

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2018



CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the year ended
June 30, 2018**

Prepared By:

Director of Finance

CITY OF REVERE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2018

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Introductory Section



City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the year ended June 30, 2018

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 19, 2018

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, 2018 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, 2018, 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, 2018, 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 2018 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 2018, 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, 2017, the latest measurement date, the System had succeeded in funding 63.35% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 16 years as part of the annual required contribution as calculated by the actuary.

The City also provides postemployment health care benefits for certain retirees and their dependents. There are approximately 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 was prepared in accordance with GASB Statement #75. The valuation projects an unfunded total OPEB liability of approximately \$234,465,000. This amount has been recorded as a liability on the Statement of Net Position. The City is currently in the process of exploring ways to fund this liability.

Economic Development and Expansion

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

One of the largest mixed-use master developments in the Commonwealth has been approved by the Revere City Council in 2018 at the 160 acre Suffolk Downs Race Track, 52 acres of which are located in Revere. The City of Revere has recently approved a master planned unit development by the HYM Investment Group, LLC for the construction of 5.8 million gross square feet of mixed use development on the 52 acre Revere portion of the Suffolk Downs site. This master planned development will be constructed in 4 phases beginning at Beachmont Square adjacent to the Beachmont T Station. The total mixed-use project will consist of 2.9 million gross square feet of commercial uses including an Innovation Center, hotels, office buildings, restaurants, and retail and 2.9 million gross square feet of residential uses. Construction of the first phase is slated to start in 2019.

Also on the horizon is the development of the vacant 34 acre former Wonderland Greyhound Racetrack. This site represents a key opportunity for further economic development in the City of Revere given its prime location on Route 1A and ideal access to the adjacent Wonderland T Station and Commuter Rail. The City is currently undertaking a master plan and rezoning of this site to pursue development options.

In the City's center, the New England Confectionary Company (NECCO), the internationally famous candy manufacturer, recently sold its 800,000 gsf building to a real estate investment firm who is looking to convert part of the building into a research and development and robotics center.

Many development projects are in the planning, design and construction phase along Revere Beach. After lengthy negotiations, the City has completed an agreement with the Commonwealth's Department of Conservation and Recreation and the MBTA for the development of almost 9 acres of surface parking lots east of the Wonderland Train Station. The Governor's Office of Commonwealth Development has identified this site as one of its priority Transit Oriented Development locations and has worked closely with the City in the development of a Request for Proposals for dense mixed-use development on the site. The City of Revere has designated Eurovest Development as the master developer of the site known as Waterfront Square. Development on this site has

been ongoing for the last several years. Most recently completed developments include 650 Ocean Avenue consisting of 230 luxury rental units along with the Vanguard Development at 660 Ocean Avenue consisting of 194 luxury rental units. These developments have provided substantial growth for the City and sparked a development explosion along the Revere Beach waterfront area. In addition to these two residential development projects, two other projects have begun construction in the Waterfront Square Transit Oriented Development site. They include the construction of a 305 unit residential mixed-use development at 500 Ocean Avenue including 3,000 s.f of commercial space being developed by Gate Residential with a projected completion in 2020. Right next door at 400 Ocean Avenue is the development of a 172 room Marriott Hotel with a 3,000 s.f. restaurant by the Lixi Hotel Group which is also projected for completion in 2020. Both of these projects are being built adjacent to the pedestrian plaza and bridge that connects the Wonderland T Station to the waterfront. The final parcel in the Waterfront Square development area (parcel 2) is expected to be developed as 200 units of residential condominiums. Construction of this parcel is projected in 2019 with occupancy expected in 2021.

Both the southern and northern ends of Revere Beach are experiencing aggressive development growth as well including the completion of a 234 unit luxury apartment project at 540 Revere Beach Boulevard called the "Beach House" by Baystone Development. Adjacent to the "Beach House" development is an approximate 3 acre vacant site at 580 Revere Beach Boulevard that is primed for a 300 unit residential development project that is currently in the planning stage.

On the southerly end of Revere Beach there are a number of commercial and residential mixed-use projects in various stages of design, permitting and construction including a 175 room Windham waterfront hotel with upscale restaurant at 49 Revere Beach Boulevard, which is currently under construction and being developed by JBX Developers with occupancy expected in 2019. Also under construction is the development of a 175 room hotel at 59 Revere Beach Boulevard called the Parc hotel with restaurant and function hall. Projects in the permitting stage include a 75 unit residential project at 90 Ocean Avenue which is slated for construction in 2019. Adjacent to this site at 60 Ocean Avenue and 21 Revere Beach Boulevard is a 200 residential mixed-use project with first floor commercial space currently in the permitting stage by Gate Residential with a projected construction start in 2019. Other proposed developments along the waterfront on Revere Beach Boulevard include a 145 unit mixed-use development at 320 Revere Beach Boulevard which is in the permitting stage and could start construction in 2019.

In addition to the aforementioned developments, there are a number of additional projects that are currently in the construction phase and/or completed including: Construction is underway for 195 residential units and 162 room hotel at 205 Revere Beach Parkway by Gate Residential and XSS Hotels with a projected completion in 2019; Completion of a 35 unit mixed use residential development at 43 Nahant Ave. ; Completion of a new 15,000 gsf East Boston Neighborhood Health Center located at 10 Garofalo Way is underway with a projected completion in 2018; Construction of a 100 room LaQuinta hotel is currently underway at 125 Squire Road with a projected completion date in 2020; Construction of a 110 room Avid hotel is currently underway at 405 American Legion Highway with a projected completion date in 2020. Construction of a fast food/take out/drive thru restaurant and car wash is currently underway at 1141 Revere Beach Parkway with a projected completion in 2019; Construction of a 6 unit mixed use residential building has been completed in 2018 at 7-9 Dehon St.

There are a number of projects that are in the construction stage in addition to the ones previously mentioned along the beachfront. These projects include: Construction of a self service warehouse storage facility at 320 Charger Street; Construction of a 52 unit residential development at 571 Revere Street; Construction of a 13 unit residential development at 1064 North Shore Road; Construction of 34 condominium units at 439 Revere Beach Boulevard; Construction of a medical marijuana facility at 40 Railroad Avenue.

Projects that have been recently completed in 2017 include: Construction of 37 additional Hotel rooms at the Hampton Inn at 230 Lee Burbank Highway; Construction of 22 condominiums at 770 Washington Avenue; Construction of a mixed use residential development comprised of 8 residential units at 17-19 Dehon Street; Construction of a 231 unit residential development on Ward Street.

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 City Council, having the authority to amend down and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

The level of budgetary control is established by 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.

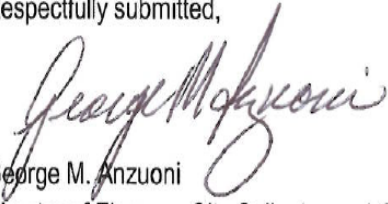
Awards and Acknowledgements

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, 2017. This was the fifth time that the City submitted a CAFR to the GFOA. The City was awarded this Certificate in all five 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,

A handwritten signature in cursive script, reading "George M. Anzuoni". The signature is written in black ink and is positioned above the printed name and title.

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

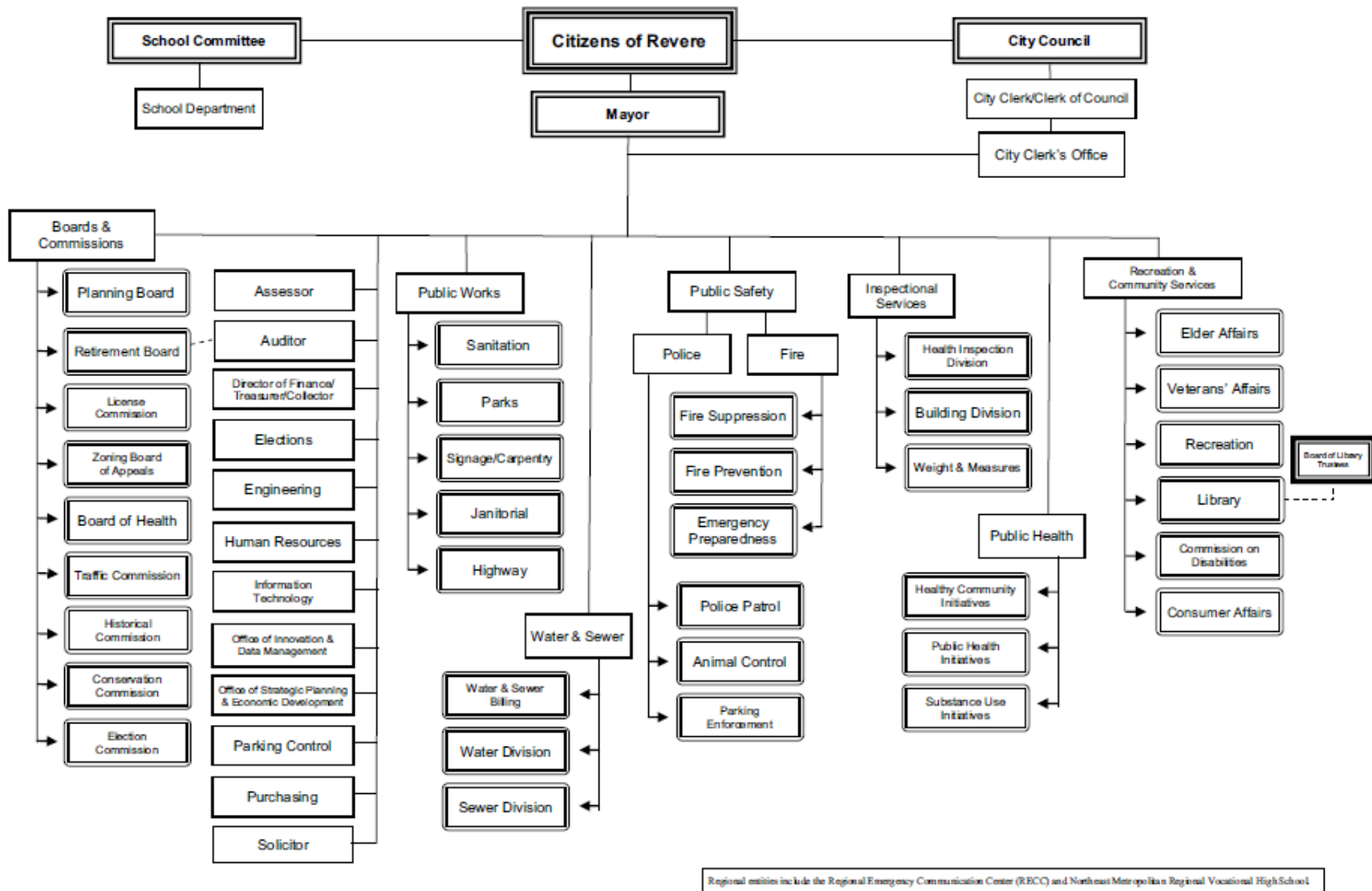
**City of Revere
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



Principal City Officials

Elected Officials

Mayor

Brian Arrigo

City Council

City Councilors-at-Large

Jessica Ann Giannino

Steven Morabito

Daniel Rizzo

George J. Rotondo

Anthony T. Zambuto

Ward City 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

Stacey A. Rizzo

Frederick A. Sannella

Carol A. Tye

Gerry Visconti

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

Richard Viscay

Assessor – Chairman of the Board

Dana Brangiforte

Assessor – Member of the Board

John Verrengia

Assessor – Member of the Board

Mathew McGrath

City Clerk

Ashley E. Melnik

Police Chief

James Guido

Fire Chief

Christopher P. Bright

Superintendent of Schools

Dianne Kelly

School Business Manager

Matthew Kruse

City Engineer

Nicholas J. Rystrom

DPW Superintendent

Paul Argenzio

City Solicitor

Paul Capizzi, Esq.

Clerk of City Council

Ashley E. Melnik

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Financial Section



City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the year ended June 30, 2018

Financial Section

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Independent Auditor's Report

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

100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

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, 2018 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2017), 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, 2018 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2017), 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 19, 2018, 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 19, 2018

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, 2018. 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. 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 funds are 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 proprietary 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 liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$100.1 million at the close of 2018, a decrease of \$10.7 million from the prior year.

Net position of \$146.3 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, \$5.2 million, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position is in a deficit of \$251.5 million.

At the end of the current year the City is able to report positive balances in two of the three categories of net position for the City as a whole. Unrestricted net position is negative due primarily to the impact of the recognition of the net other postemployment liability and the net pension liability which total \$321.8 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 governmental activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$122.4 million at the close of 2018. Components of the City's governmental financial position are listed on the following page.

	2018	2017 (As Revised)
Assets:		
Current assets.....	\$ 67,048,350	\$ 70,817,276
Capital assets, non depreciable.....	8,275,252	11,035,425
Capital assets, net of accumulated depreciation.....	<u>185,225,150</u>	<u>180,112,825</u>
Total assets.....	<u>260,548,752</u>	<u>261,965,526</u>
Deferred outflows of resources.....	<u>18,875,884</u>	<u>18,574,077</u>
Liabilities:		
Current liabilities (excluding debt).....	7,533,696	9,146,844
Noncurrent liabilities (excluding debt).....	315,874,692	310,534,911
Current debt.....	10,424,748	8,242,337
Noncurrent debt.....	<u>60,585,478</u>	<u>63,909,324</u>
Total liabilities.....	<u>394,418,614</u>	<u>391,833,416</u>
Deferred inflows of resources.....	<u>7,389,000</u>	<u>-</u>
Net position:		
Net investment in capital assets.....	131,607,988	127,306,721
Restricted.....	5,196,858	8,907,370
Unrestricted.....	<u>(259,187,824)</u>	<u>(247,507,904)</u>
Total net position.....	<u><u>\$ (122,382,978)</u></u>	<u><u>\$ (111,293,813)</u></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 \$5.2 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 \$259.2 million is due primarily to the recognition of an \$226.3 million postemployment benefits liability and a \$84.4 million net pension liability.

Governmental activity liabilities also include \$64.6 million in general obligation bonds, \$3.9 million in compensated absence liabilities for unused vacation, special leave, and enhanced longevity benefits payable and \$2.9 million of liabilities relating to workers compensation claims.

The information on the following page summarizes the current and prior year governmental activities.

	2018	2017 (As Revised)
Program Revenues:		
Charges for services.....	\$ 7,200,294	\$ 6,851,822
Operating grants and contributions.....	99,309,725	94,942,813
Capital grants and contributions.....	4,572,056	6,662,478
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	80,522,408	78,440,674
Tax and other liens.....	1,478,932	523,786
Motor vehicle and other excise taxes.....	5,637,767	5,621,860
Hotel/motel tax.....	1,796,177	1,699,684
Meals tax.....	675,481	657,244
Penalties and interest on taxes.....	1,673,886	754,037
Payments in lieu of taxes.....	279,961	132,506
Grants and contributions not restricted to specific programs.....	10,712,581	10,814,407
Unrestricted investment income.....	483,475	221,915
Total revenues.....	214,342,743	207,323,226
Expenses:		
General government.....	15,830,030	17,631,846
Public safety.....	42,792,229	39,421,440
Education.....	149,587,836	139,895,359
Public works.....	11,651,357	7,491,080
Health and human services.....	4,441,613	3,852,268
Culture and recreation.....	2,819,146	1,398,948
Interest.....	2,244,557	2,051,332
Total expenses.....	229,366,768	211,742,273
Excess (Deficiency) before transfers and.....		
Extraordinary item - Tornado Insurance Recovery.....	(15,024,025)	(4,419,047)
Extraordinary item - Tornado Insurance Recovery.....	3,934,860	2,215,140
Change in net position.....	(11,089,165)	(2,203,907)
Net position, beginning of year (as revised).....	(111,293,813)	(109,089,906)
Net position, end of year.....	\$ (122,382,978)	\$ (111,293,813)

The governmental activities net position decreased in the current year by \$11.1 million. The decrease in net position is due primarily to \$9.1 million in unfunded expenses related to the other net other postemployment benefit liability as well as unfunded pension expenses of \$2.3 million.

