

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2016

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, 2016**

Prepared By:

Director of Finance

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2016

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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, 2016

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 23, 2016

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, 2016 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, 2016, 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, 2016, 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 2016 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 2016, the City continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account.

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, 2015, the latest measurement date, the System had succeeded in funding 55.18% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 17 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.

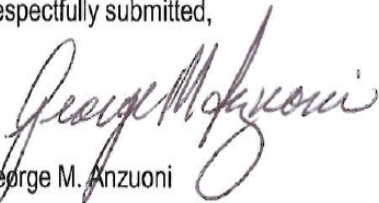
Awards and Acknowledgements

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 year ended June 30, 2015. This was the third time that the City submitted a CAFR to the GFOA. The City was awarded this Certificate in all three years. 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**

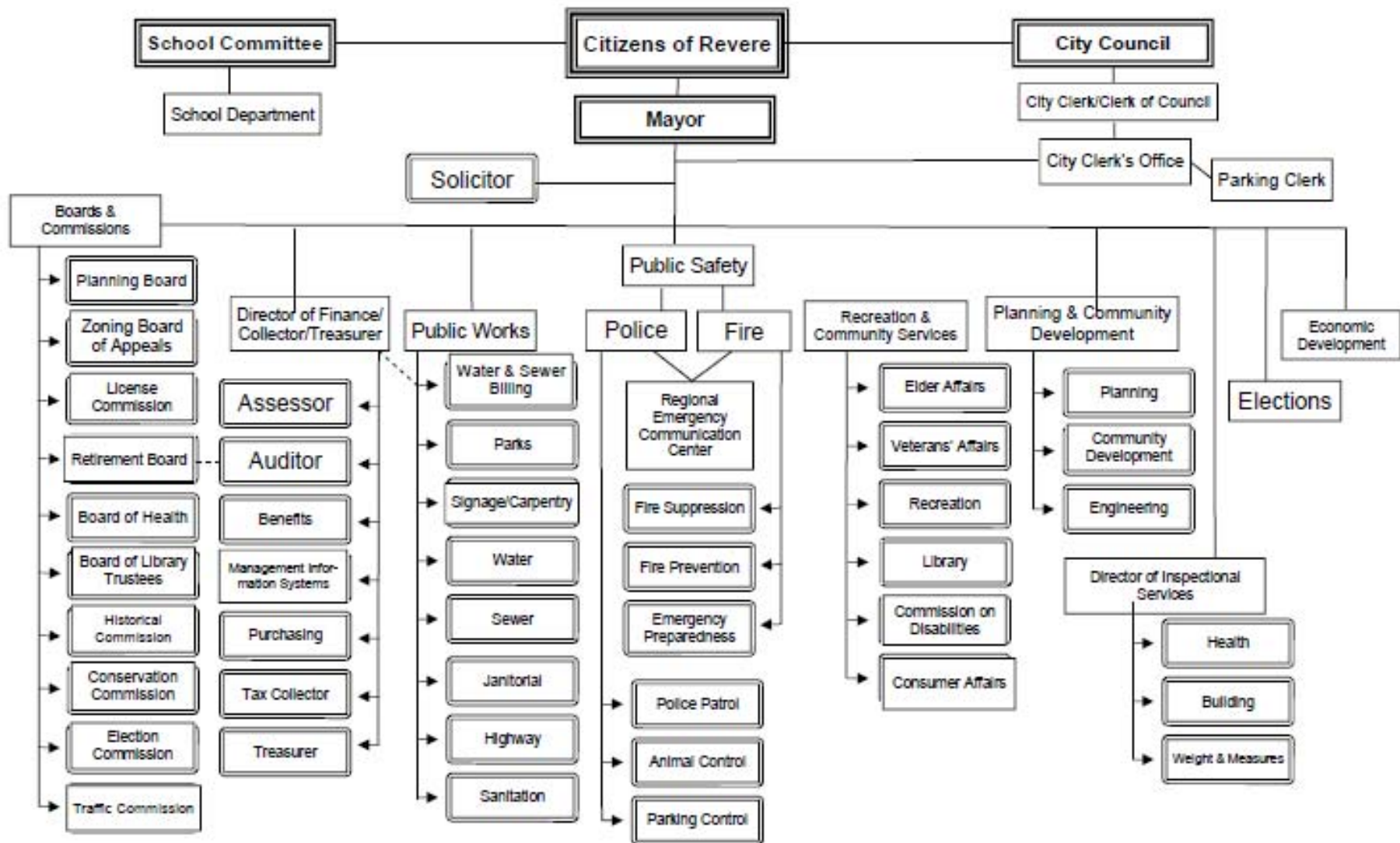
Presented to

**City of Revere
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Principal City Officials

Elected Officials

Mayor

Brian Arrigo

City Council

Councilors-at-Large

Jessica Ann Giannino

Robert J. Haas, Jr.

Steven Marabito

George J. Rotondo

Anthony T. Zambuto

Ward Councilors

Joanne McKenna

Ira Novoselsky

Arthur F. Guinasso

Patrick M. Keefe, Jr.

John F. Powers

Charles J. Patch, Sr.

School Committee

Michael A. Ferrante

Susan J. Gravallese

Dan Maguire

Stacey A. Rizzo

Frederick A. Sannella

Carol A. Tye

Northeast Metropolitan Regional
Vocational School Committee

Ronald J. Jannino

Principal Executive Officers

Director of Finance, City Collector and City Treasurer

George M. Anzuoni

City Auditor

Laurie Giardella

Assessor – Chairman of the Board

Andrew Iovanna

Assessor – Member of the Board

John Verrengia

Assessor – Member of the Board

Dana Brangiforte

City Clerk

Ashley E. Melnik

Police Chief

Joseph Cafarelli

Fire Chief

Christopher P. Bright

Superintendent of Schools

Dianne Kelly

School Business Manager

Matthew Kruse

City Engineer

Nicholas J. Rystrom

DPW Superintendent

Donald Goodwin

City Solicitor

Paul Capizzi, Esq.

Clerk of Council

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, 2016

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, 2016 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2015), 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, 2016 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2015), 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 23, 2016, 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 23, 2016

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, 2016. 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, 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 \$38.3 million at the close of 2016, a decrease of \$808,000 from the prior year.

Net position of \$144.1 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, \$3.9 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a negative amount of \$109.7 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 \$179.2 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 \$14.7 million at the close of 2016. Components of the City's governmental financial position are listed below.

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets.....	\$ 58,674,524	\$ 61,388,970
Capital assets, non-depreciable.....	11,035,425	46,001,687
Capital assets, depreciable.....	183,561,425	144,665,429
Total assets.....	<u>253,271,374</u>	<u>252,056,086</u>
Deferred Outflows of Resources.....	<u>24,322,245</u>	<u>217,463</u>
Liabilities:		
Current liabilities (excluding debt).....	10,213,553	13,869,330
Noncurrent liabilities (excluding debt).....	179,866,444	149,061,894
Current debt.....	22,965,743	19,728,174
Noncurrent debt.....	49,848,495	50,455,583
Total liabilities.....	<u>262,894,235</u>	<u>233,114,981</u>
Net Position:		
Net investment in capital assets.....	131,609,885	127,833,259
Restricted.....	3,896,591	4,482,348
Unrestricted.....	(120,807,092)	(113,157,039)
Total net position.....	<u>\$ 14,699,384</u>	<u>\$ 19,158,568</u>

A significant portion of the City's governmental activities net position, \$131.6 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 \$3.9 million represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position in the amount of \$120.8 million is due primarily to the recognition of a \$79 million postemployment benefits liability and a \$95.9 million net pension liability.

Governmental activity liabilities also include \$52.9 million in general obligation bonds, \$3.6 million in compensated absence liabilities for unused vacation, special leave, and enhanced longevity benefits payable and \$3.1 million of liabilities relating to workers compensation claims.

The following summarizes the current and prior year governmental activities:

	<u>2016</u>	<u>2015</u>
Program Revenues:		
Charges for services.....	\$ 6,536,310	\$ 8,493,310
Operating grants and contributions.....	86,346,593	78,136,578
Capital grants and contributions.....	4,665,724	20,116,544
General Revenues:		
Real estate and personal property taxes.....	74,090,958	69,789,098
Tax liens.....	2,642,165	2,881,860
Motor vehicle and other excise taxes.....	5,479,414	5,144,906
Hotel/Motel and meals tax.....	2,354,584	2,326,545
Penalties and interest on taxes.....	771,965	484,909
Fines and forfeitures.....	236,873	219,835
Grants and contributions not restricted to specific programs.....	10,474,377	10,459,173
Unrestricted investment income.....	363,407	280,454
Total revenues.....	<u>193,962,370</u>	<u>198,333,212</u>
Expenses:		
General government.....	15,303,774	14,579,999
Public safety.....	37,684,056	35,329,334
Education.....	130,866,169	124,884,310
Public works.....	9,438,057	11,220,595
Human services.....	3,761,556	3,376,833
Culture and recreation.....	1,991,367	1,493,526
Strategic planning.....	-	207,799
Interest.....	2,220,766	2,310,793
Total expenses.....	<u>201,265,745</u>	<u>193,403,189</u>
Excess (Deficiency) before transfers.....	(7,303,375)	4,930,023
Transfers.....	<u>2,844,191</u>	<u>3,051,265</u>
Change in net position.....	(4,459,184)	7,981,288
Net position - beginning.....	<u>19,158,568</u>	<u>11,177,280</u>
Net position - ending.....	<u>\$ 14,699,384</u>	<u>\$ 19,158,568</u>

The governmental activities net position decreased in the current year by \$4.5 million. The decrease in net position is due primarily to an increase of \$8.5 million in expense related to the other post-employment benefit liabilities which was not funded; an increase to pension expense of \$4 million which is above and beyond budgeted contributions. These increases were offset by the recognition of \$4.7 million of capital grants mainly relating to school construction and renovation efforts as well as a \$2.9 million decrease in workers compensation expenses.

Business-Type Activities

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

	<u>2016</u>	<u>2015</u>
Assets:		
Current assets.....	\$ 32,262,373	\$ 44,152,914
Capital assets.....	61,717,125	44,994,598
Total assets.....	<u>93,979,498</u>	<u>89,147,512</u>
Deferred Outflows of Resources.....	<u>734,921</u>	<u>10,215</u>
Liabilities:		
Current liabilities (excluding debt).....	6,002,025	3,407,579
Noncurrent liabilities (excluding debt).....	4,370,786	4,425,212
Current debt.....	29,466,896	37,970,651
Noncurrent debt.....	31,284,139	23,415,132
Total liabilities.....	<u>71,123,846</u>	<u>69,218,574</u>
Net Position:		
Net investment in capital assets.....	14,989,438	12,291,030
Unrestricted.....	8,601,135	7,648,123
Total net position.....	<u>\$ 23,590,573</u>	<u>\$ 19,939,153</u>
Program Revenues:		
Charges for services.....	\$ 25,386,189	\$ 22,036,024
Capital grants and contributions.....	192,329	475,630
General Revenues:		
Unrestricted investment income.....	17,490	12,240
Total revenues.....	<u>25,596,008</u>	<u>22,523,894</u>
Expenses:		
Water & Sewer.....	19,100,397	18,479,166
Excess before transfers.....	<u>6,495,611</u>	<u>4,044,728</u>
Transfers.....	<u>(2,844,191)</u>	<u>(3,051,265)</u>
Change in net position.....	<u>3,651,420</u>	<u>993,463</u>
Net position - beginning.....	<u>19,939,153</u>	<u>18,945,690</u>
Net position - ending.....	<u>\$ 23,590,573</u>	<u>\$ 19,939,153</u>

The Water & Sewer enterprise fund net position increased by \$3.7 million during the current year. Most of the change is attributable to increased usage rates as well as upgrade in technology that has resulted increased accuracy in gallons utilized by rate payers. 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 City's ability to increase usage rates while managing overall costs in a prudent fashion also contributed to the increase in net position. Total business type activities assets exceeded liabilities by \$23.6 million at the close of 2016.

Net position of \$15 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 \$8.6 million may be used to meet ongoing obligations.

Financial Analysis of the Government's Funds

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

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

As of the end of 2016, governmental funds reported combined ending fund balances of \$20.1 million, a decrease of \$3.5 million 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 \$16.9 million, while total fund balance equaled \$27.1 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 10% of general fund budgetary expenditures while total fund balance represents about 16%. The general fund increased by \$1.9 million during 2016. The increase was the result of the City voting to fund the budget by using \$2.8 million dollars of free cash which was offset by higher than anticipated revenues collections and conservative management of the budget resulting in actual expenditures and encumbrances being \$456,000 lower than budget.

At June 30, 2016, \$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 \$8.5 million of expenditures related to land acquisition, construction of the new school and parkland restoration. The City received \$3.8 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, 2016, the fund had a deficit balance of \$15.2 million. The deficit will be funded through future general obligation debt.

General Fund Budgetary Highlights

The difference of \$712,000 between the original budget appropriations of \$168.7 million and the final amended budget of \$169.4 million was due to a \$275,000 debt service subsidy, insurance recoveries of \$171,000 for repairing damages at the Whelan School, additional finding of \$150,000 for public safety purpose, additional funding of \$72,000 for an operation efficiency audit, and additional funding of \$44,000 for various recreation activities.

Revenues exceeded budget for motor vehicle and other excise tax collections, due to conservative estimates, and for fines and forfeiture revenue as a result of unanticipated insurance reimbursement related to damage caused by the July 2014 tornado. Unbudgeted tax liens totaled \$2.8 million; however, this was offset by real estate revenues being under budget by \$513,000. In total, actual collections in budgeted revenue categories were \$900,000 higher than expected.

Capital Asset and Debt Administration

Capital Assets. The City's valuation of governmental activities capital assets as of June 30, 2016, amounts to \$194.6 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, 2016, amounts to \$61.7 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, 2016, the City had total governmental bonded debt of \$50.2 million. Of this amount, \$20.4 million is for school purposes, \$23 million is for public safety purposes, \$2.7 is for the stadium reconstruction, \$2.9 million is related to land acquisition costs and \$1.1 is for various other governmental purposes.

The water & sewer enterprise fund has \$32.9 million in long-term debt that is supported by the water and sewer rates.

