>	<u>(291,894,727)</u>	<u>(306,172,057)</u>	<u>(308,176,759)</u>	<u>(311,021,156)</u>
<b>Total primary government net position.....</b>	<b>\$ 38,289,957</b>	<b>\$ 41,157,161</b>	<b>\$ (109,857,901)</b>	<b>\$ (126,517,534)</b>	<b>\$ (137,145,657)</b>	<b>\$ (134,271,937)</b>	<b>\$ (115,028,746)</b>	<b>\$ (115,698,775)</b>	<b>\$ (123,036,591)</b>	<b>\$ (111,700,540)</b>

- (1) Net position has been revised to reflect the implementation of GASB Statement #75.
- (2) Net position has been revised to reflect the implementation of GASB Statement #84.
- (3) Various balances were revised due to error corrections related to understated intergovernmental grant receivables as well as overstated health claims, payables liabilities, deferred outflows and capital assets. It was determined that any effect of these corrections on years prior to 2024 were immaterial.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
Expenses -										
Governmental activities:										
General government.....	\$ 15,303,774	\$ 17,155,162	\$ 15,830,030	\$ 18,677,964	\$ 20,850,398	\$ 21,927,597	\$ 24,834,586	\$ 27,443,793	\$ 30,240,244	\$ 49,880,399
Public safety.....	37,684,056	39,421,440	42,792,229	48,797,413	44,914,133	49,384,788	45,248,280	60,724,785	62,563,145	53,250,043
Education.....	130,866,169	139,897,194	149,587,836	161,643,523	163,296,859	167,784,149	171,909,117	193,136,831	209,474,113	230,650,128
Public works.....	12,282,248	13,614,256	11,651,357	9,170,717	14,849,694	7,705,190	6,917,747	8,959,993	8,824,963	10,780,880
Health and human services.....	3,761,556	3,852,268	4,441,613	5,116,904	3,962,834	4,583,325	3,547,778	4,332,430	4,131,357	3,413,077
Trash and recycling.....	-	-	-	4,229,824	4,444,835	4,705,408	4,510,933	4,624,345	4,438,397	-
Culture and recreation.....	1,991,367	1,873,795	2,819,146	2,046,706	2,785,501	2,541,237	2,706,405	4,016,897	5,803,808	6,520,489
Interest.....	2,220,766	2,051,332	2,244,557	1,590,601	1,816,514	1,967,763	3,801,533	2,888,186	3,713,770	3,833,512
Total government activities expenses.....	204,109,936	217,865,447	229,366,768	251,273,652	256,920,768	260,599,457	263,476,379	306,127,260	329,189,797	358,328,528
Business-type activities:										
Water and sewer.....	21,944,588	23,797,042	25,464,659	27,035,429	25,814,547	27,441,915	26,973,614	29,982,652	31,463,803	28,299,699
Total business-type activities expenses.....	21,944,588	23,797,042	25,464,659	27,035,429	25,814,547	27,441,915	26,973,614	29,982,652	31,463,803	28,299,699
Total primary government expenses.....	\$ 226,054,524	\$ 241,662,489	\$ 254,831,427	\$ 278,309,081	\$ 282,735,315	\$ 288,041,372	\$ 290,449,993	\$ 336,109,912	\$ 360,653,600	\$ 386,628,227
Program Revenues -										
Governmental activities:										
Charges for services:										
General government.....	\$ 2,881,437	\$ 3,065,829	\$ 3,765,833	\$ 6,386,518	\$ 4,670,212	\$ 4,842,830	\$ 10,247,681	\$ 6,667,636	\$ 8,057,995	\$ 7,755,639
Public safety.....	1,432,731	1,159,881	1,937,344	871,202	1,698,554	4,830,024	5,108,843	6,797,065	6,076,708	7,017,406
Education.....	1,430,759	1,450,368	824,571	870,423	586,525	443,298	371,424	477,764	3,333,189	5,833,990
Other charges for service.....	791,383	1,175,744	672,546	1,607,041	1,504,485	2,422,716	4,346,612	3,732,963	4,176,199	3,813,481
Operating grants and contributions:										
Public safety.....	390,740	1,169,421	1,113,646	899,391	2,063,091	1,888,959	1,996,827	848,298	1,683,605	2,883,532
Education.....	83,115,134	90,708,790	94,171,831	104,854,508	113,652,164	117,021,686	122,858,282	130,969,440	149,439,303	159,147,606
Other operating grants and contributions.....	2,840,719	3,064,602	4,024,248	7,611,746	5,036,932	10,733,512	9,394,083	14,113,436	11,402,926	14,272,324
Capital grants and contributions:										
Education.....	3,886,257	4,129,870	2,017,453	83,540	986,423	-	1,152,010	2,289,339	140,345	16,496,284
Public works.....	779,467	2,211,124	2,554,603	621,031	1,040,949	3,456,740	906,357	811,006	1,001,870	4,940,342
Other capital grants and contributions.....	-	321,484	-	-	447,656	1,083,831	384,032	37,206	-	-
Total government activities program revenues.....	97,548,627	108,457,113	111,082,075	123,805,400	131,686,991	146,723,596	156,766,151	166,744,153	185,312,140	222,160,604
Business-type activities:										
Charges for services.....	25,386,189	28,350,626	25,794,344	26,405,852	25,509,028	27,848,066	26,971,014	29,315,670	31,155,713	31,026,503
Operating grants and contributions.....	-	-	-	-	-	-	-	-	-	681,474
Capital grants and contributions.....	192,329	487,713	-	1,714,450	1,116,055	3,050,639	3,104,069	2,127,673	1,635,777	645,847
Total business-type activities program revenues.....	25,578,518	28,838,339	25,794,344	28,120,302	26,625,083	30,898,705	30,075,083	31,443,343	32,791,490	32,353,824
Total primary government program revenues.....	\$ 123,127,145	\$ 137,295,452	\$ 136,876,419	\$ 151,925,702	\$ 158,312,074	\$ 177,622,301	\$ 186,841,234	\$ 198,187,496	\$ 218,103,630	\$ 254,514,428
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (106,561,309)	\$ (109,408,334)	\$ (118,284,693)	\$ (127,468,252)	\$ (125,233,777)	\$ (113,875,861)	\$ (106,710,228)	\$ (139,383,107)	\$ (143,877,657)	\$ (136,167,924)
Business-type activities.....	3,633,930	5,041,297	329,685	1,084,873	810,536	3,456,790	3,101,469	1,460,691	1,327,687	4,054,125
Total primary government net (expense)/program revenue.....	\$ (102,927,379)	\$ (104,367,037)	\$ (117,955,008)	\$ (126,383,379)	\$ (124,423,241)	\$ (110,419,071)	\$ (103,608,759)	\$ (137,922,416)	\$ (142,549,970)	\$ (132,113,799)