Business-Type Activities

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

	2018	2017 (As Revised)
Assets:		
Current assets.....	\$ 23,548,423	\$ 26,133,096
Capital assets, net of accumulated depreciation.....	84,998,782	76,282,318
Total assets.....	108,547,205	102,415,414
Deferred outflows of resources.....	589,371	563,660
Liabilities:		
Current liabilities (excluding debt).....	1,892,938	2,750,695
Noncurrent liabilities (excluding debt).....	11,133,244	11,195,461
Current debt.....	11,484,820	2,599,680
Noncurrent debt.....	62,044,147	64,483,607
Total liabilities.....	86,555,149	81,029,443
Deferred inflows of resources.....	256,000	-
Net position:		
Net investment in capital assets.....	14,660,627	13,684,220
Unrestricted.....	7,664,800	8,265,411
Total net position.....	\$ 22,325,427	\$ 21,949,631
	2018	2017 (As Revised)
Program Revenues:		
Charges for services.....	\$ 25,794,344	\$ 28,350,626
Capital grants and contributions.....	-	487,713
General Revenues:		
Unrestricted investment income.....	46,111	29,814
Total revenues.....	25,840,455	28,868,153
Expenses:		
Water and sewer.....	25,464,659	23,797,043
Change in net position.....	375,796	5,071,110
Net position, beginning of year (as revised).....	21,949,631	16,878,521
Net position, end of year.....	\$ 22,325,427	\$ 21,949,631

The Water & Sewer enterprise fund net position increased by \$378,000 during the current year. Although the fund was essentially unchanged from the prior year, a few components factor significantly into the overall fund results:

- User fee revenue decreased \$2.6 million because of a decrease in residential user rates as well as a decrease in collections of past due accounts. Collections of past due accounts are cyclical depending on fluctuations in the overall receivable as well as the results of the City's effort to collect. A tax lien is placed on the property owner's tax bill for all past due water and sewer to guarantee future collection. Additionally, a capital grant that the City received in the prior year did not recur.
- Fund expenditures increased \$1.7 million because of increases in salaries, interest, and assessments paid to the City's provider of water supply and sewage treatment and disposal.

The fact that net position increased while revenues declined and expenditures increased highlights the fact that fees imposed on users of the water and sewer are designed to recover the costs of operations as well as provide a source of funding for capital needs.

Total business type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22.3 million at the close of 2018.

Net position of \$14.7 million reflects the investment in capital assets less any debt used to acquire those assets that are still outstanding. The remaining balance of unrestricted net position of \$7.7 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 2018, governmental funds reported combined ending fund balances of \$46.1 million, a decrease of \$5.3 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 \$19.6 million, while total fund balance equaled \$32.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents about 10% of general fund budgetary expenditures while total fund balance represents about 17%. The general fund decreased by \$1.6 million during 2018. The decrease was the result of the City transferring \$1.2 million dollars from free cash to the capital project funds.

At June 30, 2018, \$9.6 million has been set aside in stabilization funds that are classified as part of the general fund in the governmental funds financial statements as unassigned. The stabilization fund balance can be used for general, employee benefit 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 City Council. See Note 9 for further discussion of the Stabilization Fund.

General Fund Budgetary Highlights

The difference of \$5.1 million between the original budget appropriations of \$185.9 million and the final amended budget of \$190 million was due to increased appropriations for snow and ice removal, outside legal services, and capital purposes of the MIS department. Additionally, the City also opted to supplement the original budget by transferring out \$3.6 million to the stabilization funds. The transfers to the stabilization funds were funded by an equal amount of free cash.

In total, actual collections in budgeted revenue categories were \$1.9 million better than expected. The better than expected revenues was the result of actual parking ticket receipts, code enforcement citation receipts, license and permit fees, and investment income being better than expected. Unbudgeted tax liens totaled \$1.3 million and motor vehicle excise collections were \$500,000 higher than expected. Offsetting the tax lien and motor vehicle categories was real estate revenues being \$1.7 million under budget. Actual expenditures and carryforwards were essentially in line with budgeted amounts.

Capital Asset and Debt Administration

Capital Assets. The City's valuation of governmental activities capital assets as of June 30, 2018, amounts to \$193.5 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, 2018, amounts to \$85 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, 2018, the City had total governmental bonded debt of \$61.6 million. Of this amount, \$32.9 million is for school purposes, \$21.3 million is for public safety purposes, \$4.3 is for the stadium reconstruction, \$2.7 million is related to land acquisition costs and \$415,000 is for various other governmental purposes.

The water & sewer enterprise fund has \$64.7 million in long-term debt that is supported by the water and sewer rates.

Currently the City has \$93.2 million in authorized and unissued long-term debt relating to future projects.

Additional information on the City's debt and capital asset activity may be found in notes 4, 6 & 7 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.

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Basic Financial Statements

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STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 55,348,691	\$ 14,002,857	\$ 69,351,548
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	209,420	-	209,420
Tax liens.....	3,141,805	-	3,141,805
Motor vehicle and other excise taxes.....	1,307,720	-	1,307,720
User charges.....	-	7,036,363	7,036,363
Departmental and other.....	1,384,931	-	1,384,931
Intergovernmental.....	2,831,984	2,509,203	5,341,187
Tax foreclosures.....	133,599	-	133,599
Working capital deposit.....	2,690,200	-	2,690,200
Total current assets.....	<u>67,048,350</u>	<u>23,548,423</u>	<u>90,596,773</u>
NONCURRENT:			
Capital assets, nondepreciable.....	8,275,252	-	8,275,252
Capital assets, net of accumulated depreciation.....	185,225,150	84,998,782	270,223,932
Total noncurrent assets.....	<u>193,500,402</u>	<u>84,998,782</u>	<u>278,499,184</u>
TOTAL ASSETS.....	<u>260,548,752</u>	<u>108,547,205</u>	<u>369,095,957</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	2,153,683	-	2,153,683
Deferred outflows related to pensions.....	10,583,000	368,000	10,951,000
Deferred outflows related to other postemployment benefits....	6,139,201	221,371	6,360,572
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>18,875,884</u>	<u>589,371</u>	<u>19,465,255</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	2,622,809	1,202,727	3,825,536
Accrued payroll.....	235,839	-	235,839
Health claims payable.....	1,239,716	-	1,239,716
Tax refunds payable.....	144,654	-	144,654
Accrued interest.....	711,275	641,211	1,352,486
Other liabilities.....	933,403	-	933,403
Customer deposits.....	-	1,000	1,000
Compensated absences.....	1,364,000	48,000	1,412,000
Workers' compensation.....	282,000	-	282,000
Notes payable.....	6,403,970	8,850,360	15,254,330
Bonds payable.....	4,020,778	2,634,460	6,655,238
Total current liabilities.....	<u>17,958,444</u>	<u>13,377,758</u>	<u>31,336,202</u>
NONCURRENT:			
Compensated absences.....	2,564,000	37,000	2,601,000
Workers' compensation.....	2,588,000	-	2,588,000
Net pension liability.....	84,418,000	2,936,000	87,354,000
Total other postemployment benefits liability.....	226,304,692	8,160,244	234,464,936
Bonds payable.....	60,585,478	62,044,147	122,629,625
Total noncurrent liabilities.....	<u>376,460,170</u>	<u>73,177,391</u>	<u>449,637,561</u>
TOTAL LIABILITIES.....	<u>394,418,614</u>	<u>86,555,149</u>	<u>480,973,763</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	7,389,000	256,000	7,645,000
NET POSITION			
Net investment in capital assets.....	131,607,988	14,660,627	146,268,615
Restricted for:			
Debt service.....	1,208,945	-	1,208,945
Gifts and grants.....	3,987,913	-	3,987,913
Unrestricted.....	(259,187,824)	7,664,800	(251,523,024)
TOTAL NET POSITION.....	<u>\$ (122,382,978)</u>	<u>\$ 22,325,427</u>	<u>\$ (100,057,551)</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

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.....	\$ 15,830,030	\$ 3,765,833	\$ 1,464,616	\$ -	\$ (10,599,581)
Public safety.....	42,792,229	1,937,344	1,113,646	-	(39,741,239)
Education.....	149,587,836	824,571	94,171,831	2,017,453	(52,573,981)
Public works.....	11,651,357	136,117	1,563,104	2,554,603	(7,397,533)
Health and human services.....	4,441,613	202,209	906,706	-	(3,332,698)
Culture and recreation.....	2,819,146	334,220	89,822	-	(2,395,104)
Interest.....	2,244,557	-	-	-	(2,244,557)
Total Governmental Activities.....	<u>229,366,768</u>	<u>7,200,294</u>	<u>99,309,725</u>	<u>4,572,056</u>	(118,284,693)
<i>Business-Type Activities:</i>					
Water and sewer.....	<u>25,464,659</u>	<u>25,794,344</u>	-	-	329,685
Total Business-Type Activities.....	<u>25,464,659</u>	<u>25,794,344</u>	-	-	329,685
Total Primary Government.....	<u>\$ 254,831,427</u>	<u>\$ 32,994,638</u>	<u>\$ 99,309,725</u>	<u>\$ 4,572,056</u>	\$ (117,955,008)

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (118,284,693)	\$ 329,685	\$ (117,955,008)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	80,522,408	-	80,522,408
Tax and other liens.....	1,478,932	-	1,478,932
Motor vehicle and other excise taxes.....	5,637,767	-	5,637,767
Hotel/motel tax.....	1,796,177	-	1,796,177
Meals tax.....	675,481	-	675,481
Penalties and interest on taxes.....	1,673,886	-	1,673,886
Payments in lieu of taxes.....	279,961	-	279,961
Grants and contributions not restricted to specific programs.....	10,712,581	-	10,712,581
Unrestricted investment income.....	483,475	46,111	529,586
Total general revenues and transfers.....	103,260,668	46,111	103,306,779
Extraordinary item - July 2014 Tornado - Insurance Recovery.....	3,934,860	-	3,934,860
 Change in net position.....	 (11,089,165)	 375,796	 (10,713,369)
<i>Net position:</i>			
Beginning of year (revised).....	(111,293,813)	21,949,631	(89,344,182)
End of year.....	\$ <u>(122,382,978)</u>	\$ <u>22,325,427</u>	\$ <u>(100,057,551)</u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents.....	\$ 31,956,817	\$ 21,192,266	\$ 53,149,083
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	209,420	-	209,420
Tax liens.....	3,141,805	-	3,141,805
Motor vehicle and other excise taxes.....	1,307,720	-	1,307,720
Departmental and other.....	1,045,004	-	1,045,004
Intergovernmental - other.....	127,334	2,704,650	2,831,984
Tax foreclosures.....	133,599	-	133,599
Due from other funds.....	1,154,236	-	1,154,236
TOTAL ASSETS.....	\$ 39,075,935	\$ 23,896,916	\$ 62,972,851
LIABILITIES			
Warrants payable.....	\$ 290,379	\$ 1,639,615	\$ 1,929,994
Accrued payroll.....	219,253	16,586	235,839
Tax refunds payable.....	144,654	-	144,654
Due to other funds.....	-	1,154,236	1,154,236
Other liabilities.....	933,403	-	933,403
Notes payable.....	-	6,403,970	6,403,970
TOTAL LIABILITIES.....	1,587,689	9,214,407	10,802,096
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue.....	5,274,909	808,614	6,083,523
TOTAL DEFERRED INFLOWS OF RESOURCES.....	5,274,909	808,614	6,083,523
FUND BALANCES			
Restricted.....	-	15,536,639	15,536,639
Committed.....	63,206	-	63,206
Assigned.....	12,590,008	-	12,590,008
Unassigned.....	19,560,123	(1,662,744)	17,897,379
TOTAL FUND BALANCES.....	32,213,337	13,873,895	46,087,232
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 39,075,935	\$ 23,896,916	\$ 62,972,851

See notes to basic financial statements.

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

JUNE 30, 2018

Total governmental fund balances.....	\$	46,087,232
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		193,500,402
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		6,083,523
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		11,486,884
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		3,297,204
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(711,275)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....		(64,606,256)
Net pension liability.....		(84,418,000)
Total other postemployment benefits liability.....		(226,304,692)
Workers' compensation.....		(2,870,000)
Compensated absences.....		<u>(3,928,000)</u>
Net effect of reporting long-term liabilities.....		<u>(382,126,948)</u>
Net position of governmental activities.....	\$	<u>(122,382,978)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 80,422,568	\$ -	\$ 80,422,568
Tax liens.....	1,469,225	-	1,469,225
Motor vehicle and other excise taxes.....	5,844,249	-	5,844,249
Hotel/motel tax.....	1,796,177	-	1,796,177
Meals tax.....	675,481	-	675,481
Charges for services.....	1,819,537	819,423	2,638,960
Penalties and interest on taxes.....	889,791	-	889,791
Payments in lieu of taxes.....	279,961	-	279,961
Licenses and permits.....	1,759,986	-	1,759,986
Fines and forfeitures.....	2,177,667	-	2,177,667
Intergovernmental - Teachers Retirement.....	18,145,610	-	18,145,610
Intergovernmental.....	72,766,674	22,544,776	95,311,450
Departmental and other.....	-	1,460,413	1,460,413
Contributions and donations.....	-	207,614	207,614
Investment income.....	425,818	45,737	471,555
TOTAL REVENUES.....	188,472,744	25,077,963	213,550,707
EXPENDITURES:			
Current:			
General government.....	7,892,590	1,967,804	9,860,394
Public safety.....	23,450,552	1,343,246	24,793,798
Education.....	82,043,482	23,727,209	105,770,691
Public works.....	6,939,971	5,016,892	11,956,863
Health and human services.....	2,351,719	669,181	3,020,900
Culture and recreation.....	1,177,144	406,465	1,583,609
Pension benefits.....	11,052,060	-	11,052,060
Pension benefits - Teachers Retirement.....	18,145,610	-	18,145,610
Employee benefits.....	20,310,678	-	20,310,678
State and county charges.....	10,394,287	-	10,394,287
Debt service:			
Principal.....	3,482,543	-	3,482,543
Interest.....	2,447,489	-	2,447,489
TOTAL EXPENDITURES.....	189,688,125	33,130,797	222,818,922
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,215,381)	(8,052,834)	(9,268,215)
OTHER FINANCING SOURCES (USES):			
Transfers in.....	856,323	1,302,373	2,158,696
Transfers out.....	(1,211,000)	(931,872)	(2,142,872)
TOTAL OTHER FINANCING SOURCES (USES)...	(354,677)	370,501	15,824
EXTRAORDINARY ITEM:			
July 2014 Tornado - insurance recoveries.....	-	3,954,360	3,954,360
NET CHANGE IN FUND BALANCES.....	(1,570,058)	(3,727,973)	(5,298,031)
FUND BALANCES AT BEGINNING OF YEAR.....	33,783,395	17,601,868	51,385,263
FUND BALANCES AT END OF YEAR.....	\$ 32,213,337	\$ 13,873,895	\$ 46,087,232

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, 2018

Net change in fund balances - total governmental funds.....	\$	(5,298,031)
<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.....		11,560,837
Depreciation expense.....		<u>(9,208,685)</u>
Net effect of reporting capital assets.....		3,352,152
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		761,158
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction 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 unavailable and amortized in the Statement of Activities.</p>		
Net amortization of premium from issuance of bonds.....		356,235
Net change in deferred charge on refunding.....		(194,139)
Debt service principal payments.....		<u>3,482,543</u>
Net effect of reporting long-term debt.....		3,644,639
<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.....		(625,000)
Net change in accrued interest on long-term debt.....		40,836
Net change in deferred outflow/(inflow) of resources related to pensions.....		(13,032,255)
Net change in net pension liability.....		10,735,621
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		6,139,201
Net change in the total other postemployment benefits liability.....		(15,281,402)
Net change in workers' compensation liability.....		<u>(502,000)</u>
Net effect of recording long-term liabilities.....		(12,524,999)
The net activity of internal service funds is reported with Governmental Activities.....		<u>(24,084)</u>
Change in net position of governmental activities.....	\$	<u><u>(11,089,165)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2018

	Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 14,002,857	\$ 2,199,608
Receivables, net of allowance for uncollectibles:		
User charges.....	7,036,363	-
Departmental and other.....	-	339,927
Intergovernmental.....	2,509,203	-
Working capital deposit.....	-	2,690,200
	<u>23,548,423</u>	<u>5,229,735</u>
Total current assets.....		
	<u>23,548,423</u>	<u>5,229,735</u>
NONCURRENT:		
Capital assets, net of accumulated depreciation.....	<u>84,998,782</u>	-
	<u>84,998,782</u>	-
TOTAL ASSETS.....	<u>108,547,205</u>	<u>5,229,735</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	368,000	-
Deferred outflows related to other postemployment benefits.....	<u>221,371</u>	-
	<u>589,371</u>	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>589,371</u>	-
LIABILITIES		
CURRENT:		
Warrants payable.....	1,202,727	692,815
Health claims payable.....	-	1,239,716
Accrued interest.....	641,211	-
Customer deposits.....	1,000	-
Compensated absences.....	48,000	-
Notes payable.....	8,850,360	-
Bonds payable.....	<u>2,634,460</u>	-
	<u>13,377,758</u>	<u>1,932,531</u>
Total current liabilities.....		
	<u>13,377,758</u>	<u>1,932,531</u>
NONCURRENT:		
Compensated absences.....	37,000	-
Net pension liability.....	2,936,000	-
Total other postemployment benefits liability.....	8,160,244	-
Bonds payable.....	<u>62,044,147</u>	-
	<u>73,177,391</u>	-
Total noncurrent liabilities.....		
	<u>73,177,391</u>	-
TOTAL LIABILITIES.....	<u>86,555,149</u>	<u>1,932,531</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	<u>256,000</u>	-
	<u>256,000</u>	-
NET POSITION		
Net investment in capital assets.....	14,660,627	-
Unrestricted.....	<u>7,664,800</u>	<u>3,297,204</u>
	<u>22,325,427</u>	<u>3,297,204</u>
TOTAL NET POSITION.....	<u>\$ 22,325,427</u>	<u>\$ 3,297,204</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	Water and Sewer	Governmental Activities - Internal Service Fund
OPERATING REVENUES:		
Employer and employee contributions..... \$	-	\$ 25,045,249
Charges for services.....	25,794,344	-
TOTAL OPERATING REVENUES	25,794,344	25,045,249
OPERATING EXPENSES:		
Cost of services and administration.....	4,760,723	-
Salaries and wages.....	1,318,455	-
MWRA assessment.....	15,672,684	-
Depreciation.....	2,290,651	-
Employee benefits.....	-	25,065,429
TOTAL OPERATING EXPENSES.....	24,042,513	25,065,429
OPERATING INCOME (LOSS).....	1,751,831	(20,180)
NONOPERATING REVENUES (EXPENSES):		
Investment income.....	46,111	11,920
Interest expense.....	(1,422,146)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(1,376,035)	11,920
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	375,796	(8,260)
TRANSFERS:		
Transfers out.....	-	(15,824)
CHANGE IN NET POSITION.....	375,796	(24,084)
NET POSITION AT BEGINNING OF YEAR (Revised).....	21,949,631	3,321,288
NET POSITION AT END OF YEAR..... \$	22,325,427	\$ 3,297,204

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Water and Sewer	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users.....	\$ 26,920,515	\$ 24,990,544
Payments to vendors.....	(20,476,749)	-
Payments to employees.....	(1,306,455)	-
Payments for interfund services used.....	-	(25,720,347)
NET CASH FROM OPERATING ACTIVITIES.....	5,137,311	(729,803)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out.....	-	(15,824)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds and notes.....	10,532,507	-
Acquisition and construction of capital assets.....	(11,825,539)	-
Principal payments on bonds and notes.....	(2,599,679)	-
Interest expense.....	(1,262,067)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(5,154,778)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income.....	46,111	11,920
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	28,644	(733,707)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	13,974,213	2,933,315
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 14,002,857	\$ 2,199,608
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH		
FROM OPERATING ACTIVITIES:		
Operating income (loss).....	\$ 1,751,831	\$ (20,180)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation.....	2,290,651	-
Deferred (outflows)/inflows related to pensions.....	451,660	-
Changes in assets and liabilities:		
User charges.....	1,126,171	-
Departmental and other.....	-	(54,705)
Warrants payable.....	(201,414)	(678,810)
Health claims payable.....	-	23,892
Compensated absences.....	12,000	-
Net pension liability.....	(369,408)	-
Total other postemployment benefits.....	75,820	-
Total adjustments.....	3,385,480	(709,623)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 5,137,311	\$ (729,803)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Acquisition of capital assets on account.....	\$ (818,424)	\$ -
Intergovernmental receivable from MCWT.....	\$ 2,509,203	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Pension Trust Fund (as of December #VALUE!	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 2,899,043	\$ 56,592	\$ 415,934
Investments:			
Investments in Pension Reserve Investment Trust.....	154,487,555	-	-
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	4,007,528	-	-
TOTAL ASSETS.....	161,394,126	56,592	415,934
LIABILITIES			
Liabilities due depositors.....	-	-	340,934
Other liabilities.....	-	-	75,000
TOTAL LIABILITIES.....	-	-	415,934
NET POSITION			
Restricted for pensions.....	161,394,126	-	-
Held in trust for other purposes.....	-	56,592	-
TOTAL NET POSITION.....	\$ 161,394,126	\$ 56,592	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2018

	Pension Trust Fund (as of December 31,)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 12,219,658	\$ -
Member contributions.....	3,458,952	-
Transfers from other systems.....	211,611	-
Private donations.....	-	5,228
Intergovernmental.....	120,941	-
Total contributions.....	16,011,162	5,228
Net investment income:		
Investment income.....	23,565,975	276
Less: investment expense.....	(759,285)	-
Net investment income (loss).....	22,806,690	276
TOTAL ADDITIONS.....	38,817,852	5,504
DEDUCTIONS:		
Administration.....	319,259	-
Retirement benefits - transfers to other systems.....	443,353	-
Retirement benefits - 3(8)c transfer to other systems.....	381,509	-
Retirement benefits and refunds.....	15,623,929	-
Educational scholarships.....	-	25,000
TOTAL DEDUCTIONS.....	16,768,050	25,000
NET INCREASE (DECREASE) IN NET POSITION.....	22,049,802	(19,496)
NET POSITION AT BEGINNING OF YEAR.....	139,344,324	76,088
NET POSITION AT END OF YEAR.....	\$ 161,394,126	\$ 56,592

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 2018 assessment was \$1,957,177. 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.

The City is a member of the Metro North Regional Emergency Communications District that provides for the operations and maintenance of a regional public safety communications and dispatch center. 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 2018 assessment was \$1,614,669. The District does not issue a publicly

available financial report.

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 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, donated works of art, historical treasures and similar assets, and capital assets received in service concession arrangements are recorded at acquisition value. 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 and equipment.....	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, OPEB, and debt refunding 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 has reported deferred inflows related to pensions in this category.

Governmental Fund Financial Statements

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

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

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

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

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and 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 City 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. The general fund is the only fund that reports a positive unassigned fund balance amount.

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 Strategic Planning Fund (\$223,424), the School Grant Fund (\$266,600), the Harry Della Russo Stadium capital project fund (\$79,288), and the School Capital Project Fund (\$1,093,432). 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 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. The short term bond portfolio is unrated; however, the credit ratings associated with underlying investments 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 .15 to 16.31 years. The PRIT fund is unrated.

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 \$18,532,879 and the bank balance totaled \$33,297,600. Of the bank balance, \$1,006,960 was covered by Federal Depository Insurance, and \$32,290,640 was collateralized.

At December 31, 2017, carrying amount of deposits for the System totaled \$2,899,043 and the bank balance totaled \$3,174,615. All of the bank balance of the System was covered by the Federal Depository Insurance.

Investments

As of December 31, 2017, the System had \$154,487,555 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, 2017, 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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City and the System's investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Credit Risk

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, 2018, the City had a balance in the MMDT cash portfolio of \$51,291,195.

The investment in MMDT is comprised of a cash portfolio and a bond portfolio. The cash portfolio is 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. The bond portfolio is valued at fair value.

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, 2017, the System's recurring fair value measurements for its investment in PRIT was \$154,487,555.

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, 2018, 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.....	\$ 836,859	\$ (627,439)	\$ 209,420
Tax liens.....	3,141,805	-	3,141,805
Motor vehicle and other excise taxes.....	3,114,129	(1,806,409)	1,307,720
Departmental and other.....	2,369,610	(984,679)	1,384,931
Intergovernmental.....	2,831,984	-	2,831,984
 Total.....	 <u>\$ 12,294,387</u>	 <u>\$ (3,418,527)</u>	 <u>\$ 8,875,860</u>

At June 30, 2018, receivables for the water & sewer enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water and sewer user charges.....	\$ 7,036,363	\$ -	\$ 7,036,363
Water and sewer intergovernmental.....	2,509,203	-	2,509,203
 Total.....	 <u>\$ 9,545,566</u>	 <u>\$ -</u>	 <u>\$ 9,545,566</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	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 201,043	\$ -	\$ 201,043
Tax liens.....	2,721,144	-	2,721,144
Motor vehicle and other excise taxes.....	1,307,720	-	1,307,720
Departmental and other.....	1,045,002	-	1,045,002
Intergovernmental - highway improvements.....	-	808,614	808,614
 Total.....	 <u>\$ 5,274,909</u>	 <u>\$ 808,614</u>	 <u>\$ 6,083,523</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 8,275,252	\$ -	\$ -	\$ 8,275,252
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	267,141,814	6,051,990	-	273,193,804
Machinery, equipment and furnishings.....	18,753,034	3,318,892	-	22,071,926
Infrastructure.....	27,421,420	2,189,955	-	29,611,375
Total capital assets being depreciated.....	<u>313,316,268</u>	<u>11,560,837</u>	<u>-</u>	<u>324,877,105</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(103,780,265)	(6,799,953)	-	(110,580,218)
Machinery, equipment and furnishings.....	(15,194,448)	(1,429,501)	-	(16,623,949)
Infrastructure.....	(11,468,557)	(979,231)	-	(12,447,788)
Total accumulated depreciation.....	<u>(130,443,270)</u>	<u>(9,208,685)</u>	<u>-</u>	<u>(139,651,955)</u>
Total capital assets being depreciated, net.....	<u>182,872,998</u>	<u>2,352,152</u>	<u>-</u>	<u>185,225,150</u>
Total governmental activities capital assets, net.....	<u>\$ 191,148,250</u>	<u>\$ 2,352,152</u>	<u>\$ -</u>	<u>\$ 193,500,402</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 192,659	\$ -	\$ -	\$ 192,659
Machinery, equipment and furnishings.....	4,985,683	1,392,872	-	6,378,555
Infrastructure.....	94,289,596	9,614,243	-	103,903,839
Total capital assets being depreciated.....	<u>99,467,938</u>	<u>11,007,115</u>	<u>-</u>	<u>110,475,053</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(164,274)	(2,823)	-	(167,097)
Machinery, equipment and furnishings.....	(4,823,346)	(157,478)	-	(4,980,824)
Infrastructure.....	(18,198,000)	(2,130,350)	-	(20,328,350)
Total accumulated depreciation.....	<u>(23,185,620)</u>	<u>(2,290,651)</u>	<u>-</u>	<u>(25,476,271)</u>
Total capital assets being depreciated, net.....	<u>76,282,318</u>	<u>8,716,464</u>	<u>-</u>	<u>84,998,782</u>
Total business-type activities capital assets, net.....	<u>\$ 76,282,318</u>	<u>\$ 8,716,464</u>	<u>\$ -</u>	<u>\$ 84,998,782</u>

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

Governmental Activities:

General government.....	\$	578,282
Public safety.....		1,597,378
Education.....		5,875,535
Public works.....		1,006,441
Health and human services.....		48,800
Culture and recreation.....		<u>102,249</u>

Total depreciation expense - governmental activities..... \$ 9,208,685

Business-Type Activities:

Water and sewer.....	\$	<u>2,290,651</u>
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NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2018, are internal short-term advances for cash flow purposes and are summarized as follows:

Receivable Fund	Payable Fund	Amount
General fund	Highway improvement fund.....	\$ 603,272
General fund	School grants fund.....	248,252
General fund	Strategic planning fund.....	223,424
General fund	Harry Della Russo stadium fund.....	<u>79,288</u>
Total Governmental Activities.....		\$ <u>1,154,236</u>

The repayment of the advances will be completed in 2019 with federal and state grants and other available funding.

Interfund transfers for the year ended June 30, 2018, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 1,211,000	\$ 1,211,000 (1)
Nonmajor governmental funds.....	840,499	91,373	931,872 (2)
Internal service fund.....	<u>15,824</u>	<u>-</u>	<u>15,824 (3)</u>
Total.....	\$ <u>856,323</u>	\$ <u>1,302,373</u>	\$ <u>2,158,696</u>

(1) Transfer from the general fund to the nonmajor governmental funds for various capital projects.

- (2) Transfer of excess grant and capital funds to the general fund.
- (3) Transfer to close out excess funding to the general fund.

NOTE 6 – 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, 2018, the City had the following outstanding short-term debt:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2017	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2018
Governmental Funds:							
BAN	Municipal Purpose.....	2.50%	04/13/18	\$ 3,706,627	\$ -	\$ (3,706,627)	\$ -
BAN	Municipal Purpose.....	2.25%	04/13/18	-	3,397,343	(3,397,343)	-
BAN	Municipal Purpose.....	2.75%	04/21/19	-	6,403,970	-	6,403,970
Total Governmental Funds.....				\$ <u>3,706,627</u>	\$ <u>9,801,313</u>	\$ <u>(7,103,970)</u>	\$ <u>6,403,970</u>
Water & Sewer Enterprise Fund:							
BAN	MCWT Interim Loans.....	2.00%	06/30/19	\$ -	\$ 8,150,360	\$ -	\$ 8,150,360
BAN	Municipal Purpose.....	2.75%	04/21/19	-	700,000	-	700,000
Total Water Enterprise Fund.....				\$ <u>-</u>	\$ <u>8,850,360</u>	\$ <u>-</u>	\$ <u>8,850,360</u>

NOTE 7 – 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".

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, 2018, the City had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
MWRA Inflow & Infiltration.....	\$ 626,925
Public safety technology.....	180,000
Various MCWT Projects.....	40,556,519
Water & Sewer capital equipment.....	700,000
DPW capital equipment.....	800,000
Land acquisition.....	1,100,000
Reconstruct and repair McKinley School.....	2,500,000
Hill School construction.....	2,856,627
Garfield School roof / building design / boiler replacement / feasibility.....	9,285,315
Stormwater and wastewater.....	644,289
Lincoln school air conditioning.....	70,000
DPW building design and construction services.....	22,600,000
Beachmont school.....	200,000
School energy management contract.....	616
Public safety planning.....	6,580
Pines fire station feasibility.....	50,000
DCR maintenance facility construction.....	11,000,000
Total.....	\$ <u>93,176,871</u>

Details related to the City's outstanding general obligation indebtedness as of June 30, 2018, and the debt service requirements for the governmental activities are as follows:

<u>Project</u>	<u>Maturities Through</u>	<u>Original Loan Amount</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2018</u>
General Obligation State Qualified Issue 2004	2012	\$ 440,000	4.20	\$ 75,000
General Obligation State Qualified Issue 2009	2039	26,381,000	3.2 - 4.9	925,000
MSBA School Construction Debt 2010	2031	5,990,850	2.00	3,894,049
General Obligation State Qualified Issue 2010	2031	12,686,000	2.0 - 4.0	8,555,000
General Obligation State Qualified Issue 2015	2035	3,636,000	2.0 - 4.0	3,055,000
General Obligation State Qualified Issue 2015	2029	9,786,200	2.0 - 4.0	8,566,200
General Obligation State Qualified Refunding 2016	2039	19,250,000	2.0 - 4.0	19,250,000
General Obligation State Qualified Issue 2017	2044	17,678,000	3.0 - 5.0	17,275,000
Total Bonds Payable.....				61,595,249
Add: Unamortized premium on bonds.....				<u>3,011,007</u>
Total Bonds Payable, net.....				\$ <u>64,606,256</u>

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

Year	Principal	Interest	Total
2019.....	\$ 3,664,543	\$ 3,068,896	\$ 6,733,439
2020.....	3,684,543	2,007,466	5,692,009
2021.....	3,694,543	1,869,115	5,563,658
2022.....	3,724,543	1,727,302	5,451,845
2023.....	3,845,743	1,583,961	5,429,704
2024 - 2028.....	17,582,715	5,803,543	23,386,258
2029 - 2033.....	11,678,619	3,036,749	14,715,368
2034 - 2038.....	8,170,000	1,632,113	9,802,113
2039 - 2043.....	4,175,000	541,750	4,716,750
2034 - 2045.....	1,375,000	48,562	1,423,562
Total.....	\$ 61,595,249	\$ 21,319,457	\$ 82,914,706

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, 2018, \$18,465,000 of defeased bonds remains outstanding.

Details related to the City’s outstanding general obligation indebtedness as of June 30, 2018, and the debt service requirements for the business-type activities are as listed on the following page.