Currently the City has \$37.1 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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 47,984,289	\$ 12,712,844	\$ 60,697,133
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	211,208	-	211,208
Tax liens.....	4,463,294	-	4,463,294
Motor vehicle and other excise taxes.....	1,243,182	-	1,243,182
User fees.....	-	6,848,247	6,848,247
Departmental and other.....	1,108,958	-	1,108,958
Intergovernmental.....	790,500	12,701,282	13,491,782
Tax foreclosures.....	107,693	-	107,693
Working capital deposit.....	2,690,400	-	2,690,400
Other assets.....	75,000	-	75,000
Total Current Assets.....	<u>58,674,524</u>	<u>32,262,373</u>	<u>90,936,897</u>
NONCURRENT:			
Capital assets, not being depreciated.....	11,035,425	-	11,035,425
Capital assets, net of accumulated depreciation.....	<u>183,561,425</u>	<u>61,717,125</u>	<u>245,278,550</u>
Total Noncurrent Assets.....	<u>194,596,850</u>	<u>61,717,125</u>	<u>256,313,975</u>
TOTAL ASSETS.....	<u>253,271,374</u>	<u>93,979,498</u>	<u>347,250,872</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding.....	2,515,537	-	2,515,537
Deferred outflows of resources related to pensions.....	<u>21,806,708</u>	<u>734,921</u>	<u>22,541,629</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>24,322,245</u>	<u>734,921</u>	<u>25,057,166</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	5,179,488	5,661,868	10,841,356
Accrued liabilities.....	933,403	-	933,403
Accrued payroll.....	189,502	-	189,502
Health claims payable.....	1,213,244	-	1,213,244
Tax refunds payable.....	331,889	-	331,889
Accrued interest.....	645,027	287,157	932,184
Other liabilities.....	-	1,000	1,000
Capital lease obligations.....	72,224	-	72,224
Compensated absences.....	1,127,000	31,000	1,158,000
Workers' compensation.....	594,000	21,000	615,000
Notes payable.....	19,843,118	27,850,000	47,693,118
Bonds payable.....	<u>3,050,401</u>	<u>1,616,896</u>	<u>4,667,297</u>
Total Current Liabilities.....	<u>33,179,296</u>	<u>35,468,921</u>	<u>68,648,217</u>
NONCURRENT:			
Compensated absences.....	2,484,000	30,000	2,514,000
Workers' compensation.....	2,493,000	42,000	2,535,000
Other postemployment benefits.....	79,025,000	1,068,000	80,093,000
Net pension liability.....	95,864,444	3,230,786	99,095,230
Bonds payable.....	<u>49,848,495</u>	<u>31,284,139</u>	<u>81,132,634</u>
Total Noncurrent Liabilities.....	<u>229,714,939</u>	<u>35,654,925</u>	<u>265,369,864</u>
TOTAL LIABILITIES.....	<u>262,894,235</u>	<u>71,123,846</u>	<u>334,018,081</u>
NET POSITION			
Net investment in capital assets.....	131,609,885	14,989,438	146,599,323
Restricted for:			
Debt service.....	426,483	-	426,483
Gifts and grants.....	3,470,108	-	3,470,108
Unrestricted.....	<u>(120,807,092)</u>	<u>8,601,135</u>	<u>(112,205,957)</u>
TOTAL NET POSITION.....	<u>\$ 14,699,384</u>	<u>\$ 23,590,573</u>	<u>\$ 38,289,957</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 15,303,774	\$ 2,881,437	\$ 998,384	\$ -	\$ (11,423,953)
Public safety.....	37,684,056	1,432,731	390,740	-	(35,860,585)
Education.....	130,866,169	1,430,759	83,115,134	3,886,257	(42,434,019)
Public works.....	9,438,057	192,205	511,316	779,467	(7,955,069)
Human services.....	3,761,556	351,838	1,230,254	-	(2,179,464)
Culture and recreation.....	1,991,367	247,340	100,765	-	(1,643,262)
Interest.....	2,220,766	-	-	-	(2,220,766)
Total Governmental Activities.....	<u>201,265,745</u>	<u>6,536,310</u>	<u>86,346,593</u>	<u>4,665,724</u>	(103,717,118)
<i>Business-Type Activities:</i>					
Water & Sewer.....	<u>19,100,397</u>	<u>25,386,189</u>	<u>-</u>	<u>192,329</u>	6,478,121
Total Primary Government.....	<u>\$ 220,366,142</u>	<u>\$ 31,922,499</u>	<u>\$ 86,346,593</u>	<u>\$ 4,858,053</u>	\$ (97,238,997)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (103,717,118)	\$ 6,478,121	\$ (97,238,997)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	74,090,958	-	74,090,958
Tax liens.....	2,642,165	-	2,642,165
Motor vehicle excise taxes.....	5,479,414	-	5,479,414
Hotel/motel and meals tax.....	2,354,584	-	2,354,584
Penalties and interest on taxes.....	771,965	-	771,965
Payments in lieu of taxes.....	236,873	-	236,873
Grants and contributions not restricted to specific programs.....	10,474,377	-	10,474,377
Unrestricted investment income.....	363,407	17,490	380,897
<i>Transfers, net</i>	2,844,191	(2,844,191)	-
Total general revenues and transfers.....	99,257,934	(2,826,701)	96,431,233
Change in net position.....	(4,459,184)	3,651,420	(807,764)
<i>Net Position:</i>			
Beginning of year.....	19,158,568	19,939,153	39,097,721
End of year.....	\$ <u>14,699,384</u>	\$ <u>23,590,573</u>	\$ <u>38,289,957</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2016

	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 26,946,476	\$ 5,316,265	\$ 11,480,329	\$ 43,743,070
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	211,208	-	-	211,208
Tax liens.....	4,463,294	-	-	4,463,294
Motor vehicle and other excise taxes.....	1,243,182	-	-	1,243,182
Departmental and other.....	960,674	-	-	960,674
Intergovernmental.....	381,071	62,507	346,922	790,500
Tax foreclosures.....	107,693	-	-	107,693
Due from other funds.....	2,336,562	-	-	2,336,562
Other assets.....	75,000	-	-	75,000
TOTAL ASSETS.....	\$ 36,725,160	\$ 5,378,772	\$ 11,827,251	\$ 53,931,183
LIABILITIES				
Warrants payable.....	\$ 2,046,676	\$ 754,400	\$ 1,183,861	\$ 3,984,937
Accrued liabilities.....	933,403	-	-	933,403
Accrued payroll.....	139,138	-	50,364	189,502
Tax refunds payable.....	331,889	-	-	331,889
Due to other funds.....	-	-	2,336,562	2,336,562
Notes payable.....	-	19,843,118	-	19,843,118
TOTAL LIABILITIES.....	3,451,106	20,597,518	3,570,787	27,619,411
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues.....	6,181,484	-	-	6,181,484
FUND BALANCES				
Restricted.....	-	-	12,095,952	12,095,952
Assigned.....	10,238,205	-	-	10,238,205
Unassigned.....	16,854,365	(15,218,746)	(3,839,488)	(2,203,869)
TOTAL FUND BALANCES.....	27,092,570	(15,218,746)	8,256,464	20,130,288
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 36,725,160	\$ 5,378,772	\$ 11,827,251	\$ 53,931,183

See notes to basic financial statements.

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

JUNE 30, 2016

Total governmental fund balances.....		\$ 20,130,288
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		194,596,850
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		6,181,484
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.....		21,806,708
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.....		4,672,108
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(645,027)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(52,898,896)	
Other postemployment benefits liability.....	(79,025,000)	
Capital lease obligations.....	(72,224)	
Net pension liability.....	(95,864,444)	
Compensated absences.....	(3,611,000)	
Workers' compensation.....	<u>(3,087,000)</u>	
Net effect of reporting long-term liabilities.....		(234,558,564)
Deferred outflows due to deferred losses on debt refundings.....		<u>2,515,537</u>
Net position of governmental activities.....		<u>\$ 14,699,384</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2016

	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 74,122,267	\$ -	\$ -	\$ 74,122,267
Tax liens.....	2,672,391	-	-	2,672,391
Motor vehicle excise taxes.....	5,375,745	-	-	5,375,745
Hotel/motel and meals tax.....	2,354,584	-	-	2,354,584
Charges for services.....	1,408,744	-	815,717	2,224,461
Penalties and interest on taxes.....	597,950	-	-	597,950
Payments in lieu of taxes.....	236,873	-	-	236,873
Licenses and permits.....	1,382,497	-	-	1,382,497
Fines and forfeitures.....	1,285,992	-	-	1,285,992
Intergovernmental.....	78,183,936	3,838,027	17,068,817	99,090,780
Departmental and other.....	-	-	3,313,010	3,313,010
Contributions.....	-	-	772,300	772,300
Investment income.....	106,960	-	251,625	358,585
TOTAL REVENUES.....	167,727,939	3,838,027	22,221,469	193,787,435
EXPENDITURES:				
Current:				
General government.....	7,458,073	-	1,870,959	9,329,032
Public safety.....	20,016,504	-	926,411	20,942,915
Education.....	74,989,589	6,117,294	16,470,970	97,577,853
Public works.....	7,445,204	-	2,775,636	10,220,840
Human services.....	2,092,167	-	508,510	2,600,677
Culture and recreation.....	1,057,836	2,363,624	276,855	3,698,315
Pension benefits.....	23,227,185	-	-	23,227,185
Employee benefits.....	19,141,043	-	-	19,141,043
State and county charges.....	8,368,133	-	-	8,368,133
Debt service:				
Principal.....	2,713,343	-	-	2,713,343
Interest.....	2,313,329	-	-	2,313,329
TOTAL EXPENDITURES.....	168,822,406	8,480,918	22,829,341	200,132,665
EXCESS (DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES.....	(1,094,467)	(4,642,891)	(607,872)	(6,345,230)
OTHER FINANCING SOURCES (USES):				
Issuance of refunding bonds.....	19,250,000	-	-	19,250,000
Premium from issuance of refunding bonds.....	1,730,537	-	-	1,730,537
Payments to refunded bond escrow agent.....	(20,980,537)	-	-	(20,980,537)
Transfers in.....	4,937,373	-	541,582	5,478,955
Transfers out.....	(1,989,118)	-	(645,646)	(2,634,764)
TOTAL OTHER FINANCING SOURCES (USES).....	2,948,255	-	(104,064)	2,844,191
NET CHANGE IN FUND BALANCES.....	1,853,788	(4,642,891)	(711,936)	(3,501,039)
FUND BALANCES AT BEGINNING OF YEAR.....	25,238,782	(10,575,855)	8,968,400	23,631,327
FUND BALANCES AT END OF YEAR.....	\$ 27,092,570	\$ (15,218,746)	\$ 8,256,464	\$ 20,130,288

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, 2016

Net change in fund balances - total governmental funds.....	\$	(3,501,039)
<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.....	12,667,312	
Depreciation expense.....	<u>(8,737,578)</u>	
Net effect of reporting capital assets.....		3,929,734
<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>		
		170,113
<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 refunding bonds.....	(19,250,000)	
Premium from issuance of refunding.....	(1,730,537)	
Principal payments on capital leases.....	338,632	
Payments to refunded bond escrow agent.....	20,980,537	
Amortization of bond premiums.....	176,199	
Debt service principal payments.....	<u>2,713,343</u>	
Net effect of reporting long-term debt.....		3,228,174
<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.....	558,000	
Net change in workers' compensation accrual.....	2,862,000	
Net change in other postemployment benefits accrual.....	(8,452,000)	
Net change in accrued interest on long-term debt.....	(83,636)	
Net change in net pension liability.....	(25,589,550)	
Net change in deferred outflows/(inflows) related to pensions.....	<u>21,589,245</u>	
Net effect of recording long-term liabilities.....		(9,115,941)
<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>829,775</u>
Change in net position of governmental activities.....	\$	<u><u>(4,459,184)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2016

	Water & Sewer Enterprise	Internal Service Fund Health Insurance
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 12,712,844	\$ 4,241,219
Receivables, net of allowance for uncollectibles:		
User fees.....	6,848,247	-
Departmental and other.....	-	148,284
Intergovernmental.....	12,701,282	-
Working capital deposit.....	-	2,690,400
Total current assets.....	<u>32,262,373</u>	<u>7,079,903</u>
NONCURRENT:		
Capital assets, net of accumulated depreciation.....	<u>61,717,125</u>	<u>-</u>
TOTAL ASSETS.....	<u>93,979,498</u>	<u>7,079,903</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions.....	<u>734,921</u>	<u>-</u>
LIABILITIES		
CURRENT:		
Warrants payable.....	5,661,868	1,194,551
Health claims payable.....	-	1,213,244
Accrued interest.....	287,157	-
Other liabilities.....	1,000	-
Compensated absences.....	31,000	-
Workers' compensation.....	21,000	-
Notes payable.....	27,850,000	-
Bonds payable.....	<u>1,616,896</u>	<u>-</u>
Total current liabilities.....	<u>35,468,921</u>	<u>2,407,795</u>
NONCURRENT:		
Compensated absences.....	30,000	-
Other postemployment benefits.....	1,068,000	-
Workers' compensation.....	42,000	-
Net pension liability.....	3,230,786	-
Bonds payable.....	<u>31,284,139</u>	<u>-</u>
Total noncurrent liabilities.....	<u>35,654,925</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>71,123,846</u>	<u>2,407,795</u>
NET POSITION		
Net investment in capital assets.....	14,989,438	-
Unrestricted.....	<u>8,601,135</u>	<u>4,672,108</u>
TOTAL NET POSITION.....	<u>\$ 23,590,573</u>	<u>\$ 4,672,108</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2016

	Water & Sewer Enterprise	Internal Service Fund Health Insurance
OPERATING REVENUES:		
Employer and employee contributions.....	\$ -	\$ 23,101,759
Charges for services.....	25,386,189	-
TOTAL OPERATING REVENUES	25,386,189	23,101,759
OPERATING EXPENSES:		
Water expenses	5,425,952	-
Sewer expenses.....	11,363,038	-
Depreciation.....	1,751,549	-
Employee benefits	-	22,276,806
TOTAL OPERATING EXPENSES	18,540,539	22,276,806
OPERATING INCOME (LOSS).....	6,845,650	824,953
NONOPERATING REVENUES (EXPENSES):		
Investment income.....	17,490	4,822
Interest expense.....	(559,858)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(542,368)	4,822
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....	6,303,282	829,775
TRANSFERS:		
Transfers in.....	1,818,182	-
Transfers out.....	(4,662,373)	-
TOTAL TRANSFERS.....	(2,844,191)	-
CAPITAL CONTRIBUTIONS.....	192,329	-
CHANGE IN NET POSITION.....	3,651,420	829,775
NET POSITION AT BEGINNING OF YEAR.....	19,939,153	3,842,333
NET POSITION AT END OF YEAR.....	\$ 23,590,573	\$ 4,672,108

