

# CITY OF REVERE, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



**FOR THE YEAR ENDED JUNE 30, 2015**

**On the cover: Honoring America's Service Members at the Annual Revere Beach Sand-sculpting Contest.**



**Above: Historic Photo of Roller Coaster at Revere Beach**

# CITY OF REVERE, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the year ended  
June 30, 2015**

Prepared By:

Director of Finance

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2015

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# *Introductory Section*



**Aerial View of High School Graduation at the recently renovated Harry Della Russo Stadium**

City of Revere, Massachusetts  
Comprehensive Annual Financial Report  
For the year ended June 30, 2015

# ***Introductory Section***

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THE CITY OF  
REVERE MASSACHUSETTS

CITY HALL  
281 BROADWAY  
REVERE, MA 02151

GEORGE M. ANZUONI

Director of Finance - City Collector and City Treasurer

## Letter of Transmittal

December 22, 2015

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 Comprehensive Annual Financial Report (CAFR) of the City of Revere, Massachusetts, for the year ending June 30, 2015 for your review.

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

The City's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2015, 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, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

## ***Profile of the City***

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

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

The City is a municipal corporation governed by an elected Mayor and an eleven member City Council with six members being elected from wards and five members elected city-wide.

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

## ***Factors Affecting Financial Condition***

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

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

The growth of the City's main source of revenues, property taxes, is capped by Proposition 2½ and can only be overridden by a majority vote at a City election. While revenue increases have been limited in recent years, tax base growth was enhanced by commercial construction. This helped offset the steady increases in fixed costs, including health insurance and pension costs, which have increased substantially. On the City's operating side, the 2015 budgets and service levels were maintained through a modest 2% increase in the operating budget. This allowed the City to continue to provide high quality services while minimizing the impact on the property tax burden.

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

In 2015, the City continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account. Despite a tight budget process, the City, in adhering to recent policies of building reserves, did not rely on the use of reserves to fund the operating budget.

The City has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The City monitors and schedules retirement and

issuances of debt to ensure that debt service does not exceed 10% of the operating budget ensuring availability of resources for ongoing operations.

The City contributes to the Revere Contributory Retirement System, a cost-sharing, multiple-employer defined benefit pension plan (Plan) administered by the Revere Contributory Retirement Board. Every two years, an independent actuary engaged by the Board calculates the amount of the annual contribution that the City must make to the pension plan to ensure its ability to fully meet its obligations to retired employees. As required by law, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of December 31, 2014, the latest measurement date, the System had succeeded in funding 62.1% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 18 years as part of the annual required contribution as calculated by the actuary.

The City also provides postemployment health care benefits for certain retirees and their dependents. There are approximately 700 retirees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP now requires the City to conduct an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The City's most recent actuarial valuation is dated June 30, 2014. If the City is unable to fund the minimum annual required contribution as determined by the actuarial valuation, the unpaid amount will be required to be recorded as a liability on the financial statements of the City.

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

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

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

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

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

### ***Financial and Management Systems***

#### ***Internal Controls***

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

with generally accepted accounting principles. The Director of Finance is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

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

### ***Budgetary Controls***

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

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

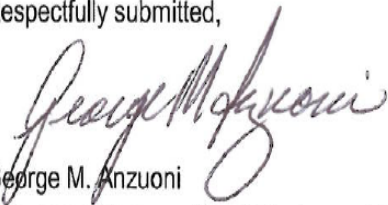
### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Revere for its comprehensive annual financial report (CAFR) for the years ended June 30, 2014 and 2013. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied 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 CAFR 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 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,



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



Government Finance Officers' Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

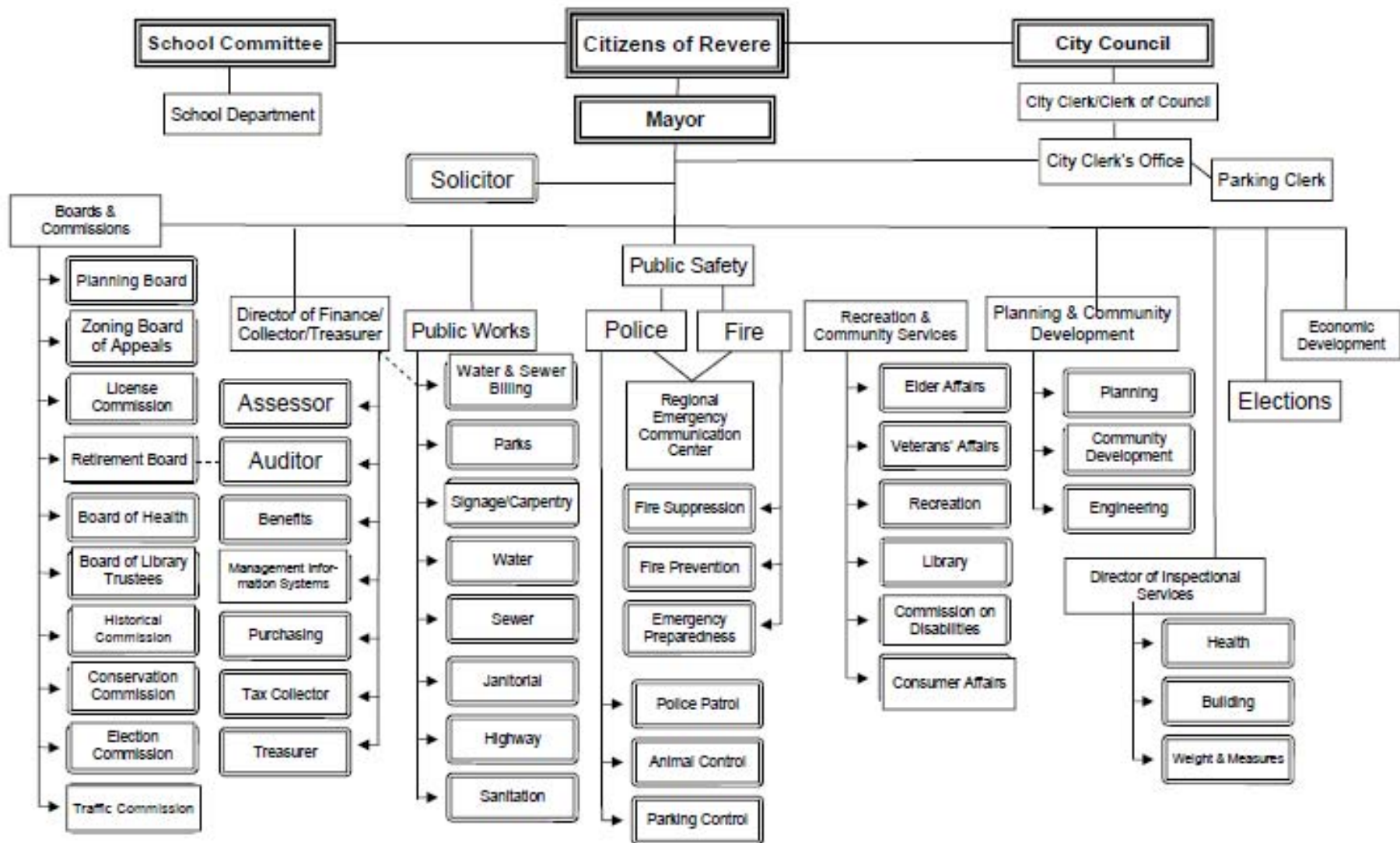
Presented to

**City of Revere  
Massachusetts**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



# Principal City Officials

## Elected Officials

Mayor

Dan Rizzo

City Council

Councilors-at-Large

Brian M. Arrigo  
Steven Marabito  
Jessica Ann Giannino  
Robert J. Haas, Jr.  
Anthony T. Zambuto

Ward Councilors

Richard A. Penta  
Ira Novoselsky  
Arthur F. Guinasso  
Stephen Reardon  
John Powers  
Charles J. Patch, Sr.

School Committee

Dan Rizzo, Mayor  
Michael Ferrante  
Dan Maguire  
Donna Wood Pruitt  
Stacey A. Rizzo  
Susan Gravallese  
Carol A. Tye

## Principal Executive Officers

Director of Finance, City Collector and City Treasurer  
City Auditor  
Assessor – Chairman of the Board  
Assessor – Member of the Board  
Assessor – Member of the Board  
City Clerk  
Police Chief  
Fire Chief  
Superintendent of Schools  
School Business Manager  
City Engineer  
DPW Superintendent  
City Solicitor  
Clerk of Council

George M. Anzuoni  
Laurie Giardella  
Andrew Iovanna  
John Verrengia  
Dana Brangiforte  
Ashley E. Melnik  
Joseph Cafarelli  
Gene Doherty  
Paul Dakin  
Matthew Kruse  
Nicholas Rystrom  
Donald Goodwin  
Paul Capizzi, Esq.  
Ashley E. Melnik

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# *Financial Section*



**Revere Beach sand-sculpture celebrating Fenway Park's 100 Year Anniversary**

City of Revere, Massachusetts  
Comprehensive Annual Financial Report  
For the year ended June 30, 2015

# ***Financial Section***

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## Independent Auditor's Report

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

## Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Revere, Massachusetts, as of and for the year ended June 30, 2015 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2014), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Revere, Massachusetts, as of June 30, 2015 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2014), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the City of Revere, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Revere, Massachusetts' internal control over financial reporting and compliance.



December 22, 2015

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

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

As management of the City of Revere (the "City"), we offer readers of these basic financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2015. We encourage readers to consider the information presented in this report.

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

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, strategic planning and interest. The business type activities include costs relating to the water and sewer activities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate public employee retirement system for which the City is financially accountable. Financial information for this *component unit* is reported separately within the fiduciary fund statements.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of spendable*

resources, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule, presented as required supplementary information, has been provided for the general fund to demonstrate compliance with this budget.

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

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

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

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

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.



## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$39.1 million at the close of 2015, an increase of \$9 million from the prior year.

Net position of \$140.1 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$4.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a negative amount of \$105.5 million.

At the end of the current year the City is able to report positive balances in two of the three categories of net position for the City as a whole. Unrestricted net position is negative due primarily to the impact of the recognition of the other postemployment liability and the net pension liability which total \$145.1 million.

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

### Governmental Activities

As noted earlier net position may serve, over time, as a useful indicator of a government's financial position. The assets of the governmental activities exceeded liabilities by \$19.2 million at the close of 2015. Components of the City's governmental financial position are listed below.

	<u>2015</u>	<u>2014 As Revised</u>
<b>Assets:</b>		
Current assets.....	\$ 61,388,970	\$ 66,443,473
Capital assets, non-depreciable.....	46,001,687	22,256,751
Capital assets, depreciable.....	144,665,429	140,396,082
<b>Total assets.....</b>	<b><u>252,056,086</u></b>	<b><u>229,096,306</u></b>
<b>Deferred Outflows of Resources.....</b>	<b><u>217,463</u></b>	<b><u>-</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	13,869,330	12,665,545
Noncurrent liabilities (excluding debt).....	149,061,894	140,626,506
Current debt.....	19,728,174	21,690,501
Noncurrent debt.....	50,455,583	42,936,474
<b>Total liabilities.....</b>	<b><u>233,114,981</u></b>	<b><u>217,919,026</u></b>
<b>Net Position:</b>		
Net investment in capital assets.....	127,833,259	106,119,983
Restricted.....	4,482,348	2,829,287
Unrestricted.....	(113,157,039)	(97,771,990)
<b>Total net position.....</b>	<b><u>\$ 19,158,568</u></b>	<b><u>\$ 11,177,280</u></b>

A significant portion of the City's governmental activities net position, \$127.8 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

An additional portion of the net position of \$4.5 million represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position in the amount of \$113.2 million is due primarily to the recognition of a \$70.6 million postemployment benefits liability and a \$70.3 million net pension liability.

Governmental activity liabilities also include \$53.3 million in general obligation bonds, \$4.2 million in compensated absence liabilities for unused vacation, special leave, and enhanced longevity benefits payable and \$5.9 million of liabilities relating to workers compensation claims.

The following summarizes the current and prior year governmental activities:

	<u>2015</u>	<u>2014 As Revised</u>
<b>Program Revenues:</b>		
Charges for services.....	\$ 8,493,310	\$ 6,415,562
Operating grants and contributions.....	78,136,578	80,639,946
Capital grants and contributions.....	20,116,544	8,003,184
<b>General Revenues:</b>		
Real estate and personal property taxes.....	69,789,098	67,479,248
Tax liens.....	2,881,860	1,672,488
Motor vehicle and other excise taxes.....	5,144,906	5,379,339
Hotel/Motel and meals tax.....	2,326,545	2,131,853
Penalties and interest on taxes.....	484,909	435,661
Fines and forfeitures.....	219,835	275,527
Grants and contributions not restricted to specific programs.....	10,459,173	10,222,245
Unrestricted investment income.....	280,454	167,798
<b>Total revenues.....</b>	<b>198,333,212</b>	<b>182,822,851</b>
<b>Expenses:</b>		
General government.....	14,579,999	14,944,569
Public safety.....	35,329,334	32,719,876
Education.....	124,884,310	121,174,485
Public works.....	11,220,595	9,433,792
Human services.....	3,376,833	3,626,255
Culture and recreation.....	1,493,526	1,531,659
Strategic planning.....	207,799	819,746
Interest.....	2,310,793	1,873,105
<b>Total expenses.....</b>	<b>193,403,189</b>	<b>186,123,487</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>4,930,023</b>	<b>(3,300,636)</b>
<b>Transfers.....</b>	<b>3,051,265</b>	<b>3,185,942</b>
<b>Change in net position.....</b>	<b>7,981,288</b>	<b>(114,694)</b>
<b>Net position - beginning - (as revised).....</b>	<b>11,177,280</b>	<b>11,291,974</b>
<b>Net position - ending.....</b>	<b>\$ 19,158,568</b>	<b>\$ 11,177,280</b>

The governmental activities net position increased in the current year by \$8 million. The increase in net position is due primarily to the recognition of \$20.1 million of capital grants mainly relating to school construction and renovation efforts. The capital grants were offset by workers compensation expenses which increased \$2.9 million, snow and ice removal costs exceeding budgeted amounts by \$1.7 million and an increase of \$7.8 million in expenses relating to the other post-employment benefit liabilities which was not funded. The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #68 and #71. The cumulative effect of this revision was to reduce the prior year total net position by \$72.7 million. Previously reported net position of \$83.9 million has been revised to \$11.2 million.

### Business-Type Activities

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

	<u>2015</u>	<u>2014 As Revised</u>
<b>Assets:</b>		
Current assets.....	\$ 44,152,914	\$ 18,826,140
Capital assets.....	44,994,598	33,792,562
<b>Total assets.....</b>	<b><u>89,147,512</u></b>	<b><u>52,618,702</u></b>
<b>Deferred Outflows of Resources.....</b>	<b><u>10,215</u></b>	<b><u>-</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	3,407,579	1,921,959
Noncurrent liabilities (excluding debt).....	4,425,212	4,496,000
Current debt.....	37,970,651	13,470,789
Noncurrent debt.....	23,415,132	13,880,496
<b>Total liabilities.....</b>	<b><u>69,218,574</u></b>	<b><u>33,769,244</u></b>
<b>Net Position:</b>		
Net investment in capital assets.....	12,291,030	10,956,551
Unrestricted.....	7,648,123	7,989,139
<b>Total net position.....</b>	<b><u>\$ 19,939,153</u></b>	<b><u>\$ 18,945,690</u></b>
<b>Program Revenues:</b>		
Charges for services.....	\$ 22,036,024	\$ 22,854,183
Capital grants and contributions.....	475,630	505,729
<b>General Revenues:</b>		
Unrestricted investment income.....	12,240	15,804
<b>Total revenues.....</b>	<b><u>22,523,894</u></b>	<b><u>23,375,716</u></b>
<b>Expenses:</b>		
Water & Sewer.....	18,479,166	17,538,539
<b>Excess before transfers.....</b>	<b><u>4,044,728</u></b>	<b><u>5,837,177</u></b>
<b>Transfers.....</b>	<b><u>(3,051,265)</u></b>	<b><u>(3,185,942)</u></b>
<b>Change in net position.....</b>	<b><u>993,463</u></b>	<b><u>2,651,235</u></b>
<b>Net position - beginning - (as revised).....</b>	<b><u>18,945,690</u></b>	<b><u>16,294,455</u></b>
<b>Net position - ending.....</b>	<b><u>\$ 19,939,153</u></b>	<b><u>\$ 18,945,690</u></b>

The Water & Sewer enterprise fund net position increased by \$993,000 during the current year. Most of the change is attributable to increased usage rates. The City is under a consent decree that will require a substantial

investment in infrastructure over the next eight years. The increase in rates is due to the City's intent of developing a user rate that is reflective of the long-term cost of providing services. The receipt of \$476,000 of capital grants relating to construction costs incurred relative to sewer infrastructure upgrades. The City's ability to increase usage rates while managing overall costs in a prudent fashion also contributed to the increase in fund balance.

Total business type activities assets exceeded liabilities by \$19.9 million at the close of 2015.

Net position of \$12.3 million reflects the investment in capital assets less any debt used to acquire those assets that are still outstanding. The remaining balance of unrestricted net position of \$7.6 million may be used to meet ongoing obligations. The beginning net position of business-type activities has been revised to reflect the implementation of GASB Statements #68 and #71. The cumulative effect of this revision was to reduce the prior year total net position by \$3.4 million. Previously reported net position of \$22.4 million has been revised to \$18.9 million.

### ***Financial Analysis of the Government's Funds***

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

**Governmental funds.** The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of 2015, governmental funds reported combined ending fund balances of \$23.5 million, a decrease of \$905,000 from the prior year.

#### *General Fund*

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund equaled \$15.3 million, while total fund balance equaled \$25.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents about 9.4% of general fund budgetary expenditures while total fund balance represents about 15.6%. The general fund increased by \$992,000 million during 2015. The increase was the result of 1) the City voting to fund the budget by using \$5.7 million dollars of free cash, 2) the receipt of unbudgeted bond proceeds of \$1.75 million, used to fund a prior year legal settlement; 3) premiums associated with the issuance of long term debt totaling \$739,000; and 4) total budgeted revenues exceeding budget by \$2.6 million.

At June 30, 2015, \$5.8 million has been set aside in a stabilization fund that is classified as part of the general fund in the governmental funds financial statements as unassigned. The stabilization fund balance can be used for general and/or capital purposes upon a two-thirds vote of the City Council. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the Council. See Note 9 for further discussion of the Stabilization Fund.

#### *School Construction Fund*

This fund accounts for activity associated with the construction of the Staff Sergeant James J. Hill Elementary School and associated parkland restoration. During the year the fund recognized \$24.2 million of expenditures

related to land acquisition, construction of the new school and parkland restoration. The City received \$15.4 million in reimbursements from the Massachusetts School Building Authority (MSBA) to help offset the cost of construction and received proceeds from the issuance of long term debt. At June 30, 2015, the fund had a deficit balance of \$10.6 million. The deficit will be funded through future general obligation debt and construction grants from the MSBA.

### ***General Fund Budgetary Highlights***

The difference of \$3.7 million between the original budget of \$164.3 million and the final amended budget of \$168 million was due to \$3 million in transfers to the Stabilization Fund, additional funding of \$270,000 for the Regional Emergency Communication Center, additional funding of \$115,000 for workers compensation claims, additional funding of \$117,500 for information technology purposes, and \$197,500 for various general government activities.

