

CITY OF REVERE, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2023



Revere Beach International Sand Sculpting Competition

CITY OF REVERE, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**For the year ended
June 30, 2023**

Prepared By:

Office of the CFO/City Auditor

CITY OF REVERE, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2023

TABLE OF CONTENTS

Introductory Section.....	1
Letter of Transmittal	3
Certificate of Achievement	8
Organizational Chart	9
Principal City Officials	10
Financial Section	11
Independent Auditor’s Report	13
Management’s Discussion and Analysis	16
Basic Financial Statements.....	26
Statement of Net Position.....	27
Statement of Activities.....	28
Governmental Funds – Balance Sheet	30
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	31
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds – Statement of Net Position.....	34
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position	35
Proprietary Funds – Statement of Cash Flows	36
Fiduciary Funds – Statement of Fiduciary Net Position	37
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	38
Notes to the Basic Financial Statements	39
Required Supplementary Information	77
General Fund Budgetary Comparison Schedule	78
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual...79	
Pension Plan Schedules – Retirement System.....	85
Schedule of Changes in the Net Pension Liability and Related Ratios	86
Schedule of Contributions	88
Schedule of Investment Returns	89

Pension Plan Schedules – City	90
Schedule of the City’s Proportionate Share of the Net Pension Liability.....	91
Schedule of the City’s Contributions.....	92
Schedule of Special Funding Amounts of the Net Pension Liability.....	93
Other Postemployment Benefit Plan Schedules	94
Schedule of Changes in the City’s Net OPEB Liability and Related Ratios.....	95
Schedule of the City’s Contributions.....	96
Schedule of Investment Returns	97
Notes to Required Supplementary Information.....	98
Other Supplementary Information.....	103
Combining and Individual Statements.....	105
Nonmajor Governmental Funds	106
Nonmajor Governmental Funds – Combining Balance Sheet.....	108
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	110
Custodial funds.....	112
Combining Statement of Fiduciary Net Position - Custodial funds.....	113
Combining Statement of Changes in Fiduciary Net Position - Custodial funds.....	114
Statistical Section.....	115
Net Position by Component – last ten years.....	116
Changes in Net Position – last ten years.....	117
Fund Balances, Governmental Funds – last ten years.....	118
Changes in Fund Balance, Governmental Funds – last ten years	119
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates – last ten years	120
Principal Taxpayers – current year and nine years ago	121
Property Tax Levies and Collections – last ten years.....	122
Ratios of Outstanding Debt and General Bonded Debt – last ten years	123
Direct and Overlapping Governmental Activities Debt.....	124
Computation of Legal Debt Margin – last ten years.....	125
Demographic and Economic Statistics – last ten years.....	126
Principal Employers – current year and nine years ago	127
Full-time Equivalent City Employees by Function – last ten years	128
Capital Asset Statistics by Function/Program – last ten years	129
Free Cash and Stabilization Fund Balances – last ten years	130

Introductory Section



Clock Tower at Revere Beach

City of Revere, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2023

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, 2023

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, 2023, for your review.

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

The City’s financial statements have been audited by 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, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is

designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City is located on the eastern coast of Massachusetts, and is bordered by Boston, Winthrop, and Chelsea on the south, Everett and Malden on the west, Saugus and Lynn on the north, and the Atlantic Ocean on the east; home of America's first public beach. The City has a population of approximately 62,186 (according to the 2020 U.S. Census) and occupies a land area of 5.95 square miles. Settled in 1626 and originally a part of Chelsea, Revere was established as a separate town in 1871 and incorporated as a city in 1915. It is primarily a residential suburb of Boston.

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

The City is a municipal corporation governed by an elected Mayor and an eleven-member City Council with six members being elected from wards and five members elected city-wide. The School Committee, consisting of six elected members and the Mayor, who serves as ex-officio, appoints the School Superintendent who administers the public school system of the City.

Factors Affecting Financial Condition

The City continues to reflect a strong local economic condition through the recent fiscal crisis. The per capita income continues to rise and outpace the state averages and 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 by 7.0%, including an 8.7% increase in property and casualty insurance, and a 7.3% increase in employee benefits. On the City's operating side, the 2023 budgets and service levels continue to be brought back to pre-pandemic staffing levels, which resulted in an increase of 9.0% in the public safety operating budget and 7.6% in the public works budget. Costs of education also increased because of the governor funding the Student Opportunity Act, which provides additional funding for low-income students, students of color and English learners who have been left behind by an outdated funding system. As a result, the City's Chapter 70 funding increased by 16.5% (approximately \$14 million) which resulted in an increase of 11.9% in the education budget.

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

The City continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. It has maintained a high bond rating even with the overall unsettled economy. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining reserve balances despite tight budgets; investing in technology to ensure efficient operations; negotiating sustainable collective bargaining agreements; and maintaining an aggressive pay as you go financing strategy for capital improvements. The City's long-term policies will preserve its strong financial position for the foreseeable future. In 2023, the City continued to demonstrate its commitment to the

Financial Policy of maintaining and building an appropriate reserve account. We have also added an Affordable Housing Trust Fund to help increase the amount of affordable housing in the city, with 10% of the City's annual free cash certification going directly toward this new fund.

The City has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The City monitors and schedules retirement and issuances of debt to ensure that debt service does not exceed 10% of the operating budget, ensuring availability of resources for ongoing operations.

The City contributes to the Revere Contributory Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan (Plan) administered by the Revere Contributory Retirement Board. Every two years, an independent actuary engaged by the Board calculates the amount of the annual contribution that the City must make to the pension plan to ensure its ability to fully meet its obligations to retired employees. As required by law, the City fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of January 1, 2023, the latest actuarial valuation of the System completed by Public Employee Retirement Administration System (PERAC), the City now has a funded ratio of its actuarial liability of 66.64%. The remaining unfunded amount is being systematically funded over 10 years as part of the annual required contribution as calculated by the actuary, with a funding schedule increasing at 5.0% per year until 2033.

The City sponsors a postemployment health care plan that provides postemployment health care benefits for certain retirees and their dependents. There are approximately 1,000 retirees receiving these benefits, which are financed on a pay-as-you-go basis. The Plan conducts an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year's benefits. The most recent actuarial valuation was prepared in accordance with GASB Statement #74 and #75. The valuation projects a total OPEB liability of approximately \$315 million. The City maintains an other-postemployment benefit trust fund. At the end of 2023 the Trust had a balance of \$1.67 million. The difference between the total OPEB liability and the Trust Fund balance is the net OPEB liability that has been recorded in the Government-wide and Proprietary Funds Statement of Net Position.

Economic Development and Expansion

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

One of the largest mixed-use master developments in the Commonwealth has been approved by the Revere City Council in 2018 at the 160-acre Suffolk Downs Racetrack, 52 acres of which are in Revere. The City has recently approved a master planned unit development by the HYM Investment Group, LLC for the construction of 5.8 million gross square feet of mixed-use development on the 52-acre Revere portion of the Suffolk Downs site. This master planned development will be constructed in 4 phases beginning at Beachmont Square adjacent to the Beachmont T Station. The total mixed-use project will consist of 2.9 million gross square feet of commercial uses including an Innovation Center, hotels, office buildings, restaurants, and retail and 2.9 million gross square feet of residential uses. The first phase of the project broke ground last year. Amaya, a 475-unit apartment complex with 24,000 square feet of commercial space, is currently under construction and scheduled for a fall 2024 completion.

Also on the horizon is the development of the new Revere High School. In 2023, the City voted to take the vacant site of the former Wonderland Greyhound Racetrack by eminent domain for \$29.0 million. After the property was taken, a subsequent vote on feasibility caused the City to instead turn its attention to the fields at the existing high

school site. The School Building Committee is currently undertaking a new feasibility study to determine whether the alternative site is more suitable for the project.

Many development projects are in the planning, design, and construction phase along Revere Beach. Following many years of negotiations with the Commonwealth's Department of Conservation and Recreation, the MBTA, and the subsequent designation of Eurovest Development as the master developer of Waterfront Square, the City has largely realized its vision of transforming what had been nearly nine acres of surface parking lots into a series of dynamic, mixed-use properties. These include the completed projects of Ocean 650 at 650 Ocean Avenue consisting of 230 luxury rental units; the Eliot/ Vanguard at 660 Ocean Avenue consisting of 194 luxury rental units; a mixed-use development at 500 Ocean Avenue consisting of 305 luxury rental units and two restaurants; and the completion of a 172-room Marriott/Spring Hill Suites Hotel at 400 Ocean Avenue, containing significant commercial components including a restaurant, a Starbucks, and a function facility, further adding to the significant economic activity at this Transit-Oriented Development Site. The latter two projects have been built adjacent to the pedestrian plaza and bridge that connects the Wonderland T Station to the waterfront. This past year saw the opening of the newest development along Waterfront Square: the Robinson, a 230-unit mixed-use development at 656 Ocean Avenue, which opened this fall. The final parcel in the Waterfront Square master plan currently under construction, is a 213-unit mixed use residential development at 646 Ocean Avenue, scheduled for a 2024 completion.

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

On the southern end of Revere Beach, at 50 Ocean Avenue and 21 Revere Beach Boulevard, is The Ryder, a 200-unit residential mixed-use property developed by Redgate Development featuring Cut 21, a dynamic steak house and lounge that has brought new life to the southern end of Revere Beach. Another completed development along the waterfront on Revere Beach Boulevard is the 145-unit mixed-use development "BLVD" at 320 Revere Beach Boulevard, which also includes a new restaurant, Seas the Day. In 2023, a series of new mixed-use projects were approved in this area including 49-64 Revere Beach Boulevard, which includes 139 condominium units and 7,000 square feet of street-level retail and restaurant space.

In addition to the aforementioned developments, there are a number of additional projects that have been completed since 2021, including 195 residential units at 205 Revere Beach Parkway by Gate Residential; a 162-room Staybridge Suites/Holiday Inn by XSS Hotels next door at 245 Revere Beach Parkway; a 35 unit mixed-use residential development at 43 Nahant Avenue; a new 15,000 square foot East Boston Neighborhood Health Center located at 10 Garofalo Way; the 100-room Avid Hotel at 405 American Legion Highway; and a 52-unit residential development at 571 Revere Street. Many other smaller developments have been built or are permitted to be built throughout the city as well, several of which are on Shirley Avenue, which has seen a dynamic transformation in recent years. Over one hundred units were built in the neighborhood in 2023, with an additional two hundred in construction or in permitting over the next year.

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

In the industrial sector, two important developments have taken place. At 505 Squire Road, Amazon recently completed construction on a 142,000 square foot distribution facility. The site opened November 1 for the holiday

season. Although planning to pause operations after the holiday season, in preparation for a full launch in 2025, there remains a possibility that the facility will remain open beyond the holidays, which is well before their 2025 goal. In addition, Link Logistics recently completed permitting for a 387,000 square foot technology warehouse and a separate 282,000 square foot technology warehouse at the former Global Petroleum site and is currently in the process of removing the 19 oil tanks in preparation for Phase 1, which include the larger logistics facility.

Financial and Management Systems

Internal Controls

The Chief Financial Officer (CFO) of the City is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The CFO is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Controls

The Mayor is responsible for preparing and presenting the budget to the City Council. The City Council, having the authority to amend down and/or reject the budget or any line item, adopts the expenditure budget by majority vote. The level of budgetary control is established by the City Council and defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department program level. The City Auditor is responsible for ensuring all payroll and invoices are within budget parameters before authorizing payment. Additional appropriations may be approved by the City Council throughout the year.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Revere for its Annual Comprehensive financial report (ACFR) for the year ended June 30, 2022. This was the tenth time that the City submitted an ACFR to the GFOA. The City was awarded this Certificate in all ten consecutive years. 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 a significant effort by the entire financial team of the City, whose dedicated efforts have significantly improved the financial operations of the City. I would like to express my appreciation to the members of all the departments who assisted and contributed to the preparation of this report. I would also like to acknowledge and give credit to the Mayor and the City Council for their constant support to uphold the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Richard Viscay
CFO/City Auditor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

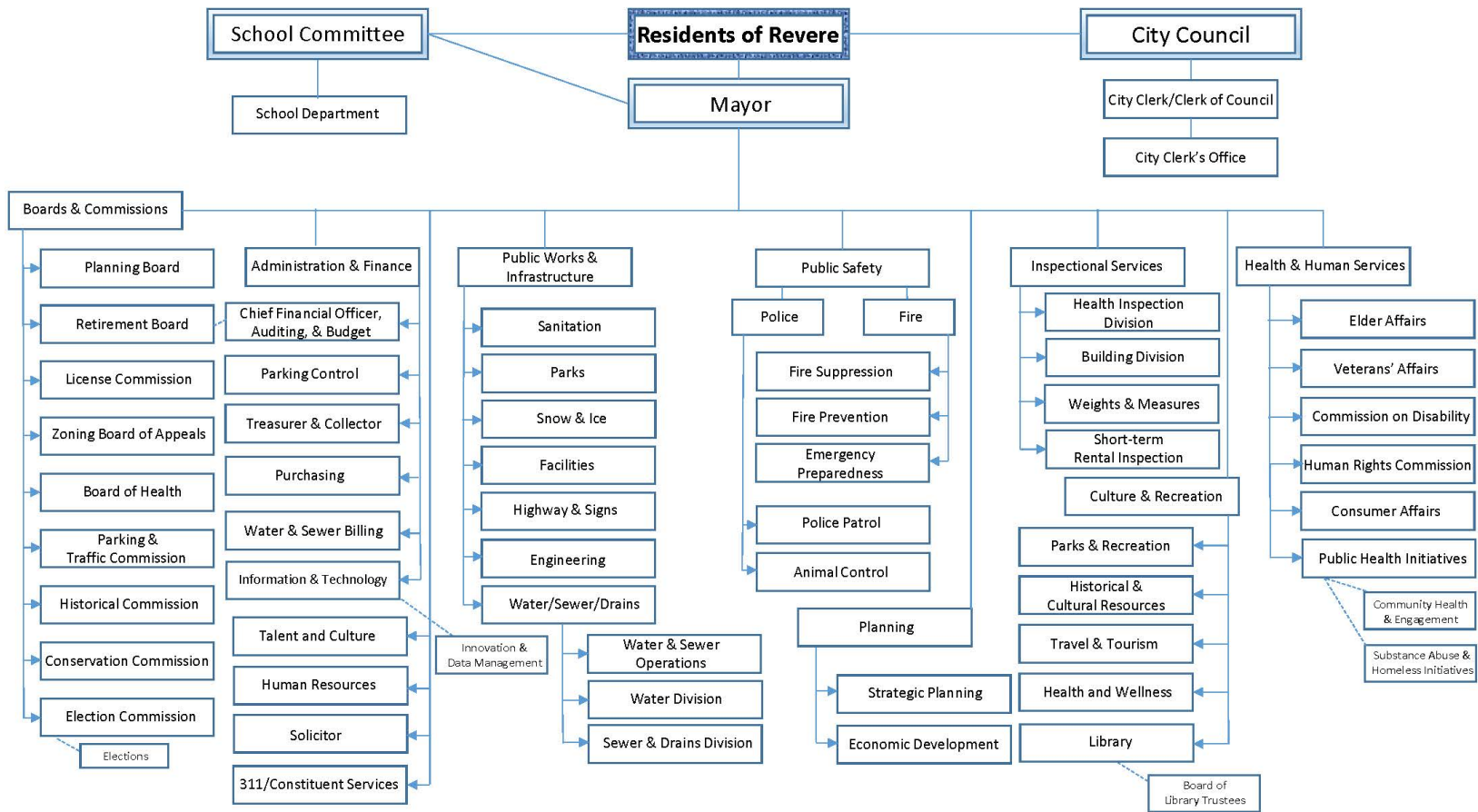
**City of Revere
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



Principal City Officials

As of June 30, 2023

Elected Officials

Mayor	Patrick M. Keefe, Jr. (Acting)
City Council	<u>City Councilors-at-Large</u> Dan Rizzo Steven Morabito Gerry Visconti Marc Silvestri Anthony T. Zambuto
	<u>Ward City Councilors</u> Joanne McKenna Ira Novoselsky Anthony S. Cogliandro Patrick M. Keefe, Jr. John F. Powers Richard Serino
School Committee	Stacey Bronsdon-Rizzo Michael A. Ferrante John Kingston Aisha Milbury-Ellis Jacqueline Monterroso Carol A. Tye
Northeast Metropolitan Regional Vocational School Committee	Anthony Caggiano

Principal Executive Officers

City Collector and City Treasurer	Cathy Bowden
CFO / City Auditor	Richard Viscay
Assessor – Chairman of the Board	Dana Brangiforte
Assessor – Member of the Board	John Verrengia
Assessor – Member of the Board	Mathew McGrath
City Clerk	Ashley E. Melnik
Police Chief	David Callahan
Fire Chief	Christopher P. Bright
Superintendent of Schools	Dianne Kelly
School Business Manager	Matthew Kruse
City Engineer	Nicholas J. Rystrom, P.E.
DPW Superintendent	Paul Argenzio
City Solicitor	Paul Capizzi, Esq.
Clerk of City Council	Ashley E. Melnik

Financial Section



The Main Floor of Revere Public Library

City of Revere, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Revere, Massachusetts, as of and for the year ended June 30, 2023 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the City of Revere, Massachusetts' basic financial statements as listed in the table of contents.

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, 2023 (except for the Revere Contributory Retirement System which is as of and for the year ended December 31, 2022), 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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 is the responsibility of management and, 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.

Supplementary 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 accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Revere, Massachusetts' 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 City of Revere, Massachusetts' internal control over financial reporting and compliance.



December 22, 2023

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, 2023. 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, the State and Local Recovery Fund (ARPA) 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 \$115.7 million at the close of 2023, a decrease of \$670,000 from the prior year.

Net position of \$179.1 million reflects its investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, infrastructure, and 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, \$12.6 million, represents resources that are subject to external restrictions on how they may be used. Unrestricted net position is in a deficit of \$307.4 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 \$313.6 million and \$104.9 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 \$153.9 million at the close of 2023. The following summarizes the financial components of the City’s governmental activities.

	2023	2022
Assets:		
Current assets.....	\$ 132,031,467	\$ 148,920,934
Capital assets, non depreciable.....	58,575,502	16,088,713
Capital assets, net of accumulated depreciation....	181,054,370	179,703,963
Total assets.....	371,661,339	344,713,610
Deferred outflows of resources.....	74,705,337	23,588,600
Liabilities:		
Current liabilities (excluding debt).....	34,076,966	32,335,709
Noncurrent liabilities (excluding debt).....	411,397,808	309,407,984
Current debt.....	8,410,913	8,498,478
Noncurrent debt.....	114,207,413	98,805,109
Total liabilities.....	568,093,100	449,047,280
Deferred inflows of resources.....	32,186,950	68,470,899
Net position:		
Net investment in capital assets.....	146,988,855	137,126,704
Restricted.....	12,611,291	12,065,174
Unrestricted.....	(313,513,520)	(298,407,847)
Total net position.....	\$ (153,913,374)	\$ (149,215,969)

A significant portion of the City’s governmental activities net position, \$148.2 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 \$12.6 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 \$314.8 million is due to the recognition of a \$306.5 million net other postemployment benefits liability and a \$101.0 million net pension liability.