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
MCWT Water 2010	2031	\$ 575,000	2.00	\$ 399,314
MCWT Water 2012	2043	5,883,727	2.00	5,130,040
MCWT Water 2013	2023	2,500,000	2.00	1,250,000
MCWT Water 2013	2033	5,007,999	2.00	3,950,111
MCWT Water 2015	2025	1,850,000	2.00	1,295,000
General Obligation State Qualified Issue 2015	2026	683,800	3.0 - 4.0	603,800
MCWT Water 2015	2045	9,021,487	2.00 - 2.40	8,149,481
MCWT Water 2016	2046	9,485,903	2.00 - 2.40	8,741,864
MCWT Water 2017	2047	35,981,642	2.00	34,963,997
Mass Water Resources Loan.....	2023	195,000	0.00	195,000
Total Bonds Payable.....				\$ 64,678,607

Debt service requirements for principal and interest for enterprise fund bonds and notes payable in future years are as listed on the following page.

Year	Principal	Interest	Total
2019.....	\$ 2,634,460	\$ 1,414,119	\$ 4,048,579
2020.....	2,683,901	1,365,891	4,049,792
2021.....	2,734,500	1,316,168	4,050,668
2022.....	2,786,359	1,264,915	4,051,274
2023.....	2,833,235	1,212,639	4,045,874
2024 - 2028.....	12,333,966	5,251,266	17,585,232
3029 - 2033.....	12,340,436	3,921,104	16,261,540
2034 - 2038.....	11,004,209	2,500,005	13,504,214
2039 - 2043.....	9,212,094	1,393,294	10,605,388
2044 - 2047.....	6,115,447	342,024	6,457,471
Total.....	\$ 64,678,607	\$ 19,981,425	\$ 84,660,032

Changes in Long-term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 65,077,792	\$ -	\$ (3,482,543)	\$ -	\$ -	\$ 61,595,249	\$ 3,664,543
Add: Unamortized premium on bonds...	3,367,242	-	(356,235)	-	-	3,011,007	356,235
Total bonds payable.....	68,445,034	-	(3,838,778)	-	-	64,606,256	4,020,778
Compensated absences.....	3,303,000	-	-	1,477,000	(852,000)	3,928,000	1,364,000
Workers' compensation.....	2,368,000	-	-	963,000	(461,000)	2,870,000	282,000
Net pension liability.....	95,153,621	-	-	442,745	(11,178,366)	84,418,000	-
Other postemployment benefits.....	217,162,491	-	-	15,157,080	(6,014,879)	226,304,692	-
Total governmental activity long-term liabilities.....	\$ 386,432,146	\$ -	\$ (3,838,778)	\$ 18,039,825	\$ (18,506,245)	\$ 382,126,948	\$ 5,666,778
Business-Type Activities:							
Long-term bonds payable.....	\$ 67,083,287	\$ 195,000	\$ (2,599,680)	\$ -	\$ -	\$ 64,678,607	\$ 2,634,460
Compensated absences.....	73,000	-	-	58,000	(46,000)	85,000	48,000
Net pension liability.....	3,305,408	-	-	16,340	(385,748)	2,936,000	-
Other postemployment benefits.....	8,084,424	-	-	421,513	(345,693)	8,160,244	-
Total business-type activity long-term liabilities.....	\$ 78,546,119	\$ 195,000	\$ (2,599,680)	\$ 495,853	\$ (777,441)	\$ 75,859,851	\$ 2,682,460

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 8 – 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, 2018, the governmental fund balances consisted of the following:

	General	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:			
Restricted for:			
City revolving funds.....	\$ -	\$ 1,740,164	\$ 1,740,164
City grant funds.....	-	4,040,958	4,040,958
Community development grant funds.....	-	189,909	189,909
City receipts reserved for appropriation.....	-	4,283,685	4,283,685
School revolving funds.....	-	2,794,108	2,794,108
School grants funds.....	-	23,646	23,646
City capital projects funds.....	-	442,060	442,060
School construction projects.....	-	813,164	813,164
Debt service fund.....	-	1,208,945	1,208,945
Committed to:			
Articles and continuing appropriations:			
General government.....	5,118	-	5,118
Public works.....	58,088	-	58,088
Assigned to:			
General government.....	588,606	-	588,606
Public safety.....	259,333	-	259,333
Education.....	11,163,568	-	11,163,568
Public works.....	398,667	-	398,667
Human services.....	164,337	-	164,337
Culture and recreation.....	15,497	-	15,497
Unassigned.....	19,560,123	(1,662,744)	17,897,379
Total Fund Balances.....	\$ 32,213,337	\$ 13,873,895	\$ 46,087,232

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 City Council.

At June 30, 2018, \$9,554,288 has been set aside in stabilization funds that are classified as part of the unassigned fund balance of the general fund in the governmental funds financial statements. During the year the

general fund transferred \$4,270,776 to the stabilization funds. The stabilization fund balance can be used for general, capital or employee benefit purposes upon approval of the City Council. Additions to the fund can only be made upon City Council approval.

NOTE 9 – 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, 2018, the amount of the liability for health insurance claims totaled \$1,239,716. 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, 2016, are as follows:

Health Insurance

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2017.....	\$ 1,213,244	\$ 23,326,493	\$ (23,323,913)	\$ 1,215,824
2018.....	1,215,824	25,089,321	(25,065,429)	1,239,716

Workers Compensation

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2017.....	\$ 3,087,000	\$ (258,000)	\$ (461,000)	\$ 2,368,000
2018.....	2,368,000	963,000	(461,000)	2,870,000

NOTE 10 – 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, 2017. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$18,145,610 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 \$173,853,635 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, 2017.

At December 31, 2017, the RCRS membership consists of the following:

Active members.....	587
Inactive members.....	99
Retirees and beneficiaries currently receiving benefits.....	<u>499</u>
 Total.....	 <u><u>1,185</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, 2017, was an actuarially determined amount of \$12,363,000. 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 35.83% of covered payroll. The City's proportionate share of the required contribution was \$11,567,000 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2018, were as follows:

Total pension liability.....	\$ 254,758,000
Total pension plan's fiduciary net position.....	<u>(161,394,126)</u>
Total net pension liability.....	<u><u>\$ 93,363,874</u></u>
 The pension plan's fiduciary net position as a percentage of the total pension liability.....	 63.35%

At June 30, 2018, the City reported a liability of \$87,353,226 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. 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, 2017, the City's proportion was 93.56%, which decreased 0.16% from its proportion measured at December 31, 2016.

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

Pension Expense

For the year ended June 30, 2018, the City recognized pension expense of \$13,936,000. At June 30, 2018, the City reported deferred outflows of resources related to pensions of \$10,951,000 and deferred inflows of resources related to pensions of \$7,645,000 as detailed on the following page.

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 4,106,000	\$ (1,518,000)	\$ 2,588,000
Difference between projected and actual earnings, net.....	-	(6,074,000)	(6,074,000)
Changes in assumptions.....	6,845,000	-	6,845,000
Changes in proportion and proportionate share of contributions.....	-	(53,000)	(53,000)
Total deferred outflows/(inflows) of resources.....	\$ 10,951,000	\$ (7,645,000)	\$ 3,306,000

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

Year ended June 30:

2019.....	\$ 3,784,000
2020.....	3,333,000
2021.....	(1,857,000)
2022.....	(1,954,000)
Total.....	\$ 3,306,000

Changes in Plan Assumptions

The investment rate of return and discount rate decreased from 7.60% to 7.40%.

Changes in Plan Provisions

There were no changes in provisions.

Actuarial Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2017:

Valuation date.....	1/1/2017
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method - UAAL.....	Total payments increase 5% per year until FY32 with a final amortization payment in FY33.
Remaining amortization period.....	15 years from July 1, 2018
Asset valuation method.....	<p>Fair value. Gains and losses are recognized over 5 years:</p> <ul style="list-style-type: none"> a) 20% of gains and losses of the prior year, b) 40% of gains and losses of the second prior year and c) 60% of gains and losses of the third prior year. d) 80% of gains and losses of the third prior year. e) 100% of gains and losses of the third prior year. <p>Actuarial value of assets may be adjusted when need so that total value of assets is between 90% and 110% of market value.</p>
Investment rate of return.....	7.40%, net of pension plan investment expense, including inflation.
Discount rate.....	7.40%
Inflation rate.....	Not explicitly assumed.
Projected salary increases.....	Groups 1/2: 6% to 4.25% based on service. Group 4: 7% to 4.75% based on service.
Cost of living adjustments.....	3% of the first \$12,000
Mortality rates.....	<p>RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 - gender distinct (pre-retirement).</p> <p>RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 - gender distinct (non-disabled retirees).</p> <p>RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2012 - gender distinct (disabled retirees).</p>

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, 2017, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity		
Large cap equities.....	14.50%	7.50%
Small/mid cap equities.....	3.50%	7.75%
International equities.....	16.00%	7.80%
Emerging international equities.....	6.00%	9.30%
Core fixed income		
Core bonds.....	5.00%	3.75%
20+ year treasuries.....	2.00%	3.50%
TIPS.....	5.00%	3.75%
Value added fixed income		
High-yield bonds.....	1.50%	5.50%
Bank loans.....	2.50%	5.50%
EMD (external).....	1.00%	5.00%
EMD (local currency).....	0.00%	6.50%
Distressed debt.....	3.00%	8.80%
Other credit opportunities.....	2.00%	6.50%
Private equity.....	11.00%	9.50%
Real estate.....	10.00%	6.70%
Timberland.....	4.00%	6.25%
Hedge fund and portfolio completion.....	13.00%	6.40%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.28%. 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 7.4%. 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 7.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.4%) or 1-percentage-point higher (8.40%) than the current rate:

	1% Decrease (6.4%)	Current Discount (7.4%)	1% Increase (8.4%)
	<u> </u>	<u> </u>	<u> </u>
The City's proportionate share of the net pension liability.....	\$ <u>117,730,000</u>	\$ <u>87,353,226</u>	\$ <u>68,564,105</u>
The System's total net pension liability.....	\$ <u>125,831,000</u>	\$ <u>93,364,000</u>	\$ <u>73,282,000</u>

NOTE 11 – 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 – Contributions requirements are negotiated between the City and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 25% of the cost of benefits provided. The City is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits.

Plan Membership - The following table represents the Plan’s membership at June 30, 2018:

Active members.....	1,183
Inactive members currently receiving benefits.....	<u>1,096</u>
Total.....	<u><u>2,279</u></u>

Measurement Date – GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2016.....	\$ 225,246,915
Changes for the year:	
Service cost.....	8,097,434
Interest.....	7,481,159
Changes of benefit terms.....	-
Differences between expected and actual experience.....	-
Changes in assumptions and other inputs.....	-
Benefit payments.....	<u>(6,360,572)</u>
Net change.....	<u>9,218,021</u>
Balance at June 30, 2017.....	\$ <u><u>234,464,936</u></u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability, calculated using the discount rate of 3.25%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate 1-percentage point lower (2.25%) or 1-percentage point high (4.25%) than the current rate.

	<u>1% Decrease (2.25%)</u>	<u>Current Discount Rate (3.25%)</u>	<u>1% Increase (4.25%)</u>
Net OPEB liability.....	\$ <u><u>281,745,570</u></u>	\$ <u><u>234,464,936</u></u>	\$ <u><u>198,061,036</u></u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate– The following table presents the net other postemployment benefit liability, calculated using a healthcare trend rate of 5%, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate 1-percentage point lower (4%) or 1-percentage point high (6%) than the current rate.

	<u>1% Decrease (4.00%)</u>	<u>Current Trend (5.00%)</u>	<u>1% Increase (6.00%)</u>
Net OPEB liability.....	\$ <u><u>186,711,889</u></u>	\$ <u><u>234,464,936</u></u>	\$ <u><u>297,883,852</u></u>

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018 the City recognized OPEB expense of \$9,218,021. At June 30, 2018, the City reported deferred outflows of resources related to OPEB in the amount of \$6,360,572. This amount will be recognized in OPEB expense in fiscal year 2019.

Significant Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Valuation date.....	June 30, 2017
Actuarial cost method.....	Individual Entry Age Normal
Municipal bond rate.....	3.13% as of July 1, 2017 (S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	3.25% as of July 1, 2017 and for future periods.
Inflation rate.....	2.75% as of July 1, 2017 and for future periods.
Projected salary increases.....	3% as of July 1, 2017, and for future periods.
Payroll growth.....	4% per year
Healthcare trend rate.....	5% per year
Cost of living adjustments.....	3% of the pension amount, capped at \$360 per year.
Mortality rates.....	For employees (male and female RP-2000 Employees Mortality Table (base year 2009) projected generationally with Scale BB. For disabled members (male and female), RP-2000 Healthy Annuitant Mortality Table (base year 2012) projected generationally with Scale BB. Post retirement mortality (male and female), RP-2000 Healthy Annuitant Mortality Table (base year 2009) projected generationally with Scale BB.
Mortality experience study.....	The mortality assumptions reflect PERAC's recent experience analysis published in 2014 (based on the years 2006 - 2011), updated to reflect data through January 1, 2015 for post-retirement mortality, and professional judgement. As such, mortality assumptions reflect observed current mortality as well as expected mortality improvements.

Changes in Assumptions – The discount rate was changed from 4% to 3.25%.

Changes in Plan Provisions – None.

Discount rate – The discount rate used to measure the total OPEB liability was 3.25% as of June 30, 2018 and June 30, 2017. The discount rate used was determined based on the yield of a 20 year tax exempt general

obligation municipal bond with an average rate of AA/Aa or higher. Specifically, the S&P Municipal Bond 20 – Year High Grade Index was applied.

NOTE 12 – 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 recently completed construction on the Staff Sargent James J. Hill 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 2018 the City has expended approximately \$45.6 million and has received approximately \$27 million in construction grant reimbursements. The City is currently awaiting the final close out audit of the project by MSBA and has recorded an estimated receivable of \$900,000 relative to the project.

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, 2018.

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, 2018, the City has expended approximately \$72.5 million under the terms of the consent decree.

NOTE 13 – 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, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

NOTE 14 – REVISION OF NET POSITION PREVIOUSLY REPORTED

The City revised its beginning net position to reflect the implementation of GASB Statement #75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The cumulative effect of the revision is as follows:

	06/30/2017 Previously Reported Balances	Implementation of GASB #75	06/30/2017 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 12,495,477	\$ (123,789,290)	\$ (111,293,813)
Business-type activities.....	<u>28,661,684</u>	<u>(6,712,053)</u>	<u>21,949,631</u>
Total.....	<u>\$ 41,157,161</u>	<u>\$ (130,501,343)</u>	<u>\$ (89,344,182)</u>
Business-type Activities - Enterprise Funds			
Water and sewer enterprise fund.....	\$ <u>28,661,684</u>	\$ <u>(6,712,053)</u>	\$ <u>21,949,631</u>
Total.....	<u>\$ 28,661,684</u>	<u>\$ (6,712,053)</u>	<u>\$ 21,949,631</u>

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2018, which is the date the financial statements were available to be issued.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.

