

CITY OF REVERE, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2021



CITY OF REVERE, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**For the year ended
June 30, 2021**

Prepared By:

Office of the CFO/City Auditor

CITY OF REVERE, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2021

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Introductory Section



Aerial view of Revere Beach

City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the year ended June 30, 2021

Introductory Section

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

Richard Viscay
Chief Financial Officer/City Auditor

Letter of Transmittal

December 22, 2021

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

State law requires the City of Revere, Massachusetts (“the City”), to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Revere, Massachusetts, for the year ending June 30, 2021 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, 2021, 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, 2021, 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 62,186 (according to the 2020 U.S. Census) and occupies a land area of 5.95 square miles. Settled in 1626 and originally a part of Chelsea, Revere was established as a separate Town in 1871 and incorporated as a city in 1915. It is primarily a residential suburb of Boston.

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

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

The School Committee, consisting of 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 2021 budgets and service levels were maintained through a modest 1% 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 2021, 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, 2020, the latest measurement date, 67.67% of the present value of the projected benefits earned by employees has been funded by the System. The remaining unfunded amount is being systematically funded over 15 years as part of the annual required contribution as calculated by the actuary.

The City sponsors a postemployment health care plan that provides postemployment health care benefits for certain retirees and their dependents. There are approximately 1,000 retirees receiving these benefits, which are financed on a pay-as-you-go basis. The Plan conducts an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The most recent actuarial valuation was prepared in accordance with GASB Statement #74 and #75. The valuation projects a total OPEB liability of approximately \$260.0 million. In 2019 the City voted to formally establish an other-postemployment benefit trust fund. At the end of 2021 the Trust had a balance of \$1,144,275. The difference between the total OPEB liability and the Trust Fund balance has been recorded as a liability on the Government-wide and Proprietary Funds Statement of Net Position.

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.

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, sold its 800,000-sf building to a real estate investment firm who has signed a long-term lease with Amazon for the operation of a major Amazon distribution center. The renovations are complete, and the distribution center is fully operational.

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. More 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, there were two other projects 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 restaurant space developed by Gate Residential that was completed 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, slated to be completed by the end of 2022. Both projects were built adjacent to the pedestrian plaza and bridge that connects the Wonderland T Station to the waterfront. The final two parcels in the Waterfront Square development currently under construction is a 213-unit mixed use residential development at 646 Ocean Ave. and a 230-unit mixed use residential development at 656 Ocean Ave. Construction of these parcels are scheduled to be completed mid-2023.

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. Another completed development along the waterfront on Revere Beach Boulevard is the 145-unit mixed-use development “BLVD” at 320 Revere Beach Boulevard. Planning is under way for 34 condominium units at 439 Revere Beach Boulevard

On the southerly end of Revere Beach there are several commercial and residential mixed-use projects in various stages of design, permitting and construction including a 172 room Sunrise/Great Western hotel at 58 Revere Beach Boulevard which is in the planning stage. Completed projects on the southerly end of Revere Beach include the 75-unit residential project at 90 Ocean Avenue. 50 Ocean Avenue and 21 Revere Beach Boulevard bring a 200-unit residential mixed-use project with a first-floor restaurant by Gate Residential.

In addition to the aforementioned developments, there are a number of additional projects that are currently in the construction phase and/or are completed including: Construction is completed for 195 residential units at 205 Revere Beach Parkway by Gate Residential and a 162 room Staybridge Suites/Holiday Inn by XSS Hotels right next door at 245 Revere Beach Parkway; Completion of a 15,000 sf East Boston Neighborhood Health Center located at 10 Garofalo Way is occupied; Construction of a 110 room Avid hotel at 405 American Legion Highway is occupied; Construction of a 31 unit condominium at 450 American Legion Highway is completed; Construction of 22 unit mixed use residential development at 14 Yeamans Street is completed. 52 unit market rate and workforce rate residential units at 571 Revere Street. Construction completed of 37 additional hotel rooms at the Hampton Inn at 230 Lee Burbank Highway; Construction completed on 22 condominiums at 770 Washington Avenue; Completed 231 unit residential development on Ward Street. Construction in progress of a fast food/take out/drive thru restaurant and car wash at 1141 Revere Beach Parkway; and construction of a medical marijuana facility at 40 Railroad Avenue is ongoing.

Shirley Ave has seen a recent revitalization with several projects either completed or under construction those include. 57 Shirley Ave 18 unit residential, 60 Shirley Ave 45 unit residential, 100 Shirley Ave 29 unit Mixed use, 123 Shirley Ave 32 Unit mixed use veteran housing, 177 Shirley Ave 20 unit mixed use, 180 Shirley Ave 47 unit

mixed use, 191 Shirley Ave 56 mixed use, 194 Shirley Ave 19 unit mixed use, 207 Shirley Ave 33 unit mixed use, 7-9 Dehon St. 6 unit mixed use, and 17-19 Dehon Street 8 unit mixed use.

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The City is considered an essential business and although it was closed to the public temporarily, departments remained operational and most employees continued to perform their daily duties. A number of businesses have been forced to stop or significantly reduce operations decreasing certain revenues collected by the City. The City has also incurred unanticipated costs specifically related to the pandemic. These costs are anticipated to be recovered through various grants.

Financial and Management Systems

Internal Controls

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

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

Budgetary Controls

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Revere for its Annual Comprehensive financial report (ACFR) for the year ended June 30, 2020. This was the eighth time that the City submitted a ACFR to the GFOA. The City was awarded this Certificate in all eight years. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized ACFR 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 ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Richard Viscay
CFO/City Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

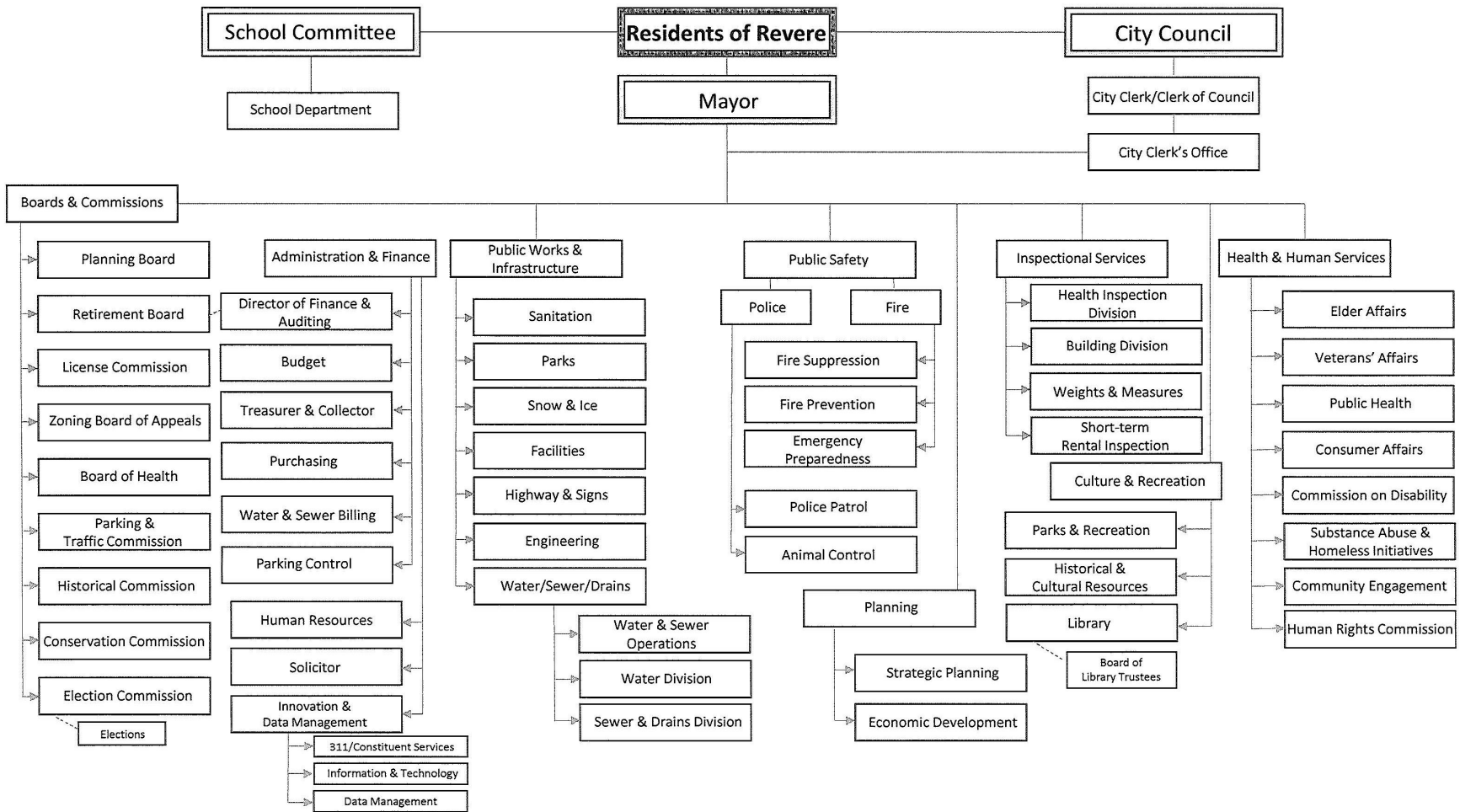
**City of Revere
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



Principal City Officials

As of June 30, 2021

Elected Officials

Mayor

Brian Arrigo

City Council

City Councilors-at-Large

Jessica Ann Giannino

Steven Morabito

Gerry Visconti

George J. Rotondo

Anthony T. Zambuto

Ward City Councilors

Joanne McKenna

Ira Novoselsky

Arthur F. Guinasso

Patrick M. Keefe, Jr.

John F. Powers

Richard Serino

School Committee

Anthony D'Ambrosio

Michael A. Ferrante

Susan J. Gravallese

Stacey A. Rizzo

Frederick A. Sannella

Carol A. Tye

Northeast Metropolitan Regional
Vocational School Committee

Anthony Caggiano

Principal Executive Officers

City Collector and City Treasurer

CFO / City Auditor

Assessor – Chairman of the Board

Assessor – Member of the Board

Assessor – Member of the Board

City Clerk

Police Chief

Fire Chief

Superintendent of Schools

School Business Manager

City Engineer

DPW Superintendent

City Solicitor

Clerk of City Council

Cathy Bowden

Richard Viscay

Dana Brangiforte

John Verrengia

Mathew McGrath

Ashley E. Melnik

David Callahan

Christopher P. Bright

Dianne Kelly

Matthew Kruse

Nicholas J. Rystrom

Paul Argenzio

Paul Capizzi, Esq.

Ashley E. Melnik

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Financial Section



Rossetti-Cowan Senior Center

City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the year ended June 30, 2021

Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Revere, Massachusetts, as of and for the year ended June 30, 2021 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2020), 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, 2021 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2020), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the City of Revere, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Revere, Massachusetts' internal control over financial reporting and compliance.



December 22, 2021

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, 2021. 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 deferred outflows of resources, and liabilities and deferred inflows of resources 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, health and human services, trash and recycling, culture and recreation, and interest. The business type activities include costs relating to the water and sewer activities.

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

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

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

The City maintains a variety of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the City Capital Projects 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 the self-insured employee health program. 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 and Other Employee Benefit Trust Fund* is used to report resources held in trust for pension and other postemployment benefit purposes for retirees and beneficiaries covered by the Plan. The *Private Purpose Trust Fund* is used to report resources held in trust for the benefit of private individuals or organizations. The *Custodial Fund* is used account for fiduciary activity that is not required to be reported in pension and other postemployment benefit trust funds, investment trust funds, or private purpose trust funds.

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 \$134.3 million at the close of 2021, an increase of \$2.9 million from the prior year.

Net position of \$164.1 million reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, infrastructure, machinery, equipment and furnishings), 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, \$8.7 million, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position is in a deficit of \$307.1 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 \$258.8 million and \$93.7 million, respectively.

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 \$165.4 million at the close of 2021. The following summarizes the financial components of the City’s governmental activities.

	2021	2020 (As revised)
Assets:		
Current assets.....	\$ 108,823,519	\$ 79,597,125
Capital assets, non depreciable.....	11,801,213	8,880,546
Capital assets, net of accumulated depreciation....	181,104,442	182,965,382
Total assets.....	301,729,174	271,443,053
Deferred outflows of resources.....	35,111,586	33,654,930
Liabilities:		
Current liabilities (excluding debt).....	13,625,272	9,519,056
Noncurrent liabilities (excluding debt).....	346,179,639	352,789,390
Current debt.....	5,636,773	18,266,460
Noncurrent debt.....	90,940,976	56,215,384
Total liabilities.....	456,382,660	436,790,290
Deferred inflows of resources.....	45,836,113	32,917,126
Net position:		
Net investment in capital assets.....	140,797,789	136,410,191
Restricted.....	8,708,268	10,381,399
Unrestricted.....	(314,884,070)	(311,401,023)
Total net position.....	\$ (165,378,013)	\$ (164,609,433)

A significant portion of the City’s governmental activities net position, \$140.8 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

An additional portion of the net position of \$8.7 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

\$314.9 million is due to the recognition of a \$252.9 million net other postemployment benefits liability and a \$89.8 million net pension liability.

Governmental activity liabilities also include \$96.6 million in general obligation bonds and notes outstanding, \$4.8 million in compensated absence liabilities for unused vacation, special leave, and enhanced longevity benefits payable and \$807,000 of liabilities relating to workers compensation claims.

The information below summarizes the current and prior year governmental activities.

	2021	2020 (As revised)
Program Revenues:		
Charges for services.....	\$ 12,538,868	\$ 12,266,824
Operating grants and contributions.....	129,644,157	120,752,187
Capital grants and contributions.....	4,540,571	2,475,028
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	90,065,540	91,083,738
Tax and other liens.....	3,024,794	-
Motor vehicle and other excise taxes.....	6,155,322	6,002,938
Hotel/motel tax.....	548,001	1,816,373
Meals tax.....	635,412	715,005
Penalties and interest on taxes.....	794,419	309,592
Payments in lieu of taxes.....	210,693	245,982
Grants and contributions not restricted to specific programs.....	11,462,537	11,873,426
Unrestricted investment income.....	284,282	1,187,867
Total revenues.....	259,904,596	248,728,960
Expenses:		
General government.....	21,927,597	21,445,939
Public safety.....	49,384,788	48,173,324
Education.....	167,784,149	163,528,337
Public works.....	7,705,190	14,806,599
Health and human services.....	4,583,325	3,962,834
Trash and recycling.....	4,705,408	4,444,835
Culture and recreation.....	2,541,237	2,785,501
Interest.....	1,967,763	1,816,514
Total expenses.....	260,599,457	260,963,883
Excess (Deficiency) before transfers.....	(694,861)	(12,234,923)
Transfers.....	(73,719)	-
Change in net position.....	(768,580)	(12,234,923)
Net position, beginning of year (As revised).....	(164,609,433)	(152,374,510)
Net position, end of year.....	\$ (165,378,013)	\$ (164,609,433)

The governmental activities net position decreased in the current year by \$769,000. Large factors affecting the change in net position was a decrease in the net pension liability and related deferred outflows/(inflows) of resources totaling \$3.4 million, an increase in the City's internal service fund totaling \$2.3 million, and a \$1.3 million general fund budgetary surplus offset by an increase in the net OPEB liability and related deferred outflows/(inflows) of resources totaling \$8.0 million.

The following are part of the overall change in governmental net position that warrant further discussion:

- Public Safety expense increased by \$1.2 million. This is mainly due to the City having incurred expenses totaling \$1.0 million related to the Coronavirus Pandemic.
- Education expenses increased by \$4.3 million. This change was primarily related to a \$4.0 million increase in recognition of expenditures for on-behalf payments related to the Massachusetts Teachers Retirement System; \$3.4 million in COVID related expenses to allow for school reopening plans to continue; and to allow for continued operations; and an increase of \$3.6 million in employee benefit expenses charged to this function. The increases in expenses were offset by a decrease of \$2.5 million in non-COVID related grant and revolving fund expenditures.
- Public works expense decreased in the current year by \$7.1 million. This was primarily due to prior year non-capitalizable construction costs of \$8.1 million not recurring due to the related construction project winding down. These costs were associated with land transfer and disposition agreement between the City and the Commonwealth of Massachusetts' Department of Conservation and Recreation. Offsetting this decrease was an increase in street maintenance and repair projects fund through the Chapter 90 grant program.
- The City recognized capital grant revenue of \$4.5 million and this is primarily related to grants received for traffic light upgrades and improvements, the Northern Strand Rail Trail, and grants related to infrastructure upgrades.

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #84 – *Fiduciary Activities*. Previously reported net position of a deficit of \$164,884,371, has been revised to a deficit net position of \$164,609,433.

Business-Type Activities

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

	2021	2020
Assets:		
Current assets.....	\$ 28,427,050	\$ 27,289,147
Capital assets, non depreciable.....	1,627,239	1,337,783
Capital assets, net of accumulated depreciation....	111,050,447	100,905,751
Total assets.....	141,104,736	129,532,681
Deferred outflows of resources.....	1,090,964	908,224
Liabilities:		
Current liabilities (excluding debt).....	2,709,976	2,919,882
Noncurrent liabilities (excluding debt).....	9,751,837	10,166,159
Current debt.....	12,414,283	12,632,416
Noncurrent debt.....	84,931,622	76,344,021
Total liabilities.....	109,807,718	102,062,478
Deferred inflows of resources.....	1,281,906	914,651
Net position:		
Net investment in capital assets.....	23,340,253	20,081,984
Unrestricted.....	7,765,823	7,381,792
Total net position.....	\$ 31,106,076	\$ 27,463,776
	2021	2020
Program Revenues:		
Charges for services.....	\$ 27,848,066	\$ 25,509,028
Capital grants and contributions.....	3,050,639	1,116,055
General Revenues:		
Unrestricted investment income.....	111,791	291,770
Total revenues.....	31,010,496	26,916,853
Expenses:		
Water and sewer.....	27,441,915	25,814,547
Excess (Deficiency) before transfers.....	3,568,581	1,102,306
Transfers.....	73,719	-
Change in net position.....	3,642,300	1,102,306
Net position, beginning of year.....	27,463,776	26,361,470
Net position, end of year.....	\$ 31,106,076	\$ 27,463,776

The water and sewer enterprise fund net position increased by \$3.6 million during the current year. This increase is primarily due to the capital grant funding received in aid of the City's ongoing investment in its water and sewer infrastructure.

Total business type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31.1 million at the close of 2021.

Net position of \$23.3 million reflects the investment in capital assets less any debt used to acquire those assets that are still outstanding. The remaining balance of unrestricted net position of \$7.8 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 2021, governmental funds reported combined ending fund balances of \$81.9 million, an increase of \$36.9 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 \$12.0 million, while total fund balance equaled \$31.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents about 5.6% of general fund expenditures while total fund balance represents about 14.7%. The general fund decreased by \$619,000 during 2021.