Governmental activity liabilities also include \$122.6 million in general obligation bonds and notes outstanding, \$5.3 million in compensated absence liabilities, and \$629,000 of liabilities relating to workers compensation claims.

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

	2023	2022
Program Revenues:		
Charges for services.....	\$ 17,675,428	\$ 20,074,560
Operating grants and contributions.....	145,931,174	134,249,192
Capital grants and contributions.....	3,137,551	2,442,399
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	106,915,350	99,947,577
Tax and other liens.....	951,025	760,245
Motor vehicle and other excise taxes.....	7,068,384	6,358,138
Hotel/motel tax.....	2,961,891	1,757,032
Meals tax.....	1,028,621	864,367
Penalties and interest on taxes.....	442,889	518,003
Payments in lieu of taxes.....	203,653	250,234
Grants and contributions not restricted to specific programs.....	13,046,759	12,546,454
Unrestricted investment income (loss).....	4,011,064	(129,778)
Total revenues.....	303,373,789	279,638,423
Expenses:		
General government.....	27,443,793	24,834,586
Public safety.....	60,724,785	45,248,280
Education.....	193,136,831	171,909,117
Public works.....	8,959,993	6,917,747
Health and human services.....	4,332,430	3,547,778
Trash and recycling.....	4,624,345	4,510,933
Culture and recreation.....	4,016,897	2,706,405
Interest.....	2,888,186	3,801,533
Total expenses.....	306,127,260	263,476,379
Excess (Deficiency) before transfers.....	(2,753,471)	16,162,044
Transfers.....	(1,943,934)	-
Change in net position.....	(4,697,405)	16,162,044
Net position, beginning of year.....	(149,215,969)	(165,378,013)
Net position, end of year.....	\$ (153,913,374)	\$ (149,215,969)

The governmental activities net position decreased in the current year by \$4.7 million. The primary factors affecting the change in net position were increases in the net other postemployment benefit liability and net pension liability and related deferred outflows/(inflows) of resources totaling \$13.9 million. These expenses were offset by \$3.1 million in capital grants received and positive budgetary results in the City's general fund.

The following are part of the overall changes in governmental activities that warrant further discussion:

- Expenses increased over the prior year by \$42.7 million largely due to: 1) increases across all functions in the net pension liability and net other postemployment benefit liability and related deferred outflows/(inflows) of resources; 2) a \$4.4 million increase in expense related to the recognition of on-behalf payments made to the Massachusetts Teachers Retirement System; 3) and budgetary growth across all functional expense categories. The primary focus of the increase in expenses are the education and public safety functions.

- Revenues increased, over the prior year, \$23.7 million due to:
 - Growth of \$7 million in real estate and personal property tax revenues. This is in line with budgetary assumptions.
 - Growth of \$1.2 million in hotel/motel taxes which was expected as COVID travel restrictions eased.
 - Growth of \$11.7 million in operating grant revenue. This is primarily due to: 1) a \$5.7 million increase in grant revenues recognized from the State and Local Fiscal Recovery Fund; and, 2) a \$4.4 million increase in revenues related to the recognition of on-behalf payments made to the Massachusetts Teachers Retirement System.
 - Decreased charges for service revenue due to decreased permits and licenses revenues offset by an increase in police and fire detail revenues.
 - Growth of \$4.1 million in investment income which occurred as a result of improving investment market conditions

Business-Type Activities

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

	2023	2022
Assets:		
Current assets.....	\$ 32,021,173	\$ 29,388,927
Capital assets, non depreciable.....	11,265,554	546,000
Capital assets, net of accumulated depreciation....	125,104,862	117,774,303
Total assets.....	168,391,589	147,709,230
Deferred outflows of resources.....	2,070,647	737,894
Liabilities:		
Current liabilities (excluding debt).....	2,268,941	1,499,631
Noncurrent liabilities (excluding debt).....	10,927,820	8,312,414
Current debt.....	10,136,125	19,979,896
Noncurrent debt.....	108,157,414	82,355,336
Total liabilities.....	131,490,300	112,147,277
Deferred inflows of resources.....	757,337	2,112,624
Net position:		
Net investment in capital assets.....	30,873,136	27,674,103
Unrestricted.....	7,341,463	6,513,120
Total net position.....	\$ 38,214,599	\$ 34,187,223
	2023	2022
Program Revenues:		
Charges for services.....	\$ 29,315,670	\$ 26,971,014
Capital grants and contributions.....	2,127,673	3,104,069
General Revenues:		
Unrestricted investment income (loss).....	622,751	(20,322)
Total revenues.....	32,066,094	30,054,761
Expenses:		
Water and sewer.....	29,982,652	26,973,614
Excess (Deficiency) before transfers.....	2,083,442	3,081,147
Transfers.....	1,943,934	-
Change in net position.....	4,027,376	3,081,147
Net position, beginning of year.....	34,187,223	31,106,076
Net position, end of year.....	\$ 38,214,599	\$ 34,187,223

The net position of the business-type activities increased by \$4 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. The increase is attributable to two primary factors: 1) funds transferred in, but not expended by fiscal year end, from other funds; and 2) transfers in of capital assets and bonded debt from the governmental activities.

Total business type activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38.2 million at the close of 2023.

Net position of \$30.9 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 \$7.3 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 2023, governmental funds reported combined ending fund balances of \$83.1 million, a decrease of \$18.1 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 \$14.9 million, while total fund balance equaled \$39.3 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 6.2% of general fund expenditures while total fund balance represents about 16.2%. The general fund decreased by \$2.3 million during 2023.

The decrease in fund balance was primarily related to the use of existing fund balance to fund departmental expenditures and transfers out of the general fund.

State and Local Recovery Funds (ARPA)

In 2023, the City recognized \$8.9 million in revenue related to the American Rescue Plan Act (ARPA). Fund revenues are not recognized until eligible expenditures or transfers out to other funds are incurred. In the current year, the City spent \$3.1 million directly from the ARPA Fund, and transferred out an additional \$5.9 million in funding to other various funds. The remaining funds received, but not yet spent or transferred to other funds were recorded as an unearned revenue liability of \$17 million.

City Capital Projects Fund

This fund accounts for and reports financial resources that are restricted to expenditure for non-education related capital outlays. The fund had an ending balance of \$17.4 million, which was a decrease of \$19.6 million over the prior year. The change in fund balance is the result of timing differences between the funding of projects and the spending of that funding.

General Fund Budgetary Highlights

The difference of \$8.6 million between the original budget appropriations of \$253.4 million and the final amended budget of \$262.0 million was due to increased appropriations to mainly fund transfers to the stabilization fund and capital project funds. The supplemental appropriations were mainly funded with existing fund balance and other available fund transfers.

In total, actual collections in budgeted revenue categories were \$3.0 million higher than expected. This is mainly the result of conservative budgeting of investment income exceeding expectations by \$2.9 million. Actual expenditures and carryforwards were under budget by \$1.2 million in variety of appropriations.

Stabilization Funds

At June 30, 2023, \$9.9 million has been set aside in stabilization funds for various purposes. For financial reporting purposes, these funds are classified as part of the unassigned fund balance of the general fund. During the year the general fund transferred \$2.7 million to the stabilization funds. Additionally, \$2.1 was transferred out of the stabilization funds to fund capital projects and the public safety budget. See Note 8 for further discussion of the stabilization fund arrangement.

Capital Asset and Debt Administration

The City's valuation of governmental activities capital assets as of June 30, 2023, amounts to \$239.6 million, net of accumulated depreciation. This amount represents purchases made over time in the following categories: land; construction in process; buildings and improvements; machinery, equipment and furnishings; and infrastructure.

In October 2022, the City authorized indebtedness totaling \$29.5 million to acquire a buildable site for the new high school. On October 24, 2022, the City was authorized to acquire the site for the school by eminent domain, and in 2023 the City issued the borrowings and purchased the land for \$28.8 million. The \$28.8 million was capitalized and added to the City's land assets in the governmental activities.

Other governmental activities capital asset acquisitions included approximately \$18.3 million for the public works building construction, which was added to construction in progress. The City also spent \$8.6 million in enhancements to the City's infrastructure and \$3.6 million in acquisitions related to machinery, equipment and furnishings.

The City's valuation of business-type activities capital assets as of June 30, 2023, amounts to \$136.4 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.

The City transferred \$10.3 million of non-depreciable assets and the related debt of \$9.9 million from the governmental activities to the business-type activities.

At June 30, 2023, the City had total governmental bonded debt of \$120.3 million. Of this amount, \$26.2 million is for school purposes, \$26.6 million is for public safety purposes, \$15.1 million is for the DPW building, \$2.3 million is for the Harry Della Russo stadium reconstruction, \$33.2 million is related to land acquisition costs and \$9.6 million is for various other governmental purposes. Additionally, \$6.8 million of unamortized bond premiums is also included in the overall governmental bonded debt balance.

The City also transferred \$9.9 million of long term debt from the governmental activities to the business-type activities.

The water & sewer enterprise fund has \$114.4 million in long-term debt that is supported by the water and sewer rates.

Currently the City has \$70.5 million in authorized and unissued long-term debt relating to future projects.

Additional information on the City's capital assets and debt activity may be found in Notes 4, 6 and 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.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 95,061,602	\$ 9,313,113	\$ 104,374,715
Investments.....	20,496,304	4,027,550	24,523,854
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	294,848	-	294,848
Tax liens.....	5,492,189	-	5,492,189
Motor vehicle and other excise taxes.....	1,544,820	-	1,544,820
User charges.....	-	8,350,850	8,350,850
Departmental and other.....	346,127	-	346,127
Intergovernmental.....	4,960,402	10,329,660	15,290,062
Tax foreclosures.....	322,775	-	322,775
Working capital deposit.....	3,512,400	-	3,512,400
Total current assets.....	132,031,467	32,021,173	164,052,640
NONCURRENT:			
Capital assets, nondepreciable.....	58,575,502	11,265,554	69,841,056
Capital assets, net of accumulated depreciation.....	181,054,370	125,104,862	306,159,232
Total noncurrent assets.....	239,629,872	136,370,416	376,000,288
TOTAL ASSETS.....	371,661,339	168,391,589	540,052,928
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	1,243,360	-	1,243,360
Deferred outflows related to pensions.....	25,140,952	955,048	26,096,000
Deferred outflows related to other postemployment benefits.....	48,321,025	1,115,599	49,436,624
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	74,705,337	2,070,647	76,775,984
LIABILITIES			
CURRENT:			
Warrants payable.....	9,778,699	996,720	10,775,419
Accrued payroll.....	874,020	30,284	904,304
Health claims payable.....	1,878,457	-	1,878,457
Tax refunds payable.....	968,000	-	968,000
Accrued interest.....	1,491,415	1,185,937	2,677,352
Unearned revenue.....	17,002,375	-	17,002,375
Compensated absences.....	2,002,000	56,000	2,058,000
Workers' compensation.....	82,000	-	82,000
Notes payable.....	2,360,574	3,917,089	6,277,663
Bonds payable.....	6,050,339	6,219,036	12,269,375
Total current liabilities.....	42,487,879	12,405,066	54,892,945
NONCURRENT:			
Compensated absences.....	3,343,000	14,000	3,357,000
Workers' compensation.....	547,000	-	547,000
Net pension liability.....	101,026,000	3,838,000	104,864,000
Net other postemployment benefits liability.....	306,481,808	7,075,820	313,557,628
Bonds payable.....	114,207,413	108,157,414	222,364,827
Total noncurrent liabilities.....	525,605,221	119,085,234	644,690,455
TOTAL LIABILITIES.....	568,093,100	131,490,300	699,583,400
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	943,000	36,000	979,000
Deferred inflows related to other postemployment benefits.....	31,243,950	721,337	31,965,287
TOTAL DEFERRED INFLOWS OF RESOURCES.....	32,186,950	757,337	32,944,287
NET POSITION			
Net investment in capital assets.....	146,988,855	30,873,136	177,861,991
Restricted for:			
Debt service.....	88,328	-	88,328
Gifts and grants.....	12,522,963	-	12,522,963
Unrestricted.....	(313,513,520)	7,341,463	(306,172,057)
TOTAL NET POSITION.....	\$ (153,913,374)	\$ 38,214,599	\$ (115,698,775)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

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.....	\$ 27,443,793	\$ 6,667,636	\$ 12,710,824	\$ 37,206	\$ (8,028,127)
Public safety.....	60,724,785	6,797,065	848,298	-	(53,079,422)
Education.....	193,136,831	477,764	130,969,440	2,289,339	(59,400,288)
Public works.....	8,959,993	2,538,630	371,379	811,006	(5,238,978)
Health and human services.....	4,332,430	344,839	813,326	-	(3,174,265)
Trash and recycling.....	4,624,345	263,501	-	-	(4,360,844)
Culture and recreation.....	4,016,897	585,993	217,907	-	(3,212,997)
Interest.....	2,888,186	-	-	-	(2,888,186)
Total Governmental Activities.....	306,127,260	17,675,428	145,931,174	3,137,551	(139,383,107)
<i>Business-Type Activities:</i>					
Water and sewer.....	29,982,652	29,315,670	-	2,127,673	1,460,691
Total Primary Government.....	\$ 336,109,912	\$ 46,991,098	\$ 145,931,174	\$ 5,265,224	(137,922,416)

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (139,383,107)	\$ 1,460,691	\$ (137,922,416)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	106,915,350	-	106,915,350
Tax and other liens.....	951,025	-	951,025
Motor vehicle and other excise taxes.....	7,068,384	-	7,068,384
Hotel/motel tax.....	2,961,891	-	2,961,891
Meals tax.....	1,028,621	-	1,028,621
Penalties and interest on taxes.....	442,889	-	442,889
Payments in lieu of taxes.....	203,653	-	203,653
Grants and contributions not restricted to specific programs.....	13,046,759	-	13,046,759
Unrestricted investment income.....	4,011,064	622,751	4,633,815
<i>Transfers, net</i>	(1,943,934)	1,943,934	-
Total general revenues.....	<u>134,685,702</u>	<u>2,566,685</u>	<u>137,252,387</u>
Change in net position.....	(4,697,405)	4,027,376	(670,029)
<i>Net position:</i>			
Beginning of year.....	<u>(149,215,969)</u>	<u>34,187,223</u>	<u>(115,028,746)</u>
End of year.....	\$ <u>(153,913,374)</u>	\$ <u>38,214,599</u>	\$ <u>(115,698,775)</u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2023

	General	State and Local Recovery Fund (ARPA)	City Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 24,542,900	\$ 16,995,974	\$ 20,181,825	\$ 30,251,166	\$ 91,971,865
Investments.....	14,781,251	-	-	-	14,781,251
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	294,848	-	-	-	294,848
Tax liens.....	5,492,189	-	-	-	5,492,189
Motor vehicle and other excise taxes.....	1,544,820	-	-	-	1,544,820
Departmental and other.....	301,539	-	-	-	301,539
Intergovernmental.....	-	-	-	4,960,402	4,960,402
Tax foreclosures.....	322,775	-	-	-	322,775
Due from other funds.....	4,001,657	-	-	-	4,001,657
TOTAL ASSETS.....	\$ 51,281,979	\$ 16,995,974	\$ 20,181,825	\$ 35,211,568	\$ 123,671,346
LIABILITIES					
Warrants payable.....	\$ 2,659,281	\$ -	\$ 2,775,683	\$ 2,391,001	\$ 7,825,965
Accrued payroll.....	804,828	-	-	68,021	872,849
Tax refunds payable.....	968,000	-	-	-	968,000
Due to other funds.....	-	-	-	4,001,657	4,001,657
Unearned revenue.....	-	16,995,974	-	6,401	17,002,375
Notes payable.....	-	-	-	2,360,574	2,360,574
TOTAL LIABILITIES.....	4,432,109	16,995,974	2,775,683	8,827,654	33,031,420
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	7,514,256	-	-	-	7,514,256
FUND BALANCES					
Restricted.....	-	-	17,406,142	27,425,684	44,831,826
Assigned.....	24,398,927	-	-	-	24,398,927
Unassigned.....	14,936,687	-	-	(1,041,770)	13,894,917
TOTAL FUND BALANCES.....	39,335,614	-	17,406,142	26,383,914	83,125,670
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 51,281,979	\$ 16,995,974	\$ 20,181,825	\$ 35,211,568	\$ 123,671,346

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....		\$ 83,125,670
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		239,629,872
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		7,514,256
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.....		42,518,387
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		8,529,416
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(1,491,415)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(120,257,752)	
Net pension liability.....	(101,026,000)	
Net other postemployment benefits liability.....	(306,481,808)	
Workers' compensation.....	(629,000)	
Compensated absences.....	<u>(5,345,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(533,739,560)</u>
Net position of governmental activities.....		\$ <u><u>(153,913,374)</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	State and Local Recovery Fund (ARPA)	City Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 105,265,253	\$ -	\$ -	\$ -	\$ 105,265,253
Tax and other liens.....	951,025	-	-	-	951,025
Motor vehicle and other excise taxes.....	6,932,313	-	-	-	6,932,313
Hotel/motel tax.....	2,961,891	-	-	-	2,961,891
Meals tax.....	1,028,621	-	-	-	1,028,621
Charges for services.....	1,719,628	-	-	3,019,443	4,739,071
Penalties and interest on taxes.....	442,889	-	-	-	442,889
Payments in lieu of taxes.....	203,653	-	-	-	203,653
Licenses and permits.....	3,258,648	-	-	-	3,258,648
Fines and forfeitures.....	2,099,865	-	-	-	2,099,865
Intergovernmental - Teachers Retirement.....	18,473,947	-	-	-	18,473,947
Intergovernmental.....	101,120,210	-	1,017,458	26,425,120	128,562,788
Intergovernmental - COVID-19 relief.....	-	8,927,089	-	5,609,760	14,536,849
Departmental and other.....	12,211	-	-	8,052,753	8,064,964
Contributions and donations.....	-	-	-	189,907	189,907
Investment income.....	3,481,025	-	-	190,889	3,671,914
TOTAL REVENUES.....	247,951,179	8,927,089	1,017,458	43,487,872	301,383,598
EXPENDITURES:					
Current:					
General government.....	9,313,611	3,063,960	1,294,569	7,180,776	20,852,916
Public safety.....	30,064,038	-	2,500,986	4,732,656	37,297,680
Education.....	109,222,321	-	-	57,269,419	166,491,740
Public works.....	4,196,129	-	21,970,259	1,585,736	27,752,124
Health and human services.....	2,070,070	-	-	1,028,438	3,098,508
Trash and recycling.....	-	-	-	4,624,345	4,624,345
Culture and recreation.....	1,474,817	-	-	1,378,734	2,853,551
Pension benefits.....	14,677,549	-	-	-	14,677,549
Pension benefits - Teachers Retirement.....	18,473,947	-	-	-	18,473,947
Employee benefits.....	26,748,924	-	-	-	26,748,924
State and county charges.....	17,730,580	-	-	-	17,730,580
Debt service:					
Principal.....	5,201,743	-	-	-	5,201,743
Interest.....	3,187,974	-	-	-	3,187,974
TOTAL EXPENDITURES.....	242,361,703	3,063,960	25,765,814	77,800,104	348,991,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	5,589,476	5,863,129	(24,748,356)	(34,312,232)	(47,607,983)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	-	587,500	29,500,000	30,087,500
Premium from issuance of bonds.....	-	-	662,500	253,244	915,744
Transfers in.....	260,000	-	3,923,863	8,825,747	13,009,610
Transfers out.....	(8,135,219)	(5,863,129)	-	(543,512)	(14,541,860)
TOTAL OTHER FINANCING SOURCES (USES).....	(7,875,219)	(5,863,129)	5,173,863	38,035,479	29,470,994
NET CHANGE IN FUND BALANCES.....	(2,285,743)	-	(19,574,493)	3,723,247	(18,136,989)
FUND BALANCES AT BEGINNING OF YEAR.....	41,621,357	-	36,980,635	22,660,667	101,262,659
FUND BALANCES AT END OF YEAR.....	\$ 39,335,614	\$ -	\$ 17,406,142	\$ 26,383,914	\$ 83,125,670