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, 2018

	Budgeted Amounts		Actual Budgetary 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.....	\$ 81,199,858	\$ 82,274,522	\$ 80,558,736	\$ -	\$ (1,715,786)
Tax liens.....	-	-	1,280,824	-	1,280,824
Motor vehicle and other excise taxes.....	5,350,000	5,350,000	5,844,249	-	494,249
Hotel/motel tax.....	1,700,000	1,700,000	1,796,177	-	96,177
Meals tax.....	657,000	657,000	675,481	-	18,481
Charges for services.....	1,502,000	1,502,000	1,880,178	-	378,178
Penalties and interest on taxes.....	640,000	640,000	889,791	-	249,791
Payments in lieu of taxes.....	132,000	132,000	279,961	-	147,961
Licenses and permits.....	1,320,000	1,320,000	1,699,345	-	379,345
Fines and forfeitures.....	1,450,000	1,450,000	2,177,667	-	727,667
Intergovernmental.....	73,187,724	73,187,724	72,766,674	-	(421,050)
Investment income.....	200,000	200,000	425,818	-	225,818
TOTAL REVENUES.....	167,338,582	168,413,246	170,274,901	-	1,861,655
EXPENDITURES:					
Current:					
Appeal Board:					
Salaries.....	11,600	10,500	10,314	-	186
Expense.....	720	720	693	-	27
Total.....	<u>12,320</u>	<u>11,220</u>	<u>11,007</u>	<u>-</u>	<u>213</u>
Assessors:					
Salaries.....	264,597	294,297	294,114	-	183
Expense.....	192,594	195,698	192,655	-	3,043
Total.....	<u>457,191</u>	<u>489,995</u>	<u>486,769</u>	<u>-</u>	<u>3,226</u>
Auditing:					
Salaries.....	278,019	299,940	299,940	-	-
Expense.....	211,706	211,706	185,505	25,724	477
Total.....	<u>489,725</u>	<u>511,646</u>	<u>485,445</u>	<u>25,724</u>	<u>477</u>
Human Resources:					
Salaries.....	163,986	173,036	172,917	-	119
Employee group health.....	17,680,225	17,680,225	17,662,114	5,036	13,075
Workers compensation.....	302,145	234,315	234,315	-	-
Unemployment compensation.....	80,000	83,746	83,746	-	-
Workers compensation medical benefits.....	120,000	115,996	113,634	-	2,362
Medicare tax account.....	1,451,300	1,378,947	1,378,947	-	-
Other insurance premiums.....	1,117,031	1,192,831	1,183,668	9,163	-
Expense.....	4,000	4,000	3,959	-	41
Total.....	<u>20,918,687</u>	<u>20,863,096</u>	<u>20,833,300</u>	<u>14,199</u>	<u>15,597</u>
City Clerk:					
Salaries.....	244,357	265,543	265,269	-	274
Expense.....	29,955	29,955	22,372	7,091	492
Total.....	<u>274,312</u>	<u>295,498</u>	<u>287,641</u>	<u>7,091</u>	<u>766</u>
City Council:					
Salaries.....	251,787	271,550	271,550	-	-
Expense.....	79,200	79,201	79,044	-	157
Total.....	<u>330,987</u>	<u>350,751</u>	<u>350,594</u>	<u>-</u>	<u>157</u>

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Collector/Treasurer:					
Salaries.....	684,475	758,380	756,503	-	1,877
Banking services.....	300,000	351,462	351,458	-	4
Certification of notes/bonds.....	140,000	74,380	71,362	-	3,018
Tax title.....	202,184	216,231	216,231	-	-
Other expense.....	178,581	171,081	117,624	46,856	6,601
Bonded debt.....	3,482,543	3,482,543	3,482,543	-	-
Bonded debt interest.....	2,491,996	2,491,996	2,447,489	-	44,507
Total.....	7,479,779	7,546,073	7,443,210	46,856	56,007
Office of Strategic Planning & Economic Development:					
Salaries.....	167,000	233,947	233,947	-	-
Expense.....	133,849	133,794	46,416	87,012	366
Total.....	300,849	367,741	280,363	87,012	366
Conservation Commission:					
Salaries.....	6,400	5,400	5,400	-	-
Expense.....	600	601	458	-	143
Total.....	7,000	6,001	5,858	-	143
Election:					
Salaries.....	228,193	215,997	215,279	-	718
Expense.....	70,379	65,687	54,107	2,500	9,080
Total.....	298,572	281,684	269,386	2,500	9,798
License Commission:					
Salaries.....	3,200	3,200	3,200	-	-
Expense.....	1,060	1,061	1,003	-	58
Total.....	4,260	4,261	4,203	-	58
Management Information System:					
Salaries.....	153,610	168,565	168,519	-	46
Expenses.....	473,994	473,993	396,172	68,024	9,797
Capital.....	474,900	939,700	934,582	5,118	-
Total.....	1,102,504	1,582,258	1,499,273	73,142	9,843
Mayor:					
Salaries.....	425,027	372,302	372,302	-	-
Expense.....	241,291	241,291	197,248	34,154	9,889
Reserve for contract negotiations.....	1,100,862	312,264	25,409	286,855	-
Total.....	1,767,180	925,857	594,959	321,009	9,889
Office of Innovation and Data Management:					
Salaries.....	179,296	184,258	184,258	-	-
Expense.....	38,000	38,000	36,289	1,513	198
Total.....	217,296	222,258	220,547	1,513	198
Engineering:					
Salaries.....	209,358	187,578	187,474	-	104
Expense.....	9,243	9,242	4,963	133	4,146
Total.....	218,601	196,820	192,437	133	4,250
Purchasing:					
Salaries.....	120,042	134,143	134,069	-	74
Expense.....	153,017	153,017	136,717	13,193	3,107
Total.....	273,059	287,160	270,786	13,193	3,181

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Solicitor:					
Salaries.....	306,265	323,265	323,142	-	123
Outside legal services.....	269,502	593,796	586,936	-	6,860
Expense.....	<u>57,372</u>	<u>42,577</u>	<u>23,122</u>	<u>1,352</u>	<u>18,103</u>
Total.....	<u>633,139</u>	<u>959,638</u>	<u>933,200</u>	<u>1,352</u>	<u>25,086</u>
Pension and Retirement:					
Pension contribution.....	<u>11,566,412</u>	<u>11,566,412</u>	<u>11,566,412</u>	<u>-</u>	<u>-</u>
Fire:					
Salaries.....	8,913,267	9,508,126	9,367,741	-	140,385
Expense.....	<u>690,647</u>	<u>754,436</u>	<u>642,929</u>	<u>96,554</u>	<u>14,953</u>
Total.....	<u>9,603,914</u>	<u>10,262,562</u>	<u>10,010,670</u>	<u>96,554</u>	<u>155,338</u>
Police:					
Salaries.....	9,357,467	9,523,081	9,501,372	-	21,709
Expense.....	<u>1,324,927</u>	<u>1,460,640</u>	<u>1,298,328</u>	<u>148,835</u>	<u>13,477</u>
Total.....	<u>10,682,394</u>	<u>10,983,721</u>	<u>10,799,700</u>	<u>148,835</u>	<u>35,186</u>
Regional Emergency Communication Center:					
Operations.....	<u>1,784,186</u>	<u>1,614,879</u>	<u>1,614,669</u>	<u>-</u>	<u>210</u>
Inspectional Services - Building Department:					
Salaries.....	377,535	432,835	432,365	-	470
Expense.....	<u>124,746</u>	<u>104,746</u>	<u>89,406</u>	<u>11,755</u>	<u>3,585</u>
Total.....	<u>502,281</u>	<u>537,581</u>	<u>521,771</u>	<u>11,755</u>	<u>4,055</u>
Parking Control:					
Salaries.....	293,222	314,422	312,271	-	2,151
Expense.....	<u>84,500</u>	<u>113,550</u>	<u>110,040</u>	<u>2,189</u>	<u>1,321</u>
Total.....	<u>377,722</u>	<u>427,972</u>	<u>422,311</u>	<u>2,189</u>	<u>3,472</u>
Inspectional Services - Health:					
Salaries.....	497,963	484,898	484,782	-	116
Expense.....	<u>45,892</u>	<u>50,002</u>	<u>48,578</u>	<u>1,424</u>	<u>-</u>
Total.....	<u>543,855</u>	<u>534,900</u>	<u>533,360</u>	<u>1,424</u>	<u>116</u>
Inspectional Services - Weights & Measures:					
Salaries.....	71,720	77,220	77,112	-	108
Expense.....	<u>4,600</u>	<u>4,600</u>	<u>4,319</u>	<u>-</u>	<u>281</u>
Total.....	<u>76,320</u>	<u>81,820</u>	<u>81,431</u>	<u>-</u>	<u>389</u>
Public Works:					
Salaries.....	1,481,154	1,435,801	1,435,801	-	-
Rubbish collection.....	2,242,748	2,212,748	2,174,744	37,053	951
Rubbish disposal.....	1,661,536	1,661,536	1,525,723	134,549	1,264
Street sweeping.....	128,650	128,650	120,725	7,925	-
Snow removal.....	253,312	895,847	895,847	-	-
Street lighting.....	745,038	884,948	884,948	-	-
Field maintenance.....	499,082	591,082	564,538	26,544	-
Public building lighting.....	322,788	266,788	228,833	-	37,955
Public building heating.....	84,193	48,236	46,336	-	1,900
Culvert cleaning.....	250,000	121,000	100,171	19,528	1,301
Expense.....	<u>1,072,473</u>	<u>1,115,466</u>	<u>917,386</u>	<u>173,068</u>	<u>25,012</u>
Capital.....	<u>73,450</u>	<u>130,188</u>	<u>72,100</u>	<u>58,088</u>	<u>-</u>
Total.....	<u>8,814,424</u>	<u>9,492,290</u>	<u>8,967,152</u>	<u>456,755</u>	<u>68,383</u>

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Council on Elder Affairs:					
Salaries.....	246,564	257,976	257,976	-	-
Expense.....	27,238	20,914	17,248	-	3,666
Total.....	<u>273,802</u>	<u>278,890</u>	<u>275,224</u>	<u>-</u>	<u>3,666</u>
Public Health Initiatives:					
Salaries.....	475,551	506,109	506,109	-	-
Expense.....	3,960	360	360	-	-
Total.....	<u>479,511</u>	<u>506,469</u>	<u>506,469</u>	<u>-</u>	<u>-</u>
Public Health Community Initiatives:					
Salaries.....	117,125	114,681	114,681	-	-
Expense.....	2,916	164,835	1,745	162,128	962
Total.....	<u>120,041</u>	<u>279,516</u>	<u>116,426</u>	<u>162,128</u>	<u>962</u>
Public Health Substance Abuse:					
Salaries.....	10,187	19,932	19,913	-	19
Expense.....	1,308	1,389	839	-	550
Total.....	<u>11,495</u>	<u>21,321</u>	<u>20,752</u>	<u>-</u>	<u>569</u>
Commission on Disabilities:					
Salaries.....	6,300	4,896	4,896	-	-
Expense.....	1,000	1,000	675	-	325
Total.....	<u>7,300</u>	<u>5,896</u>	<u>5,571</u>	<u>-</u>	<u>325</u>
Consumer Affairs:					
Salaries.....	40,662	42,998	42,555	-	443
Veterans Affairs:					
Salaries.....	104,912	114,925	114,896	-	29
Expense.....	11,671	11,671	9,680	760	1,231
Veterans benefits.....	805,025	805,025	726,786	25	78,214
Total.....	<u>921,608</u>	<u>931,621</u>	<u>851,362</u>	<u>785</u>	<u>79,474</u>
Library:					
Salaries.....	414,873	426,398	426,398	-	-
Expense.....	190,044	192,707	161,301	14,808	16,598
Total.....	<u>604,917</u>	<u>619,105</u>	<u>587,699</u>	<u>14,808</u>	<u>16,598</u>
Recreation Services:					
Salaries.....	303,093	440,410	440,410	-	-
Expense.....	152,965	152,965	149,035	689	3,241
Total.....	<u>456,058</u>	<u>593,375</u>	<u>589,445</u>	<u>689</u>	<u>3,241</u>
Education:					
Education.....	91,775,284	91,231,073	80,067,505	11,163,568	-
Expenses Northeast Metropolitan Regional Vocational School.....	18,800	18,800	18,800	-	-
Northeast Regional Vocational School Assessment.....	1,957,177	1,957,177	1,957,177	-	-
Total.....	<u>93,751,261</u>	<u>93,207,050</u>	<u>82,043,482</u>	<u>11,163,568</u>	<u>-</u>
State and county charges.....	10,466,333	10,466,333	10,394,287	-	72,046
TOTAL EXPENDITURES.....	<u>185,869,957</u>	<u>187,356,668</u>	<u>174,119,726</u>	<u>12,653,214</u>	<u>583,728</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	<u>(18,531,375)</u>	<u>(18,943,422)</u>	<u>(3,844,825)</u>	<u>(12,653,214)</u>	<u>2,445,383</u>

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
OTHER FINANCING SOURCES (USES):					
Use of fund balance to fund prior year carryforwards.....	13,618,143	13,618,143	-	-	(13,618,143)
Use of free cash.....	1,000,000	1,000,000	-	-	(1,000,000)
Use of free cash to fund transfers out.....	-	3,620,753	-	-	(3,620,753)
Other amounts raised.....	1,012,924	1,012,924	-	-	(1,012,924)
Transfers in.....	2,900,308	3,312,355	3,933,247	-	620,892
Transfers out.....	-	(3,620,753)	(3,620,753)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	18,531,375	18,943,422	312,494	-	(18,630,928)
NET CHANGE IN FUND BALANCE.....	-	-	(3,532,331)	(12,653,214)	(16,185,545)
BUDGETARY FUND BALANCE, Beginning of year.....	25,716,485	25,716,485	25,716,485	-	-
BUDGETARY FUND BALANCE, End of year.....	<u>\$ 25,716,485</u>	<u>\$ 25,716,485</u>	<u>\$ 22,184,154</u>	<u>\$ (12,653,214)</u>	<u>\$ (16,185,545)</u>

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.

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

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability:				
Service cost.....	\$ 4,551,000	\$ 5,383,000	\$ 5,625,000	\$ 5,576,000
Interest.....	15,558,000	15,746,000	17,803,000	17,915,000
Differences between expected and actual experience.....	-	11,315,000	-	(2,037,000)
Changes in assumptions.....	-	9,300,000	-	4,661,000
Benefit payments.....	(14,469,000)	(14,534,000)	(15,302,000)	(15,761,000)
Net change in total pension liability.....	5,640,000	27,210,000	8,126,000	10,354,000
Total pension liability - beginning.....	203,428,000	209,068,000	236,278,000	244,404,000
Total pension liability - ending (a).....	<u>\$ 209,068,000</u>	<u>\$ 236,278,000</u>	<u>\$ 244,404,000</u>	<u>\$ 254,758,000</u>
Plan fiduciary net position:				
Employer contributions.....	\$ 10,792,421	\$ 11,212,968	\$ 11,773,616	\$ 12,219,658
Member contributions.....	3,448,000	3,249,000	3,331,000	3,117,000
Net investment income (loss).....	8,903,800	805,050	9,399,263	22,806,690
Administrative expenses.....	(264,922)	(233,905)	(237,390)	(332,546)
Retirement benefits and refunds.....	(14,469,618)	(14,534,000)	(15,302,000)	(15,761,000)
Net increase (decrease) in fiduciary net position.....	8,409,681	499,113	8,964,489	22,049,802
Fiduciary net position - beginning of year.....	121,471,041	129,880,722	130,379,835	139,344,324
Fiduciary net position - end of year (b).....	<u>\$ 129,880,722</u>	<u>\$ 130,379,835</u>	<u>\$ 139,344,324</u>	<u>\$ 161,394,126</u>
Net pension liability - ending (a)-(b).....	<u>\$ 79,187,278</u>	<u>\$ 105,898,165</u>	<u>\$ 105,059,676</u>	<u>\$ 93,363,874</u>
Plan fiduciary net position as a percentage of the total pension liability.....	62.12%	55.18%	57.01%	63.35%
Covered payroll.....	\$ 27,431,000	\$ 32,748,000	\$ 32,748,000	\$ 33,296,000
Net pension liability as a percentage of covered payroll.....	288.68%	323.37%	320.81%	280.41%

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
CONTRIBUTORY RETIREMENT SYSTEM**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2017.....	\$ 11,929,000	\$ (11,929,000)	\$ -	\$ 33,296,000	35.83%
December 31, 2016.....	11,773,616	(11,773,616)	-	32,748,000	35.95%
December 31, 2015.....	11,212,968	(11,212,968)	-	32,748,000	34.24%
December 31, 2014.....	10,792,421	(10,792,421)	-	27,431,000	39.34%

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

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS
CONTRIBUTORY RETIREMENT SYSTEM**

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2017.....	17.28%
December 31, 2016.....	7.59%
December 31, 2015.....	0.65%
December 31, 2014.....	7.71%

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.

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
CONTRIBUTORY RETIREMENT SYSTEM**

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2017.....	93.56%	\$ 98,718,929	\$ 31,152,404	316.89%	63.35%
December 31, 2016.....	93.72%	98,459,029	30,692,522	320.79%	57.01%
December 31, 2015.....	93.58%	99,095,075	30,644,257	323.37%	55.18%
December 31, 2014.....	92.93%	73,576,106	25,491,527	288.63%	62.12%

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

See notes to required supplementary information.

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
CONTRIBUTORY RETIREMENT SYSTEM**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2018.....	\$ 11,567,000	\$ (11,567,000)	-	\$ 31,775,452	36.40%
June 30, 2017.....	11,033,908	(11,033,908)	-	31,306,372	35.24%
June 30, 2016.....	10,492,643	(10,492,643)	-	31,257,142	33.57%
June 30, 2015.....	10,029,357	(10,029,357)	-	26,001,358	38.57%

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. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2018.....	\$ 173,853,635	\$ 18,145,610	54.25%
2017.....	172,208,154	17,566,361	52.73%
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 Changes in the City's Total Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Total OPEB Liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered payroll.