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2016

	Water & Sewer Enterprise	Internal Service Fund Health Insurance
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 25,317,236	\$ 23,440,822
Payments to vendors.....	(15,535,327)	(22,677,444)
Payments to employees.....	(889,402)	-
NET CASH FROM OPERATING ACTIVITIES.....	8,892,507	763,378
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers in.....	1,818,182	-
Transfers out.....	(4,662,373)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(2,844,191)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of bonds and notes.....	27,293,224	-
Intergovernmental capital contributions.....	192,329	-
Acquisition and construction of capital assets.....	(17,085,350)	-
Principal payments on bonds and notes.....	(13,120,651)	-
Interest expense.....	(497,531)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,217,979)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Investment income.....	17,490	4,822
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	2,847,827	768,200
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	9,865,017	3,473,019
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 12,712,844	\$ 4,241,219
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ 6,845,650	\$ 824,953
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation.....	1,751,549	-
Deferred (outflows)/inflows related to pensions.....	(724,706)	-
Changes in assets and liabilities:		
User fees.....	(68,953)	-
Departmental and other.....	-	339,063
Working capital deposit.....	-	(200)
Warrants payable.....	1,166,393	(326,503)
Health claims payable.....	-	(73,935)
Accrued compensated absences.....	(8,000)	-
Workers' compensation.....	(113,000)	-
Net pension liability.....	(70,426)	-
Other postemployment benefits.....	114,000	-
Total adjustments.....	2,046,857	(61,575)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 8,892,507	\$ 763,378
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>		
Purchase of equipment on account.....	\$ 1,388,726	-
Intergovernmental receivable and notes payable from MCWT.....	(12,701,282)	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	Pension Trust Fund (as of December 31, 2015)	Private Purpose Trust Funds	Agency Funds
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 2,731,827	\$ 75,552	\$ 261,282
Investments:			
Pension Reserve Investment Trust.....	124,027,952	-	-
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	3,620,056	-	-
TOTAL ASSETS.....	130,379,835	75,552	261,282
LIABILITIES			
Liabilities due depositors.....	-	-	186,282
Other liabilities.....	-	-	75,000
TOTAL LIABILITIES.....	-	-	261,282
NET POSITION			
Restricted for pension benefits.....	130,379,835	-	-
Held in trust for other purposes.....	-	75,552	-
TOTAL NET POSITION.....	\$ 130,379,835	\$ 75,552	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2016

	Pension Trust Fund (as of December 31, 2015)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer.....	\$ 11,212,968	\$ -
Employee.....	3,419,836	-
Private donations.....	-	41,398
Total contributions.....	14,632,804	41,398
Net investment income (loss):		
Net change in fair value of investments.....	(1,830,688)	-
Interest and dividends.....	3,281,331	74
Total investment income (loss).....	1,450,643	74
Less: investment expense.....	(645,432)	-
Net investment income.....	805,211	74
Intergovernmental.....	316,798	-
Transfers from other systems.....	161,794	-
TOTAL ADDITIONS.....	15,916,607	41,472
DEDUCTIONS:		
Administration.....	233,905	-
Refunds to plan members.....	43,744	-
Transfers to other systems.....	452,838	-
Retirement benefits and refunds.....	14,687,007	-
Educational scholarships.....	-	2,500
TOTAL DEDUCTIONS.....	15,417,494	2,500
CHANGE IN NET POSITION.....	499,113	38,972
NET POSITION AT BEGINNING OF YEAR.....	129,880,722	36,580
NET POSITION AT END OF YEAR.....	\$ 130,379,835	\$ 75,552

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 2016 assessment was \$1,520,027. 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, Massachusetts 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. Fair Value Measurements

The City reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the City's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st 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.

G. Inventories

Government-Wide and Fund Financial Statements

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

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, 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.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 and debt refundings 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 did not have any elements that qualify for reporting 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.

J. 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.

K. 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.

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

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

Net position has been “restricted for” the following:

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance components may be segregated into the following classifications:

“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. The City does not currently have any nonspendable portions of fund balance.

“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. The City does not currently have any committed portions of fund balance.

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

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

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

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

N. 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.

O. 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.

P. 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.

Q. 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.

R. Individual Fund Deficits

There are fund deficits within the Chapter 90 Highway fund (\$270,630), the Strategic Planning fund (\$223,687), the Tornado Damage fund (\$1,106,377), the Garfield Magnet School capital project fund (\$396,549) and the Harry Della Russo Stadium capital project fund (\$1,842,245). These deficits will be funded through future grants, bond proceeds, and available fund balances.

S. 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, 2016, had a balance of \$10,360,524. MMDT maintains a cash portfolio and a short-term bond portfolio. The cash portfolio had a weighted average maturity of 51 days and a short term bond portfolio had a weighted average maturity of 2.7 years. Credit ratings associated with the short term bond portfolio ranged from BBB to AAA. Approximately 67% of the total was rated AAA, approximately 16% of the total was rated A/AA and approximately 17% was rated BBB.

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 0.14 to 24.23 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 \$50,673,443 and the bank balance totaled \$57,721,052. Of the bank balance, \$1,009,103 was covered by Federal Depository Insurance, \$56,561,902 was collateralized and \$150,047 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2015, carrying amount of deposits for the System totaled \$2,731,827 and the bank balance totaled \$2,828,903. All of the bank balance of the System was covered by the Federal Depository Insurance.

Investments

As of December 31, 2015, the System had \$124,027,952 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, 2015, 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.

Fair Value Measurement

The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City chooses a narrative format for the fair value disclosure.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2016, the City had a balance in the MMDT cash portfolio of \$10,360,524.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

Retirement System

The retiree pension defined benefit plan holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the plan's activities, the plan shows greater disaggregation in its disclosures.

At December 31, 2015, the System's recurring fair value measurements for its investment in PRIT was \$124,027,952.

PRIT investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 3 – RECEIVABLES

At June 30, 2016, receivables for the individual major and nonmajor governmental funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 749,461	\$ (538,253)	\$ 211,208
Tax liens.....	4,463,294	-	4,463,294
Motor vehicle and other excise taxes.....	2,947,181	(1,703,999)	1,243,182
Departmental and other.....	1,937,948	(828,990)	1,108,958
Intergovernmental.....	790,500	-	790,500
 Total	 <u>\$ 10,888,384</u>	 <u>\$ (3,071,242)</u>	 <u>\$ 7,817,142</u>

At June 30, 2016, receivables for the water & sewer enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User fees.....	\$ 6,848,247	\$ -	\$ 6,848,247
Intergovernmental.....	12,701,282	-	12,701,282
 Total	 <u>\$ 19,549,529</u>	 <u>\$ -</u>	 <u>\$ 19,549,529</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.....	\$ 30,479	\$ -	\$ 30,479
Tax liens.....	3,913,204	-	3,913,204
Motor vehicle and other excise taxes.....	1,243,182	-	1,243,182
Departmental and other.....	886,926	-	886,926
Tax foreclosures.....	107,693	-	107,693
 Total.....	 <u>\$ 6,181,484</u>	 <u>\$ -</u>	 <u>\$ 6,181,484</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 8,275,252	\$ -	\$ -	\$ 8,275,252
Construction in progress.....	37,726,435	2,760,173	(37,726,435)	2,760,173
Total capital assets, not being depreciated.....	<u>46,001,687</u>	<u>2,760,173</u>	<u>(37,726,435)</u>	<u>11,035,425</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	216,604,950	45,171,738	-	261,776,688
Machinery, equipment and furnishings.....	18,232,293	520,741	-	18,753,034
Infrastructure.....	22,720,354	1,941,095	-	24,661,449
Total capital assets being depreciated.....	<u>257,557,597</u>	<u>47,633,574</u>	<u>-</u>	<u>305,191,171</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(90,296,384)	(6,643,785)	-	(96,940,169)
Machinery, equipment and furnishings.....	(12,818,092)	(1,305,533)	-	(14,123,625)
Infrastructure.....	(9,777,692)	(788,260)	-	(10,565,952)
Total accumulated depreciation.....	<u>(112,892,168)</u>	<u>(8,737,578)</u>	<u>-</u>	<u>(121,629,746)</u>
Total capital assets being depreciated, net.....	<u>144,665,429</u>	<u>38,895,996</u>	<u>-</u>	<u>183,561,425</u>
Total governmental activities capital assets, net.....	<u>\$ 190,667,116</u>	<u>\$ 41,656,169</u>	<u>\$ (37,726,435)</u>	<u>\$ 194,596,850</u>
Enterprise Activities:				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 192,659	\$ -	\$ -	\$ 192,659
Machinery, equipment and furnishings.....	4,985,683	-	-	4,985,683
Infrastructure.....	59,079,251	18,474,076	-	77,553,327
Total capital assets being depreciated.....	<u>64,257,593</u>	<u>18,474,076</u>	<u>-</u>	<u>82,731,669</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(158,008)	(3,433)	-	(161,441)
Machinery, equipment and furnishings.....	(4,715,900)	(53,723)	-	(4,769,623)
Infrastructure.....	(14,389,087)	(1,694,393)	-	(16,083,480)
Total accumulated depreciation.....	<u>(19,262,995)</u>	<u>(1,751,549)</u>	<u>-</u>	<u>(21,014,544)</u>
Total enterprise activities capital assets, net.....	<u>\$ 44,994,598</u>	<u>\$ 16,722,527</u>	<u>\$ -</u>	<u>\$ 61,717,125</u>

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

Governmental Activities:	
General government.....	\$ 433,909
Public safety.....	1,429,471
Education.....	6,047,012
Public works.....	766,946
Human services.....	48,800
Culture and recreation.....	<u>11,440</u>
Total depreciation expense - governmental activities.....	<u>\$ 8,737,578</u>
Business-Type Activities:	
Water & sewer.....	<u>\$ 1,751,549</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2016, are internal short-term advances for cash flow purposes and are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Strategic Planning Fund.....	\$ 223,687
General Fund	Highway Improvements Fund.....	270,630
General Fund	Harry Della Russo Stadium Fund.....	<u>1,842,245</u>
		<u>\$ 2,336,562</u>

The repayment of the advances will be completed in 2017 with federal and state grants and other available funding.

Interfund transfers for the year ended June 30, 2016, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>			<u>Total</u>	
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water & Sewer Enterprise Fund</u>		
General Fund.....	\$ -	\$ 170,936	\$ 1,818,182	\$ 1,989,118	(1)
Nonmajor Governmental Funds.....	275,000	370,646	-	645,646	(2)
Water & Sewer Enterprise Fund.....	<u>4,662,373</u>	<u>-</u>	<u>-</u>	<u>4,662,373</u>	(3)
Total.....	<u>\$ 4,937,373</u>	<u>\$ 541,582</u>	<u>\$ 1,818,182</u>	<u>\$ 7,297,137</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 school property damage related insurance recoveries.
- (2) Budgeted transfer of \$175,000 from the Public Safety Facility Fund and \$100,000 to offset debt service in the general fund. Transfers from the Community Improvement Trust Fund to other nonmajor governmental funds for various projects.
- (3) Budgeted transfer from the Water & Sewer Enterprise Fund for indirect costs incurred.

NOTE 6 – CAPITAL LEASES

The City has entered into a lease agreement to finance the acquisition of recycling bins 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>(1,194,667)</u>
Total.....	<u>\$ 148,300</u>

The future minimum lease obligations and the net present value of the minimum lease payments at June 30, 2016, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017.....	\$ 73,728
Less: amounts representing interest.....	<u>(1,504)</u>
Present value of minimum lease payments.....	<u>\$ 72,224</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, 2016, the City had the following outstanding short-term debt:

Type	Description	Maturity Date	Rate %	Balance at June 30, 2015	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2016
<i>Governmental Funds</i>							
BAN	Bond Anticipation Note....	4/15/16	1.25	\$ 16,500,000	\$ -	\$ (16,500,000)	\$ -
BAN	Bond Anticipation Note....	4/14/17	2.00	-	19,843,118	-	19,843,118
Total governmental funds.....				<u>16,500,000</u>	<u>19,843,118</u>	<u>(16,500,000)</u>	<u>19,843,118</u>
<i>Water & Sewer Enterprise Fund</i>							
BAN	MWCT Interim Loans.....	12/31/15	2.00	<u>36,650,000</u>	<u>3,000,000</u>	<u>(11,800,000)</u>	<u>27,850,000</u>
Total short-term debt.....				<u>\$ 53,150,000</u>	<u>\$ 22,843,118</u>	<u>\$ (28,300,000)</u>	<u>\$ 47,693,118</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 \$27,850,000 at 2% interest which is equal to market for similar short term notes. 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, 2016, the City had not received reimbursements equal to the June 30, 2016 balance of the temporary loan authorizations. The difference between what has been spent and what is available to draw down is approximately \$12,701,000. This amount has been recorded as an intergovernmental receivable in the Water & Sewer Enterprise Funds.