The decrease was due to differences in the timing and recognition of tax revenues which resulted in a \$2 million increase in real estate and personal property tax receipts. This offset by a \$2.3 million planned used of existing fund balance to fund various appropriations.

At June 30, 2021, \$9.4 million has been set aside in stabilization funds that are classified as part of the general fund 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 8 for further discussion of the Stabilization Fund.

City Capital Projects Fund

The City capital project fund is used to account for and report financial resources that are restricted to expenditure for non-education related capital outlays. The fund had an ending balance of \$32.1 million, which was an increase of \$40.1 million over the prior year. The increase was primarily due to the issuance of long-term debt totaling \$36.6 million and the recognition of \$3.3 million of premiums. The projects that were funded by this issuance include the Pines Fire Station construction for \$9.2 million, the Massachusetts' Department of Conservation and Recreation (DCR) facility for \$8.1 million, and the public works department building for \$19.3 million.

The facility for the DCR was the result of an agreement that allowed the Commonwealth to transfer a certain parcel of land and buildings to the City for economic development purposes. In return for acquiring the buildings

and land, the City was required to locate a suitable replacement property and construct a new building to replace the structures and land. The new DCR building is part of the overall cost of the City project.

General Fund Budgetary Highlights

The difference of \$2.2 million between the original budget appropriations of \$212.2 million and the final amended budget of \$214.4 million was due to increased appropriations to fund transfers to the stabilization fund and capital project funds. The supplemental appropriations were funded with existing fund balance.

In total, actual collections in budgeted revenue categories were \$1.2 million lower than expected. The lower-than-expected revenues was the result of tax collections, licenses and permits, penalties and interest on taxes, and investment income, being less than budgeted amounts. These revenue categories were offset by higher-than-expected motor vehicle and other excise tax revenues exceeding budget by \$1.0 million. Actual expenditures and carryforwards were less than budget by \$792,000.

Capital Asset and Debt Administration

Capital Assets. The City's valuation of governmental activities capital assets as of June 30, 2021, amounts to \$192.9 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, 2021, amounts to \$112.7 million, net of accumulated depreciation. This amount represents purchases made over time in relation to the water and sewer distribution, collections and disposal infrastructure, as well as construction in progress.

Long-term debt. At June 30, 2021, the City had total governmental bonded debt of \$95.6 million. Of this amount, \$28.3 million is for school purposes, \$28.6 million is for public safety purposes, \$19.3 million is for the DPW building, \$3.4 million is for the Harry Della Russo stadium reconstruction, \$2.3 million is related to land acquisition costs and \$8.6 million is for various other governmental purposes. Additionally, this includes \$5.1 million in unamortized premiums on bonds previously issued.

In order to take advantage of favorable interest rates, the City issued \$5,490,000 of general obligation refunding bonds on August 1, 2020. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$6,600,000 and became callable on October 1, 2020. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$770,262 and a reduction of \$789,548 in future debt service payments.

The water & sewer enterprise fund has \$89.8 million in long-term debt that is supported by the water and sewer rates.

Currently the City has \$51.8 million in authorized and unissued long-term debt relating to future projects. Additional information on the City's debt activity may be found in notes 6 & 7 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

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 82,443,171	\$ 10,529,568	\$ 92,972,739
Investments.....	4,084,998	3,693,013	7,778,011
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	94,653	-	94,653
Tax liens.....	3,488,375	-	3,488,375
Motor vehicle and other excise taxes.....	1,395,297	-	1,395,297
User charges.....	-	7,722,973	7,722,973
Departmental and other.....	318,021	-	318,021
Intergovernmental.....	13,739,197	6,481,496	20,220,693
Tax foreclosures.....	280,958	-	280,958
Working capital deposit.....	2,978,849	-	2,978,849
Total current assets.....	<u>108,823,519</u>	<u>28,427,050</u>	<u>137,250,569</u>
NONCURRENT:			
Capital assets, nondepreciable.....	11,801,213	1,627,239	13,428,452
Capital assets, net of accumulated depreciation.....	<u>181,104,442</u>	<u>111,050,447</u>	<u>292,154,889</u>
Total noncurrent assets.....	<u>192,905,655</u>	<u>112,677,686</u>	<u>305,583,341</u>
TOTAL ASSETS.....	<u>301,729,174</u>	<u>141,104,736</u>	<u>442,833,910</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	1,581,042	-	1,581,042
Deferred outflows related to pensions.....	15,940,010	681,990	16,622,000
Deferred outflows related to other postemployment benefits.....	<u>17,590,534</u>	<u>408,974</u>	<u>17,999,508</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>35,111,586</u>	<u>1,090,964</u>	<u>36,202,550</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	6,206,760	1,764,941	7,971,701
Accrued payroll.....	794,983	34,759	829,742
Health claims payable.....	1,579,092	-	1,579,092
Accrued interest.....	1,365,291	816,276	2,181,567
Other liabilities.....	1,495,146	-	1,495,146
Customer deposits.....	-	1,000	1,000
Compensated absences.....	2,069,000	93,000	2,162,000
Workers' compensation.....	115,000	-	115,000
Notes payable.....	1,000,000	7,585,460	8,585,460
Bonds payable.....	<u>4,636,773</u>	<u>4,828,823</u>	<u>9,465,596</u>
Total current liabilities.....	<u>19,262,045</u>	<u>15,124,259</u>	<u>34,386,304</u>
NONCURRENT:			
Compensated absences.....	2,705,000	27,000	2,732,000
Workers' compensation.....	692,000	-	692,000
Net pension liability.....	89,840,000	3,844,000	93,684,000
Net other postemployment benefits liability.....	252,942,639	5,880,837	258,823,476
Bonds payable.....	<u>90,940,976</u>	<u>84,931,622</u>	<u>175,872,598</u>
Total noncurrent liabilities.....	<u>437,120,615</u>	<u>94,683,459</u>	<u>531,804,074</u>
TOTAL LIABILITIES.....	<u>456,382,660</u>	<u>109,807,718</u>	<u>566,190,378</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	11,087,000	474,000	11,561,000
Deferred inflows related to other postemployment benefits.....	<u>34,749,113</u>	<u>807,906</u>	<u>35,557,019</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>45,836,113</u>	<u>1,281,906</u>	<u>47,118,019</u>
NET POSITION			
Net investment in capital assets.....	140,797,789	23,340,253	164,138,042
Restricted for:			
Debt service.....	304,514	-	304,514
Gifts and grants.....	8,403,754	-	8,403,754
Unrestricted.....	<u>(314,884,070)</u>	<u>7,765,823</u>	<u>(307,118,247)</u>
TOTAL NET POSITION.....	<u>\$ (165,378,013)</u>	<u>\$ 31,106,076</u>	<u>\$ (134,271,937)</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

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.....	\$ 21,927,597	\$ 4,842,830	\$ 6,240,880	\$ 1,083,831	\$ (9,760,056)
Public safety.....	49,384,788	4,830,024	1,888,959	-	(42,665,805)
Education.....	167,784,149	443,298	117,021,686	-	(50,319,165)
Public works.....	7,705,190	1,571,845	1,912,191	3,456,740	(764,414)
Health and human services.....	4,583,325	220,198	2,413,127	-	(1,950,000)
Trash and recycling.....	4,705,408	317,519	-	-	(4,387,889)
Culture and recreation.....	2,541,237	313,154	167,314	-	(2,060,769)
Interest.....	1,967,763	-	-	-	(1,967,763)
Total Governmental Activities.....	260,599,457	12,538,868	129,644,157	4,540,571	(113,875,861)
<i>Business-Type Activities:</i>					
Water and sewer.....	27,441,915	27,848,066	-	3,050,639	3,456,790
Total Primary Government.....	\$ 288,041,372	\$ 40,386,934	\$ 129,644,157	\$ 7,591,210	\$ (110,419,071)

(continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (113,875,861)	\$ 3,456,790	\$ (110,419,071)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	90,065,540	-	90,065,540
Tax and other liens.....	3,024,794	-	3,024,794
Motor vehicle and other excise taxes.....	6,155,322	-	6,155,322
Hotel/motel tax.....	548,001	-	548,001
Meals tax.....	635,412	-	635,412
Penalties and interest on taxes.....	794,419	-	794,419
Payments in lieu of taxes.....	210,693	-	210,693
Grants and contributions not restricted to specific programs.....	11,462,537	-	11,462,537
Unrestricted investment income.....	284,282	111,791	396,073
<i>Transfers, net</i>	(73,719)	73,719	-
Total general revenues and transfers.....	113,107,281	185,510	113,292,791
Change in net position.....	(768,580)	3,642,300	2,873,720
<i>Net position:</i>			
Beginning of year, as revised.....	(164,609,433)	27,463,776	(137,145,657)
End of year.....	\$ (165,378,013)	\$ 31,106,076	\$ (134,271,937)

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2021

	General	City Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 20,257,925	\$ 32,501,002	\$ 19,231,138	\$ 71,990,065
Investments.....	4,084,998	-	-	4,084,998
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	94,653	-	-	94,653
Tax liens.....	3,488,375	-	-	3,488,375
Motor vehicle and other excise taxes.....	1,395,297	-	-	1,395,297
Departmental and other.....	298,830	-	-	298,830
Intergovernmental.....	4,232,254	-	9,506,943	13,739,197
Tax foreclosures.....	280,958	-	-	280,958
Due from other funds.....	5,857,901	-	-	5,857,901
TOTAL ASSETS.....	\$ 39,991,191	\$ 32,501,002	\$ 28,738,081	\$ 101,230,274
LIABILITIES				
Warrants payable.....	\$ 983,268	\$ 396,961	\$ 3,426,975	\$ 4,807,204
Accrued payroll.....	725,369	-	68,581	793,950
Due to other funds.....	-	-	5,857,901	5,857,901
Other liabilities.....	1,495,146	-	-	1,495,146
Notes payable.....	-	-	1,000,000	1,000,000
TOTAL LIABILITIES.....	3,203,783	396,961	10,353,457	13,954,201
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	5,194,819	-	210,977	5,405,796
FUND BALANCES				
Restricted.....	-	32,104,041	18,191,620	50,295,661
Committed.....	77,517	-	-	77,517
Assigned.....	19,517,283	-	-	19,517,283
Unassigned.....	11,997,789	-	(17,973)	11,979,816
TOTAL FUND BALANCES.....	31,592,589	32,104,041	18,173,647	81,870,277
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 39,991,191	\$ 32,501,002	\$ 28,738,081	\$ 101,230,274

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....	\$	81,870,277
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		192,905,655
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		5,405,796
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.....		(10,724,527)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		10,471,465
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(1,365,291)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....		(95,577,749)
Net pension liability.....		(89,840,000)
Net other postemployment benefits liability.....		(252,942,639)
Workers' compensation.....		(807,000)
Compensated absences.....		(4,774,000)
Net effect of reporting long-term liabilities.....		<u>(443,941,388)</u>
Net position of governmental activities.....	\$	<u>(165,378,013)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	City Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 91,831,694	\$ -	\$ -	\$ 91,831,694
Tax and other liens.....	924,614	-	-	924,614
Motor vehicle and other excise taxes.....	6,640,706	-	-	6,640,706
Hotel/motel tax.....	548,001	-	-	548,001
Meals tax.....	635,412	-	-	635,412
Charges for services.....	2,001,470	-	1,757,293	3,758,763
Penalties and interest on taxes.....	794,419	-	-	794,419
Payments in lieu of taxes.....	210,693	-	-	210,693
Licenses and permits.....	1,866,058	-	-	1,866,058
Fines and forfeitures.....	1,408,944	-	-	1,408,944
Intergovernmental - Teachers Retirement.....	28,041,049	-	-	28,041,049
Intergovernmental.....	83,229,832	172,500	19,581,642	102,983,974
Intergovernmental - COVID-19 relief.....	-	-	10,306,264	10,306,264
Departmental and other.....	52,768	3,213,415	6,422,531	9,688,714
Investment income.....	258,532	-	15,578	274,110
TOTAL REVENUES.....	218,444,192	3,385,915	38,083,308	259,913,415
EXPENDITURES:				
Current:				
General government.....	7,020,764	1,008,500	9,450,455	17,479,719
Public safety.....	25,876,849	180,068	5,313,607	31,370,524
Education.....	89,745,541	-	17,773,634	107,519,175
Public works.....	3,245,139	2,392,337	4,298,007	9,935,483
Health and human services.....	1,678,053	-	2,145,232	3,823,285
Trash and recycling.....	-	-	5,053,960	5,053,960
Culture and recreation.....	1,086,104	-	696,808	1,782,912
Pension benefits.....	13,086,427	-	-	13,086,427
Pension benefits - Teachers Retirement.....	28,041,049	-	-	28,041,049
Employee benefits.....	25,352,182	-	-	25,352,182
State and county charges.....	13,558,757	-	-	13,558,757
Debt service:				
Principal.....	3,874,543	-	-	3,874,543
Interest.....	2,105,157	-	-	2,105,157
TOTAL EXPENDITURES.....	214,670,565	3,580,905	44,731,703	262,983,173
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	3,773,627	(194,990)	(6,648,395)	(3,069,758)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	36,575,000	-	36,575,000
Issuance of refunding bonds.....	5,490,000	-	-	5,490,000
Premium from issuance of bonds.....	-	3,282,310	176,006	3,458,316
Premium from issuance of refunding bonds.....	1,110,000	-	-	1,110,000
Payments to refunded bond escrow agent.....	(6,600,000)	-	-	(6,600,000)
Transfers in.....	796,901	494,425	5,895,962	7,187,288
Transfers out.....	(5,189,728)	(100,000)	(1,971,279)	(7,261,007)
TOTAL OTHER FINANCING SOURCES (USES).....	(4,392,827)	40,251,735	4,100,689	39,959,597
NET CHANGE IN FUND BALANCES.....	(619,200)	40,056,745	(2,547,706)	36,889,839
FUND BALANCES AT BEGINNING OF YEAR (AS REVISED).....	32,211,789	(7,952,704)	20,721,353	44,980,438
FUND BALANCES AT END OF YEAR.....	\$ 31,592,589	\$ 32,104,041	\$ 18,173,647	\$ 81,870,277

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, 2021

Net change in fund balances - total governmental funds.....	\$	36,889,839
<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.....		10,649,108
Depreciation expense.....		<u>(9,589,381)</u>
Net effect of reporting capital assets.....		1,059,727
<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>		
		(18,991)
<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>		
Issuance of bonds.....		(36,575,000)
Issuance of refunding bonds.....		(5,490,000)
Premium from issuance of bonds.....		(3,458,316)
Premium from issuance of refunding bonds.....		(1,110,000)
Payments to refunded bond escrow agent.....		6,600,000
Net amortization of premium from issuance of bonds.....		985,235
Net change in deferred charge on refunding.....		(184,363)
Debt service principal payments.....		<u>3,874,543</u>
Net effect of reporting long-term debt.....		(35,357,901)
<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.....		(347,000)
Net change in accrued interest on long-term debt.....		(663,478)
Net change in deferred outflow/(inflow) of resources related to pensions.....		3,895,989
Net change in net pension liability.....		(493,000)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		(15,173,957)
Net change in the net other postemployment benefits liability.....		7,124,751
Net change in workers' compensation liability.....		<u>61,000</u>
Net effect of recording long-term liabilities.....		(5,595,695)
The net activity of internal service funds is reported with Governmental Activities.....		<u>2,254,441</u>
Change in net position of governmental activities.....	\$	<u><u>(768,580)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2021

	Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 10,529,568	\$ 10,453,106
Investments.....	3,693,013	-
Receivables, net of allowance for uncollectibles:		
User charges.....	7,722,973	-
Departmental and other.....	-	19,191
Intergovernmental.....	6,481,496	-
Working capital deposit.....	-	2,978,849
	<u>28,427,050</u>	<u>13,451,146</u>
NONCURRENT:		
Capital assets, non depreciable.....	1,627,239	-
Capital assets, net of accumulated depreciation.....	111,050,447	-
	<u>112,677,686</u>	<u>-</u>
TOTAL ASSETS.....	<u>141,104,736</u>	<u>13,451,146</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	681,990	-
Deferred outflows related to other postemployment benefits.....	408,974	-
	<u>1,090,964</u>	<u>-</u>
LIABILITIES		
CURRENT:		
Warrants payable.....	1,764,941	1,399,556
Accrued payroll.....	34,759	1,033
Health claims payable.....	-	1,579,092
Accrued interest.....	816,276	-
Customer deposits.....	1,000	-
Compensated absences.....	93,000	-
Notes payable.....	7,585,460	-
Bonds payable.....	4,828,823	-
	<u>15,124,259</u>	<u>2,979,681</u>
NONCURRENT:		
Compensated absences.....	27,000	-
Net pension liability.....	3,844,000	-
Net other postemployment benefits liability.....	5,880,837	-
Bonds payable.....	84,931,622	-
	<u>94,683,459</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>109,807,718</u>	<u>2,979,681</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	474,000	-
Deferred inflows related to other postemployment benefits.....	807,906	-
	<u>1,281,906</u>	<u>-</u>
NET POSITION		
Net investment in capital assets.....	23,340,253	-
Unrestricted.....	7,765,823	10,471,465
TOTAL NET POSITION.....	<u>\$ 31,106,076</u>	<u>\$ 10,471,465</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	Water and Sewer	Governmental Activities - Internal Service Fund
OPERATING REVENUES:		
Employer and employee contributions.....	\$ -	\$ 30,211,008
Charges for services.....	27,848,066	-
TOTAL OPERATING REVENUES	27,848,066	30,211,008
OPERATING EXPENSES:		
Cost of services and administration.....	4,704,581	-
Salaries and wages.....	1,749,695	-
MWRA assessment.....	16,340,268	-
Depreciation.....	2,926,495	-
Employee benefits.....	-	27,966,739
TOTAL OPERATING EXPENSES.....	25,721,039	27,966,739
OPERATING INCOME (LOSS).....	2,127,027	2,244,269
NONOPERATING REVENUES (EXPENSES):		
Investment income.....	111,791	10,172
Interest expense.....	(1,720,876)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(1,609,085)	10,172
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	517,942	2,254,441
CAPITAL CONTRIBUTIONS.....	3,050,639	-
TRANSFERS:		
Transfers in.....	73,719	-
CHANGE IN NET POSITION.....	3,642,300	2,254,441
NET POSITION AT BEGINNING OF YEAR.....	27,463,776	8,217,024
NET POSITION AT END OF YEAR.....	\$ 31,106,076	\$ 10,471,465

See notes to basic financial statements.