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, 2023

Net change in fund balances - total governmental funds.....		\$ (18,136,989)
<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.....	65,752,748	
Transfers of capital assets to business-type activities.....	(10,293,184)	
Depreciation expense.....	<u>(11,622,368)</u>	
Net effect of reporting capital assets.....		43,837,196
<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>		
		1,651,041
<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.....	(30,087,500)	
Premium from issuance of bonds.....	(915,744)	
Net amortization of premium from issuance of bonds.....	800,331	
Net change in deferred charge on refunding.....	(163,553)	
Transfers of long term debt to business-type activities.....	9,881,500	
Debt service principal payments.....	<u>5,201,743</u>	
Net effect of reporting long-term debt.....		(15,283,223)
<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.....	(889,000)	
Net change in accrued interest on long-term debt.....	(336,990)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	39,392,121	
Net change in net pension liability.....	(40,231,000)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	48,172,118	
Net change in the net other postemployment benefits liability.....	(61,306,824)	
Net change in workers' compensation liability.....	<u>239,000</u>	
Net effect of recording long-term liabilities.....		(14,960,575)
The net activity of internal service funds is reported with Governmental Activities.....		<u>(1,804,855)</u>
Change in net position of governmental activities.....		\$ <u><u>(4,697,405)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 9,313,113	\$ 3,089,737
Investments.....	4,027,550	5,715,053
Receivables, net of allowance for uncollectibles:		
User charges.....	8,350,850	-
Departmental and other.....	-	44,588
Intergovernmental.....	10,329,660	-
Working capital deposit.....	-	3,512,400
	<u>32,021,173</u>	<u>12,361,778</u>
Total current assets.....		
	<u>32,021,173</u>	<u>12,361,778</u>
NONCURRENT:		
Capital assets, non depreciable.....	11,265,554	-
Capital assets, net of accumulated depreciation.....	125,104,862	-
	<u>136,370,416</u>	<u>-</u>
Total noncurrent assets.....		
	<u>136,370,416</u>	<u>-</u>
TOTAL ASSETS.....	<u>168,391,589</u>	<u>12,361,778</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	955,048	-
Deferred outflows related to other postemployment benefits.....	1,115,599	-
	<u>2,070,647</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....		
	<u>2,070,647</u>	<u>-</u>
LIABILITIES		
CURRENT:		
Warrants payable.....	996,720	1,952,734
Accrued payroll.....	30,284	1,171
Health claims payable.....	-	1,878,457
Accrued interest.....	1,185,937	-
Compensated absences.....	56,000	-
Notes payable.....	3,917,089	-
Bonds payable.....	6,219,036	-
	<u>12,405,066</u>	<u>3,832,362</u>
Total current liabilities.....		
	<u>12,405,066</u>	<u>3,832,362</u>
NONCURRENT:		
Compensated absences.....	14,000	-
Net pension liability.....	3,838,000	-
Net other postemployment benefits liability.....	7,075,820	-
Bonds payable.....	108,157,414	-
	<u>119,085,234</u>	<u>-</u>
Total noncurrent liabilities.....		
	<u>119,085,234</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>131,490,300</u>	<u>3,832,362</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	36,000	-
Deferred inflows related to other postemployment benefits.....	721,337	-
	<u>757,337</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....		
	<u>757,337</u>	<u>-</u>
NET POSITION		
Net investment in capital assets.....	30,873,136	-
Unrestricted.....	7,341,463	8,529,416
	<u>38,214,599</u>	<u>8,529,416</u>
TOTAL NET POSITION.....	<u>\$ 38,214,599</u>	<u>\$ 8,529,416</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Water and Sewer	Governmental Activities - Internal Service Fund
<u>OPERATING REVENUES:</u>		
Employer and employee contributions.....	\$ -	\$ 32,006,966
Charges for services.....	29,315,670	-
TOTAL OPERATING REVENUES	29,315,670	32,006,966
<u>OPERATING EXPENSES:</u>		
Cost of services and administration.....	3,586,591	-
Salaries and wages.....	1,755,754	-
MWRA assessment.....	18,650,524	-
Depreciation.....	3,476,809	-
Employee benefits.....	-	34,150,971
TOTAL OPERATING EXPENSES.....	27,469,678	34,150,971
OPERATING INCOME (LOSS).....	1,845,992	(2,144,005)
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Investment income.....	622,751	339,150
Interest expense.....	(2,512,974)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(1,890,223)	339,150
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	(44,231)	(1,804,855)
CAPITAL CONTRIBUTIONS.....	2,539,357	-
<u>TRANSFERS:</u>		
Transfers in.....	1,532,250	-
CHANGE IN NET POSITION.....	4,027,376	(1,804,855)
NET POSITION AT BEGINNING OF YEAR.....	34,187,223	10,334,271
NET POSITION AT END OF YEAR.....	\$ 38,214,599	\$ 8,529,416

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Water and Sewer	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users.....	\$ 27,572,333	\$ 31,962,178
Payments to vendors.....	(22,277,399)	-
Payments to employees.....	(1,765,894)	-
Payments for interfund services used.....	-	(34,136,326)
NET CASH FROM OPERATING ACTIVITIES.....	3,529,040	(2,174,148)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in.....	1,532,250	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bonds and notes.....	8,619,936	-
Premium from the issuance of bonds.....	662,500	-
Capital contributions.....	400,001	-
Acquisition and construction of capital assets.....	(10,807,370)	-
Principal payments on bonds and notes.....	(5,326,120)	-
Interest expense.....	(2,191,243)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(8,642,296)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase)/Sale of investments.....	(370,441)	3,601,551
Investment income.....	622,751	339,150
NET CASH FROM INVESTING ACTIVITIES.....	252,310	3,940,701
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(3,328,696)	1,766,553
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	12,641,809	1,323,184
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 9,313,113	\$ 3,089,737
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH		
FROM OPERATING ACTIVITIES:		
Operating income (loss).....	\$ 1,845,992	\$ (2,144,005)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation.....	3,476,809	-
Deferred (outflows)/inflows related to pensions.....	(1,575,879)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(1,112,161)	-
Changes in assets and liabilities:		
User charges.....	(1,742,337)	-
Departmental and other.....	-	(44,588)
Working capital deposit.....	-	(162,800)
Warrants payable.....	24,350	142,716
Accrued payroll.....	(140)	738
Health claims payable.....	-	33,791
Customer deposits.....	(1,000)	-
Compensated absences.....	(10,000)	-
Net pension liability.....	1,208,000	-
Net other postemployment benefits.....	1,415,406	-
Total adjustments.....	1,683,048	(30,143)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,529,040	\$ (2,174,148)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Acquisition of capital assets on account.....	\$ (426,369)	\$ -
Contribution of capital assets.....	10,293,183	-
Permanent financing of MCWT bonds - proceeds.....	14,927,774	-
Permanent financing of MCWT notes - payment.....	(14,927,774)	-
Intergovernmental receivable from MCWT.....	(3,848,164)	-
Forgiveness of MCWT related debt.....	1,727,673	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund	Custodial Funds
ASSETS			
Cash and cash equivalents.....	\$ 3,966,495	\$ 29,121	\$ 358,394
Investments:			
Investments in Pension Reserve Investment Trust.....	217,838,023	-	-
U.S. treasuries.....	152,860	-	-
Government sponsored enterprises.....	46,351	-	-
Corporate bonds.....	137,407	-	-
Equity securities.....	526,629	-	-
Equity mutual funds.....	230,817	-	-
Fixed income mutual funds.....	365,578	-	-
International equity mutual funds.....	192,351	-	-
TOTAL ASSETS.....	223,456,511	29,121	358,394
LIABILITIES			
Other liabilities.....	-	-	219,331
NET POSITION			
Restricted for pensions.....	221,782,652	-	-
Restricted for other postemployment benefits.....	1,673,859	-	-
Held in trust for other purposes.....	-	29,121	-
Restricted for individuals and other governments.....	-	-	139,063
TOTAL NET POSITION.....	\$ 223,456,511	\$ 29,121	\$ 139,063

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund	Custodial Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 16,226,121	\$ -	\$ -
Employer contributions for other postemployment benefit payments.....	8,952,512	-	-
Member contributions.....	5,110,420	-	-
Transfers from other systems.....	241,297	-	-
Retirement benefits - workers compensation settlements.....	21,000	-	-
Private donations.....	-	6,959	-
Intergovernmental.....	122,210	-	228,551
Asset seizure collections for other governments.....	-	-	96,173
Total contributions.....	30,673,560	6,959	324,724
Net investment income:			
Investment income (loss).....	(26,865,880)	469	990
Less: investment expense.....	(1,133,869)	-	-
Net investment income (loss).....	(27,999,749)	469	990
TOTAL ADDITIONS.....	2,673,811	7,428	325,714
DEDUCTIONS:			
Administration.....	443,630	-	-
Retirement benefits - transfers to other systems.....	355,494	-	-
Retirement benefits - 3(8)c transfer to other systems.....	441,562	-	-
Retirement benefits and refunds.....	18,637,906	-	-
Other postemployment benefit payments.....	8,952,512	-	-
Educational scholarships.....	-	8,000	-
Construction costs on behalf of other governments.....	-	-	228,551
TOTAL DEDUCTIONS.....	28,831,104	8,000	228,551
NET INCREASE (DECREASE) IN NET POSITION.....	(26,157,293)	(572)	97,163
NET POSITION AT BEGINNING OF YEAR.....	249,613,804	29,693	41,900
NET POSITION AT END OF YEAR.....	\$ 223,456,511	\$ 29,121	\$ 139,063

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, the Revere Housing Authority, and the Metro North Regional Emergency Communications Center. 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 2023 assessment was \$2,202,229. 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 2023 assessment was \$1,286,026. 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 funds 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 *State and Local Recovery Fund (ARPA)* accounts for allowable activity incurred within the scope of the City's allocation of American Rescue Plan Act (ARPA) funding.

The *city capital projects fund* accounts for construction and renovation activity associated with 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 expenditures for 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. This trust fund has 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 scholarship program is 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 and use the economic resources measurement focus. The City uses custodial funds to account asset forfeiture funds held for other governments and for activities associated with Revere's responsibility as a paying agent for a project administered for the Commonwealth of Massachusetts.

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 Charges

Water and sewer user charges 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, 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.

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 assets 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 assets 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 clean water trust 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. 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.

S. Individual Fund Deficits

The school capital projects fund and the trash revolving fund reported a deficit. This deficit will be funded from future charges for services and funding from the City's general fund.

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 MMDT, which maintains a cash portfolio with combined average maturities of approximately 33 days. The System participates in PRIT. The effective weighted duration rate for PRIT investments ranged from 1.98 to 14.64 years.

The System participates 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.

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 \$32,931,795 and the bank balance totaled \$42,566,768. Of the bank balance, \$1,370,164 was covered by Federal Depository Insurance, \$9,935,858 was covered by Depositors Insurance Fund, \$29,504,863 was collateralized by the bank, and \$1,755,883 was uncollateralized.

At December 31, 2022, carrying amount of deposits for the System totaled \$3,944,629, and the bank balance totaled \$3,982,482. The entirety of the bank balance of the System was covered by the Federal Depository Insurance.

Investments

As of June 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>		
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 14,200,828	\$ 10,152,369	\$ 3,669,909	\$ 378,550
Government sponsored enterprises..	740,441	-	740,441	-
Corporate bonds.....	4,072,571	509,858	3,095,083	467,630
Bond mutual funds.....	1,354,840	-	1,354,840	-
Total debt securities.....	20,368,680	\$ 10,662,227	\$ 8,860,273	\$ 846,180
<u>Other investments:</u>				
Equity securities.....	4,981,789			
Equity mutual funds.....	230,817			
Fixed income mutual funds.....	402,210			
International equity mutual funds.....	192,351			
Money market mutual funds.....	72,750			
MMDT - Cash portfolio.....	71,779,551			
Total investments.....	\$ 98,028,148			

As of December 31, 2022, the System had \$217,838,023 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 \$20,368,680 and in equity securities of \$4,981,789 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, 2022, 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, 2023, the City’s investments were rated as follows:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds	Bond Mutual Funds
AAA.....	\$ -	\$ 441,476	\$ -
AA+.....	740,441	14,777	-
AA-.....	-	251,309	-
AA.....	-	19,330	1,354,840
A+.....	-	296,277	-
A.....	-	478,625	-
A-.....	-	869,135	-
BBB+.....	-	658,188	-
BBB.....	-	1,043,454	-
Total.....	\$ 740,441	\$ 4,072,571	\$ 1,354,840

The City’s investments in MMDT shares and money-market mutual funds were unrated, and the System’s shares in PRIT were unrated.

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, 2023, there were no investments in such securities that exceed 5% of the portfolio value.

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

Fair Value Measurement

The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City’s mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City chooses a 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, 2023:

Investment Type	June 30, 2023	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.....	\$ 14,200,828	\$ 14,200,828	\$ -	\$ -
Government sponsored enterprises.....	740,441	740,441	-	-
Corporate bonds.....	4,072,571	-	4,072,571	-
Bond mutual funds.....	1,354,840	1,354,840	-	-
Total debt securities.....	<u>20,368,680</u>	<u>16,296,109</u>	<u>4,072,571</u>	<u>-</u>
<u>Other investments:</u>				
Equity securities.....	4,981,789	4,981,789	-	-
Equity mutual funds.....	230,817	230,817	-	-
Fixed income.....	402,210	402,210	-	-
International equity mutual funds.....	192,351	192,351	-	-
Money market mutual funds.....	72,750	72,750	-	-
Total other investments.....	<u>5,879,917</u>	<u>5,879,917</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value.....	26,248,597	\$ <u>22,176,026</u>	\$ <u>4,072,571</u>	\$ <u>-</u>
Investments measured at amortized cost:				
MMDT.....	<u>71,779,551</u>			
Total investments.....	\$ <u>98,028,148</u>			

U.S. treasury bonds, government sponsored enterprises, bond mutual funds, equity securities, equity mutual funds, fixed income funds, money market mutual 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

At December 31, 2022, the System’s recurring fair value measurements for its investment in PRIT was \$217,838,023. PRIT investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as a Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool’s shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 3 – RECEIVABLES

At June 30, 2023, 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.....	\$ 348,482	\$ (53,634)	\$ 294,848
Tax liens.....	5,492,189	-	5,492,189
Motor vehicle and other excise taxes.....	1,994,640	(449,820)	1,544,820
Departmental and other.....	1,328,342	(982,215)	346,127
Intergovernmental.....	4,960,402	-	4,960,402
 Total.....	 <u>\$ 14,124,055</u>	 <u>\$ (1,485,669)</u>	 <u>\$ 12,638,386</u>

At June 30, 2023, 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.....	\$ 8,350,850	\$ -	\$ 8,350,850
Water and sewer intergovernmental.....	10,329,660	-	10,329,660
 Total.....	 <u>\$ 18,680,510</u>	 <u>\$ -</u>	 <u>\$ 18,680,510</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:

	<u>General Fund</u>
<u>Receivables:</u>	
Real estate and personal property taxes.....	\$ 193,287
Tax liens.....	5,474,610
Motor vehicle and other excise taxes.....	1,544,820
Departmental and other.....	<u>301,539</u>
 Total.....	 \$ <u>7,514,256</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers to Business-Type Activities</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:					
<u>Capital assets not being depreciated:</u>					
Land.....	\$ 10,000,252	\$ 28,776,658	\$ -	\$ -	\$ 38,776,910
Construction in progress.....	6,088,461	24,003,315	(10,293,184)	-	19,798,592
 Total capital assets not being depreciated....	 <u>16,088,713</u>	 <u>52,779,973</u>	 <u>(10,293,184)</u>	 <u>-</u>	 <u>58,575,502</u>
<u>Capital assets being depreciated:</u>					
Buildings and improvements.....	282,029,343	707,495	-	-	282,736,838
Machinery, equipment and furnishings.....	29,168,394	3,630,714	-	(246,013)	32,553,095
Infrastructure.....	43,661,765	8,634,566	-	(49,440)	52,246,891
 Total capital assets being depreciated.....	 <u>354,859,502</u>	 <u>12,972,775</u>	 <u>-</u>	 <u>(295,453)</u>	 <u>367,536,824</u>
<u>Less accumulated depreciation for:</u>					
Buildings and improvements.....	(135,759,279)	(6,837,867)	-	-	(142,597,146)
Machinery, equipment and furnishings.....	(22,342,566)	(2,318,509)	-	246,013	(24,415,062)
Infrastructure.....	(17,053,694)	(2,465,992)	-	49,440	(19,470,246)
 Total accumulated depreciation.....	 <u>(175,155,539)</u>	 <u>(11,622,368)</u>	 <u>-</u>	 <u>295,453</u>	 <u>(186,482,454)</u>
 Total capital assets being depreciated, net.....	 <u>179,703,963</u>	 <u>1,350,407</u>	 <u>-</u>	 <u>-</u>	 <u>181,054,370</u>
 Total governmental activities capital assets, net.....	 <u>\$ 195,792,676</u>	 <u>\$ 54,130,380</u>	 <u>\$ (10,293,184)</u>	 <u>\$ -</u>	 <u>\$ 239,629,872</u>

	Beginning Balance	Increases	Transfers from Governmental Activities	Decreases	Ending Balance
Business-Type Activities:					
<u>Capital assets not being depreciated:</u>					
Construction in progress.....	\$ 546,000	\$ 972,370	\$ 10,293,184	\$ (546,000)	\$ 11,265,554
<u>Capital assets being depreciated:</u>					
Buildings and improvements.....	192,659	-	-	-	192,659
Machinery, equipment and furnishings.....	8,998,183	-	-	-	8,998,183
Infrastructure.....	141,970,135	10,807,368	-	(840,163)	151,937,340
Total capital assets being depreciated.....	151,160,977	10,807,368	-	(840,163)	161,128,182
<u>Less accumulated depreciation for:</u>					
Buildings and improvements.....	(178,429)	(2,833)	-	-	(181,262)
Machinery, equipment and furnishings.....	(5,905,832)	(274,118)	-	-	(6,179,950)
Infrastructure.....	(27,302,413)	(3,199,858)	-	840,163	(29,662,108)
Total accumulated depreciation.....	(33,386,674)	(3,476,809)	-	840,163	(36,023,320)
Total capital assets being depreciated, net.....	117,774,303	7,330,559	-	-	125,104,862
Total business-type activities capital assets, net....	\$ 118,320,303	\$ 8,302,929	\$ 10,293,184	\$ (546,000)	\$ 136,370,416

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

Governmental Activities:	
General government.....	\$ 1,328,984
Public safety.....	1,955,651
Education.....	6,130,348
Public works.....	2,059,947
Health and human services.....	6,565
Culture and recreation.....	140,873
Total depreciation expense - governmental activities.....	\$ 11,622,368
Business-Type Activities:	
Water and sewer.....	\$ 3,476,809

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2023, are internal short-term advances for cash flow purposes.