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, 2016, and the debt service requirements for the governmental activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
General Obligation State Qualified Issue 2004.....	2021	\$ 440,000	4.2	\$ 150,000	\$ -	\$ (25,000)	\$ 125,000
Refunding Issue 1997.....	2017	2,235,772	4.0	402,940	-	(207,800)	195,140
General Obligation State Qualified Issue 2007.....	2026	9,286,000	4.0 - 5.5	980,000	-	(490,000)	490,000
General Obligation State Qualified Issue 2009.....	2039	26,381,000	3.2 - 4.9	21,950,000	-	(19,285,000)	2,665,000
MSBA School Debt 2010.....	2031	5,990,850	2.0	4,792,678	-	(299,543)	4,493,135
General Obligation State Qualified Issue 2010.....	2031	12,686,000	2.0 - 4.0	10,415,000	-	(605,000)	9,810,000
General Obligation State Qualified Issue 2015.....	2035	3,636,000	2.0 - 4.0	3,636,000	-	(166,000)	3,470,000
General Obligation State Qualified Issue 2015.....	2029	9,786,200	2.0 - 4.0	9,786,200	-	(100,000)	9,686,200
General Obligation State Qualified Refunding 2016.....	2039	19,250,000	3.0 - 4.0	-	19,250,000	-	19,250,000
Total Bonds Payable.....				52,112,818	19,250,000	(21,178,343)	50,184,475
Add: Unamortized Premium.....				1,160,083	1,730,537	(176,199)	2,714,421
Total Bonds Payable, net.....				\$ 53,272,901	\$ 20,980,537	\$ (21,354,542)	\$ 52,898,896

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

Year	Principal	Interest	Total
2017.....	\$ 2,784,683	\$ 2,532,295	\$ 5,316,978
2018.....	3,079,543	2,516,549	5,596,092
2019.....	3,149,543	2,407,821	5,557,364
2020.....	3,134,543	1,373,016	4,507,559
2021.....	3,119,543	1,262,790	4,382,333
2022.....	3,119,543	1,150,477	4,270,020
2023.....	3,210,743	1,038,136	4,248,879
2024.....	3,194,543	923,236	4,117,779
2025.....	2,914,543	810,824	3,725,367
2026.....	2,739,543	711,215	3,450,758
2027.....	2,474,543	618,598	3,093,141
2028.....	2,554,543	530,220	3,084,763
2029.....	2,424,543	439,705	2,864,248
2030.....	1,834,543	366,601	2,201,144
2031.....	1,484,533	308,950	1,793,483
2032.....	1,105,000	268,118	1,373,118
2033.....	1,135,000	234,425	1,369,425
2034.....	1,165,000	199,819	1,364,819
2035.....	1,210,000	164,175	1,374,175
2036.....	1,040,000	130,500	1,170,500
2037.....	1,065,000	99,300	1,164,300
2038.....	1,110,000	67,350	1,177,350
2039.....	1,135,000	34,050	1,169,050
Total.....	\$ 50,184,475	\$ 18,188,170	\$ 68,372,645

In order to take advantage of favorable interest rates, the City issued \$19,250,000 of general obligation refunding bonds on April 20, 2016 to advance refund \$18,465,000 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 23 years by \$3,513,452 and resulted in an economic gain of \$2,685,895. At June 30, 2016, \$18,465,000 of bonds outstanding from the advance refunding is considered defeased.

In prior years, the City defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2016, \$490,000 of defeased bonds remain outstanding.

Details related to the City's outstanding general obligation indebtedness as of June 30, 2016, 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, 2015	Issued	Redeemed	Outstanding at June 30, 2016
General Obligation State Qualified Issue 2007.....	2025	\$ 1,500,000	4.1	\$ 160,000	\$ -	\$ (80,000)	\$ 80,000
Refunded Debt Water 2005.....	2017	959,228	3.9	117,060	-	(62,200)	54,860
MWRA Sewer 2010.....	2016	398,035	0.0	79,607	-	(79,607)	-
MCWT Water 2007.....	2018	480,000	2.0	154,437	-	(50,453)	103,984
MCWT Water 2010.....	2031	575,000	2.0	477,629	-	(25,585)	452,044
MCWT Water 2012.....	2043	5,883,727	2.0	5,593,324	-	(150,646)	5,442,678
MWRA Water 2013.....	2023	2,500,000	0.0	2,000,000	-	(250,000)	1,750,000
MCWT Water 2013.....	2033	5,007,999	2.0	4,598,439	-	(211,480)	4,386,959
MWRA Water 2015.....	2025	1,850,000	0.0	1,850,000	-	(185,000)	1,665,000
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	-	(225,680)	8,795,807
MCWT Water 2016.....	2046	9,485,903	2.0 - 2.4	-	9,485,903	-	9,485,903
Total.....				\$ 24,735,783	\$ 9,485,903	\$ (1,320,651)	\$ 32,901,035

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

Year	Principal	Interest	Total
2017.....	\$ 1,616,896	\$ 662,746	\$ 2,279,642
2018.....	1,586,557	649,098	2,235,655
2019.....	1,558,087	623,851	2,181,938
2020.....	1,582,699	598,603	2,181,302
2021.....	1,607,894	572,408	2,180,302
2022.....	1,633,691	545,257	2,178,948
2023.....	1,653,900	517,659	2,171,559
2024.....	1,427,138	489,683	1,916,821
2025.....	1,454,820	461,179	1,915,999
2026.....	1,298,160	432,068	1,730,228
2027.....	1,002,465	403,726	1,406,191
2028.....	1,026,635	381,240	1,407,875
2029.....	1,051,389	357,938	1,409,327
2030.....	1,076,748	334,613	1,411,361
2031.....	1,102,721	310,451	1,413,172
2032.....	1,094,090	286,050	1,380,140
2033.....	1,120,628	261,408	1,382,036
2034.....	799,807	236,529	1,036,336
2035.....	820,093	217,634	1,037,727
2036.....	761,687	198,264	959,951
2037.....	781,297	179,982	961,279
2038.....	801,411	161,232	962,643
2039.....	822,044	141,997	964,041
2040.....	843,208	122,268	965,476
2041.....	864,915	102,029	966,944
2042.....	887,185	81,272	968,457
2043.....	910,025	59,978	970,003
2044.....	678,692	41,156	719,848
2045.....	696,221	24,868	721,089
2046.....	339,932	8,158	348,090
Total.....	\$ <u>32,901,035</u>	\$ <u>9,463,345</u>	\$ <u>42,364,380</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, 2016, the City had the following authorized and unissued debt:

Purpose	Amount
Stormwater and Wastewater.....	\$ 644,289
Beachmont (additional school).....	200,000
Winthrop Ave Emergency Funding.....	108,594
Land Acquisition.....	1,100,000
Garfield School.....	7,985,315
Lincoln School Air Conditioning.....	70,000
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
Department of Public Works Design Services.....	100,000
Drinking Water Construction Project # 3833.....	2,542,257
Clean Water Construction Project # 3518.....	852,564
Clean Water Construction Project # 3832.....	910,651
Clean Water Construction Project # 3910.....	1,253,695
Clean Water Construction Project # 3955.....	250,000
Clean Water Construction Project # 3958.....	13,450,000
Clean Water Construction Project # 3959.....	2,900,000
Total.....	\$ <u>37,054,561</u>

Changes in Long-term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Current Portion
Governmental Activities:							
Bonds payable.....	\$ 52,112,818	\$ 19,250,000	\$ (21,178,343)	\$ -	\$ -	\$ 50,184,475	\$ 2,784,683
Add: Unamortized premium.....	1,160,083	1,730,537	(176,199)	-	-	2,714,421	265,718
Total Bonds Payable.....	53,272,901	20,980,537	(21,354,542)	-	-	52,898,896	3,050,401
Capital lease obligations.....	410,856	-	-	-	(338,632)	72,224	72,224
Workers' compensation.....	5,949,000	-	-	154,000	(3,016,000)	3,087,000	594,000
Compensated absences.....	4,169,000	-	-	1,047,000	(1,605,000)	3,611,000	1,127,000
Other postemployment benefits.....	70,573,000	-	-	16,016,000	(7,564,000)	79,025,000	-
Net pension liability.....	70,274,894	-	-	35,740,103	(10,150,553)	95,864,444	-
Total governmental activity long-term liabilities.....	<u>\$ 204,649,651</u>	<u>\$ 20,980,537</u>	<u>\$ (21,354,542)</u>	<u>\$ 52,957,103</u>	<u>\$ (22,674,185)</u>	<u>\$ 234,558,564</u>	<u>\$ 4,843,625</u>
Business-Type Activities:							
Bonds payable.....	\$ 24,735,783	\$ 9,485,903	\$ (1,320,651)	\$ -	\$ -	\$ 32,901,035	\$ 1,616,896
Compensated absences.....	69,000	-	-	22,000	(30,000)	61,000	31,000
Workers' compensation.....	176,000	-	-	-	(113,000)	63,000	21,000
Other postemployment benefits.....	954,000	-	-	216,000	(102,000)	1,068,000	-
Net pension liability.....	3,301,212	-	-	271,664	(342,090)	3,230,786	-
Total business type activity long-term liabilities.....	<u>\$ 29,235,995</u>	<u>\$ 9,485,903</u>	<u>\$ (1,320,651)</u>	<u>\$ 509,664</u>	<u>\$ (587,090)</u>	<u>\$ 37,323,821</u>	<u>\$ 1,668,896</u>

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. The City does not maintain any funds or items that are required to be reported as committed.
- 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, 2016, 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>
FUND BALANCES				
Restricted for:				
City revolving funds.....	\$ -	\$ -	\$ 1,507,700	\$ 1,507,700
City grant funds.....	-	-	2,916,209	2,916,209
Community development grant funds.....	-	-	175,432	175,432
City receipts reserved for appropriation.....	-	-	5,194	5,194
School revolving funds.....	-	-	2,890,215	2,890,215
School grant funds.....	-	-	1,484,844	1,484,844
Other special revenue.....	-	-	-	-
City capital projects.....	-	-	437,608	437,608
School capital projects.....	-	-	2,252,267	2,252,267
Debt service fund.....	-	-	426,483	426,483
Assigned to:				
General government.....	386,701	-	-	386,701
Public safety.....	125,990	-	-	125,990
Education.....	9,212,144	-	-	9,212,144
Public works.....	478,555	-	-	478,555
Human services.....	1,691	-	-	1,691
Culture and recreation.....	33,124	-	-	33,124
Unassigned.....	<u>16,854,365</u>	<u>(15,218,746)</u>	<u>(3,839,488)</u>	<u>(2,203,869)</u>
TOTAL FUND BALANCES.....	\$ <u>27,092,570</u>	\$ <u>(15,218,746)</u>	\$ <u>8,256,464</u>	\$ <u>20,130,288</u>

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, 2016, \$5,766,592 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 received a transfer in of \$72,000 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.

The City estimates its’ Incurred But Not Reported (IBNR) health claims based on historical and current claim payment analysis. The City purchases individual stop loss insurance for claims in excess of the \$150,000 coverage provided by the City. At June 30, 2016, the amount of the liability for health insurance claims totaled \$1,213,244. The workers compensation IBNR is estimated by a case-by-case analysis and all long-term payments are discounted at a 5% rate. Non-incremental claims adjustment expenses are not considered significant and are not included in the calculation of the liabilities.

Changes in the reported health insurance and workers compensation liability since July 1, 2014, are as follows:

Health Insurance

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2015.....	\$ 1,224,137	\$ 23,341,506	\$ (23,278,464)	\$ 1,287,179
2016.....	1,287,179	22,202,871	(22,276,806)	1,213,244

Workers Compensation

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2015.....	\$ 3,082,000	\$ 3,329,000	\$ (462,000)	\$ 5,949,000
2016.....	5,949,000	(2,563,000)	(299,000)	3,087,000

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, 2015. The City’s portion of the collective pension expense, contributed by the Commonwealth, of \$12,734,542 is reported in the general fund as intergovernmental revenue and pension expenditures in the current year. The portion of the Commonwealth’s collective net pension liability associated with the City is \$157,005,486 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. No benefits terms have changed from the previous measurement date.

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, 2015.

At December 31, 2015, the RCRS membership consists of the following:

Active members.....	574
Inactive members.....	62
Retirees and beneficiaries currently receiving benefits.....	<u>507</u>
Total.....	<u><u>1,143</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, 2015, was an actuarially determined amount of \$11,212,968. 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 34.24% of covered payroll, actuarially determined as an amount that, The City’s proportionate share of the required contribution was \$10,492,643 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2016, were as follows:

Total pension liability.....	\$ 236,278,000
The pension plan's fiduciary net position.....	<u>(130,379,835)</u>
The net pension liability.....	<u>\$ 105,898,165</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	55%

At June 30, 2016, the City reported a liability of \$99,095,230 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. 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, 2015, the City’s proportion was 93.58%, which increased 0.65% from its proportion measured at December 31, 2014.

Additional information regarding changes in the net pension liability can be found in the Required Supplementary Information section of these financial statements.

Pension Expense

For the year ended June 30, 2016, the City recognized pension expense of \$13,697,816. At June 30, 2016, the City reported deferred outflows of resources related to pensions of \$22,541,629, of which \$6,762,735 is from the net difference between projected and actual investment earnings on pension plan investments, \$8,427,451 is from reported differences between expected and actual experience, \$6,926,493 is from a change of assumptions as of December 31, 2015, and \$424,950 is due to a change in proportion among member units.

The balances of deferred outflows and inflows of resources at June 30, 2016, consist of the following:

Deferred category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 8,427,451	\$ -	\$ 8,427,451
Changes of assumptions.....	6,926,493	-	6,926,493
Difference between projected and actual earnings.....	6,762,735	-	6,762,735
Changes in proportionate share of contributions.....	424,950	-	424,950
Total Deferred Outflows/(Inflows) of Resources.....	\$ 22,541,629	\$ -	\$ 22,541,629

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

Year ended June 30:

2017.....	\$ 5,750,076
2018.....	5,750,076
2019.....	5,750,076
2020.....	5,291,328
Total.....	\$ 22,541,557

Actuarial Assumptions

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2015:

Valuation date.....	January 1, 2015. Actuarial liabilities were rolled forward to the December 31, 2015 measurement date.
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Total payments increase 5% per year until FY 2031, with a final amortization payment in FY 2032
Remaining amortization period.....	16 years from July 1, 2016
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.....	Select and ultimate by job group. 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 Employees Table projected generationally with Scale BB and a base year of 2009 (gender distinct).
Post Retirement.....	The RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year of 2009 (gender distinct).
Disabled Retiree.....	The RP-2000 Healthy Annuitant Table projected generationally with Scale BB and a base year of 2012 (gender distinct).
Investment rate of return/Discount rate.....	7.60%, 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, 2015, are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Large Cap Equities.....	14.50%	7.50%
Small/Mid Cap Equities.....	3.50%	7.75%
International Equities (Unhedged).....	16.00%	8.00%
Emerging International Equities.....	6.00%	9.25%
High-Yield Bonds.....	1.50%	5.75%
Bank Loans.....	1.50%	6.00%
20 Year Duration Treasuries.....	0.00%	5.00%
EMD (Local Currency).....	2.00%	6.75%
EMD (External).....	1.00%	6.00%
20 Year Treasury Strips.....	7.00%	4.00%
TIPS.....	3.00%	4.00%
Core Bonds.....	3.00%	3.98%
Private Equity.....	10.00%	9.50%
Private Debt.....	4.00%	8.00%
Real Estate.....	10.00%	6.50%
Hedge Funds.....	9.00%	6.75%
Timber/Natural Resources.....	4.00%	6.75%
Portfolio Completion.....	4.00%	n/a

Rate of return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was .65%. 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 7.60% which changed from the previous year of 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 7.60%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount (7.60%)	1% Increase (8.60%)
The City's proportionate share of the net pension liability.....	\$ <u>126,657,876</u>	\$ <u>99,095,230</u>	\$ <u>81,660,937</u>
The System's total net pension liability.....	\$ <u>135,353,000</u>	\$ <u>105,898,000</u>	\$ <u>87,267,000</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. Retired teachers and their spouses receive coverage through the City’s participation in the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Non-teaching retirees and spouses as well all other active employees receive 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 2015, 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.....	\$ 17,184,000
Interest on existing net OPEB obligation.....	2,861,000
Adjustments to annual required contribution.....	<u>(3,812,000)</u>
Annual OPEB cost (expense).....	16,233,000
Contributions made.....	<u>(7,667,000)</u>
Increase in net OPEB obligation.....	8,566,000
Net OPEB obligation - beginning of year.....	<u>71,527,000</u>
Net OPEB obligation - end of year.....	<u><u>\$ 80,093,000</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 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>
6/30/16	\$	16,233,000	50.2%	\$	80,093,000
6/30/15		15,278,000	49.2%		71,527,000
6/30/14		14,296,000	51.7%		63,764,000

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% 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, 2016, was 25 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 constructing 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 2016 the City has expended approximately \$45.1 million and has received approximately \$26.8 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, 2016.