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2021

	Water and Sewer	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 27,237,730	\$ 30,562,725
Payments to vendors.....	(21,563,034)	-
Payments to employees.....	(1,847,936)	-
Payments for interfund services used.....	-	(27,899,603)
NET CASH FROM OPERATING ACTIVITIES.....	3,826,760	2,663,122
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers in.....	73,719	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of bonds and notes.....	19,760,765	-
Capital contributions.....	869,009	-
Acquisition and construction of capital assets.....	(13,214,988)	-
Principal payments on bonds and notes.....	(11,793,008)	-
Interest expense.....	(1,689,822)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(6,068,044)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of investments.....	(3,693,013)	-
Investment income.....	111,791	10,172
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(5,748,787)	2,673,294
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	16,278,355	7,779,812
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 10,529,568	\$ 10,453,106
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ 2,127,027	\$ 2,244,269
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation.....	2,926,495	-
Deferred (outflows)/inflows related to pensions.....	(167,011)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	351,526	-
Changes in assets and liabilities:		
User charges.....	(610,336)	-
Departmental and other.....	-	351,917
Warrants payable.....	(358,378)	(109,189)
Accrued payroll.....	34,759	1,033
Health claims payable.....	-	175,092
Compensated absences.....	9,000	-
Workers' compensation.....	(142,000)	-
Net pension liability.....	(13,000)	-
Net other postemployment benefits.....	(331,322)	-
Total adjustments.....	1,699,733	418,853
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,826,760	\$ 2,663,122
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>		
Acquisition of capital assets on account.....	\$ 145,659	\$ -
Intergovernmental receivable from MCWT.....	6,481,496	-
Forgiveness of MCWT related debt.....	(2,181,630)	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund	Custodial Funds
ASSETS			
Cash and cash equivalents.....	\$ 2,894,773	\$ 37,907	\$ 256,630
Investments:			
Investments in Pension Reserve Investment Trust.....	203,214,069	-	-
Equity mutual funds.....	527,977	-	-
Fixed income mutual funds.....	504,936	-	-
International equity mutual funds.....	97,300	-	-
TOTAL ASSETS.....	207,239,055	37,907	256,630
LIABILITIES			
Other liabilities.....	-	-	219,331
NET POSITION			
Restricted for pensions.....	206,094,780	-	-
Restricted for other postemployment benefits.....	1,144,275	-	-
Held in trust for other purposes.....	-	37,907	-
Restricted for individuals and other governments.....	-	-	37,299
TOTAL NET POSITION.....	\$ 207,239,055	\$ 37,907	\$ 37,299

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund	Custodial Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 14,560,904	\$ -	\$ -
Employer contributions for other postemployment benefit payments.....	8,248,885	-	-
Member contributions.....	4,312,233	-	-
Transfers from other systems.....	408,123	-	-
Retirement benefits - interest not refunded.....	15,512	-	-
Private donations.....	-	6,181	-
Intergovernmental.....	87,252	-	6,657,817
Asset seizure collections for other governments.....	-	-	34,286
Total contributions.....	27,632,909	6,181	6,692,103
Net investment income:			
Investment income.....	22,619,495	66	468
Less: investment expense.....	(874,193)	-	-
Net investment income.....	21,745,302	66	468
TOTAL ADDITIONS.....	49,378,211	6,247	6,692,571
DEDUCTIONS:			
Administration.....	323,763	-	-
Retirement benefits - transfers to other systems.....	272,430	-	-
Retirement benefits - 3(8)c transfer to other systems.....	388,952	-	-
Retirement benefits and refunds.....	17,435,025	-	-
Other postemployment benefit payments.....	8,248,885	-	-
Educational scholarships.....	-	2,500	-
Construction costs on behalf of other governments.....	-	-	6,657,817
TOTAL DEDUCTIONS.....	26,669,055	2,500	6,657,817
NET INCREASE (DECREASE) IN NET POSITION.....	22,709,156	3,747	34,754
NET POSITION AT BEGINNING OF YEAR (AS REVISED).....	184,529,899	34,160	2,545
NET POSITION AT END OF YEAR.....	\$ 207,239,055	\$ 37,907	\$ 37,299

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 and other postemployment benefit 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 2021 assessment was \$1,980,630. The financial statements 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 Center (Center) that provides for the operations and maintenance of a regional public safety communications and dispatch center. The members share in the operations of the Center and each member is responsible for its proportionate share of the operational and capital cost of the Center, which are paid in the form of assessments. The City does not have an equity interest in the Center and the 2021 assessment was \$1,496,532. The financial statements of the Center

may be obtained by writing to the Executive Director of the Center at 400 Revere Beach Parkway, Revere, Massachusetts 02151.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) 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 *city capital projects major fund* is used to account for construction and renovation of the City's non-school projects.

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 non-education related capital outlays.

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. This fund is used to account for risk financing activities related to the self-insured health and dental care plan.

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 and other employee benefit trust fund* is used to account for the activities of the Retirement System and the City's defined benefit healthcare plan, which accumulates resources to provide pension and other postemployment 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 allow the trustees to approve spending of the realized investment earnings. The City's educational scholarships are accounted for in this fund.

The *custodial fund* is used to account for fiduciary activities that are not required to be reported in pension and other postemployment benefit trust funds, investment trust funds, or private purpose trust funds. Custodial funds apply the accrual basis of accounting but do not have a measurement focus. The City uses custodial funds to account asset forfeiture funds held for other governments and for a portion of a recreational grant used to benefit other governments.

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

Motor Vehicle and Other Excise Taxes

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, construction-in-progress, land improvements, buildings and improvements, machinery, equipment and furnishings, 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 and construction-in-progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

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

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

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

“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 is a fund deficit within the Trash Revolving Fund of (\$17,973). This deficit will be funded in the future through future trash fees.

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. In addition, there are various restrictions limiting the amount and length of deposits at investments.

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. The cash portfolio had a weighted average maturity of 53 days.

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

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 0.019 to 16.28 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 \$14,175,773 and the bank balance totaled \$17,818,757. Of the bank balance, \$1,378,903 was covered by Federal Depository Insurance, \$1,255,474 was covered by the Depositors Insurance Fund, \$14,267,906 was collateralized by the bank, and \$916,474 was uncollateralized.

At December 31, 2020, carrying amount of deposits for the System totaled \$2,880,711, and the bank balance totaled \$2,854,691. All of the bank balance of the System was covered by the Federal Depository Insurance.

Investments

As of June 30, 2021, the City had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 2,129,040	\$ 463,125	\$ 1,423,032	\$ 242,883
Government sponsored enterprises..	1,960,709	217,741	766,410	976,558
Corporate bonds.....	1,135,815	-	726,949	408,866
Total debt securities.....	5,225,564	\$ 680,866	\$ 2,916,391	\$ 1,628,307
<u>Other investments:</u>				
Equity securities.....	2,552,447			
Equity mutual funds.....	527,977			
Fixed income.....	504,936			
International equity mutual funds.....	97,300			
MMDT - Cash portfolio.....	78,656,190			
Total investments.....	\$ 87,564,414			

As of December 31, 2020, the System had \$203,214,069 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 policy is to engage only those institutions with proven financial strength, capital adequacy, and overall affirmative reputation in the municipal industry. The investment in debt securities of \$5,225,564 and in equity securities of \$2,552,447 are exposed to custodial credit risk because the related securities are uninsured, unregistered, and held by the counterparty. 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, 2020, 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.

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’s investment policy is to manage interest rate risk by managing duration in the investment account.

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’s credit risk policy states that there will be no limit to the amount of United States Treasury and United States Government Agency obligations. The investment manager will purchase investment grade securities with a high concentration in securities rated A or better at the time of purchase. At June 30, 2021, the City’s investments were rated as follows:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds
AAA.....	\$ 811,725	\$ -
AA+.....	1,148,984	-
AA-.....	-	240,477
A.....	-	162,404
BBB+.....	-	422,900
BBB.....	-	310,034
Total.....	\$ 1,960,709	\$ 1,135,815

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City’s policy is to diversify the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City limits the amount invest in a single corporate issuer, with the

exception of the United States Government and its agencies, to 5% of the portfolio value. As of June 30, 2021, there were no investments in such securities that exceed 5% of the portfolio value.

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 tabular format for disclosing the levels within the fair value hierarchy.

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.

The City has the following recurring fair value measurements as of June 30, 2021:

Investment Type	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 2,129,040	\$ 2,129,040	\$ -	\$ -
Government sponsored enterprises.....	1,960,709	1,960,709	-	-
Corporate bonds.....	1,135,815	-	1,135,815	-
Total debt securities.....	5,225,564	4,089,749	1,135,815	-
<u>Other investments:</u>				
Equity securities.....	2,552,447	2,552,447	-	-
Equity mutual funds.....	527,977	527,977	-	-
Fixed income.....	504,936	504,936	-	-
International equity mutual funds.....	97,300	97,300	-	-
Total other investments.....	3,682,660	3,682,660	-	-
Total investments measured at fair value.....	8,908,224	\$ 7,772,409	\$ 1,135,815	\$ -
Investments measured at amortized cost:				
MMDT.....	78,656,190			
Total investments.....	\$ 87,564,414			

U.S. treasury bonds, government sponsored enterprises, equity securities, equity mutual funds, fixed income funds, and international securities classified in Level 1 of the fair value hierarchy are valued using process quoted in active markets for those securities. Corporate Bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

The investment in MMDT is comprised of a cash 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.

Retirement System

The defined benefit pension 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, 2020, the System’s recurring fair value measurements for its investment in PRIT was \$203,214,069.

PRIT investments are valued using the net asset value (NAV) method.

NOTE 3 – RECEIVABLES

At June 30, 2021, receivables for the individual major and nonmajor governmental funds and the internal service fund, 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.....	\$ 94,653	\$ -	\$ 94,653
Tax liens.....	3,488,375	-	3,488,375
Motor vehicle and other excise taxes.....	1,664,446	(269,149)	1,395,297
Departmental and other.....	948,915	(630,894)	318,021
Intergovernmental.....	13,739,197	-	13,739,197
 Total.....	 <u>\$ 19,935,586</u>	 <u>\$ (900,043)</u>	 <u>\$ 19,035,543</u>

At June 30, 2021, 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.....	\$ 7,722,973	\$ -	\$ 7,722,973
Water and sewer intergovernmental.....	6,481,496	-	6,481,496
 Total.....	 <u>\$ 14,204,469</u>	 <u>\$ -</u>	 <u>\$ 14,204,469</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..... \$	23,351	-	\$ 23,351
Tax liens.....	3,477,341	-	3,477,341
Motor vehicle and other excise taxes.....	1,395,297	-	1,395,297
Departmental and other.....	298,830	-	298,830
Intergovernmental.....	-	210,977	210,977
 Total..... \$	<u>5,194,819</u>	<u>210,977</u>	<u>\$ 5,405,796</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land..... \$	8,275,252	-	-	\$ 8,275,252
Construction in progress.....	605,294	3,525,961	(605,294)	3,525,961
 Total capital assets not being depreciated....	<u>8,880,546</u>	<u>3,525,961</u>	<u>(605,294)</u>	<u>11,801,213</u>
 <u>Capital assets being depreciated:</u>				
Buildings and improvements.....	277,050,301	2,018,950	-	279,069,251
Machinery, equipment and furnishings.....	26,982,227	2,075,889	(87,500)	28,970,616
Infrastructure.....	35,936,871	3,633,602	(1,244,460)	38,326,013
 Total capital assets being depreciated.....	<u>339,969,399</u>	<u>7,728,441</u>	<u>(1,331,960)</u>	<u>346,365,880</u>
 <u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(122,820,237)	(6,116,538)	-	(128,936,775)
Machinery, equipment and furnishings.....	(19,699,103)	(1,687,594)	87,500	(21,299,197)
Infrastructure.....	(14,484,677)	(1,785,249)	1,244,460	(15,025,466)
 Total accumulated depreciation.....	<u>(157,004,017)</u>	<u>(9,589,381)</u>	<u>1,331,960</u>	<u>(165,261,438)</u>
 Total capital assets being depreciated, net.....	<u>182,965,382</u>	<u>(1,860,940)</u>	<u>-</u>	<u>181,104,442</u>
 Total governmental activities capital assets, net..... \$	<u>191,845,928</u>	<u>1,665,021</u>	<u>(605,294)</u>	<u>\$ 192,905,655</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ 1,337,783	\$ 1,627,239	\$ (1,337,783)	\$ 1,627,239
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	192,659	-	-	192,659
Machinery, equipment and furnishings.....	7,912,710	1,006,995	-	8,919,705
Infrastructure.....	121,456,985	12,064,196	(1,252,580)	132,268,601
Total capital assets being depreciated.....	129,562,354	13,071,191	(1,252,580)	141,380,965
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(172,763)	(2,833)	-	(175,596)
Machinery, equipment and furnishings.....	(5,349,963)	(281,751)	-	(5,631,714)
Infrastructure.....	(23,133,877)	(2,641,911)	1,252,580	(24,523,208)
Total accumulated depreciation.....	(28,656,603)	(2,926,495)	1,252,580	(30,330,518)
Total capital assets being depreciated, net.....	100,905,751	10,144,696	-	111,050,447
Total business-type activities capital assets, net....	\$ 102,243,534	\$ 11,771,935	\$ (1,337,783)	\$ 112,677,686

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

Governmental Activities:	
General government.....	\$ 1,094,683
Public safety.....	1,445,010
Education.....	5,365,272
Public works.....	1,552,489
Health and human services.....	6,565
Culture and recreation.....	125,362
Total depreciation expense - governmental activities.....	\$ 9,589,381
Business-Type Activities:	
Water and sewer.....	\$ 2,926,495

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2021, are internal short-term advances for cash flow purposes and are summarized as follows:

Receivable Fund	Payable Fund	Amount
General fund.....	Highway improvement fund.....	\$ 251,725
General fund.....	Northern Strand Community Trail.....	1,697,108
General fund.....	Coronavirus Relief Fund.....	3,909,068
Total.....		\$ 5,857,901

The repayment of the advances will be completed in fiscal year 2022 with federal and state grants.

Interfund transfers for the year ended June 30, 2021, are summarized as follow:

Transfers Out:	Transfers In:					Total
	General fund	City Capital Projects Funds	Nonmajor governmental funds	Water and Sewer enterprise fund		
General fund.....	\$ -	\$ 50,000	\$ 5,089,728	\$ 50,000	\$ 5,189,728	(1)
City capital projects funds.....	-	-	100,000	-	100,000	(2)
Nonmajor governmental funds.....	796,901	444,425	706,234	23,719	1,971,279	(3)
Total.....	\$ 796,901	\$ 494,425	\$ 5,895,962	\$ 73,719	\$ 7,261,007	

- (1) Budgeted transfers from the general fund to the City Capital Projects funds to fund sidewalk repairs and to various nonmajor funds including a transfer of \$4,786,998 to the Trash Revolving non-major special revenue fund; and transfer from capital improvement stabilization fund to fund a water and sewer enterprise fund purchase.
- (2) Transfers from the City Capital Projects funds to the Mass Historical Commission nonmajor fund.
- (3) Transfers out of nonmajor governmental funds to the General Fund to fund debt service; to the City Capital Project funds as a result of repurposing old and unused capital project authorizations; transfers between various nonmajor governmental funds for various purposes; and transfers out of the nonmajor insurance proceeds fund to the water and sewer enterprise 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, 2021, the City had the following outstanding short-term debt:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2020	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2021
Governmental Funds:							
<u>General Obligations:</u>							
BAN	Municipal Purpose.....	1.34%	01/08/21	\$ 14,077,633	\$ -	\$ (14,077,633)	\$ -
BAN	Municipal Purpose.....	1.50%	01/07/22	-	1,000,000	-	1,000,000
Total Governmental Funds.....				\$ <u>14,077,633</u>	\$ <u>1,000,000</u>	\$ <u>(14,077,633)</u>	\$ <u>1,000,000</u>
Water & Sewer Enterprise Fund:							
<u>Direct Borrowings:</u>							
BAN	MCWT Interim Loans.....	2.00%	06/30/21	\$ 8,703,344	\$ -	\$ (8,703,344)	\$ -
BAN	MCWT Interim Loans.....	2.00%	06/30/22	-	7,585,460	-	7,585,460
Total Enterprise Fund.....				\$ <u>8,703,344</u>	\$ <u>7,585,460</u>	\$ <u>(8,703,344)</u>	\$ <u>7,585,460</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, 2021, the City had authorized and unissued debt as noted below:

Purpose	Amount
School Feasibility / Design / Planning Services.....	\$ 2,260,000
Land Acquisition.....	1,100,000
Public Safety Facility Planning.....	6,580
School Building Improvement.....	616
MWRA Inflow & Infiltration.....	626,925
Public Safety Technology.....	180,000
Various MCWT Projects.....	33,628,080
Reconstruct and Repair McKinley School.....	2,500,000
Hill School Construction.....	1,000,000
Garfield School Roof / Building Design / Boiler Replacement / Feasibility.....	376,636
Stormwater and Wastewater.....	644,289
Lincoln School Air Conditioning/Window and Door Replacement.....	1,946,975
FOG/CMOM Loan Order.....	800,000
Maintenance Facility for Mass Department of Cons/Recreation.....	2,900,000
Fire & DPW Vehicles.....	2,475,000
Public Stairs.....	1,400,000
Total.....	\$ <u>51,845,101</u>

Details related to the City’s outstanding general obligation indebtedness as of June 30, 2021, and the debt service requirements for the governmental activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
MSBA School Construction Debt 2010	2031	5,990,850	2.0	\$ 2,995,420
General Obligation State Qualified Issue 2015	2035	3,636,000	2.0 - 4.0	2,385,000
General Obligation State Qualified Issue 2015	2029	9,786,200	2.0 - 4.0	5,436,200
General Obligation State Qualified Refunding 2016	2039	19,250,000	2.0 - 4.0	17,500,000
General Obligation State Qualified Issue 2017	2045	17,678,000	3.0 - 5.0	15,635,000
General Obligation State Qualified Issue 2019	2043	4,835,000	2.0 - 5.0	4,475,000
General Obligation Refunding Issue 2021	2030	5,490,000	5.0	5,490,000
General Obligation State Qualified Issue 2021	2046	36,575,000	2.0 - 5.0	<u>36,575,000</u>
Total Bonds Payable.....				90,491,620
Add: Unamortized premium on bonds.....				<u>5,086,129</u>
Total Bonds Payable, net.....				<u>\$ 95,577,749</u>

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

Year	Principal	Interest	Total
2022..... \$	3,779,543 \$	3,770,612 \$	7,550,155
2023.....	4,840,743	3,123,825	7,964,568
2024.....	4,929,543	2,890,550	7,820,093
2025.....	4,754,543	2,653,138	7,407,681
2026.....	4,684,543	2,425,303	7,109,846
2027 - 2031....	21,887,705	8,804,835	30,692,540
2032 - 2036....	16,915,000	5,209,847	22,124,847
2037 - 2041....	15,860,000	2,732,982	18,592,982
2042 - 2046....	<u>12,840,000</u>	<u>890,889</u>	<u>13,730,889</u>
Total..... \$	<u>\$ 90,491,620</u>	<u>\$ 32,501,981</u>	<u>\$ 122,993,601</u>