(1) Education operating grants and contributions were increased due to correction of an error. Various governmental and business-type activities expenses were decreased due to correction of errors.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues, Special Items, Transfers and Other Changes in Net Position -										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 76,733,123	\$ 78,964,460	\$ 82,001,340	\$ 85,883,823	\$ 91,083,738	\$ 93,090,334	\$ 100,707,822	\$ 107,866,375	\$ 109,837,307	\$ 119,399,546
Motor vehicle and other excise taxes.....	5,479,414	5,621,860	5,637,767	6,013,007	6,002,938	6,155,322	6,358,138	7,068,384	7,615,116	11,932,821
Hotel/motel tax and meals tax.....	2,354,584	2,356,928	2,471,658	2,623,267	2,531,378	1,183,413	2,621,399	3,990,512	4,714,113	-
Penalties and interest on taxes.....	771,965	754,037	1,673,886	853,417	309,592	794,419	518,003	442,889	715,777	423,913
Payments in lieu of taxes.....	236,873	132,506	279,961	185,119	245,982	210,693	250,234	203,653	144,985	-
Nonrestricted grants, contributions, and other.....	10,474,377	10,814,407	10,712,581	11,435,466	11,873,426	11,462,537	12,546,454	13,046,759	13,219,471	11,405,631
Unrestricted investment income.....	363,407	221,915	483,475	1,507,495	1,181,356	284,282	(129,778)	4,011,064	5,096,885	4,368,631
Transfers.....	-	-	-	-	-	(73,719)	-	(1,943,934)	(1,217,750)	(3,785,126)
Total governmental revenues.....	96,413,743	98,866,113	103,260,668	108,501,594	113,228,410	113,107,281	122,872,272	134,685,702	140,125,904	143,745,416
Extraordinary item - July 2014 Tornado Insurance Recovery.....	-	2,215,140	3,934,860	-	-	-	-	-	-	-
Total governmental activities.....	96,413,743	101,081,253	107,195,528	108,501,594	113,228,410	113,107,281	122,872,272	134,685,702	140,125,904	143,745,416
Business-type activities:										
Unrestricted investment income.....	17,490	29,814	46,111	388,552	291,770	111,791	(20,322)	622,751	961,802	347,594
Transfers.....	-	-	-	-	-	73,719	-	1,943,934	1,217,750	3,785,126
Total business-type activities.....	17,490	29,814	46,111	388,552	291,770	185,510	(20,322)	2,566,685	2,179,552	4,132,720
Total primary government general revenues, transfers and other changes in net position.....	\$ 96,431,233	\$ 101,111,067	\$ 107,241,639	\$ 108,890,146	\$ 113,520,180	\$ 113,292,791	\$ 122,851,950	\$ 137,252,387	\$ 142,305,456	\$ 147,878,136
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (10,147,566)	\$ (8,327,081)	\$ (11,089,165)	\$ (18,966,658)	\$ (12,005,367)	\$ (768,580)	\$ 16,162,044	\$ (4,697,405)	\$ (3,751,753)	\$ 7,577,492
Business-type activities.....	3,651,420	5,071,111	375,796	1,473,425	1,102,306	3,642,300	3,081,147	4,027,376	3,507,239	8,186,845
Total primary government changes in net position.....	\$ (6,496,146)	\$ (3,255,970)	\$ (10,713,369)	\$ (17,493,233)	\$ (10,903,061)	\$ 2,873,720	\$ 19,243,191	\$ (670,029)	\$ (244,514)	\$ 15,764,337

**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (1)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (2)</u>	<u>2025</u>
<b>General Fund:</b>										
Committed.....			\$ 63,206	\$ 271,203	\$ 201,934	\$ 77,517	\$ -	\$ -	\$ -	\$ -
Assigned.....	10,238,205	13,618,143	12,590,008	13,840,088	15,401,297	19,517,283	25,423,855	24,398,927	28,612,739	24,845,330
Unassigned.....	16,854,365	20,165,252	19,560,123	19,362,385	16,608,558	11,997,789	16,197,502	14,936,687	16,161,972	17,509,099
<b>Total general fund.....</b>	<b>\$ 27,092,570</b>	<b>\$ 33,783,395</b>	<b>\$ 32,213,337</b>	<b>\$ 33,473,676</b>	<b>\$ 32,211,789</b>	<b>\$ 31,592,589</b>	<b>\$ 41,621,357</b>	<b>\$ 39,335,614</b>	<b>\$ 44,774,711</b>	<b>\$ 42,354,429</b>
<b>All Other Governmental Funds:</b>										
Restricted.....	12,095,952	17,873,843	15,536,639	18,929,313	20,790,613	50,295,661	59,641,302	44,831,826	36,065,307	35,329,168
Unassigned.....	(19,058,234)	(271,975)	(1,662,744)	(1,620,740)	(8,021,964)	(17,973)	-	(1,041,770)	-	(3,355,796)
<b>Total all other governmental funds.....</b>	<b>\$ (6,962,282)</b>	<b>\$ 17,601,868</b>	<b>\$ 13,873,895</b>	<b>\$ 17,308,573</b>	<b>\$ 12,768,649</b>	<b>\$ 50,277,688</b>	<b>\$ 59,641,302</b>	<b>\$ 43,790,056</b>	<b>\$ 36,065,307</b>	<b>\$ 31,973,372</b>

(1) The City implemented GASB Statement #84 - Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

(2) Various balances were revised due to error corrections related to understated intergovernmental grant receivables, overstated payables liabilities and reclassifications between funds.