The City is also operating under the terms of a Consent Decree between the City, the United States 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, 2016, the City has expended approximately \$48.3 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 Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2016.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2016, which is the date the financial statements were available to be issued.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2016, the following GASB pronouncements were implemented:

- GASB Statement #72, *Fair Value Measurement and Application*. Notes to the basic financial statements were changed to provide additional disclosure on fair value measurement.
- GASB 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*. This pronouncement did not impact the basic financial statements.
- GASB Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This pronouncement did not impact the basic financial statements.
- GASB Statement #79, *Certain External Investment Pools and Pool Participants*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- 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 #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.
- The GASB issued Statement #78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*, which is required to be implemented in 2017.
- The GASB issued Statement #81, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018.
- The GASB issued Statement #82, *Pension Issues – an amendment of GASB Statements #67, #68, and #73*, which is required to be implemented in 2018.

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

Required Supplementary Information

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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, 2016

	Budgeted Amounts			Actual Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget				
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 73,934,261	\$ 74,327,261	\$ 73,814,346	\$ -	\$ (512,915)	
Tax liens.....	-	-	2,821,380	-	2,821,380	
Motor vehicle excise taxes.....	5,081,711	5,081,711	5,375,745	-	294,034	
Hotel/motel and meals tax.....	2,255,000	2,255,000	2,354,584	-	99,584	
Charges for services.....	1,419,000	1,419,000	1,408,744	-	(10,256)	
Penalties and interest on taxes.....	425,000	425,000	597,950	-	172,950	
Payments in lieu of taxes.....	207,000	207,000	236,873	-	29,873	
Licenses and permits.....	1,400,000	1,400,000	1,382,497	-	(17,503)	
Fines and forfeitures.....	980,000	980,000	1,285,992	-	305,992	
Intergovernmental.....	65,411,386	65,411,386	65,449,394	-	38,008	
Interest income.....	80,000	80,000	106,960	-	26,960	
TOTAL REVENUES.....	151,193,358	151,586,358	154,834,465	-	3,248,107	
EXPENDITURES:						
Current:						
Appeal Board:						
Salaries.....	11,600	11,600	11,600	-	-	
Office supplies.....	800	800	792	-	8	
Total.....	12,400	12,400	12,392	-	8	
Assessors:						
Salaries.....	290,145	297,370	297,256	-	114	
Computer services/data processing.....	5,275	5,275	4,872	275	128	
Office supplies.....	4,000	4,000	3,447	494	59	
Dues, conferences, etc.....	3,096	3,096	2,754	206	136	
Travel allowance.....	2,700	2,700	2,700	-	-	
Property revaluation.....	105,700	105,700	102,600	-	3,100	
Total.....	410,916	418,141	413,629	975	3,537	
Auditing:						
Salaries.....	269,806	275,606	271,623	-	3,983	
City Hall telephone systems.....	77,500	62,500	48,521	-	13,979	
Office supplies.....	8,742	8,742	3,952	4,772	18	
Insurance.....	863,943	940,943	935,118	5,825	-	
Total.....	1,219,991	1,287,791	1,259,214	10,597	17,980	
Benefits:						
Salaries.....	49,326	49,326	49,251	-	75	
City Clerk:						
Salaries.....	253,198	248,598	242,354	-	6,244	
Contracted services.....	31,869	31,869	26,131	2,230	3,508	
Total.....	285,067	280,467	268,485	2,230	9,752	
City Council:						
Salaries.....	249,387	249,387	248,974	-	413	
Office supplies.....	79,200	79,200	78,480	-	720	
Total.....	328,587	328,587	327,454	-	1,133	
Collector/Treasurer:						
Salaries.....	758,534	730,533	725,188	-	5,345	
Employee group health.....	17,172,725	17,172,725	17,172,725	-	-	
Workers compensation.....	472,145	447,145	427,268	-	19,877	
Unemployment compensation.....	80,000	30,000	30,000	-	-	
Medical benefits.....	120,000	220,000	213,637	-	6,363	
Banking services.....	260,000	290,000	287,070	-	2,930	
Certification of notes/bonds.....	140,000	140,000	115,999	-	24,001	
SRF bond admin fees.....	79,323	79,323	79,323	-	-	
Office supplies.....	83,381	73,381	62,321	1,472	9,588	
Computer operations.....	255,188	240,188	73,500	155,988	10,700	
Tax title.....	308,400	308,400	306,794	1,606	-	
Medicare tax account.....	1,367,592	1,297,592	1,297,413	-	179	
Municipal auditing service.....	76,650	76,650	64,825	11,825	-	
Bonded debt.....	2,598,743	2,813,343	2,713,343	-	100,000	
Bonded debt interest.....	2,303,563	2,308,978	2,313,329	-	(4,351)	
Total.....	26,076,244	26,228,258	25,882,735	170,891	174,632	

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget	Actual Amounts		
Conservation Commission:					
Salaries.....	6,400	6,400	6,400	-	-
Office supplies.....	800	800	800	-	-
Total.....	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>	<u>-</u>
Election:					
Salaries.....	177,789	184,489	184,413	-	76
Administrative personnel.....	81,142	107,544	107,126	-	418
Rentals.....	5,281	10,881	8,883	45	1,953
Data processing.....	43,500	43,000	40,375	2,625	-
Census material.....	13,680	13,680	13,680	-	-
Other supplies.....	2,500	2,500	2,273	-	227
Total.....	<u>323,892</u>	<u>362,094</u>	<u>356,750</u>	<u>2,670</u>	<u>2,674</u>
License Commission:					
Salaries.....	3,200	3,200	3,200	-	-
Office supplies.....	1,000	1,000	1,000	-	-
Total.....	<u>4,200</u>	<u>4,200</u>	<u>4,200</u>	<u>-</u>	<u>-</u>
Management Information System:					
Salaries.....	208,477	207,377	207,219	-	158
Computer operations.....	814,099	814,099	805,910	8,145	44
Supplies.....	3,000	3,000	2,991	-	9
Travel allowance.....	900	900	900	-	-
Total.....	<u>1,026,476</u>	<u>1,025,376</u>	<u>1,017,020</u>	<u>8,145</u>	<u>211</u>
Mayor:					
Salaries.....	397,088	438,728	437,790	-	938
Home care.....	45,000	45,000	45,000	-	-
Consultant negotiator.....	45,000	45,000	45,000	-	-
CitiStat.....	92,000	164,000	44,643	119,357	-
Office supplies.....	17,085	17,085	14,332	1,123	1,630
Massachusetts public employee dental/vision.....	28,000	28,000	21,720	848	5,432
Municipal association.....	37,061	37,061	14,242	12,061	10,758
Total.....	<u>661,234</u>	<u>774,874</u>	<u>622,727</u>	<u>133,389</u>	<u>18,758</u>
Planning & Community Development:					
Salaries.....	261,589	241,289	257,092	-	(15,803)
Design and engineering.....	6,910	6,910	6,910	-	-
Work study program.....	7,500	7,500	4,371	419	2,710
Office supplies.....	3,000	3,000	2,545	240	215
Traffic commission.....	2,500	2,500	2,500	-	-
Total.....	<u>281,499</u>	<u>261,199</u>	<u>273,418</u>	<u>659</u>	<u>(12,878)</u>
Economic Development:					
Salaries.....	102,151	111,721	111,647	-	74
Contract services.....	20,000	20,000	-	20,000	-
Office supplies.....	3,545	3,545	3,328	45	172
Total.....	<u>125,696</u>	<u>135,266</u>	<u>114,975</u>	<u>20,045</u>	<u>246</u>
Engineering:					
Salaries.....	81,057	81,057	81,054	-	3
Other Expenses.....	5,150	5,150	3,970	1,111	69
Total.....	<u>86,207</u>	<u>86,207</u>	<u>85,024</u>	<u>1,111</u>	<u>72</u>
Purchasing:					
Salaries.....	118,404	119,404	119,339	-	65
Postage.....	114,539	126,039	125,959	-	80
Office supplies.....	12,859	12,859	4,228	8,565	66
Total.....	<u>245,802</u>	<u>258,302</u>	<u>249,526</u>	<u>8,565</u>	<u>211</u>

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget	Actual Amounts		
Solicitor:					
Salaries.....	292,172	300,097	299,813	-	284
Outside legal services.....	200,000	381,600	355,623	25,500	477
Software updates.....	6,648	6,648	5,818	121	709
Other expenses, appraisals.....	3,400	2,400	2,298	-	102
Releases.....	25,000	15,000	13,457	1,500	43
Office supplies.....	7,739	7,739	7,279	303	157
Litigation expenses.....	5,000	2,000	-	-	2,000
Total.....	539,959	715,484	684,288	27,424	3,772
Pension and Retirement:					
Pension contribution.....	10,492,643	10,492,643	10,492,643	-	-
Fire:					
Salaries.....	8,526,628	8,602,450	8,602,032	-	418
Emergency medical training.....	6,464	6,464	6,394	44	26
Fire alarm.....	25,000	25,000	12,634	12,182	184
Utilities.....	112,038	100,038	82,811	1,865	15,362
Fire radio and vocal.....	52,987	52,987	45,136	4,640	3,211
Medical.....	60,839	77,839	77,815	-	24
Emergency management.....	20,400	20,400	-	14,880	5,520
EMS supplies.....	5,000	5,000	4,185	-	815
Maintenance and supplies.....	71,024	74,324	70,183	1,721	2,420
Automotive maintenance.....	110,297	110,297	108,839	497	961
Firefighters memorial.....	1,000	1,000	1,000	-	-
Other expenses.....	4,500	4,500	4,484	-	16
Uniform allowance.....	110,200	109,300	109,300	-	-
Personal equipment.....	15,285	15,285	13,553	705	1,027
New equipment/leases.....	45,000	45,000	42,193	2,527	280
Total.....	9,166,662	9,249,884	9,180,559	39,061	30,264
Police:					
Salaries.....	8,922,073	8,999,373	8,999,036	-	337
Medical.....	127,006	167,006	165,519	1,200	287
Maintenance of equipment.....	164,325	234,114	61,908	35,352	136,854
Utilities.....	120,000	120,000	118,384	457	1,159
Radio system.....	36,898	36,898	34,704	1,163	1,031
Animal control.....	15,000	15,000	13,977	-	1,023
Communications.....	45,160	45,160	44,877	196	87
Computer services.....	65,000	90,000	58,397	19,029	12,574
Training expense.....	35,000	35,000	34,425	-	575
Auxiliary police.....	4,500	4,500	4,478	-	22
Weapons and support items.....	41,896	36,896	25,486	10,485	925
Gasoline and oil.....	145,000	67,000	67,000	-	-
Traffic control.....	12,000	12,000	9,007	2,307	686
Automotive maintenance.....	60,259	47,259	41,582	807	4,870
Office supplies.....	16,034	16,034	14,128	34	1,872
Identification.....	6,000	6,000	5,563	75	362
Drug unit.....	5,000	5,000	5,000	-	-
Other services.....	36,163	36,163	32,990	3	3,170
Building maintenance.....	70,100	67,100	65,956	-	1,144
Uniform allowance.....	112,150	110,650	110,625	-	25
Grant writer.....	32,000	32,000	32,000	-	-
Total.....	10,071,564	10,183,153	9,945,042	71,108	167,003
Regional Emergency Communication Center:					
Salaries.....	480,477	506,877	506,720	-	157
Inspectional Services - Building Department:					
Salaries.....	347,325	334,125	333,403	-	722
Training.....	4,475	2,475	1,602	150	723
Telephone.....	2,880	2,880	2,115	-	765
Materials.....	4,463	4,463	3,785	569	109
Travel allowance.....	16,200	14,200	13,680	-	520
Total.....	375,343	358,143	354,585	719	2,839

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget	Actual Amounts		
Inspectional Services - Health:					
Salaries.....	925,808	909,608	908,158	-	1,450
Elderly flu shot program.....	28,332	28,332	13,844	14,488	-
Telephone.....	1,520	1,520	1,262	3	255
Abandoned buildings.....	4,000	4,000	3,480	-	520
Office supplies.....	5,124	5,124	4,289	611	224
Travel allowance.....	25,200	25,200	25,200	-	-
Total.....	989,984	973,784	956,233	15,102	2,449
Inspectional Services - Weights & Measures:					
Salaries.....	73,322	25,522	25,238	-	284
Other expenses.....	822	822	810	-	12
Travel.....	3,600	3,600	1,050	-	2,550
Total.....	77,744	29,944	27,098	-	2,846
Public Works:					
Salaries.....	1,337,335	1,238,172	1,236,729	-	1,443
Clothing allowance.....	18,700	15,400	15,400	-	-
Stipend.....	-	32,083	32,031	-	52
Public building lighting.....	146,558	190,558	178,879	7,912	3,767
Public building heating.....	80,485	62,485	50,273	9,012	3,200
Rubbish collection.....	2,153,207	2,073,207	1,934,122	95,832	43,253
Rubbish disposal.....	1,743,291	1,620,291	1,376,824	112,557	130,910
Street and memorial signs.....	25,000	15,000	8,514	5,098	1,388
Snow removal.....	200,000	200,000	457,349	-	(257,349)
Street lighting.....	636,628	778,628	724,777	52,738	1,113
Contracted painting service.....	97,494	97,494	94,216	-	3,278
Contracted pothole repair.....	50,000	50,000	25,058	24,942	-
Gasoline and oil.....	76,699	48,699	19,533	13,440	15,726
Maintenance and repair.....	79,614	66,614	56,741	3,814	6,059
Materials.....	108,811	108,811	82,577	20,027	6,207
Maintenance of equipment.....	79,023	79,023	58,005	10,247	10,771
Tools and equipment.....	5,000	5,000	3,550	299	1,151
Janitorial supplies.....	27,052	27,052	26,745	-	307
Office supplies.....	55,918	55,918	52,334	524	3,060
Computer supplies and maintenance.....	2,400	2,400	1,470	-	930
Traffic signal repair.....	40,000	20,000	18,733	-	1,267
Equipment rental.....	6,000	6,780	6,505	275	-
Street sweeping.....	130,000	129,000	128,900	-	100
Prisoner crews.....	131,248	121,248	83,380	35,990	1,878
Travel allowance.....	6,000	6,000	6,000	-	-
Total.....	7,236,463	7,049,863	6,678,645	392,707	(21,489)
Public Works Parks Division:					
Salaries.....	354,257	406,648	406,201	-	447
Clothing allowance.....	1,100	1,100	1,100	-	-
Stipend.....	-	2,656	2,656	-	-
Equipment and supplies.....	26,212	26,212	25,380	68	764
Equipment repair.....	20,150	18,150	12,679	5,471	-
Field Maintenance.....	199,182	199,182	133,467	65,715	-
Spraying and planting.....	69,244	69,244	65,508	1,594	2,142
Tree removal.....	50,000	49,500	49,391	-	109
Capital improvements.....	75,400	83,200	70,177	13,000	23
Total.....	795,545	855,892	766,559	85,848	3,485
Council on Elder Affairs:					
Salaries.....	242,389	225,943	225,917	-	26
Bus hire.....	4,000	4,000	3,700	-	300
Office supplies.....	750	750	534	-	216
Clothing allowance.....	400	400	400	-	-
Elderly programs.....	23,152	23,152	11,490	712	10,950
Total.....	270,691	254,245	242,041	712	11,492
Commission on Disabilities:					
Salaries.....	6,300	6,300	6,300	-	-
Other expenses.....	1,000	1,000	-	-	1,000
Total.....	7,300	7,300	6,300	-	1,000