Details related to the City’s outstanding general obligation indebtedness as of June 30, 2021, and the debt service requirements for the business-type activities are as listed as follow:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
From direct borrowings and placements:				
MCWT Water 2010	2031	\$ 575,000	2.0	\$ 316,156
MCWT Water 2011	2043	5,883,727	2.0	4,631,278
MWRA Water 2013	2023	2,500,000	2.0	731,250
MCWT Water 2013	2033	5,007,999	2.0	3,258,586
MWRA Water 2015	2025	1,850,000	2.0	906,500
MCWT Water 2015	2045	9,021,487	2.00 - 2.40	7,416,583
MCWT Water 2016	2046	9,485,903	2.00 - 2.40	7,558,810
MCWT Water 2017	2047	35,981,642	2.0	30,151,603
MWRA Water 2018	2023	195,000	0.0	114,660
MCWT Water 2019	2029	47,640,946	2.0	3,784,092
MWRA Water 2019	2029	4,200,000	0.0	3,764,998
MCWT Water 2020	2050	13,266,096	2.0 - 2.2	13,353,046
MWRA Water 2021	2031	1,110,000	0.0	1,110,000
MCWT Water 2021	2031	13,648,646	2.0 - 2.4	11,784,083
Total from direct borrowings and placements.....				<u>88,881,645</u>
General obligations:				
General Obligation State Qualified Issue 2015	2026	683,800	3.0 - 4.0	363,800
General Obligation State Qualified Issue 2019	2028	635,000	5.0	515,000
Total from general obligations.....				<u>878,800</u>
Total Bonds Payable.....				<u>\$ 89,760,445</u>

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

Year	General Obligations			From Direct Borrowings and Placements			Total
	Principal	Interest	Sub Total	Principal	Interest	Sub Total	
2022.....	\$ 145,000	\$ 34,827	\$ 179,827	\$ 4,683,823	\$ 1,835,770	\$ 6,519,593	\$ 6,699,420
2023.....	138,800	28,501	167,301	4,713,189	1,838,857	6,552,046	6,719,347
2024.....	140,000	22,250	162,250	4,474,001	1,758,965	6,232,966	6,395,216
2025.....	145,000	15,825	160,825	4,565,454	1,677,446	6,242,900	6,403,725
2026.....	145,000	10,400	155,400	4,510,639	1,594,261	6,104,900	6,260,300
2027 - 2031....	165,000	8,375	173,375	16,269,380	11,823,808	28,093,188	28,266,563
2032 - 2036....	-	-	-	16,257,156	5,102,231	21,359,387	21,359,387
2037 - 2041....	-	-	-	13,983,090	3,340,459	17,323,549	17,323,549
2042 - 2046....	-	-	-	12,681,087	1,735,470	14,416,557	14,416,557
2047 - 2052....	-	-	-	6,743,826	382,765	7,126,591	7,126,591
Total.....	<u>\$ 878,800</u>	<u>\$ 120,178</u>	<u>\$ 998,978</u>	<u>\$ 88,881,645</u>	<u>\$ 31,090,032</u>	<u>\$ 119,971,677</u>	<u>\$ 120,970,655</u>

In order to take advantage of favorable interest rates, the City issued \$5,490,000 of general obligation refunding bonds on August 1, 2020. The proceeds of the refunding bonds were used to complete a current refunding of existing debt. The refunded bonds totaled \$6,600,000 and became callable on October 1, 2020. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$770,262 and a reduction of \$789,548 in future debt service payments.

Changes in Long-term Liabilities

During the year ended June 30, 2021, 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.....	\$ 58,901,163	\$ 42,065,000	\$ (10,474,543)	\$ -	\$ -	\$ 90,491,620	\$ 3,779,543
Add: Unamortized premium on bonds.....	1,503,048	4,568,316	(985,235)	-	-	5,086,129	857,230
Total bonds payable.....	60,404,211	46,633,316	(11,459,778)	-	-	95,577,749	4,636,773
Compensated absences.....	4,427,000	-	-	2,101,000	(1,754,000)	4,774,000	2,069,000
Workers' compensation.....	868,000	-	-	105,000	(166,000)	807,000	115,000
Net pension liability.....	89,347,000	-	-	9,623,000	(9,130,000)	89,840,000	-
Net other postemployment benefits.....	260,067,390	-	-	16,113,656	(23,238,407)	252,942,639	-
Total governmental activity long-term liabilities.....	\$ 415,113,601	\$ 46,633,316	\$ (11,459,778)	\$ 27,942,656	\$ (34,288,407)	\$ 443,941,388	\$ 6,820,773
Business-Type Activities:							
General obligation bonds.....	\$ 1,018,800	\$ -	\$ (140,000)	\$ -	\$ -	\$ 878,800	\$ 145,000
From direct borrowings and placements.....	79,254,293	14,758,646	(2,949,664)	-	(2,181,630)	88,881,645	4,683,823
Total bonds payable.....	80,273,093	14,758,646	(3,089,664)	-	(2,181,630)	89,760,445	4,828,823
Compensated absences.....	111,000	-	-	94,000	(85,000)	120,000	93,000
Workers' compensation.....	142,000	-	-	-	(142,000)	-	-
Net pension liability.....	3,857,000	-	-	412,000	(425,000)	3,844,000	-
Net other postemployment benefits.....	6,212,159	-	-	454,639	(785,961)	5,880,837	-
Total business-type activity long-term liabilities.....	\$ 90,595,252	\$ 14,758,646	\$ (3,089,664)	\$ 960,639	\$ (3,619,591)	\$ 99,605,282	\$ 4,921,823

Governmental activities long-term liabilities are generally liquidated by the general fund. 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, 2021, the governmental fund balances consisted of the following:

	General	City Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Restricted for:				
City capital projects funds.....	\$ -	\$ 32,104,041	\$ -	\$ 32,104,041
City revolving funds.....	-	-	1,295,699	1,295,699
City grant funds.....	-	-	3,901,172	3,901,172
Community development grant funds.....	-	-	124,134	124,134
City receipts reserved for appropriation....	-	-	3,430,002	3,430,002
School revolving funds.....	-	-	3,290,378	3,290,378
School grants funds.....	-	-	4,378,448	4,378,448
Strategic planning.....	-	-	24,403	24,403
Harry Della Russo Stadium.....	-	-	107,228	107,228
School capital projects.....	-	-	717,141	717,141
School construction projects.....	-	-	212,901	212,901
Other special revenue.....	-	-	405,600	405,600
Debt service fund.....	-	-	304,514	304,514
Committed to:				
General government.....	6,171	-	-	6,171
Public works.....	71,346	-	-	71,346
Assigned to:				
General government.....	994,935	-	-	994,935
Public safety.....	969,042	-	-	969,042
Education.....	17,119,360	-	-	17,119,360
Public works.....	319,678	-	-	319,678
Human services.....	10,379	-	-	10,379
Culture and recreation.....	103,889	-	-	103,889
Unassigned.....	11,997,789	-	(17,973)	11,979,816
Total Fund Balances.....	\$ 31,592,589	\$ 32,104,041	\$ 18,173,647	\$ 81,870,277

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, 2021, \$9,379,366 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 \$465,204 to the stabilization funds. Additionally, \$1.2 million was transferred out of the

stabilization fund to fund financial system upgrades as well as the purchases of various City vehicles and equipment. 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 and water & sewer enterprise 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 \$150,000. At June 30, 2021, the amount of the liability for health insurance claims totaled \$1,579,092. 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, 2019, are as follows:

Health Insurance

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2020.....	\$ 1,225,000	\$	30,230,956	\$	(30,051,956)	\$	1,404,000
2021.....	1,404,000		28,141,831		(27,966,739)		1,579,092

Workers Compensation

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2020.....	\$ 2,203,000	\$	(1,046,603)	\$	(146,397)	\$	1,010,000
2021.....	1,010,000		-		(203,000)		807,000

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.

Special Funding Situation

The City is a member of the Massachusetts Teachers' Retirement System (MTRS) which is 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 required by statute to make 100% of all actuarially determined employer contributions on behalf of the City to 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>.

The relationship between the MTRS and the City is considered to be 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, 2020. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$28,041,049 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 \$227,026,690 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, 2020.

At December 31, 2020, the RCRS membership consists of the following:

Active members.....	653
Inactive members.....	104
Retirees and beneficiaries currently receiving benefits.....	<u>495</u>
Total.....	<u><u>1,252</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 actuarially determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2020, was an actuarially determined amount of \$14,311,000. 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 33.04% of covered payroll. The City's proportionate share of the required contribution was \$13,618,000 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units on December 31, 2020, were as follows:

Total pension liability.....	\$ 304,543,780
Total pension plan's fiduciary net position.....	<u>(206,094,780)</u>
Total net pension liability.....	<u><u>\$ 98,449,000</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....	67.67%

At June 30, 2021, the City reported a liability of \$93,684,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. Accordingly, update procedures were used to roll back 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, 2020, the City's proportion was 95.16%, which decreased .96% from its proportion measured at December 31, 2019.

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, 2021, the City recognized pension expense of \$10,035,000. At June 30, 2021, the City reported deferred outflows of resources related to pensions of \$16,622,000 and deferred inflows of resources related to pensions of \$11,561,000.

The balances of deferred outflows and (inflows) of resources as of June 30, 2021 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 6,738,000	\$ (356,000)	\$ 6,382,000
Difference between projected and actual earnings, net.....	-	(10,442,000)	(10,442,000)
Changes in assumptions.....	8,579,000	-	8,579,000
Changes in proportion and proportionate share of contributions...	1,305,000	(763,000)	542,000
Total deferred outflows/(inflows) of resources.....	<u>\$ 16,622,000</u>	<u>\$ (11,561,000)</u>	<u>\$ 5,061,000</u>

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

Year ended June 30:

2022.....	\$ 1,028,000
2023.....	3,034,000
2024.....	(1,059,000)
2025.....	788,000
2026.....	<u>1,270,000</u>
Total.....	<u>\$ 5,061,000</u>

Actuarial Assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the actuarial assumptions noted on the following page, applied to all periods included in the measurement that was rolled back to December 31, 2020.

Valuation date.....	January 1, 2021
Actuarial cost method.....	Entry Age Normal Cost Method
Amortization method - UAAL.....	Total payments increase 6.32% per year until 2032 with a final amortization payment in 2033.
Remaining amortization period.....	12 years from July 1, 2021.
Asset valuation method.....	Fair value for GASB 67/68. For funding purposes, gains and losses each year recognized over 5 years.
Investment rate of return.....	7.00% net of pension plan investment expense, including inflation
Discount rate.....	7.00%
Projected salary increases.....	Select and ultimate by job group; ultimate rates 4.25% for Group 1 and 4.75% for Group 4.
Cost of living adjustments.....	3% of first \$13,000
Mortality rates.....	Pre-retirement: RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 (gender distinct). Post-retirement: RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 (gender distinct). Disabled retirees: RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with Scale MP-2020 (gender distinct).

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 December 31, 2020, are summarized in the table on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity		
Domestic equities.....	23.10%	6.40%
International equities.....	14.40%	6.60%
Emerging international equities.....	5.80%	8.40%
Core fixed income	15.80%	2.70%
Value added fixed income.....	7.40%	6.20%
Private equity.....	12.60%	10.20%
Real estate.....	8.30%	6.00%
Timberland.....	3.30%	6.60%
Hedge fund and portfolio completion.....	8.80%	0.00%
Liquidating portfolios and overlay.....	0.50%	0.00%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.07%. 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 7.00%. 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 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
The City's proportionate share of the net pension liability.....	\$ 125,994,000	\$ 93,684,000	\$ 66,334,000
The System's total net pension liability.....	\$ 132,402,000	\$ 98,449,000	\$ 69,708,000

Changes of Assumptions

The discount rate decreased from 7.25% to 7.00%, as well as changes made to the mortality tables.

Changes in Plan Provisions

None.

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.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish a postemployment benefit trust fund. The creation of this fund enabled the City to begin pre-funding its other postemployment benefit (OPEB) liabilities. During 2021, the City pre-funded future OPEB liabilities totaling \$250,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2021, the balance of this fund totaled \$1,144,275.

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and other investment products that have a maturity, at the time of purchase, of one year or less. Items with maturities of less than one year are reported at cost.

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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Plan Membership

The following table represents the Plan's membership at July 1, 2020:

Active members.....	1,108
Inactive members currently receiving benefits.....	<u>982</u>
Total.....	<u><u>2,090</u></u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2021:

Total OPEB liability.....	\$ 259,967,751
Less: OPEB plan's fiduciary net position.....	<u>(1,144,275)</u>
Net OPEB liability.....	<u><u>\$ 258,823,476</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	0.44%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2020, actuarial valuation was determined using the actuarial assumptions presented on the following page, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2021, to be in accordance with GASB Statement #74 and Statement #75.

Valuation date.....	July 1, 2020
Actuarial cost method.....	Individual Entry Age Normal
Asset valuation method.....	Fair value of assets as of June 30, 2021
Municipal bond rate.....	2.18% as of June 30, 2021, (Source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)
Single equivalent discount rate.....	4.50%, net of OPEB plan investment expense, including inflation
Investment rate of return.....	5.98%, net of OPEB plan investment expense, including inflation
Inflation rate.....	2.5% as of June 30, 2021, and for future periods
Projected salary increases.....	3.0% annually as of June 30, 2021, and for future periods
Pre-retirement mortality rates.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with Scale MP-2016 for males and females.
Post-retirement mortality rates.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled mortality rates.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.

Rate of return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense was 19.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan’s expected future real rate of return of 3.73% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 6.23%. The long-term expected asset allocation and the real rate of return are disclosed on the following page.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity:		
Large cap equities.....	32.50%	4.90%
Small/mid cap equities.....	4.75%	5.40%
International equity:		
Developed market equities.....	4.50%	5.32%
Emerging international equities.....	2.00%	6.26%
Domestic fixed income.....	36.25%	1.40%
International fixed income.....	3.50%	1.30%
Alternatives.....	11.00%	6.32%
Real estate.....	4.25%	6.25%
Cash & cash equivalents.....	1.25%	0.00%
Total.....	<u>100.00%</u>	

Discount rate

The discount rate used to measure the Total OPEB liability was 4.50% as of June 30, 2021, and 3.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the City’s funding policy. Based on these assumptions, the OPEB Plan’s Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 2.18% as of June 30, 2021. The S&P Municipal Bond 20 -- Year High Grade Index is the index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020.....	\$ 267,029,219	\$ 749,670	\$ 266,279,549
Changes for the year:			
Service cost.....	8,708,055	-	8,708,055
Interest.....	9,507,691	-	9,507,691
Differences between expected and actual experience.....	(5,789,219)	-	(5,789,219)
Changes in assumptions.....	(11,239,110)	-	(11,239,110)
Net investment income.....	-	144,605	(144,605)
Employer contributions to trust.....	-	8,498,885	(8,498,885)
Benefit payments withdrawn from trust.....	(8,248,885)	(8,248,885)	-
Net change.....	<u>(7,061,468)</u>	<u>394,605</u>	<u>(7,456,073)</u>
Balance at June 30, 2021.....	<u>\$ 259,967,751</u>	<u>\$ 1,144,275</u>	<u>\$ 258,823,476</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The table on the following page presents the net other postemployment benefit liability, calculated using the discount rate of 4.50%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Net OPEB liability.....	<u>\$ 304,349,584</u>	<u>\$ 258,823,476</u>	<u>\$ 222,967,426</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 4.50%, 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 or 1-percentage point higher than the current rate.

	1% Decrease (3.50%)	Current Trend (4.50%)	1% Increase (5.50%)
Net OPEB liability.....	<u>\$ 220,254,633</u>	<u>\$ 258,823,476</u>	<u>\$ 308,859,170</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$16,568,295 and the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (7,208,923)	\$ (7,208,923)
Difference between projected and actual earnings, net.....	-	(52,787)	(52,787)
Changes in assumptions.....	17,999,508	(28,295,309)	(10,295,801)
Total deferred outflows/(inflows) of resources.....	\$ <u>17,999,508</u>	\$ <u>(35,557,019)</u>	\$ <u>(17,557,511)</u>

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

Measurement date year ended June 30:	
2022.....	\$ (1,595,254)
2023.....	(1,595,252)
2024.....	(3,811,840)
2025.....	(5,689,925)
2026.....	(2,432,618)
Thereafter.....	<u>(2,432,622)</u>
Total.....	\$ <u>(17,557,511)</u>

Changes of Assumptions:

The discount rate has increased from 3.50% to 4.50% from June 30, 2020, to June 30, 2021.

Changes in Plan Provisions:

None.

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 new school building construction or existing building renovation. Under this program, 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 2021 the City has expended approximately \$45.9 million and has received approximately \$27 million in construction grant reimbursements. The City is still 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 is operating under the terms of a Consent Decree between the City, the United States Environmental Protection Custodial and the Commonwealth of Massachusetts. Under the terms of the decree, the City is anticipating expenditures of more than \$100 million to address various sewer infrastructure matters. The City

anticipates the expenditure to occur over the next eight years. As of June 30, 2021, the City has expended approximately \$88.1 million under the terms of the consent decree.

The general fund has various commitments outstanding for goods and services related to encumbrances totaling \$19.6 million.