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

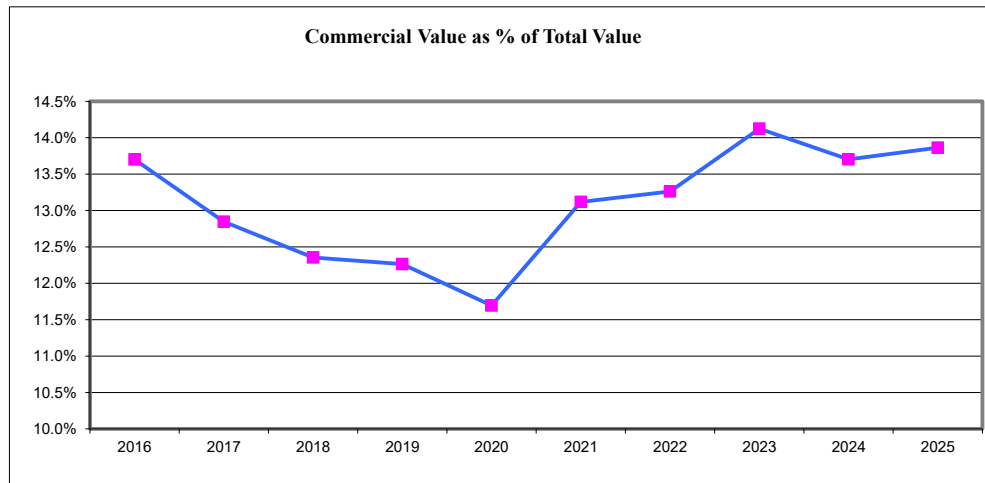
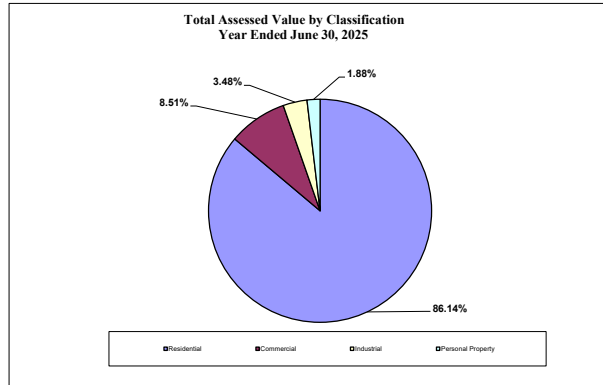
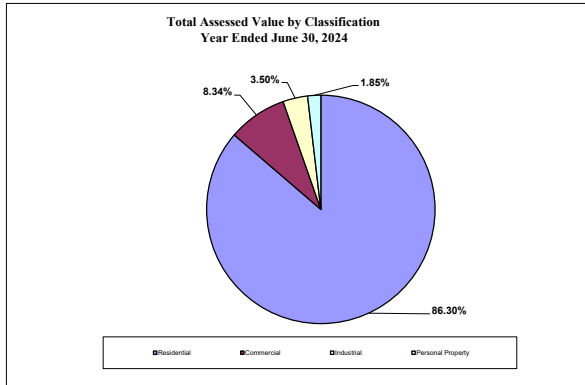
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 74,122,267	\$ 78,369,948	\$ 80,422,568	\$ 84,795,403	\$ 89,845,360	\$ 91,831,694	\$ 99,430,468	\$ 105,265,253	\$ 109,092,516	\$ 117,964,774
Tax title.....	2,672,391	1,833,246	1,468,225	725,499	1,357,342	924,614	760,245	951,025	1,015,335	-
Motor vehicle and other excise taxes.....	5,375,745	5,350,845	5,844,429	6,040,326	5,402,654	6,640,706	6,344,687	6,932,313	7,691,791	11,880,558
Hotel/motel and meals tax.....	2,354,584	2,356,928	2,471,658	2,623,267	2,531,378	1,183,413	2,621,399	3,990,512	4,714,113	-
Charges for service.....	2,224,461	2,398,812	2,638,960	2,844,613	2,763,183	3,758,763	4,460,825	4,739,071	4,315,508	-
Penalties and interest on taxes.....	597,950	641,505	889,791	853,417	309,592	794,419	518,003	442,889	715,777	423,913
Payments in lieu of taxes.....	236,873	132,506	279,961	185,119	245,982	210,693	250,234	203,653	144,985	-
Licenses and permits.....	1,382,497	1,215,769	1,759,986	4,521,377	2,740,188	1,866,058	6,586,962	3,258,648	4,037,396	3,717,957
Fines and forfeitures.....	1,285,992	1,445,890	2,177,667	1,284,332	1,403,607	1,408,944	1,730,858	2,099,865	2,210,425	2,283,552
Intergovernmental.....	99,090,780	110,033,192	113,457,060	123,539,814	131,692,740	141,331,287	148,809,595	161,573,584	174,789,118	194,935,597
Departmental and other.....	3,313,010	3,304,698	1,460,413	4,245,948	4,697,090	9,688,714	7,559,421	8,064,964	8,738,328	18,465,627
Contributions and donations.....	772,300	877,091	207,614	196,815	158,819	-	238,085	189,907	165,676	1,837,051
Investment income.....	358,585	212,749	471,555	1,648,807	1,135,722	274,110	315,495	3,671,914	4,890,734	3,976,983
<b>Total Revenue.....</b>	<b>193,787,435</b>	<b>208,173,179</b>	<b>213,549,887</b>	<b>233,504,737</b>	<b>244,283,657</b>	<b>259,913,415</b>	<b>279,626,277</b>	<b>301,383,598</b>	<b>322,521,702</b>	<b>355,486,012</b>
<b>Expenditures:</b>										
General government.....	9,329,032	9,909,010	9,860,394	14,208,964	11,981,617	17,479,719	20,258,485	20,852,916	22,359,073	18,789,586
Public safety.....	20,942,915	20,695,289	24,793,798	26,005,692	26,367,490	31,370,524	31,851,418	37,297,680	45,851,736	36,112,544
Education.....	97,577,853	93,188,804	105,770,691	104,856,942	107,149,835	107,519,175	126,108,967	166,491,740	144,498,246	169,419,412
Public works.....	7,376,649	7,271,921	11,956,863	13,263,557	19,566,982	14,989,443	14,204,605	32,376,469	15,847,976	11,031,734
Health and human services.....	2,600,677	2,641,581	3,020,900	3,336,305	2,927,516	3,823,285	2,885,617	3,098,508	2,651,384	2,449,568
Culture and recreation.....	3,698,315	2,009,376	1,583,609	1,522,991	1,827,911	1,782,912	1,961,502	2,853,551	3,968,281	5,432,809
Pension benefits.....	23,227,185	28,600,269	11,052,060	30,105,907	36,271,740	41,127,476	27,872,060	33,151,496	35,327,129	36,826,839
Employee benefits.....	19,141,043	19,239,707	20,310,678	23,299,820	24,840,857	25,352,182	25,852,017	26,748,924	27,990,666	22,540,973
State and county charges.....	8,368,133	9,346,992	10,394,287	12,231,375	12,996,858	13,558,757	14,961,287	17,730,580	18,247,230	19,170,234
Capital expenditures.....	-	-	-	-	-	-	-	-	-	33,516,565
Debt service:										
Principal.....	2,713,343	2,784,683	3,482,543	3,664,543	3,864,543	3,874,543	3,779,543	5,201,743	5,334,543	5,347,036
Interest.....	2,313,329	2,042,251	2,447,489	2,303,400	2,565,057	2,105,157	3,573,394	3,187,974	4,499,529	4,071,445
<b>Total Expenditures.....</b>	<b>197,288,474</b>	<b>197,729,883</b>	<b>204,673,312</b>	<b>234,799,496</b>	<b>250,360,406</b>	<b>262,983,173</b>	<b>273,308,895</b>	<b>348,991,581</b>	<b>326,575,793</b>	<b>364,708,745</b>
Excess of revenues over (under) expenditures.....	(3,501,039)	10,443,296	8,876,575	(1,294,759)	(6,076,749)	(3,069,758)	6,317,382	(47,607,983)	(4,054,091)	(9,222,733)
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds and notes.....	-	17,678,000	-	4,835,000	-	36,575,000	11,785,000	30,087,500	4,231,000	6,299,000
Issuance of refunding bonds.....	19,250,000	-	-	-	-	5,490,000	-	-	-	-
Premiums from issuance of refunding bonds.....	1,730,537	-	-	-	-	1,110,000	1,290,000	915,744	19,000	-
Premiums from issuance of bonds.....	-	918,539	-	332,199	-	3,458,316	-	-	-	196,639
Payments to refunded bond escrow agent.....	(20,980,537)	-	-	-	-	(6,600,000)	-	-	-	-
Insurance recovery.....	-	-	-	-	-	-	-	-	-	-
Transfers in.....	2,634,764	3,624,371	2,158,696	7,611,378	8,353,438	7,187,288	5,695,600	13,009,610	8,738,383	7,393,415
Transfers out.....	(2,634,764)	(3,624,371)	(2,142,872)	(7,611,378)	(8,353,438)	(7,261,007)	(5,695,600)	(14,541,860)	(9,956,133)	(11,178,541)
<b>Total other financing sources (uses).....</b>	<b>-</b>	<b>18,596,539</b>	<b>15,824</b>	<b>5,167,199</b>	<b>-</b>	<b>39,959,597</b>	<b>13,075,000</b>	<b>29,470,994</b>	<b>3,032,250</b>	<b>2,710,513</b>
Extraordinary item - July 2014 Tornado Insurance Recovery.....	-	2,215,140	3,954,360	-	-	-	-	-	-	-
<b>Net change in fund balance.....</b>	<b>\$ (3,501,039)</b>	<b>\$ 31,254,975</b>	<b>\$ 12,846,759</b>	<b>\$ 3,872,440</b>	<b>\$ (6,076,749)</b>	<b>\$ 36,889,839</b>	<b>\$ 19,392,382</b>	<b>\$ (18,136,989)</b>	<b>\$ (1,021,841)</b>	<b>\$ (6,512,220)</b>
Debt service as a percentage of noncapital expenditures.....	2.72%	2.51%	3.07%	2.67%	2.63%	2.37%	2.83%	2.96%	3.25%	2.84%