Receivable Fund	Payable Fund	Amount
General fund.....	Highway improvements grant fund.....	\$ 382,300
General fund.....	Coronavirus Relief fund.....	3,619,357
Total.....		\$ 4,001,657

The repayment of the advances will be completed in 2024 with federal and state grants.

Interfund Transfers

Interfund transfers for the year ended June 30, 2023, 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.....	\$ -	\$ 820,000	\$ 7,315,219	\$ -	\$ 8,135,219	(1)
State and Local Recovery Fund (ARPA)..	-	3,042,321	1,288,558	1,532,250	5,863,129	(2)
Nonmajor governmental funds.....	260,000	61,542	221,970	-	543,512	(3)
Total.....	\$ 260,000	\$ 3,923,863	\$ 8,825,747	\$ 1,532,250	\$ 14,541,860	

- (1) Budgeted transfers from the general fund to the capital project funds for various capital improvements, as well as budgeted transfers from the general fund to the nonmajor funds, primarily for trash removal and recycling.
- (2) Transfers from the American Rescue Plan Act funds to fund capital projects and other purposes as well as to fund water and sewer fund capital projects.
- (3) Transfers to fund general fund debt service, non-educational capital projects and various other purposes.

In addition to the budgeted transfers detailed above, the City transferred \$10.3 million of non-depreciable capital assets and \$9.9 million of related debt from the governmental activities to the business-type activities.

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 and the enterprise fund, respectively.

As of June 30, 2023, the City had the following outstanding short-term debt:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
Governmental Funds:							
<u>General Obligations:</u>							
BAN	Municipal Purpose.....	1.50%	08/11/22	\$ 895,000	\$ -	\$ (895,000)	\$ -
BAN	Municipal Purpose.....	2.00%	02/23/23	1,270,505	-	(1,270,505)	-
BAN	Municipal Purpose.....	4.00%	02/22/24	-	2,360,574	-	2,360,574
Total Governmental Funds.....				\$ 2,165,505	\$ 2,360,574	\$ (2,165,505)	\$ 2,360,574
Water & Sewer Enterprise Fund:							
<u>Direct Borrowings:</u>							
BAN	MCWT Interim Loans.....	2.00%	06/30/24	\$ 14,927,774	\$ 3,917,089	\$ (14,927,774)	\$ 3,917,089

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, 2023, the City had authorized and unissued debt as noted below:

Purpose	Amount
Land Acquisition.....	\$ 1,100,000
MWRA Inflow & Infiltration.....	761,925
Public Safety Technology.....	180,000
Various MCWT Projects.....	30,633,420
Garfield School Roof / Building Design / Boiler Replacement / Feasibility.....	376,636
Stormwater and Wastewater.....	644,289
Lincoln School Air Conditioning/Window and Door Replacement.....	3,671,890
Point of Pines Fire Station Reconstruction Feasibility Study.....	10,000,000
Revere High School Feasibility Study.....	814,994
Maintenance Facility for Mass Department of Conservation/Recreation.....	1,900,000
Drainage.....	14,250,000
Sewer.....	2,250,000
Beachmont School Design/Planning Services.....	260,000
Beachmont School Boiler Replacement.....	1,385,580
Oak Island Water Main Improvements.....	2,024,758
Capital Improvements.....	200,000
Other.....	8,982
Total.....	\$ 70,462,474

Details related to the City’s outstanding general obligation indebtedness as of June 30, 2023, and the debt service requirements for the governmental activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
MSBA School Construction Debt 2010	2031	\$ 5,990,850	2.0	\$ 2,396,334
General Obligation State Qualified Issue 2015	2035	3,636,000	2.0 - 4.0	2,040,000
General Obligation State Qualified Issue 2015	2029	9,786,200	2.0 - 4.0	3,265,000
General Obligation State Qualified Refunding 2016 ...	2039	19,250,000	2.0 - 4.0	15,610,000
General Obligation State Qualified Issue 2017	2045	17,678,000	3.0 - 5.0	14,395,000
General Obligation State Qualified Issue 2019	2043	4,835,000	2.0 - 5.0	4,085,000
General Obligation Refunding Issue 2021	2030	5,490,000	5.0	4,455,000
General Obligation State Qualified Issue 2021	2046	36,575,000	2.0 - 5.0	26,237,500
General Obligation Municipal Purpose Loan of 2022..	2051	14,785,000	2.5 - 5.0	10,930,000
General Obligation Municipal Purpose Loan of 2023..	2047	30,675,000	4.0 - 5.0	30,087,500
Total Bonds Payable.....				113,501,334
Add: Unamortized premium on bonds.....				6,756,418
Total Bonds Payable, net.....				\$ <u>120,257,752</u>

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

Year	Principal	Interest	Total
2024.....	\$ 5,334,543	\$ 4,405,403	\$ 9,739,946
2025.....	5,347,043	3,966,936	9,313,979
2026.....	5,722,043	3,722,146	9,444,189
2027.....	5,584,543	3,469,494	9,054,037
2028.....	5,784,543	3,214,578	8,999,121
2029 - 2033....	25,118,619	12,683,417	37,802,036
2034 - 2038....	23,745,000	8,305,273	32,050,273
2039 - 2043....	20,202,500	4,523,842	24,726,342
2044 - 2048....	16,002,500	1,353,160	17,355,660
2049 - 2052....	660,000	39,594	699,594
Total.....	\$ <u>113,501,334</u>	\$ <u>45,683,840</u>	\$ <u>159,185,174</u>

Details related to the City’s outstanding general obligation indebtedness as of June 30, 2023, and the debt service requirements for the business-type activities are as listed as noted on the following page.

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
From direct borrowings and placements:				
MCWT Water 2010	2031	\$ 575,000	2.0	\$ 257,880
MCWT Water 2011	2043	5,883,727	2.0	4,277,724
MWRA Water 2013	2023	2,500,000	2.0	33,750
MCWT Water 2013	2033	5,007,999	2.0	2,772,157
MWRA Water 2015	2025	1,850,000	2.0	462,500
MCWT Water 2015	2045	9,021,487	2.00 - 2.40	6,897,076
MCWT Water 2016	2046	9,485,903	2.00 - 2.40	6,722,931
MCWT Water 2017	2047	35,981,642	2.0	27,977,062
MWRA Water 2018	2023	195,000	0.0	5,265
MCWT Water 2019	2029	4,354,701	2.0	3,205,379
MWRA Water 2019	2029	4,200,000	0.0	2,889,598
MCWT Water 2020	2050	13,266,096	2.0 - 2.2	10,456,010
MWRA Water 2021	2031	1,110,000	0.0	888,000
MCWT Water 2021	2031	13,648,646	2.0 - 2.4	9,941,787
MWRA Sewer 2022	2027	165,000	0.00	132,000
MWRA Water 2022	2032	1,300,000	0.00	1,170,000
MWRA Water 2023.....	2028	275,000	0.00	275,000
MCWT 2023.....	2053	21,659,831	2.0 - 2.2	21,659,831
Total from direct borrowings and placements.....				<u>100,023,950</u>
General obligations:				
General Obligation State Qualified Issue 2015	2026	683,800	3.0 - 4.0	210,000
General Obligation State Qualified Issue 2019	2028	635,000	5.0	385,000
General Obligation State Qualified Issue 2021	2021	9,637,500	2.0 - 5.0	9,387,500
General Obligation Bonds of 2022.....	2045	587,500	4.0 - 5.0	587,500
General Obligation Bonds of 2022.....	2051	3,246,500	2.5 - 5.0	3,120,000
Total from general obligations.....				<u>13,690,000</u>
Add: Unamortized premium on bonds.....				<u>662,500</u>
Total Bonds Payable.....				<u>\$ 114,376,450</u>

Debt service requirements for principal and interest for enterprise fund bonds and notes payable in future years are as presented at the top of the following page.

Year	General Obligations			From Direct Borrowings and Placements			Total
	Principal	Interest	Sub Total	Principal	Interest	Sub Total	
2024.....	\$ 535,000	\$ 126,250	\$ 661,250	\$ 5,626,972	\$ 2,153,786	\$ 7,780,758	\$ 8,442,008
2025	557,500	114,825	672,325	5,716,341	2,034,490	7,750,831	8,423,156
2026	572,500	104,400	676,900	5,659,392	1,912,528	7,571,920	8,248,820
2027	525,000	95,250	620,250	5,403,741	1,791,743	7,195,484	7,815,734
2028.....	545,000	86,125	631,125	5,251,812	1,675,083	6,926,895	7,558,020
2029 - 2033....	2,520,000	345,500	2,865,500	23,103,747	8,395,457	31,499,204	34,364,704
2034 - 2038....	2,770,000	246,250	3,016,250	17,356,731	5,674,329	23,031,060	26,047,310
2039 - 2043....	3,067,500	172,500	3,240,000	15,425,160	3,495,360	18,920,520	22,160,520
2044 - 2048....	2,197,500	97,500	2,295,000	12,073,590	1,353,312	13,426,902	15,721,902
2049 - 2053....	400,000	24,000	424,000	4,406,464	214,137	4,620,601	5,044,601
Total.....	\$ 13,690,000	\$ 1,412,600	\$ 15,102,600	\$ 100,023,950	\$ 28,700,223	\$ 128,724,173	\$ 143,826,773

Changes in Long-term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 98,497,077	\$ 30,087,500	\$ (5,201,743)	\$ -	\$ (9,881,500)	\$ 113,501,334	\$ 5,334,543
Add: Unamortized premium on bonds.....	6,641,005	915,744	(800,331)	-	-	6,756,418	715,796
Total bonds payable.....	105,138,082	31,003,244	(6,002,074)	-	(9,881,500)	120,257,752	6,050,339
Compensated absences.....	4,456,000	-	-	2,633,000	(1,744,000)	5,345,000	2,002,000
Workers' compensation.....	868,000	-	-	48,970	(287,970)	629,000	82,000
Net pension liability.....	60,795,000	-	-	54,772,000	(14,541,000)	101,026,000	-
Net other postemployment benefits.....	245,174,984	-	-	70,301,670	(8,994,846)	306,481,808	-
Total governmental activity long-term liabilities.....	\$ 416,432,066	\$ 31,003,244	\$ (6,002,074)	\$ 127,755,640	\$ (35,449,316)	\$ 533,739,560	\$ 8,134,339
Business-Type Activities:							
General obligation bonds.....	\$ 3,733,800	\$ 587,500	\$ (512,800)	\$ 9,881,500	\$ -	\$ 13,690,000	\$ 5,626,972
From direct borrowings and placements.....	83,673,658	21,934,831	(4,813,320)	-	(771,219)	100,023,950	535,000
Add: Unamortized premium on bonds.....	-	662,500	-	-	-	662,500	57,064
Total bonds payable.....	87,407,458	23,184,831	(5,326,120)	9,881,500	(771,219)	114,376,450	6,219,036
Compensated absences.....	80,000	-	-	48,000	(58,000)	70,000	56,000
Net pension liability.....	2,630,000	-	-	1,760,000	(552,000)	3,838,000	-
Net other postemployment benefits.....	5,660,414	-	-	1,623,072	(207,666)	7,075,820	-
Total business-type activity long-term liabilities.....	\$ 95,777,872	\$ 23,184,831	\$ (5,326,120)	\$ 13,312,572	\$ (1,588,885)	\$ 125,360,270	\$ 6,275,036

The 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, 2023, the governmental fund balances consisted of the following:

	<u>General</u>	<u>City Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Restricted for:				
City capital projects funds.....	\$ -	\$ 17,406,142	\$ -	\$ 17,406,142
City revolving funds.....	-	-	3,880,414	3,880,414
City grant funds.....	-	-	6,514,715	6,514,715
Community development grant funds.....	-	-	149,049	149,049
City receipts reserved for appropriation....	-	-	2,681,177	2,681,177
School revolving funds.....	-	-	4,218,915	4,218,915
School grants funds.....	-	-	5,859,199	5,859,199
Harry Della Russo Stadium.....	-	-	57,951	57,951
School capital projects.....	-	-	2,792,429	2,792,429
School construction projects.....	-	-	698,948	698,948
Other special revenue.....	-	-	484,559	484,559
Debt service fund.....	-	-	88,328	88,328
Assigned to:				
General government.....	1,149,336	-	-	1,149,336
Public safety.....	1,518,923	-	-	1,518,923
Education.....	21,040,538	-	-	21,040,538
Public works.....	373,561	-	-	373,561
Human services.....	92,403	-	-	92,403
Culture and recreation.....	213,246	-	-	213,246
Employee benefits.....	10,920	-	-	10,920
Unassigned.....	<u>14,936,687</u>	<u>-</u>	<u>(1,041,770)</u>	<u>13,894,917</u>
Total Fund Balances.....	<u>\$ 39,335,614</u>	<u>\$ 17,406,142</u>	<u>\$ 26,383,914</u>	<u>\$ 83,125,670</u>

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, 2023, \$9,856,535 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 \$2.7 million to the stabilization funds and \$2.1 million was transferred out of the stabilization funds for capital purposes and the public safety budget. The stabilization fund balance can be used for general, capital or employee benefit purposes upon approval of the City Council. Additions to the fund can only be made upon City Council approval.

NOTE 9 – RISK FINANCING

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

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

The City estimates its’ Incurred But Not Reported (IBNR) health claims based on historical and current claim payment analysis. The City purchases individual stop loss insurance for claims in excess of \$150,000. At June 30, 2023, the amount of the liability for health insurance claims totaled \$1.9 million. 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, 2021, are as follows:

Health Insurance

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2022.....	\$ 1,579,092	\$ 31,059,795	\$ (30,794,221)	\$ 1,844,666
2023.....	1,844,666	34,184,762	(34,150,971)	1,878,457

Workers Compensation

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2022.....	\$ 807,000	\$ 237,023	\$ (176,023)	\$ 868,000
2023.....	868,000	48,970	(287,970)	629,000

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 3 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.macomptroller.org/gasb-68-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, a net pension liability is not recognized. 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, 2022. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$18,473,947 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 \$224,580,612 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, 2022.

At December 31, 2022, the RCRS membership consists of the following:

Active members.....	671
Inactive members.....	168
Retirees and beneficiaries currently receiving benefits.....	<u>514</u>
Total.....	<u><u>1,353</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, 2022, was an actuarially determined amount of \$15,976,000. 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 32.93% of covered payroll. The City's proportionate share of the required contribution was \$15,093,000 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units on December 31, 2022, were as follows:

Total pension liability.....	\$ 332,785,652
Total pension plan's fiduciary net position.....	<u>(221,782,652)</u>
Total net pension liability.....	<u><u>\$ 111,003,000</u></u>
 The pension plan's fiduciary net position as a percentage of the total pension liability.....	 66.64%

At June 30, 2023, the City reported a liability of \$104,864,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. 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, 2022, the City's proportion was 94.47%, which increased 0.38% from its proportion measured at December 31, 2021.

Pension Expense

For the year ended June 30, 2023, the City recognized pension expense of \$15,564,000. At June 30, 2023, the City reported deferred outflows of resources related to pensions of \$26,096,000 and deferred inflows of resources related to pensions of \$979,000.

The balances of deferred outflows and (inflows) of resources as of June 30, 2023 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 7,557,000	\$ -	\$ 7,557,000
Difference between projected and actual earnings, net.....	14,247,000	-	14,247,000
Changes in assumptions.....	3,594,000	-	3,594,000
Changes in proportion and proportionate share of contributions...	698,000	(979,000)	(281,000)
Total deferred outflows/(inflows) of resources.....	\$ 26,096,000	\$ (979,000)	\$ 25,117,000

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

Year ended June 30:

2024.....	\$ 3,655,000
2025.....	5,390,000
2026.....	5,875,000
2027.....	9,623,000
2028.....	574,000
Total.....	\$ 25,117,000

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the actuarial assumptions noted below. These assumptions were applied to all periods included in the measurement that was rolled back to December 31, 2022.

Valuation date.....	January 1, 2023
Actuarial cost method.....	Entry Age Normal Cost Method
Amortization method - UAAL.....	Total payments increase 5.0% per year until 2032 with a final amortization payment in 2033.
Remaining amortization period.....	10 years from July 1, 2023.
Asset valuation method.....	Fair value.
Investment rate of return.....	7.00% net of pension plan investment expense, including
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-2021 (gender distinct). Post-retirement: RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021 (gender distinct). Disabled retirees: RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with Scale MP-2021 (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, 2022, are summarized in the table below.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity		
Domestic equities.....	21.20%	7.10%
International equities.....	12.20%	6.90%
Emerging international equities.....	4.70%	9.60%
Core fixed income.....	13.80%	4.70%
Value added fixed income.....	7.00%	7.80%
Private equity.....	17.70%	10.20%
Real estate.....	11.20%	5.70%
Timberland.....	3.20%	7.00%
Hedge fund.....	8.60%	6.60%
Portfolios.....	0.40%	6.50%
 Total.....	 <u>100.00%</u>	

Rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.49%. 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%)
	<u> </u>	<u> </u>	<u> </u>
The City's proportionate share of the net pension liability.....	\$ 139,815,000	\$ 104,864,000	\$ 75,198,000
The System's total net pension liability.....	\$ 148,000,000	\$ 111,003,000	\$ 79,600,000

Changes of Assumptions

- The mortality assumption tables used have been updated.

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 2023, 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, 2023, the balance of this fund totaled \$1,673,859.