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, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

NOTE 14 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Postemployment Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan be reported in the notes to the financial statements. Provided on the following page are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Postemployment Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2020)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 2,880,711	\$ 14,062	\$ 2,894,773
Investments:			
Investments in Pension Reserve Investment Trust.....	203,214,069	-	203,214,069
Equity mutual funds.....	-	527,977	527,977
Fixed income mutual funds.....	-	504,936	504,936
International equity mutual funds.....	-	97,300	97,300
TOTAL ASSETS.....	206,094,780	1,144,275	207,239,055
NET POSITION			
Restricted for pensions.....	206,094,780	-	206,094,780
Restricted for other postemployment benefits.....	-	1,144,275	1,144,275
TOTAL NET POSITION.....	\$ 206,094,780	\$ 1,144,275	\$ 207,239,055

	Pension Trust Fund (as of December 31, 2020)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 14,310,904	\$ 250,000	\$ 14,560,904
Employer contributions for other postemployment benefit payments.....	-	8,248,885	8,248,885
Member contributions.....	4,312,233	-	4,312,233
Retirement benefits - transfers from other systems.....	408,123	-	408,123
Retirement benefits - interest not refunded.....	15,512	-	15,512
Intergovernmental.....	87,252	-	87,252
Total contributions.....	19,134,024	8,498,885	27,632,909
Net investment income:			
Investment income.....	22,474,890	144,605	22,619,495
Less: investment expense.....	(874,193)	-	(874,193)
Net investment income.....	21,600,697	144,605	21,745,302
TOTAL ADDITIONS.....	40,734,721	8,643,490	49,378,211
DEDUCTIONS:			
Administration.....	323,763	-	323,763
Retirement benefits - transfers to other systems.....	272,430	-	272,430
Retirement benefits - 3(8)c transfer to other systems.....	388,952	-	388,952
Retirement benefits and refunds.....	17,435,025	-	17,435,025
Other postemployment benefit payments.....	-	8,248,885	8,248,885
TOTAL DEDUCTIONS.....	18,420,170	8,248,885	26,669,055
NET INCREASE (DECREASE) IN NET POSITION.....	22,314,551	394,605	22,709,156
NET POSITION AT BEGINNING OF YEAR.....	183,780,229	749,670	184,529,899
NET POSITION AT END OF YEAR.....	\$ 206,094,780	\$ 1,144,275	\$ 207,239,055

NOTE 15 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the Coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the Commonwealth’s Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The City is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing the City’s portion of certain revenue. The City has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act

requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

On March 11, 2021, the United States Federal Government established the American Rescue Plan Act (ARPA) to enhance the United States' recovery from the economic and health effects of the COVID-19 pandemic. This Act requires that the payment from these funds be used to cover costs related to; public health; negative economic impacts; services to disproportionately impacted communities; premium pay; infrastructure; revenue replacement; or administration. These funds can only be used to cover costs incurred between March 3, 2021, and December 31, 2024. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

In addition to funding from the CARES Act and the ARPA, there are several other federal and state grants available. The full extent of the financial impact cannot be determined as of the date of the financial statements.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 16 – TAX INCREMENT FINANCING AGREEMENTS

Periodically, the City will enter into tax increment financing (TIF) agreements with commercial entities under Chapter 40, Section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The exemptions may be granted to any business located within or promising to relocate to the City. There is currently one agreement in place that extends through fiscal year 2023. For the fiscal year ended June 30, 2021, the City exempted property taxes totaling \$2,312,387 under this program.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17 – REVISION OF NET POSITION AND FUND BALANCE PREVIOUSLY REPORTED

Beginning net position and fund balance of the governmental activities and the nonmajor governmental funds, respectively, and net position of the custodial funds, respectively, have been revised to reflect the implementation of GASB Statement #84 – *Fiduciary Activities*. The revised balances are summarized in the following table:

	06/30/2020 Previously Reported Balances	Implementation of GASB Statement #84 - <i>Fiduciary Activities</i>	06/30/2020 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ (164,884,371)	\$ 274,938	\$ (164,609,433)
Governmental Funds			
Nonmajor governmental funds.....	\$ 20,446,415	\$ 274,938	\$ 20,721,353
Fiduciary Funds			
Custodial Funds.....	\$ -	\$ 2,545	\$ 2,545

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2021, which is the date the financial statements were available to be issued.

NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the basic financial statements.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.

- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented in 2022.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2021

	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.....	\$ 94,726,643	\$ 94,726,643	\$ 93,008,147	\$ -	\$ (1,718,496)
Tax liens.....	-	-	663,321	-	663,321
Motor vehicle and other excise taxes.....	5,600,000	5,600,000	6,640,706	-	1,040,706
Hotel/motel tax.....	1,300,000	1,300,000	548,001	-	(751,999)
Meals tax.....	540,000	540,000	635,412	-	95,412
Charges for services.....	1,700,000	1,700,000	1,997,240	-	297,240
Penalties and interest on taxes.....	940,000	940,000	794,419	-	(145,581)
Payments in lieu of taxes.....	140,000	140,000	210,693	-	70,693
Licenses and permits.....	2,350,000	2,350,000	1,866,058	-	(483,942)
Fines and forfeitures.....	1,200,000	1,200,000	1,408,944	-	208,944
Intergovernmental.....	85,254,733	83,375,120	83,383,553	-	8,433
Investment income.....	630,000	630,000	124,118	-	(505,882)
TOTAL REVENUES.....	194,381,376	192,501,763	191,280,612	-	(1,221,151)
EXPENDITURES:					
Current:					
Appeal Board:					
Salaries.....	11,600	13,100	12,800	-	300
Expense.....	720	720	712	-	8
Total.....	12,320	13,820	13,512	-	308
Assessors:					
Salaries.....	371,041	372,641	372,061	-	580
Expense.....	79,058	77,458	72,890	4,528	40
Total.....	450,099	450,099	444,951	4,528	620
Auditing:					
Salaries.....	405,975	435,975	428,915	-	7,060
Expense.....	171,369	599,349	3,650	459,295	136,404
Total.....	577,344	1,035,324	432,565	459,295	143,464
Human Resources:					
Salaries.....	216,827	208,245	207,814	-	431
Employee group health.....	25,058,434	25,198,434	25,175,775	19,736	2,923
Expense.....	104,792	115,622	98,287	4,934	12,401
Total.....	25,380,053	25,522,301	25,481,876	24,670	15,755
City Clerk:					
Salaries.....	299,407	304,451	304,210	-	241
Expense.....	44,702	47,158	43,372	3,623	163
Total.....	344,109	351,609	347,582	3,623	404
City Council:					
Salaries.....	322,838	322,838	320,805	-	2,033
Collector/Treasurer:					
Salaries.....	700,856	634,706	596,641	-	38,065
Banking services.....	325,000	515,000	504,145	-	10,855
Other expense.....	197,360	74,873	71,090	2,375	1,408
Bonded debt.....	3,379,543	3,979,543	3,874,543	-	105,000
Bonded debt interest.....	2,181,489	2,181,489	2,105,157	-	76,332
Total.....	6,784,248	7,385,611	7,151,576	2,375	231,660

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Office of Strategic Planning & Economic Development:					
Salaries.....	213,533	233,533	228,726	-	4,807
Expense.....	204,839	204,839	33,743	170,404	692
Total.....	<u>418,372</u>	<u>438,372</u>	<u>262,469</u>	<u>170,404</u>	<u>5,499</u>
Conservation Commission:					
Salaries.....	6,400	6,400	5,600	-	800
Expense.....	685	685	434	-	251
Total.....	<u>7,085</u>	<u>7,085</u>	<u>6,034</u>	<u>-</u>	<u>1,051</u>
Election:					
Salaries.....	307,732	309,656	302,303	-	7,353
Expense.....	87,160	76,914	69,439	4,078	3,397
Total.....	<u>394,892</u>	<u>386,570</u>	<u>371,742</u>	<u>4,078</u>	<u>10,750</u>
License Commission:					
Salaries.....	3,200	3,200	3,200	-	-
Expense.....	4,250	4,250	787	-	3,463
Total.....	<u>7,450</u>	<u>7,450</u>	<u>3,987</u>	<u>-</u>	<u>3,463</u>
Management Information System:					
Salaries.....	188,134	193,526	193,526	-	-
Expenses.....	1,078,102	1,084,533	952,338	131,725	470
Capital.....	140,000	158,642	152,471	6,171	-
Total.....	<u>1,406,236</u>	<u>1,436,701</u>	<u>1,298,335</u>	<u>137,896</u>	<u>470</u>
Mayor:					
Salaries.....	481,106	481,106	463,945	-	17,161
Expense.....	50,936	111,116	43,908	55,295	11,913
Reserve for contract negotiations.....	19,645	19,645	-	-	19,645
Total.....	<u>551,687</u>	<u>611,867</u>	<u>507,853</u>	<u>55,295</u>	<u>48,719</u>
Office of Innovation and Data Management:					
Salaries.....	271,204	303,204	300,128	-	3,076
Expense.....	225,915	225,915	200,089	25,794	32
Total.....	<u>497,119</u>	<u>529,119</u>	<u>500,217</u>	<u>25,794</u>	<u>3,108</u>
Engineering:					
Salaries.....	155,115	167,115	166,239	-	876
Expense.....	83,875	83,875	32,923	49,605	1,347
Total.....	<u>238,990</u>	<u>250,990</u>	<u>199,162</u>	<u>49,605</u>	<u>2,223</u>
Purchasing:					
Salaries.....	140,794	140,794	136,158	-	4,636
Expense.....	116,900	118,517	97,892	18,537	2,088
Total.....	<u>257,694</u>	<u>259,311</u>	<u>234,050</u>	<u>18,537</u>	<u>6,724</u>
Solicitor:					
Salaries.....	353,978	351,607	351,546	-	61
Outside legal services.....	89,462	121,683	61,972	43,810	15,901
Expense.....	49,496	187,546	186,006	1,196	344
Total.....	<u>492,936</u>	<u>660,836</u>	<u>599,524</u>	<u>45,006</u>	<u>16,306</u>
Pension and Retirement:					
Pension contribution.....	13,513,019	13,513,019	13,513,019	-	-

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Fire:					
Salaries.....	10,259,420	10,333,170	10,307,266	-	25,904
Expense.....	665,172	996,655	527,986	404,768	63,901
Total.....	<u>10,924,592</u>	<u>11,329,825</u>	<u>10,835,252</u>	<u>404,768</u>	<u>89,805</u>
Police:					
Salaries.....	10,730,073	10,818,379	10,795,596	2,352	20,431
Expense.....	1,521,261	1,651,491	1,126,568	501,296	23,627
Total.....	<u>12,251,334</u>	<u>12,469,870</u>	<u>11,922,164</u>	<u>503,648</u>	<u>44,058</u>
Regional Emergency Communication Center:					
Operations.....	1,828,185	1,531,375	1,496,532	32,714	2,129
Inspectional Services - Building Department:					
Salaries.....	1,044,020	1,094,570	1,093,077	-	1,493
Expense.....	71,378	62,166	53,620	8,204	342
Total.....	<u>1,115,398</u>	<u>1,156,736</u>	<u>1,146,697</u>	<u>8,204</u>	<u>1,835</u>
Parking Clerk:					
Salaries.....	403,105	409,605	409,094	-	511
Expense.....	22,285	87,285	67,110	19,708	467
Total.....	<u>425,390</u>	<u>496,890</u>	<u>476,204</u>	<u>19,708</u>	<u>978</u>
Inspectional Services - Health:					
Salaries.....	-	170	167	-	3
Expense.....	1,027	857	148	-	709
Total.....	<u>1,027</u>	<u>1,027</u>	<u>315</u>	<u>-</u>	<u>712</u>
Public Works:					
Salaries.....	420,655	447,205	445,708	-	1,497
Expense.....	82,212	70,473	46,004	17,798	6,671
Capital.....	53,818	103,818	32,472	71,346	-
Total.....	<u>556,685</u>	<u>621,496</u>	<u>524,184</u>	<u>89,144</u>	<u>8,168</u>
Snow and Ice:					
Salaries.....	100,000	100,000	139,154	-	(39,154)
Expense.....	250,000	250,000	558,312	-	(308,312)
Total.....	<u>350,000</u>	<u>350,000</u>	<u>697,466</u>	<u>-</u>	<u>(347,466)</u>
Highway:					
Salaries.....	409,517	388,297	387,671	-	626
Expense.....	671,617	708,396	609,154	24,850	74,392
Total.....	<u>1,081,134</u>	<u>1,096,693</u>	<u>996,825</u>	<u>24,850</u>	<u>75,018</u>
Open Space/Parks:					
Salaries.....	260,129	220,229	218,097	-	2,132
Expenses.....	486,303	549,130	411,477	157,390	(19,737)
Total.....	<u>746,432</u>	<u>769,359</u>	<u>629,574</u>	<u>157,390</u>	<u>(17,605)</u>

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Trash and Recycling:					
Salaries.....	287,910	274,112	273,028	-	1,084
Expense.....	1,463,916	1,730,197	1,536,153	119,640	74,404
Total.....	<u>1,751,826</u>	<u>2,004,309</u>	<u>1,809,181</u>	<u>119,640</u>	<u>75,488</u>
Council on Elder Affairs:					
Salaries.....	189,806	189,806	162,837	-	26,969
Expense.....	45,000	45,069	45,000	-	69
Total.....	<u>234,806</u>	<u>234,875</u>	<u>207,837</u>	<u>-</u>	<u>27,038</u>
Public Health Initiatives:					
Salaries.....	753,487	716,787	716,189	-	598
Expense.....	62,960	59,660	28,220	1,132	30,308
Total.....	<u>816,447</u>	<u>776,447</u>	<u>744,409</u>	<u>1,132</u>	<u>30,906</u>
Public Health Community Initiatives:					
Capital Outlay.....	8,116	8,116	-	-	8,116
Commission on Disabilities:					
Salaries.....	6,300	9,300	5,162	-	4,138
Expense.....	3,000	-	-	-	-
Total.....	<u>9,300</u>	<u>9,300</u>	<u>5,162</u>	<u>-</u>	<u>4,138</u>
Veterans Affairs:					
Salaries.....	137,268	138,934	138,853	-	81
Expense.....	19,750	15,968	11,573	4,283	112
Veterans benefits.....	707,018	589,134	569,904	4,964	14,266
Total.....	<u>864,036</u>	<u>744,036</u>	<u>720,330</u>	<u>9,247</u>	<u>14,459</u>
Library:					
Salaries.....	448,340	388,340	384,837	-	3,503
Expense.....	160,290	161,857	154,355	3,720	3,782
Total.....	<u>608,630</u>	<u>550,197</u>	<u>539,192</u>	<u>3,720</u>	<u>7,285</u>
Recreation Services:					
Salaries.....	635,333	565,333	497,096	-	68,237
Expense.....	97,000	182,000	79,816	100,169	2,015
Total.....	<u>732,333</u>	<u>747,333</u>	<u>576,912</u>	<u>100,169</u>	<u>70,252</u>
Historical and Cultural:					
Expense.....	10,000	10,000	10,000	-	-
Education:					
Education.....	106,783,330	105,606,561	87,754,911	17,119,360	732,290
Expenses Northeast Metropolitan Regional Vocational School.....	18,800	18,800	10,000	-	8,800
Northeast Regional Vocational School Assessment.....	1,980,630	1,980,630	1,980,630	-	-
Total.....	<u>108,782,760</u>	<u>107,605,991</u>	<u>89,745,541</u>	<u>17,119,360</u>	<u>741,090</u>
State and county charges.....	13,021,909	13,021,909	13,558,757	-	(536,848)
TOTAL EXPENDITURES.....	<u>207,776,831</u>	<u>208,718,706</u>	<u>188,331,793</u>	<u>19,594,800</u>	<u>792,113</u>

(Continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(13,395,455)	(16,216,943)	2,948,819	(19,594,800)	(429,038)
OTHER FINANCING SOURCES (USES):					
Use of fund balance to fund prior year carryforwards.....	15,603,231	15,603,231	-	-	(15,603,231)
Use of free cash.....	-	2,312,012	-	-	(2,312,012)
Transfers in.....	2,254,222	4,028,902	4,028,902	-	-
Transfers out.....	(4,461,998)	(5,727,202)	(5,727,202)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	13,395,455	16,216,943	(1,698,300)	-	(17,915,243)
NET CHANGE IN FUND BALANCE.....	-	-	1,250,519	(19,594,800)	(18,344,281)
BUDGETARY FUND BALANCE, Beginning of year.....	20,501,356	20,501,356	20,501,356	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 20,501,356	\$ 20,501,356	\$ 21,751,875	\$ (19,594,800)	\$ (18,344,281)

(Concluded)

See notes to required supplementary information.

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Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability and related ratios 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 Returns 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
REVERE 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
Changes in benefit terms.....	-	-	-	-
Differences between expected and actual experience.....	-	11,315,000	-	(2,037,000)
Changes in assumptions.....	-	9,300,000	-	4,661,000
Benefit payments.....	<u>(14,469,000)</u>	<u>(14,534,000)</u>	<u>(15,302,000)</u>	<u>(15,761,000)</u>
Net change in total pension liability.....	5,640,000	27,210,000	8,126,000	10,354,000
Total pension liability - beginning.....	<u>203,428,000</u>	<u>209,068,000</u>	<u>236,278,000</u>	<u>244,404,000</u>
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.....	<u>(14,469,618)</u>	<u>(14,534,000)</u>	<u>(15,302,000)</u>	<u>(15,761,000)</u>
Net increase (decrease) in fiduciary net position.....	8,409,681	499,113	8,964,489	22,049,802
Fiduciary net position - beginning of year.....	<u>121,471,041</u>	<u>129,880,722</u>	<u>130,379,835</u>	<u>139,344,324</u>
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.