(1) Intergovernmental revenues were increased due to correction of an error.

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

Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Residential % of Total Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate (1)	Total City Value
2016	\$3,974,968,803	\$14.45	86.30%	\$456,465,306	\$100,983,327	\$73,616,395	\$631,065,028	\$28.70	13.70%	\$16.40	\$4,606,033,831
2017	\$4,391,660,331	\$13.99	87.15%	\$457,918,990	\$107,790,363	\$81,625,159	\$647,334,512	\$27.53	12.85%	\$15.73	\$5,038,994,843
2018	\$4,998,702,688	\$12.96	87.65%	\$500,040,174	\$123,962,522	\$80,577,857	\$704,580,553	\$25.36	12.35%	\$14.49	\$5,703,283,241
2019	\$5,599,805,095	\$12.11	87.74%	\$562,412,058	\$131,414,600	\$88,969,147	\$782,795,805	\$23.68	12.26%	\$13.53	\$6,382,600,900
2020	\$6,389,619,221	\$11.26	88.31%	\$611,800,101	\$135,531,800	\$98,884,337	\$846,216,238	\$21.88	11.69%	\$12.50	\$7,235,835,459
2021	\$6,659,026,997	\$11.06	86.88%	\$649,446,816	\$236,518,200	\$119,478,448	\$1,005,443,464	\$21.83	13.12%	\$12.47	\$7,664,470,461
2022	\$7,534,780,417	\$10.40	86.74%	\$713,690,892	\$291,473,188	\$146,981,779	\$1,152,145,859	\$20.56	13.26%	\$11.75	\$8,686,926,276
2023	\$8,520,077,275	\$9.51	85.88%	\$844,565,294	\$377,453,912	\$179,316,826	\$1,401,336,032	\$18.98	14.12%	\$10.85	\$9,921,413,307
2024	\$9,488,271,978	\$9.11	86.30%	\$917,323,044	\$385,314,204	\$203,949,453	\$1,506,586,701	\$18.10	13.70%	\$10.34	\$10,994,858,679
2025	\$10,041,568,285	\$9.07	86.14%	\$991,969,680	\$405,440,512	\$218,781,253	\$1,616,191,445	\$18.05	13.86%	\$10.31	\$11,657,759,730



(1) 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 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.

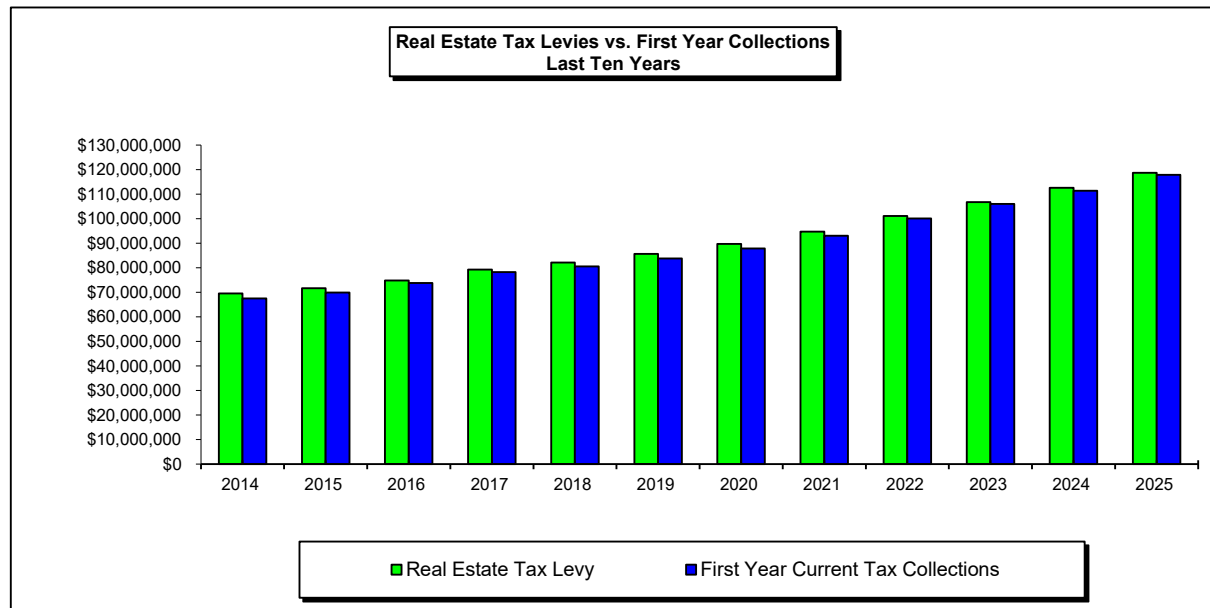
**Principal Taxpayers  
Current Year and Nine Years Ago**

Name	Nature of Business	2025			2016		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
11 Overlook Ridge Drive (MA) Owner LLC	Apartments	\$ 287,762,800	1	2.47%			
CLPF Revere LLC	Warehouse Distribution	\$ 262,904,812	2	2.26%			
SD R9 Owner LLC	Apartments	\$ 206,411,396	3	1.77%			
500 Ocean Avenue, LLC	Apartments	\$ 146,784,600	4	1.26%			
CPR/Robinsin, LLC	Apartments	\$ 116,181,096	5	1.00%			
Greystar Revere LLC	Apartments	\$ 96,871,200	6	0.83%			
Baystone Revere LLC	Apartments	\$ 96,058,200	7	0.82%			
205 Revere Beach Parkway LLC	Apartments	\$ 89,540,008	8	0.77%			
Revere Ocean Apartments Owner	Apartments	\$ 85,468,300	9	0.73%			
Gibson Point Owner LLC	Apartments	\$ 84,582,900	10	0.73%			
Alterra II LLC	Apartments				\$ 72,403,700	1	1.57%
Alterra I LLC & Mack- Cali Te LLC	Apartments				\$ 59,300,000	2	1.29%
NECCO Realty MA, LLC	Manufacturing				\$ 30,097,627	3	0.65%
Waters Edge Limited Partnership	Apartments				\$ 28,384,000	4	0.62%
HRCA Housing for Elderly, Inc.	Apartments				\$ 22,074,800	5	0.48%
Vanguard Revere Apartments	Apartments				\$ 20,097,500	6	0.44%
Global Revco Terminal LLC	Oil Tank Farms				\$ 18,971,300	7	0.41%
Cedar-River LLC (Stop and Shop Wendy's, Shops at Suffolk Do	Retail				\$ 18,155,000	8	0.39%
NAI Entertainment Holdings, LLC	Cinema				\$ 17,655,100	9	0.38%
Northgate Apartments LLC	Apartments				\$ 17,002,600	10	0.37%
	<b>Totals</b>	<b>\$ 1,472,565,312</b>		<b>12.63%</b>	<b>\$ 304,141,627</b>		<b>6.60%</b>