Revenues exceeded budget for motor vehicle and other excise tax collections, due to conservative estimates, and for license and permit revenue as a result of unanticipated permit fees as homeowners and businesses repaired damage caused by the July 2014 tornado. Unbudgeted tax liens totaled \$2.3 million; however, this was offset by real estate revenues being under budget by \$2.1 million.

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

**Capital Assets.** The City's valuation of governmental activities capital assets as of June 30, 2015, amounts to \$190.7 million, net of accumulated depreciation. This amount represents purchases made over time in the following categories: land; construction in process; buildings and improvements; machinery, equipment and furnishings; and infrastructure.

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

The City's valuation of business-type activities capital assets as of June 30, 2015 amounts to \$45 million, net of accumulated depreciation. This amount represents purchase made over time in relation to the water and sewer distribution, collections and disposal infrastructure.

**Long-term debt.** At June 30, 2015, the City had total governmental bonded debt of \$52.1 million. Of this amount, \$20.4 million is for school purposes, \$23.3 million is for public safety purposes, \$2.8 is for the stadium reconstruction, \$3 million related to land acquisition costs and \$2.6 is for various other governmental purposes.

The water & sewer enterprise fund has \$24.7 million in long-term debt that is supported by the water and sewer rates.

Currently the City has \$53.5 million in authorized and unissued long-term debt relating to future projects.

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

### ***Requests for Information***

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

# ***Basic Financial Statements***

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**STATEMENT OF NET POSITION**

JUNE 30, 2015

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 47,467,981	\$ 9,865,017	\$ 57,332,998
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	220,616	-	220,616
Tax liens.....	4,659,354	-	4,659,354
Motor vehicle and other excise taxes.....	1,139,514	-	1,139,514
User fees.....	-	6,779,294	6,779,294
Departmental and other.....	1,118,377	-	1,118,377
Intergovernmental.....	3,927,079	27,508,603	31,435,682
Tax foreclosures.....	90,849	-	90,849
Working capital deposit.....	2,690,200	-	2,690,200
Other assets.....	75,000	-	75,000
<b>Total Current Assets.....</b>	<b>61,388,970</b>	<b>44,152,914</b>	<b>105,541,884</b>
<b>NONCURRENT:</b>			
Capital assets, not being depreciated.....	46,001,687	-	46,001,687
Capital assets, net of accumulated depreciation.....	144,665,429	44,994,598	189,660,027
<b>Total Noncurrent Assets.....</b>	<b>190,667,116</b>	<b>44,994,598</b>	<b>235,661,714</b>
<b>TOTAL ASSETS.....</b>	<b>252,056,086</b>	<b>89,147,512</b>	<b>341,203,598</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions.....	217,463	10,215	227,678
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	8,270,727	3,106,749	11,377,476
Accrued liabilities.....	933,403	-	933,403
Accrued payroll.....	300,047	-	300,047
Health claims payable.....	1,287,179	-	1,287,179
Tax refunds payable.....	610,011	-	610,011
Accrued interest.....	561,391	224,830	786,221
Payroll withholdings.....	2,572	-	2,572
Other liabilities.....	-	1,000	1,000
Capital lease obligations.....	338,632	-	338,632
Compensated absences.....	1,605,000	30,000	1,635,000
Workers' compensation.....	299,000	45,000	344,000
Notes payable.....	16,500,000	36,650,000	53,150,000
Bonds payable.....	2,889,542	1,320,651	4,210,193
<b>Total Current Liabilities.....</b>	<b>33,597,504</b>	<b>41,378,230</b>	<b>74,975,734</b>
<b>NONCURRENT:</b>			
Capital lease obligations.....	72,224	-	72,224
Compensated absences.....	2,564,000	39,000	2,603,000
Workers' compensation.....	5,650,000	131,000	5,781,000
Other postemployment benefits.....	70,573,000	954,000	71,527,000
Net pension liability.....	70,274,894	3,301,212	73,576,106
Bonds payable.....	50,383,359	23,415,132	73,798,491
<b>Total Noncurrent Liabilities.....</b>	<b>199,517,477</b>	<b>27,840,344</b>	<b>227,357,821</b>
<b>TOTAL LIABILITIES.....</b>	<b>233,114,981</b>	<b>69,218,574</b>	<b>302,333,555</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	127,833,259	12,291,030	140,124,289
Restricted for:			
Debt service.....	276,506	-	276,506
Gifts and grants.....	4,205,842	-	4,205,842
Unrestricted.....	(113,157,039)	7,648,123	(105,508,916)
<b>TOTAL NET POSITION.....</b>	<b>\$ 19,158,568</b>	<b>\$ 19,939,153</b>	<b>\$ 39,097,721</b>

See notes to basic financial statements.



**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 14,579,999	\$ 3,999,341	\$ 1,130,470	\$ 1,701,643	\$ (7,748,545)
Public safety.....	35,329,334	1,419,882	1,378,063	-	(32,531,389)
Education.....	124,884,310	1,448,378	73,945,800	18,134,937	(31,355,195)
Public works.....	11,220,595	1,032,505	240,991	279,964	(9,667,135)
Human services.....	3,376,833	342,705	1,085,755	-	(1,948,373)
Culture and recreation.....	1,493,526	250,499	316,127	-	(926,900)
Strategic planning.....	207,799	-	39,372	-	(168,427)
Interest.....	2,310,793	-	-	-	(2,310,793)
<b>Total Governmental Activities.....</b>	<b>193,403,189</b>	<b>8,493,310</b>	<b>78,136,578</b>	<b>20,116,544</b>	<b>(86,656,757)</b>
<i>Business-Type Activities:</i>					
Water & Sewer.....	18,479,166	22,036,024	-	475,630	<b>4,032,488</b>
<b>Total Primary Government.....</b>	<b>\$ 211,882,355</b>	<b>\$ 30,529,334</b>	<b>\$ 78,136,578</b>	<b>\$ 20,592,174</b>	<b>\$ (82,624,269)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ <b>(86,656,757)</b>	\$ <b>4,032,488</b>	\$ <b>(82,624,269)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	69,789,098	-	69,789,098
Tax liens.....	2,881,860	-	2,881,860
Motor vehicle and other excise taxes.....	5,144,906	-	5,144,906
Hotel/motel and meals tax.....	2,326,545	-	2,326,545
Penalties and interest on taxes.....	484,909	-	484,909
Payments in lieu of taxes.....	219,835	-	219,835
Grants and contributions not restricted to specific programs.....	10,459,173	-	10,459,173
Unrestricted investment income.....	280,454	12,240	292,694
<i>Transfers, net</i> .....	3,051,265	(3,051,265)	-
Total general revenues and transfers.....	94,638,045	(3,039,025)	91,599,020
Change in net position.....	7,981,288	993,463	8,974,751
<i>Net Position:</i>			
Beginning of year (as revised).....	11,177,280	18,945,690	30,122,970
End of year.....	\$ <u>19,158,568</u>	\$ <u>19,939,153</u>	\$ <u>39,097,721</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2015

	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 26,208,674	\$ 6,394,432	\$ 11,391,856	\$ 43,994,962
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	220,616	-	-	220,616
Tax liens.....	4,659,354	-	-	4,659,354
Motor vehicle and other excise taxes.....	1,139,514	-	-	1,139,514
Departmental and other.....	631,030	-	-	631,030
Intergovernmental.....	499,991	1,201,925	2,225,163	3,927,079
Tax foreclosures.....	90,849	-	-	90,849
Due from other funds.....	2,366,831	-	-	2,366,831
Other assets.....	75,000	-	-	75,000
<b>TOTAL ASSETS.....</b>	<b>\$ 35,891,859</b>	<b>\$ 7,596,357</b>	<b>\$ 13,617,019</b>	<b>\$ 57,105,235</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 2,986,852	\$ 1,672,212	\$ 2,090,609	\$ 6,749,673
Accrued liabilities.....	933,403	-	-	933,403
Accrued payroll.....	236,764	-	63,283	300,047
Tax refunds payable.....	610,011	-	-	610,011
Payroll withholdings.....	2,572	-	-	2,572
Due to other funds.....	-	-	2,366,831	2,366,831
Notes payable.....	-	16,500,000	-	16,500,000
<b>TOTAL LIABILITIES.....</b>	<b>4,769,602</b>	<b>18,172,212</b>	<b>4,520,723</b>	<b>27,462,537</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues.....	5,883,475	-	127,896	6,011,371
<b>FUND BALANCES</b>				
Restricted.....	-	-	10,711,778	10,711,778
Assigned.....	9,954,637	-	-	9,954,637
Unassigned.....	15,284,145	(10,575,855)	(1,743,378)	2,964,912
<b>TOTAL FUND BALANCES.....</b>	<b>25,238,782</b>	<b>(10,575,855)</b>	<b>8,968,400</b>	<b>23,631,327</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 35,891,859</b>	<b>\$ 7,596,357</b>	<b>\$ 13,617,019</b>	<b>\$ 57,105,235</b>

See notes to basic financial statements.

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

JUNE 30, 2015

Total governmental fund balances.....		\$ 23,631,327
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		190,667,116
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		6,011,371
Changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....		217,463
Internal service funds are used by management to account for retirees' and employees health insurance activities:		
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		3,842,333
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(561,391)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(53,272,901)	
Other postemployment benefits liability.....	(70,573,000)	
Capital lease obligations.....	(410,856)	
Net pension liability.....	(70,274,894)	
Compensated absences.....	(4,169,000)	
Workers' compensation.....	<u>(5,949,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(204,649,651)</u>
Net position of governmental activities.....		<u>\$ 19,158,568</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 69,834,888	\$ -	\$ -	\$ 69,834,888
Tax liens.....	2,223,312	-	-	2,223,312
Motor vehicle and other excise taxes.....	5,239,805	-	-	5,239,805
Hotel/motel and meals tax.....	2,326,545	-	-	2,326,545
Charges for services.....	1,430,251	-	789,145	2,219,396
Penalties and interest on taxes.....	465,719	-	-	465,719
Payments in lieu of taxes.....	219,835	-	-	219,835
Licenses and permits.....	1,870,200	-	-	1,870,200
Fines and forfeitures.....	977,642	-	-	977,642
Intergovernmental.....	70,998,825	15,387,360	21,701,677	108,087,862
Departmental and other.....	-	-	4,127,661	4,127,661
Contributions.....	-	-	652,503	652,503
Investment income.....	79,404	-	197,201	276,605
<b>TOTAL REVENUES.....</b>	<b>155,666,426</b>	<b>15,387,360</b>	<b>27,468,187</b>	<b>198,521,973</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	7,411,557	-	8,808,543	16,220,100
Public safety.....	19,767,022	-	1,877,518	21,644,540
Education.....	73,030,651	23,998,561	15,363,094	112,392,306
Public works.....	9,349,892	-	1,999,275	11,349,167
Human services.....	2,164,826	-	377,757	2,542,583
Culture and recreation.....	899,116	172,500	198,434	1,270,050
Strategic planning.....	-	-	207,799	207,799
Pension benefits.....	18,632,888	-	-	18,632,888
Employee benefits.....	18,446,949	-	-	18,446,949
State and county charges.....	8,034,077	-	-	8,034,077
Debt service:				
Principal.....	2,421,893	-	-	2,421,893
Interest.....	2,022,540	-	-	2,022,540
<b>TOTAL EXPENDITURES.....</b>	<b>162,181,411</b>	<b>24,171,061</b>	<b>28,832,420</b>	<b>215,184,892</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES.....</b>	<b>(6,514,985)</b>	<b>(8,783,701)</b>	<b>(1,364,233)</b>	<b>(16,662,919)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds.....	1,750,000	3,000,000	4,916,000	9,666,000
Issuance of refunding bonds.....	3,756,200	-	-	3,756,200
Premium from issuance of bonds.....	739,221	-	-	739,221
Premium from issuance of refunding bonds.....	420,862	-	-	420,862
Payments to refunded bond escrow agent.....	(4,111,767)	-	-	(4,111,767)
Insurance recoveries.....	-	-	750,000	750,000
Transfers in.....	6,353,549	-	-	6,353,549
Transfers out.....	(1,401,066)	-	(289,000)	(1,690,066)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>7,506,999</b>	<b>3,000,000</b>	<b>5,377,000</b>	<b>15,883,999</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>992,014</b>	<b>(5,783,701)</b>	<b>4,012,767</b>	<b>(778,920)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>24,246,768</b>	<b>(4,792,154)</b>	<b>4,955,633</b>	<b>24,410,247</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 25,238,782</b>	<b>\$ (10,575,855)</b>	<b>\$ 8,968,400</b>	<b>\$ 23,631,327</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds.....	\$	(778,920)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		35,339,940
Depreciation expense.....		<u>(7,325,657)</u>
Net effect of reporting capital assets.....		28,014,283
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(192,610)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of bonds.....		(9,666,000)
Issuance of refunding bonds.....		(3,756,200)
Premium from issuance of bonds.....		(739,221)
Premium from issuance of refunding.....		(420,862)
Principal payments on capital leases.....		329,475
Payments to refunded bond escrow agent.....		4,111,767
Other changes in long term debt.....		(276,767)
Debt service principal payments.....		<u>2,421,893</u>
Net effect of reporting long-term debt.....		(7,995,915)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(400,000)
Net change in workers' compensation accrual.....		(2,867,000)
Net change in other postemployment benefits accrual.....		(7,755,000)
Net change in accrued interest on long-term debt.....		(11,486)
Amortization of deferred outflows of resources related to pensions.....		<u>2,656,075</u>
Net effect of recording long-term liabilities.....		(8,377,411)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with Governmental Activities.....		<u>(2,688,139)</u>
Change in net position of governmental activities.....	\$	<u><u>7,981,288</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2015

	Water & Sewer Enterprise	Internal Service Fund Health Insurance
<b>ASSETS</b>		
CURRENT:		
Cash and cash equivalents.....	\$ 9,865,017	\$ 3,473,019
Receivables, net of allowance for uncollectibles:		
User fees.....	6,779,294	-
Departmental and other.....	-	487,347
Intergovernmental.....	27,508,603	-
Working capital deposit.....	-	2,690,200
	44,152,914	6,650,566
Total current assets.....		
NONCURRENT:		
Capital assets, net of accumulated depreciation.....	44,994,598	-
TOTAL ASSETS.....	89,147,512	6,650,566
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions.....	10,215	-
<b>LIABILITIES</b>		
CURRENT:		
Warrants payable.....	3,106,749	1,521,054
Health claims payable.....	-	1,287,179
Accrued interest.....	224,830	-
Other liabilities.....	1,000	-
Compensated absences.....	30,000	-
Workers' compensation.....	45,000	-
Notes payable.....	36,650,000	-
Bonds payable.....	1,320,651	-
	41,378,230	2,808,233
Total current liabilities.....		
NONCURRENT:		
Compensated absences.....	39,000	-
Other postemployment benefits.....	954,000	-
Workers' compensation.....	131,000	-
Net pension liability.....	3,301,212	-
Bonds payable.....	23,415,132	-
	27,840,344	-
Total noncurrent liabilities.....		
TOTAL LIABILITIES.....	69,218,574	2,808,233
<b>NET POSITION</b>		
Net investment in capital assets.....	12,291,030	-
Unrestricted.....	7,648,123	3,842,333
TOTAL NET POSITION.....	\$ 19,939,153	\$ 3,842,333

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Water & Sewer Enterprise	Internal Service Fund Health Insurance
<b>OPERATING REVENUES:</b>		
Employer and employee contributions.....	\$ -	\$ 22,198,694
Charges for services.....	22,036,024	-
<b>TOTAL OPERATING REVENUES .....</b>	<b>22,036,024</b>	<b>22,198,694</b>
<b>OPERATING EXPENSES:</b>		
Water expenses .....	5,025,958	-
Sewer expenses.....	11,729,636	-
Depreciation.....	1,322,052	-
Employee benefits .....	-	23,278,464
<b>TOTAL OPERATING EXPENSES .....</b>	<b>18,077,646</b>	<b>23,278,464</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>3,958,378</b>	<b>(1,079,770)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income.....	12,240	3,849
Interest expense.....	(401,520)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(389,280)</b>	<b>3,849</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....</b>	<b>3,569,098</b>	<b>(1,075,921)</b>
<b>TRANSFERS:</b>		
Transfers in.....	1,401,066	-
Transfers out.....	(4,452,331)	(1,612,218)
<b>TOTAL TRANSFERS.....</b>	<b>(3,051,265)</b>	<b>(1,612,218)</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>475,630</b>	<b>-</b>
<b>CHANGE IN NET POSITION.....</b>	<b>993,463</b>	<b>(2,688,139)</b>
<b>NET POSITION AT BEGINNING OF YEAR (AS REVISED).....</b>	<b>18,945,690</b>	<b>6,530,472</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 19,939,153</b>	<b>\$ 3,842,333</b>

See notes to basic financial statements.



**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2015

	Water & Sewer Enterprise	Internal Service Fund Health Insurance
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Receipts from customers and users.....	\$ 22,740,621	\$ 21,956,041
Payments to vendors.....	(15,476,087)	(23,163,486)
Payments to employees.....	(1,121,430)	-
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>6,143,104</b>	<b>(1,207,445)</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>		
Transfers in.....	1,401,066	-
Transfers out.....	(4,452,331)	(1,612,218)
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(3,051,265)</b>	<b>(1,612,218)</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Proceeds from the issuance of bonds and notes.....	21,437,976	-
Intergovernmental capital contributions.....	475,630	-
Acquisition and construction of capital assets.....	(11,321,642)	-
Principal payments on bonds and notes.....	(11,320,789)	-
Interest expense.....	(261,194)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(990,019)</b>	<b>-</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Investment income.....	12,240	3,849
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>2,114,060</b>	<b>(2,815,814)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>7,750,957</b>	<b>6,288,833</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 9,865,017</b>	<b>\$ 3,473,019</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u></b>		
Operating income (loss).....	\$ 3,958,378	\$ (1,079,770)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation.....	1,322,052	-
Deferred (outflows)/inflows related to pensions.....	(10,215)	-
Changes in assets and liabilities:		
User fees.....	704,597	-
Departmental and other.....	-	(242,653)
Working capital deposit.....	-	(100,200)
Warrants payable.....	99,848	152,136
Health claims payable.....	-	63,042
Accrued compensated absences.....	(1,000)	-
Workers' compensation.....	176,000	-
Net pension liability.....	(114,556)	-
Other postemployment benefits.....	8,000	-
Total adjustments.....	2,184,726	(127,675)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 6,143,104</b>	<b>\$ (1,207,445)</b>
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u></b>		
Purchase of equipment on account.....	\$ 1,202,446	\$ -
Intergovernmental receivable and notes payable from MCWT.....	(27,508,603)	-

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 3,585,575	\$ 36,580	\$ 155,286
Investments:			
Pension Reserve Investment Trust.....	123,023,366	-	-
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	3,271,781	-	-
<b>TOTAL ASSETS.....</b>	<b>129,880,722</b>	<b>36,580</b>	<b>155,286</b>
<b>LIABILITIES</b>			
Liabilities due depositors.....	-	-	80,286
Other liabilities.....	-	-	75,000
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>155,286</b>
<b>NET POSITION</b>			
Restricted for pension benefits.....	129,880,722	-	-
Held in trust for other purposes.....	-	36,580	-
<b>TOTAL NET POSITION.....</b>	<b>\$ 129,880,722</b>	<b>\$ 36,580</b>	<b>\$ -</b>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer.....	\$ 10,792,421	\$ -
Employee.....	3,265,981	-
Private donations.....	-	5,121
Total contributions.....	<u>14,058,402</u>	<u>5,121</u>
Net investment income (loss):		
Net change in fair value of investments.....	6,088,834	-
Interest.....	3,457,481	61
Total investment income (loss).....	9,546,315	61
Less: investment expense.....	<u>(642,515)</u>	<u>-</u>
Net investment income.....	<u>8,903,800</u>	<u>61</u>
Intergovernmental.....	341,688	-
Transfers from other systems.....	296,188	-
TOTAL ADDITIONS.....	<u>23,600,078</u>	<u>5,182</u>
<b>DEDUCTIONS:</b>		
Administration.....	264,922	-
Refunds to plan members.....	91,507	-
Transfers to other systems.....	223,516	-
Retirement benefits and refunds.....	14,610,452	-
Educational scholarships.....	-	3,500
TOTAL DEDUCTIONS.....	<u>15,190,397</u>	<u>3,500</u>
CHANGE IN NET POSITION.....	8,409,681	1,682
NET POSITION AT BEGINNING OF YEAR.....	<u>121,471,041</u>	<u>34,898</u>
NET POSITION AT END OF YEAR.....	<u>\$ 129,880,722</u>	<u>\$ 36,580</u>

See notes to basic financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the City of Revere, Massachusetts (City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant City accounting policies are described herein.