	December 31, 2018	December 31, 2019	December 31, 2020
\$	5,827,000	\$ 6,227,000	\$ 6,550,000
	18,676,000	19,538,556	20,147,071
	1,200,000	-	-
	509,000	-	8,385,000
	6,900,000	-	6,300,000
	<u>(16,403,000)</u>	<u>(16,485,327)</u>	<u>(17,585,520)</u>
	16,709,000	9,280,229	23,796,551
	<u>254,758,000</u>	<u>271,467,000</u>	<u>280,747,229</u>
\$	<u>271,467,000</u>	\$ <u>280,747,229</u>	\$ <u>304,543,780</u>
\$	13,040,664	\$ 13,629,432	\$ 14,310,904
	3,921,000	4,184,259	4,312,233
	(3,913,992)	25,138,406	21,600,697
	(359,716)	(365,623)	(323,763)
	<u>(16,403,000)</u>	<u>(16,485,327)</u>	<u>(17,585,520)</u>
	(3,715,044)	26,101,147	22,314,551
	<u>161,394,126</u>	<u>157,679,082</u>	<u>183,780,229</u>
\$	<u>157,679,082</u>	\$ <u>183,780,229</u>	\$ <u>206,094,780</u>
\$	<u>113,787,918</u>	\$ <u>96,967,000</u>	\$ <u>98,449,000</u>
	58.08%	65.46%	67.67%
\$	36,788,000	\$ 36,788,000	\$ 43,318,000
	309.31%	263.58%	227.27%

**SCHEDULE OF CONTRIBUTIONS
REVERE 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, 2020.....	\$ 14,311,000	\$ (14,311,000)	\$ -	\$ 43,318,000	33.04%
December 31, 2019.....	13,630,000	(13,630,000)	-	36,788,000	37.05%
December 31, 2018.....	12,980,000	(12,980,000)	-	36,788,000	35.28%
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
REVERE CONTRIBUTORY RETIREMENT SYSTEM**

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2020.....	12.07%
December 31, 2019.....	16.13%
December 31, 2018.....	-2.49%
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
REVERE CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2020.....	95.16%	\$ 93,684,000	\$ 41,221,000	227.27%	67.67%
December 31, 2019.....	96.12%	93,204,000	35,360,000	263.59%	65.46%
December 31, 2018.....	93.59%	107,323,000	34,698,000	309.31%	58.08%
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
REVERE 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
June 30, 2021.....	\$ 13,618,000	\$ (13,618,000)	-	\$ 42,045,420	32.39%
June 30, 2020.....	13,101,000	(13,101,000)	-	36,067,200	36.32%
June 30, 2019.....	12,243,000	(12,243,000)	-	35,391,960	34.59%
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
2021.....	\$ 227,026,690	\$ 28,041,049	50.67%
2020.....	198,259,260	24,042,376	53.95%
2019.....	182,313,296	18,474,813	54.84%
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 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 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.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment 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
CITY'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability				
Service Cost.....	\$ 8,097,434	\$ 9,364,288	\$ 8,221,059	\$ 8,708,055
Interest.....	7,481,159	8,123,874	8,042,414	9,507,691
Changes of benefit terms.....	-	-	(599,550)	-
Differences between expected and actual experience....	-	(4,809,545)	-	(5,789,219)
Changes of assumptions.....	-	38,531,265	(28,943,759)	(11,239,110)
Benefit payments.....	(6,360,572)	(7,365,297)	(7,789,793)	(8,248,885)
Net change in total OPEB liability.....	9,218,021	43,844,585	(21,069,629)	(7,061,468)
Total OPEB liability - beginning.....	235,036,242	244,254,263	288,098,848	267,029,219
Total OPEB liability - ending (a).....	<u>\$ 244,254,263</u>	<u>\$ 288,098,848</u>	<u>\$ 267,029,219</u>	<u>\$ 259,967,751</u>
Plan fiduciary net position				
Employer contributions.....	\$ -	\$ 500,000	\$ 250,000	\$ 250,000
Employer contributions for OPEB payments.....	-	7,365,297	7,789,793	8,248,885
Net investment income (loss).....	-	4,144	(4,474)	144,605
Benefit payments.....	-	(7,365,297)	(7,789,793)	(8,248,885)
Net change in plan fiduciary net position.....	-	504,144	245,526	394,605
Plan fiduciary net position - beginning of year.....	-	-	504,144	749,670
Plan fiduciary net position - end of year (b).....	<u>\$ -</u>	<u>\$ 504,144</u>	<u>\$ 749,670</u>	<u>\$ 1,144,275</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 244,254,263</u>	<u>\$ 287,594,704</u>	<u>\$ 266,279,549</u>	<u>\$ 258,823,476</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.00%	0.17%	0.28%	0.44%
Covered-employee payroll.....	\$ 92,586,340	\$ 86,789,899	\$ 89,393,596	\$ 84,609,971
Total OPEB liability as a percentage of covered-employee payroll.....	263.81%	331.37%	297.87%	305.90%

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**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2021.....	\$ 19,264,887	\$ (8,498,885)	\$ 10,766,002	\$ 84,609,971	10.04%
June 30, 2020.....	22,209,439	(8,039,793)	14,169,646	89,393,596	8.99%
June 30, 2019.....	23,186,865	(7,865,297)	15,321,568	86,789,899	9.06%
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.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2021.....	19.29%
June 30, 2020.....	-0.76%
June 30, 2019.....	2.50%

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 2021 approved budget authorizing approximately \$212.2 million in current year appropriations and other financing uses. The original approved budget is inclusive of approximately \$15.6 million in encumbrances and appropriations carried over from previous years. During 2021, the City Council approved supplemental appropriations totaling approximately \$2.2 million, which were funded with existing fund balance.

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, 2021, is as follows:

Net change in fund balance - budgetary basis.....	\$	1,250,519
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		(854,671)
<u>Basis of accounting differences:</u>		
Net change in recording 60 day receipts.....		(1,015,048)
Recognition of revenue for on-behalf payments.....		28,041,049
Recognition of expenditures for on-behalf payments.....		<u>(28,041,049)</u>
Net change in fund balance - GAAP basis.....	\$	<u>(619,200)</u>

C. Appropriation Deficits

During 2021, actual expenditures exceeded budgeted appropriations for open space and parks, snow and ice expenses, and state and county charges. The deficit of the open spaces and parks and snow and ice expense will be funded by the subsequent years' tax levy. State and County charges are adjustments from the Commonwealth which are directly deducted from local receipts provided by the Commonwealth. The City is not required to raise the State and County charges assessment deficit.

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 and Plan Provisions

The discount rate decreased from 7.25% to 7.00%, as well as changes made to the mortality tables.

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

A. 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.

B. 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.....	July 1, 2020
Actuarial cost method.....	Individual Entry Age Normal
Asset valuation method.....	Fair value of assets as of June 30, 2021

Municipal bond rate.....	2.18% as of June 30, 2021, (Source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)
Single equivalent discount rate.....	4.50%, net of OPEB plan investment expense, including inflation
Investment rate of return.....	5.98%, net of OPEB plan investment expense, including inflation
Inflation rate.....	2.5% as of June 30, 2021, and for future periods
Projected salary increases.....	3.0% annually as of June 30, 2021, and for future periods
Pre-retirement mortality rates.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with Scale MP-2016 for males and females.
Post-retirement mortality rates.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled mortality rates.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.

C. Schedule of Investment Return

The Schedule of Investment Return includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

D. Changes of Assumptions

The discount rate has increased from 3.50% to 4.50% from June 30, 2020, to June 30, 2021.

E. Changes in Provisions

None.

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, non-capital, revenue sources 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 Fund – accounts for the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

City Grant Fund – 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 maintenance and/or improvements of roadways, streets and sidewalks. These activities are funded with grants from the Commonwealth's Chapter 90 program.

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

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

Northern Strand Community Trail – accounts for revenue and costs associated the design and construction of a recreational walking trail.

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

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

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

Coronavirus Relief Fund – accounts for funds received from the federal and state governments to assist in funding costs associated with the COVID-19 Pandemic.

Other Special Revenue Funds – accounts for activities related to police and fire details as well as the school department's student activity funds.

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 Fund – accounts for activity and resources associated with the renovation of the Stadium.

School Capital Project Fund – accounts for non-construction school capital projects.

School Construction Projects Fund – accounts for school construction capital projects.

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, 2021

	Special Revenue Funds							
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Fund	Strategic Planning	Northern Strand Community Trail	City Receipts Reserved	School Revolving Fund
ASSETS								
Cash and cash equivalents.....	\$ 1,214,224	\$ 3,636,211	\$ -	\$ 313,129	\$ 31,403	\$ -	\$ 3,529,216	\$ 3,495,849
Receivables, net of uncollectibles:								
Intergovernmental.....	178,862	839,483	535,099	-	-	2,913,169	-	-
TOTAL ASSETS.....	\$ 1,393,086	\$ 4,475,694	\$ 535,099	\$ 313,129	\$ 31,403	\$ 2,913,169	\$ 3,529,216	\$ 3,495,849
LIABILITIES								
Warrants payable.....	\$ 49,793	\$ 574,522	\$ 72,397	\$ 188,995	\$ 7,000	\$ 1,216,061	\$ 99,214	\$ 205,471
Accrued payroll.....	47,594	-	-	-	-	-	-	-
Due to other funds.....	-	-	251,725	-	-	1,697,108	-	-
Notes payable.....	-	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	97,387	574,522	324,122	188,995	7,000	2,913,169	99,214	205,471
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue.....	-	-	210,977	-	-	-	-	-
FUND BALANCES								
Restricted.....	1,295,699	3,901,172	-	124,134	24,403	-	3,430,002	3,290,378
Unassigned.....	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	1,295,699	3,901,172	-	124,134	24,403	-	3,430,002	3,290,378
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 1,393,086	\$ 4,475,694	\$ 535,099	\$ 313,129	\$ 31,403	\$ 2,913,169	\$ 3,529,216	\$ 3,495,849

Special Revenue Funds					Capital Project Funds				Debt Service Fund	Total Nonmajor Governmental Funds
School Grants Fund	Trash Revolving Fund	Coronavirus Relief Fund	Other Special Revenue	Subtotal	Harry Della Russo Stadium	School Capital Project	School Construction Project	Subtotal		
\$ 4,194,889	\$ 461,629	\$ -	\$ 417,673	\$ 17,294,223	\$ 107,228	\$ 1,212,272	\$ 312,901	\$ 1,632,401	\$ 304,514	\$ 19,231,138
<u>209,020</u>	<u>-</u>	<u>3,931,310</u>	<u>-</u>	<u>8,606,943</u>	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>	<u>9,506,943</u>
<u>\$ 4,403,909</u>	<u>\$ 461,629</u>	<u>\$ 3,931,310</u>	<u>\$ 417,673</u>	<u>\$ 25,901,166</u>	<u>\$ 107,228</u>	<u>\$ 1,212,272</u>	<u>\$ 1,212,901</u>	<u>\$ 2,532,401</u>	<u>\$ 304,514</u>	<u>\$ 28,738,081</u>
\$ 25,461	\$ 470,296	\$ 22,242	\$ 392	\$ 2,931,844	\$ -	\$ 495,131	\$ -	\$ 495,131	\$ -	\$ 3,426,975
-	9,306	-	11,681	68,581	-	-	-	-	-	68,581
-	-	3,909,068	-	5,857,901	-	-	-	-	-	5,857,901
-	-	-	-	-	-	-	1,000,000	1,000,000	-	1,000,000
<u>25,461</u>	<u>479,602</u>	<u>3,931,310</u>	<u>12,073</u>	<u>8,858,326</u>	<u>-</u>	<u>495,131</u>	<u>1,000,000</u>	<u>1,495,131</u>	<u>-</u>	<u>10,353,457</u>
-	-	-	-	210,977	-	-	-	-	-	210,977
4,378,448	-	-	405,600	16,849,836	107,228	717,141	212,901	1,037,270	304,514	18,191,620
-	(17,973)	-	-	(17,973)	-	-	-	-	-	(17,973)
<u>4,378,448</u>	<u>(17,973)</u>	<u>-</u>	<u>405,600</u>	<u>16,831,863</u>	<u>107,228</u>	<u>717,141</u>	<u>212,901</u>	<u>1,037,270</u>	<u>304,514</u>	<u>18,173,647</u>
<u>\$ 4,403,909</u>	<u>\$ 461,629</u>	<u>\$ 3,931,310</u>	<u>\$ 417,673</u>	<u>\$ 25,901,166</u>	<u>\$ 107,228</u>	<u>\$ 1,212,272</u>	<u>\$ 1,212,901</u>	<u>\$ 2,532,401</u>	<u>\$ 304,514</u>	<u>\$ 28,738,081</u>

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

YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Funds	Strategic Planning	Northern Strand Community Trail	City Receipts Reserved	School Revolving Fund
REVENUES:								
Charges for services.....	\$ 421,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,017,169	\$ 1,570
Intergovernmental.....	147,452	2,900,945	715,383	419,794	-	1,083,831	27,728	3,252,140
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-
Departmental and other.....	1,183,094	1,872,418	-	-	-	-	41,707	326,156
Investment income.....	682	4,459	-	184	-	-	-	-
TOTAL REVENUES.....	1,752,263	4,777,822	715,383	419,978	-	1,083,831	1,086,604	3,579,866
EXPENDITURES:								
Current:								
General government.....	632,952	1,725,057	-	576,413	148,403	1,083,831	1,229,068	-
Public safety.....	419,481	1,068,041	-	-	-	-	-	-
Education.....	-	-	-	-	-	-	-	3,033,072
Public works.....	397,923	3,164,151	715,383	-	-	-	-	-
Trash and recycling.....	-	-	-	-	-	-	-	-
Health and human services.....	86,369	365,603	-	-	-	-	-	-
Culture and recreation.....	165,917	508,855	-	22,036	-	-	-	-
TOTAL EXPENDITURES.....	1,702,642	6,831,707	715,383	598,449	148,403	1,083,831	1,229,068	3,033,072
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	49,621	(2,053,885)	-	(178,471)	(148,403)	-	(142,464)	546,794
OTHER FINANCING SOURCES (USES):								
Premium from issuance of bonds.....	-	-	-	-	-	-	-	-
Transfers in.....	203,179	555,289	-	350,496	-	-	-	-
Transfers out.....	(253,000)	(866,381)	-	(76,193)	-	-	(387,705)	-
TOTAL OTHER FINANCING SOURCES (USES).....	(49,821)	(311,092)	-	274,303	-	-	(387,705)	-
NET CHANGE IN FUND BALANCES.....	(200)	(2,364,977)	-	95,832	(148,403)	-	(530,169)	546,794
FUND BALANCES AT BEGINNING OF YEAR.....	1,295,899	6,266,149	-	28,302	172,806	-	3,960,171	2,743,584
FUND BALANCES AT END OF YEAR.....	\$ 1,295,699	\$ 3,901,172	\$ -	\$ 124,134	\$ 24,403	\$ -	\$ 3,430,002	\$ 3,290,378

Special Revenue Funds					Capital Project Funds				Total	
School Grant Fund	Trash Revolving Fund	Coronavirus Relief Fund	Other Special Revenue	Subtotal	Harry Della Russo Stadium	School Capital Projects	School Construction Projects	Subtotal	Debt Service Fund	Nonmajor Governmental Funds
\$ -	\$ 317,519	\$ -	\$ -	\$ 1,757,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,757,293
11,034,369	-	-	-	19,581,642	-	-	-	-	-	19,581,642
-	-	10,306,264	-	10,306,264	-	-	-	-	-	10,306,264
55,564	-	-	2,943,592	6,422,531	-	-	-	-	-	6,422,531
-	730	-	921	6,976	-	244	-	244	8,358	15,578
<u>11,089,933</u>	<u>318,249</u>	<u>10,306,264</u>	<u>2,944,513</u>	<u>38,074,706</u>	<u>-</u>	<u>244</u>	<u>-</u>	<u>244</u>	<u>8,358</u>	<u>38,083,308</u>
-	-	4,053,684	1,047	9,450,455	-	-	-	-	-	9,450,455
-	-	1,117,821	2,708,264	5,313,607	-	-	-	-	-	5,313,607
10,152,277	-	3,420,949	66,540	16,672,838	-	846,187	254,609	1,100,796	-	17,773,634
-	-	20,550	-	4,298,007	-	-	-	-	-	4,298,007
-	5,053,960	-	-	5,053,960	-	-	-	-	-	5,053,960
-	-	1,693,260	-	2,145,232	-	-	-	-	-	2,145,232
-	-	-	-	696,808	-	-	-	-	-	696,808
<u>10,152,277</u>	<u>5,053,960</u>	<u>10,306,264</u>	<u>2,775,851</u>	<u>43,630,907</u>	<u>-</u>	<u>846,187</u>	<u>254,609</u>	<u>1,100,796</u>	<u>-</u>	<u>44,731,703</u>
<u>937,656</u>	<u>(4,735,711)</u>	<u>-</u>	<u>168,662</u>	<u>(5,556,201)</u>	<u>-</u>	<u>(845,943)</u>	<u>(254,609)</u>	<u>(1,100,552)</u>	<u>8,358</u>	<u>(6,648,395)</u>
-	-	-	-	-	-	176,006	-	176,006	-	176,006
-	4,786,998	-	-	5,895,962	-	-	-	-	-	5,895,962
-	-	-	(38,000)	(1,621,279)	-	-	-	-	(350,000)	(1,971,279)
-	4,786,998	-	(38,000)	4,274,683	-	176,006	-	176,006	(350,000)	4,100,689
937,656	51,287	-	130,662	(1,281,518)	-	(669,937)	(254,609)	(924,546)	(341,642)	(2,547,706)
<u>3,440,792</u>	<u>(69,260)</u>	<u>-</u>	<u>274,938</u>	<u>18,113,381</u>	<u>107,228</u>	<u>1,387,078</u>	<u>467,510</u>	<u>1,961,816</u>	<u>646,156</u>	<u>20,721,353</u>
<u>\$ 4,378,448</u>	<u>\$ (17,973)</u>	<u>\$ -</u>	<u>\$ 405,600</u>	<u>\$ 16,831,863</u>	<u>\$ 107,228</u>	<u>\$ 717,141</u>	<u>\$ 212,901</u>	<u>\$ 1,037,270</u>	<u>\$ 304,514</u>	<u>\$ 18,173,647</u>

Custodial Funds

The Custodial Funds are used to account for fiduciary activities that are not required to be reported in pension and other postemployment benefit trust funds, investment trust funds, or private purpose trust funds. The City's custodial funds are grouped into the following categories:

Northern Strand Community Trail – accounts for grant revenue and costs associated with the design and construction of a recreational walking trail on behalf of surrounding communities that span the trail. The costs applied to this fund relate to land improvements and structures not under the control of the City.

Asset Forfeitures – accounts for activities related to the confiscation of assets by the police department held on behalf of Suffolk County for cases pending trial.

CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	<u>Asset Forfeitures</u>
ASSETS	
Cash and cash equivalents.....	\$ <u>256,630</u>
LIABILITIES	
Other liabilities.....	<u>219,331</u>
NET POSITION	
Restricted for individuals and other governments.....	<u>37,299</u>
TOTAL NET POSITION.....	\$ <u><u>256,630</u></u>

CUSTODIAL FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Northern Strand Community Trail	Asset Forfeitures	Total Custodial Funds
ADDITIONS:			
Intergovernmental.....	\$ 6,657,817	\$ -	\$ 6,657,817
Asset seizure collections for other governments.....	-	34,286	34,286
Investment income.....	-	468	468
TOTAL ADDITIONS.....	6,657,817	34,754	6,692,571
DEDUCTIONS:			
Construction costs on behalf of other governments.....	6,657,817	-	6,657,817
NET CHANGE IN NET POSITION.....	-	34,754	34,754
NET POSITION AT BEGINNING OF YEAR.....	-	2,545	2,545
NET POSITION AT END OF YEAR.....	\$ -	\$ 37,299	\$ 37,299

Statistical Section

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



Revere Fire Department

City of Revere, Massachusetts
Comprehensive Annual Financial Report
For the year ended June 30, 2021

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.