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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

Plan Membership

The following table represents the Plan’s membership at July 1, 2022:

Active members.....	1,406
Inactive members currently receiving benefits.....	<u>1,065</u>
Total.....	<u><u>2,471</u></u>

Components of OPEB Liability

The following table represents the components of the Plan’s OPEB liability as of June 30, 2023:

Total OPEB liability.....	\$	315,231,487
Less: OPEB plan’s fiduciary net position.....		<u>(1,673,859)</u>
Net OPEB liability.....	\$	<u>313,557,628</u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.....		0.53%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2023:

Valuation date.....	July 1, 2022.
Actuarial cost method.....	Individual Entry Age Normal.
Asset valuation method.....	Fair value of assets as of June 30, 2023.
Municipal bond rate.....	4.13% as of June 30, 2023, (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	4.70%, net of OPEB plan investment expense, including inflation.
Investment rate of return.....	5.12%, net of OPEB plan investment expense, including inflation.
Inflation rate.....	2.5% as of June 30, 2023, and for future periods.
Projected salary increases.....	3.0% annually as of June 30, 2023, and for future periods.
Healthcare trend rates.....	6.5% trending to 3.63% in 2060.
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.....	<p>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.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.</p>
Disabled mortality rates.....	<p>General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.</p>

Rate of return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense was 8.09%. 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 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 2.87% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 5.37%. The long-term expected asset allocation and the real rate of return are disclosed below.

<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.....	33.75%	4.10%
Small/mid cap equities.....	4.75%	4.55%
International equity:		
Developed market equities.....	8.75%	4.64%
Emerging international equities.....	0.00%	5.45%
Domestic fixed income.....	42.00%	1.05%
International fixed income.....	2.75%	0.96%
Alternatives.....	6.75%	5.95%
Real estate.....	0.00%	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 4.70% as of June 30, 2023, and 4.98% as of June 30, 2022. 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 4.13% as of June 30, 2023. 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)
	<u> </u>	<u> </u>	<u> </u>
Balance at June 30, 2022.....	\$ 252,143,587	\$ 1,308,189	\$ 250,835,398
Changes for the year:			
Service cost.....	6,763,895	-	6,763,895
Interest.....	12,673,383	-	12,673,383
Differences between expected and actual experience..	27,176,454	-	27,176,454
Changes in assumptions.....	25,426,680	-	25,426,680
Net investment income.....	-	115,670	(115,670)
Employer contributions to trust.....	-	9,202,512	(9,202,512)
Benefit payments withdrawn from trust.....	(8,952,512)	(8,952,512)	-
	<u>63,087,900</u>	<u>365,670</u>	<u>62,722,230</u>
Net change.....			
Balance at June 30, 2023.....	\$ <u>315,231,487</u>	\$ <u>1,673,859</u>	\$ <u>313,557,628</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 4.70%, 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 (3.70%)	Current Discount Rate (4.70%)	1% Increase (5.70%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability.....	\$ <u>367,773,526</u>	\$ <u>313,557,628</u>	\$ <u>270,739,893</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 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 (5.50%)	Current Trend (6.50%)	1% Increase (7.50%)
Net OPEB liability.....	\$ 266,490,679	\$ 313,557,628	\$ 374,261,029

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$22,640,463 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.....	\$ 23,294,104	\$ (3,846,321)	\$ 19,447,783
Difference between projected and actual earnings, net.....	36,552	-	36,552
Changes in assumptions.....	26,105,968	(28,118,966)	(2,012,998)
Total deferred outflows/(inflows) of resources.....	\$ 49,436,624	\$ (31,965,287)	\$ 17,471,337

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

<u>Measurement date year ended June 30:</u>	
2024.....	\$ 1,064,310
2025.....	(813,775)
2026.....	2,443,533
2027.....	2,411,156
2028.....	4,851,371
Thereafter.....	7,514,742
Total.....	\$ 17,471,337

Changes of Assumptions:

- The discount rate has changed from 4.98% to 4.70%. Also, the assumption for future increases in healthcare costs was updated to reflect increased costs in the near term.

Changes in Plan Provisions:

- None.

NOTE 12 – COMMITMENTS

The City is operating under the terms of a Consent Decree between the City, the United States Environmental Protection Agency and the Commonwealth of Massachusetts. Under the terms of the decree, the City is anticipating expenditures of more than \$100 million to address various sewer infrastructure matters. The City anticipates the expenditure to occur over the next eight years and will be funded through the issuance of long term debt. As of June 30, 2023, the City has expended approximately \$108.4 million under the terms of the consent decree.

The general fund has various commitments outstanding for goods and services related to encumbrances totaling \$24.4 million.

The City has entered into various agreements for trash removal, recycling, and disposal. These agreements expire on June 30, 2024.

NOTE 13 – CONTINGENCIESFederal Grants

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.

Litigation

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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

NOTE 14 – 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, 2023, the City exempted property taxes totaling \$2,203,248 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 15 – 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, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 3,944,629	\$ 21,866	\$ 3,966,495
Investments:			
Investments in Pension Reserve Investment Trust.....	217,838,023	-	217,838,023
U.S. treasuries.....	-	152,860	152,860
Government sponsored enterprises.....	-	46,351	46,351
Corporate bonds.....	-	137,407	137,407
Equity securities.....	-	526,629	526,629
Equity mutual funds.....	-	230,817	230,817
Fixed income mutual funds.....	-	365,578	365,578
International equity mutual funds.....	-	192,351	192,351
TOTAL ASSETS.....	221,782,652	1,673,859	223,456,511
NET POSITION			
Restricted for pensions.....	221,782,652	-	221,782,652
Restricted for other postemployment benefits.....	-	1,673,859	1,673,859
TOTAL NET POSITION.....	\$ 221,782,652	\$ 1,673,859	\$ 223,456,511

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 15,976,121	\$ 250,000	\$ 16,226,121
Employer contributions for other postemployment benefit payments.....	-	8,952,512	8,952,512
Member contributions.....	5,110,420	-	5,110,420
Retirement benefits - transfers from other systems.....	241,297	-	241,297
Retirement benefits - workers compensation settlements.....	21,000	-	21,000
Intergovernmental.....	122,210	-	122,210
Total contributions.....	21,471,048	9,202,512	30,673,560
Net investment income:			
Investment income (loss).....	(26,981,550)	115,670	(26,865,880)
Less: investment expense.....	(1,133,869)	-	(1,133,869)
Net investment income.....	(28,115,419)	115,670	(27,999,749)
TOTAL ADDITIONS.....	(6,644,371)	9,318,182	2,673,811
DEDUCTIONS:			
Administration.....	443,630	-	443,630
Retirement benefits - transfers to other systems.....	355,494	-	355,494
Retirement benefits - 3(8)c transfer to other systems.....	441,562	-	441,562
Retirement benefits and refunds.....	18,637,906	-	18,637,906
Other postemployment benefit payments.....	-	8,952,512	8,952,512
TOTAL DEDUCTIONS.....	19,878,592	8,952,512	28,831,104
NET INCREASE (DECREASE) IN NET POSITION.....	(26,522,963)	365,670	(26,157,293)
NET POSITION AT BEGINNING OF YEAR.....	248,305,615	1,308,189	249,613,804
NET POSITION AT END OF YEAR.....	\$ 221,782,652	\$ 1,673,859	\$ 223,456,511

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2023, which is the date the financial statements were available to be issued.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the Annual Comprehensive Finance Report.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the Annual Comprehensive Finance Report.

- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the Annual Comprehensive Finance Report.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the Annual Comprehensive Finance Report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

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, 2023

	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.....	\$ 107,740,065	\$ 106,740,065	\$ 105,534,518	\$ -	\$ (1,205,547)
Tax liens.....	-	-	518,745	-	518,745
Motor vehicle and other excise taxes.....	6,700,000	6,700,000	6,932,313	-	232,313
Hotel/motel tax.....	2,200,000	2,200,000	2,961,891	-	761,891
Meals tax.....	1,200,000	1,200,000	1,028,621	-	(171,379)
Charges for services.....	2,060,000	2,060,000	1,719,628	-	(340,372)
Penalties and interest on taxes.....	750,000	750,000	442,889	-	(307,111)
Payments in lieu of taxes.....	140,000	140,000	203,653	-	63,653
Licenses and permits.....	3,900,000	3,900,000	3,258,648	-	(641,352)
Fines and forfeitures.....	1,665,097	1,665,097	2,099,865	-	434,768
Intergovernmental.....	100,281,391	100,281,391	101,120,210	-	838,819
Investment income.....	325,000	325,000	3,177,706	-	2,852,706
TOTAL REVENUES.....	226,961,553	225,961,553	228,998,687	-	3,037,134
EXPENDITURES:					
Current:					
Appeal Board:					
Salaries.....	22,200	22,200	11,133	-	11,067
Expense.....	720	720	707	-	13
Total.....	22,920	22,920	11,840	-	11,080
Assessors:					
Salaries.....	440,850	390,850	383,649	-	7,201
Expense.....	141,521	292,521	199,105	92,884	532
Total.....	582,371	683,371	582,754	92,884	7,733
Auditing:					
Salaries.....	475,371	452,371	446,876	-	5,495
Expense.....	271,779	421,779	165,785	270,863	(14,869)
Total.....	747,150	874,150	612,661	270,863	(9,374)
Human Resources:					
Salaries.....	145,018	150,018	148,039	-	1,979
Employee group health.....	26,389,747	26,389,747	26,300,721	-	89,026
Expense.....	303,365	303,365	305,606	-	(2,241)
Total.....	26,838,130	26,843,130	26,754,366	-	88,764
City Clerk:					
Salaries.....	331,710	336,710	333,524	-	3,186
Expense.....	51,382	51,382	42,925	6,884	1,573
Total.....	383,092	388,092	376,449	6,884	4,759
City Council:					
Salaries.....	284,318	296,322	295,502	-	820
Expense.....	10,000	10,000	-	-	10,000
Total.....	294,318	306,322	295,502	-	10,820
Collector/Treasurer:					
Salaries.....	814,200	814,200	801,891	-	12,309
Banking services.....	250,000	250,000	244,014	-	5,986
Other expense.....	146,934	146,934	108,793	1,082	37,059
Bonded debt.....	4,969,743	5,201,743	5,201,743	-	-
Bonded debt interest.....	3,188,654	3,188,654	3,187,974	-	680
Total.....	9,369,531	9,601,531	9,544,415	1,082	56,034

(Continued)

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

YEAR ENDED JUNE 30, 2023

	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.....	201,368	201,368	201,321	-	47
Expense.....	245,246	452,746	80,619	372,016	111
Total.....	446,614	654,114	281,940	372,016	158
Conservation Commission:					
Salaries.....	37,800	37,800	11,267	-	26,533
Expense.....	909	909	906	-	3
Total.....	38,709	38,709	12,173	-	26,536
Election:					
Salaries.....	285,060	283,960	271,882	-	12,078
Expense.....	167,342	168,442	152,652	940	14,850
Total.....	452,402	452,402	424,534	940	26,928
License Commission:					
Salaries.....	6,400	6,400	3,200	-	3,200
Expense.....	3,000	3,000	487	-	2,513
Total.....	9,400	9,400	3,687	-	5,713
Management Information System:					
Salaries.....	274,310	243,460	240,648	-	2,812
Expenses.....	1,186,781	1,187,504	1,098,536	84,509	4,459
Capital.....	-	126	-	-	126
Total.....	1,461,091	1,431,090	1,339,184	84,509	7,397
Mayor:					
Salaries.....	493,123	499,123	497,220	-	1,903
Expense.....	912,429	912,429	774,387	108,457	29,585
Total.....	1,405,552	1,411,552	1,271,607	108,457	31,488
Office of Innovation and Data Management:					
Salaries.....	375,000	285,000	281,693	-	3,307
Expense.....	325,440	325,440	259,823	8,679	56,938
Total.....	700,440	610,440	541,516	8,679	60,245
Engineering:					
Salaries.....	358,349	307,799	305,878	-	1,921
Expense.....	216,652	217,201	97,311	116,379	3,511
Total.....	575,001	525,000	403,189	116,379	5,432
Purchasing:					
Salaries.....	166,882	166,882	163,945	-	2,937
Expense.....	165,528	165,528	98,774	65,943	811
Total.....	332,410	332,410	262,719	65,943	3,748
Solicitor:					
Salaries.....	514,543	514,543	488,813	-	25,730
Outside legal services.....	292,100	342,100	342,468	-	(368)
Expense.....	48,931	313,931	301,681	20,700	(8,450)
Total.....	855,574	1,170,574	1,132,962	20,700	16,912
Talent and Culture:					
Salaries.....	202,614	127,614	126,628	-	986
Expense.....	87,500	87,500	50,707	-	36,793
Total.....	290,114	215,114	177,335	-	37,779
Pension and Retirement:					
Pension contribution.....	14,902,828	14,962,828	14,951,605	10,920	303

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Fire:					
Salaries.....	12,111,983	12,253,283	12,252,975	-	308
Expense.....	868,273	1,411,974	713,574	682,795	15,605
Total.....	12,980,256	13,665,257	12,966,549	682,795	15,913
Police:					
Salaries.....	11,128,582	12,329,490	12,327,358	6,122	(3,990)
Expense.....	1,760,753	2,219,846	1,464,220	746,234	9,392
Total.....	12,889,335	14,549,336	13,791,578	752,356	5,402
Regional Emergency Communication Center:					
Operations.....	1,565,999	1,286,999	1,286,026	-	973
Inspectional Services - Municipal Inspections:					
Salaries.....	1,299,288	1,204,288	1,197,852	-	6,436
Expense.....	52,506	52,506	19,424	192	32,890
Total.....	1,351,794	1,256,794	1,217,276	192	39,326
Inspectional Services - Short Term Rental Inspections:					
Salaries.....	88,321	89,321	88,764	-	557
Expense.....	24,117	24,117	21,834	-	2,283
Total.....	112,438	113,438	110,598	-	2,840
Parking Clerk:					
Salaries.....	633,013	593,013	589,314	-	3,699
Expense.....	147,797	187,797	102,697	83,580	1,520
Total.....	780,810	780,810	692,011	83,580	5,219
Substance Abuse - Health:					
Salaries.....	13,328	13,328	13,269	-	59
Expense.....	5,000	5,000	4,514	-	486
Total.....	18,328	18,328	17,783	-	545
Public Works:					
Salaries.....	342,415	436,415	435,485	-	930
Expense.....	95,291	95,289	81,327	1,561	12,401
Capital.....	215,979	290,980	216,853	74,127	-
Total.....	653,685	822,684	733,665	75,688	13,331
Snow and Ice:					
Salaries.....	100,000	124,425	124,421	-	4
Expense.....	256,325	747,707	747,426	270	11
Total.....	356,325	872,132	871,847	270	15
Highway:					
Salaries.....	480,191	516,191	516,043	-	148
Expense.....	472,572	472,572	443,649	12,822	16,101
Total.....	952,763	988,763	959,692	12,822	16,249
Open Space/Parks:					
Salaries.....	342,641	362,641	358,154	-	4,487
Expenses.....	859,990	969,990	717,502	247,719	4,769
Total.....	1,202,631	1,332,631	1,075,656	247,719	9,256

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Trash and Recycling:					
Salaries.....	356,018	446,018	439,694	-	6,324
Expense.....	1,539,437	1,582,886	1,542,108	37,062	3,716
Total.....	<u>1,895,455</u>	<u>2,028,904</u>	<u>1,981,802</u>	<u>37,062</u>	<u>10,040</u>
Council on Elder Affairs:					
Salaries.....	282,188	282,128	258,108	-	24,020
Expense.....	77,250	166,310	66,291	85,112	14,907
Total.....	<u>359,438</u>	<u>448,438</u>	<u>324,399</u>	<u>85,112</u>	<u>38,927</u>
Public Health Initiatives:					
Salaries.....	878,795	897,295	896,345	-	950
Expense.....	57,884	57,884	52,272	5,320	292
Total.....	<u>936,679</u>	<u>955,179</u>	<u>948,617</u>	<u>5,320</u>	<u>1,242</u>
Public Health Community Initiatives:					
Salaries.....	14,884	15,884	15,783	-	101
Expense.....	7,647	7,647	7,187	151	309
Total.....	<u>22,531</u>	<u>23,531</u>	<u>22,970</u>	<u>151</u>	<u>410</u>
Commission on Disabilities:					
Salaries.....	23,984	23,984	19,002	-	4,982
Expense.....	3,000	3,000	-	-	3,000
Total.....	<u>26,984</u>	<u>26,984</u>	<u>19,002</u>	<u>-</u>	<u>7,982</u>
Consumer Affairs:					
Salaries.....	31,841	30,960	30,324	-	636
Expense.....	5,000	5,000	947	-	4,053
Total.....	<u>36,841</u>	<u>35,960</u>	<u>31,271</u>	<u>-</u>	<u>4,689</u>
Human Rights Commission:					
Salaries.....	-	9,500	9,178	-	322
Expense.....	1,000	8,881	5,038	-	3,843
Total.....	<u>1,000</u>	<u>18,381</u>	<u>14,216</u>	<u>-</u>	<u>4,165</u>
Veterans Affairs:					
Salaries.....	206,012	214,512	213,914	-	598
Expense.....	19,803	19,803	10,207	1,820	7,776
Veterans benefits.....	705,000	505,000	467,691	-	37,309
Total.....	<u>930,815</u>	<u>739,315</u>	<u>691,812</u>	<u>1,820</u>	<u>45,683</u>
Library:					
Salaries.....	513,887	488,887	488,462	-	425
Expense.....	363,078	363,078	214,639	127,857	20,582
Total.....	<u>876,965</u>	<u>851,965</u>	<u>703,101</u>	<u>127,857</u>	<u>21,007</u>
Recreation Services:					
Salaries.....	650,216	650,216	649,865	-	351
Expense.....	215,829	215,829	121,851	85,389	8,589
Total.....	<u>866,045</u>	<u>866,045</u>	<u>771,716</u>	<u>85,389</u>	<u>8,940</u>
Historical and Cultural:					
Expense.....	10,000	10,000	10,000	-	-
Education:					
Education.....	131,556,632	129,370,854	107,104,753	21,040,538	1,225,563
Northeast Regional Vocational School Assessment.....	2,214,229	2,202,229	2,202,229	-	-
Total.....	<u>133,770,861</u>	<u>131,573,083</u>	<u>109,306,982</u>	<u>21,040,538</u>	<u>1,225,563</u>
State and county charges.....	17,153,502	17,092,400	17,730,580	-	(638,180)
TOTAL EXPENDITURES.....	<u>249,459,127</u>	<u>250,890,506</u>	<u>225,259,587</u>	<u>24,398,927</u>	<u>1,231,992</u>

(Continued)

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

YEAR ENDED JUNE 30, 2023

	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.....	(22,497,574)	(24,928,953)	3,739,100	(24,398,927)	4,269,126
OTHER FINANCING SOURCES (USES):					
Use of fund balance to fund prior year carryforwards.....	25,423,855	25,423,855	-	-	(25,423,855)
Use of free cash.....	-	6,922,303	-	-	(6,922,303)
Use of overlay.....	-	300,000	-	-	(300,000)
Other amounts raised.....	(1,049,318)	(1,049,318)	-	-	1,049,318
Transfers in.....	2,090,828	4,440,828	4,440,828	-	-
Transfers out.....	(3,967,791)	(11,108,715)	(11,108,715)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	22,497,574	24,928,953	(6,667,887)	-	(31,596,840)
NET CHANGE IN FUND BALANCE.....	-	-	(2,928,787)	(24,398,927)	(27,327,714)
BUDGETARY FUND BALANCE, Beginning of year.....	32,933,952	32,933,952	32,933,952	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 32,933,952	\$ 32,933,952	\$ 30,005,165	\$ (24,398,927)	\$ (27,327,714)