**A. Reporting Entity**

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

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the City (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

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

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

The System did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 281 Broadway, Revere, Massachusetts 02151.

***Joint Ventures***

The City is a member of the Northeast Metropolitan Regional Vocational Technical School District that provides for the vocational education for the City's students who are of high school age. The members share in the operations of the District and each member is responsible for its proportionate share of the operational and capital cost of the District, which are paid in the form of assessments. The City does not have an equity interest in the District and the 2015 assessment was \$1,535,360. The financial statement of the Northeast Metropolitan Regional Vocational Technical School District may be obtained by writing to the Treasurer of the District at 100 Hemlock Road, Wakefield, MA 01880.

## B. Government-Wide and Fund Financial Statements

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

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

### *Major Fund Criteria*

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

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all fund of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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

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

### *Government-Wide Financial Statements*

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

#### *Fund Financial Statements*

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

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *school construction fund* accounts for the construction of the Staff Sergeant James J. Hill Elementary School.

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

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital project funds.

The *debt service fund* is used to account for the accumulation of resources for the payment of debt associated with school construction projects.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The major proprietary fund reported is the *water & sewer enterprise fund*, which is used to account for water and sewer activities.

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

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

The following fiduciary fund types are reported:

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

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

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

#### D. Cash and Investments

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

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

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

## E. Accounts Receivable

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

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

### ***Real Estate, Personal Property Taxes and Tax Liens***

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

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

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

### ***Motor Vehicle Excise***

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

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

### ***User Fees***

Water and sewer user fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. Water and sewer liens are processed in December of every year and are included as a lien on the property owner's tax bill. Water and sewer charges and liens are recorded as receivables in the year of the levy.

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

### ***Departmental and Other***

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

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



***Intergovernmental***

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

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

**F. Inventories**

*Government-Wide and Fund Financial Statements*

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

**G. Capital Assets**

*Government-Wide and Proprietary Fund Financial Statements*

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

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

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	20 - 40
Machinery, equipment and furnishings.....	5 - 20
Infrastructure.....	30 - 75

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

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

*Governmental Fund Financial Statements*

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

## H. Deferred Outflows/Inflows of Resources

### *Government-Wide Financial Statements (Net Position)*

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

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

### *Governmental Fund Financial Statements*

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents amounts that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The City has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

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

## I. Interfund Receivables and Payables

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

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

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

## J. Interfund Transfers

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

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

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

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

Net position has been "restricted for" the following:

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

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

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

*Fund Financial Statements (Fund Balances)*

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

The governmental fund balance classifications are as follows:

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

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

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

“Assigned” fund balance includes amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City’s by-laws authorize the City Auditor to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

#### L. Long-term debt

##### *Government-Wide and Proprietary Fund Financial Statements*

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

##### *Governmental Fund Financial Statements*

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

#### M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Revere Contributory Retirement System (System) and the Massachusetts Teachers Retirement System additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### N. Investment Income

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

Proprietary funds retain their investment income.

### O. Compensated Absences

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

#### *Government-Wide and Proprietary Fund Financial Statements*

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

#### *Governmental Fund Financial Statements*

Compensated absences are reported in the governmental funds only if they have matured, i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

### P. Use of Estimates

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

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

### Q. Individual Fund Deficits

There are fund deficits within the Strategic Planning Fund (\$223,687), the Suffolk Downs Mitigation Fund (\$25,614) and the Harry Della Russo Stadium capital project fund (\$1,494,077). These deficits will be funded through future grants, bond proceeds, and available fund balances.

### R. Total Column

#### *Government-Wide Financial Statements*

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

#### *Fund Financial Statements*

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

## **NOTE 2 – CASH AND INVESTMENTS**

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment

Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

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

The City participates in the MMDT cash portfolio which as of June 30, 2015 had a balance of \$10,532,406. MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months. Credit ratings associated with the City's investment in MMDT ranged from AAA to unrated.

The Retirement System participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 1.33 to 21.81 years.

#### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$46,992,458 and the bank balance totaled \$52,180,204. Of the bank balance, \$1,009,101 was covered by Federal Depository Insurance, \$51,021,257 was collateralized and \$149,846 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2014, carrying amount of deposits for the System totaled \$3,585,575 and the bank balance totaled \$3,664,042. All of the bank balance of the System was covered by the Federal Depository Insurance.

#### Investments

As of December 31, 2014, the System had \$123,023,366 invested in the Pension Reserve Investment Trust.

#### Custodial Credit Risk – Investments

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

At December 31, 2014, the System investment in PRIT is not subject custodial credit risk because the investment is not evidenced by securities that exist in physical or book-entry form.

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

Credit Risk

The City has not adopted a formal policy related to Credit Risk.

**NOTE 3 – RECEIVABLES**

At June 30, 2015, receivables for the individual major and nonmajor governmental funds, and internal service in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 733,982	\$ (513,366)	\$ 220,616
Tax liens.....	4,659,354	-	4,659,354
Motor vehicle and other excise taxes.....	2,796,884	(1,657,370)	1,139,514
Departmental and other.....	1,811,762	(693,385)	1,118,377
Intergovernmental.....	3,927,079	-	3,927,079
 Total .....	 <u>\$ 13,929,061</u>	 <u>\$ (2,864,121)</u>	 <u>\$ 11,064,940</u>

At June 30, 2015, receivables for the water & sewer enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User fees.....	\$ 6,779,294	\$ -	\$ 6,779,294
Intergovernmental.....	27,508,603	-	27,508,603
 Total .....	 <u>\$ 34,287,897</u>	 <u>\$ -</u>	 <u>\$ 34,287,897</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Nonmajor Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 61,786	\$ -	\$ 61,786
Tax liens.....	3,960,275	-	3,960,275
Motor vehicle and other excise taxes.....	1,139,514	-	1,139,514
Departmental and other.....	631,051	-	631,051
Intergovernmental.....	-	127,896	127,896
Tax foreclosures.....	90,849	-	90,849
 Total.....	 <u>\$ 5,883,475</u>	 <u>\$ 127,896</u>	 <u>\$ 6,011,371</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015, was as follows:

<b>Governmental Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 8,090,832	\$ 184,420	\$ -	\$ 8,275,252
Construction in progress.....	<u>14,165,919</u>	<u>23,814,141</u>	<u>(253,625)</u>	<u>37,726,435</u>
Total capital assets, not being depreciated.....	<u>22,256,751</u>	<u>23,998,561</u>	<u>(253,625)</u>	<u>46,001,687</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	211,258,770	5,346,180	-	216,604,950
Machinery, equipment and furnishings.....	15,657,964	2,574,329	-	18,232,293
Infrastructure.....	<u>19,045,859</u>	<u>3,674,495</u>	<u>-</u>	<u>22,720,354</u>
Total capital assets being depreciated.....	<u>245,962,593</u>	<u>11,595,004</u>	<u>-</u>	<u>257,557,597</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(84,916,439)	(5,379,945)	-	(90,296,384)
Machinery, equipment and furnishings.....	(11,603,779)	(1,214,313)	-	(12,818,092)
Infrastructure.....	<u>(9,046,293)</u>	<u>(731,399)</u>	<u>-</u>	<u>(9,777,692)</u>
Total accumulated depreciation.....	<u>(105,566,511)</u>	<u>(7,325,657)</u>	<u>-</u>	<u>(112,892,168)</u>
Total capital assets being depreciated, net.....	<u>140,396,082</u>	<u>4,269,347</u>	<u>-</u>	<u>144,665,429</u>
Total governmental activities capital assets, net.....	<u>\$ 162,652,833</u>	<u>\$ 28,267,908</u>	<u>\$ (253,625)</u>	<u>\$ 190,667,116</u>
<b>Enterprise Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 192,659	\$ -	\$ -	\$ 192,659
Machinery, equipment and furnishings.....	4,985,683	-	-	4,985,683
Infrastructure.....	<u>46,555,163</u>	<u>12,524,088</u>	<u>-</u>	<u>59,079,251</u>
Total capital assets being depreciated.....	<u>51,733,505</u>	<u>12,524,088</u>	<u>-</u>	<u>64,257,593</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(154,241)	(3,767)	-	(158,008)
Machinery, equipment and furnishings.....	(4,662,177)	(53,723)	-	(4,715,900)
Infrastructure.....	<u>(13,124,525)</u>	<u>(1,264,562)</u>	<u>-</u>	<u>(14,389,087)</u>
Total accumulated depreciation.....	<u>(17,940,943)</u>	<u>(1,322,052)</u>	<u>-</u>	<u>(19,262,995)</u>
Total enterprise activities capital assets, net.....	<u>\$ 33,792,562</u>	<u>\$ 11,202,036</u>	<u>\$ -</u>	<u>\$ 44,994,598</u>



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

**Governmental Activities:**

General government.....	\$ 206,489
Public safety.....	1,392,220
Education.....	4,959,438
Public works.....	707,269
Human services.....	48,800
Culture and recreation.....	<u>11,441</u>

Total depreciation expense - governmental activities..... \$ 7,325,657

**Business-Type Activities:**

Water & sewer.....	<u>\$ 1,322,052</u>
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**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at June 30, 2015, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development Grant Funds	\$ 835,945
General Fund	Highway Improvements Fund	354,184
General Fund	Harry Della Russo Stadium Fund	<u>1,176,702</u>
		<u>\$ 2,366,831</u>

These will be funded in 2016 with federal and state grants and other available funding.

Interfund transfers for the year ended June 30, 2015, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water &amp; Sewer Enterprise Fund</u>	<u>Total</u>
General Fund.....	\$ -	\$ 750,000	\$ 1,401,066	\$ 2,151,066 (1)
Nonmajor Governmental Funds.....	289,000	-	-	289,000 (2)
Water & Sewer Enterprise Fund.....	4,452,331	-	-	4,452,331 (3)
Internal Service Funds.....	<u>1,612,218</u>	-	-	<u>1,612,218 (4)</u>
Total.....	<u>\$ 6,353,549</u>	<u>\$ 750,000</u>	<u>\$ 1,401,066</u>	<u>\$ 8,504,615</u>

- (1) Budgeted transfer to the water & sewer enterprise fund for principal and interest payments budgeted in and paid for by the general fund. Transfer from the general fund to the nonmajor governmental funds for tornado related insurance recoveries.
- (2) Budgeted transfer of \$289,000 from the Public Safety Facility Fund to offset debt service in the general fund.
- (3) Budgeted transfer from the Water & Sewer Enterprise Fund for indirect costs incurred.
- (4) Transfer from the internal service fund to move Medicare receipts to the general fund.

**NOTE 6 – CAPITAL LEASES**

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

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery and equipment.....	\$ 1,342,967
Less: accumulated depreciation.....	<u>(880,102)</u>
Total.....	<u>\$ 462,865</u>

The future minimum lease obligations and the net present value of the minimum lease payments at June 30, 2015, are as follows:

<u>Years Ending June 30</u>	<u>Governmental Activities</u>
2016.....	\$ 349,407
2017.....	<u>73,728</u>
Total minimum lease payments.....	423,135
Less: amounts representing interest.....	<u>(12,279)</u>
Present value of minimum lease payments.....	<u>\$ 410,856</u>

**NOTE 7 – SHORT-TERM FINANCING**

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

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

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

As of June 30, 2015, the City had the following outstanding short-term debt:

Type	Description	Maturity Date	Rate %	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
<i>Governmental Funds</i>							
BAN	Bond Anticipation Note....	7/18/14	0.75	\$ 4,518,608	\$ -	\$ (4,518,608)	\$ -
BAN	Bond Anticipation Note....	4/17/15	1.00	14,750,000	-	(14,750,000)	-
BAN	Bond Anticipation Note....	2/20/15	0.75	-	4,428,608	(4,428,608)	-
BAN	Bond Anticipation Note....	4/15/16	1.25	-	16,500,000	-	16,500,000
Total governmental funds.....				<u>19,268,608</u>	<u>20,928,608</u>	<u>(23,697,216)</u>	<u>16,500,000</u>
<i>Water &amp; Sewer Enterprise Fund</i>							
BAN	MWCT Interim Loans.....	12/31/14	2.00	<u>12,347,117</u>	<u>33,800,000</u>	<u>(9,497,117)</u>	<u>36,650,000</u>
Total short-term debt.....				<u>\$ 31,615,725</u>	<u>\$ 54,728,608</u>	<u>\$ (33,194,333)</u>	<u>\$ 53,150,000</u>

The Massachusetts Clean Water Trust (MCWT) Temporary Financing relates to a program in which the City is able to rehabilitate, expand, or upgrade the existing sewer infrastructure network. The City has been preliminarily approved for construction costs of up to \$36,350,000 at a market interest rate of 2%. The City has been allowed 2 years to expend funds against the loan. After the two years, the City will determine the final construction costs and a permanent debt schedule will be agreed upon and payable over 20 years. During the temporary status of the loan the City is only liable for payment of interest costs.

During the temporary financing phase of the project the City must expend funds first and then apply for reimbursement from the MCWT. At June 30, 2015, the City had not received reimbursements equal to the June 30, 2015 balance of the temporary loan authorizations. The difference between what has been spent and what is available to draw down is approximately \$27,500,000. This amount has been recorded as an intergovernmental receivable in the Water & Sewer Enterprise Fund statement of net position.

#### NOTE 8 – LONG-TERM DEBT

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

Details related to the City’s outstanding general obligation indebtedness as of June 30, 2015, and the debt service requirements for the governmental activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
General Obligation State Qualified Issue 2004.....	2021	\$ 440,000	4.2	\$ 175,000	\$ -	\$ (25,000)	\$ 150,000
Refunding Issue 1997.....	2017	2,235,772	4.0	615,290	-	(212,350)	402,940
General Obligation State Qualified Issue 2007.....	2026	9,286,000	4.0 - 5.5	5,310,000	-	(4,330,000)	980,000
General Obligation State Qualified Issue 2009.....	2039	26,381,000	3.2 - 4.9	22,750,000	-	(800,000)	21,950,000
MSBA School Debt 2010.....	2031	5,990,850	2.0	5,092,221	-	(299,543)	4,792,678
General Obligation State Qualified Issue 2010.....	2031	12,686,000	2.0 - 4.0	11,005,000	-	(590,000)	10,415,000
General Obligation State Qualified Issue 2015.....	2035	3,636,000	2.0 - 4.0	-	3,636,000	-	3,636,000
General Obligation State Qualified Issue 2015.....	2029	9,786,200	2.0 - 4.0	-	9,786,200	-	9,786,200
Total Bonds Payable.....				44,947,511	13,422,200	(6,256,893)	52,112,818
Add: Unamortized Premium.....				-	1,160,083	-	1,160,083
Total Bonds Payable, net.....				\$ 44,947,511	\$ 14,582,283	\$ (6,256,893)	\$ 53,272,901

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

Year	Principal	Interest	Total
2016.....	\$ 2,713,343	\$ 2,262,357	\$ 4,975,700
2017.....	2,784,683	2,098,740	4,883,423
2018.....	3,079,543	1,837,399	4,916,942
2019.....	3,149,543	1,728,671	4,878,214
2020.....	3,049,543	1,610,780	4,660,323
2021.....	3,024,543	1,503,954	4,528,497
2022.....	3,024,543	1,395,441	4,419,984
2023.....	3,120,743	1,278,600	4,399,343
2024.....	3,109,543	1,156,360	4,265,903
2025.....	2,824,543	1,043,902	3,868,445
2026.....	2,659,543	935,667	3,595,210
2027.....	2,404,543	833,276	3,237,819
2028.....	2,494,543	734,120	3,228,663
2029.....	2,354,543	636,555	2,991,098
2030.....	1,764,543	558,701	2,323,244
2031.....	1,424,533	495,900	1,920,433
2032.....	1,060,000	440,268	1,500,268
2033.....	1,110,000	390,425	1,500,425
2034.....	1,155,000	338,169	1,493,169
2035.....	1,215,000	283,625	1,498,625
2036.....	1,060,000	229,500	1,289,500
2037.....	1,115,000	176,500	1,291,500
2038.....	1,180,000	120,750	1,300,750
2039.....	1,235,000	61,750	1,296,750
Total.....	\$ 52,112,818	\$ 22,151,410	\$ 74,264,228

In order to take advantage of favorable interest rates, the City issued \$4,440,000 of general obligation refunding bonds on April 16, 2015 to advance refund \$4,535,000 of general obligation bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$325,297 and resulted in an economic gain of \$232,960. At June 30, 2015, \$4,535,000 of bonds outstanding from the advance refunding is considered defeased.