(Continued)

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

YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget	Actual Amounts		
Consumer Affairs:					
Salaries.....	36,820	36,820	36,820	-	-
Veterans Affairs:					
Salaries.....	105,041	106,591	106,561	-	30
Office supplies.....	3,325	3,325	2,876	39	410
Travel.....	1,100	1,100	900	-	200
Celebration programs.....	4,614	4,614	2,270	940	1,404
Veterans benefits.....	905,547	815,547	738,166	-	77,381
Total.....	1,019,627	931,177	850,773	979	79,425
Library:					
Salaries.....	403,456	342,556	341,552	-	1,004
Maintenance and repairs.....	9,532	8,532	7,710	659	163
Utilities.....	24,790	21,290	12,707	7,365	1,218
Other services.....	6,970	55,170	53,926	592	652
Custodial supplies.....	750	750	697	-	53
Office supplies.....	2,294	2,294	2,156	-	138
Library materials.....	87,848	87,848	66,664	20,008	1,176
Local matching funds.....	16,645	16,645	11,720	2,614	2,311
Control account: library network.....	48,200	-	-	-	-
Total.....	600,485	535,085	497,132	31,238	6,715
Recreation Services:					
Salaries.....	196,630	191,875	191,496	-	379
Seasonal salaries.....	140,600	229,400	223,633	-	5,767
Telephone and communications.....	1,680	-	-	-	-
Equipment and supplies.....	8,239	8,239	8,128	104	7
Travel.....	3,600	3,600	3,600	-	-
Recreation services.....	131,442	141,442	133,852	1,782	5,808
Total.....	482,191	574,556	560,709	1,886	11,961
Education:					
Education.....	82,620,968	82,675,701	73,463,557	9,212,144	-
Expenses Northeast Metropolitan Regional Vocational School.....	6,000	6,000	6,000	-	-
Northeast Regional Vocational School Assessment.....	1,529,360	1,520,027	1,520,027	-	-
Total.....	84,156,328	84,201,728	74,989,584	9,212,144	-
State and county charges.....	8,300,552	8,300,552	8,368,133	-	(67,581)
TOTAL EXPENDITURES.....	166,245,115	166,776,818	156,087,864	10,238,205	450,749
EXCESS (DEFICIENCY) OF REVENUES					
OVER/(UNDER) EXPENDITURES.....	(15,051,757)	(15,190,460)	(1,253,399)	(10,238,205)	3,698,856
OTHER FINANCING SOURCES (USES):					
Use of fund balance to fund prior year carryforwards.....	9,953,349	9,953,349	-	-	(9,953,349)
Other amounts to be raised.....	(621,391)	(621,391)	-	-	621,391
Other uses of free cash.....	2,591,023	2,838,247	-	-	(2,838,247)
Transfers in.....	4,937,373	5,009,373	5,009,373	-	-
Transfers out.....	(1,808,597)	(1,989,118)	(1,989,118)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	15,051,757	15,190,460	3,020,255	-	(12,170,205)
NET CHANGE IN FUND BALANCE.....	-	-	1,766,856	(10,238,205)	(8,471,349)
BUDGETARY FUND BALANCE, Beginning of year.....	19,004,303	19,004,303	19,004,303	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 19,004,303	\$ 19,004,303	\$ 20,771,159	\$ (10,238,205)	\$ (8,471,349)

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	2015
Total pension liability:		
Service cost.....	\$ 4,551,000	\$ 5,383,000
Interest.....	15,558,000	15,746,000
Differences between expected and actual experience.....	-	11,315,000
Changes in assumptions.....	-	9,300,000
Benefit payments, including refunds of employee contributions.....	<u>(14,469,000)</u>	<u>(14,534,000)</u>
Net change in total pension liability.....	5,640,000	27,210,000
Total pension liability, beginning.....	<u>203,428,000</u>	<u>209,068,000</u>
Total pension liability, ending (a).....	<u>\$ 209,068,000</u>	<u>\$ 236,278,000</u>
Plan fiduciary net position:		
Member contributions.....	\$ 3,448,000	\$ 3,249,000
Employer contributions.....	10,792,421	11,212,968
Net investment income (loss).....	8,903,800	805,050
Retirement benefits and refunds.....	(14,469,618)	(14,534,000)
Administrative expenses.....	<u>(264,922)</u>	<u>(233,905)</u>
Net increase (decrease) in fiduciary net position.....	8,409,681	499,113
Fiduciary net position at beginning of year.....	<u>121,471,041</u>	<u>129,880,722</u>
Fiduciary net position at end of year (b).....	<u>\$ 129,880,722</u>	<u>\$ 130,379,835</u>
Net pension liability - ending (a) - (b).....	<u>\$ 79,187,278</u>	<u>\$ 105,898,165</u>
Plan fiduciary net position as a percentage of the total pension liability.....	62.12%	55.18%
Covered-employee payroll.....	\$ 27,431,000	\$ 32,748,000
Net pension liability as a percentage of covered-employee payroll.....	288.7%	323.4%

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.

**REVERE CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS**

	<u>2014</u>	<u>2015</u>
Actuarially determined contribution.....	\$ 10,792,421	\$ 11,212,968
Contributions in relation to the actuarially determined contribution.....	<u>10,792,421</u>	<u>11,212,968</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll.....	\$ 27,431,000	\$ 32,748,000
Contributions as a percentage of covered- employee payroll.....	39.34%	34.24%

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

See notes to required supplementary information.

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

	2014	2015
Annual money-weighted rate of return, net of investment expense.....	7.71%	0.65%

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	December 31, 2015
City's proportion of the net pension liability (asset).....	92.93%	93.58%
City's proportionate share of the net pension liability (asset)..... \$	73,576,106	\$ 99,095,075
City's covered employee payroll..... \$	25,491,527	\$ 30,644,257
Net pension liability as a percentage of covered-employee payroll.....	288.63%	323.37%
Plan fiduciary net position as a percentage of the total pension liability.....	62.12%	55.18%

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

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS
REVERE CONTRIBUTORY RETIREMENT SYSTEM**

	<u>2014</u>	<u>2015</u>
Actuarially determined contribution.....	\$ 10,029,357	\$ 10,492,643
Contributions in relation to the actuarially determined contribution.....	<u>10,029,357</u>	<u>10,492,643</u>
Contribution deficiency (excess).....	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll.....	\$ 25,491,527	\$ 30,644,257
Contributions as a percentage of covered- employee payroll.....	39.34%	34.24%

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

See notes to required supplementary information.

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

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. 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.

Fiscal Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	City's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2016.....	\$ 157,005,486	\$ 12,734,542	55.38%
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
6/30/2016	\$ 17,184,000	\$ 7,667,000	45%
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

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 2016 approved budget authorizing approximately \$168.7 million in current year appropriations and other financing uses. The original approved budget is inclusive of approximately \$10 million in encumbrances and appropriations carried over from previous years. During 2016, the Council approved supplemental appropriations totaling approximately \$712,000. The additional appropriations mainly funded a debt service subsidy, vehicle purchases, building repair and various public safety purposes.

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, 2016, is presented below:

Net change in fund balance - budgetary basis.....	\$ 1,766,856
 <u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(72,000)
 <u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	(127,068)
Net change in recording tax refunds payable.....	286,000
Increase in revenues due to on-behalf payments.....	12,734,542
Increase in expenditures due to on-behalf payments.....	<u>(12,734,542)</u>
 Net change in fund balance - GAAP basis.....	 \$ <u>1,853,788</u>

C. Appropriation Deficits

At June 30, 2016, appropriation deficits existed in the bonded debt interest account, the planning and community development salaries account, the public works - snow removal account and the state and county charges account. The deficits were \$4,351, \$15,803, \$257,349 and \$67,581, respectively. These deficits will be funded through the 2017 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.

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 City; the portion of the collective pension expense as both revenue and pension expense recognized by the City; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes in Plan Assumptions

The System reduced the discount rate from 7.75% to 7.60%; changed the mortality rates; and changed the amortization method by increasing the percentage of total payment increases from 3.8% to 5.0% per year.

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.

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.

Harry Della Russo Stadium Funds – accounts for activity and resources associated with the renovation of the Stadium.

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, 2016

	<i>Special Revenue Funds</i>					
	City Revolving Funds	City Grant Funds	Highway Improvements Grant Fund	Community Development Grant Funds	Strategic Planning	City Receipts Reserved
ASSETS						
Cash and cash equivalents.....	\$ 1,546,585	\$ 2,244,954	\$ -	\$ 194,501	\$ -	\$ 5,194
Receivables, net of uncollectibles:						
Intergovernmental.....	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 1,546,585	\$ 2,244,954	\$ -	\$ 194,501	\$ -	\$ 5,194
LIABILITIES						
Warrants payable.....	\$ 38,885	\$ 435,122	\$ -	\$ 19,069	\$ -	\$ -
Accrued payroll.....	-	-	-	-	-	-
Due to other funds.....	-	-	270,630	-	223,687	-
TOTAL LIABILITIES.....	38,885	435,122	270,630	19,069	223,687	-
FUND BALANCES						
Restricted.....	1,507,700	2,916,209	-	175,432	-	5,194
Unassigned.....	-	(1,106,377)	(270,630)	-	(223,687)	-
TOTAL FUND BALANCES.....	1,507,700	1,809,832	(270,630)	175,432	(223,687)	5,194
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 1,546,585	\$ 2,244,954	\$ -	\$ 194,501	\$ -	\$ 5,194

(Continued)

Special Revenue Funds			Capital Project Funds				Total Nonmajor Governmental Funds	
School Revolving Funds	School Grant Funds	Subtotal	Harry Della Russo Stadium	City Capital Projects	School Capital Projects	Subtotal	Debt Service Fund	
\$ 3,130,428	\$ 1,328,712	\$ 8,450,374	\$ -	\$ 467,608	\$ 2,135,864	\$ 2,603,472	\$ 426,483	\$ 11,480,329
-	346,922	346,922	-	-	-	-	-	346,922
<u>\$ 3,130,428</u>	<u>\$ 1,675,634</u>	<u>\$ 8,797,296</u>	<u>\$ -</u>	<u>\$ 467,608</u>	<u>\$ 2,135,864</u>	<u>\$ 2,603,472</u>	<u>\$ 426,483</u>	<u>\$ 11,827,251</u>
\$ 227,583	\$ 153,056	\$ 873,715	\$ -	\$ 30,000	\$ 280,146	\$ 310,146	\$ -	\$ 1,183,861
12,630	37,734	50,364	-	-	-	-	-	50,364
-	-	494,317	1,842,245	-	-	1,842,245	-	2,336,562
<u>240,213</u>	<u>190,790</u>	<u>1,418,396</u>	<u>1,842,245</u>	<u>30,000</u>	<u>280,146</u>	<u>2,152,391</u>	<u>-</u>	<u>3,570,787</u>
2,890,215	1,484,844	8,979,594	-	437,608	2,252,267	2,689,875	426,483	12,095,952
-	-	(1,600,694)	(1,842,245)	-	(396,549)	(2,238,794)	-	(3,839,488)
<u>2,890,215</u>	<u>1,484,844</u>	<u>7,378,900</u>	<u>(1,842,245)</u>	<u>437,608</u>	<u>1,855,718</u>	<u>451,081</u>	<u>426,483</u>	<u>8,256,464</u>
<u>\$ 3,130,428</u>	<u>\$ 1,675,634</u>	<u>\$ 8,797,296</u>	<u>\$ -</u>	<u>\$ 467,608</u>	<u>\$ 2,135,864</u>	<u>\$ 2,603,472</u>	<u>\$ 426,483</u>	<u>\$ 11,827,251</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	City Revolving Funds	City Grant Funds	Highway Improvements Grant Fund	Community Development Grant Funds	Strategic Planning	City Receipts Reserved
REVENUES:						
Charges for services.....	\$ 422,483	\$ -	\$ -	\$ 61,665	\$ -	\$ 27,581
Intergovernmental.....	101,633	2,037,509	907,363	592,079	-	-
Departmental and other.....	504,909	9,564	-	26,523	-	-
Contributions.....	3,250	367,646	-	-	-	-
Investment income.....	403	181	-	191	-	12
TOTAL REVENUES.....	1,032,678	2,414,900	907,363	680,458	-	27,593
EXPENDITURES:						
Current:						
General government.....	339,262	456,694	-	704,065	-	27,765
Public safety.....	236,995	678,033	-	-	-	-
Education.....	-	-	-	-	-	-
Public works.....	118,973	1,290,185	1,177,993	-	-	-
Human services.....	61,112	447,398	-	-	-	-
Culture and recreation.....	211,039	11,300	-	49,521	-	-
TOTAL EXPENDITURES.....	967,381	2,883,610	1,177,993	753,586	-	27,765
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	65,297	(468,710)	(270,630)	(73,128)	-	(172)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	18,444	-	-	41,202	-	-
Transfers out.....	(175,000)	(370,646)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(156,556)	(370,646)	-	41,202	-	-
NET CHANGE IN FUND BALANCES.....	(91,259)	(839,356)	(270,630)	(31,926)	-	(172)
FUND BALANCES AT BEGINNING OF YEAR.....	1,598,959	2,649,188	-	207,358	(223,687)	5,366
FUND BALANCES AT END OF YEAR.....	\$ 1,507,700	\$ 1,809,832	\$ (270,630)	\$ 175,432	\$ (223,687)	\$ 5,194