(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.....	(14,469,000)	(14,534,000)	(15,302,000)	(15,761,000)
Net change in total pension liability.....	5,640,000	27,210,000	8,126,000	10,354,000
Total pension liability - beginning.....	<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.....	(14,469,618)	(14,534,000)	(15,302,000)	(15,761,000)
Net increase (decrease) in fiduciary net position.....	8,409,681	499,113	8,964,489	22,049,802
Fiduciary net position - beginning of year.....	<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	December 31, 2021	December 31, 2022
\$	5,827,000	\$ 6,227,000	\$ 6,550,000	\$ 7,882,000	\$ 8,429,492
	18,676,000	19,538,556	20,147,071	20,617,744	22,017,000
	1,200,000	-	-	-	-
	509,000	-	8,385,000	-	5,033,000
	6,900,000	-	6,300,000	-	640,000
	<u>(16,403,000)</u>	<u>(16,485,327)</u>	<u>(17,585,520)</u>	<u>(17,326,909)</u>	<u>(19,050,455)</u>
	16,709,000	9,280,229	23,796,551	11,172,835	17,069,037
	<u>254,758,000</u>	<u>271,467,000</u>	<u>280,747,229</u>	<u>304,543,780</u>	<u>315,716,615</u>
\$	<u>271,467,000</u>	<u>280,747,229</u>	<u>304,543,780</u>	<u>315,716,615</u>	<u>332,785,652</u>
\$	13,040,664	\$ 13,629,432	\$ 14,310,904	\$ 15,026,449	\$ 15,976,121
	3,921,000	4,184,259	4,312,233	4,706,769	5,110,420
	(3,913,992)	25,138,406	21,600,697	40,188,413	(28,115,419)
	(359,716)	(365,623)	(323,763)	(383,887)	(443,630)
	<u>(16,403,000)</u>	<u>(16,485,327)</u>	<u>(17,585,520)</u>	<u>(17,326,909)</u>	<u>(19,050,455)</u>
	(3,715,044)	26,101,147	22,314,551	42,210,835	(26,522,963)
	<u>161,394,126</u>	<u>157,679,082</u>	<u>183,780,229</u>	<u>206,094,780</u>	<u>248,305,615</u>
\$	<u>157,679,082</u>	<u>183,780,229</u>	<u>206,094,780</u>	<u>248,305,615</u>	<u>221,782,652</u>
\$	<u>113,787,918</u>	<u>96,967,000</u>	<u>98,449,000</u>	<u>67,411,000</u>	<u>111,003,000</u>
	58.08%	65.46%	67.67%	78.65%	66.64%
\$	36,788,000	\$ 36,788,000	\$ 43,318,000	\$ 43,361,000	\$ 48,520,000
	309.31%	263.58%	227.27%	155.46%	228.78%

**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, 2022.....	\$ 15,976,000	\$ (15,976,000)	\$ -	\$ 48,520,000	32.93%
December 31, 2021.....	15,027,000	(15,027,000)	-	43,361,000	34.66%
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, 2022.....	-11.49%
December 31, 2021.....	19.78%
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, 2022.....	94.47%	\$ 104,864,000	\$ 45,837,000	228.78%	66.64%
December 31, 2021.....	94.09%	63,425,000	40,756,000	155.62%	78.65%
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, 2023.....	\$ 15,093,000	\$ (15,093,000)	-	\$ 46,753,740	32.28%
June 30, 2022.....	14,138,000	(14,138,000)	-	41,571,120	34.01%
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
2023.....	\$ 224,580,612	\$ 18,473,947	57.75%
2022.....	175,138,868	14,054,165	62.03%
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	June 30, 2022	June 30, 2023
Total OPEB Liability						
Service cost.....	\$ 8,097,434	\$ 9,364,288	\$ 8,221,059	\$ 8,708,055	\$ 7,562,204	\$ 6,763,895
Interest.....	7,481,159	8,123,874	8,042,414	9,507,691	11,847,688	12,673,383
Changes of benefit terms.....	-	-	(599,550)	-	-	-
Differences between expected and actual experience....	-	(4,809,545)	-	(5,789,219)	-	27,176,454
Changes of assumptions.....	-	38,531,265	(28,943,759)	(11,239,110)	(18,643,527)	25,426,680
Benefit payments.....	(6,360,572)	(7,365,297)	(7,789,793)	(8,248,885)	(8,590,529)	(8,952,512)
Net change in total OPEB liability.....	9,218,021	43,844,585	(21,069,629)	(7,061,468)	(7,824,164)	63,087,900
Total OPEB liability - beginning.....	235,036,242	244,254,263	288,098,848	267,029,219	259,967,751	252,143,587
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>	\$ <u>252,143,587</u>	\$ <u>315,231,487</u>
Plan fiduciary net position						
Employer contributions.....	\$ -	\$ 500,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Employer contributions for OPEB payments.....	-	7,365,297	7,789,793	8,248,885	8,590,529	8,952,512
Net investment income (loss).....	-	4,144	(4,474)	144,605	(86,086)	115,670
Benefit payments.....	-	(7,365,297)	(7,789,793)	(8,248,885)	(8,590,529)	(8,952,512)
Net change in plan fiduciary net position.....	-	504,144	245,526	394,605	163,914	365,670
Plan fiduciary net position - beginning of year.....	-	-	504,144	749,670	1,144,275	1,308,189
Plan fiduciary net position - end of year (b).....	\$ <u>-</u>	\$ <u>504,144</u>	\$ <u>749,670</u>	\$ <u>1,144,275</u>	\$ <u>1,308,189</u>	\$ <u>1,673,859</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>	\$ <u>250,835,398</u>	\$ <u>313,557,628</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.00%	0.17%	0.28%	0.44%	0.52%	0.53%
Covered-employee payroll.....	\$ 92,586,340	\$ 86,789,899	\$ 89,393,596	\$ 84,609,971	\$ 87,148,270	\$ 128,572,576
Total OPEB liability as a percentage of covered-employee payroll.....	263.81%	331.37%	297.87%	305.90%	287.83%	243.88%

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, 2023.....	\$ 19,883,854	\$ (9,202,512)	\$ 10,681,342	\$ 128,572,576	7.16%
June 30, 2022.....	18,433,742	(8,840,529)	9,593,213	87,148,270	10.14%
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, 2023.....	8.09%
June 30, 2022.....	-7.25%
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 ACCOUNTABILITY

A. 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 2023 approved budget authorizing approximately \$228.0 million in current year appropriations and other financing uses. The original approved budget is inclusive of \$25.4 million in encumbrances and appropriations carried over from previous years. During 2023, the City Council approved supplemental appropriations totaling \$8.6 million, which were funded with existing fund balance and other available funding. 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, 2023, is as follows:

Net change in fund balance - budgetary basis.....	\$	(2,928,787)
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		395,368
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		(117,000)
Net change in recording 60 day receipts.....		280,015
Net change in recording accrued expenditures.....		84,661
Recognition of revenue for on-behalf payments.....		18,473,947
Recognition of expenditures for on-behalf payments.....		<u>(18,473,947)</u>
Net change in fund balance - GAAP basis.....	\$	<u>(2,285,743)</u>

C. Appropriation Deficits

During 2023, actual expenditures exceeded budgeted appropriations for auditing expenses and state and county charges. The deficit of the auditing expenses will be funded by the subsequent years' tax levy. State and county charges are assessments from the Commonwealth, which are directly deducted from local receipts provided by the state. The City is not required to raise the state and county assessment deficit.

NOTE B – PENSION PLAN

Pension Plan Schedules – Retirement System

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.

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.

Schedule of Investment Returns

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

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.

Schedule of the 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.

Schedule of the Special Funding Amounts of the Net Pension Liability

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 not a 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.

Changes in Plan Assumptions

The mortality assumption tables used have been updated.

Changes in Plan Provisions

None.

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 Schedules

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

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

Schedule of the City's Contributions

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

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

Valuation date.....	July 1, 2022.
Actuarial cost method.....	Individual Entry Age Normal.
Asset valuation method.....	Fair value of assets as of June 30, 2023.
Municipal bond rate.....	4.13% as of June 30, 2023, (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Single equivalent discount rate.....	4.70%, net of OPEB plan investment expense, including inflation.
Investment rate of return.....	5.12%, net of OPEB plan investment expense, including inflation.
Inflation rate.....	2.5% as of June 30, 2023, and for future periods.
Projected salary increases.....	3.0% annually as of June 30, 2023, and for future periods.
Healthcare trend rates.....	6.5% trending to 3.63% in 2060.
Pre-retirement mortality rates.....	<p>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.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with Scale MP-2016 for males and females.</p>
Post-retirement mortality rates.....	<p>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.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.</p>
Disabled mortality rates.....	<p>General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward 1 year.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.</p>

Schedule of Investment Returns

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

Changes of Assumptions

The discount rate has changed from 4.98% to 4.70%. Also, the assumption for future increases in Healthcare costs was updated.

Changes in Provisions

None.

Other Supplementary Information

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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.

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 funding received from the federal and state governments to assist in meeting obligations associated with the COVID-19 Pandemic.

Other Special Revenue Fund – accounts for activities not specified in the funds noted above.

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 the construction or renovation of the City's school buildings.

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, 2023

	Special Revenue Funds						
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Fund	Northern Strand Community Trail	City Receipts Reserved	School Revolving Fund
ASSETS							
Cash and cash equivalents.....	\$ 3,767,253	\$ 6,348,363	\$ -	\$ 233,388	\$ 6,401	\$ 2,702,998	\$ 4,550,439
Receivables, net of uncollectibles:							
Intergovernmental.....	216,089	244,648	382,300	-	-	-	-
TOTAL ASSETS.....	\$ 3,983,342	\$ 6,593,011	\$ 382,300	\$ 233,388	\$ 6,401	\$ 2,702,998	\$ 4,550,439
LIABILITIES							
Warrants payable.....	\$ 44,703	\$ 78,296	\$ -	\$ 84,339	\$ -	\$ 21,821	\$ 331,524
Accrued payroll.....	58,225	-	-	-	-	-	-
Due to other funds.....	-	-	382,300	-	-	-	-
Unearned revenue.....	-	-	-	-	6,401	-	-
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	102,928	78,296	382,300	84,339	6,401	21,821	331,524
FUND BALANCES							
Restricted.....	3,880,414	6,514,715	-	149,049	-	2,681,177	4,218,915
Unassigned.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	3,880,414	6,514,715	-	149,049	-	2,681,177	4,218,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 3,983,342	\$ 6,593,011	\$ 382,300	\$ 233,388	\$ 6,401	\$ 2,702,998	\$ 4,550,439

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2023

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			
\$ 5,361,191	\$ 190,307	\$ -	\$ 486,733	\$ 23,647,073	\$ 57,951	\$ 5,758,866	\$ 698,948	\$ 6,515,765	\$ 88,328	\$ 30,251,166	
498,008	-	3,619,357	-	4,960,402	-	-	-	-	-	4,960,402	
<u>\$ 5,859,199</u>	<u>\$ 190,307</u>	<u>\$ 3,619,357</u>	<u>\$ 486,733</u>	<u>\$ 28,607,475</u>	<u>\$ 57,951</u>	<u>\$ 5,758,866</u>	<u>\$ 698,948</u>	<u>\$ 6,515,765</u>	<u>\$ 88,328</u>	<u>\$ 35,211,568</u>	
\$ -	\$ 261,163	\$ -	\$ 2,174	\$ 824,020	\$ -	\$ 1,566,981	\$ -	\$ 1,566,981	\$ -	\$ 2,391,001	
-	9,796	-	-	68,021	-	-	-	-	-	68,021	
-	-	3,619,357	-	4,001,657	-	-	-	-	-	4,001,657	
-	-	-	-	6,401	-	-	-	-	-	6,401	
-	-	-	-	-	-	2,360,574	-	2,360,574	-	2,360,574	
-	270,959	3,619,357	2,174	4,900,099	-	3,927,555	-	3,927,555	-	8,827,654	
5,859,199	-	-	484,559	23,788,028	57,951	2,792,429	698,948	3,549,328	88,328	27,425,684	
-	(80,652)	-	-	(80,652)	-	(961,118)	-	(961,118)	-	(1,041,770)	
<u>5,859,199</u>	<u>(80,652)</u>	<u>-</u>	<u>484,559</u>	<u>23,707,376</u>	<u>57,951</u>	<u>1,831,311</u>	<u>698,948</u>	<u>2,588,210</u>	<u>88,328</u>	<u>26,383,914</u>	
<u>\$ 5,859,199</u>	<u>\$ 190,307</u>	<u>\$ 3,619,357</u>	<u>\$ 486,733</u>	<u>\$ 28,607,475</u>	<u>\$ 57,951</u>	<u>\$ 5,758,866</u>	<u>\$ 698,948</u>	<u>\$ 6,515,765</u>	<u>\$ 88,328</u>	<u>\$ 35,211,568</u>	

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds						
	City Revolving Fund	City Grant Fund	Highway Improvements Grant Fund	Community Development Grant Funds	Northern Strand Community Trail	City Receipts Reserved	School Revolving Fund
REVENUES:							
Charges for services.....	\$ 1,449,413	\$ -	\$ -	\$ -	\$ -	\$ 1,112,935	\$ 193,594
Intergovernmental.....	416,766	2,578,184	912,249	1,467,543	37,206	5,855	5,760,056
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-
Departmental and other.....	2,825,920	965,885	-	-	-	47,542	239,466
Contributions and donations.....	-	-	-	-	-	-	189,907
Investment income.....	9,947	17,420	-	1,315	-	-	-
TOTAL REVENUES.....	4,702,046	3,561,489	912,249	1,468,858	37,206	1,166,332	6,383,023
EXPENDITURES:							
Current:							
General government.....	984,666	2,291,738	-	1,997,324	37,206	1,680,194	-
Public safety.....	405,673	981,851	-	-	-	-	-
Education.....	-	-	-	-	-	-	5,714,919
Public works.....	428,779	241,969	912,249	-	-	2,739	-
Trash and recycling.....	-	-	-	-	-	-	-
Health and human services.....	284,457	726,761	-	80	-	-	-
Culture and recreation.....	1,159,740	170,617	-	48,377	-	-	-
TOTAL EXPENDITURES.....	3,263,315	4,412,936	912,249	2,045,781	37,206	1,682,933	5,714,919
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,438,731	(851,447)	-	(576,923)	-	(516,601)	668,104
OTHER FINANCING SOURCES (USES):							
Issuance of bonds.....	-	-	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	-	-
Transfers in.....	676,058	1,543,398	-	-	-	300,000	-
Transfers out.....	(225,000)	(249,970)	-	-	-	(61,542)	-
TOTAL OTHER FINANCING SOURCES (USES).....	451,058	1,293,428	-	-	-	238,458	-
NET CHANGE IN FUND BALANCES.....	1,889,789	441,981	-	(576,923)	-	(278,143)	668,104
FUND BALANCES AT BEGINNING OF YEAR.....	1,990,625	6,072,734	-	725,972	-	2,959,320	3,550,811
FUND BALANCES AT END OF YEAR.....	\$ 3,880,414	\$ 6,514,715	\$ -	\$ 149,049	\$ -	\$ 2,681,177	\$ 4,218,915

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

YEAR ENDED JUNE 30, 2023

Special Revenue Funds					Capital Project Funds				Total Nonmajor Governmental Funds	
School Grant Fund	Trash Revolving Fund	Coronavirus Relief Fund	Other Special Revenue	Subtotal	Harry Della Russo Stadium	School Capital Project	School Construction Project	Subtotal	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 263,501	\$ -	\$ -	\$ 3,019,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,019,443
13,219,476	-	-	-	24,397,335	-	1,510,256	517,529	2,027,785	-	26,425,120
-	-	5,609,760	-	5,609,760	-	-	-	-	-	5,609,760
95,417	-	-	3,616,969	7,791,199	-	261,554	-	261,554	-	8,052,753
-	-	-	-	189,907	-	-	-	-	-	189,907
-	70,703	-	6,826	106,211	-	274	-	274	84,404	190,889
<u>13,314,893</u>	<u>334,204</u>	<u>5,609,760</u>	<u>3,623,795</u>	<u>41,113,855</u>	<u>-</u>	<u>1,772,084</u>	<u>517,529</u>	<u>2,289,613</u>	<u>84,404</u>	<u>43,487,872</u>
-	-	-	140,371	7,131,499	49,277	-	-	49,277	-	7,180,776
-	-	-	3,345,132	4,732,656	-	-	-	-	-	4,732,656
12,711,238	-	5,592,620	181,696	24,200,473	-	33,068,105	841	33,068,946	-	57,269,419
-	-	-	-	1,585,736	-	-	-	-	-	1,585,736
-	4,624,345	-	-	4,624,345	-	-	-	-	-	4,624,345
-	-	17,140	-	1,028,438	-	-	-	-	-	1,028,438
-	-	-	-	1,378,734	-	-	-	-	-	1,378,734
<u>12,711,238</u>	<u>4,624,345</u>	<u>5,609,760</u>	<u>3,667,199</u>	<u>44,681,881</u>	<u>49,277</u>	<u>33,068,105</u>	<u>841</u>	<u>33,118,223</u>	<u>-</u>	<u>77,800,104</u>
<u>603,655</u>	<u>(4,290,141)</u>	<u>-</u>	<u>(43,404)</u>	<u>(3,568,026)</u>	<u>(49,277)</u>	<u>(31,296,021)</u>	<u>516,688</u>	<u>(30,828,610)</u>	<u>84,404</u>	<u>(34,312,232)</u>
-	-	-	-	-	-	29,500,000	-	29,500,000	-	29,500,000
-	-	-	-	-	-	253,244	-	253,244	-	253,244
-	3,867,791	-	138,500	6,525,747	-	2,300,000	-	2,300,000	-	8,825,747
-	-	-	-	(536,512)	-	-	-	-	(7,000)	(543,512)
<u>-</u>	<u>3,867,791</u>	<u>-</u>	<u>138,500</u>	<u>5,989,235</u>	<u>-</u>	<u>32,053,244</u>	<u>-</u>	<u>32,053,244</u>	<u>(7,000)</u>	<u>38,035,479</u>
603,655	(422,350)	-	95,096	2,421,209	(49,277)	757,223	516,688	1,224,634	77,404	3,723,247
<u>5,255,544</u>	<u>341,698</u>	<u>-</u>	<u>389,463</u>	<u>21,286,167</u>	<u>107,228</u>	<u>1,074,088</u>	<u>182,260</u>	<u>1,363,576</u>	<u>10,924</u>	<u>22,660,667</u>
<u>\$ 5,859,199</u>	<u>\$ (80,652)</u>	<u>\$ -</u>	<u>\$ 484,559</u>	<u>\$ 23,707,376</u>	<u>\$ 57,951</u>	<u>\$ 1,831,311</u>	<u>\$ 698,948</u>	<u>\$ 2,588,210</u>	<u>\$ 88,328</u>	<u>\$ 26,383,914</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:

Paying Agent Fund – The City, along with several other neighboring communities, are parties to a construction project that is administered (designed, funded, procured) by the Commonwealth of Massachusetts. The Commonwealth selected the City to be the temporary Custodian and paying agent of all funds for the project. The City's only obligation under this arrangement is to disburse funds, on-behalf of the Commonwealth, to project vendors once the Commonwealth has approved the disbursement. The Commonwealth will transfer the exact amount of the approved disbursements to the City and the City must immediately pay the vendor.