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

**SCHEDULE OF CHANGES IN THE
CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2018
Total OPEB Liability	
Service Cost.....	\$ 8,097,434
Interest.....	7,481,159
Changes of benefit terms.....	-
Differences between expected and actual experience....	-
Changes of assumptions.....	-
Benefit payments.....	<u>(6,360,572)</u>
Net change in total OPEB liability.....	9,218,021
Total OPEB liability - beginning.....	<u>225,246,915</u>
Total OPEB liability - ending (a).....	<u>\$ 234,464,936</u>
Covered payroll.....	\$ 92,586,340
Total OPEB liability as a percentage of covered-employee payroll.....	253.24%

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 CITY'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2018.....	\$ 20,060,645	\$ (6,360,572)	\$ 13,700,073	\$ 92,586,340	6.87%

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.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYA. Budgetary Information

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

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2018 approved budget authorizing approximately \$185.9 million in current year appropriations and other financing uses. The original approved budget is inclusive of approximately \$13.6 million in encumbrances and appropriations carried over from previous years. During 2018, the City Council approved supplemental appropriations totaling approximately \$5.1 million. The additional appropriations fund \$3.6 million of transfers out to the various stabilization funds maintained the City. In addition, the City also increased appropriation for snow and ice removal, outside legal services and MIS department capital 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, 2018, is presented below:

Net change in fund balance - budgetary basis.....	\$ (3,532,331)
 <u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	2,109,012
 <u>Basis of accounting differences:</u>	
Net change in recording 60 day receipts.....	52,234
Net change in recording accrued expenditures.....	(198,973)
Recognition of revenue for on-behalf payments.....	18,145,610
Recognition of expenditures for on-behalf payments.....	<u>(18,145,610)</u>
 Net change in fund balance - GAAP basis.....	 \$ <u><u>(1,570,058)</u></u>

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

There were no changes in assumptions.

E. Changes in Plan Provisions

There were no changes in provisions.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Other Postemployment Benefit Plan

The Schedule of Changes in the City’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the City’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered employee payroll.

Schedule of the City’s Contributions

The Schedule of the City’s Contributions includes the City’s actuarially determined contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered payroll. The City is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	June 30, 2017
Actuarial cost method.....	Individual Entry Age Normal
Municipal bond rate.....	3.13% as of July 1, 2017 (S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	3.25% as of July 1, 2017 and for future periods.
Inflation rate.....	2.75% as of July 1, 2017 and for future periods.
Projected salary increases.....	3% as of July 1, 2017, and for future periods.
Payroll growth.....	4% per year
Healthcare trend rate.....	5% per year
Cost of living adjustments.....	3% of the pension amount, capped at \$360 per year.

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 school capital acquisitions.

School Construction Projects Funds – accounts for construction school capital acquisitions.

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, 2018

	Special Revenue Funds					
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Fund	Strategic Planning	City Receipts Reserved
ASSETS						
Cash and cash equivalents.....	\$ 1,742,734	\$ 5,199,592	\$ -	\$ 189,909	\$ -	\$ 4,321,766
Receivables, net of uncollectibles:						
Intergovernmental.....	-	-	1,568,017	-	-	-
TOTAL ASSETS.....	\$ 1,742,734	\$ 5,199,592	\$ 1,568,017	\$ 189,909	\$ -	\$ 4,321,766
LIABILITIES						
Warrants payable.....	\$ 2,570	\$ 1,158,634	\$ 156,131	\$ -	\$ -	\$ 38,081
Accrued payroll.....	-	-	-	-	-	-
Due to other funds.....	-	-	603,272	-	223,424	-
Notes payable.....	-	-	-	-	-	-
TOTAL LIABILITIES.....	2,570	1,158,634	759,403	-	223,424	38,081
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	808,614	-	-	-
FUND BALANCES						
Restricted.....	1,740,164	4,040,958	-	189,909	-	4,283,685
Unassigned.....	-	-	-	-	(223,424)	-
TOTAL FUND BALANCES.....	1,740,164	4,040,958	-	189,909	(223,424)	4,283,685
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 1,742,734	\$ 5,199,592	\$ 1,568,017	\$ 189,909	\$ -	\$ 4,321,766

Special Revenue Funds			Capital Project Funds					Total Nonmajor Governmental Funds	
School Revolving Fund	School Grants Fund	Subtotal	Harry Della Russo Stadium	City Capital Projects	School Capital Projects	School Construction Projects	Subtotal	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 2,796,715	\$ 23,646	\$ 14,274,362	\$ -	\$ 1,342,060	\$ 1,317,278	\$ 3,049,621	\$ 5,708,959	\$ 1,208,945	\$ 21,192,266
-	-	1,568,017	-	-	236,633	900,000	1,136,633	-	2,704,650
<u>\$ 2,796,715</u>	<u>\$ 23,646</u>	<u>\$ 15,842,379</u>	<u>\$ -</u>	<u>\$ 1,342,060</u>	<u>\$ 1,553,911</u>	<u>\$ 3,949,621</u>	<u>\$ 6,845,592</u>	<u>\$ 1,208,945</u>	<u>\$ 23,896,916</u>
\$ 462	\$ 3,907	\$ 1,359,785	\$ -	\$ -	\$ -	\$ 279,830	\$ 279,830	\$ -	\$ 1,639,615
2,145	14,441	16,586	-	-	-	-	-	-	16,586
-	248,252	1,074,948	79,288	-	-	-	79,288	-	1,154,236
-	-	-	-	900,000	2,647,343	2,856,627	6,403,970	-	6,403,970
<u>2,607</u>	<u>266,600</u>	<u>2,451,319</u>	<u>79,288</u>	<u>900,000</u>	<u>2,647,343</u>	<u>3,136,457</u>	<u>6,763,088</u>	<u>-</u>	<u>9,214,407</u>
-	-	808,614	-	-	-	-	-	-	808,614
2,794,108	23,646	13,072,470	-	442,060	-	813,164	1,255,224	1,208,945	15,536,639
-	(266,600)	(490,024)	(79,288)	-	(1,093,432)	-	(1,172,720)	-	(1,662,744)
<u>2,794,108</u>	<u>(242,954)</u>	<u>12,582,446</u>	<u>(79,288)</u>	<u>442,060</u>	<u>(1,093,432)</u>	<u>813,164</u>	<u>82,504</u>	<u>1,208,945</u>	<u>13,873,895</u>
<u>\$ 2,796,715</u>	<u>\$ 23,646</u>	<u>\$ 15,842,379</u>	<u>\$ -</u>	<u>\$ 1,342,060</u>	<u>\$ 1,553,911</u>	<u>\$ 3,949,621</u>	<u>\$ 6,845,592</u>	<u>\$ 1,208,945</u>	<u>\$ 23,896,916</u>

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

YEAR ENDED JUNE 30, 2018

	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.....	\$ 474,967	\$ -	\$ -	\$ -	\$ -	\$ 85,112
Intergovernmental.....	99,423	5,512,263	915,416	146,017	-	-
Departmental and other.....	645,426	-	-	-	263	-
Contributions and donations.....	1,295	-	-	-	-	-
Investment income.....	1,020	-	-	652	-	24
TOTAL REVENUES.....	1,222,131	5,512,263	915,416	146,669	263	85,136
EXPENDITURES:						
Current:						
General government.....	375,427	1,159,213	-	161,120	-	4,875
Public safety.....	127,845	1,214,901	-	-	-	-
Education.....	-	-	-	-	-	-
Public works.....	45,707	2,391,864	915,416	-	-	807,897
Health and human services.....	70,883	598,298	-	-	-	-
Culture and recreation.....	300,566	79,208	-	26,691	-	-
TOTAL EXPENDITURES.....	920,428	5,443,484	915,416	187,811	-	812,772
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	301,703	68,779	-	(41,142)	263	(727,636)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	351,585	-	-	29,788	-	-
Transfers out.....	(177,212)	(399,392)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	174,373	(399,392)	-	29,788	-	-
EXTRAORDINARY ITEM:						
July 2014 Tornado - insurance recoveries.....	-	-	-	-	-	3,954,360
NET CHANGE IN FUND BALANCES.....	476,076	(330,613)	-	(11,354)	263	3,226,724
FUND BALANCES AT BEGINNING OF YEAR.....	1,264,088	4,371,571	-	201,263	(223,687)	1,056,961
FUND BALANCES AT END OF YEAR.....	\$ 1,740,164	\$ 4,040,958	\$ -	\$ 189,909	\$ (223,424)	\$ 4,283,685

Special Revenue Funds			Capital Project Funds					Debt Service Fund	Total Nonmajor Governmental Funds
School Revolving Funds	School Grant Funds	Subtotal	Harry Della Russo Stadium	City Capital Projects	School Capital Projects	School Construction Projects	Subtotal		
\$ 259,344	\$ -	\$ 819,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 819,423
3,911,912	10,022,283	20,607,314	-	-	1,680,462	257,000	1,937,462	-	22,544,776
805,467	-	1,451,156	-	-	9,257	-	9,257	-	1,460,413
206,319	-	207,614	-	-	-	-	-	-	207,614
-	-	1,696	-	6,494	4,467	-	10,961	33,080	45,737
<u>5,183,042</u>	<u>10,022,283</u>	<u>23,087,203</u>	<u>-</u>	<u>6,494</u>	<u>1,694,186</u>	<u>257,000</u>	<u>1,957,680</u>	<u>33,080</u>	<u>25,077,963</u>
-	-	1,700,635	31,000	236,169	-	-	267,169	-	1,967,804
-	-	1,342,746	-	500	-	-	500	-	1,343,246
5,193,137	12,255,754	17,448,891	-	-	6,132,770	145,548	6,278,318	-	23,727,209
-	-	4,160,884	-	856,008	-	-	856,008	-	5,016,892
-	-	669,181	-	-	-	-	-	-	669,181
-	-	406,465	-	-	-	-	-	-	406,465
<u>5,193,137</u>	<u>12,255,754</u>	<u>25,728,802</u>	<u>31,000</u>	<u>1,092,677</u>	<u>6,132,770</u>	<u>145,548</u>	<u>7,401,995</u>	<u>-</u>	<u>33,130,797</u>
<u>(10,095)</u>	<u>(2,233,471)</u>	<u>(2,641,599)</u>	<u>(31,000)</u>	<u>(1,086,183)</u>	<u>(4,438,584)</u>	<u>111,452</u>	<u>(5,444,315)</u>	<u>33,080</u>	<u>(8,052,834)</u>
-	-	381,373	-	921,000	-	-	921,000	-	1,302,373
-	(119,836)	(696,440)	-	(57,882)	(177,550)	-	(235,432)	-	(931,872)
-	(119,836)	(315,067)	-	863,118	(177,550)	-	685,568	-	370,501
-	-	3,954,360	-	-	-	-	-	-	3,954,360
(10,095)	(2,353,307)	997,694	(31,000)	(223,065)	(4,616,134)	111,452	(4,758,747)	33,080	(3,727,973)
<u>2,804,203</u>	<u>2,110,353</u>	<u>11,584,752</u>	<u>(48,288)</u>	<u>665,125</u>	<u>3,522,702</u>	<u>701,712</u>	<u>4,841,251</u>	<u>1,175,865</u>	<u>17,601,868</u>
<u>\$ 2,794,108</u>	<u>\$ (242,954)</u>	<u>\$ 12,582,446</u>	<u>\$ (79,288)</u>	<u>\$ 442,060</u>	<u>\$ (1,093,432)</u>	<u>\$ 813,164</u>	<u>\$ 82,504</u>	<u>\$ 1,208,945</u>	<u>\$ 13,873,895</u>

Agency Fund

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

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2018

	June 30, 0	Additions	Deletions	June 30, 2018
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 362,280	\$ 184,382	\$ (75,000)	\$ 471,662
LIABILITIES				
Liabilities due depositors.....	\$ 287,280	\$ 109,382	\$ -	\$ 396,662
Other liabilities.....	75,000	75,000	(75,000)	75,000
TOTAL LIABILITIES.....	\$ 362,280	\$ 184,382	\$ (75,000)	\$ 471,662

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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.



City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the year ended June 30, 2018

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**

	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018 (2)
Governmental activities										
Net investment in capital assets.....	\$ 113,686,482	\$ 113,452,351	\$ 111,575,070	\$ 107,332,295	\$ 109,167,229	\$ 106,119,983	\$ 127,833,259	\$ 131,609,885	\$ 127,306,721	\$ 131,607,988
Restricted.....	5,865,025	7,954,894	7,779,724	2,716,851	1,869,989	2,829,287	4,482,348	3,896,591	8,907,370	5,196,858
Unrestricted.....	9,459,834	7,156,081	(8,855,945)	(11,779,070)	(27,031,738)	(25,058,484)	(113,157,039)	(120,807,092)	(123,718,614)	(259,187,824)
Total governmental activities net position.....	\$ 129,011,341	\$ 128,563,326	\$ 110,498,849	\$ 98,270,076	\$ 84,005,480	\$ 83,890,786	\$ 19,158,568	\$ 14,699,384	\$ 12,495,477	\$ (122,382,978)
Business-type activities										
Net investment in capital assets.....	\$ 5,852,519	\$ 6,301,464	\$ 6,435,325	\$ 8,146,094	\$ 12,409,419	\$ 10,956,551	\$ 12,291,030	\$ 14,989,438	\$ 13,684,220	\$ 14,660,627
Unrestricted.....	5,553,227	7,417,693	9,846,953	7,700,383	7,300,804	11,404,907	7,648,123	8,601,135	14,977,464	7,664,800
Total business-type activities net position.....	\$ 11,405,746	\$ 13,719,157	\$ 16,282,278	\$ 15,846,477	\$ 19,710,223	\$ 22,361,458	\$ 19,939,153	\$ 23,590,573	\$ 28,661,684	\$ 22,325,427
Primary government										
Net investment in capital assets.....	\$ 119,539,001	\$ 119,753,815	\$ 118,010,395	\$ 115,478,389	\$ 121,576,648	\$ 117,076,534	\$ 140,124,289	\$ 146,599,323	\$ 140,990,941	\$ 146,268,615
Restricted.....	5,865,025	7,954,894	7,779,724	2,716,851	1,869,989	2,829,287	4,482,348	3,896,591	8,907,370	5,196,858
Unrestricted.....	15,013,061	14,573,774	991,008	(4,078,687)	(19,730,934)	(13,653,577)	(105,508,916)	(112,205,957)	(108,741,150)	(251,523,024)
Total primary government net position.....	\$ 140,417,087	\$ 142,282,483	\$ 126,781,127	\$ 114,116,553	\$ 103,715,703	\$ 106,252,244	\$ 39,097,721	\$ 38,289,957	\$ 41,157,161	\$ (100,057,551)

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

(2) Net position has been revised to reflect the implementation of GASB Statement #75.