Source: Debt Offering Statements

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

<b>Year</b>	<b>Total Tax Levy</b>	<b>Less Estimated Abatements &amp; Exemptions</b>	<b>Net Tax Levy</b>	<b>First Year Current Tax Collections</b>	<b>Percent of Net Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Net Tax Levy</b>
2016	\$75,549,866	\$720,083	\$74,829,783	\$73,814,346	98.6%	\$987,703	\$74,802,049	99.96%
2017	80,055,269	794,822	79,260,447	78,230,115	98.7%	983,384	79,213,499	99.94%
2018	82,651,350	553,493	82,097,857	80,558,736	98.1%	700,013	81,258,749	98.98%
2019	86,350,244	739,949	85,610,295	83,829,958	97.9%	758,647	84,588,605	98.81%
2020	90,462,324	742,782	89,719,542	87,825,978	97.9%	1,458,343	89,284,321	99.51%
2021	95,597,669	840,733	94,756,936	93,008,143	98.2%	331,710	93,339,853	98.50%
2022	102,049,835	952,710	101,097,125	100,098,948	99.0%	25,834	100,124,782	99.04%
2023	107,623,293	883,228	106,740,065	106,053,264	99.4%	7,147	106,060,411	99.36%
2024	113,707,377	1,090,133	112,617,244	111,424,750	98.9%	777,843	112,202,593	99.63%
2025	120,249,280	1,540,216	118,709,064	117,874,129	99.3%	0	117,874,129	99.30%



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

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

Year	Governmental Activities											Total General Bonded Debt			Total Net General Bonded Debt		
	Population Estimates (1)	Personal Income (2)	Assessed Value (3)	General Obligation Bonds - Total (4)	Less: Resources Restricted for Debt Principal (5)	Total Net General Bonded Debt (4) - (5) + (6)	Leases (6)	Per Capita (4 + 6) / 1	Percentage of Personal Income (4 + 6) / 2	Percentage of Assessed Value (4 + 6) / 3	Per Capita (4 - 5 + 6) / 1	Percentage of Personal Income (4 - 5 + 6) / 2	Percentage of Assessed Value (4 - 5 + 6) / 3				
2016	53,422	\$1,403,342,518	\$4,606,033,831	\$50,898,896	\$426,483	\$50,544,637	\$72,224	\$954	3.63%	1.11%	\$947	3.61%	1.10%				
2017	53,157	1,423,810,245	5,038,994,843	68,445,034	1,175,685	67,269,349	-	1,288	4.81%	1.36%	1,265	4.72%	1.33%				
2018	53,993	1,488,533,017	5,703,283,241	64,606,256	1,208,945	63,397,311	-	1,197	4.34%	1.13%	1,174	4.26%	1.11%				
2019	54,183	1,495,450,800	6,382,600,900	65,184,015	935,797	64,248,218	-	1,203	4.36%	1.02%	1,186	4.30%	1.01%				
2020	53,073	1,506,370,959	7,235,835,459	60,404,211	646,156	59,758,055	-	1,138	4.01%	0.83%	1,126	3.97%	0.83%				
2021	62,186	1,696,807,196	7,664,470,461	95,577,749	304,514	95,273,235	-	1,537	5.63%	1.25%	1,532	5.61%	1.24%				
2022	59,075	1,807,163,325	8,686,926,276	90,701,010	10,924	90,690,086	-	1,535	5.02%	1.04%	1,535	5.02%	1.04%				
2023	58,258	1,758,750,762	9,921,413,307	112,414,599	88,328	112,326,271	-	1,930	6.39%	1.13%	1,928	6.39%	1.13%				
2024	57,954	1,670,755,866	10,994,858,679	112,397,791	210,220	112,187,571	-	1,939	6.73%	1.02%	1,936	6.71%	1.02%				
2025	60,702	2,353,720,050	11,657,759,730	113,349,755	1,033,566	112,316,189	-	1,867	4.82%	0.97%	1,850	4.77%	0.96%				

Year	Business-Type Activities			Total Primary Government				Total Primary Government			
	General Obligation Bonds	Direct Borrowings	Total (7)	Total General Bonded Debt			Total Net General Bonded Debt				
				Total Debt Outstanding (4 + 6 + 7)	Per Capita (4 + 6 + 7) / 1	Percentage of Personal Income (4 + 6 + 7) / 2	Percentage of Assessed Value (4 + 6 + 7) / 3	Total Net Debt Outstanding (4 - 5 + 6 + 7)	Per Capita (4 - 5 + 6 + 7) / 1	Percentage of Personal Income (4 - 5 + 6 + 7) / 2	Percentage of Assessed Value (4 - 5 + 6 + 7) / 3
2014	\$1,154,710	\$13,849,458	\$15,004,168	\$60,692,010	\$1,129	4.47%	1.56%	\$60,610,824	\$1,128	4.46%	1.56%
2015	960,860	23,774,923	24,735,783	77,259,457	1,427	5.47%	1.81%	76,982,951	1,421	5.45%	1.80%
2016	818,660	32,082,375	32,901,035	83,872,155	1,570	5.98%	1.82%	83,445,672	1,562	5.95%	1.81%
2017	683,800	66,399,487	67,083,287	135,528,321	2,550	9.52%	2.69%	134,352,636	2,527	9.44%	2.67%
2018	603,800	64,074,807	64,678,607	129,284,863	2,394	8.69%	2.27%	128,075,918	2,372	8.60%	2.25%
2019	1,158,800	69,272,167	70,430,967	135,614,982	2,503	9.07%	2.12%	134,679,185	2,486	9.01%	2.11%
2020	1,018,800	79,254,293	80,273,093	140,677,304	2,651	9.34%	1.94%	140,031,148	2,638	9.30%	1.94%
2021	878,800	88,881,645	89,760,445	185,338,194	2,980	10.92%	2.42%	185,033,680	2,975	10.90%	2.41%
2022	3,733,800	83,673,658	87,407,458	178,108,468	3,015	9.86%	2.05%	178,097,544	3,015	9.86%	2.05%
2023	13,142,500	94,830,932	107,973,432	220,388,031	3,783	12.53%	2.22%	220,299,703	3,781	12.53%	2.22%
2024	15,510,000	97,674,763	113,184,763	225,582,554	3,892	13.50%	2.05%	225,372,334	3,889	13.49%	2.05%
2025	16,452,500	102,716,894	119,169,394	232,519,149	3,831	9.88%	1.99%	231,485,583	3,813	9.83%	1.99%