Details related to the City's outstanding general obligation indebtedness as of June 30, 2015, and the debt service requirements for the business-type activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
General Obligation State Qualified Issue 2007.....	2025	\$ 1,500,000	4.1	\$ 940,000	\$ -	\$ (780,000)	\$ 160,000
Refunded Debt Water 2005.....	2017	959,228	3.9	214,710	-	(97,650)	117,060
MWRA Water 2004.....	2015	1,000,000	0.0	100,000	-	(100,000)	-
MWRA Sewer 2010.....	2015	107,965	0.0	21,593	-	(21,593)	-
MWRA Sewer 2010.....	2016	398,035	0.0	159,214	-	(79,607)	79,607
MCWT Water 2001.....	2015	665,075	5.7	66,322	-	(66,322)	-
MCWT Water 2007.....	2018	480,000	2.0	203,891	-	(49,454)	154,437
MCWT Water 2010.....	2031	575,000	2.0	502,707	-	(25,078)	477,629
MCWT Water 2012.....	2043	5,883,727	2.0	5,740,311	-	(146,987)	5,593,324
MWRA Water 2013.....	2023	2,500,000	0.0	2,250,000	-	(250,000)	2,000,000
MCWT Water 2013.....	2033	5,007,999	2.0	4,805,420	-	(206,981)	4,598,439
MWRA Water 2015.....	2025	1,850,000	0.0	-	1,850,000	-	1,850,000
General Obligation State Qualified Issue 2015.....	2026	683,800	3.0 - 4.0	-	683,800	-	683,800
MCWT Water 2015.....	2045	9,021,487	2.0 - 2.4	-	9,021,487	-	9,021,487
Total.....				\$ 15,004,168	\$ 11,555,287	\$ (1,823,672)	\$ 24,735,783

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

Year	Principal	Interest	Total
2016.....	\$ 1,320,651	\$ 516,321	\$ 1,836,972
2017.....	1,249,204	488,317	1,737,521
2018.....	1,210,210	438,508	1,648,718
2019.....	1,172,879	421,455	1,594,334
2020.....	1,188,419	404,593	1,593,012
2021.....	1,204,328	386,986	1,591,314
2022.....	1,220,618	368,623	1,589,241
2023.....	1,231,094	350,027	1,581,121
2024.....	994,369	331,261	1,325,630
2025.....	1,011,850	312,189	1,324,039
2026.....	844,747	292,732	1,137,479
2027.....	793,071	274,276	1,067,347
2028.....	811,832	256,814	1,068,646
2029.....	831,038	238,938	1,069,976
2030.....	850,706	220,631	1,071,337
2031.....	870,840	201,895	1,072,735
2032.....	856,220	183,058	1,039,278
2033.....	876,614	164,126	1,040,740
2034.....	549,490	145,103	694,593
2035.....	563,311	132,216	695,527
2036.....	498,272	119,008	617,280
2037.....	511,078	107,048	618,126
2038.....	524,213	94,784	618,997
2039.....	537,686	82,201	619,887
2040.....	551,505	69,296	620,801
2041.....	565,678	56,059	621,737
2042.....	580,218	42,484	622,702
2043.....	595,130	28,556	623,686
2044.....	355,663	17,292	372,955
2045.....	364,849	8,756	373,605
Total.....	\$ <u>24,735,783</u>	\$ <u>6,753,553</u>	\$ <u>31,489,336</u>

Authorized and Unissued Debt

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2015, the City had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Stormwater and Wastewater.....	\$ 644,289
Beachmont (additional school).....	200,000
Winthrop Ave Emergency Funding.....	108,594
Park Improvements.....	2,100,000
Land Acquisition.....	1,100,000
Hill Elementary School.....	15,385,071
Public Safety Facility Planning.....	6,580
Harry Della Russo Stadium.....	2,000,000
McKinley Elementary School.....	2,500,000
School Building Energy Management Contract.....	616
Public Safety Technology.....	180,000
Drinking Water Construction Project # 3833.....	2,542,257
Clean Water Construction Project # 3518.....	852,564
Clean Water Construction Project # 3832.....	2,822,279
Clean Water Construction Project # 3910.....	4,017,858
Clean Water Construction Project # 3955.....	250,000
Clean Water Construction Project # 3956.....	1,700,000
Clean Water Construction Project # 3957.....	800,000
Clean Water Construction Project # 3958.....	13,450,000
Clean Water Construction Project # 3959.....	2,900,000
<b>Total.....</b>	<b>\$ 53,560,108</b>

Changes in Long-term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Other Increases</u>	<u>Other Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>							
Bonds payable.....	\$ 44,947,511	\$ 13,422,200	\$ (6,256,893)	\$ -	\$ -	\$ 52,112,818	\$ 2,713,343
Add: Unamortized premium.....	-	1,160,083	-	-	-	1,160,083	176,199
Total Bonds Payable.....	44,947,511	14,582,283	(6,256,893)	-	-	53,272,901	2,889,542
Capital lease obligations.....	740,331	-	-	-	(329,475)	410,856	338,632
Workers' compensation.....	3,082,000	-	-	3,166,000	(299,000)	5,949,000	299,000
Compensated absences.....	3,769,000	-	-	2,005,000	(1,605,000)	4,169,000	1,605,000
Other postemployment benefits.....	62,818,000	-	-	14,895,000	(7,140,000)	70,573,000	-
Net pension liability.....	72,713,506	-	-	-	(2,438,612)	70,274,894	-
Total governmental activity long-term liabilities.....	\$ 188,070,348	\$ 14,582,283	\$ (6,256,893)	\$ 20,066,000	\$ (11,812,087)	\$ 204,649,651	\$ 5,132,174
<b>Business-Type Activities:</b>							
Bonds payable.....	\$ 15,004,168	\$ 11,555,287	\$ (1,823,672)	\$ -	\$ -	\$ 24,735,783	\$ 1,320,651
Compensated absences.....	70,000	-	-	31,000	(32,000)	69,000	30,000
Workers' compensation.....	-	-	-	176,000	-	176,000	45,000
Other postemployment benefits.....	946,000	-	-	383,000	(375,000)	954,000	-
Net pension liability.....	3,415,768	-	-	-	(114,556)	3,301,212	-
Total business type activity long-term liabilities.....	\$ 19,435,936	\$ 11,555,287	\$ (1,823,672)	\$ 590,000	\$ (521,556)	\$ 29,235,995	\$ 1,395,651

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

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

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

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

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

As of June 30, 2015, the governmental fund balances consisted of the following:

	<u>General</u>	<u>School Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>				
Restricted for:				
City revolving funds.....	\$ -	\$ -	\$ 1,598,959	\$ 1,598,959
City grant funds.....	-	-	2,674,802	2,674,802
Community development grant funds.....	-	-	207,358	207,358
City receipts reserved for appropriation.....	-	-	5,366	5,366
School revolving funds.....	-	-	2,136,595	2,136,595
School grant funds.....	-	-	1,323,682	1,323,682
City capital projects.....	-	-	326,402	326,402
School capital projects.....	-	-	2,162,108	2,162,108
Debt service fund.....	-	-	276,506	276,506
Assigned to:				
General government.....	354,762	-	-	354,762
Public safety.....	123,672	-	-	123,672
Education.....	8,991,620	-	-	8,991,620
Public works.....	404,023	-	-	404,023
Human services.....	2,113	-	-	2,113
Culture and recreation.....	33,047	-	-	33,047
Debt service principal.....	45,400	-	-	45,400
Unassigned.....	<u>15,284,145</u>	<u>(10,575,855)</u>	<u>(1,743,378)</u>	<u>2,964,912</u>
<b>TOTAL FUND BALANCES.....</b>	<b>\$ <u>25,238,782</u></b>	<b>\$ <u>(10,575,855)</u></b>	<b>\$ <u>8,968,400</u></b>	<b>\$ <u>23,631,327</u></b>

The assigned balances in the General Fund are encumbrances carried forward to next year. The detail of each assignment is included in the budgetary comparison schedule presented as required supplementary information.



Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes on an as needed basis. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the Council.

At June 30, 2015, \$5,838,592 has been set aside in a stabilization fund that is classified as part of the general fund in the governmental funds financial statements as unassigned. During the year the general fund transferred \$2,987,948 to the stabilization fund and received a transfer in of \$74,166 from the stabilization fund. The stabilization fund balance can be used for general and/or capital purposes upon approval of the Council. Additions to the fund can only be made upon Council approval.

**NOTE 10 – RISK FINANCING**

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

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

Changes in the reported health insurance and workers compensation liability since July 1, 2013, are as follows:

*Health Insurance*

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2014.....	\$ 1,207,672	\$ 20,489,234	\$ (20,472,769)	\$ 1,224,137
2015.....	1,224,137	23,341,506	(23,278,464)	1,287,179

*Workers Compensation*

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2014.....	\$ 3,374,000	\$ 257,000	\$ (549,000)	\$ 3,082,000
2015.....	3,082,000	3,329,000	(462,000)	5,949,000

**NOTE 11 – PENSION PLAN***Plan Descriptions*

The City is a member of the Revere Contributory Retirement System (RCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The system is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements.

The City is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports>.

*Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$8,603,531 is reported in the general fund as intergovernmental revenue and pension expenditures in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the City is \$123,836,717 as of the measurement date.

*Benefits Provided*

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There have been no changes in benefit terms as of December 31, 2014.

At December 31, 2014, the RCRS membership consists of the following:

Active members.....	575
Inactive members.....	54
Retirees and beneficiaries currently receiving benefits.....	<u>521</u>
 Total.....	 <u><u>1,150</u></u>

*Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the RCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2014 was an actuarially determined amount of \$10,792,421. This amount when combined with plan member contributions is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The total member unit's contribution is equal to 39.4% of covered payroll, actuarially determined as an amount that, The City's proportionate share of the required contribution was \$10,029,357 which equaled its actual contribution.

*Pension Liabilities*

The components of the net pension liability of the participating member units at June 30, 2015 were as follows:

Total pension liability.....	\$ 209,068,000
The pension plan's fiduciary net position.....	<u>(129,880,722)</u>
The net pension liability.....	<u><u>\$ 79,187,278</u></u>
 The pension plan's fiduciary net position as a percentage of the total pension liability.....	  62%

At June 30, 2015, the City reported a liability of \$73,576,106 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2013. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2014, the City's proportion was 92.93%, which did not change from its proportion measured at December 31, 2013.

*Pension Expense*

For the year ended June 30, 2015, the City recognized pension expense of \$7,248,000. At June 30, 2015, the City reported deferred outflows of resources related to pensions of \$228,000, from the net difference between projected and actual investment earnings on pension plan investments. Since the system performs an actuarial valuation bi-annually, there are no reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

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

Year ended June 30:	
2016.....	\$ 56,920
2017.....	56,920
2018.....	56,920
2019.....	<u>56,918</u>
Total.....	\$ <u><u>227,678</u></u>

*Actuarial Assumptions*

The total pension liability in the January 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014:

Valuation date.....	January 1, 2013
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Unfunded liability amortized on at 3.8% annually increasing to FY31
Remaining amortization period.....	16 years from July 1, 2015
Asset valuation method.....	Market value. For funding purposes, gains and losses are recognized over a 5 year period.
Inflation rate.....	Not explicitly assumed
Projected salary increases.....	Varies by length of service with ultimate rates of 4.25% for Group 1, and 4.75% for Group 4.
Cost of living adjustments.....	3.0% of the first \$12,000 of retirement income.
Mortality Rates:	
Pre-Retirement.....	The RP-2000 Employee Mortality Table projected 20 years with Scale AA.
Post Retirement.....	The RP-2000 Healthy Annuitant Mortality Table projected 15 years with Scale AA.
Disabled Retiree.....	The RP-2000 Healthy Annuitant Mortality Table set forward two years.
Investment rate of return/Discount rate.....	7.75%, net of pension plan investment expense, including inflation

*Investment policy*

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

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

produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equities.....	14.50%	7.75%
Small/Mid Cap Equities.....	3.50%	8.00%
International Equities (Unhedged).....	16.00%	8.25%
Emerging International Equities.....	6.00%	9.50%
High-Yield Bonds.....	1.50%	6.00%
Bank Loans.....	1.50%	6.25%
EMD (External).....	1.00%	7.00%
EMD (Local Currency).....	2.00%	7.25%
TIPS.....	3.00%	4.50%
Long Treasuries.....	10.00%	4.25%
Private Equity.....	10.00%	9.75%
Private Debt.....	4.00%	8.25%
Real Estate (Core).....	10.00%	6.50%
Hedge Funds.....	9.00%	7.00%
Timber/Natural Resources.....	4.00%	6.88%
Portfolio Completion.....	4.00%	n/a

#### *Rate of return*

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *Sensitivity of the net pension liability to changes in the discount rate*

The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
The City's proportionate share of the net pension liability.....	\$ 58,668,593	\$ 73,576,106	\$ 97,067,116
The System's total net pension liability.....	<u>\$ 63,132,278</u>	<u>\$ 79,187,278</u>	<u>\$ 104,452,278</u>

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* - The City of Revere administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City’s participation in the Group Insurance Commission of the Commonwealth of Massachusetts (GIC) and through the purchase of additional coverage through various non-GIC premium based plans. These plans cover both active and retired members and their spouses. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the City and the unions representing City employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy* - The contribution requirements of plan members and the City are established and may be amended through collective bargaining. The required contribution is based on projected pay-as-you-go financing requirements. The City contributes 75 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25 percent of their premium costs. Administrative costs are assumed to be included in the fully insured premium rates.

*Annual OPEB Cost and Net OPEB Obligation* - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the City's annual OPEB cost for 2014, the estimated amount actually contributed to the plan, and changes in the City's net OPEB obligation are summarized in the following table:

Annual required contribution.....	\$ 16,539,000
Interest on existing net OPEB obligation.....	2,551,000
Adjustments to annual required contribution.....	<u>(3,812,000)</u>
Annual OPEB cost (expense).....	15,278,000
Contributions made.....	<u>(7,515,000)</u>
Increase in net OPEB obligation.....	7,763,000
Net OPEB obligation - beginning of year.....	<u>63,764,000</u>
Net OPEB obligation - end of year.....	<u>\$ 71,527,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years is as follows:

<u>Year Ended</u>		<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/15	\$	15,278,000	49.2%	\$ 71,527,000
6/30/14		14,296,000	51.7%	63,764,000
6/30/13		20,363,000	38.8%	56,854,000

*Funded Status and Funding Progress* - As of June 30, 2014, the most recent actuarial valuation date, the actuarial liability for benefits was \$213.7 million, all of which was unfunded. The annual covered payroll was \$71.8 million and the ratio of the unfunded actuarial accrued liability to the annual covered payroll is 297.5%.

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

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

In the June 30, 2014, actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method, closed. The actuarial assumptions included a 4.0% investment rate of return net of investment expenses, a 2.5% inflation rate, projected salary increases of 3%, an annual medical/drug cost trend rate of 11% decreasing by 1% for 6 years to an ultimate level of 5% and a dental rate of 8% decreasing by 0.5% for 6 years to an ultimate level of 5%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized increasing at 4% over thirty years. The remaining amortization period at June 30, 2015, was 26 years.

### **NOTE 13 – COMMITMENTS**

The Commonwealth of Massachusetts has approved school construction assistance. The assistance program, which is administered by the Massachusetts School Business Authority (MSBA), provides resources to fund school construction under a grant program. The program is for all new construction where the City submits grant reimbursement requests as the construction occurs. The City is currently in the process of designing the McKinley Elementary School. The MSBA has approved grant funding of approximately \$45.4 million, which represents an 80% reimbursement rate of eligible costs. Through the end of 2015 the City has expended approximately \$36.6 million and has received approximately \$22.9 million in construction grant reimbursements.

The City also anticipates embarking on three additional school construction projects; however, the level of MSBA participation and the initial cost estimates were not complete at June 30, 2015.

The City is also operating under the terms of a Consent Decree between the City, the United State Environmental Protection Agency and the Commonwealth of Massachusetts. Under the terms of the decree, the City is anticipating expenditures of more than \$100,000,000 to address various sewer infrastructure matters. The City anticipates the expenditure to occur over the next eight years. As of June 30, 2015, the City has expended approximately \$33.5 million under the terms of the consent decree.

**NOTE 14 - CONTINGENCIES**

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various other legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015.

**NOTE 15 – FINANCIAL STATEMENT REVISIONS**

Beginning net position of the governmental activities, business-type activities and the enterprise fund has been revised to reflect the implementation of GASB Statements #68 and #71. The revised balances are summarized in the following table:

Description	6/30/2014 Previously Reported Balances	Implementation of GASB's 68 and 71	6/30/2014 Revised Balances
<b>Government-Wide Financial Statements</b>			
Governmental activities.....	\$ 83,890,786	\$ (72,713,506)	\$ 11,177,280
Business-type activities.....	<u>22,361,458</u>	<u>(3,415,768)</u>	<u>18,945,690</u>
Total.....	<u>\$ 106,252,244</u>	<u>\$ (76,129,274)</u>	<u>\$ 30,122,970</u>
<b>Proprietary Fund Financial Statements</b>			
Water/Sewer Enterprise.....	<u>\$ 22,361,458</u>	<u>\$ (3,415,768)</u>	<u>\$ 18,945,690</u>

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 22, 2015, which is the date the financial statements were available to be issued.



**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, *Financial Reporting for Pension Plans*; GASB Statement #68, *Accounting and Financial Reporting for Pensions*; and GASB Statement #71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- GASB Statement #69, *Governmental Combinations and Disposals of Government Operations*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in 2016.
- The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.
- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