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, 2023

	Paying Agent Fund	Asset Forfeitures	Total Custodial Funds
ASSETS			
Cash and cash equivalents.....	\$ -	\$ 358,394	\$ 358,394
LIABILITIES			
Other liabilities.....	-	219,331	219,331
NET POSITION			
Restricted for individuals and other governments.....	-	139,063	139,063
TOTAL NET POSITION.....	\$ -	\$ 358,394	\$ 358,394

CUSTODIAL FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Paying Agent Fund	Asset Forfeitures	Total Custodial Funds
<u>ADDITIONS:</u>			
Intergovernmental.....	\$ 228,551	\$ -	\$ 228,551
Asset seizure collections for other governments.....	-	96,173	96,173
Investment income.....	-	990	990
 TOTAL ADDITIONS.....	 228,551	 97,163	 325,714
<u>DEDUCTIONS:</u>			
Construction costs on behalf of other governments.....	228,551	-	228,551
 NET CHANGE IN NET POSITION.....	 -	 97,163	 97,163
 NET POSITION AT BEGINNING OF YEAR.....	 -	 41,900	 41,900
 NET POSITION AT END OF YEAR.....	 \$ -	 \$ 139,063	 \$ 139,063

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.



Starting line at the Annual Revere Beach Pumpkin Dash

City of Revere, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2023

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**

	2014	2015 (1)	2016	2017	2018 (2)	2019	2020 (3)	2021	2022	2023
Governmental activities										
Net investment in capital assets.....	\$ 106,119,983	\$ 127,833,259	\$ 131,609,885	\$ 127,306,721	\$ 131,607,988	\$ 135,224,722	\$ 136,410,191	\$ 140,797,789	\$ 137,126,704	\$ 146,988,855
Restricted.....	2,829,287	4,482,348	3,896,591	8,907,370	5,196,858	6,942,042	10,381,399	8,708,268	12,065,174	12,611,291
Unrestricted.....	<u>(25,058,484)</u>	<u>(113,157,039)</u>	<u>(120,807,092)</u>	<u>(123,718,614)</u>	<u>(270,717,192)</u>	<u>(295,045,768)</u>	<u>(311,401,023)</u>	<u>(314,884,070)</u>	<u>(298,407,847)</u>	<u>(313,513,520)</u>
Total governmental activities net position.....	<u>\$ 83,890,786</u>	<u>\$ 19,158,568</u>	<u>\$ 14,699,384</u>	<u>\$ 12,495,477</u>	<u>\$ (133,912,346)</u>	<u>\$ (152,879,004)</u>	<u>\$ (164,609,433)</u>	<u>\$ (165,378,013)</u>	<u>\$ (149,215,969)</u>	<u>\$ (153,913,374)</u>
Business-type activities										
Net investment in capital assets.....	\$ 10,956,551	\$ 12,291,030	\$ 14,989,438	\$ 13,684,220	\$ 14,660,627	\$ 16,967,652	\$ 20,081,984	\$ 23,340,253	\$ 27,674,103	\$ 30,873,136
Unrestricted.....	<u>11,404,907</u>	<u>7,648,123</u>	<u>8,601,135</u>	<u>14,977,464</u>	<u>9,393,818</u>	<u>9,393,818</u>	<u>7,381,792</u>	<u>7,765,823</u>	<u>6,513,120</u>	<u>7,341,463</u>
Total business-type activities net position.....	<u>\$ 22,361,458</u>	<u>\$ 19,939,153</u>	<u>\$ 23,590,573</u>	<u>\$ 28,661,684</u>	<u>\$ 24,054,445</u>	<u>\$ 26,361,470</u>	<u>\$ 27,463,776</u>	<u>\$ 31,106,076</u>	<u>\$ 34,187,223</u>	<u>\$ 38,214,599</u>
Primary government										
Net investment in capital assets.....	\$ 117,076,534	\$ 140,124,289	\$ 146,599,323	\$ 140,990,941	\$ 146,268,615	\$ 152,192,374	\$ 149,677,288	\$ 164,138,042	\$ 164,800,807	\$ 177,861,991
Restricted.....	2,829,287	4,482,348	3,896,591	8,907,370	5,196,858	6,942,042	10,381,399	8,708,268	12,065,174	12,611,291
Unrestricted.....	<u>(13,653,577)</u>	<u>(105,508,916)</u>	<u>(112,205,957)</u>	<u>(108,741,150)</u>	<u>(261,323,374)</u>	<u>(285,651,950)</u>	<u>(297,204,344)</u>	<u>(307,118,247)</u>	<u>(291,894,727)</u>	<u>(306,172,057)</u>
Total primary government net position.....	<u>\$ 106,252,244</u>	<u>\$ 39,097,721</u>	<u>\$ 38,289,957</u>	<u>\$ 41,157,161</u>	<u>\$ (109,857,901)</u>	<u>\$ (126,517,534)</u>	<u>\$ (137,145,657)</u>	<u>\$ (134,271,937)</u>	<u>\$ (115,028,746)</u>	<u>\$ (115,698,775)</u>

(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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government.....	\$ 15,764,315	\$ 14,787,798	\$ 15,303,774	\$ 17,155,162	\$ 15,830,030	\$ 18,677,964	\$ 20,850,398	\$ 21,927,597	\$ 24,834,586	\$ 27,443,793
Public safety.....	32,719,876	35,329,334	37,684,056	39,421,440	42,792,229	48,797,413	44,914,133	49,384,788	45,248,280	60,724,785
Education.....	121,174,485	124,884,310	130,866,169	139,897,194	149,587,836	161,643,523	163,296,859	167,784,149	171,909,117	193,136,831
Public works.....	12,619,734	14,271,860	12,282,248	13,614,256	11,651,357	9,170,717	14,849,694	7,705,190	6,917,747	8,959,993
Health and human services.....	3,626,255	3,376,833	3,761,556	3,852,268	4,441,613	5,116,904	3,962,834	4,583,325	3,547,778	4,332,430
Trash and recycling.....	-	-	-	-	-	4,229,824	4,444,835	4,705,408	4,510,933	4,624,345
Culture and recreation.....	1,531,659	1,493,526	1,991,367	1,873,795	2,819,146	2,046,706	2,785,501	2,541,237	2,706,405	4,016,897
Interest.....	1,873,105	2,310,793	2,220,766	2,051,332	2,244,557	1,590,601	1,816,514	1,967,763	3,801,533	2,888,186
Total government activities expenses.....	189,309,429	196,454,454	204,109,936	217,865,447	229,366,768	251,273,652	256,920,768	260,599,457	263,476,379	306,127,260
Business-type activities:										
Water & sewer.....	20,724,481	21,530,431	21,944,588	23,797,042	25,464,659	27,035,429	25,814,547	27,441,915	26,973,614	29,982,652
Total primary government expenses.....	\$ 210,033,910	\$ 217,984,885	\$ 226,054,524	\$ 241,662,489	\$ 254,831,427	\$ 278,309,081	\$ 282,735,315	\$ 288,041,372	\$ 290,449,993	\$ 336,109,912
Program Revenues										
Governmental activities:										
General government charges for services.....	\$ 2,772,807	\$ 3,999,341	\$ 2,881,437	\$ 3,065,829	\$ 3,765,833	\$ 6,386,518	\$ 4,670,212	\$ 4,842,830	\$ 10,247,681	\$ 6,667,636
Public safety charges for services.....	1,528,468	1,419,882	1,432,731	1,159,881	1,937,344	871,202	1,698,554	4,830,024	5,108,843	6,797,065
Education charges for services.....	1,383,320	1,448,378	1,430,759	1,450,368	824,571	870,423	586,525	443,298	371,424	477,764
Other charges for services.....	730,967	1,625,709	791,383	1,175,744	672,546	1,607,041	1,504,485	2,422,716	4,346,612	3,732,963
Public safety operating grants and contributions.....	1,576,676	1,378,063	390,740	1,169,421	1,113,646	899,391	2,063,091	1,888,959	1,996,827	848,298
Education operating grants and contributions.....	76,364,168	73,945,800	83,115,134	90,708,790	94,171,831	104,854,508	113,652,164	117,021,686	122,858,282	130,969,440
Other operating grants and contributions.....	2,699,102	2,812,715	2,840,719	3,064,602	4,024,248	7,611,746	5,036,932	10,733,512	9,394,083	14,113,436
Education capital grant and contributions.....	7,026,329	18,134,937	3,886,257	4,129,870	2,017,453	83,540	986,423	-	1,152,010	2,289,339
Public works capital grant and contributions.....	976,855	279,964	779,467	2,211,124	2,554,603	621,031	1,040,949	3,456,740	906,357	811,006
Other capital grant and contributions.....	-	1,701,643	-	321,484	-	-	447,856	1,083,831	384,032	37,206
Total government activities program revenues.....	95,058,692	106,746,432	97,548,627	108,457,113	111,082,075	123,805,400	131,686,991	146,723,596	156,766,151	166,744,153
Business-type activities:										
Water & sewer charges for services.....	22,854,183	22,036,024	25,386,189	28,350,626	25,794,344	26,405,852	25,509,028	27,848,066	26,971,014	29,315,670
Water & sewer capital grant and contributions.....	505,729	475,630	192,329	487,713	-	1,714,450	1,116,055	3,050,639	3,104,069	2,127,673
Total business-type activities program revenues.....	23,359,912	22,511,654	25,578,518	28,838,339	25,794,344	28,120,302	26,625,083	30,898,705	30,075,083	31,443,343
Total primary government program revenues.....	\$ 118,418,604	\$ 129,258,086	\$ 123,127,145	\$ 137,295,452	\$ 136,876,419	\$ 151,925,702	\$ 158,312,074	\$ 177,622,301	\$ 186,841,234	\$ 198,187,496
Net (Expense)/Revenue										
Governmental activities.....	\$ (94,250,737)	\$ (89,708,022)	\$ (106,561,309)	\$ (106,346,747)	\$ (118,284,693)	\$ (127,468,252)	\$ (125,233,777)	\$ (113,875,861)	\$ (106,710,228)	\$ (139,383,107)
Business-type activities.....	2,635,431	981,223	3,633,930	8,102,884	329,685	1,084,873	810,536	3,456,790	3,101,469	1,460,691
Total primary government net expense.....	\$ (91,615,306)	\$ (88,726,799)	\$ (102,927,379)	\$ (98,243,863)	\$ (117,955,008)	\$ (126,383,379)	\$ (124,423,241)	\$ (110,419,071)	\$ (103,608,759)	\$ (137,922,416)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes and tax liens, net of tax refunds payable.....	\$ 69,151,736	\$ 72,670,958	\$ 76,733,123	\$ 78,964,460	\$ 82,001,340	\$ 85,883,823	\$ 91,083,738	\$ 93,090,334	\$ 100,707,822	\$ 107,866,375
Motor vehicle and other excise taxes.....	5,379,339	5,144,906	5,479,414	5,621,860	5,637,767	6,013,007	6,002,938	6,155,322	6,358,138	7,068,384
Hotel/motel tax and meals tax.....	2,131,853	2,326,545	2,354,584	2,356,928	2,471,658	2,623,267	2,531,378	1,183,413	2,621,399	3,990,512
Penalties and interest on taxes.....	435,661	484,909	771,965	754,037	1,673,886	853,417	309,592	794,419	518,003	442,889
Payments in lieu of taxes.....	275,527	219,835	236,873	132,506	279,961	185,119	245,982	210,693	250,234	203,653
Nonrestricted grants, contributions, and other.....	10,222,245	10,459,173	10,474,377	10,814,407	10,712,581	11,435,466	11,873,426	11,462,537	12,546,454	13,046,759
Unrestricted investment income.....	167,798	280,454	363,407	221,915	483,475	1,507,495	1,181,356	284,282	(129,778)	4,011,064
Transfers.....	-	-	-	-	-	-	-	(73,719)	-	(1,943,934)
Total governmental revenues.....	87,764,159	91,586,780	96,413,743	98,866,113	103,260,668	108,501,594	113,228,410	113,107,281	122,872,272	134,685,702
Extraordinary item - July 2014 Tornado Insurance Recovery.....	-	-	-	2,215,140	3,934,860	-	-	-	-	-
Total governmental activities.....	87,764,159	91,586,780	96,413,743	101,081,253	107,195,528	108,501,594	113,228,410	113,107,281	122,872,272	134,685,702
Business-type activities:										
Unrestricted investment income.....	15,804	12,240	17,490	29,814	46,111	388,552	291,770	111,791	(20,322)	622,751
Transfers.....	-	-	-	-	-	-	-	73,719	-	1,943,934
Total business type activities.....	15,804	12,240	17,490	29,814	46,111	388,552	291,770	185,510	(20,322)	2,566,685
Total primary government.....	\$ 87,779,963	\$ 91,599,020	\$ 96,431,233	\$ 101,111,067	\$ 107,241,639	\$ 108,890,146	\$ 113,520,180	\$ 113,292,791	\$ 122,851,950	\$ 137,252,387
Changes in Net Position										
Governmental activities.....	\$ (6,486,578)	\$ 1,878,758	\$ (10,147,566)	\$ (2,203,907)	\$ (11,089,165)	\$ (18,966,658)	\$ (12,234,923)	\$ (768,580)	\$ 16,162,044	\$ (4,697,405)
Business-type activities.....	2,651,235	993,463	3,651,420	5,071,111	375,796	1,473,425	1,102,306	3,642,300	3,081,147	4,027,376
Total primary government.....	\$ (3,835,343)	\$ 2,872,221	\$ (6,496,146)	\$ 2,867,204	\$ (10,713,369)	\$ (17,493,233)	\$ (11,132,617)	\$ 2,873,720	\$ 19,243,191	\$ (670,029)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (1)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Committed.....	\$ -	\$ -	\$ -	\$ -	\$ 63,206	\$ 271,203	\$ 201,934	\$ 77,517	\$ -	\$ -
Assigned.....	13,184,414	9,954,637	10,238,205	13,618,143	12,590,008	13,840,088	15,401,297	19,517,283	25,423,855	24,398,927
Unassigned.....	<u>11,062,354</u>	<u>15,284,145</u>	<u>16,854,365</u>	<u>20,165,252</u>	<u>19,560,123</u>	<u>19,362,385</u>	<u>16,608,558</u>	<u>11,997,789</u>	<u>16,197,502</u>	<u>14,936,687</u>
Total general fund.....	<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>	<u>\$ 41,621,357</u>	<u>\$ 39,335,614</u>
All Other Governmental Funds										
Restricted.....	\$ 8,024,826	\$ 10,711,778	\$ 12,095,952	\$ 17,873,843	\$ 15,536,639	\$ 18,929,313	\$ 20,790,613	\$ 50,295,661	\$ 59,641,302	\$ 44,831,826
Unassigned.....	<u>(7,861,347)</u>	<u>(12,319,233)</u>	<u>(19,058,234)</u>	<u>(271,975)</u>	<u>(1,662,744)</u>	<u>(1,620,740)</u>	<u>(8,021,964)</u>	<u>(17,973)</u>	<u>-</u>	<u>(1,041,770)</u>
Total All Other Governmental Funds..	<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>	<u>\$ 59,641,302</u>	<u>\$ 43,790,056</u>