(1) Massachusetts Department of Revenue Municipal Databank  
(2) City Finance Records.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equalized Valuation.....	<u>\$ 4,907,377,600</u>	<u>\$ 4,907,377,600</u>	<u>\$ 6,112,000,400</u>	<u>\$ 6,112,000,400</u>	<u>\$ 7,759,126,900</u>	<u>\$ 7,759,126,900</u>	<u>\$ 9,389,475,300</u>	<u>\$ 9,389,475,300</u>	<u>\$ 12,020,129,000</u>	<u>\$ 12,020,129,000</u>
Debt Limit -5% of Equalized Valuation...	\$ 245,368,880	\$ 245,368,880	\$ 305,600,020	\$ 305,600,020	\$ 387,956,345	\$ 387,956,345	\$ 469,473,765	\$ 469,473,765	\$ 601,006,450	\$ 601,006,450
Less:										
Outstanding debt applicable to limit.....	50,898,896	68,445,034	64,606,256	65,184,015	60,404,211	95,577,749	90,701,010	112,414,599	106,875,722	205,476,351
Authorized and unissued debt.....	<u>37,054,561</u>	<u>23,743,922</u>	<u>93,176,871</u>	<u>82,646,698</u>	<u>76,955,572</u>	<u>51,845,101</u>	<u>55,857,482</u>	<u>70,462,474</u>	<u>549,883,832</u>	<u>436,942,399</u>
Legal debt margin.....	<u>\$ 157,415,423</u>	<u>\$ 153,179,924</u>	<u>\$ 147,816,893</u>	<u>\$ 157,769,307</u>	<u>\$ 250,596,562</u>	<u>\$ 240,533,495</u>	<u>\$ 322,915,273</u>	<u>\$ 286,596,692</u>	<u>\$ (55,753,104)</u>	<u>\$ (41,412,300)</u>
Total debt applicable to the limit as a percentage of debt limit.....	35.85%	37.57%	51.63%	48.37%	35.41%	38.00%	31.22%	38.95%	109.28%	106.89%

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

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2025**

<u>City of Revere, Massachusetts</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Massachusetts Bay Transportation Authority.....	\$ 5,842,932,000	2.247%	\$ 131,312,440
Northeast Metropolitan Regional Vocational School District...	149,095,000	19.400%	<u>28,924,430</u>
Subtotal, overlapping debt.....			160,236,870
Total direct debt.....			<u>113,349,755</u>
Total direct and overlapping debt.....			<u><u>\$ 273,586,625</u></u>

Source: Audited Financial Statements, Debt Offering Statements

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) Under the MBTA's enabling legislation, debt service is to be financed by a dedicated revenue stream of a dedicated portion of statewide sales tax and assessments to member municipalities. The amount assessed is based on the weighted percentage of the total population of the authority as provided in the enabling legislation. The amount assessed is not permitted to increase more than 2.5% per year.

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

Employer	Nature of Business	2025			2016		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon	E-Commerce	500	1	1.72%			
Market Basket	Retail-Grocery	466	2	1.61%	400	2	4.56%
Mass General Hospital	Medical	200	3	0.69%	150	6	1.71%
Price Rite	Retail-Grocery	185	4	0.64%			
Lighthouse Nursing	Medical	182	5	0.63%	182	5	2.07%
Stop & Shop (2 locations)	Retail-Grocery	150	6	0.52%	374	3	4.26%
Target	Retail	170	7	0.59%	233	4	2.65%
Burlington Coat Factory	Retail	160	8	0.55%			
BeDriven North Shore	Livery	150	9	0.52%			
Beverly Coach	Livery	130	10	0.45%			
New England Confectionary Co	Manufacturing				694	1	7.90%
Showcase Cinema	Entertainment				150	7	1.71%
Annemark Nursing	Medical				140	8	1.59%

Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

**Demographic and Economic Statistics  
Last Ten Years**

Year	Population Estimates (1)	Personal Income	Per Capita Personal Income (2)	School Enrollment (2)	Unemployment Rate (1)
2016	53,422	\$ 1,403,342,518	\$ 26,269	7,051	3.80%
2017	53,157	\$ 1,423,810,245	\$ 26,785	7,452	4.10%
2018	53,993	\$ 1,488,533,017	\$ 27,569	7,555	4.00%
2019	54,183	\$ 1,495,450,800	\$ 27,600	7,848	3.00%
2020	53,073	\$ 1,335,847,410	\$ 25,170	7,531	9.30%
2021	62,186	\$ 1,696,807,196	\$ 27,286	7,166	8.40%
2022	59,075	\$ 1,807,163,325	\$ 30,591	7,735	3.70%
2023	58,258	\$ 1,758,750,762	\$ 30,189	7,141	3.70%
2024	57,954	\$ 1,670,755,866	\$ 28,829	7,385	4.00%
2025	60,702	\$ 2,353,720,050	\$ 38,775	7,276	4.00%

Source: (1) Massachusetts Department of Revenue Municipal Databank.  
(2) Massachusetts Department of Revenue Municipal Databank and Debt Offering Statements and United States Census Bureau.

**Full-time Equivalent City Employees by Function  
Last Ten Years**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Function</u>										
General government.....	76	69	67	68	72	67	68	78	77	72
Public safety.....	232	243	234	229	242	241	268	268	280	285
Public education.....	1,020	1,151	1,151	1,199	1,237	1,237	1,344	1,366	1,407	1,350
Public works.....	27	32	22	24	22	21	22	19	21	22
Human services.....	9	10	10	28	23	14	20	32	29	27
Culture and recreation.....	16	12	12	12	15	15	14	21	27	26
Solid Waste.....	-	-	-	4	6	6	7	6	6	6
Water & Sewer.....	15	15	25	26	30	27	23	22	22	21
Total.....	<u>1,395</u>	<u>1,532</u>	<u>1,521</u>	<u>1,590</u>	<u>1,647</u>	<u>1,627</u>	<u>1,766</u>	<u>1,812</u>	<u>1,869</u>	<u>1,809</u>