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

## ***Required Supplementary Information***

# ***General Fund Budgetary Comparison Schedule***

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Amounts	
	Original Budget	Final Budget	Actual Amounts	Carried Forward To Next Year	Variance to Final Budget
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 71,476,669	\$ 72,059,140	\$ 69,921,634	\$ -	\$ (2,137,506)
Tax liens.....	-	-	2,324,767	-	2,324,767
Motor vehicle and other excise taxes.....	4,053,000	4,053,000	5,239,805	-	1,186,805
Hotel/motel and meals tax.....	2,085,000	2,085,000	2,326,545	-	241,545
Charges for services.....	1,315,106	1,315,106	1,430,251	-	115,145
Penalties and interest on taxes.....	425,000	425,000	465,719	-	40,719
Payments in lieu of taxes.....	207,000	207,000	219,835	-	12,835
Licenses and permits.....	1,400,000	1,400,000	1,870,200	-	470,200
Fines and forfeitures.....	1,000,000	1,000,000	977,642	-	(22,358)
Intergovernmental.....	62,073,172	62,073,172	62,395,294	-	322,122
Interest income.....	75,000	75,000	79,004	-	4,004
<b>TOTAL REVENUES.....</b>	<b>144,109,947</b>	<b>144,692,418</b>	<b>147,250,696</b>	<b>-</b>	<b>2,558,278</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Appeal Board:</b>					
Salaries.....	11,600	11,600	11,600	-	-
Office supplies.....	800	800	766	-	34
<b>Total.....</b>	<b>12,400</b>	<b>12,400</b>	<b>12,366</b>	<b>-</b>	<b>34</b>
<b>Assessors:</b>					
Salaries.....	289,330	291,770	291,634	-	136
Computer services/data processing.....	6,122	6,122	5,520	275	327
Office supplies.....	4,305	4,305	3,339	-	966
Dues, conferences, etc.....	3,000	3,000	2,428	96	476
Travel allowance.....	2,700	2,700	2,700	-	-
Property revaluation.....	185,000	185,000	185,000	-	-
<b>Total.....</b>	<b>490,457</b>	<b>492,897</b>	<b>490,621</b>	<b>371</b>	<b>1,905</b>
<b>Auditing:</b>					
Salaries.....	267,376	269,001	268,499	-	502
City Hall telephone systems.....	86,944	86,944	59,159	12,000	15,785
Office supplies.....	6,955	6,955	3,160	3,742	53
Insurance.....	769,107	845,757	845,151	-	606
<b>Total.....</b>	<b>1,130,382</b>	<b>1,208,657</b>	<b>1,175,969</b>	<b>15,742</b>	<b>16,946</b>
<b>Benefits:</b>					
Salaries.....	49,122	49,305	49,228	-	77
<b>City Clerk:</b>					
Salaries.....	257,711	261,036	256,825	-	4,211
Contracted services.....	30,758	30,758	27,439	1,869	1,450
<b>Total.....</b>	<b>288,469</b>	<b>291,794</b>	<b>284,264</b>	<b>1,869</b>	<b>5,661</b>
<b>City Council:</b>					
Salaries.....	245,987	254,160	253,609	-	551
Office supplies.....	79,200	79,200	77,513	-	1,687
<b>Total.....</b>	<b>325,187</b>	<b>333,360</b>	<b>331,122</b>	<b>-</b>	<b>2,238</b>
<b>Collector/Treasurer:</b>					
Salaries.....	727,909	734,034	730,290	-	3,744
Employee group health.....	16,673,917	16,673,917	16,673,917	-	-
Workers compensation.....	417,145	367,145	359,467	-	7,678
Unemployment compensation.....	65,283	65,283	57,290	-	7,993
Medical benefits.....	116,849	129,849	129,849	-	-
Banking services.....	230,480	260,480	252,111	-	8,369
Certification of notes/bonds.....	140,000	265,000	234,833	-	30,167
SRF bond admin fees.....	18,556	18,556	16,812	-	1,744
Office supplies.....	73,923	73,923	59,444	13,381	1,098
Computer operations.....	269,961	269,961	114,524	155,188	249
Tax title.....	195,376	295,376	226,952	68,400	24
Medicare tax account.....	1,368,080	1,256,730	1,226,426	-	30,304
Municipal auditing service.....	97,070	97,070	73,080	-	23,990
Bonded debt.....	2,511,893	2,544,419	2,421,893	45,400	77,126
Bonded debt interest.....	2,069,884	2,053,012	2,022,540	-	30,472
<b>Total.....</b>	<b>24,976,326</b>	<b>25,104,755</b>	<b>24,599,428</b>	<b>282,369</b>	<b>222,958</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Conservation Commission:</b>					
Salaries.....	6,400	6,400	6,134	-	266
Office supplies.....	800	800	681	-	119
<b>Total.....</b>	<b>7,200</b>	<b>7,200</b>	<b>6,815</b>	<b>-</b>	<b>385</b>
<b>Election:</b>					
Salaries.....	177,381	177,381	177,241	-	140
Administrative personnel.....	59,500	51,500	37,159	-	14,341
Rentals.....	3,661	4,186	3,886	-	300
Data processing.....	32,622	31,377	26,425	-	4,952
Census material.....	13,680	13,900	13,900	-	-
Other supplies.....	2,693	2,693	2,563	-	130
<b>Total.....</b>	<b>289,537</b>	<b>281,037</b>	<b>261,174</b>	<b>-</b>	<b>19,863</b>
<b>License Commission:</b>					
Salaries.....	3,200	3,200	3,200	-	-
Office supplies.....	1,000	1,000	1,000	-	-
<b>Total.....</b>	<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>-</b>	<b>-</b>
<b>Management Information System:</b>					
Salaries.....	208,273	208,273	205,474	-	2,799
Computer operations.....	707,245	826,851	784,439	36,425	5,987
Supplies.....	3,298	3,298	2,500	-	798
Travel allowance.....	900	900	900	-	-
<b>Total.....</b>	<b>919,716</b>	<b>1,039,322</b>	<b>993,313</b>	<b>36,425</b>	<b>9,584</b>
<b>Mayor:</b>					
Salaries.....	394,478	394,478	381,928	-	12,550
Home care.....	45,000	45,000	45,000	-	-
Consultant negotiator.....	45,952	45,952	31,195	-	14,757
CitiStat.....	62,000	107,000	70,000	37,000	-
Office supplies.....	14,502	14,502	12,297	2,085	120
Affirmative action.....	28,000	-	-	-	-
Massachusetts public employee dental/vision.....	1,387	29,387	22,379	-	7,008
Reserve for contract negotiations.....	150,000	150,000	-	-	150,000
Municipal association.....	48,829	48,829	38,457	2,061	8,311
<b>Total.....</b>	<b>790,148</b>	<b>835,148</b>	<b>601,256</b>	<b>41,146</b>	<b>192,746</b>
<b>Planning &amp; Community Development:</b>					
Salaries.....	264,229	264,229	256,565	-	7,664
Design and engineering.....	-	36,076	29,166	6,910	-
Work study program.....	7,500	7,614	7,614	-	-
Office supplies.....	3,108	3,108	2,961	-	147
Traffic commission.....	2,659	2,659	2,659	-	-
<b>Total.....</b>	<b>277,496</b>	<b>313,686</b>	<b>298,965</b>	<b>6,910</b>	<b>7,811</b>
<b>Economic Development:</b>					
Salaries.....	102,151	102,151	102,001	-	150
Contract services.....	15,000	15,000	10,000	5,000	-
Office supplies.....	3,500	3,500	2,609	45	846
<b>Total.....</b>	<b>120,651</b>	<b>120,651</b>	<b>114,610</b>	<b>5,045</b>	<b>996</b>
<b>Engineering:</b>					
Salaries.....	81,057	81,057	81,057	-	-
Other Expenses.....	5,150	5,150	4,909	-	241
<b>Total.....</b>	<b>86,207</b>	<b>86,207</b>	<b>85,966</b>	<b>-</b>	<b>241</b>
<b>Purchasing:</b>					
Salaries.....	118,201	118,201	117,596	-	605
Postage.....	93,000	112,000	110,122	1,539	339
Office supplies.....	17,276	17,276	3,666	8,159	5,451
<b>Total.....</b>	<b>228,477</b>	<b>247,477</b>	<b>231,384</b>	<b>9,698</b>	<b>6,395</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Amounts	
	Original Budget	Final Budget	Actual Amounts	Carried Forward To Next Year	Variance to Final Budget
<b>Solicitor:</b>					
Salaries.....	286,224	280,224	278,079	-	2,145
Outside legal services.....	200,638	190,638	181,584	-	9,054
Software updates.....	9,649	9,649	8,439	348	862
Other expenses, appraisals.....	4,368	4,368	4,015	-	353
Executions.....	-	5,000	5,000	-	-
Releases.....	15,000	229,265	229,265	-	-
Office supplies.....	6,626	6,626	5,503	239	884
Litigation expenses.....	5,000	500	137	-	363
<b>Total.....</b>	<b>527,505</b>	<b>726,270</b>	<b>712,022</b>	<b>587</b>	<b>13,661</b>
<b>Pension and Retirement:</b>					
Pension contribution.....	10,029,357	10,029,357	10,029,357	-	-
<b>Fire:</b>					
Salaries.....	8,700,453	8,759,078	8,747,060	-	12,018
Emergency medical training.....	5,394	5,394	3,240	464	1,690
Fire alarm.....	33,754	31,754	28,128	-	3,626
Utilities.....	123,488	123,488	111,805	2,038	9,645
Fire radio and vocal.....	51,326	41,751	32,259	2,987	6,505
Medical.....	52,956	105,281	102,253	839	2,189
Emergency management.....	400	400	390	-	10
EMS supplies.....	7,200	7,200	4,724	-	2,476
Maintenance and supplies.....	97,494	97,494	70,544	1,071	25,879
Automotive maintenance.....	152,977	169,552	162,448	297	6,807
Firefighters memorial.....	1,731	1,731	1,565	-	166
Other expenses.....	3,933	3,933	3,449	-	484
Uniform allowance.....	108,700	108,700	107,600	-	1,100
Personal equipment.....	15,567	15,567	11,569	285	3,713
New equipment/leases.....	19,553	14,553	13,775	-	778
<b>Total.....</b>	<b>9,374,926</b>	<b>9,485,876</b>	<b>9,400,809</b>	<b>7,981</b>	<b>77,086</b>
<b>Police:</b>					
Salaries.....	9,081,698	9,041,698	8,899,075	-	142,623
Medical.....	130,668	170,668	152,155	2,006	16,507
Maintenance of equipment.....	86,310	116,799	39,957	68,501	8,341
Utilities.....	141,471	141,471	122,401	-	19,070
Radio system.....	56,102	56,102	42,185	1,898	12,019
Animal control.....	22,694	22,694	13,518	-	9,176
Communications.....	53,157	53,157	42,224	160	10,773
Computer services.....	94,887	94,887	93,351	-	1,536
Contracted services.....	20,000	20,000	20,000	-	-
Training expense.....	39,266	39,266	35,541	-	3,725
Auxiliary police.....	5,074	5,074	3,945	-	1,129
Weapons and support items.....	25,000	25,000	18,104	6,896	-
Gasoline and oil.....	148,713	148,714	110,252	-	38,462
Traffic control.....	14,259	14,259	13,248	-	1,011
Automotive maintenance.....	50,858	50,858	50,335	259	264
Office supplies.....	16,275	16,275	15,949	34	292
Identification.....	7,165	7,165	6,132	-	1,033
Drug unit.....	5,000	5,000	5,000	-	-
Other services.....	39,055	39,055	35,792	1,163	2,100
Building maintenance.....	92,412	92,412	64,390	5,100	22,922
Uniform allowance.....	107,800	107,800	103,875	-	3,925
Grant writer.....	51,500	51,501	32,000	-	19,501
<b>Total.....</b>	<b>10,289,364</b>	<b>10,319,855</b>	<b>9,919,429</b>	<b>86,017</b>	<b>314,409</b>
<b>Regional Emergency Communication Center:</b>					
Salaries.....	-	50,000	29,913	-	20,087
<b>Inspectional Services - Building Department:</b>					
Salaries.....	317,605	317,605	314,580	-	3,025
Training.....	4,360	4,360	597	175	3,588
Telephone.....	2,910	2,910	2,760	-	150
Materials.....	5,301	5,301	4,498	463	340
Travel allowance.....	16,500	16,500	15,600	-	900
<b>Total.....</b>	<b>346,676</b>	<b>346,676</b>	<b>338,035</b>	<b>638</b>	<b>8,003</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Amounts	
	Original Budget	Final Budget	Actual Amounts	Carried Forward To Next Year	Variance to Final Budget
<b>Inspectional Services - Health:</b>					
Salaries.....	897,735	908,585	907,985	-	600
Elderly flu shot program.....	36,836	33,836	5,504	28,332	-
Telephone.....	2,220	2,640	1,340	80	1,220
Abandoned buildings.....	19,838	19,838	390	-	19,448
Office supplies.....	5,150	5,650	4,376	624	650
Travel allowance.....	23,400	23,400	23,400	-	-
<b>Total.....</b>	<b>985,179</b>	<b>993,949</b>	<b>942,995</b>	<b>29,036</b>	<b>21,918</b>
<b>Inspectional Services - Weights &amp; Measures:</b>					
Salaries.....	73,323	73,323	72,350	-	973
Other expenses.....	822	822	677	-	145
Travel.....	3,600	3,600	3,150	-	450
<b>Total.....</b>	<b>77,745</b>	<b>77,745</b>	<b>76,177</b>	<b>-</b>	<b>1,568</b>
<b>Public Works:</b>					
Salaries.....	1,319,044	1,380,378	1,368,560	11,256	562
Clothing allowance.....	16,500	16,500	15,950	-	550
Stipend.....	-	27,516	27,513	-	3
Public building lighting.....	200,598	180,598	142,024	158	38,416
Public building heating.....	128,045	118,045	72,079	485	45,481
Rubbish collection.....	2,218,988	2,218,988	2,141,036	72,407	5,545
Rubbish disposal.....	1,793,463	1,753,463	1,527,102	197,991	28,370
Street and memorial signs.....	26,214	14,214	12,632	-	1,582
Snow removal.....	201,741	201,741	1,871,733	-	(1,669,992)
Street lighting.....	873,572	873,572	691,762	18,628	163,182
Contracted painting service.....	88,306	77,306	43,271	22,494	11,541
Gasoline and oil.....	126,522	91,672	57,247	1,699	32,726
Maintenance and repair.....	38,802	64,392	54,586	4,614	5,192
Materials.....	121,339	115,905	86,818	18,876	10,211
Maintenance of equipment.....	96,109	103,909	79,547	4,023	20,339
Tools and equipment.....	4,361	4,361	2,784	1,000	577
Janitorial supplies.....	28,018	28,528	23,915	2,052	2,561
Office supplies.....	58,134	58,134	55,774	318	2,042
Computer supplies and maintenance.....	2,400	2,400	1,150	-	1,250
Traffic signal repair.....	46,800	40,000	35,517	-	4,483
Equipment rental.....	3,600	3,600	3,300	-	300
Street sweeping.....	137,368	134,868	133,520	-	1,348
Prisoner crews.....	144,242	149,241	146,969	334	1,938
Guard rails.....	10,000	-	-	-	-
<b>Total.....</b>	<b>7,684,166</b>	<b>7,659,331</b>	<b>8,594,789</b>	<b>356,335</b>	<b>(1,291,793)</b>
<b>Public Works Parks Division:</b>					
Salaries.....	313,961	355,660	355,083	-	577
Clothing allowance.....	1,100	1,100	1,100	-	-
Stipend.....	-	2,656	2,656	-	-
Equipment and supplies.....	27,065	27,065	22,328	212	4,525
Equipment repair.....	22,748	28,248	21,033	2,650	4,565
Field Maintenance.....	206,073	195,752	171,338	14,182	10,232
Spraying and planting.....	73,845	84,195	71,681	6,244	6,270
Tree removal.....	58,647	59,747	53,182	-	6,565
Capital improvements.....	88,568	88,568	56,702	24,400	7,466
<b>Total.....</b>	<b>792,007</b>	<b>842,991</b>	<b>755,103</b>	<b>47,688</b>	<b>40,200</b>
<b>Council on Elder Affairs:</b>					
Salaries.....	226,777	219,777	204,898	-	14,879
Bus hire.....	2,000	2,000	2,000	-	-
Office supplies.....	500	500	453	-	47
Clothing allowance.....	600	600	400	-	200
Elderly programs.....	23,730	23,730	11,657	1,200	10,873
<b>Total.....</b>	<b>253,607</b>	<b>246,607</b>	<b>219,408</b>	<b>1,200</b>	<b>25,999</b>
<b>Commission on Disabilities:</b>					
Salaries.....	6,300	6,300	3,900	-	2,400
Other expenses.....	1,000	1,000	-	-	1,000
<b>Total.....</b>	<b>7,300</b>	<b>7,300</b>	<b>3,900</b>	<b>-</b>	<b>3,400</b>
<b>Consumer Affairs:</b>					
Salaries.....	36,820	36,820	36,820	-	-

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Amounts	
	Original Budget	Final Budget		Carried Forward To Next Year	Variance to Final Budget
<b>Veterans Affairs:</b>					
Salaries.....	95,796	95,796	95,761	-	35
Office supplies.....	3,620	3,620	3,065	39	516
Travel.....	1,100	1,100	900	-	200
Celebration programs.....	6,458	6,458	2,875	874	2,709
Veterans benefits.....	1,016,393	982,893	859,102	-	123,791
<b>Total.....</b>	<b>1,123,367</b>	<b>1,089,867</b>	<b>961,703</b>	<b>913</b>	<b>127,251</b>
<b>Library:</b>					
Salaries.....	400,666	400,666	329,193	-	71,473
Maintenance and repairs.....	5,306	5,306	3,629	1,532	145
Utilities.....	40,934	40,935	19,146	1,790	19,999
Telephone.....	500	500	-	-	500
Other services.....	6,685	54,885	53,054	1,470	361
Custodial supplies.....	1,255	1,255	1,236	-	19
Office supplies.....	2,442	2,442	1,944	494	4
Library materials.....	76,860	76,860	53,417	23,235	208
Local matching funds.....	15,934	15,934	13,089	2,845	-
Control account: library network.....	49,704	1,504	1,504	-	-
<b>Total.....</b>	<b>600,286</b>	<b>600,287</b>	<b>476,212</b>	<b>31,366</b>	<b>92,709</b>
<b>Recreation Services:</b>					
Salaries.....	192,895	186,895	183,826	-	3,069
Seasonal salaries.....	105,041	105,040	104,334	-	706
Equipment and supplies.....	8,187	8,187	7,761	239	187
Travel.....	3,600	3,600	3,600	-	-
Recreation services.....	125,000	125,000	123,383	1,442	175
<b>Total.....</b>	<b>434,723</b>	<b>428,722</b>	<b>422,904</b>	<b>1,681</b>	<b>4,137</b>
<b>Education:</b>					
Education.....	80,390,142	80,482,265	71,482,891	8,991,620	7,754
Expenses Northeast Metropolitan Regional Vocational School.....	6,000	6,000	6,000	-	-
Northeast Regional Vocational School Assessment.....	1,529,360	1,529,360	1,529,360	-	-
<b>Total.....</b>	<b>81,925,502</b>	<b>82,017,625</b>	<b>73,018,251</b>	<b>8,991,620</b>	<b>7,754</b>
State and county charges.....	7,813,503	7,756,703	8,034,077	-	(277,374)
<b>TOTAL EXPENDITURES.....</b>	<b>162,298,008</b>	<b>163,144,077</b>	<b>153,512,585</b>	<b>9,954,637</b>	<b>(323,145)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER/(UNDER) EXPENDITURES.....</b>	<b>(18,188,061)</b>	<b>(18,451,659)</b>	<b>(6,261,889)</b>	<b>(9,954,637)</b>	<b>2,235,133</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from issuance of bonds.....	-	-	1,750,000	-	1,750,000
Use of fund balance to fund prior year carryforwards.....	13,201,065	13,201,065	-	-	(13,201,065)
Other amounts to be raised.....	(493,671)	(493,671)	-	-	493,671
Bond premiums.....	-	-	739,221	-	739,221
Other uses of free cash.....	2,532,345	2,539,255	-	-	(2,539,255)
Use of free cash to fund transfer out to the stabilization fund.....	-	3,141,693	-	-	(3,141,693)
Transfers in.....	4,452,331	4,452,331	6,427,715	-	1,975,384
Transfers out.....	(1,504,009)	(4,389,014)	(4,389,014)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>18,188,061</b>	<b>18,451,659</b>	<b>4,527,922</b>	<b>-</b>	<b>(13,923,737)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>-</b>	<b>-</b>	<b>(1,733,967)</b>	<b>(9,954,637)</b>	<b>(11,688,604)</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>20,738,270</b>	<b>20,738,270</b>	<b>20,738,270</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 20,738,270</b>	<b>\$ 20,738,270</b>	<b>\$ 19,004,303</b>	<b>\$ (9,954,637)</b>	<b>\$ (11,688,604)</b>

See notes to required supplementary information.

(Concluded)



# ***Pension Plan Schedules – Retirement System***

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

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

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

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

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

	2014
<b>Total pension liability:</b>	
Service cost..... \$	4,551,000
Interest.....	15,558,000
Benefit payments, including refunds of employee contributions.....	(14,469,000)
Net change in total pension liability.....	5,640,000
Total pension liability, beginning.....	203,428,000
Total pension liability, ending (a)..... \$	209,068,000
<b>Plan fiduciary net position:</b>	
Member contributions..... \$	3,448,000
Employer contributions.....	10,792,421
Net investment income (loss).....	8,903,800
Retirement benefits and refunds.....	(14,469,618)
Administrative expenses.....	(264,922)
Net increase (decrease) in fiduciary net position.....	8,409,681
Fiduciary net position at beginning of year.....	121,471,041
Fiduciary net position at end of year (b)..... \$	129,880,722
<b>Net pension liability - ending (a) - (b)..... \$</b>	<b>79,187,278</b>
Plan fiduciary net position as a percentage of the total pension liability.....	62.12%
Covered-employee payroll (*)..... \$	27,431,000
Net pension liability as a percentage of covered-employee payroll.....	288.7%

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

\*Covered employee payroll as reported in the January 1, 2013, funding  
valuation report.

See notes to required supplementary information.

**REVERE CONTRIBUTORY RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS**

	2014
Actuarially determined contribution (a)..... \$	10,792,421
Contributions in relation to the actuarially determined contribution.....	10,792,421
Contribution deficiency (excess)..... \$	-
Covered-employee payroll (*)..... \$	27,431,000
Contributions as a percentage of covered- employee payroll.....	39.34%

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

(a) Based on the results of the January 1, 2013, actuarial valuation (including assumptions and methods) which determined budgeted appropriations for fiscal 2015.

\*Covered employee payroll as reported in the January 1, 2013, funding valuation report.

See notes to required supplementary information.

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

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2014

Annual money-weighted rate of return, net of investment expense.....	7.71%
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Note: this schedule is intended to present information for 10 years.  
Until a 10-year trend is compiled, information is presented for those  
years for which information is available.

The annual money-weighted rate of return has been calculated by  
the Pension Reserves Investment Management Board (PRIM).

See notes to required supplementary information.

# ***Pension Plan Schedules – City***

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

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

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the City along with related ratios.