(Continued)

Special Revenue Funds			Capital Project Funds				Debt	Total
School Revolving Funds	School Grant Funds	Subtotal	Harry Della Russo Stadium	City Capital Projects	School Capital Projects	Subtotal	Service Fund	Nonmajor Governmental Funds
\$ 303,988	\$ -	\$ 815,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 815,717
3,889,914	9,540,319	17,068,817	-	-	-	-	-	17,068,817
1,326,048	1,445,966	3,313,010	-	-	-	-	-	3,313,010
401,404	-	772,300	-	-	-	-	-	772,300
-	-	787	-	74	787	861	249,977	251,625
<u>5,921,354</u>	<u>10,986,285</u>	<u>21,970,631</u>	<u>-</u>	<u>74</u>	<u>787</u>	<u>861</u>	<u>249,977</u>	<u>22,221,469</u>
-	-	1,527,786	343,173	-	-	343,173	-	1,870,959
-	-	915,028	-	11,383	-	11,383	-	926,411
5,167,734	10,825,123	15,992,857	-	-	478,113	478,113	-	16,470,970
-	-	2,587,151	-	188,485	-	188,485	-	2,775,636
-	-	508,510	-	-	-	-	-	508,510
-	-	271,860	4,995	-	-	4,995	-	276,855
<u>5,167,734</u>	<u>10,825,123</u>	<u>21,803,192</u>	<u>348,168</u>	<u>199,868</u>	<u>478,113</u>	<u>1,026,149</u>	<u>-</u>	<u>22,829,341</u>
<u>753,620</u>	<u>161,162</u>	<u>167,439</u>	<u>(348,168)</u>	<u>(199,794)</u>	<u>(477,326)</u>	<u>(1,025,288)</u>	<u>249,977</u>	<u>(607,872)</u>
-	-	59,646	-	311,000	170,936	481,936	-	541,582
-	-	(545,646)	-	-	-	-	(100,000)	(645,646)
-	-	(486,000)	-	311,000	170,936	481,936	(100,000)	(104,064)
753,620	161,162	(318,561)	(348,168)	111,206	(306,390)	(543,352)	149,977	(711,936)
<u>2,136,595</u>	<u>1,323,682</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>\$ 2,890,215</u>	<u>\$ 1,484,844</u>	<u>\$ 7,378,900</u>	<u>\$ (1,842,245)</u>	<u>\$ 437,608</u>	<u>\$ 1,855,718</u>	<u>\$ 451,081</u>	<u>\$ 426,483</u>	<u>\$ 8,256,464</u>

(Concluded)

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, 2016

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 155,286	\$ 3,762,936	\$ (3,656,940)	\$ 261,282
LIABILITIES				
Liabilities due depositors.....	\$ 80,286	\$ 3,762,936	\$ (3,656,940)	\$ 186,282
Other liabilities.....	75,000	-	-	75,000
TOTAL LIABILITIES.....	\$ 155,286	\$ 3,762,936	\$ (3,656,940)	\$ 261,282

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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, 2016**

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**

	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015	2016
Governmental activities										
Net investment in capital assets.....	\$ 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	\$ 131,609,885
Restricted.....	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	3,896,591
Unrestricted.....	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)	(120,807,092)
Total governmental activities net position.....	\$ 104,685,376	\$ 130,851,858	\$ 129,011,341	\$ 128,563,326	\$ 110,498,849	\$ 98,270,076	\$ 84,005,480	\$ 83,890,786	\$ 19,158,568	\$ 14,699,384
Business-type activities										
Net investment in capital assets.....	\$ 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	\$ 14,989,438
Unrestricted.....	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	8,601,135
Total business-type activities net position.....	\$ 10,773,132	\$ 11,651,918	\$ 11,405,746	\$ 13,719,157	\$ 16,282,278	\$ 15,846,477	\$ 19,710,223	\$ 22,361,458	\$ 19,939,153	\$ 23,590,573
Primary government										
Net investment in capital assets.....	\$ 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	\$ 146,599,323
Restricted.....	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	3,896,591
Unrestricted.....	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)	(112,205,957)
Total primary government net position.....	\$ 115,458,508	\$ 142,503,776	\$ 140,417,087	\$ 142,282,483	\$ 126,781,127	\$ 114,116,553	\$ 103,715,703	\$ 106,252,244	\$ 39,097,721	\$ 38,289,957

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

**Changes in Net Position
Last Ten Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government.....	\$ 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	\$ 15,303,774
Public safety.....	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	37,684,056
Education.....	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	130,866,169
Public works.....	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	9,438,057
Human services.....	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	3,761,556
Culture and recreation.....	937,572	980,199	1,217,336	1,053,825	1,192,257	1,521,865	1,444,959	1,531,659	1,493,526	1,991,367
Strategic planning.....	-	-	-	-	25,548,137	20,256,530	3,642,265	819,746	207,799	-
Claims and judgements.....	-	-	-	-	-	1,750,000	-	-	-	-
Interest.....	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	2,220,766
Total government activities expenses.....	133,553,838	144,529,430	153,086,563	169,598,620	208,143,575	198,227,134	190,617,742	186,123,487	193,403,189	201,265,745
Business-type activities:										
Water & sewer.....	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	19,100,397
Total primary government expenses.....	\$ 147,165,417	\$ 159,292,008	\$ 167,314,378	\$ 184,699,296	\$ 224,053,905	\$ 214,785,799	\$ 206,706,279	\$ 203,662,026	\$ 211,882,355	\$ 220,366,142
Program Revenues										
Governmental activities:										
General government charges for services.....	\$ 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	\$ 2,881,437
Public safety charges for services.....	1,193,511	1,116,737	992,072	971,049	982,186	1,537,451	1,637,350	1,528,468	1,419,882	1,432,731
Education charges for services.....	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	1,430,759
Other charges for services.....	3,033,687	4,086,957	4,340,835	4,008,841	5,500,005	593,421	787,185	730,967	1,625,709	791,383
Public safety operating grants and contributions.....	1,369,458	412,178	1,402,730	796,857	804,148	1,194,480	1,029,732	1,576,676	1,378,063	390,740
Education operating grants and contributions.....	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	83,115,134
Other operating grants and contributions.....	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	2,840,719
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	3,886,257
Public works and other capital grant and contributions.....	228,585	542,392	284,858	229,466	245,549	1,421,613	593,221	976,855	279,964	779,467
Other capital grant and contributions.....	-	-	-	-	-	-	-	-	1,701,643	-
Total government activities program revenues.....	57,984,306	87,601,736	78,982,712	88,407,770	106,932,563	98,028,984	88,049,978	95,058,692	106,746,432	97,548,627
Business-type activities:										
Water & sewer charges for services.....	15,907,665	17,003,371	16,824,327	19,083,686	20,212,325	20,216,422	21,537,126	22,854,183	22,036,624	25,386,189
Water & sewer capital grant and contributions.....	-	-	-	-	610,487	620,422	1,765,159	505,729	475,030	192,329
Total business-type activities program revenues.....	15,907,665	17,003,371	16,824,327	19,083,686	20,827,812	20,216,422	23,302,285	23,359,912	22,511,654	25,578,518
Total primary government program revenues.....	\$ 73,891,971	\$ 104,605,107	\$ 95,807,039	\$ 107,491,456	\$ 127,760,375	\$ 118,245,406	\$ 111,352,263	\$ 118,418,604	\$ 129,258,086	\$ 123,127,145
Net (Expense)/Revenue										
Governmental activities.....	\$ (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)	\$ (103,717,118)
Business-type activities.....	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	6,478,121
Total primary government net expense.....	\$ (73,273,446)	\$ (54,686,901)	\$ (71,507,339)	\$ (77,207,840)	\$ (96,293,530)	\$ (96,540,393)	\$ (95,354,016)	\$ (85,243,422)	\$ (82,624,269)	\$ (97,238,997)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes and tax liens, net of tax refunds payable.....	\$ 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	\$ 76,733,123
Motor vehicle and other excise taxes.....	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	5,479,414
Hotel/motel tax and meals tax.....	-	-	-	-	1,607,745	1,902,531	1,967,019	2,131,853	2,326,545	2,354,584
Penalties and interest on taxes.....	502,479	572,379	597,696	681,735	517,927	558,307	386,637	435,661	484,909	771,965
Payments in lieu of taxes.....	-	-	-	-	-	179,452	203,909	275,527	219,835	236,873
Fines and forfeitures.....	1,194,233	1,154,008	1,217,147	1,196,664	1,063,952	-	-	-	-	-
Unrestricted grants, contributions, and other.....	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	10,474,377
Unrestricted investment income.....	1,416,997	1,001,926	600,258	177,749	297,900	106,444	97,444	167,798	280,454	363,407
Miscellaneous.....	199,118	2,489,158	385,352	367,805	-	-	-	-	-	-
Transfers.....	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	2,844,191
Total governmental activities.....	91,990,957	83,094,176	82,263,334	80,742,835	83,671,309	86,739,377	88,303,168	90,950,101	94,638,045	99,257,934
Business-type activities:										
Unrestricted investment income.....	130,698	96,940	17,227	9,473	10,247	10,389	9,244	15,804	12,240	17,490
Transfers.....	(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)	(2,844,191)
Total business type activities.....	(4,036,566)	(1,362,007)	(2,842,684)	(1,669,599)	(2,519,135)	(2,863,558)	(3,350,002)	(3,170,138)	(3,039,025)	(2,826,701)
Total primary government.....	\$ 87,954,391	\$ 81,732,169	\$ 79,420,650	\$ 79,073,236	\$ 81,152,174	\$ 83,875,819	\$ 84,953,166	\$ 87,779,963	\$ 91,599,020	\$ 96,431,233
Changes in Net Position										
Governmental activities.....	\$ 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	\$ (4,459,184)
Business-type activities.....	(1,740,480)	878,786	(246,172)	2,313,411	2,398,347	794,199	3,863,746	2,651,235	993,463	3,651,420
Total primary government.....	\$ 14,680,945	\$ 27,045,268	\$ 7,913,311	\$ 1,865,396	\$ (15,141,356)	\$ (12,664,574)	\$ (10,400,850)	\$ 2,536,541	\$ 8,974,751	\$ (807,764)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved.....	\$ 7,818,679	\$ 8,649,262	\$ 9,538,603	\$ 12,508,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	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	10,238,205
Unassigned.....	-	-	-	-	5,104,769	8,624,578	12,746,179	11,062,354	15,284,145	16,854,365
Total general fund.....	\$ 10,768,427	\$ 10,595,298	\$ 11,861,104	\$ 15,918,014	\$ 19,906,430	\$ 22,513,516	\$ 25,605,437	\$ 24,246,768	\$ 25,238,782	\$ 27,092,570
All Other Governmental Funds										
Reserved.....	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	7,314,806	7,772,535	-	9,103,728	-	-	-	-	-	-
Capital projects funds.....	(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.....	-	-	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	-	11,741,935	9,414,907	7,804,071	8,024,826	10,711,778	12,095,952
Committed.....	-	-	-	-	93,674	-	-	-	-	-
Unassigned.....	-	-	-	-	(230,008)	(515,177)	(3,963,943)	(7,861,347)	(12,319,233)	(19,058,234)
Total all other governmental funds.....	\$ (8,117,411)	\$ (13,013,893)	\$ 1,416,577	\$ 7,481,250	\$ 11,605,601	\$ 8,899,730	\$ 3,840,128	\$ 163,479	\$ (1,607,455)	\$ (6,962,282)