**Net Position By Component
Last Ten Years**

	2012	2013	2014	2015 (1)	2016	2017	2018 (2)	2019	2020 (3)	2021
Governmental activities										
Net investment in capital assets.....	\$ 107,332,295	\$ 109,167,229	\$ 106,119,983	\$ 127,833,259	\$ 131,609,885	\$ 127,306,721	\$ 131,607,988	\$ 135,224,722	\$ 136,410,191	\$ 140,797,789
Restricted.....	2,716,851	1,869,989	2,829,287	4,482,348	3,896,591	8,907,370	5,196,858	6,942,042	10,381,399	8,708,268
Unrestricted.....	(11,779,070)	(27,031,738)	(25,058,484)	(113,157,039)	(120,807,092)	(123,718,614)	(270,717,192)	(295,045,768)	(311,401,023)	(314,884,070)
Total governmental activities net position.....	\$ 98,270,076	\$ 84,005,480	\$ 83,890,786	\$ 19,158,568	\$ 14,699,384	\$ 12,495,477	\$ (133,912,346)	\$ (152,879,004)	\$ (164,609,433)	\$ (165,378,013)
Business-type activities										
Net investment in capital assets.....	\$ 8,146,094	\$ 12,409,419	\$ 10,956,551	\$ 12,291,030	\$ 14,989,438	\$ 13,684,220	\$ 14,660,627	\$ 16,967,652	\$ 20,081,984	\$ 23,340,253
Unrestricted.....	7,700,383	7,300,804	11,404,907	7,648,123	8,601,135	14,977,464	9,393,818	9,393,818	7,381,792	7,765,823
Total business-type activities net position.....	\$ 15,846,477	\$ 19,710,223	\$ 22,361,458	\$ 19,939,153	\$ 23,590,573	\$ 28,661,684	\$ 24,054,445	\$ 26,361,470	\$ 27,463,776	\$ 31,106,076
Primary government										
Net investment in capital assets.....	\$ 115,478,389	\$ 121,576,648	\$ 117,076,534	\$ 140,124,289	\$ 146,599,323	\$ 140,990,941	\$ 146,268,615	\$ 152,192,374	\$ 149,677,288	\$ 164,138,042
Restricted.....	2,716,851	1,869,989	2,829,287	4,482,348	3,896,591	8,907,370	5,196,858	6,942,042	10,381,399	8,708,268
Unrestricted.....	(4,078,687)	(19,730,934)	(13,653,577)	(105,508,916)	(112,205,957)	(108,741,150)	(261,323,374)	(285,651,950)	(297,204,344)	(307,118,247)
Total primary government net position.....	\$ 114,116,553	\$ 103,715,703	\$ 106,252,244	\$ 39,097,721	\$ 38,289,957	\$ 41,157,161	\$ (109,857,901)	\$ (126,517,534)	\$ (137,145,657)	\$ (134,271,937)

(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.

(3) Net position has been revised to reflect the implementation of GASB Statement #84.

**Changes in Net Position
Last Ten Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government.....	\$ 13,177,547	\$ 13,635,709	\$ 14,944,569	\$ 14,579,999	\$ 15,303,774	\$ 17,155,162	\$ 15,830,030	\$ 18,677,964	\$ 20,850,398	\$ 21,927,597
Public safety.....	33,635,750	34,551,022	32,719,876	35,329,334	37,684,056	39,421,440	42,792,229	48,797,413	44,914,133	49,384,788
Education.....	114,958,701	122,818,604	121,174,485	124,884,310	130,866,169	139,897,194	149,587,836	161,643,523	163,296,859	167,784,149
Public works.....	11,345,502	13,009,118	12,619,734	14,271,860	12,282,248	13,614,256	11,651,357	9,170,717	14,849,694	7,705,190
Health and human services.....	2,490,676	2,925,397	3,626,255	3,376,833	3,761,556	3,852,268	4,441,613	5,116,904	3,962,834	4,583,325
Trash and recycling.....	-	-	-	-	-	-	-	4,229,824	4,444,835	4,705,408
Culture and recreation.....	1,521,865	1,444,959	1,531,659	1,493,526	1,991,367	1,873,795	2,819,146	2,046,706	2,785,501	2,541,237
Strategic planning.....	20,256,530	3,642,265	819,746	207,799	-	-	-	-	-	-
Claims and judgements.....	1,750,000	-	-	-	-	-	-	-	-	-
Interest.....	1,964,510	1,949,914	1,873,105	2,310,793	2,220,766	2,051,332	2,244,557	1,590,601	1,816,514	1,967,763
Total government activities expenses.....	201,101,081	193,976,988	189,309,429	196,454,454	204,109,936	217,865,447	229,366,768	251,273,652	256,920,768	260,599,457
Business-type activities:										
Water & sewer.....	19,432,612	19,447,783	20,724,481	21,530,431	21,944,588	23,797,042	25,464,659	27,035,429	25,814,547	27,441,915
Total primary government expenses.....	\$ 220,533,693	\$ 213,424,771	\$ 210,033,910	\$ 217,984,885	\$ 226,054,524	\$ 241,662,489	\$ 254,831,427	\$ 278,309,081	\$ 282,735,315	\$ 288,041,372
Program Revenues										
Governmental activities:										
General government charges for services.....	\$ 3,004,120	\$ 2,366,884	\$ 2,772,807	\$ 3,999,341	\$ 2,881,437	\$ 3,065,829	\$ 3,765,833	\$ 6,386,518	\$ 4,670,212	\$ 4,842,830
Public safety charges for services.....	1,537,451	1,637,350	1,528,468	1,419,882	1,432,731	1,159,881	1,937,344	871,202	1,698,554	4,830,024
Education charges for services.....	2,252,117	1,249,635	1,383,320	1,448,378	1,430,759	1,450,368	824,571	870,423	586,525	443,298
Other charges for services.....	593,421	787,185	730,967	1,625,709	791,383	1,175,744	672,546	1,607,041	1,504,485	2,422,716
Public safety operating grants and contributions.....	1,194,480	1,029,732	1,576,676	1,378,063	390,740	1,169,421	1,113,646	899,391	2,063,091	1,888,959
Education operating grants and contributions.....	67,256,169	73,557,574	76,364,168	73,945,800	83,115,134	90,708,790	94,171,831	104,854,508	113,652,164	117,021,686
Other operating grants and contributions.....	630,228	2,460,573	1,962,055	2,773,343	2,840,719	3,064,602	4,024,248	7,611,746	5,036,932	10,733,512
Strategic planning operating grant and contributions.....	19,607,354	3,840,719	737,047	39,372	-	-	-	-	-	-
Education capital grant and contributions.....	532,031	527,105	7,026,329	18,134,937	3,886,257	4,129,870	2,017,453	83,540	986,423	-
Public works and other capital grant and contributions.....	1,421,613	593,221	976,855	279,964	779,467	2,211,124	2,554,603	621,031	1,040,949	3,456,740
Other capital grant and contributions.....	-	-	-	1,701,643	-	321,484	-	-	447,656	1,083,831
Total government activities program revenues.....	98,028,984	88,049,978	95,058,692	106,746,432	97,548,627	108,457,113	111,082,075	123,805,400	131,686,991	146,723,596
Business-type activities:										
Water & sewer charges for services.....	20,216,422	21,537,126	22,854,183	22,036,024	25,386,189	28,350,626	25,794,344	26,405,852	25,509,028	27,848,066
Water & sewer capital grant and contributions.....	-	1,765,159	505,729	475,630	192,329	487,713	-	1,714,450	1,116,055	3,050,639
Total business-type activities program revenues.....	20,216,422	23,302,285	23,359,912	22,511,654	25,578,518	28,838,339	25,794,344	28,120,302	26,625,083	30,898,705
Total primary government program revenues.....	\$ 118,245,406	\$ 111,352,263	\$ 118,418,604	\$ 129,258,086	\$ 123,127,145	\$ 137,295,452	\$ 136,876,419	\$ 151,925,702	\$ 158,312,074	\$ 177,622,301
Net (Expense)/Revenue										
Governmental activities.....	\$ (103,072,097)	\$ (105,927,010)	\$ (94,250,737)	\$ (89,708,022)	\$ (106,561,309)	\$ (106,346,747)	\$ (118,284,693)	\$ (127,468,252)	\$ (125,233,777)	\$ (113,875,861)
Business-type activities.....	783,810	3,854,502	2,635,431	981,223	3,633,930	8,102,884	329,685	1,084,873	810,536	3,456,790
Total primary government net expense.....	\$ (102,288,287)	\$ (102,072,508)	\$ (91,615,306)	\$ (88,726,799)	\$ (102,927,379)	\$ (98,243,863)	\$ (117,955,008)	\$ (126,383,379)	\$ (124,423,241)	\$ (110,419,071)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes and tax liens, net of tax refunds payable.....	\$ 68,118,412	\$ 68,949,533	\$ 69,151,736	\$ 72,670,958	\$ 76,733,123	\$ 78,964,460	\$ 82,001,340	\$ 85,883,823	\$ 91,083,738	\$ 93,090,334
Motor vehicle and other excise taxes.....	2,726,688	4,075,990	5,379,339	5,144,906	5,479,414	5,621,860	5,637,767	6,013,007	6,002,938	6,155,322
Hotel/motel tax and meals tax.....	1,902,531	1,967,019	2,131,853	2,326,545	2,354,584	2,356,928	2,471,658	2,623,267	2,531,378	1,183,413
Penalties and interest on taxes.....	558,307	386,637	435,661	484,909	771,965	754,037	1,673,886	853,417	309,592	794,419
Payments in lieu of taxes.....	179,452	203,909	275,527	219,835	236,873	132,506	279,961	185,119	245,982	210,693
Nonrestricted grants, contributions, and other.....	10,273,596	9,263,390	10,222,245	10,459,173	10,474,377	10,814,407	10,712,581	11,435,466	11,873,426	11,462,537
Unrestricted investment income.....	106,444	97,444	167,798	280,454	363,407	221,915	483,475	1,507,495	1,181,356	284,282
Transfers.....	-	-	-	-	-	-	-	-	-	(73,719)
Total governmental revenues.....	83,865,430	84,943,922	87,764,159	91,586,780	96,413,743	98,866,113	103,260,668	108,501,594	113,228,410	113,107,281
Extraordinary item - July 2014 Tornado Insurance Recovery.....	-	-	-	-	-	2,215,140	3,934,860	-	-	-
Total governmental activities.....	83,865,430	84,943,922	87,764,159	91,586,780	96,413,743	101,081,253	107,195,528	108,501,594	113,228,410	113,107,281
Business-type activities:										
Unrestricted investment income.....	10,389	9,244	15,804	12,240	17,490	29,814	46,111	388,552	291,770	111,791
Transfers.....	-	-	-	-	-	-	-	-	-	73,719
Total business type activities.....	10,389	9,244	15,804	12,240	17,490	29,814	46,111	388,552	291,770	185,510
Total primary government.....	\$ 83,875,819	\$ 84,953,166	\$ 87,779,963	\$ 91,599,020	\$ 96,431,233	\$ 101,111,067	\$ 107,241,639	\$ 108,890,146	\$ 113,520,180	\$ 113,292,791
Changes in Net Position										
Governmental activities.....	\$ (19,206,667)	\$ (20,983,088)	\$ (6,486,578)	\$ 1,878,758	\$ (10,147,566)	\$ (2,203,907)	\$ (11,089,165)	\$ (18,966,658)	\$ (12,234,923)	\$ (768,580)
Business-type activities.....	794,199	3,863,746	2,651,235	993,463	3,651,420	5,071,111	375,796	1,473,425	1,102,306	3,642,300
Total primary government.....	\$ (18,412,468)	\$ (17,119,342)	\$ (3,835,343)	\$ 2,872,221	\$ (6,496,146)	\$ 2,867,204	\$ (10,713,369)	\$ (17,493,233)	\$ (11,132,617)	\$ 2,873,720

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020 (1)	2021
General Fund										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	63,206	\$ 271,203	\$ 201,934	\$ 77,517
Assigned.....	13,888,938	12,859,258	13,184,414	9,954,637	10,238,205	13,618,143	12,590,008	13,840,088	15,401,297	19,517,283
Unassigned.....	8,624,578	12,746,179	11,062,354	15,284,145	16,854,365	20,165,252	19,560,123	19,362,385	16,608,558	11,997,789
Total general fund.....	<u>\$ 22,513,516</u>	<u>\$ 25,605,437</u>	<u>\$ 24,246,768</u>	<u>\$ 25,238,782</u>	<u>\$ 27,092,570</u>	<u>\$ 33,783,395</u>	<u>\$ 32,213,337</u>	<u>\$ 33,473,676</u>	<u>\$ 32,211,789</u>	<u>\$ 31,592,589</u>
All Other Governmental Funds										
Restricted.....	\$ 9,414,907	\$ 7,804,071	\$ 8,024,826	\$ 10,711,778	\$ 12,095,952	\$ 17,873,843	\$ 15,536,639	\$ 18,929,313	\$ 20,790,613	\$ 50,295,661
Unassigned.....	(515,177)	(3,963,943)	(7,861,347)	(12,319,233)	(19,058,234)	(271,975)	(1,662,744)	(1,620,740)	(8,021,964)	(17,973)
Total All Other Governmental Funds...	<u>\$ 8,899,730</u>	<u>\$ 3,840,128</u>	<u>\$ 163,479</u>	<u>\$ (1,607,455)</u>	<u>\$ (6,962,282)</u>	<u>\$ 17,601,868</u>	<u>\$ 13,873,895</u>	<u>\$ 17,308,573</u>	<u>\$ 12,768,649</u>	<u>\$ 50,277,688</u>

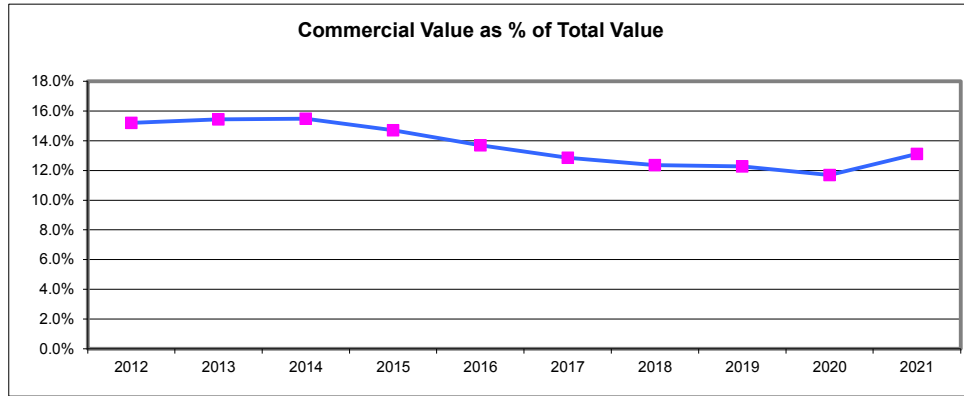
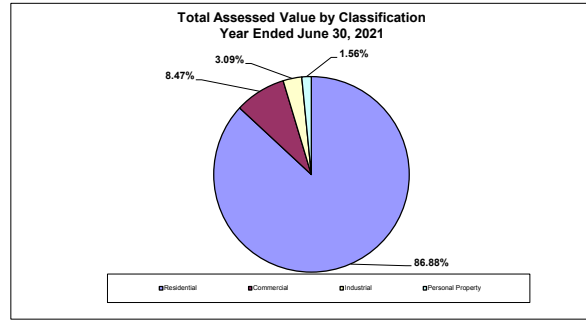
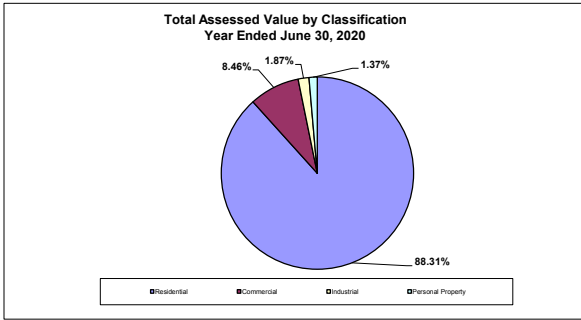
(1) The City implemented GASB Statement #84 - Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Real estate and personal property taxes and tax liens, net of tax refunds.....	\$ 63,011,680	\$ 66,929,836	\$ 67,479,252	\$ 69,834,888	\$ 74,122,267	\$ 78,369,948	\$ 80,422,568	\$ 84,795,403	\$ 89,845,360	\$ 91,831,694
Tax liens.....	2,803,933	1,939,232	1,271,875	2,223,312	2,672,391	1,833,246	1,468,225	725,499	1,357,342	924,614
Motor vehicle and other excise taxes.....	4,132,214	4,087,431	5,054,783	5,239,805	5,375,745	5,350,845	5,844,249	6,040,326	5,402,654	6,640,706
Hotel/motel and meals tax.....	1,902,531	1,967,019	2,131,853	2,326,545	2,354,584	2,356,928	2,471,658	2,623,267	2,531,378	1,183,413
Charges for service.....	2,894,974	3,136,253	2,549,423	2,219,396	2,224,461	2,398,812	2,638,960	2,844,613	2,763,183	3,758,763
Penalties and interest on taxes.....	558,307	386,637	435,661	465,719	597,950	641,505	889,791	853,417	309,592	794,419
Payments in lieu of taxes.....	179,452	203,909	275,527	219,835	236,873	132,506	279,961	185,119	245,982	210,693
Licenses and permits.....	914,911	985,547	1,395,268	1,870,200	1,382,497	1,215,769	1,759,986	4,521,377	2,740,188	1,866,058
Fines and forfeitures.....	1,034,896	985,001	1,006,469	977,642	1,285,992	1,445,890	2,177,667	1,284,332	1,403,607	1,408,944
Intergovernmental.....	100,220,957	90,340,499	97,627,870	108,087,862	99,090,780	110,033,192	113,457,060	123,539,814	130,310,582	131,025,023
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-	1,382,158	10,306,264
Departmental and other.....	1,911,896	1,885,881	2,057,927	4,127,661	3,313,010	3,304,698	1,460,413	4,245,948	4,697,090	9,688,714
Contributions and donations.....	156,683	150,817	168,892	652,503	772,300	877,091	207,614	196,815	158,819	-
Investment income.....	92,033	85,971	162,303	276,605	358,585	212,749	471,555	1,648,807	1,135,722	274,110
Total Revenue.....	179,814,467	173,084,033	181,617,103	198,521,973	193,787,435	208,173,179	213,549,707	233,504,737	244,283,657	259,913,415
Expenditures:										
General government.....	7,009,979	7,571,267	12,275,676	16,220,100	9,329,032	9,909,010	9,860,394	14,208,964	11,981,617	17,479,719
Public safety.....	17,964,253	18,149,554	19,580,090	21,644,540	20,942,915	20,695,289	24,793,798	26,005,692	26,367,490	31,370,524
Education.....	76,915,303	86,917,962	92,718,510	112,392,306	97,577,853	93,188,804	105,770,691	104,856,942	107,149,835	107,519,175
Public works / trash and recycling.....	4,508,853	4,600,509	4,986,164	8,297,902	7,376,649	7,271,921	11,956,863	13,263,557	19,566,982	14,989,443
Health and human services.....	1,904,361	2,289,397	2,609,241	2,542,583	2,600,677	2,641,581	3,020,900	3,336,305	2,927,516	3,823,285
Culture and recreation.....	969,802	950,502	1,067,679	1,270,050	3,698,315	2,009,376	1,583,609	1,522,991	1,827,911	1,782,912
Strategic planning.....	20,256,530	3,642,265	819,746	207,799	-	-	-	-	-	-
Pension benefits.....	22,451,967	23,330,361	23,672,992	18,632,888	23,227,185	28,600,269	11,052,060	30,105,907	36,271,740	41,127,476
Employee benefits.....	15,931,499	15,826,404	17,903,409	18,446,949	19,141,043	19,239,707	20,310,678	23,299,820	24,840,857	25,352,182
State and county charges.....	7,500,902	7,341,494	7,448,290	8,034,077	8,368,133	9,346,992	10,394,287	12,231,375	12,996,858	13,558,757
Debt service:										
Principal.....	2,454,643	2,460,143	2,376,643	2,421,893	2,713,343	2,784,683	3,482,543	3,664,543	3,864,543	3,874,543
Interest.....	2,045,160	1,971,856	1,898,110	2,022,540	2,313,329	2,042,251	2,447,489	2,303,400	2,565,057	2,105,157
Total Expenditures.....	179,913,252	175,051,714	187,356,550	212,133,627	197,288,474	197,729,883	204,673,312	234,799,496	250,360,406	262,983,173
Excess of revenues over (under) expenditures.....	(98,785)	(1,967,681)	(5,739,447)	(13,611,654)	(3,501,039)	10,443,296	8,876,395	(1,294,759)	(6,076,749)	(3,069,758)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	-	-	-	9,666,000	-	17,678,000	-	4,835,000	-	36,575,000
Issuance of refunding bonds.....	-	-	-	3,756,200	19,250,000	-	-	-	-	5,490,000
Premium from issuance of refunding bonds.....	-	-	-	420,862	1,730,537	-	-	-	-	1,110,000
Premium from issuance of bonds.....	-	-	-	739,221	-	918,539	-	332,199	-	3,458,316
Payments to refunded bond escrow agent.....	-	-	-	(4,111,767)	(20,980,537)	-	-	-	-	(6,600,000)
Insurance recovery.....	-	-	-	750,000	-	-	-	-	-	-
Capital lease financing.....	-	-	704,130	-	-	-	-	-	-	-
Transfers in.....	2,268,655	2,163,746	2,910,222	3,302,284	2,634,764	3,624,371	2,158,696	7,611,378	8,353,438	7,187,288
Transfers out.....	(2,268,655)	(2,163,746)	(2,910,222)	(1,690,066)	(2,634,764)	(3,624,371)	(2,142,872)	(7,611,378)	(8,353,438)	(7,261,007)
Total other financing sources (uses).....	-	-	704,130	12,832,734	-	18,596,539	15,824	5,167,199	-	39,959,597
Extraordinary item - July 2014 Tornado Insurance Recovery....	-	-	-	-	-	2,215,140	3,954,360	-	-	-
Net change in fund balance.....	\$ (98,785)	\$ (1,967,681)	\$ (5,035,317)	\$ (778,920)	\$ (3,501,039)	\$ 31,254,975	\$ 12,846,579	\$ 3,872,440	\$ (6,076,749)	\$ 36,889,839
Debt service as a percentage of noncapital expenditures.....	2.55%	2.62%	2.45%	2.51%	2.72%	2.51%	3.07%	2.67%	2.63%	2.37%