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

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
REVERE CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014
City's proportion of the net pension liability (asset).....	92.93%
City's proportionate share of the net pension liability (asset)..... \$	73,576,106
City's covered employee payroll (*)..... \$	25,491,527
Net pension liability as a percentage of covered-employee payroll.....	288.63%
Plan fiduciary net position as a percentage of the total pension liability.....	62.12%

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

\*Covered employee payroll as reported in the January 1, 2013, funding  
valuation report.

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS  
REVERE CONTRIBUTORY RETIREMENT SYSTEM**

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	2014
Actuarially determined contribution (a)..... \$	10,029,357
Contributions in relation to the actuarially determined contribution.....	10,029,357
Contribution deficiency (excess)..... \$	-
Covered-employee payroll (*)..... \$	25,491,527
Contributions as a percentage of covered- employee payroll.....	39.34%

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

(a) Based on the results of the January 1, 2013, actuarial  
valuation (including assumptions and methods) which  
determined budgeted appropriations for fiscal 2015.

\*Covered employee payroll as reported in the January 1, 2013,  
funding valuation report.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS  
OF THE NET PENSION LIABILITY  
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

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The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the City; the portion of the collective pension expense as both a revenue and pension expense recognized by the City; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2015.....	\$ 123,836,717	\$ 8,603,531	61.64%

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

See notes to required supplementary information.



# ***Other Postemployment Benefit Plan Schedules***

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

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

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

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2014	\$ -	\$ 213,713,000	\$ 213,713,000	0%	\$ 71,824,862	297.5%
6/30/2012	-	231,920,000	231,920,000	0%	69,732,876	332.6%
7/1/2010	-	241,621,000	241,621,000	0%	67,701,821	356.9%
7/1/2008	-	160,287,000	160,287,000	0%	65,332,257	245.3%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/2015	\$ 16,539,000	\$ 7,515,000	45%
6/30/2014	15,835,000	7,386,000	47%
6/30/2013	21,155,000	7,891,000	37%
6/30/2012	20,248,000	7,272,000	36%
6/30/2011	23,811,000	9,326,000	39%

See notes to required supplementary information.

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**ACTUARIAL METHODS AND ASSUMPTIONS**

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Actuarial Methods:

Valuation date.....	June 30, 2014
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 4.0%, closed
Remaining amortization period.....	27 years as of June 30, 2014

Actuarial Assumptions:

Investment rate of return.....	4.0%
Inflation assumption.....	2.5%
Projected salary increases.....	3.0%
Medical/drug cost trend rate - City plans.....	11.0% decreasing by 1.0% for 7 years to an ultimate level of 5.0% per year
Dental.....	8.0% decreasing by 0.5% for 7 years to an ultimate level of 5.0% per year

Plan Membership:

Current retirees, beneficiaries, and dependents...	738
Current active members.....	<u>1,111</u>
Total.....	<u>1,849</u>

See notes to required supplementary information.

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

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

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

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Council.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2015 approved budget authorizing approximately \$150.8 million in current year appropriations, other financing uses, and approximately \$13.2 million in encumbrances and appropriations carried over from previous years. During 2015, the Council approved supplemental appropriations totaling approximately \$4.5 million. The additional appropriations mainly funded a transfer of certified free cash to the Stabilization Fund, and the funding of a salary reserve account to provide a funding source for collective bargaining agreement negotiations that were ongoing at June 30, 2015 as well as funding for the regional emergency communications center.

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

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2015, is presented below:

Net change in fund balance - budgetary basis.....	\$ (1,733,967)
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	2,913,782
<u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	(24,201)
Net change in recording tax refunds payable.....	(164,000)
Increase in expenditures due to unrecorded liabilities.....	400
Increase in revenues due to on-behalf payments.....	8,603,531
Increase in expenditures due to on-behalf payments.....	<u>(8,603,531)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 992,014</u>

**C. Appropriation Deficits**

At June 30, 2015, appropriation deficits existed in the public works - snow removal account as well as state and county charges. The deficits were \$1,669,992 and \$277,374, respectively. These deficits will be funded through the 2016 tax rate.

**NOTE B – PENSION PLAN**

***Pension Plan Schedules – Retirement System***

A. Schedule of Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the plan’s net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Since the retirement system performs an actuarial valuation bi-annually, there are no reported amounts for changes in benefit terms or for differences between expected and actual experience and changes in assumptions as of December 31, 2014.

B. Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member’s retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system’s funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total

appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

### C. Schedule of Investment Return

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

### ***Pension Plan Schedules - City***

#### A. Schedule of the City's Proportionate Share of the Net Pension Liability

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

#### B. Schedule of City's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The City may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the City based on covered payroll.

#### C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

#### D. Changes in Plan Assumptions

There were no changes in assumptions.

#### E. Changes in Plan Provisions:

There were no changes in provisions.

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The City of Revere administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the City’s participation in the Group Insurance Commission of the Commonwealth of Massachusetts (GIC) and through the purchase of additional coverage through various non-GIC premium based plans. These plans which covers both active and retired members.

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

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

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

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

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

## ***Other Supplementary Information***



# ***Combining and Individual Statements***

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

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

# ***Nonmajor Governmental Funds***

## ***Special Revenue Funds***

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

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

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

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

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

*Strategic Planning* – accounts for revenue and costs associated with the Wonderland redevelopment project.

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

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

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

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

## ***Capital Project Funds***

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

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

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

*School Capital Project Funds* – accounts for non-construction capital improvements.

## ***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.

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2015

	<i>Special Revenue Funds</i>					
	City Revolving Funds	City Grant Funds	Highway Improvements Grant Fund	Community Development Grant Funds	Strategic Planning	City Receipts Reserved
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 1,678,669	\$ 2,942,782	\$ -	\$ -	\$ 592,762	\$ 5,430
Receivables, net of uncollectibles:						
Intergovernmental.....	-	-	531,081	1,156,916	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 1,678,669</b>	<b>\$ 2,942,782</b>	<b>\$ 531,081</b>	<b>\$ 1,156,916</b>	<b>\$ 592,762</b>	<b>\$ 5,430</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 79,710	\$ 267,980	\$ 49,001	\$ 113,613	\$ 816,449	\$ 64
Accrued payroll.....	-	-	-	-	-	-
Due to other funds.....	-	-	354,184	835,945	-	-
<b>TOTAL LIABILITIES.....</b>	<b>79,710</b>	<b>267,980</b>	<b>403,185</b>	<b>949,558</b>	<b>816,449</b>	<b>64</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues.....	-	-	127,896	-	-	-
<b>FUND BALANCES</b>						
Restricted.....	1,598,959	2,674,802	-	207,358	-	5,366
Unassigned.....	-	-	-	-	(223,687)	-
<b>TOTAL FUND BALANCES.....</b>	<b>1,598,959</b>	<b>2,674,802</b>	<b>-</b>	<b>207,358</b>	<b>(223,687)</b>	<b>5,366</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 1,678,669</b>	<b>\$ 2,942,782</b>	<b>\$ 531,081</b>	<b>\$ 1,156,916</b>	<b>\$ 592,762</b>	<b>\$ 5,430</b>

<b>Special Revenue Funds</b>				<b>Capital Project Funds</b>				<b>Total</b>	
School Revolving Funds	School Grant Funds	Other Special Revenue	Subtotal	Harry Della Russo Stadium	City Capital Projects	School Capital Projects	Subtotal	Debt Service Fund	Nonmajor Governmental Funds
\$ 2,289,560	\$ 1,112,362	\$ 774	\$ 8,622,339	\$ -	\$ 330,903	\$ 2,162,108	\$ 2,493,011	\$ 276,506	\$ 11,391,856
<u>120,801</u>	<u>416,365</u>	<u>-</u>	<u>2,225,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,225,163</u>
<u>\$ 2,410,361</u>	<u>\$ 1,528,727</u>	<u>\$ 774</u>	<u>\$ 10,847,502</u>	<u>\$ -</u>	<u>\$ 330,903</u>	<u>\$ 2,162,108</u>	<u>\$ 2,493,011</u>	<u>\$ 276,506</u>	<u>\$ 13,617,019</u>
\$ 247,259	\$ 168,269	\$ 26,388	\$ 1,768,733	\$ 317,375	\$ 4,501	\$ -	\$ 321,876	\$ -	\$ 2,090,609
26,507	36,776	-	63,283	-	-	-	-	-	63,283
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,190,129</u>	<u>1,176,702</u>	<u>-</u>	<u>-</u>	<u>1,176,702</u>	<u>-</u>	<u>2,366,831</u>
<u>273,766</u>	<u>205,045</u>	<u>26,388</u>	<u>3,022,145</u>	<u>1,494,077</u>	<u>4,501</u>	<u>-</u>	<u>1,498,578</u>	<u>-</u>	<u>4,520,723</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>127,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,896</u>
2,136,595	1,323,682	-	7,946,762	-	326,402	2,162,108	2,488,510	276,506	10,711,778
<u>-</u>	<u>-</u>	<u>(25,614)</u>	<u>(249,301)</u>	<u>(1,494,077)</u>	<u>-</u>	<u>-</u>	<u>(1,494,077)</u>	<u>-</u>	<u>(1,743,378)</u>
<u>2,136,595</u>	<u>1,323,682</u>	<u>(25,614)</u>	<u>7,697,461</u>	<u>(1,494,077)</u>	<u>326,402</u>	<u>2,162,108</u>	<u>994,433</u>	<u>276,506</u>	<u>8,968,400</u>
<u>\$ 2,410,361</u>	<u>\$ 1,528,727</u>	<u>\$ 774</u>	<u>\$ 10,847,502</u>	<u>\$ -</u>	<u>\$ 330,903</u>	<u>\$ 2,162,108</u>	<u>\$ 2,493,011</u>	<u>\$ 276,506</u>	<u>\$ 13,617,019</u>

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

YEAR ENDED JUNE 30, 2015

	<i>Special Revenue Funds</i>					
	City Revolving Funds	City Grant Funds	Highway Improvements Grant Fund	Community Development Grant Funds	Strategic Planning	City Receipts Reserved
<b>REVENUES:</b>						
Charges for services.....	\$ 354,253	\$ -	\$ -	\$ 44,106	\$ -	\$ 31,120
Intergovernmental.....	52,216	1,687,451	1,443,666	2,568,266	39,372	-
Departmental and other.....	1,289,129	1,067,460	-	-	-	-
Contributions.....	8,750	367,646	-	-	-	-
Investment income.....	703	52	-	111	-	7
<b>TOTAL REVENUES.....</b>	<b>1,705,051</b>	<b>3,122,609</b>	<b>1,443,666</b>	<b>2,612,483</b>	<b>39,372</b>	<b>31,127</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	248,865	165,861	-	2,642,752	-	63,112
Public safety.....	198,871	843,153	-	-	-	-
Education.....	-	-	-	-	-	-
Public works.....	117,805	831,948	1,049,522	-	-	-
Human services.....	70,145	307,612	-	-	-	-
Culture and recreation.....	191,125	4,859	-	-	-	-
Strategic planning.....	-	-	-	-	207,799	-
<b>TOTAL EXPENDITURES.....</b>	<b>826,811</b>	<b>2,153,433</b>	<b>1,049,522</b>	<b>2,642,752</b>	<b>207,799</b>	<b>63,112</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>878,240</b>	<b>969,176</b>	<b>394,144</b>	<b>(30,269)</b>	<b>(168,427)</b>	<b>(31,985)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from bonds and notes.....	-	-	-	-	-	-
Insurance recoveries.....	-	710,000	-	-	-	-
Transfers out.....	(289,000)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(289,000)</b>	<b>710,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>589,240</b>	<b>1,679,176</b>	<b>394,144</b>	<b>(30,269)</b>	<b>(168,427)</b>	<b>(31,985)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>1,009,719</b>	<b>995,626</b>	<b>(394,144)</b>	<b>237,627</b>	<b>(55,260)</b>	<b>37,351</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 1,598,959</b>	<b>\$ 2,674,802</b>	<b>\$ -</b>	<b>\$ 207,358</b>	<b>\$ (223,687)</b>	<b>\$ 5,366</b>

<b>Special Revenue Funds</b>				<b>Capital Project Funds</b>					Total
School Revolving Funds	School Grant Funds	Other Special Revenue	Subtotal	Harry Della Russo Stadium	City Capital Projects	School Capital Projects	Subtotal	Debt Service Fund	Nonmajor Governmental Funds
\$ 359,666	\$ -	\$ -	\$ 789,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,145
3,436,957	9,438,144	315,605	18,981,677	2,720,000	-	-	2,720,000	-	21,701,677
1,224,236	546,836	-	4,127,661	-	-	-	-	-	4,127,661
276,107	-	-	652,503	-	-	-	-	-	652,503
-	-	-	873	-	238	770	1,008	195,320	197,201
<u>5,296,966</u>	<u>9,984,980</u>	<u>315,605</u>	<u>24,551,859</u>	<u>2,720,000</u>	<u>238</u>	<u>770</u>	<u>2,721,008</u>	<u>195,320</u>	<u>27,468,187</u>
-	-	341,773	3,462,363	5,346,180	-	-	5,346,180	-	8,808,543
-	-	-	1,042,024	-	835,494	-	835,494	-	1,877,518
5,146,948	10,216,146	-	15,363,094	-	-	-	-	-	15,363,094
-	-	-	1,999,275	-	-	-	-	-	1,999,275
-	-	-	377,757	-	-	-	-	-	377,757
-	-	-	195,984	2,450	-	-	2,450	-	198,434
-	-	-	207,799	-	-	-	-	-	207,799
<u>5,146,948</u>	<u>10,216,146</u>	<u>341,773</u>	<u>22,648,296</u>	<u>5,348,630</u>	<u>835,494</u>	<u>-</u>	<u>6,184,124</u>	<u>-</u>	<u>28,832,420</u>
<u>150,018</u>	<u>(231,166)</u>	<u>(26,168)</u>	<u>1,903,563</u>	<u>(2,628,630)</u>	<u>(835,256)</u>	<u>770</u>	<u>(3,463,116)</u>	<u>195,320</u>	<u>(1,364,233)</u>
-	-	-	-	2,780,000	2,136,000	-	4,916,000	-	4,916,000
-	40,000	-	750,000	-	-	-	-	-	750,000
-	-	-	(289,000)	-	-	-	-	-	(289,000)
-	40,000	-	461,000	2,780,000	2,136,000	-	4,916,000	-	5,377,000
150,018	(191,166)	(26,168)	2,364,563	151,370	1,300,744	770	1,452,884	195,320	4,012,767
1,986,577	1,514,848	554	5,332,898	(1,645,447)	(974,342)	2,161,338	(458,451)	81,186	4,955,633
<u>\$ 2,136,595</u>	<u>\$ 1,323,682</u>	<u>\$ (25,614)</u>	<u>\$ 7,697,461</u>	<u>\$ (1,494,077)</u>	<u>\$ 326,402</u>	<u>\$ 2,162,108</u>	<u>\$ 994,433</u>	<u>\$ 276,506</u>	<u>\$ 8,968,400</u>

# ***Agency Fund***

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

**AGENCY FUND**  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2015

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 166,765	\$ 4,177,189	\$ (4,188,668)	\$ 155,286
<b>LIABILITIES</b>				
Liabilities due depositors.....	\$ 91,765	\$ 4,177,189	\$ (4,188,668)	\$ 80,286
Other liabilities.....	75,000	75,000	(75,000)	75,000
TOTAL LIABILITIES.....	\$ 166,765	\$ 4,252,189	\$ (4,263,668)	\$ 155,286



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# ***Statistical Section***

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



**Revere City Hall**

**City of Revere, Massachusetts  
Comprehensive Annual Financial Report  
For the year ended June 30, 2015**

# ***Statistical Section***

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

## ***Financial Trends***

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

## ***Revenue Capacity***

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

## ***Debt Capacity***

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

## ***Demographic and Economic Information***

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

## ***Operating Information***

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

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

**Net Position By Component  
Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015
Governmental activities										
Net investment in capital assets.....	\$ 64,017,476	\$ 86,777,781	\$ 106,607,675	\$ 113,686,482	\$ 113,452,351	\$ 111,575,070	\$ 107,332,295	\$ 109,167,229	\$ 106,119,983	\$ 127,833,259
Restricted.....	5,734,978	9,139,393	9,771,513	5,865,025	7,954,894	7,779,724	2,716,851	1,869,989	2,829,287	4,482,348
Unrestricted.....	9,445,337	8,768,202	14,472,670	9,459,834	7,156,081	(8,855,945)	(11,779,070)	(27,031,738)	(25,058,484)	(113,157,039)
Total governmental activities net position.....	<u>\$ 79,197,791</u>	<u>\$ 104,685,376</u>	<u>\$ 130,851,858</u>	<u>\$ 129,011,341</u>	<u>\$ 128,563,326</u>	<u>\$ 110,498,849</u>	<u>\$ 98,270,076</u>	<u>\$ 84,005,480</u>	<u>\$ 83,890,786</u>	<u>\$ 19,158,568</u>
Business-type activities										
Net investment in capital assets.....	\$ 5,958,617	\$ 6,204,751	\$ 5,251,582	\$ 5,852,519	\$ 6,301,464	\$ 6,435,325	\$ 8,146,094	\$ 12,409,419	\$ 10,956,551	\$ 12,291,030
Unrestricted.....	6,554,995	4,568,381	6,400,336	5,553,227	7,417,693	9,846,953	7,700,383	7,300,804	11,404,907	7,648,123
Total business-type activities net position.....	<u>\$ 12,513,612</u>	<u>\$ 10,773,132</u>	<u>\$ 11,651,918</u>	<u>\$ 11,405,746</u>	<u>\$ 13,719,157</u>	<u>\$ 16,282,278</u>	<u>\$ 15,846,477</u>	<u>\$ 19,710,223</u>	<u>\$ 22,361,458</u>	<u>\$ 19,939,153</u>
Primary government										
Net investment in capital assets.....	\$ 69,976,093	\$ 92,982,532	\$ 111,859,257	\$ 119,539,001	\$ 119,753,815	\$ 118,010,395	\$ 115,478,389	\$ 121,576,648	\$ 117,076,534	\$ 140,124,289
Restricted.....	5,734,978	9,139,393	9,771,513	5,865,025	7,954,894	7,779,724	2,716,851	1,869,989	2,829,287	4,482,348
Unrestricted.....	16,000,332	13,336,583	20,873,006	15,013,061	14,573,774	991,008	(4,078,687)	(19,730,934)	(13,653,577)	(105,508,916)
Total primary government net position.....	<u>\$ 91,711,403</u>	<u>\$ 115,458,508</u>	<u>\$ 142,503,776</u>	<u>\$ 140,417,087</u>	<u>\$ 142,282,483</u>	<u>\$ 126,781,127</u>	<u>\$ 114,116,553</u>	<u>\$ 103,715,703</u>	<u>\$ 106,252,244</u>	<u>\$ 39,097,721</u>

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statements #68 and #71.