**Changes in Net Position
Last Ten Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government.....	\$ 15,229,524	\$ 16,445,366	\$ 13,876,016	\$ 13,177,547	\$ 13,635,709	\$ 14,944,569	\$ 14,579,999	\$ 15,303,774	\$ 17,155,162	\$ 15,830,030
Public safety.....	18,123,530	27,690,307	30,177,585	33,635,750	34,551,022	32,719,876	35,329,334	37,684,056	39,421,440	42,792,229
Education.....	104,179,630	109,888,965	121,902,392	114,958,701	122,818,604	121,174,485	124,884,310	130,866,169	139,897,194	149,587,836
Public works.....	10,280,884	10,308,314	10,772,461	8,471,555	9,649,872	9,433,792	11,220,595	9,438,057	10,552,669	11,651,357
Human services.....	2,034,882	2,244,371	2,454,502	2,490,676	2,925,397	3,626,255	3,376,833	3,761,556	3,852,268	4,441,613
Culture and recreation.....	1,217,336	1,053,825	1,192,257	1,521,865	1,444,999	1,531,659	1,493,526	1,991,367	1,873,795	2,819,146
Strategic planning.....	-	-	25,548,137	20,256,530	3,642,265	819,746	207,799	-	-	-
Claims and judgements.....	-	-	-	1,750,000	-	-	-	-	-	-
Interest.....	2,020,777	1,967,472	2,220,225	1,964,510	1,949,914	1,873,105	2,310,793	2,220,766	2,051,332	2,244,557
Total government activities expenses.....	153,086,563	169,598,620	208,143,575	198,227,134	190,617,742	186,123,487	193,403,189	201,265,745	214,803,860	229,366,768
Business-type activities:										
Water & sewer.....	14,227,815	15,100,676	15,910,330	16,558,665	16,088,537	17,538,539	18,479,166	19,100,397	20,735,455	25,464,659
Total primary government expenses.....	\$ 167,314,378	\$ 184,699,296	\$ 224,053,905	\$ 214,785,799	\$ 206,706,279	\$ 203,662,026	\$ 211,882,355	\$ 220,366,142	\$ 235,539,315	\$ 254,831,427
Program Revenues										
Governmental activities:										
General government charges for services.....	\$ 2,844,202	\$ 2,379,823	\$ 2,008,916	\$ 3,004,120	\$ 2,366,884	\$ 2,772,807	\$ 3,999,341	\$ 2,881,437	\$ 3,065,829	\$ 3,765,833
Public safety charges for services.....	992,072	971,049	982,186	1,537,451	1,637,350	1,528,468	1,419,882	1,432,731	1,159,881	1,937,344
Education charges for services.....	1,662,912	1,400,251	1,364,209	2,252,117	1,249,635	1,383,320	1,448,378	1,430,759	1,450,368	824,571
Other charges for services.....	4,340,835	4,008,841	5,550,005	593,421	787,185	730,967	1,625,709	791,383	1,175,744	672,546
Public safety operating grants and contributions.....	1,402,730	796,857	804,148	1,194,480	1,029,732	1,576,676	1,378,063	390,740	1,169,421	1,113,646
Education operating grants and contributions.....	56,273,087	64,048,205	66,082,994	67,256,169	73,557,574	76,364,168	73,945,800	83,115,134	90,708,790	94,171,831
Other operating grants and contributions.....	4,419,990	6,190,045	2,368,839	630,228	2,460,573	1,962,055	2,773,343	2,840,719	3,064,602	4,024,248
Strategic planning operating grant and contributions.....	-	-	27,525,717	19,607,354	3,840,719	737,047	-	-	-	-
Education capital grant and contributions.....	6,762,026	8,383,233	-	532,031	527,105	7,026,329	18,134,937	3,886,257	4,129,870	2,017,453
Public works and other capital grant and contributions.....	284,858	229,466	245,549	1,421,613	593,221	976,855	279,964	779,467	2,211,124	2,554,603
Other capital grant and contributions.....	-	-	-	-	-	-	1,701,643	-	321,484	-
Total government activities program revenues.....	78,982,712	88,407,770	106,932,563	98,028,984	88,049,978	95,058,692	106,746,432	97,548,627	108,457,113	111,082,075
Business-type activities:										
Water & sewer charges for services.....	16,824,327	19,083,686	20,217,325	20,216,422	21,537,126	22,854,183	22,036,024	25,386,189	28,350,626	25,794,344
Water & sewer capital grant and contributions.....	-	-	610,487	-	1,765,159	505,729	475,630	192,329	487,713	-
Total business-type activities program revenues.....	16,824,327	19,083,686	20,827,812	20,216,422	23,302,285	23,359,912	22,511,654	25,578,518	28,838,339	25,794,344
Total primary government program revenues.....	\$ 95,807,039	\$ 107,491,456	\$ 127,760,375	\$ 118,245,406	\$ 111,352,263	\$ 118,418,604	\$ 129,258,086	\$ 123,127,145	\$ 137,295,452	\$ 136,876,419
Net (Expense)/Revenue										
Governmental activities.....	\$ (74,103,851)	\$ (81,190,850)	\$ (101,211,012)	\$ (100,198,150)	\$ (102,567,764)	\$ (91,064,795)	\$ (86,656,757)	\$ (103,717,118)	\$ (106,346,747)	\$ (118,284,693)
Business-type activities.....	2,596,512	3,983,010	4,917,482	3,657,757	7,213,748	5,821,373	4,032,488	6,478,121	8,102,884	329,685
Total primary government net expense.....	\$ (71,507,339)	\$ (77,207,840)	\$ (96,293,530)	\$ (96,540,393)	\$ (95,354,016)	\$ (85,243,422)	\$ (82,624,269)	\$ (97,238,997)	\$ (98,243,863)	\$ (117,955,008)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes and tax liens, net of tax refunds payable.....	\$ 59,675,342	\$ 62,260,654	\$ 64,124,854	\$ 68,118,412	\$ 68,949,533	\$ 69,151,736	\$ 72,670,958	\$ 76,733,123	\$ 78,964,460	\$ 82,001,340
Motor vehicle and other excise taxes.....	4,741,395	4,992,655	4,154,646	2,726,688	4,075,990	5,379,339	5,144,906	5,479,414	5,621,860	5,637,767
Hotel/motel tax and meals tax.....	-	-	1,607,745	1,902,531	1,967,019	2,131,853	2,326,545	2,354,584	2,356,928	2,471,658
Penalties and interest on taxes.....	597,696	681,735	517,927	558,307	386,637	435,661	484,909	771,965	754,037	1,673,886
Payments in lieu of taxes.....	-	-	-	179,452	203,909	275,527	219,835	236,873	132,506	279,961
Fines and forfeitures.....	1,217,147	1,196,664	1,063,952	-	-	-	-	-	-	-
Nonrestricted grants, contributions, and other.....	12,186,233	9,386,501	9,374,903	10,273,596	9,263,390	10,222,245	10,459,173	10,474,377	10,814,407	10,712,581
Unrestricted investment income.....	600,258	177,749	297,900	106,444	97,444	167,798	280,454	363,407	221,915	483,475
Miscellaneous.....	385,352	367,805	-	-	-	-	-	-	-	-
Transfers.....	2,859,911	1,679,072	2,529,382	2,873,947	3,359,246	3,185,942	3,051,265	2,844,191	3,061,587	-
Total governmental revenues.....	82,263,334	80,742,835	83,671,309	86,739,377	88,303,168	90,950,101	94,638,045	99,257,934	101,927,700	103,260,668
Extraordinary item - July 2014 Tornado Insurance Recovery.....	-	-	-	-	-	-	-	-	2,215,140	3,934,860
Total governmental activities.....	82,263,334	80,742,835	83,671,309	86,739,377	88,303,168	90,950,101	94,638,045	99,257,934	104,142,840	107,195,528
Business-type activities:										
Unrestricted investment income.....	17,227	9,473	10,247	10,389	9,244	15,804	12,240	17,490	29,814	46,111
Transfers.....	(2,859,911)	(1,679,072)	(2,529,382)	(2,873,947)	(3,359,246)	(3,185,942)	(3,051,265)	(2,844,191)	(3,061,587)	-
Total business type activities.....	(2,842,684)	(1,669,599)	(2,519,135)	(2,863,558)	(3,350,002)	(3,170,138)	(3,039,025)	(2,826,701)	(3,031,773)	46,111
Total primary government.....	\$ 79,420,650	\$ 79,073,236	\$ 81,152,174	\$ 83,875,819	\$ 84,953,166	\$ 87,779,963	\$ 91,599,020	\$ 96,431,233	\$ 101,111,067	\$ 107,241,639
Changes in Net Position										
Governmental activities.....	\$ 8,159,483	\$ (448,015)	\$ (17,539,703)	\$ (13,458,773)	\$ (14,264,596)	\$ (114,694)	\$ 7,981,288	\$ (4,459,184)	\$ (2,203,907)	\$ (11,089,165)
Business-type activities.....	(246,172)	2,313,411	2,398,347	794,199	3,863,746	2,651,235	993,463	3,651,420	5,071,111	375,796
Total primary government.....	\$ 7,913,311	\$ 1,865,396	\$ (15,141,356)	\$ (12,664,574)	\$ (10,400,850)	\$ 2,536,541	\$ 8,974,751	\$ (807,764)	\$ 2,867,204	\$ (10,713,369)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved.....	\$ 9,538,603	\$ 12,508,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	2,322,501	3,409,710	-	-	-	-	-	-	-	-
Nonspendable.....	-	-	2,800	-	-	-	-	-	-	-
Committed.....	-	-	1,244,428	-	-	-	-	-	-	63,206
Assigned.....	-	-	13,554,433	13,888,938	12,859,258	13,184,414	9,954,637	10,238,205	13,618,143	12,590,008
Unassigned.....	-	-	5,104,769	8,624,578	12,746,179	11,062,354	15,284,145	16,854,365	20,165,252	19,560,123
Total general fund.....	\$ 11,861,104	\$ 15,918,014	\$ 19,906,430	\$ 22,513,516	\$ 25,605,437	\$ 24,246,768	\$ 25,238,782	\$ 27,092,570	\$ 33,783,395	\$ 32,213,337
All Other Governmental Funds										
Reserved.....	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	-	9,103,728	-	-	-	-	-	-	-	-
Capital projects funds.....	(766,370)	(3,964,271)	-	-	-	-	-	-	-	-
Debt service fund.....	2,182,947	1,491,793	-	-	-	-	-	-	-	-
Restricted.....	-	-	11,741,935	9,414,907	7,804,071	8,024,826	10,711,778	12,095,952	17,873,843	15,536,639
Committed.....	-	-	93,674	-	-	-	-	-	-	-
Unassigned.....	-	-	(230,008)	(515,177)	(3,963,943)	(7,861,347)	(12,319,233)	(19,058,234)	(271,975)	(1,662,744)
Total all other governmental funds.....	\$ 1,416,577	\$ 7,481,250	\$ 11,605,601	\$ 8,899,730	\$ 3,840,128	\$ 163,479	\$ (1,607,455)	\$ (6,962,282)	\$ 17,601,868	\$ 13,873,895

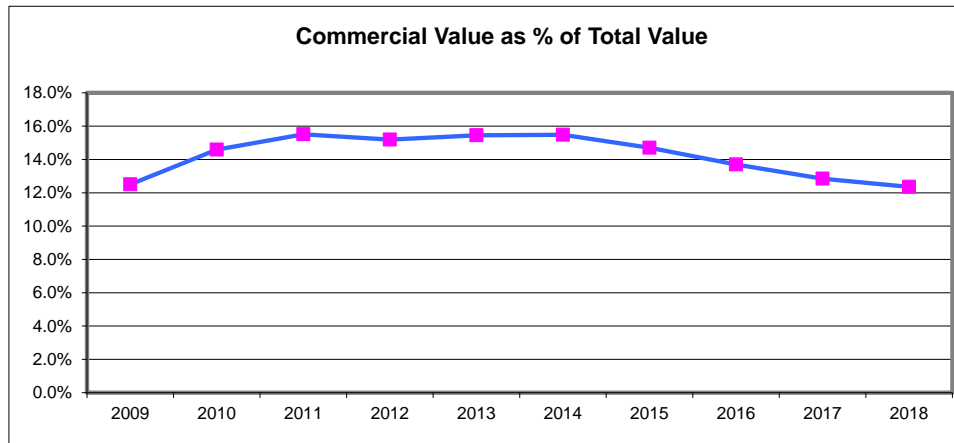
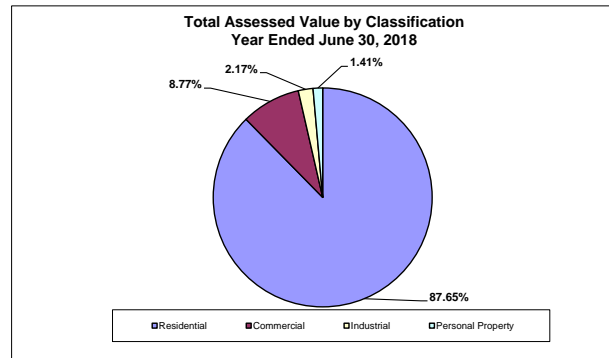
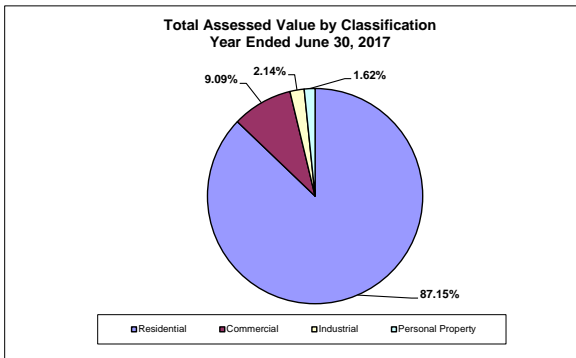
The City implemented GASB 54 in 2011, fund balances prior to 2011 have been reported in the pre-GASB 54 format.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Real estate and personal property taxes and tax liens, net of tax refunds.....	\$ 59,647,753	\$ 62,800,086	\$ 63,899,454	\$ 63,011,680	\$ 66,929,836	\$ 67,479,252	\$ 69,834,888	\$ 74,122,267	\$ 78,369,948	\$ 80,422,568
Tax liens.....	-	-	-	2,803,933	1,939,232	1,271,875	2,223,312	2,672,391	1,833,246	1,469,225
Motor vehicle and other excise taxes.....	4,818,634	5,061,846	4,222,467	4,132,214	4,087,431	5,054,783	5,239,805	5,375,745	5,350,845	5,844,249
Hotel/motel and meals tax.....	-	-	1,607,745	1,902,531	1,967,019	2,131,853	2,326,545	2,354,584	2,356,928	2,471,658
Charges for service.....	5,291,334	4,552,069	4,268,111	2,894,974	3,136,253	2,549,423	2,219,396	2,224,461	2,398,812	2,638,960
Penalties and interest on taxes.....	597,696	681,735	-	558,307	386,637	435,661	465,719	597,950	641,505	889,791
Payments in lieu of taxes.....	-	-	-	179,452	203,909	275,527	219,835	236,873	132,506	279,961
Licenses and permits.....	745,577	695,953	-	914,911	985,547	1,395,268	1,870,200	1,382,497	1,215,769	1,759,986
Fines and forfeitures.....	1,217,147	1,196,664	1,063,952	1,034,896	985,001	1,006,469	977,642	1,285,992	1,445,890	2,177,667
Intergovernmental.....	81,328,924	89,034,307	106,402,150	100,220,957	90,340,499	97,627,870	108,087,862	99,090,780	110,033,192	113,457,060
Departmental and other.....	-	-	2,177,104	1,911,896	1,885,881	2,057,927	4,127,661	3,313,010	3,304,698	1,460,413
Contributions.....	-	-	-	156,683	150,817	168,892	652,503	772,300	877,091	207,614
Investment income.....	584,013	167,546	281,228	92,033	85,971	162,303	276,605	358,585	212,749	471,555
Miscellaneous.....	385,353	367,805	-	-	-	-	-	-	-	-
Total Revenue.....	154,616,431	164,558,011	183,922,211	179,814,467	173,084,033	181,617,103	198,521,973	193,787,435	208,173,179	213,550,707
Expenditures:										
General government.....	10,355,391	9,911,012	7,085,363	7,009,979	7,571,267	12,275,676	16,220,100	9,329,032	9,909,010	9,860,394
Public safety.....	19,029,101	15,599,101	16,677,931	17,964,253	18,149,554	19,580,090	21,644,540	20,942,915	20,695,289	24,793,798
Education.....	86,382,664	100,391,285	91,587,890	76,915,303	86,917,962	92,718,510	112,392,306	97,577,853	93,188,804	105,770,691
Public works.....	9,442,425	7,703,788	8,948,893	7,382,800	7,959,755	8,172,106	11,349,167	10,220,840	10,333,508	11,956,863
Human services.....	1,570,829	1,772,607	1,966,600	1,904,361	2,289,397	2,609,241	2,542,583	2,600,677	2,641,581	3,020,900
Culture and recreation.....	818,125	641,768	799,328	969,802	950,502	1,067,679	1,270,050	3,698,315	2,009,376	1,583,609
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	28,600,269	11,052,060
Employee benefits.....	22,545,085	22,567,589	16,300,467	15,931,499	15,826,404	17,903,409	18,446,949	19,141,043	19,239,707	20,310,678
State and county charges.....	7,165,980	8,086,965	8,201,209	7,500,902	7,341,494	7,448,290	8,034,077	8,368,133	9,346,992	10,394,287
Debt service:										
Principal.....	1,411,428	1,905,199	1,867,600	2,454,643	2,460,143	2,376,643	2,421,893	2,713,343	2,784,683	3,482,543
Interest.....	554,972	1,727,992	2,008,366	2,045,160	1,971,856	1,898,110	2,022,540	2,313,329	2,042,251	2,447,489
Total Expenditures.....	159,276,000	170,307,306	189,852,952	182,787,199	178,410,960	190,542,492	215,184,892	200,132,665	200,791,470	204,673,312
Excess of revenues over (under) expenditures.....	(4,659,569)	(5,749,295)	(5,930,741)	(2,972,732)	(5,326,927)	(8,925,389)	(16,662,919)	(6,345,230)	7,381,709	8,877,395
Other Financing Sources (Uses)										
Issuance of long-term debt.....	26,381,000	6,628,350	12,049,000	-	-	-	9,666,000	-	17,678,000	-
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	-	918,539	-
Payments to escrow agent.....	-	-	-	-	-	-	(4,111,767)	(20,980,537)	-	-
Insurance recovery.....	-	-	-	-	-	-	750,000	-	-	-
Capital lease financing.....	-	-	-	-	-	704,130	-	-	-	-
Transfers in.....	4,577,215	6,496,045	5,667,139	5,142,602	5,522,992	6,096,164	6,353,549	5,478,955	6,685,958	2,158,696
Transfers out.....	(1,717,304)	(4,816,973)	(3,137,757)	(2,268,655)	(2,163,746)	(2,910,222)	(1,690,066)	(2,634,764)	(3,624,371)	(2,142,872)
Total other financing sources (uses).....	29,240,911	8,307,422	14,578,382	2,873,947	3,359,246	3,890,072	15,883,999	2,844,191	21,658,126	15,824
Extraordinary item - July 2014 Tornado Insurance Recovery...	-	-	-	-	-	-	-	-	2,215,140	3,954,360
Net change in fund balance.....	\$ 24,581,342	\$ 2,558,127	\$ 8,647,641	\$ (98,785)	\$ (1,967,681)	\$ (5,035,317)	\$ (778,920)	\$ (3,501,039)	\$ 31,254,975	\$ 12,847,579
Debt service as a percentage of noncapital expenditures.....	1.34%	2.38%	2.10%	2.51%	2.57%	2.41%	2.47%	2.68%	2.47%	3.07%

**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
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
2017	\$4,391,660,331	\$13.99	87.15%	\$457,918,990	\$107,790,363	\$81,625,159	\$647,334,512	\$27.53	12.85%	\$15.73	\$5,038,994,843
2018	\$4,998,702,688	\$12.96	87.65%	\$500,040,174	\$123,962,522	\$80,577,857	\$704,580,553	\$25.36	12.35%	\$14.49	\$5,703,283,241



(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.