Source: Various City Departments

**Operating Indicators by Function/Program  
Last Ten Years**

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government										
Population.....	53,979	54,076	53,472	53,047	62,186	59,521	58,476	57,954	60,702	62,438
Number of voters.....	27,727	27,367	28,432	25,071	30,433	29,360	30,564	30,870	32,682	32,086
Public Safety										
Police										
Calls for service.....	27,907	25,441	32,553	29,753	26,946	26,544	27,041	27,175	30,905	29,508
Fire										
Fire calls.....	420	345	301	261	293	313	341	293	309	330
Ambulance calls.....	7,185	7,173	7,086	7,083	6,784	8,010	7,850	7,843	7,637	7,585
Permits issued.....	857	1,100	970	1,397	1,467	1,651	1,633	1,584	1,681	1,765
Building Department										
Building permits issued.....	3,152	3,443	3,397	3,594	2,838	3,506	4,220	4,387	4,233	4,157
Education										
Number of students.....	7,050	7,451	7,552	7,544	7,532	7,166	7,141	7,298	7,344	7,261
Public Works										
Highway										
Roads paved (miles).....	0.82	1.89	3.35	5.18	1.57	1.00	4.70	4.48	1.18	0.85
Water										
Water mains installed (miles).....	1.90	0.61	0.22	0.45	1.08	-	1.44	0.55	2.24	1.06
Sewer										
Lined sanitary sewers installed (miles)....	8.27	3.81	4.80	6.45	1.85	6.47	6.70	2.75	1.00	1.00
Health and Human Services										
Board of Health										
Inspections and complaint investigations.	N/A	N/A	N/A	4,512	7,712	9,692	6,844	4,794	5,591	5,917
Permits issued.....	N/A	N/A	N/A	123	275	84	98	124	132	209
Council on Aging										
Bus trips.....	N/A	3,952	5,174	5,200	3,066	1,865	2,962	3,196	6,144	6,611
Culture and recreation										
Libraries										
Circulation.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,348	23,390	27,700
Children's programs held.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	150	169	301
Children's programs attendance.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,430	3,622	4,168
Recreation										
Swimming pool attendance.....	N/A	N/A	N/A	N/A	N/A	N/A	176	630	829	860
Basketball program participants.....	216	223	631	655	204	120	770	725	660	640

N/A - Information not available  
Source: Various City Departments

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

<u><b>Function/Program</b></u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government										
Number of buildings.....	2	2	2	2	2	2	3	3	3	3
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	5	5	5	5	5	5	5	5	5	5
Education										
Number of elementary schools.....	7	7	7	7	7	6	6	6	6	6
Number of middle schools.....	2	2	2	2	2	3	3	3	3	3
Number of high schools.....	2	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	2	2	2
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

**Cash and Stabilization Fund Balances  
Last Ten Years**

<u>Year</u>	<u>Free Cash</u>	<u>General Stabilization Fund</u>	<u>Capital Stabilization Fund</u>	<u>Sick Leave Buyback</u>	<u>Injured Leave Stabilization</u>
2025.....	\$ Not Available	\$ 11,469,505	\$ 791,859	\$ 22,945	\$ 119,168
2024.....	\$ 4,452,682	\$ 10,211,686	\$ 1,101,880	\$ 21,865	\$ (497,516)
2023.....	\$ 3,665,974	\$ 9,177,416	\$ 441,411	\$ 20,684	\$ 113,010
2022.....	\$ 5,924,275	\$ 9,333,931	\$ 117,004	\$ 19,878	\$ 16,668
2021.....	\$ 1,573,554	\$ 8,990,924	\$ 462,329	\$ 19,814	\$ (93,701)
2020.....	\$ 1,329,154	\$ 8,560,371	\$ 1,415,852	\$ 19,570	\$ 267,842
2019.....	\$ 6,303,811	\$ 8,472,453	\$ 1,243,508	\$ 70,370	\$ 270,415
2018.....	\$ 6,127,553	\$ 7,386,313	\$ 1,106,051	\$ 425,000	\$ 386,924
2017.....	\$ 6,273,580	\$ 6,445,276	\$ 1,000,000	\$ -	\$ -
2016.....	\$ 4,412,074	\$ 5,766,592	\$ -	\$ -	\$ -

Source: Massachusetts Department of Revenue / Audited Financial Statements



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**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**CITY OF REVERE, MASSACHUSETTS**

FEDERAL AWARD REPORTS

PURSUANT TO THE

UNIFORM GUIDANCE

YEAR ENDED JUNE 30, 2025



**CITY OF REVERE, MASSACHUSETTS  
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YEAR ENDED JUNE 30, 2025**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the 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, 2025 (except for the Revere Contributory Retirement System which is as of December 31, 2024), and the related notes to the financial statements, which collectively comprise the City of Revere, Massachusetts's basic financial statements and have issued our report thereon dated February 3, 2026. The financial statements of the Revere Contributory Retirement System were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Revere Contributory Retirement System.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Revere, Massachusetts' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Revere, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Roselli Clark + Associates*

Roselli, Clark and Associates  
Certified Public Accountants  
Woburn, Massachusetts  
February 3, 2026



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Revere, Massachusetts' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Revere, Massachusetts' major federal programs for the year ended June 30, 2025. The City of Revere, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Revere, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Revere, Massachusetts and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Revere, Massachusetts' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Revere, Massachusetts' federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Revere, Massachusetts' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Revere, Massachusetts' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Audit Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Revere, Massachusetts' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Revere, Massachusetts' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Revere, Massachusetts' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the 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, 2025 (except for the Revere Contributory Retirement System which is as of December 31, 2024), and the related notes to the financial statements, which collectively comprise the City of Revere, Massachusetts's financial statements. We have issued our report thereon dated February 3, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Roselli Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts

March 31, 2026, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is February 3, 2026

**CITY OF REVERE, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

Federal Grantor / Pass-Through Agency / Program Title	Assistance Listing Number	Pass-Through Number	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
<b>Child Nutrition Cluster</b>				
School Breakfast Program	10.553	13-248	\$ -	\$ 1,392,469
National School Lunch Program:	10.555	13-248		
Cash Assistance			-	4,094,294
Non-Cash Assistance (Commodities)			-	489,033
National School Lunch Program			-	4,583,327
Summer Food Service Program for Children	10.559		-	217,683
<b>Total Child Nutrition Cluster</b>			-	6,193,479
<b>Total U.S. Department of Agriculture</b>			-	6,193,479
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Awards</i>				
<b>Community Development Block Grant Cluster Entitlement/ Special Purpose Grants</b>				
COVID-19 - Community Development Block Grant - Entitlement Grants	14.218		-	74,591
Community Development Block Grant - Entitlement Grants	14.218		-	909,212
Community Development Block Grant - Entitlement Grants - Program Income	14.218		-	500
<b>Total Community Development Block Grant Cluster Entitlement/Special Purpose Grants</b>			-	984,303
<b>Total U.S. Department of Housing and Urban Development</b>			-	984,303
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Awards</i>				
Bulletproof Vest Partnership Program	16.607		-	5,436
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738		-	20,042
<b>Total U.S. Department of Justice</b>			-	25,478
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed through the Commonwealth of Massachusetts - Executive Office of Public Safety and Security</i>				
<b>Highway Safety Cluster</b>				
State and Community Highway Safety	20.600	2025MRSPREVERE	-	17,891
State and Community Highway Safety	20.600	2024MRSPREVERE	-	5,721
<b>Total Highway Safety Cluster</b>			-	23,612
<b>Total U.S. Department of Transportation</b>			-	23,612