**Changes in Net Position  
Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 10,157,388	\$ 12,679,150	\$ 14,130,382	\$ 15,229,524	\$ 16,445,366	\$ 13,876,016	\$ 13,177,547	\$ 13,635,709	\$ 14,944,569	\$ 14,579,999
Public safety.....	21,999,822	23,763,647	23,963,165	18,123,530	27,690,307	30,177,585	33,635,750	34,551,022	32,719,876	35,329,334
Education.....	79,265,074	85,689,750	91,781,232	104,179,630	109,888,965	121,902,392	114,958,701	122,818,604	121,174,485	124,884,310
Public works.....	8,704,631	7,817,468	10,249,934	10,280,884	10,308,314	10,772,461	8,471,555	9,649,872	9,433,792	11,220,595
Human services.....	1,524,476	1,550,623	1,874,235	2,034,882	2,244,371	2,454,502	2,490,676	2,925,397	3,626,255	3,376,833
Culture and recreation.....	798,112	937,572	980,199	1,217,336	1,053,825	1,192,257	1,521,865	1,444,959	1,531,859	1,493,526
Strategic planning.....	-	-	-	-	-	25,548,137	20,256,530	3,642,265	819,746	207,799
Claims and judgements.....	-	-	-	-	-	-	1,750,000	-	-	-
Interest.....	1,689,238	1,115,628	1,550,283	2,020,777	1,967,472	2,220,225	1,964,510	1,949,914	1,873,105	2,310,793
<b>Total government activities expenses.....</b>	<b>124,138,741</b>	<b>133,553,838</b>	<b>144,529,430</b>	<b>153,086,563</b>	<b>169,598,620</b>	<b>208,143,575</b>	<b>198,227,134</b>	<b>190,617,742</b>	<b>186,123,487</b>	<b>193,403,189</b>
Business-type activities:										
Water & sewer.....	12,123,602	13,611,579	14,762,578	14,227,815	15,100,676	15,910,330	16,558,665	16,088,537	17,538,539	18,479,166
<b>Total primary government expenses.....</b>	<b>\$ 136,262,343</b>	<b>\$ 147,165,417</b>	<b>\$ 159,292,008</b>	<b>\$ 167,314,378</b>	<b>\$ 184,699,296</b>	<b>\$ 224,053,905</b>	<b>\$ 214,785,799</b>	<b>\$ 206,706,279</b>	<b>\$ 203,662,026</b>	<b>\$ 211,882,355</b>
<b>Program Revenues</b>										
Governmental activities:										
General government charges for services.....	\$ 747,236	\$ 1,887,133	\$ 1,457,045	\$ 2,844,202	\$ 2,379,823	\$ 2,008,916	\$ 3,004,120	\$ 2,366,884	\$ 2,772,807	\$ 3,999,341
Public safety charges for services.....	706,361	1,193,511	1,116,737	992,072	971,049	982,186	1,537,451	1,637,350	1,528,468	1,419,882
Education charges for services.....	3,259,961	5,019,949	3,477,326	1,662,912	1,400,251	1,364,209	2,252,117	1,249,635	1,383,320	1,448,378
Other charges for services.....	2,629,802	3,033,687	4,066,957	4,340,835	4,008,841	5,550,005	593,421	787,185	730,967	1,625,709
Public safety operating grants and contributions.....	1,165,711	1,369,458	412,178	1,402,730	796,857	804,148	1,194,480	1,029,732	1,576,676	1,378,063
Education operating grants and contributions.....	40,104,544	43,421,777	50,895,911	56,273,087	64,048,205	66,082,994	67,256,169	73,557,574	76,364,168	73,945,800
Other operating grants and contributions.....	2,819,181	1,830,206	3,431,288	4,419,990	6,190,045	2,368,839	630,228	2,460,573	1,962,055	2,773,343
Strategic planning operating grant and contributions.....	-	-	-	-	-	27,525,717	19,607,354	3,840,719	737,047	39,372
Education capital grant and contributions.....	-	-	22,181,902	6,762,026	8,383,233	-	532,031	527,105	7,026,329	18,134,937
Public works and other capital grant and contributions.....	10,000	228,585	542,392	284,858	229,466	245,549	1,421,613	593,221	976,855	279,964
<b>Total government activities program revenues.....</b>	<b>51,442,796</b>	<b>57,984,306</b>	<b>87,601,736</b>	<b>78,982,712</b>	<b>88,407,770</b>	<b>106,932,563</b>	<b>98,028,984</b>	<b>88,049,978</b>	<b>95,058,692</b>	<b>106,746,432</b>
Business-type activities:										
Water & sewer charges for services.....	15,289,892	15,907,665	17,003,371	16,824,327	19,083,686	20,217,325	20,216,422	21,537,126	22,854,183	22,036,024
Water & sewer capital grant and contributions.....	-	-	-	-	-	610,487	-	1,765,159	505,729	475,630
<b>Total business-type activities program revenues.....</b>	<b>15,289,892</b>	<b>15,907,665</b>	<b>17,003,371</b>	<b>16,824,327</b>	<b>19,083,686</b>	<b>20,827,812</b>	<b>20,216,422</b>	<b>23,302,285</b>	<b>23,359,912</b>	<b>22,511,654</b>
<b>Total primary government program revenues.....</b>	<b>\$ 66,732,688</b>	<b>\$ 73,891,971</b>	<b>\$ 104,605,107</b>	<b>\$ 95,807,039</b>	<b>\$ 107,491,456</b>	<b>\$ 127,760,375</b>	<b>\$ 118,245,406</b>	<b>\$ 111,352,263</b>	<b>\$ 118,418,604</b>	<b>\$ 129,258,086</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (72,695,945)	\$ (75,569,532)	\$ (56,927,694)	\$ (74,103,851)	\$ (81,190,850)	\$ (101,211,012)	\$ (100,198,150)	\$ (102,567,764)	\$ (91,064,795)	\$ (86,656,757)
Business-type activities.....	3,166,290	2,296,086	2,240,793	2,596,512	3,983,010	4,917,482	3,657,757	7,213,748	5,821,373	4,032,488
<b>Total primary government net expense.....</b>	<b>\$ (69,529,655)</b>	<b>\$ (73,273,446)</b>	<b>\$ (54,686,901)</b>	<b>\$ (71,507,339)</b>	<b>\$ (77,207,840)</b>	<b>\$ (96,293,530)</b>	<b>\$ (96,540,393)</b>	<b>\$ (95,354,016)</b>	<b>\$ (85,243,422)</b>	<b>\$ (82,624,269)</b>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes and tax liens, net of tax refunds payable.....	\$ 51,249,825	\$ 54,855,688	\$ 57,518,974	\$ 59,675,342	\$ 62,260,654	\$ 64,124,854	\$ 68,118,412	\$ 68,949,533	\$ 69,151,736	\$ 72,670,958
Motor vehicle and other excise taxes.....	4,831,645	4,568,506	5,666,980	4,741,395	4,992,655	4,154,646	2,726,688	4,075,990	5,379,339	5,144,906
Hotel/motel tax and meals tax.....	-	-	-	-	-	1,607,745	1,902,531	1,967,019	2,131,853	2,326,545
Penalties and interest on taxes.....	1,020,118	502,479	572,379	597,696	681,735	517,927	558,307	386,637	435,661	484,909
Payments in lieu of taxes.....	-	-	-	-	-	-	179,452	203,909	275,527	219,835
Fines and forfeitures.....	-	1,194,233	1,154,008	1,217,147	1,196,664	1,063,952	-	-	-	-
Nonrestricted grants, contributions, and other.....	39,697,354	25,086,672	13,231,804	12,186,233	9,386,501	9,374,903	10,273,596	9,263,390	10,222,245	10,459,173
Unrestricted investment income.....	373,335	1,416,997	1,001,926	600,258	177,749	297,900	106,444	97,444	167,798	280,454
Miscellaneous.....	2,437,516	199,118	2,489,158	385,352	367,805	-	-	-	-	-
Transfers.....	2,341,237	4,167,264	1,458,947	2,859,911	1,679,072	2,529,382	2,873,947	3,359,246	3,185,942	3,051,265
<b>Total governmental activities.....</b>	<b>101,951,030</b>	<b>91,990,957</b>	<b>83,094,176</b>	<b>82,263,334</b>	<b>80,742,835</b>	<b>83,671,309</b>	<b>86,739,377</b>	<b>88,303,168</b>	<b>90,950,101</b>	<b>94,638,045</b>
Business-type activities:										
Unrestricted investment income.....	61,002	130,698	96,940	17,227	9,473	10,247	10,389	9,244	15,804	12,240
Transfers.....	(2,341,237)	(4,167,264)	(1,458,947)	(2,859,911)	(1,679,072)	(2,529,382)	(2,873,947)	(3,359,246)	(3,185,942)	(3,051,265)
<b>Total business type activities.....</b>	<b>(2,280,235)</b>	<b>(4,036,566)</b>	<b>(1,362,007)</b>	<b>(2,842,684)</b>	<b>(1,669,599)</b>	<b>(2,519,135)</b>	<b>(2,863,558)</b>	<b>(3,350,002)</b>	<b>(3,170,138)</b>	<b>(3,039,025)</b>
<b>Total primary government.....</b>	<b>\$ 99,670,795</b>	<b>\$ 87,954,391</b>	<b>\$ 81,732,169</b>	<b>\$ 79,420,650</b>	<b>\$ 79,073,236</b>	<b>\$ 81,152,174</b>	<b>\$ 83,875,819</b>	<b>\$ 84,953,166</b>	<b>\$ 87,779,963</b>	<b>\$ 91,599,020</b>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 29,255,085	\$ 16,421,425	\$ 26,166,482	\$ 8,159,483	\$ (448,015)	\$ (17,539,703)	\$ (13,458,773)	\$ (14,264,596)	\$ (114,694)	\$ 7,981,288
Business-type activities.....	886,055	(1,740,480)	878,786	(246,172)	2,313,411	2,398,347	794,199	3,863,746	2,651,235	993,463
<b>Total primary government.....</b>	<b>\$ 30,141,140</b>	<b>\$ 14,680,945</b>	<b>\$ 27,045,268</b>	<b>\$ 7,913,311</b>	<b>\$ 1,865,396</b>	<b>\$ (15,141,356)</b>	<b>\$ (12,664,574)</b>	<b>\$ (10,400,850)</b>	<b>\$ 2,536,541</b>	<b>\$ 8,974,751</b>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved.....	\$ 7,893,789	\$ 7,818,679	\$ 8,649,262	\$ 9,538,603	\$ 12,508,304	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	2,145,291	2,949,748	1,946,036	2,322,501	3,409,710	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	2,800	-	-	-	-
Committed.....	-	-	-	-	-	1,244,428	-	-	-	-
Assigned.....	-	-	-	-	-	13,554,433	13,888,938	12,859,258	13,184,414	9,954,637
Unassigned.....	-	-	-	-	-	5,104,769	8,624,578	12,746,179	11,062,354	15,284,145
<b>Total general fund.....</b>	<b>\$ 10,039,080</b>	<b>\$ 10,768,427</b>	<b>\$ 10,595,298</b>	<b>\$ 11,861,104</b>	<b>\$ 15,918,014</b>	<b>\$ 19,906,430</b>	<b>\$ 22,513,516</b>	<b>\$ 25,605,437</b>	<b>\$ 24,246,768</b>	<b>\$ 25,238,782</b>
<b>All Other Governmental Funds</b>										
Unreserved, reported in:										
Special revenue funds.....	\$ 4,611,598	\$ 7,314,806	\$ 7,772,535	\$ -	\$ 9,103,728	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects funds.....	(14,915,797)	(17,256,804)	(22,785,406)	(766,370)	(3,964,271)	-	-	-	-	-
Debt service fund.....	-	1,824,587	1,998,978	2,182,947	1,491,793	-	-	-	-	-
Permanent funds.....	611,934	-	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	-	-	11,741,935	9,414,907	7,804,071	8,024,826	10,711,778
Committed.....	-	-	-	-	-	93,674	-	-	-	-
Unassigned.....	-	-	-	-	-	(230,008)	(515,177)	(3,963,943)	(7,861,347)	(12,319,233)
<b>Total all other governmental funds.....</b>	<b>\$ (9,692,265)</b>	<b>\$ (8,117,411)</b>	<b>\$ (13,013,893)</b>	<b>\$ 1,416,577</b>	<b>\$ 7,481,250</b>	<b>\$ 11,605,601</b>	<b>\$ 8,899,730</b>	<b>\$ 3,840,128</b>	<b>\$ 163,479</b>	<b>\$ (1,607,455)</b>

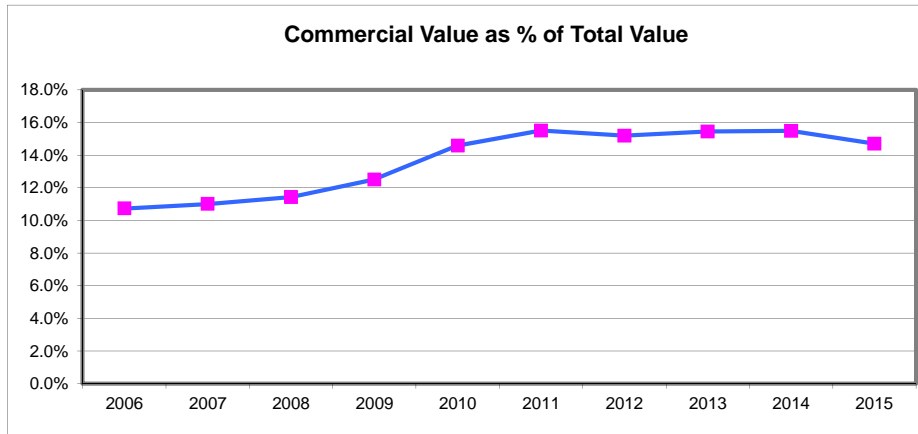
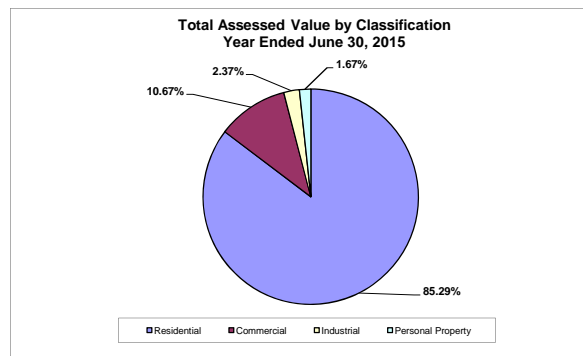
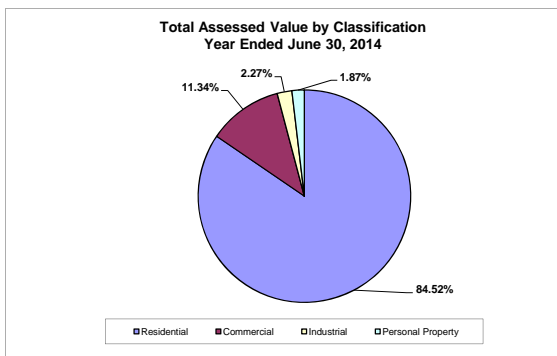
The City implemented GASB 54 in 2011, fund balances prior to 2011 have been reported in the pre-GASB 54 format.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Real estate and personal property taxes and tax liens, net of tax refunds.....	\$ 51,328,127	\$ 53,332,453	\$ 56,651,709	\$ 59,647,753	\$ 62,800,086	\$ 63,899,454	\$ 63,011,680	\$ 66,929,836	\$ 67,479,252	\$ 69,834,888
Tax liens.....	-	-	-	-	-	-	2,803,933	1,939,232	1,271,875	2,223,312
Motor vehicle and other excise taxes.....	5,786,648	5,341,095	5,635,099	4,818,634	5,061,846	4,222,467	4,132,214	4,087,431	5,054,783	5,239,805
Hotel/motel and meals tax.....	-	-	-	-	-	1,607,745	1,902,531	1,967,019	2,131,853	2,326,545
Charges for service.....	4,090,158	7,147,238	5,567,090	5,291,334	4,552,069	4,268,111	2,894,974	3,136,253	2,549,423	2,219,396
Penalties and interest on taxes.....	1,777,394	502,479	572,379	597,696	681,735	-	558,307	386,637	435,661	465,719
Payments in lieu of taxes.....	-	-	-	-	-	-	179,452	203,909	275,527	219,835
Licenses and permits.....	1,393,848	1,097,507	857,647	745,577	695,953	-	914,911	985,547	1,395,268	1,870,200
Fines and forfeitures.....	-	1,194,233	1,154,008	1,217,147	1,196,664	1,063,952	1,034,896	985,001	1,006,469	977,642
Intergovernmental.....	83,319,248	71,936,698	90,695,475	81,328,924	89,034,307	106,402,150	100,220,957	90,340,499	97,627,870	108,087,862
Departmental and other.....	-	-	-	-	-	2,177,104	1,911,896	1,885,881	2,057,927	4,127,661
Contributions.....	-	-	-	-	-	-	156,683	150,817	168,892	652,503
Investment income.....	1,038,427	1,341,265	952,823	584,013	167,546	281,228	92,033	85,971	162,303	276,605
Miscellaneous.....	1,134,431	199,118	2,489,158	385,353	367,805	-	-	-	-	-
<b>Total Revenue.....</b>	<b>149,868,281</b>	<b>142,092,086</b>	<b>164,575,388</b>	<b>154,616,431</b>	<b>164,558,011</b>	<b>183,922,211</b>	<b>179,814,467</b>	<b>173,084,033</b>	<b>181,617,103</b>	<b>198,521,973</b>
<b>Expenditures:</b>										
General government.....	6,128,778	8,048,602	10,350,567	10,355,391	9,911,012	7,085,363	7,009,979	7,571,267	12,275,676	16,220,100
Public safety.....	16,528,795	25,307,860	26,529,669	19,029,101	15,599,101	16,677,931	17,964,253	18,149,554	19,580,090	21,644,540
Education.....	77,291,308	83,894,151	91,889,029	86,382,664	100,391,285	91,587,890	76,915,303	86,917,962	92,718,510	112,392,306
Public works.....	7,749,899	6,804,735	8,650,438	9,442,425	7,703,788	8,948,893	7,382,800	7,959,755	8,172,106	11,349,167
Human services.....	1,236,850	1,255,085	1,446,409	1,570,829	1,772,607	1,966,600	1,904,361	2,289,397	2,609,241	2,542,583
Culture and recreation.....	540,689	651,239	663,391	818,125	641,768	799,328	969,802	950,502	1,067,679	1,270,050
Strategic planning.....	-	-	-	-	-	25,548,137	20,256,530	3,642,265	819,746	207,799
Pension benefits.....	-	-	-	-	-	8,861,168	22,451,967	23,330,361	23,672,992	18,632,888
Employee benefits.....	19,728,174	20,506,387	21,317,941	22,545,085	22,567,589	16,300,467	15,931,499	15,826,404	17,903,409	18,446,949
State and county charges.....	5,492,451	6,277,717	6,706,619	7,165,980	8,086,965	8,201,209	7,500,902	7,341,494	7,448,290	8,034,077
Debt service:										
Principal.....	1,044,500	1,040,900	1,977,950	1,411,428	1,905,199	1,867,600	2,454,643	2,460,143	2,376,643	2,421,893
Interest.....	268,726	216,170	639,247	554,972	1,727,992	2,008,366	2,045,160	1,971,856	1,898,110	2,022,540
<b>Total Expenditures.....</b>	<b>136,010,170</b>	<b>154,002,846</b>	<b>170,171,260</b>	<b>159,276,000</b>	<b>170,307,306</b>	<b>189,852,952</b>	<b>182,787,199</b>	<b>178,410,960</b>	<b>190,542,492</b>	<b>215,184,892</b>
Excess of revenues over (under) expenditures.....	13,858,111	(11,910,760)	(5,595,872)	(4,659,569)	(5,749,295)	(5,930,741)	(2,972,732)	(5,326,927)	(8,925,389)	(16,662,919)
<b>Other Financing Sources (Uses)</b>										
Issuance of long-term debt.....	40,000	11,112,000	10,000	26,381,000	6,628,350	12,049,000	-	-	-	9,666,000
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	3,756,200
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	420,862
Premium from issuance of bonds.....	-	-	-	-	-	-	-	-	-	739,221
Payments to escrow agent.....	-	-	-	-	-	-	-	-	-	(4,111,767)
Insurance recovery.....	-	-	-	-	-	-	-	-	-	750,000
Capital lease financing.....	-	-	-	-	-	-	-	-	704,130	-
Transfers in.....	3,417,448	7,677,117	6,354,385	4,577,215	6,496,045	5,667,139	5,142,602	5,522,992	6,096,164	6,353,549
Transfers out.....	(1,076,211)	(3,509,853)	(4,895,438)	(1,717,304)	(4,816,973)	(3,137,757)	(2,268,655)	(2,163,746)	(2,910,222)	(1,690,066)
<b>Total other financing sources (uses).....</b>	<b>2,381,237</b>	<b>15,279,264</b>	<b>1,468,947</b>	<b>29,240,911</b>	<b>8,307,422</b>	<b>14,578,382</b>	<b>2,873,947</b>	<b>3,359,246</b>	<b>3,890,072</b>	<b>15,883,999</b>
<b>Net change in fund balance.....</b>	<b>\$ 16,239,348</b>	<b>\$ 3,368,504</b>	<b>\$ (4,126,925)</b>	<b>\$ 24,581,342</b>	<b>\$ 2,558,127</b>	<b>\$ 8,647,641</b>	<b>\$ (98,785)</b>	<b>\$ (1,967,681)</b>	<b>\$ (5,035,317)</b>	<b>\$ (778,920)</b>
Debt service as a percentage of noncapital expenditures.....	1.10%	1.09%	1.89%	1.34%	2.38%	2.10%	2.51%	2.57%	2.41%	2.47%