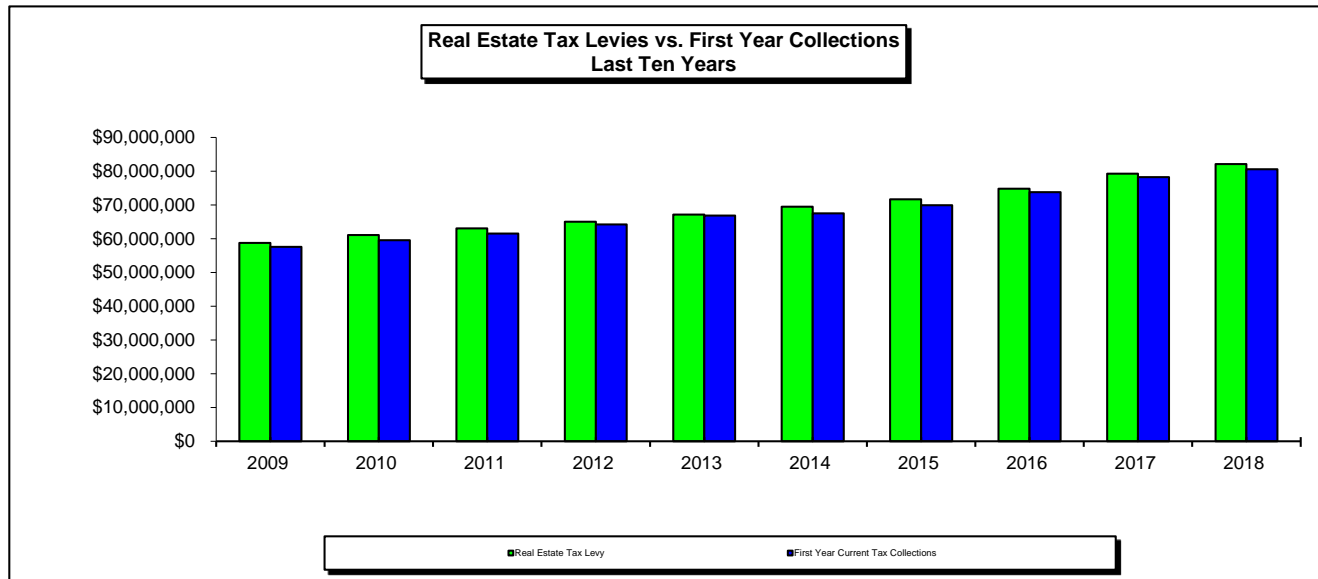
**Principal Taxpayers
Current Year and Nine Years Ago**

Name	Nature of Business	2018			2009		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Alterra II L.L.C	Apartments	\$ 82,933,000	1	1.45%	\$ -	-	-
Mack-Cali TCL	Apartments	66,244,600	2	1.16%	-	-	-
TA Revere LLC	Apartments	47,391,300	3	0.83%	-	-	-
Rumney Flats Apartments LLC	Apartments	43,947,600	4	0.77%	26,889,000	4	0.57%
64 VWS Owner LLC	Apartments	39,557,500	5	0.69%	-	-	-
Atlantic - Revere Realty LLC	Manufacturing	38,507,622	6	0.68%	-	-	-
Waters Edge Limited Partnership	Apartments	33,140,800	7	0.58%	28,915,600	3	0.61%
Baystone Revere LLC	Apartments	24,949,000	8	0.44%	-	-	-
HRCA Housing for Elderly, Inc.	Apartments	23,586,200	9	0.41%	-	-	-
Global Revco Terminal LLC	Petroleum	21,601,800	10	0.38%	-	-	-
Overlook Ridge LLC	Retail	-	-	-	78,295,600	1	1.65%
Rowe Contracting Co.	Manufacturing	-	-	-	66,924,900	2	1.41%
Bendetson Richard	Apartments	-	-	-	21,105,900	5	0.44%
Wonderland Marketplace LTD Partnership II	Retail	-	-	-	18,066,100	7	0.38%
Squire Realty Inc.	Cinema	-	-	-	18,251,600	6	0.38%
Wonderland Greyhound Park LLC	Dog Racing	-	-	-	17,193,400	8	0.36%
Lantern Road LLC	Apartments	-	-	-	16,892,300	9	0.36%
Rumney Marsh Road LLC (BJs)	Retail	-	-	-	16,563,700	10	0.35%
Totals		\$ 421,859,422		7.40%	\$ 309,098,100		6.51%

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
2009	\$59,707,315	\$934,756	\$58,772,559	\$57,577,844	98.0%	\$983,564	\$58,561,408	99.64%
2010	(1) \$61,893,165	\$800,139	\$61,093,026	\$59,586,235	97.5%	\$970,381	\$60,556,616	99.12%
2011	\$63,839,884	\$803,512	\$63,036,372	\$61,501,551	97.6%	\$941,474	\$62,443,025	99.06%
2012	\$65,828,219	\$785,043	\$65,043,176	\$64,200,678	98.7%	\$493,555	\$64,694,233	99.46%
2013	(1) \$67,975,254	\$788,393	\$67,186,861	\$66,871,892	99.5%	\$256,684	\$67,128,576	99.91%
2014	\$70,261,665	\$760,064	\$69,501,601	\$67,484,782	97.1%	\$929,124	\$68,413,906	98.44%
2015	\$72,492,427	\$802,232	\$71,690,195	\$69,921,634	97.5%	\$739,506	\$70,661,140	98.56%
2016	(1) \$75,549,866	\$720,083	\$74,829,783	\$73,814,346	98.6%	\$987,703	\$74,802,049	99.96%
2017	\$80,055,269	\$794,822	\$79,260,447	\$78,230,115	98.7%	\$979,916	\$79,210,031	99.94%
2018	\$82,651,350	\$553,493	\$82,097,857	\$80,558,736	98.1%	\$0	\$80,558,736	98.13%



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) + (6)	Capital Leases (6)				
								Per Capita (4 + 6) / 1	Percentage of Personal Income (4 + 6) / 2	Percentage of Assessed Value (4 + 6) / 3	
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	\$42,255,579	\$693,728	\$846	5.34%	1.08%	
2011	51,858	\$798,250,194	\$3,812,519,660	\$52,238,940	\$161,105	\$52,678,620	\$600,785	\$1,019	6.62%	1.39%	
2012	52,562	\$960,412,864	\$3,781,124,856	\$49,784,297	\$165,219	\$50,073,134	\$454,056	\$956	5.23%	1.33%	
2013	53,179	\$936,375,832	\$3,769,805,531	\$47,324,154	\$8,013	\$47,682,475	\$366,334	\$897	5.09%	1.27%	
2014	53,756	\$1,358,145,340	\$3,897,467,818	\$44,947,511	\$81,186	\$45,606,656	\$740,331	\$850	3.36%	1.17%	
2015	54,157	\$1,413,064,444	\$4,265,006,081	\$52,112,818	\$276,506	\$52,247,168	\$410,856	\$970	3.72%	1.23%	
2016	53,422	\$1,403,342,518	\$4,606,033,831	\$50,898,896	\$426,483	\$50,544,637	\$72,224	\$954	3.63%	1.11%	
2017	53,157	\$1,403,342,518	\$5,038,994,843	\$68,445,034	\$1,175,685	\$67,269,349	-	\$1,288	4.88%	1.36%	
2018	53,993	\$1,423,810,245	\$5,703,283,241	\$64,606,256	\$1,208,945	\$63,397,311	-	\$1,197	4.54%	1.13%	

Year	Total Net General Bonded Debt			Business-Type Activities				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 General Bonded Debt			Total Net General Bonded Debt				
					Total Debt Outstanding (4 + 6 + 7)	Per Capita (4 + 6 + 7) / 1	Percentage of Personal Income (4 + 6 + 7) / 2	Percentage of Assessed Value (4 + 6 + 7) / 3	Total Net Debt Outstanding (4 - 5 + 6 + 7)	Per Capita (4 - 5 + 6 + 7) / 1	Percentage of Personal Income (4 - 5 + 6 + 7) / 2	Percentage of Assessed Value (4 - 5 + 6 + 7) / 3
2009	\$611	3.45%	0.77%	\$2,505,066	\$41,462,060	\$689	3.89%	0.87%	\$39,290,113	\$1,258	7.10%	1.60%
2010	\$831	5.25%	1.06%	\$2,391,630	\$46,128,002	\$892	5.64%	1.14%	\$44,647,209	\$1,677	10.59%	2.15%
2011	\$1,027	6.67%	1.40%	\$8,686,353	\$61,526,078	\$1,186	7.71%	1.61%	\$61,364,973	\$2,046	13.29%	2.78%
2012	\$961	5.26%	1.34%	\$9,118,639	\$59,356,992	\$1,129	6.18%	1.57%	\$59,191,773	\$1,917	10.49%	2.66%
2013	\$904	5.13%	1.27%	\$16,115,065	\$63,805,553	\$1,200	6.81%	1.69%	\$63,797,540	\$1,800	10.22%	2.54%
2014	\$862	3.41%	1.19%	\$15,004,168	\$60,692,010	\$1,129	4.47%	1.56%	\$60,610,824	\$1,712	6.78%	2.36%
2015	\$972	3.73%	1.23%	\$24,735,738	\$77,259,412	\$1,427	5.47%	1.81%	\$76,982,906	\$1,942	7.44%	2.47%
2016	\$947	3.61%	1.10%	\$32,901,035	\$83,872,155	\$1,570	5.98%	1.82%	\$83,445,672	\$1,902	7.24%	2.21%
2017	\$1,265	4.79%	1.33%	\$67,083,287	\$135,528,321	\$2,550	9.66%	2.69%	\$134,352,636	\$2,553	9.67%	2.69%
2018	\$1,174	4.45%	1.11%	\$64,678,607	\$129,284,863	\$2,394	9.08%	2.27%	\$128,075,918	\$2,371	8.99%	2.24%

(1) Massachusetts Department of Revenue Municipal Databank
(2) 2008 - 2010: City of Revere Statement of Indebtedness
(2) 2011 - 2017: City of Revere Audited Financial Statements
(3) City Finance Records.

Direct and Overlapping Governmental Activities Debt

As of June 30, 2018

<u>City of Revere, Massachusetts</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Massachusetts Bay Transportation Authority.....	\$ 5,728,840,000	2.13%	\$ <u>121,852,427</u>
Total direct debt.....			<u>64,606,256</u>
Total direct and overlapping debt.....			<u>\$ <u>186,458,683</u></u>

Source: Audited Financial Statements, Debt Offering Statements

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Equalized Valuation.....	<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>	<u>\$ 4,891,574,500</u>	<u>\$ 4,891,574,500</u>
Debt Limit -5% of Equalized Valuation.....	\$ 278,578,655	\$ 278,578,655	\$ 215,424,825	\$ 215,424,825	\$ 200,649,275	\$ 200,649,275	\$ 206,772,880	\$ 206,772,880	\$ 244,578,725	\$ 244,578,725
Less:										
Outstanding debt applicable to limit.....	38,956,994	43,042,644	52,238,940	49,784,297	47,324,154	44,947,511	52,112,818	50,898,896	68,445,034	64,606,256
Authorized and unissued debt.....	<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>	<u>23,743,922</u>	<u>93,176,871</u>
Legal debt margin.....	<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>\$ 118,819,423</u>	<u>\$ 152,389,769</u>	<u>\$ 86,795,598</u>
Total debt applicable to the limit as a percentage of debt limit.....	54.29%	49.68%	77.20%	65.66%	56.72%	51.69%	51.11%	42.54%	37.69%	64.51%

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)
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%
2017	53,157	\$ 1,423,810,245	\$ 26,785	7,452	4.10%
2018	53,993	\$ 1,488,533,017	\$ 27,569	7,555	4.00%

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	2018			2009		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
New England Confectionary Co.	Manufacturing	-	-	-	694	1	7.98%
Market Basket	Retail - Grocery	505	1	5.75%	-	-	-
Stop & Shop	Retail - Grocery	270	2	3.08%	388	2	-
Mass General Hospital	Medical	200	3	2.28%	150	5	1.72%
Price Rite	Retail - Grocery	185	4	2.11%	-	-	-
Lighthouse Nursing Home	Medical	180	5	2.05%	182	4	2.09%
Target	Retail - Department Store	175	6	1.99%	-	-	-
Annemark Nursing Home	Medical	140	7	1.59%	140	6	1.61%
Showcase Cinema	Entertainment	125	8	1.42%	150	5	1.72%
BeDriven North Shore	Livery	115	9	1.31%	-	-	-
OceanAir		100	10	1.14%			
Wonderland Dog Track	Entertainment	-	-	-	300	3	3.45%
Shaw's	Retail - Grocery	-	-	-	140	6	1.61%
Foodmaster	Retail - Grocery	-	-	-	110	7	1.26%
		<u>1995</u>		<u>22.72%</u>	<u>2254</u>		<u>21.45%</u>

Information on the 8th through 10th largest employer for 2009 was unavailable. Information on the 9th through 10th largest employers for 2017 was unavailable.
Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Function</u>										
General government.....	77	74	75	76	80	79	73	76	69	67
Public safety.....	186	184	184	184	191	219	212	232	243	234
Public education.....	699	701	703	706	708	778	784	823	833	833
Public works.....	28	28	28	29	32	27	29	27	32	22
Human services.....	14	14	14	15	16	9	9	9	10	10
Culture and recreation.....	5	5	5	5	6	14	17	16	12	12
Water & Sewer.....	9	9	9	10	11	12	10	15	15	25
Total.....	<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>	<u>1,214</u>	<u>1,203</u>

Source: Various City Departments

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

<u>Function/Program</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>	<u>2017</u>	<u>2018</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

Free Cash and Stabilization Fund Balances

Last Ten Years

<u>Year</u>	<u>Free Cash</u>	<u>General Stabilization Fund</u>	<u>Capital Stabilization Fund</u>	<u>Sick Leave Buyback</u>	<u>OPEB Stabilization</u>	<u>Injured Leave Stabilization</u>
2018.....	\$ not available	\$ 7,386,313	\$ 1,106,051	\$ 425,000	\$ 250,000	\$ 386,924
2017.....	\$ 6,273,580	\$ 6,445,276	\$ 1,000,000	\$ -	\$ -	\$ -
2016.....	\$ 4,412,074	\$ 5,766,592	\$ -	\$ -	\$ -	\$ -
2015.....	\$ -	\$ 5,838,592	\$ -	\$ -	\$ -	\$ -
2014.....	\$ 6,088,407	\$ 2,924,810	\$ -	\$ -	\$ -	\$ -
2013.....	\$ 3,292,270	\$ 5,514,885	\$ -	\$ -	\$ -	\$ -
2012.....	\$ 2,851,427	\$ 2,663,458	\$ -	\$ -	\$ -	\$ -
2011.....	\$ 1,419,030	\$ 1,244,428	\$ -	\$ -	\$ -	\$ -
2010.....	\$ 145,848	\$ 2,232,467	\$ -	\$ -	\$ -	\$ -
2009.....	\$ 957,932	\$ 2,157,134	\$ -	\$ -	\$ -	\$ -

Source: Massachusetts Department of Revenue / Audited Financial Statements