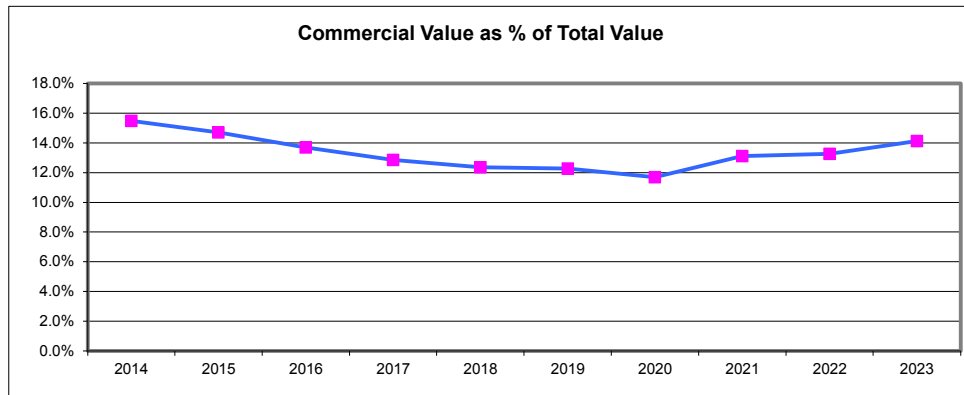
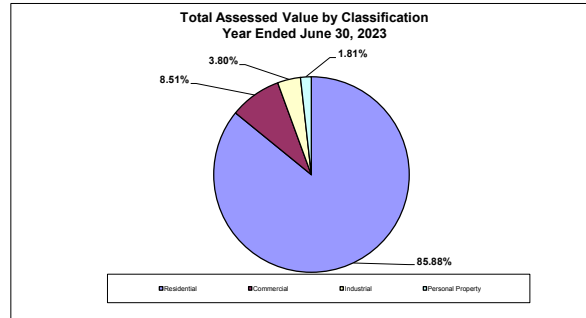
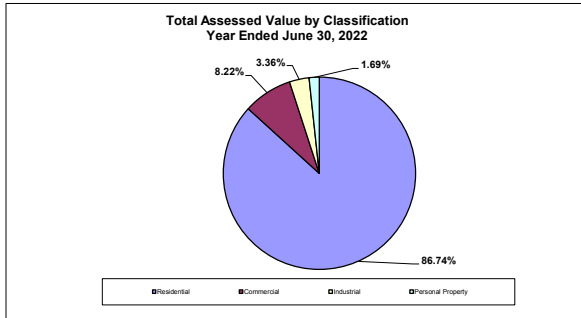
(1) The City implemented GASB Statement #84 - Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Real estate and personal property taxes and tax liens, net of tax refunds.....	\$ 67,479,252	\$ 69,834,888	\$ 74,122,267	\$ 78,369,948	\$ 80,422,568	\$ 84,795,403	\$ 89,845,360	\$ 91,831,694	\$ 99,430,468	\$ 105,265,253
Tax liens.....	1,271,875	2,223,312	2,672,391	1,833,246	1,468,225	725,499	1,357,342	924,614	760,245	951,025
Motor vehicle and other excise taxes.....	5,054,783	5,239,805	5,375,745	5,350,845	5,844,249	6,040,326	5,402,654	6,640,706	6,344,687	6,932,313
Hotel/motel and meals tax.....	2,131,853	2,326,545	2,354,584	2,356,928	2,471,658	2,623,267	2,531,378	1,183,413	2,621,399	3,990,512
Charges for service.....	2,549,423	2,219,396	2,224,461	2,398,812	2,638,960	2,844,613	2,763,183	3,758,763	4,460,825	4,739,071
Penalties and interest on taxes.....	435,661	465,719	597,950	641,505	889,791	853,417	309,592	794,419	518,003	442,889
Payments in lieu of taxes.....	275,527	219,835	236,873	132,506	279,961	185,119	245,982	210,693	250,234	203,653
Licenses and permits.....	1,395,268	1,870,200	1,382,497	1,215,769	1,759,986	4,521,377	2,740,188	1,866,058	6,586,962	3,258,648
Fines and forfeitures.....	1,006,469	977,642	1,285,992	1,445,890	2,177,667	1,284,332	1,403,607	1,408,944	1,730,858	2,099,865
Intergovernmental.....	97,627,870	108,087,862	99,090,780	110,033,192	113,457,060	123,539,814	130,310,582	131,025,023	136,711,971	147,036,735
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	1,382,158	10,306,264	12,097,624	14,536,849
Departmental and other.....	2,057,927	4,127,661	3,313,010	3,304,698	1,460,413	4,245,948	4,697,090	9,688,714	7,559,421	8,064,964
Contributions and donations.....	168,892	652,503	772,300	877,091	207,614	196,815	158,819	-	238,085	189,907
Investment income.....	162,303	276,605	358,585	212,749	471,555	1,648,807	1,135,722	274,110	315,495	3,671,914
Total Revenue.....	181,617,103	198,521,973	193,787,435	208,173,179	213,549,707	233,504,737	244,283,657	259,913,415	279,626,277	301,383,598
Expenditures:										
General government.....	13,095,422	16,427,899	9,329,032	9,909,010	9,860,394	14,208,964	11,981,617	17,479,719	20,258,485	20,852,916
Public safety.....	19,580,090	21,644,540	20,942,915	20,695,289	24,793,798	26,005,692	26,367,490	31,370,524	31,851,418	37,297,680
Education.....	92,718,510	112,392,306	97,577,853	93,188,804	105,770,691	104,856,942	107,149,835	107,519,175	126,108,967	166,491,740
Public works / trash and recycling.....	4,986,164	8,297,902	7,376,649	7,271,921	11,956,863	13,263,557	19,566,982	14,989,443	14,204,605	32,376,469
Health and human services.....	2,609,241	2,542,583	2,600,677	2,641,581	3,020,900	3,336,305	2,927,516	3,823,285	2,885,617	3,098,508
Culture and recreation.....	1,067,679	1,270,050	3,698,315	2,009,376	1,583,609	1,522,991	1,827,911	1,782,912	1,961,502	2,853,551
Pension benefits.....	23,672,992	18,632,888	23,227,185	28,600,269	11,052,060	30,105,907	36,271,740	41,127,476	27,872,060	33,151,496
Employee benefits.....	17,903,409	18,446,949	19,141,043	19,239,707	20,310,678	23,299,820	24,840,857	25,352,182	25,852,017	26,748,924
State and county charges.....	7,448,290	8,034,077	8,368,133	9,346,992	10,394,287	12,231,375	12,996,858	13,558,757	14,961,287	17,730,580
Debt service:										
Principal.....	2,376,643	2,421,893	2,713,343	2,784,683	3,482,543	3,664,543	3,864,543	3,874,543	3,779,543	5,201,743
Interest.....	1,898,110	2,022,540	2,313,329	2,042,251	2,447,489	2,303,400	2,565,057	2,105,157	3,573,394	3,187,974
Total Expenditures.....	187,356,550	212,133,627	197,288,474	197,729,883	204,673,312	234,799,496	250,360,406	262,983,173	273,308,895	348,991,581
Excess of revenues over (under) expenditures.....	<u>(5,739,447)</u>	<u>(13,611,654)</u>	<u>(3,501,039)</u>	<u>10,443,296</u>	<u>8,876,395</u>	<u>(1,294,759)</u>	<u>(6,076,749)</u>	<u>(3,069,758)</u>	<u>6,317,382</u>	<u>(47,607,983)</u>
Other Financing Sources (Uses)										
Issuance of long-term debt.....	-	9,666,000	-	17,678,000	-	4,835,000	-	36,575,000	11,785,000	30,087,500
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	1,290,000	915,744
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.....	2,910,222	3,302,284	2,634,764	3,624,371	2,158,696	7,611,378	8,353,438	7,187,288	5,695,600	13,009,610
Transfers out.....	(2,910,222)	(1,690,066)	(2,634,764)	(3,624,371)	(2,142,872)	(7,611,378)	(8,353,438)	(7,261,007)	(5,695,600)	(14,541,860)
Total other financing sources (uses).....	704,130	12,832,734	-	18,596,539	15,824	5,167,199	-	39,959,597	13,075,000	29,470,994
Extraordinary item - July 2014 Tornado Insurance Recovery...	-	-	-	2,215,140	3,954,360	-	-	-	-	-
Net change in fund balance.....	\$ (5,035,317)	\$ (778,920)	\$ (3,501,039)	\$ 31,254,975	\$ 12,846,579	\$ 3,872,440	\$ (6,076,749)	\$ 36,889,839	\$ 19,392,382	\$ (18,136,989)
Debt service as a percentage of noncapital expenditures.....	2.45%	2.51%	2.72%	2.51%	3.07%	2.67%	2.63%	2.37%	2.83%	2.96%

**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
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
2022	\$7,534,780,417	\$10.40	86.74%	\$713,690,892	\$291,473,188	\$146,981,779	\$1,152,145,859	\$20.56	13.26%	\$11.75	\$8,686,926,276
2023	\$8,520,077,275	\$9.51	85.88%	\$844,565,294	\$377,453,912	\$179,316,826	\$1,401,336,032	\$18.98	14.12%	\$10.85	\$9,921,413,307



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

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

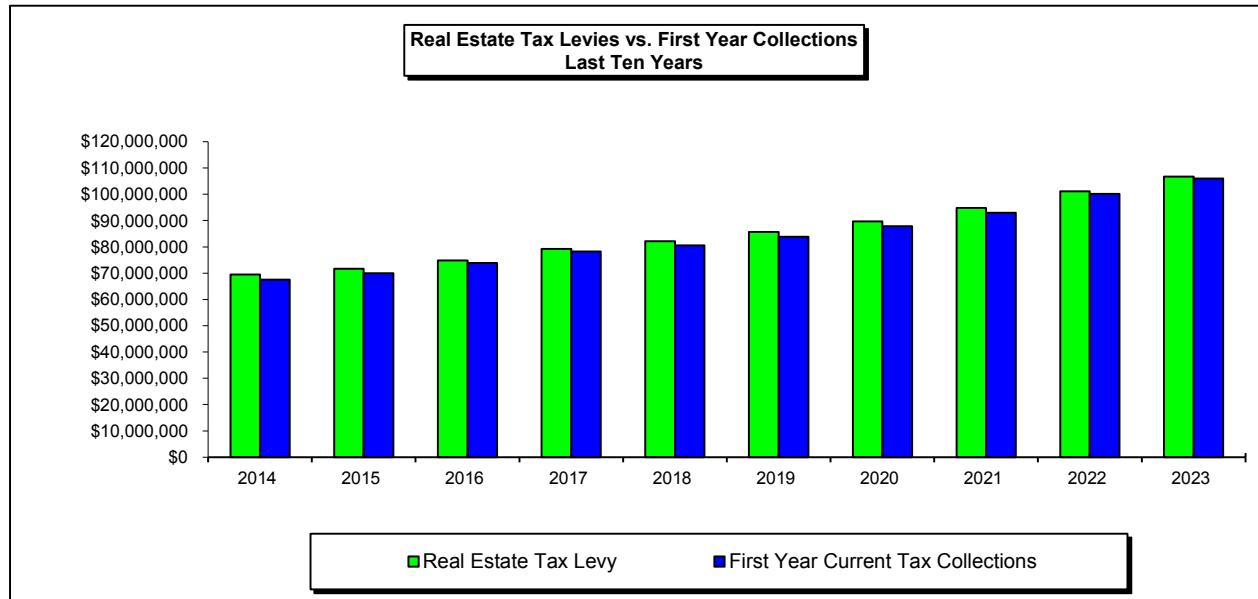
**Principal Taxpayers
Current Year and Nine Years Ago**

Name	Nature of Business	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
11 Overlook Ridge Drive (MA) Owner LLC	Apartments	\$ 255,776,400	1	2.58%			
CLPF Revere LLC	Warehouse Distribution	\$ 240,084,812	2	2.42%			
500 Ocean Avenue, LLC	Apartments	\$ 133,888,912	3	1.35%			
McClellan Highway Development	Mixed use Development	\$ 112,786,500	4	1.14%			
Baystone Revere LLC	Apartments	\$ 93,623,200	5	0.94%			
Greystar Revere LLC	Apartments	\$ 85,863,500	6	0.87%			
Invictus Eliot on Ocean LLC	Apartments	\$ 80,532,100	7	0.81%			
205 Revere Beach Parkway LLC	Apartments	\$ 78,621,800	8	0.79%			
Revere Ocean Apartments Owner	Apartments	\$ 75,349,600	9	0.76%			
Rumney Flats Apartments LLC	Apartments	\$ 71,605,600	10	0.72%			
Alterra II LLC	Apartments				\$ 75,779,700	1	1.78%
Alterra I LLC & Mack- Cali Tc LLC	Apartments				\$ 60,000,200	2	1.41%
NECCO Realty MA, LLC	Manufacturing				\$ 30,097,627	3	0.71%
Waters Edge Limited Partnership	Apartments				\$ 27,447,200	4	0.64%
Global Revco Terminal LLC	Oil Tank Farms				\$ 18,971,300	5	0.44%
Cedar-River LLC (Stop and Shop Wendy's, Shops at Suffolk Downs)	Retail				\$ 18,155,000	6	0.43%
NAI Entertainment Holdings, LLC	Cinema				\$ 17,655,100	7	0.41%
Northgate Apartments LLC	Apartments				\$ 16,382,300	8	0.38%
UE Revere LLC	Retail				\$ 15,944,900	9	0.37%
Northgate Shopping Center	Retail				\$ 15,897,400	10	0.4%
	Totals	<u>\$ 1,228,132,424</u>		<u>12.38%</u>	<u>\$ 296,330,727</u>		<u>6.95%</u>

Source: Debt Offering Statements

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

Year	Total Tax Levy	Less Estimated Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
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%	\$331,661	\$93,339,804	98.50%
2022	\$102,049,835	\$952,710	\$101,097,125	\$100,098,948	99.0%	\$24,249	\$100,123,197	99.04%
2023	\$107,623,293	\$883,228	\$106,740,065	\$106,053,264	99.4%	\$0	\$106,053,264	99.36%



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)	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
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%
2022	59,075	\$1,807,163,325	\$8,686,926,276	\$105,138,082	\$10,924	\$105,127,158	-	\$1,780	5.82%	1.21%	\$1,780	5.82%	1.21%
2023	58,258	\$1,758,744,452	\$9,921,413,307	\$120,257,752	\$88,328	\$120,169,424	-	\$2,064	6.84%	1.21%	\$2,063	6.83%	1.21%

Year	Business-Type Activities			Total Primary Government			Total Primary Government				
	General Obligation Bonds	Direct Borrowings	Total (7)	Total General Bonded Debt			Total Net General Bonded Debt				
				Total Debt Outstanding (4 + 6 + 7)	Per Capita (4 + 6 + 7) / 1	Percentage of Personal Income (4 + 6 + 7) / 2	Percentage of Assessed Value (4 + 6 + 7) / 3	Total Net Debt Outstanding (4 - 5 + 6 + 7)	Per Capita (4 - 5 + 6 + 7) / 1	Percentage of Personal Income (4 - 5 + 6 + 7) / 2	Percentage of Assessed Value (4 - 5 + 6 + 7) / 3
2014	\$1,154,710	\$13,849,458	\$15,004,168	\$60,692,010	\$1,129	4.47%	1.56%	\$60,610,824	\$1,128	4.46%	1.56%
2015	\$960,860	\$23,774,923	\$24,735,783	\$77,259,457	\$1,427	5.47%	1.81%	\$76,982,951	\$1,421	5.45%	1.80%
2016	\$818,660	\$32,082,375	\$32,901,035	\$83,872,155	\$1,570	5.98%	1.82%	\$83,445,672	\$1,562	5.95%	1.81%
2017	\$683,800	\$66,399,487	\$67,083,287	\$135,528,321	\$2,550	9.52%	2.69%	\$134,352,636	\$2,527	9.44%	2.67%
2018	\$603,800	\$64,074,807	\$64,678,607	\$129,284,863	\$2,394	8.69%	2.27%	\$128,075,918	\$2,372	8.60%	2.25%
2019	\$1,158,800	\$69,272,167	\$70,430,967	\$135,614,982	\$2,503	9.08%	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%
2022	\$3,733,800	\$83,673,658	\$87,407,458	\$192,545,540	\$3,259	10.65%	2.22%	\$192,534,616	\$3,259	10.65%	2.22%
2023	13,690,000	\$100,023,950	\$113,713,950	\$233,971,702	\$4,016	13.30%	2.36%	\$233,883,374	\$4,015	13.30%	2.36%

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

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

<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.....	\$ 5,324,979	2.082%	\$ 110,866
Northeast Metropolitan Regional Vocational School District.....	30,435,000	19.400%	<u>5,904,390</u>
Subtotal, overlapping debt.....			6,015,256
Total direct debt.....			<u>120,257,752</u>
Total direct and overlapping debt.....			<u>\$ 126,273,008</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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation.....	<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>	<u>\$ 9,389,475,300</u>	<u>\$ 9,389,475,300</u>
Debt Limit -5% of Equalized Valuation.....	\$ 206,772,880	\$ 206,772,880	\$ 245,368,880	\$ 245,368,880	\$ 305,600,020	\$ 305,600,020	\$ 387,956,345	\$ 387,956,345	\$ 469,473,765	\$ 469,473,765
Less:										
Outstanding debt applicable to limit.....	44,947,511	52,112,818	50,898,896	68,445,034	64,606,256	65,184,015	60,404,211	95,577,749	90,701,010	112,414,599
Authorized and unissued debt.....	<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>	<u>55,857,482</u>	<u>70,462,474</u>
Legal debt margin.....	<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>	<u>\$ 322,915,273</u>	<u>\$ 286,596,692</u>
Total debt applicable to the limit as a percentage of debt limit.....	50.16%	51.11%	35.85%	37.57%	51.63%	48.37%	35.41%	38.00%	31.22%	38.95%

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)
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	\$ 1,506,370,959	\$ 25,170	7,531	9.30%
2021	62,186	\$ 1,696,807,196	\$ 27,286	7,166	8.40%
2022	59,075	\$ 1,807,163,325	\$ 30,591	7,735	3.70%
2023	58,258	\$ 1,758,744,452	\$ 30,189	7,141	3.70%

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	2023			2014		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon	E-Commerce	500	1	1.73%	-	-	-
Market Basket	Retail-Grocery	466	2	1.61%	-	-	-
Mass General Hospital	Medical	200	3	0.69%	150	5	0.56%
Price Rite	Retail-Grocery	185	4	0.64%	-	-	-
Lighthouse Nursing	Medical	182	5	0.63%	182	4	0.68%
Stop & Shop (2 locations)	Retail-Grocery	150	6	0.52%	606	2	2.26%
Target	Retail	170	7	0.59%	233	3	0.87%
Burlington Coat Factory	Retail	160	8	0.55%	-	-	-
BeDriven North Shore	Livery	150	9	0.52%	-	-	-
Annemark Nursing	Medical	135	10	0.47%	140	6	0.52%
Showcase Cinema	Entertainment			-	150	5	0.56%
New England Confectionary Co	Manufacturing			-	694	1	2.59%

Source: Debt Offering Statements, Massachusetts Workplace Development Agency.

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

	<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>2022</u>	<u>2023</u>
<u>Function</u>										
General government.....	79	73	76	69	67	68	72	67	68	78
Public safety.....	219	212	232	243	234	229	242	241	268	274
Public education.....	996	1,015	1,020	1,151	1,151	1,199	1,237	1,237	1,344	1,366
Public works.....	27	29	27	32	22	24	22	21	22	19
Human services.....	9	9	9	10	10	28	23	14	20	32
Culture and recreation.....	14	17	16	12	12	12	15	15	14	21
Water & Sewer.....	12	10	15	15	25	26	30	27	23	22
Total.....	<u>1,356</u>	<u>1,365</u>	<u>1,395</u>	<u>1,532</u>	<u>1,521</u>	<u>1,586</u>	<u>1,641</u>	<u>1,621</u>	<u>1,759</u>	<u>1,812</u>

Source: Various City Departments

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

<u>Function/Program</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>2022</u>	<u>2023</u>
General Government										
Number of buildings.....	2	2	2	2	2	2	2	2	3	3
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	5	5	5	5	5	5	5	5	5	5
Education										
Number of elementary schools.....	7	7	7	7	7	7	7	6	6	6
Number of middle schools.....	2	2	2	2	2	2	2	3	3	3
Number of high schools.....	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets to maintain (miles).....	86	86	86	86	86	86	86	86	86	86
Culture and recreation										
Buildings.....	1	1	1	1	1	1	1	1	1	2
Miles of public beach front.....	3	3	3	3	3	3	3	3	3	3
Public beaches.....	1	1	1	1	1	1	1	1	1	1
Tennis courts.....	8	8	8	8	8	8	8	8	8	8

Source: Various City Departments

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>
2023.....	\$ Not Available	\$ 9,177,416	\$ 545,424	\$ 20,685	\$ 113,010
2022.....	\$ 5,924,275	\$ 9,333,931	\$ 117,004	\$ 19,878	\$ 16,668
2021.....	\$ 1,573,554	\$ 8,990,924	\$ 462,329	\$ 19,814	\$ (93,701)
2020.....	\$ 1,329,154	\$ 8,560,371	\$ 1,415,852	\$ 19,570	\$ 267,842
2019.....	\$ 6,303,811	\$ 8,472,453	\$ 1,243,508	\$ 70,370	\$ 270,415
2018.....	\$ 6,127,553	\$ 7,386,313	\$ 1,106,051	\$ 425,000	\$ 386,924
2017.....	\$ 6,273,580	\$ 6,445,276	\$ 1,000,000	\$ -	\$ -
2016.....	\$ 4,412,074	\$ 5,766,592	\$ -	\$ -	\$ -
2015.....	\$ -	\$ 5,838,592	\$ -	\$ -	\$ -
2014.....	\$ 6,088,407	\$ 2,924,810	\$ -	\$ -	\$ -

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