**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 (2)	Total City Value
2006	\$4,030,780,338	\$10.13	89.26%	\$368,110,362	\$75,426,900	\$41,387,251	\$484,924,513	\$21.59	10.74%	\$11.36	\$4,515,704,851
2007	(1) \$4,255,583,294	\$10.13	88.99%	\$402,677,826	\$79,360,700	\$44,373,745	\$526,412,271	\$20.66	11.01%	\$11.29	\$4,781,995,565
2008	\$4,516,677,308	\$10.13	88.57%	\$446,544,292	\$88,298,500	\$48,051,760	\$582,894,552	\$19.63	11.43%	\$11.22	\$5,099,571,860
2009	\$4,153,116,437	\$11.23	87.49%	\$451,416,463	\$87,148,300	\$55,157,055	\$593,721,818	\$22.01	12.51%	\$12.58	\$4,746,838,255
2010	(1) \$3,447,300,073	\$13.37	85.41%	\$441,902,327	\$84,948,600	\$61,925,629	\$588,776,556	\$26.84	14.59%	\$15.33	\$4,036,076,629
2011	\$3,221,193,935	\$14.44	84.49%	\$440,181,065	\$85,194,800	\$65,949,860	\$591,325,725	\$29.30	15.51%	\$16.74	\$3,812,519,660
2012	\$3,206,665,958	\$15.07	84.81%	\$420,326,392	\$85,911,296	\$68,221,210	\$574,458,898	\$30.47	15.19%	\$17.41	\$3,781,124,856
2013	(1) \$3,187,488,035	\$15.56	84.55%	\$423,237,215	\$88,076,056	\$71,004,225	\$582,317,496	\$31.56	15.45%	\$18.03	\$3,769,805,531
2014	\$3,293,965,320	\$15.55	84.52%	\$441,870,015	\$88,655,856	\$72,976,627	\$603,502,498	\$31.55	15.48%	\$18.03	\$3,897,467,818
2015	\$3,637,807,938	\$14.80	85.29%	\$454,982,080	\$101,070,527	\$71,145,536	\$627,198,143	\$29.74	14.71%	\$17.00	\$4,265,006,081



(1) Revaluation year.

(2) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.

Source: Assessor's Department, City of Revere

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the City. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding 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 Eight Years Ago**

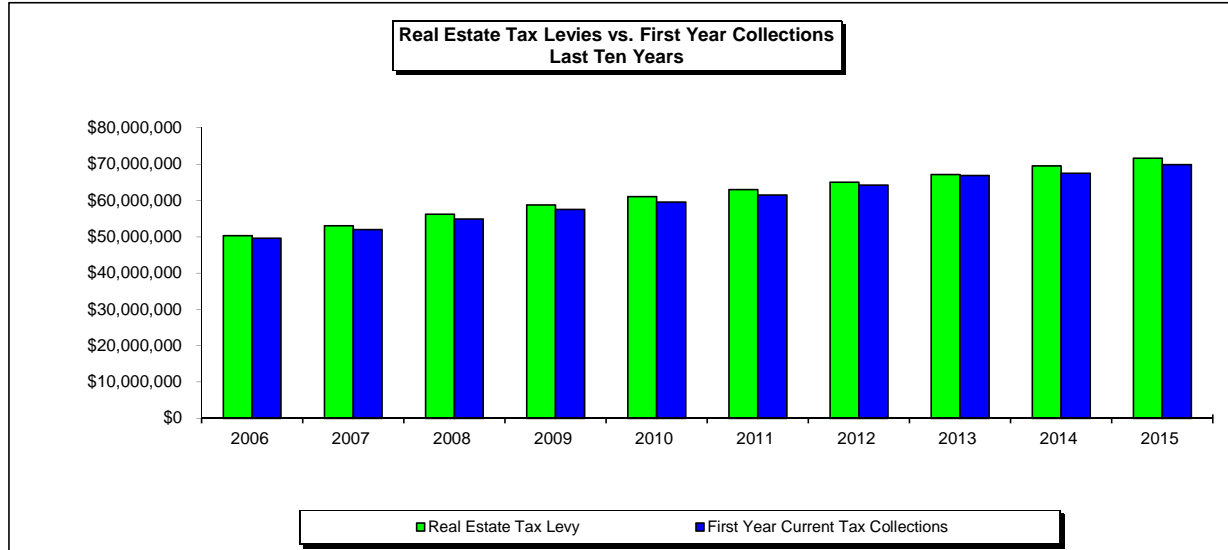
Name	Nature of Business	2015			2007		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Alterra II L.L.C	Apartments	\$ 75,779,700	1	1.78%	\$ -	-	-
Alterra ILLC& Mack-Cali TCL	Apartments	60,000,200	2	1.41%	-	-	-
NECCO Realty MA LLC	Manufacturing	30,097,627	3	0.71%	26,741,000	2	0.56%
Waters Edge Limited Partnership	Apartments	27,447,200	4	0.64%	23,335,700	3	0.49%
Global Revco Terminal LLC	Oil Tank Farm	18,971,300	5	0.44%	-	-	-
Target Stores	Retail	18,155,000	6	0.43%	17,881,400	5	0.37%
NAI Entertainment Holdings LLC	Cinema	17,655,100	7	0.41%	-	-	0.00%
Northgate Apartments LLC	Apartments	16,382,300	8	0.38%	-	-	0.00%
Wonderland Marketplace LTD Partnership II	Retail	15,944,900	9	0.37%	17,089,100	6	0.36%
Northgate Shopping Center	Retail	15,897,400	10	0.37%	-	-	-
Rowe Contracting Co.	Manufacturing	-	-	-	77,942,000	1	1.63%
Bendetson Richard	Apartments	-	-	-	18,800,200	4	0.39%
Squire Realty Inc.	Cinema	-	-	-	16,354,900	7	0.34%
Wonderland Greyhound Park LLC	Dog Racing	-	-	-	16,054,400	8	0.34%
Lantern Road LLC	Apartments	-	-	-	15,094,000	9	0.32%
Atlantica Limited Partnership	Residences	-	-	-	14,632,600	10	0.31%
	<b>Totals</b>	<u>\$ 296,330,727</u>		<u>6.95%</u>	<u>\$ 243,925,300</u>		<u>5.10%</u>

Source: Debt Offering Statements

Information for 2006 is unavailable.

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

Year	Total Tax Levy	Less Estimated Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2006	\$51,301,326	\$948,604	\$50,352,722	\$49,637,287	98.6%	\$521,111	\$50,158,398	99.61%
2007	(1) \$53,984,737	\$941,693	\$53,043,044	\$52,001,330	98.0%	\$789,444	\$52,790,774	99.52%
2008	\$57,196,161	\$965,858	\$56,230,303	\$54,908,602	97.6%	\$1,041,332	\$55,949,934	99.50%
2009	\$59,707,315	\$934,756	\$58,772,559	\$57,577,844	98.0%	\$958,564	\$58,536,408	99.60%
2010	(1) \$61,893,165	\$800,139	\$61,093,026	\$59,586,235	97.5%	\$945,381	\$60,531,616	99.08%
2011	\$63,839,884	\$803,512	\$63,036,372	\$61,501,551	97.6%	\$891,474	\$62,393,025	98.98%
2012	\$65,828,219	\$785,043	\$65,043,176	\$64,200,678	98.7%	\$468,555	\$64,669,233	99.43%
2013	(1) \$67,975,254	\$788,393	\$67,186,861	\$66,871,892	99.5%	\$231,684	\$67,103,576	99.88%
2014	\$70,261,665	\$760,064	\$69,501,601	\$67,484,782	97.1%	\$879,124	\$68,363,906	98.36%
2015	\$72,492,427	\$802,232	\$71,690,195	\$69,921,634	97.5%	\$0	\$69,921,634	97.53%



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

(1) Revaluation year.

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

Year	Governmental Activities										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)	Capital Leases (6)	Total General Bonded Debt			Per Capita (4 + 6) / 1	Percentage of Personal Income (4 + 6) / 2	Percentage of Assessed Value (4 + 6) / 3
								Per Capita (4 + 6) / 1	Percentage of Personal Income (4 + 6) / 2	Percentage of Assessed Value (4 + 6) / 3			
2006	45,807	\$901,756,602	\$4,515,704,851	\$5,740,272	\$1,226,556	\$4,513,716	\$0	\$125	0.64%	0.13%	\$99	0.50%	0.10%
2007	46,833	\$783,937,587	\$4,781,995,565	\$13,987,422	\$1,778,007	\$12,209,415	\$0	\$299	1.78%	0.29%	\$261	1.56%	0.26%
2008	55,341	\$963,320,787	\$5,099,571,860	\$38,956,994	\$1,998,978	\$36,958,016	\$0	\$704	4.04%	0.76%	\$668	3.84%	0.72%
2009	60,204	\$1,066,513,860	\$4,746,838,255	\$43,042,644	\$2,171,947	\$40,870,697	\$0	\$715	4.04%	0.91%	\$679	3.83%	0.86%
2010	51,693	\$818,300,190	\$4,036,076,629	\$42,650,540	\$1,480,793	\$41,169,747	\$693,728	\$838	5.30%	1.07%	\$810	5.12%	1.04%
2011	51,858	\$798,250,194	\$3,812,519,660	\$49,784,297	\$161,105	\$49,623,192	\$600,785	\$972	6.31%	1.32%	\$968	6.29%	1.32%
2012	52,562	\$960,412,864	\$3,781,124,856	\$47,324,154	\$165,219	\$47,158,935	\$454,056	\$909	4.97%	1.26%	\$906	4.96%	1.26%
2013	53,179	\$936,375,832	\$3,769,805,531	\$44,947,511	\$8,013	\$44,939,498	\$366,334	\$852	4.84%	1.20%	\$852	4.84%	1.20%
2014	53,756	\$1,358,145,340	\$3,897,467,818	\$44,947,511	\$81,186	\$44,866,325	\$740,331	\$850	3.36%	1.17%	\$848	3.36%	1.17%
2015	54,157	\$1,413,064,444	\$4,265,006,081	\$52,112,818	\$276,506	\$51,836,312	\$410,856	\$970	3.72%	1.23%	\$965	3.70%	1.23%

Year	Business-Type Activities					Total Primary Government			
	General Obligation Bonds (7)	Total General Bonded Debt			Total Net General Bonded Debt				
		Total Debt Outstanding (4 + 7)	Per Capita (4 + 7) / 1	Percentage of Personal Income (4 + 7) / 2	Percentage of Assessed Value (4 + 7) / 3	Total Net Debt Outstanding (4 - 5 + 7)	Per Capita (4 - 5 + 7) / 1	Percentage of Personal Income (4 - 5 + 7) / 2	Percentage of Assessed Value (4 - 5 + 7) / 3
2006	\$2,916,206	\$8,656,478	\$189	0.96%	0.19%	\$7,429,922	\$162	0.82%	0.16%
2007	\$3,732,710	\$17,720,132	\$378	2.26%	0.37%	\$15,942,125	\$340	2.03%	0.33%
2008	\$3,112,098	\$42,069,092	\$760	4.37%	0.82%	\$40,070,114	\$724	4.16%	0.79%
2009	\$2,505,066	\$45,547,710	\$757	4.27%	0.96%	\$43,375,763	\$720	4.07%	0.91%
2010	\$2,391,630	\$45,042,170	\$871	5.50%	1.12%	\$43,561,377	\$843	5.32%	1.08%
2011	\$8,686,353	\$58,470,650	\$1,128	7.32%	1.53%	\$58,309,545	\$1,124	7.30%	1.53%
2012	\$9,118,639	\$56,442,793	\$1,074	5.88%	1.49%	\$56,277,574	\$1,071	5.86%	1.49%
2013	\$16,115,065	\$61,062,576	\$1,148	6.52%	1.62%	\$61,054,563	\$1,148	6.52%	1.62%
2014	\$15,004,168	\$59,951,679	\$1,115	4.41%	1.54%	\$59,870,493	\$1,114	4.41%	1.54%
2015	\$24,735,738	\$76,848,556	\$1,419	5.44%	1.80%	\$76,572,050	\$1,414	5.42%	1.80%

(1) Massachusetts Department of Revenue Municipal Databank  
(2) 2005 - 2010: City of Revere Statement of Indebtedness  
(2011 - 2015: City of Revere Audited Financial Statements  
(3) City Finance Records.

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2015**

<u>City of Revere, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Total direct debt.....			\$ <u>52,112,818</u>
Total direct and overlapping debt.....			\$ <u><u>52,112,818</u></u>

Source: Audited Financial Statements  
 The City has not overlapping debt.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Valuation.....	<u>\$ 4,068,269,400</u>	<u>\$ 5,049,492,600</u>	<u>\$ 5,049,492,600</u>	<u>\$ 5,571,573,100</u>	<u>\$ 5,571,573,100</u>	<u>\$ 4,308,496,500</u>	<u>\$ 4,308,496,500</u>	<u>\$ 4,012,985,500</u>	<u>\$ 4,012,985,500</u>	<u>\$ 4,135,457,600</u>
Debt Limit -5% of Equalized Valuation.....	\$ 203,413,470	\$ 252,474,630	\$ 252,474,630	\$ 278,578,655	\$ 278,578,655	\$ 215,424,825	\$ 215,424,825	\$ 200,649,275	\$ 200,649,275	\$ 206,772,880
Less:										
Outstanding debt applicable to limit.....	5,740,272	15,485,372	13,987,422	38,956,994	43,042,644	52,238,940	49,784,297	47,324,154	44,947,511	52,112,818
Authorized and unissued debt.....	<u>82,816,056</u>	<u>82,816,056</u>	<u>87,900,271</u>	<u>112,284,887</u>	<u>95,355,704</u>	<u>114,079,404</u>	<u>91,667,845</u>	<u>66,493,569</u>	<u>58,764,914</u>	<u>53,560,108</u>
Legal debt margin.....	<u>\$ 114,857,142</u>	<u>\$ 154,173,202</u>	<u>\$ 150,586,937</u>	<u>\$ 127,336,774</u>	<u>\$ 140,180,307</u>	<u>\$ 49,106,481</u>	<u>\$ 73,972,683</u>	<u>\$ 86,831,552</u>	<u>\$ 96,936,850</u>	<u>\$ 101,099,954</u>
Total debt applicable to the limit as a percentage of debt limit.....	43.54%	38.94%	40.36%	54.29%	49.68%	77.20%	65.66%	56.72%	51.69%	51.11%

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

**Demographic and Economic Statistics  
Last Ten Years**

Year	Population Estimates (1)	Personal Income	Per Capita Personal Income (2)	School Enrollment (2)	Unemployment Rate (1)
2006	45,807	\$ 901,756,602	\$ 19,686	5,839	6.20%
2007	46,833	\$ 783,937,587	\$ 16,739	5,859	5.00%
2008	55,341	\$ 963,320,787	\$ 17,407	5,942	7.60%
2009	60,204	\$ 1,066,513,860	\$ 17,715	6,083	8.60%
2010	51,693	\$ 818,300,190	\$ 15,830	6,145	8.10%
2011	51,858	\$ 798,250,194	\$ 15,393	6,233	8.90%
2012	52,562	\$ 960,412,864	\$ 18,272	6,517	7.40%
2013	53,179	\$ 936,375,832	\$ 17,608	6,648	7.30%
2014	53,756	\$ 1,358,145,340	\$ 25,265	6,836	6.40%
2015	54,157	\$ 1,413,064,444	\$ 26,092	7,025	5.20%

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

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

Employer	Nature of Business	2015			2007		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
New England Confectionary Co.	Manufacturing	694	1	7.90%	694	1	7.98%
Market Basket	Retail - Grocery	400	2	4.56%	N/A	N/A	N/A
Stop & Shop	Retail - Grocery	374	3	4.26%	388	2	-
Target	Retail - Department Store	233	4	2.65%	N/A	N/A	N/A
Lighthouse Nursing Home	Medical	182	5	2.07%	182	4	2.09%
Mass General Hospital	Medical	150	6	1.71%	150	5	1.72%
Showcase Cinema	Entertainment	150	7	1.71%	150	5	1.72%
Annemark Nursing Home	Medical	140	8	1.59%	140	6	1.61%
Wonderland Dog Track	Entertainment	N/A	N/A	N/A	300	3	3.45%
Shaw's	Retail - Grocery	N/A	N/A	N/A	140	6	1.61%
Foodmaster	Retail - Grocery	N/A	N/A	N/A	110	7	1.26%
		<u>2323</u>		<u>26.45%</u>	<u>2254</u>		<u>21.45%</u>

Information on the 8th through 10th largest employer for 2007 was unavailable. Information on the 8th through 10th largest employers for 2015 was unavailable.

Information for 2006 is unavailable.

Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function										
General government.....	76	78	77	77	74	75	76	80	79	73
Public safety.....	183	185	185	186	184	184	184	191	219	212
Public education.....	695	707	722	699	701	703	706	708	778	784
Public works.....	28	27	27	28	28	28	29	32	27	29
Human services.....	12	14	14	14	14	14	15	16	9	9
Culture and recreation.....	4	5	5	5	5	5	5	6	14	17
Water & Sewer.....	9	9	9	9	9	9	10	11	12	10
Total .....	<u>1,007</u>	<u>1,025</u>	<u>1,039</u>	<u>1,018</u>	<u>1,015</u>	<u>1,018</u>	<u>1,025</u>	<u>1,044</u>	<u>1,138</u>	<u>1,134</u>

Source: Various City Departments



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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	5	5	5	5	5	5	5	5	5	5
Education										
Number of elementary schools.....	7	7	7	7	7	7	7	7	7	7
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
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	1	1	1
Miles of public beach front.....	3	3	3	3	3	3	3	3	3	3
Public beaches.....	1	1	1	1	1	1	1	1	1	1
Tennis courts.....	8	8	8	8	8	8	8	8	8	8

Source: Various City Departments