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

Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Residential % of Total Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate (1)	Total City Value
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	\$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	\$3,974,968,803	\$14.45	86.30%	\$456,465,306	\$100,983,327	\$73,616,395	\$631,065,028	\$28.70	13.70%	\$16.40	\$4,606,033,831
2017	\$4,391,660,331	\$13.99	87.15%	\$457,918,990	\$107,790,363	\$81,625,159	\$647,334,512	\$27.53	12.85%	\$15.73	\$5,038,994,843
2018	\$4,998,702,688	\$12.96	87.65%	\$500,040,174	\$123,962,522	\$80,577,857	\$704,580,553	\$25.36	12.35%	\$14.49	\$5,703,283,241
2019	\$5,599,805,095	\$12.11	87.74%	\$562,412,058	\$131,414,600	\$88,969,147	\$782,795,805	\$23.68	12.26%	\$13.53	\$6,382,600,900
2020	\$6,389,619,221	\$11.26	88.31%	\$611,800,101	\$135,531,800	\$98,884,337	\$846,216,238	\$21.88	11.69%	\$12.50	\$7,235,835,459
2021	\$6,659,026,997	\$11.06	86.88%	\$649,446,816	\$236,518,200	\$119,478,448	\$1,005,443,464	\$21.83	13.12%	\$12.47	\$7,664,470,461



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

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

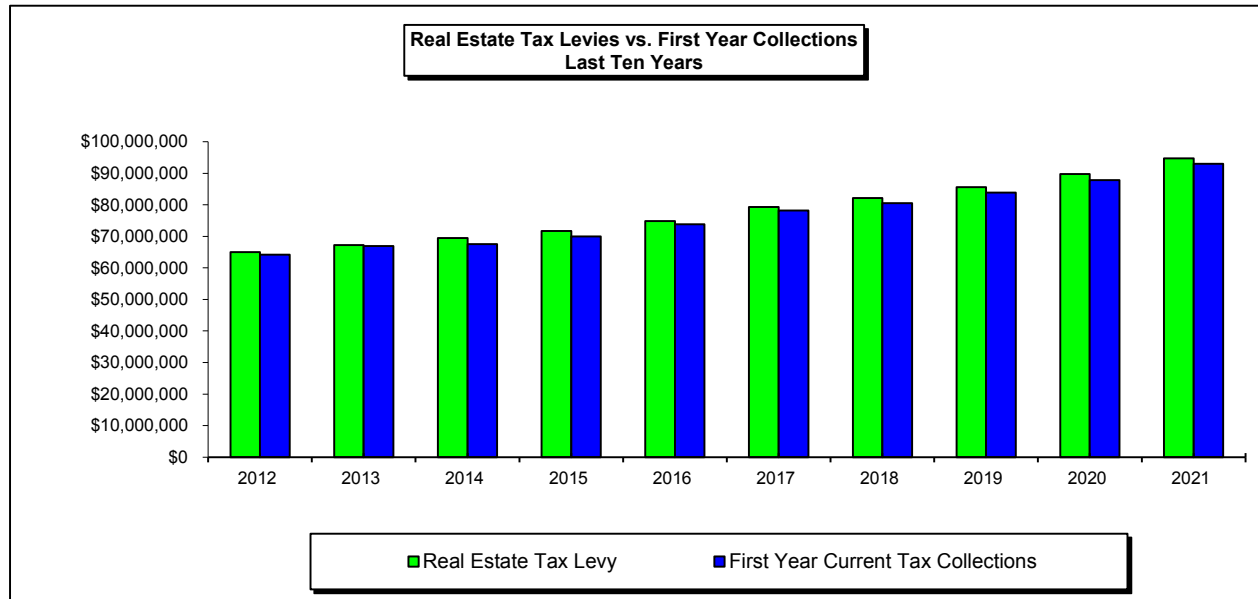
**Principal Taxpayers
Current Year and Eight Years Ago**

Name	Nature of Business	2021			2013		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Overlook Revere Owner LLC	Apartments	\$ 177,607,400	1	2.32%	-	-	-
CLPF Revere LLC	Warehouse Distribution	142,023,700	2	1.85%	-	-	-
500 Ocean Avenue, LLC	Apartments	77,640,800	3	1.01%	-	-	-
Greystar Revere LLC	Apartments	67,343,200	4	0.88%	-	-	-
Baystone Revere LLC	Apartments	65,652,600	5	0.85%	-	-	-
205 Revere Beach Parkway LLC	Apartments	57,238,200	6	0.75%	-	-	-
64 VWS Owner LLC	Apartments	56,018,600	7	0.73%	-	-	-
Rumney Flats Apartments LLC	Apartments	52,979,300	8	0.69%	-	-	-
Waters Edge Limited Partnership	Apartments	39,648,800	9	0.51%	-	-	-
21 Revere Beach Boulevard LLC	Apartments	32,228,900	10	0.42%	-	-	-
Overlook Ridge Phase IB, LLC	Apartments	-	-	-	\$ 53,300,100	1	1.41%
Overlook Ridge Phase I, LLC	Apartments	-	-	-	43,815,200	2	1.16%
NECCO Realty MA, LLC	Manufacturing	-	-	-	27,972,456	3	0.74%
Waters Edge Limited Partnership	Apartments	-	-	-	23,275,300	4	0.62%
Rumney Mashview LLC (BJS)	Retail	-	-	-	20,724,700	5	0.55%
Cedar-Rever LLC (Target, Wendy's, Shops at Suffolk Downs)	Retail	-	-	-	18,434,400	6	0.49%
Richard K Bendetson	Apartments	-	-	-	17,137,300	7	0.45%
Wonderland Marketplace LTD Partnership II	Retail	-	-	-	16,553,200	8	N/A
NAI Entertainment Holdings, LLC	Cinema	-	-	-	16,285,300	9	0.43%
Northgate Shopping Center	Retail	-	-	-	15,136,000	10	0.40%
Totals		\$ 768,381,500		10.01%	\$ 252,633,956		6.25%

Source: Debt Offering Statements
Data for 2012 is not available

**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
2012	\$65,828,219	\$785,043	\$65,043,176	\$64,200,678	98.7%	\$493,555	\$64,694,233	99.46%
2013	\$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	\$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%	\$699,332	\$81,258,068	98.98%
2019	\$86,350,244	\$739,949	\$85,610,295	\$83,829,958	97.9%	\$760,452	\$84,590,410	98.81%
2020	\$90,462,324	\$742,782	\$89,719,542	\$87,825,978	97.9%	\$1,458,299	\$89,284,277	99.51%
2021	\$95,597,669	\$840,733	\$94,756,936	\$93,008,143	98.2%	\$0	\$93,008,143	98.15%



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

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

Year	Governmental Activities										Total General Bonded Debt			Total Net General Bonded Debt		
	Population Estimates (1)	Personal Income (2)	Assessed Value (3)	General Obligation Bonds - Total (4)	Less: Resources Restricted for Debt Principal (5)	Total Net General Bonded Debt (4) - (5) + (6) (6)	Capital Leases (6)	Per Capita (4 + 6) / 1	Percentage of Personal Income (4 + 6) / 2	Percentage of Assessed Value (4 + 6) / 3	Per Capita (4 - 5 + 6) / 1	Percentage of Personal Income (4 - 5 + 6) / 2	Percentage of Assessed Value (4 - 5 + 6) / 3			
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%	\$961	5.26%	1.34%			
2013	53,179	\$936,375,832	\$3,769,805,531	\$47,324,154	\$8,013	\$47,682,475	\$368,334	\$897	5.09%	1.27%	\$904	5.13%	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%	\$862	3.41%	1.19%			
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%	\$972	3.73%	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%	\$947	3.61%	1.10%			
2017	53,157	\$1,423,810,245	\$5,038,994,843	\$68,445,034	\$1,175,685	\$67,269,349	-	\$1,288	4.81%	1.36%	\$1,265	4.72%	1.33%			
2018	53,993	\$1,488,533,017	\$5,703,283,241	\$64,606,256	\$1,208,945	\$63,397,311	-	\$1,197	4.34%	1.13%	\$1,174	4.26%	1.11%			
2019	54,183	\$1,493,219,747	\$6,382,600,900	\$65,184,015	\$935,797	\$64,248,218	-	\$1,203	4.37%	1.02%	\$1,186	4.30%	1.01%			
2020	53,073	\$1,506,370,959	\$7,235,835,459	\$60,404,211	\$646,156	\$59,758,055	-	\$1,138	4.01%	0.83%	\$1,126	3.97%	0.83%			
2021	62,186	\$1,696,807,196	\$7,664,470,461	\$95,577,749	\$304,514	\$95,273,235	-	\$1,537	5.63%	1.25%	\$1,532	5.61%	1.24%			

Year	Business-Type Activities			Total Primary Government				Total Primary Government			
	General Obligation Bonds	Direct Borrowings	Total (7)	Total General Bonded Debt			Total Net General Bonded Debt				
				Total Debt Outstanding (4 + 6 + 7)	Per Capita (4 + 6 + 7) / 1	Percentage of Personal Income (4 + 6 + 7) / 2	Percentage of Assessed Value (4 + 6 + 7) / 3	Total Net Debt Outstanding (4 - 5 + 6 + 7)	Per Capita (4 - 5 + 6 + 7) / 1	Percentage of Personal Income (4 - 5 + 6 + 7) / 2	Percentage of Assessed Value (4 - 5 + 6 + 7) / 3
2012	\$1,100,000	\$8,018,639	\$9,118,639	\$59,356,992	\$1,129	6.18%	1.57%	\$59,191,773	\$1,126	6.16%	1.57%
2013	\$1,332,610	\$14,782,455	\$16,115,065	\$63,805,553	\$1,200	6.81%	1.69%	\$63,797,540	\$1,200	6.81%	1.69%
2014	\$1,154,710	\$13,849,458	\$15,004,168	\$60,692,010	\$1,129	4.47%	1.56%	\$60,610,824	\$1,128	4.46%	1.56%
2015	\$960,860	\$23,774,923	\$24,735,783	\$77,259,457	\$1,427	5.47%	1.81%	\$76,982,951	\$1,421	5.45%	1.80%
2016	\$818,660	\$32,082,375	\$32,901,035	\$83,872,155	\$1,570	5.98%	1.82%	\$83,445,672	\$1,562	5.95%	1.81%
2017	\$683,800	\$66,399,487	\$67,083,287	\$135,528,321	\$2,550	9.52%	2.69%	\$134,352,636	\$2,527	9.44%	2.67%
2018	\$603,800	\$64,074,807	\$64,678,607	\$129,284,863	\$2,394	8.69%	2.27%	\$128,075,918	\$2,372	8.60%	2.25%
2019	\$1,158,800	\$69,272,167	\$70,430,967	\$135,614,982	\$2,503	9.08%	2.12%	\$134,679,185	\$2,486	9.02%	2.11%
2020	\$1,018,800	\$79,254,293	\$80,273,093	\$140,677,304	\$2,651	9.34%	1.94%	\$140,031,148	\$2,638	9.30%	1.94%
2021	\$878,800	\$88,881,645	\$89,760,445	\$185,338,194	\$2,980	10.92%	2.42%	\$185,033,680	\$2,975	10.90%	2.41%

(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, 2021

<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.....	\$ 5,516,228,000	2.082%	\$ <u>3,616,480</u>
Total direct debt.....			<u>95,577,749</u>
Total direct and overlapping debt.....			<u>\$ <u>99,194,229</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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equalized Valuation.....	<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>\$ 4,907,377,600</u>	<u>\$ 4,907,377,600</u>	<u>\$ 6,112,000,400</u>	<u>\$ 6,112,000,400</u>	<u>\$ 7,759,126,900</u>	<u>\$ 7,759,126,900</u>
Debt Limit -5% of Equalized Valuation.....	\$ 200,649,275	\$ 200,649,275	\$ 206,772,880	\$ 206,772,880	\$ 245,368,880	\$ 245,368,880	\$ 305,600,020	\$ 305,600,020	\$ 387,956,345	\$ 387,956,345
Less:										
Outstanding debt applicable to limit.....	49,784,297	47,324,154	44,947,511	52,112,818	50,898,896	68,445,034	64,606,256	65,184,015	60,404,211	95,577,749
Authorized and unissued debt.....	<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>	<u>82,646,698</u>	<u>76,955,572</u>	<u>51,845,101</u>
Legal debt margin.....	<u>\$ 59,197,133</u>	<u>\$ 86,831,552</u>	<u>\$ 103,060,455</u>	<u>\$ 101,099,954</u>	<u>\$ 157,415,423</u>	<u>\$ 153,179,924</u>	<u>\$ 147,816,893</u>	<u>\$ 157,769,307</u>	<u>\$ 250,596,562</u>	<u>\$ 240,533,495</u>
Total debt applicable to the limit as a percentage of debt limit.....	70.50%	56.72%	50.16%	51.11%	35.85%	37.57%	51.63%	48.37%	35.41%	38.00%

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)
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%
2019	54,183	\$ 1,493,219,747	\$ 27,600	7,848	3.00%
2020	53,073	\$ 1,354,701,000	\$ 25,170	7,531	9.30%
2021	62,186	\$ 1,696,807,196	\$ 27,286	7,166	8.40%

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	2021			2012		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon	E-Commerce	500	1	5.58%	-	-	-
Market Basket	Retail-Grocery	210	2	2.34%	-	-	-
Mass General Hospital	Medical	200	3	2.23%	200	2	2.40%
Price Rite	Retail-Grocery	185	4	2.06%	185	3	2.22%
Lighthouse Nursing	Medical	182	5	2.03%	180	4	2.16%
Target	Retail	170	6	1.90%	170	5	2.04%
Burlington Coat Factory	Retail	160	7	1.79%	-	-	-
Stop & Shop (Squire Road)	Retail-Grocery	150	8	1.67%	150	6	1.80%
BeDriven North Shore	Livery	150	8	1.67%	100	8	1.20%
Annemark Nursing	Medical	135	9	1.51%	135	7	1.62%
OceanAir	Shipping/Logistics	100	10	1.12%	100	8	1.20%
Showcase Cinema	Entertainment	-	-	-	100	8	1.20%
New England Confectionary Co	Manufacturing	-	-	-	400	1	4.79%
Stop & Shop (Wonderland Plaza)	Retail - Grocery	-	-	-	150	6	1.80%
Shaw's	Retail - Grocery	-	-	-	150	6	1.80%
		<u>2,142</u>		<u>23.90%</u>	<u>2,020</u>		<u>24.20%</u>

Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Function</u>										
General government.....	76	80	79	73	76	69	67	68	72	67
Public safety.....	184	191	219	212	232	243	234	229	242	241
Public education.....	960	996	996	1,015	1,020	1,151	1,151	879	879	879
Public works.....	29	32	27	29	27	32	22	24	22	21
Human services.....	15	16	9	9	9	10	10	28	23	14
Culture and recreation.....	5	6	14	17	16	12	12	12	15	15
Water & Sewer.....	10	11	12	10	15	15	25	26	30	27
Total.....	<u>1,279</u>	<u>1,332</u>	<u>1,356</u>	<u>1,365</u>	<u>1,395</u>	<u>1,532</u>	<u>1,521</u>	<u>1,266</u>	<u>1,283</u>	<u>1,263</u>

Source: Various City Departments

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	6
Number of middle schools.....	2	2	2	2	2	2	2	2	2	3
Number of high schools.....	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets to maintain (miles).....	86	86	86	86	86	86	86	86	86	86
Culture and recreation										
Buildings.....	1	1	1	1	1	1	1	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>Injured Leave Stabilization</u>
2021.....	\$ Not Available	\$ 8,990,924	\$ 462,329	\$ 19,814	\$ (93,701)
2020.....	\$ 1,329,154	\$ 8,560,371	\$ 1,415,852	\$ 19,570	\$ 267,842
2019.....	\$ 6,303,811	\$ 8,472,453	\$ 1,243,508	\$ 70,370	\$ 270,415
2018.....	\$ 6,127,553	\$ 7,386,313	\$ 1,106,051	\$ 425,000	\$ 386,924
2017.....	\$ 6,273,580	\$ 6,445,276	\$ 1,000,000	\$ -	\$ -
2016.....	\$ 4,412,074	\$ 5,766,592	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -

Source: Massachusetts Department of Revenue / Audited Financial Statements
 The City's free cash balance was not certified by the Department of Revenue for 2015.