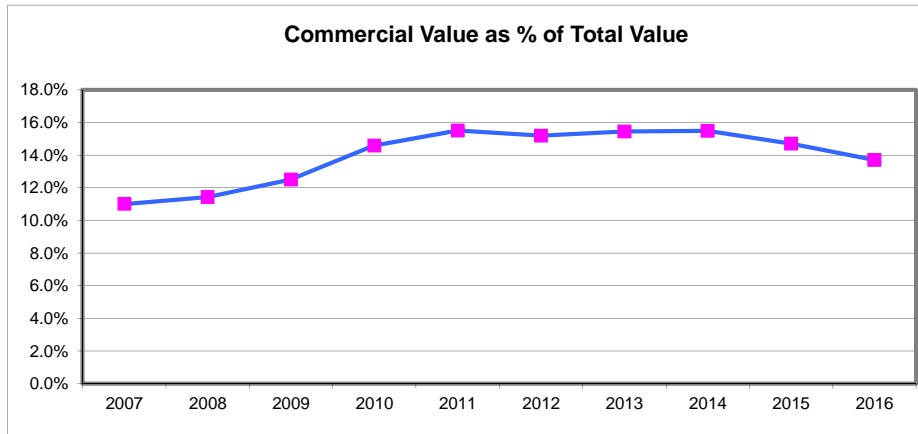
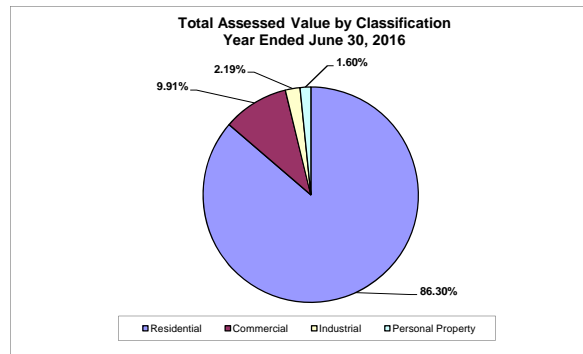
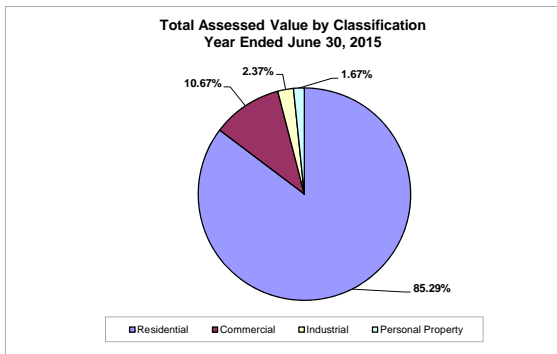
The City implemented GASB 54 in 2011, fund balances prior to 2011 have been reported in the pre-GASB 54 format.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real estate and personal property taxes and tax liens, net of tax refunds.....	\$ 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	\$ 74,122,267
Tax liens.....	-	-	-	-	-	2,803,933	1,939,232	1,271,875	2,223,312	2,672,391
Motor vehicle and other excise taxes.....	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	5,375,745
Hotel/motel and meals tax.....	-	-	-	-	1,607,745	1,902,531	1,967,019	2,131,853	2,326,545	2,354,584
Charges for service.....	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	2,224,461
Penalties and interest on taxes.....	502,479	572,379	597,696	681,735	-	558,307	386,637	435,661	465,719	597,950
Payments in lieu of taxes.....	-	-	-	-	-	179,452	203,909	275,527	219,835	236,873
Licenses and permits.....	1,097,507	857,647	745,577	695,953	-	914,911	985,547	1,395,268	1,870,200	1,382,497
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	1,285,992
Intergovernmental.....	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	99,090,780
Departmental and other.....	-	-	-	-	2,177,104	1,911,896	1,885,881	2,057,927	4,127,661	3,313,010
Contributions.....	-	-	-	-	-	156,683	150,817	168,892	652,503	772,300
Investment income.....	1,341,265	952,823	584,013	167,546	281,228	92,033	85,971	162,303	276,605	358,585
Miscellaneous.....	199,118	2,489,158	385,353	367,805	-	-	-	-	-	-
Total Revenue.....	142,092,086	164,575,388	154,616,431	164,558,011	183,922,211	179,814,467	173,084,033	181,617,103	198,521,973	193,787,435
Expenditures:										
General government.....	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	9,329,032
Public safety.....	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	20,942,915
Education.....	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	97,577,853
Public works.....	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	10,220,840
Human services.....	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	2,600,677
Culture and recreation.....	651,239	663,391	818,125	641,768	799,328	969,802	950,502	1,067,679	1,270,050	3,698,315
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	23,227,185
Employee benefits.....	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	19,141,043
State and county charges.....	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	8,368,133
Debt service:										
Principal.....	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	2,713,343
Interest.....	216,170	639,247	554,972	1,727,992	2,008,366	2,045,160	1,971,856	1,898,110	2,022,540	2,313,329
Total Expenditures.....	154,002,846	170,171,260	159,276,000	170,307,306	189,852,952	182,787,199	178,410,960	190,542,492	215,184,892	200,132,665
Excess of revenues over (under) expenditures.....	(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)	(6,345,230)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	11,112,000	10,000	26,381,000	6,628,350	12,049,000	-	-	-	9,666,000	-
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	3,756,200	19,250,000
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	420,862	1,730,537
Premium from issuance of bonds.....	-	-	-	-	-	-	-	-	739,221	-
Payments to escrow agent.....	-	-	-	-	-	-	-	-	(4,111,767)	(20,980,537)
Insurance recovery.....	-	-	-	-	-	-	-	-	750,000	-
Capital lease financing.....	-	-	-	-	-	-	-	704,130	-	-
Transfers in.....	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	5,478,955
Transfers out.....	(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)	(2,634,764)
Total other financing sources (uses).....	15,279,264	1,468,947	29,240,911	8,307,422	14,578,382	2,873,947	3,359,246	3,890,072	15,883,999	2,844,191
Net change in fund balance.....	\$ 3,368,504	\$ (4,126,925)	\$ 24,581,342	\$ 2,558,127	\$ 8,647,641	\$ (98,785)	\$ (1,967,681)	\$ (5,035,317)	\$ (778,920)	\$ (3,501,039)
Debt service as a percentage of noncapital expenditures.....	1.09%	1.89%	1.34%	2.38%	2.10%	2.51%	2.57%	2.41%	2.47%	2.68%

**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
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
2016	(1) \$3,974,968,803	\$14.45	86.30%	\$456,465,306	\$100,983,327	\$73,616,395	\$631,065,028	\$28.70	13.70%	\$16.40	\$4,606,033,831



(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.

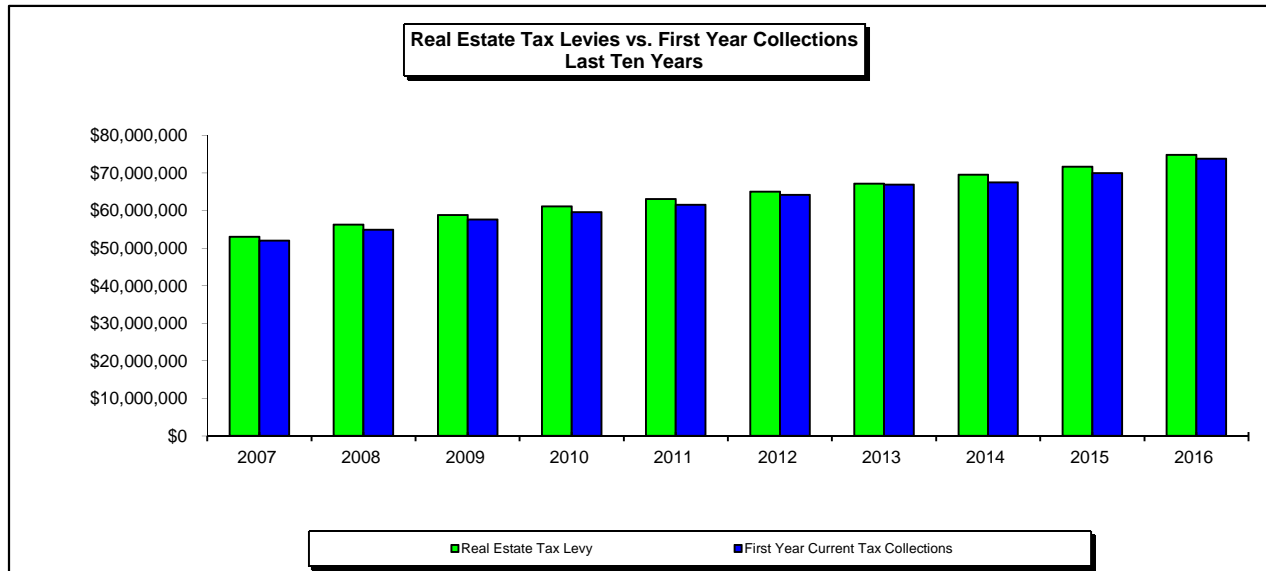
**Principal Taxpayers
Current Year and Nine Years Ago**

Name	Nature of Business	2016			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	\$ 72,403,700	1	1.57%	\$ -	-	-
Alterra ILLC& Mack-Cali TCL	Apartments	59,300,000	2	1.29%	-	-	-
NECCO Realty MA LLC	Manufacturing	30,097,627	3	0.65%	26,741,000	2	0.56%
Waters Edge Limited Partnership	Apartments	28,384,000	4	0.62%	23,335,700	3	0.49%
HRCA Housing for Elderly, Inc.	Apartments	22,074,800	5	0.48%	-	-	-
Vanguard Revere Apartments	Apartments	20,097,500	6	0.44%	-	-	-
Global Revco Terminal LLC	Oil Tank Farm	18,971,300	7	0.41%	-	-	-
Ceder-Revere LLC	Retail	18,155,000	8	0.39%	-	-	-
NAI Entertainment Holdings LLC	Cinema	17,655,100	9	0.38%	-	-	-
Northgate Apartments LLC	Apartments	17,002,600	10	0.37%	-	-	-
Rowe Contracting Co.	Manufacturing	-	-	-	77,942,000	1	1.63%
Bendetson Richard	Apartments	-	-	-	18,800,200	4	0.39%
Target Stores	Retail	-	-	-	17,881,400	5	0.37%
Wonderland Marketplace LTD Partnership II	Retail	-	-	-	17,089,100	6	0.36%
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%
	Totals	<u>\$ 304,141,627</u>		<u>6.60%</u>	<u>\$ 243,925,300</u>		<u>5.10%</u>

Source: Debt Offering Statements

**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
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%	\$689,506	\$70,611,140	98.49%
2016	(1)	\$75,549,866	\$720,083	\$74,829,783	\$73,814,346	98.6%	\$0	\$73,814,346	98.64%



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 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)	Per Capita (4 + 6) / 1	Percentage of Personal Income (4 + 6) / 2	Percentage of Assessed Value (4 + 6) / 3
2007	46,833	\$783,937,587	\$4,781,995,565	\$15,485,372	\$1,778,007	\$13,707,365	\$0	\$331	1.98%	0.32%
2008	55,341	\$963,320,787	\$5,099,571,860	\$13,987,422	\$1,998,978	\$11,988,444	\$0	\$253	1.45%	0.27%
2009	60,204	\$1,066,513,860	\$4,746,838,255	\$38,956,994	\$2,171,947	\$36,785,047	\$0	\$647	3.65%	0.82%
2010	51,693	\$818,300,190	\$4,036,076,629	\$43,042,644	\$1,480,793	\$41,561,851	\$693,728	\$846	5.34%	1.08%
2011	51,858	\$798,250,194	\$3,812,519,660	\$52,238,940	\$161,105	\$52,077,835	\$600,785	\$1,019	6.62%	1.39%
2012	52,562	\$960,412,864	\$3,781,124,856	\$49,784,297	\$165,219	\$49,619,078	\$454,056	\$956	5.23%	1.33%
2013	53,179	\$936,375,832	\$3,769,805,531	\$47,324,154	\$8,013	\$47,316,141	\$366,334	\$897	5.09%	1.27%
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%
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%
2016	53,422	\$1,403,342,518	\$4,606,033,831	\$50,184,475	\$426,483	\$49,757,992	\$72,224	\$941	3.58%	1.09%

Year	Total Net General Bonded Debt			Business-Type Activities			Total Primary Government			Total Primary Government			
	Per Capita (4 - 5 + 6) / 1	Percentage of Personal Income (4 - 5 + 6) / 2	Percentage of Assessed Value (4 - 5 + 6) / 3	General Obligation Bonds (7)	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	
#													
#													
2007	\$293	1.75%	0.29%	\$3,732,710	\$19,218,082	\$410	2.45%	0.40%	\$17,440,075	\$372	2.22%	0.36%	
2008	\$217	1.24%	0.24%	\$3,112,098	\$17,099,520	\$309	1.78%	0.34%	\$15,100,542	\$273	1.57%	0.30%	
2009	\$611	3.45%	0.77%	\$2,505,066	\$41,462,060	\$689	3.89%	0.87%	\$39,290,113	\$653	3.68%	0.83%	
2010	\$817	5.16%	1.05%	\$2,391,630	\$45,434,274	\$879	5.55%	1.13%	\$43,953,481	\$850	5.37%	1.09%	
2011	\$1,016	6.60%	1.38%	\$8,686,353	\$60,925,293	\$1,175	7.63%	1.60%	\$60,764,188	\$1,172	7.61%	1.59%	
2012	\$953	5.21%	1.32%	\$9,118,639	\$58,902,936	\$1,121	6.13%	1.56%	\$58,737,717	\$1,117	6.12%	1.55%	
2013	\$897	5.09%	1.26%	\$16,115,065	\$63,439,219	\$1,193	6.77%	1.68%	\$63,431,206	\$1,193	6.77%	1.68%	
2014	\$848	3.36%	1.17%	\$15,004,168	\$59,951,679	\$1,115	4.41%	1.54%	\$59,870,493	\$1,114	4.41%	1.54%	
2015	\$965	3.70%	1.23%	\$24,735,738	\$76,848,556	\$1,419	5.44%	1.80%	\$76,572,050	\$1,414	5.42%	1.80%	
2016	\$933	3.55%	1.08%	\$32,901,035	\$83,085,510	\$1,555	5.92%	1.80%	\$82,659,027	\$1,547	5.89%	1.79%	

(1) Massachusetts Department of Revenue Municipal Databank
(2) 2007 - 2010: City of Revere Statement of Indebtedness
(2) 2011 - 2016: City of Revere Audited Financial Statements
(3) City Finance Records.

Direct and Overlapping Governmental Activities Debt

As of June 30, 2016

<u>City of Revere, Massachusetts</u>	<u>Debt Outstanding</u>	⁽¹⁾ <u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Massachusetts Bay Transportation Authority.....	\$ 5,656,191,000	2.13%	\$ <u>120,307,183</u>
Subtotal, overlapping debt.....			120,307,183
Total direct debt.....			<u>50,184,475</u>
Total direct and overlapping debt.....			<u>\$ 170,491,658</u>

Source: Audited Financial Statements, Debt Offering Statements

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

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equalized Valuation.....	<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>	<u>\$ 4,135,457,600</u>
Debt Limit -5% of Equalized Valuation.....	\$ 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	\$ 206,772,880
Less:										
Outstanding debt applicable to limit.....	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	50,184,475
Authorized and unissued debt.....	<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>	<u>37,054,561</u>
Legal debt margin.....	<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>	<u>\$ 119,533,844</u>
Total debt applicable to the limit as a percentage of debt limit.....	38.94%	40.36%	54.29%	49.68%	77.20%	65.66%	56.72%	51.69%	51.11%	42.19%

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)
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%
2016	53,422	\$ 1,403,342,518	\$ 26,269	7,051	3.80%

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 Nine Years Ago**

Employer	Nature of Business	2016			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%	-	-	-
Stop & Shop	Retail - Grocery	374	3	4.26%	388	2	-
Target	Retail - Department Store	233	4	2.65%	-	-	-
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	-	-	-	300	3	3.45%
Shaw's	Retail - Grocery	-	-	-	140	6	1.61%
Foodmaster	Retail - Grocery	-	-	-	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 2016 was unavailable.
Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

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

	<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>	<u>2016</u>
Function										
General government.....	78	77	77	74	75	76	80	79	73	76
Public safety.....	185	185	186	184	184	184	191	219	212	232
Public education.....	707	722	699	701	703	706	708	778	784	823
Public works.....	27	27	28	28	28	29	32	27	29	27
Human services.....	14	14	14	14	14	15	16	9	9	9
Culture and recreation.....	5	5	5	5	5	5	6	14	17	16
Water & Sewer.....	9	9	9	9	9	10	11	12	10	15
Total.....	<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>	<u>1,198</u>

Source: Various City Departments

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

<u>Function/Program</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>	<u>2016</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