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**CITY OF REVERE, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor / Pass-Through Agency / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of the Treasury</u></b>				
<i>Direct Award</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	6,270,695
<i>Passed through the Commonwealth of Massachusetts - Executive Office of Administration and Finance</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	209-000623-2024-0274	-	1,020,275
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			-	7,290,970
<b>Total U.S. Department of the Treasury</b>			-	7,290,970
<b><u>U.S. Environmental Protection Agency</u></b>				
<i>Passed through the Commonwealth of Massachusetts - Massachusetts Clean Water Trust</i>				
Clean Water State Revolving Fund	66.458	CWP-22-55	-	1,591,902
Drinking Water State Revolving Fund	66.468	DWL-24-08	-	282,695
<b>Total U.S. Environmental Protection Agency</b>			-	1,874,597
<b><u>U.S. Department of Education</u></b>				
<i>Passed through the Commonwealth of Massachusetts - Department of Elementary and Secondary Education</i>				
<b>Special Education Cluster (IDEA)</b>				
Special Education - Grants to States	84.027	240-000558-2025-0248	-	1,547,993
Special Education - Grants to States	84.027	240-000558-2024-0248	-	648,480
Special Education - Grants to States	84.027	274-000662-2025-0248	-	12,999
Special Education - Grants to States	84.027	274-000662-2024-0248	-	30,338
Total Special Education - Grants to States			-	2,239,810
Special Education - Preschool Grants	84.173	262-000559-2025-0248	-	34,503
Special Education - Preschool Grants	84.173	262-000559-2024-0248	-	2,815
Total Special Education - Preschool Grants			-	37,318
<b>Total Special Education Cluster (IDEA)</b>			-	2,277,128
Title I Grants to Local Educational Agencies	84.010	305-000549-2025-0248	-	2,617,672
Title I Grants to Local Educational Agencies	84.010	305-000549-2024-0248	-	1,214,499
Title I Grants to Local Educational Agencies	84.010	320-000649-2025-0248	-	44,058
Title I Grants to Local Educational Agencies	84.010	205-000649-2024-0248	-	1,812
Total Title I Grants to Local Educational Agencies			-	3,878,041

(Continued)

See notes to Schedule of Expenditures of Federal Awards

**CITY OF REVERE, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor / Pass-Through Agency / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
Education for Homeless Children and Youth	84.196	310-000734-2025-0248	-	29,992
English Language Acquisition State Grants	84.365	180-000547-2025-0248	-	172,773
English Language Acquisition State Grants	84.365	180-000547-2024-0248	-	218,774
English Language Acquisition State Grants	84.365	186-000516-2024-0248	-	40,032
English Language Acquisition State Grants	84.365	186-000516-2023-0248	-	20,482
Total English Language Acquisition State Grants			-	452,061
Supporting Effective Instruction State Grants	84.367	140-000546-2025-0248	-	312,411
Supporting Effective Instruction State Grants	84.367	140-000546-2024-0248	-	8,879
Total Supporting Effective Instruction State Grants			-	321,290
Comprehensive Literacy Development	84.371	509/0510-000828-2025-0248	-	137,536
Comprehensive Literacy Development	84.371	509_510-000828-2025-0248	-	46,250
Comprehensive Literacy Development	84.371	509_510-000828-2025-0248	-	26,969
Total Comprehensive Literacy Development			-	210,755
Student Support and Academic Enrichment Grants	84.424	309-000548-2025-0248	-	222,737
Student Support and Academic Enrichment Grants	84.424	309-000548-2024-0248	-	14,836
Student Support and Academic Enrichment Grants	84.424	127-000686-2025-0248	-	45,273
Total Student Support and Academic Enrichment Grants			-	282,846
COVID-19 - Education Stabilization Fund	84.425D	115-513087-2022-0248	-	337,718
COVID-19 - Education Stabilization Fund	84.425U	119-583117-2022-0248	-	8,056,722
COVID-19 - Education Stabilization Fund	84.425U	255-807659-2025-0248	-	278,307
COVID-19 - Education Stabilization Fund	84.425U	255-804471-2024-0248	-	25,750
Total COVID-19 - Education Stabilization Fund			-	8,698,497
<b>Total U.S. Department of Education</b>			-	16,150,610
<b><u>U.S. Department of Health and Human Services</u></b> <i>Passed Through the Commonwealth of Massachusetts - Department of Public Health</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	INTF2340P01W23062466	-	5,601
<b>Total U.S. Department of Health and Human Services</b>			-	5,601
<b><u>U.S. Department of Homeland Security</u></b> <i>Passed through the Commonwealth of Massachusetts - Massachusetts Emergency Management Agency</i>				
Emergency Management Performance Grants	97.042	FY25EMPG2000000REVER	-	27,950
<i>Passed through the City of Boston, Massachusetts</i>				
Homeland Security Grant Program	97.067	Not available	-	364,611
<b>Total U.S. Department of Homeland Security</b>			-	392,561
<b>Total Federal Grant Award Expenditures</b>			<b>\$ -</b>	<b>\$ 32,941,211</b>

(Concluded)

See notes to Schedule of Expenditures of Federal Awards

**CITY OF REVERE, MASSACHUSETTS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2025**

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Revere, Massachusetts (the City) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**B. Summary of Significant Accounting Policies**

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue.

The accompanying Schedule includes the federal grant transactions of the City. Although some of these programs may be supplemented with state and other revenue, only federal activity is shown. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**C. U.S. Department of Agriculture Programs**

The City receives non-cash commodities from the U.S. Department of Agriculture as a part of the National School Lunch program. The amounts reported as non-cash assistance represent the fair market value of these commodities received during the year.

The amounts reported as cash assistance represent federal reimbursements for meals provided.

**CITY OF REVERE, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

**A. Summary of Audit Results**

***FINANCIAL STATEMENTS***

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

***FEDERAL AWARDS***

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

***IDENTIFICATION OF MAJOR PROGRAMS***

Name of Federal Program	ALN(s)
Community Development Block Grant Cluster Entitlement/ Special Purpose Grants	14.218
Clean Water State Revolving Fund	66.458
Title I Grants to Local Educational Agencies	84.010
COVID-19 – Education Stabilization Funds	84.425
Dollar threshold used to distinguish between type A and type B programs	\$ 988,236
Auditee qualified as a low-risk auditee?	No

**B. Financial Statement Findings**

None

**C. Federal Award Findings and Questioned Costs**

None



City of Revere  
Chief Financial Officer/City Auditor  
281 Broadway  
Revere, MA 02151  
Tel: (781) 286-8131

**Summary Schedule of Prior Audit Findings**

**2024-001 Financial Statement Findings – Material Weakness**

*Condition:* During 2024, it was determined that the City was incorrectly accounting for certain loan facilities. The City inadvertently recorded this debt at the full value of the loan, at the time of issuance, without actual loan funds being drawn. At the same time an offsetting intergovernmental receivable was also recognized with the receivable being reduced as loan proceeds were utilized. However, in some cases the receivable was not reduced for previously recognized amounts.

*Status:* Resolved.

**2024-002 Compliance Findings – U.S. Department of Education**

*Condition:* Management has established written guidelines and policies outlining the time and effort reporting and documentation requirements that department heads must adhere with to ensure compliance with federal and state time and effort reporting requirements. Such guidelines and policies indicate under what circumstances semi-annual certifications and personnel activity reports (PARS) or time and effort reports are required and when this information must be provided to the school business office. These guidelines and policies were not fully adhered to or followed.

*Status:* Resolved.