

# **CITY OF WALTHAM, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended June 30, 2009**



**Waltham Common**

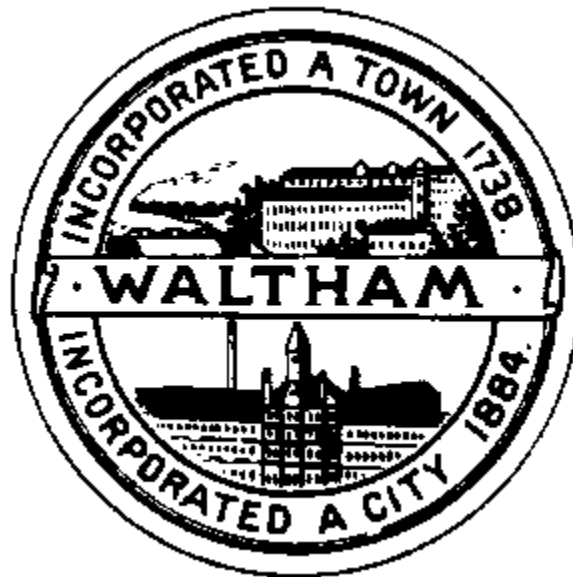


**Storer Conservation Land**

# **CITY OF WALTHAM, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2009



Prepared by:

City Auditor's Office

CITY OF WALTHAM, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2009

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# ***Introductory Section***

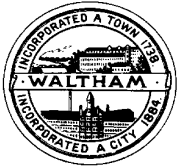


**Nathaniel Banks**

# ***Introductory Section***

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City Auditor  
Dennis P. Quinn

# CITY OF WALTHAM

Commonwealth of Massachusetts

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Waltham, Massachusetts 02452-5580  
(781) 314-3220  
Email: [dquinn@city.waltham.ma.us](mailto:dquinn@city.waltham.ma.us)

## Letter of Transmittal

December 18, 2009

To the Honorable Mayor, Members of the City Council and Citizens of the City of Waltham, Massachusetts:

At the close of each fiscal year, state law requires the City of Waltham to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), and that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Waltham, Massachusetts, for the fiscal year ended June 30, 2009 for your review.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government'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 for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP.

The City of Waltham's financial statements have been audited by Powers & Sullivan, 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 fiscal year ended June 30, 2009, 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 unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2009 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 of Waltham'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 the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement that analysis and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the City**

Settled in 1630 and incorporated as a Town in 1738, Waltham was chartered as a City in 1884. Located in Middlesex County, 9 miles west of Boston, the City is bordered by the Towns of Belmont, Lexington, Lincoln, Newton, Watertown and Weston. The City encompasses approximately 12.7 square miles and, according to the 2000 Federal census, had a population of 60,236.

Subject to local legislative decisions made by a 15 member City Council elected for two-year terms, the affairs of the City are generally administered by a mayor who is elected for a four-year term on an at-large basis. As chief executive officer, the Mayor appoints, subject to approval by the City Council, all the other principal executive officers of the City other than the City Clerk. The Mayor is responsible for the administration of the fiscal and other affairs of the City with the exception of local school affairs which are administered by the School Committee.

The City Council annually elects its own President, who presides over all Council meetings and appoints all standing committees of the Council. Actions of the Council are generally subject to veto by the Mayor, but such action may be overridden by a two-thirds vote of the Council members.

The School Committee, whose members are elected for four-year terms, has exclusive jurisdiction over the City's public school system and appoints a Superintendent to administer the day-to-day affairs of the system.

The City provides general governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades kindergarten through twelve, water and sewer services, streets, parks and recreation. The Massachusetts Bay Transportation Authority provides bus coverage throughout the City with connections to the metropolitan Boston area as well as commuter rail service between the City and Boston. The Massachusetts Water Resources Authority provides water and sewerage disposal services to the City. The Waltham Housing Authority, a separate legal entity, provides public housing for eligible low income families, the elderly and the handicapped.

Within 170 days after the annual organization of the City government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on the next July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the Council may not make any appropriation for a purpose not included in the proposed budget, except by a two-thirds vote in the case of the failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the Council. The Council may not increase any item without the recommendation of the Mayor (except as provided by legislation, recommendation of the school committee or regional district school committee and by two-thirds vote of the Council, provided that such increase does not cause the total annual budget to exceed the property tax limitations). If the Council fails to act on any item of the proposed budget within 45 days, that item takes effect.

If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Water and sewer department expenditures are included in the budgets adopted by City Council.

The City manages its risk through a combination of self-insured programs and premium based coverage with commercial insurance carriers. Health care and workers compensation are self-insured plans. The City is exposed to various risks of loss related to general liability, property and casualty, workers' compensation and unemployment compensation claims. Buildings and property are insured against fire, theft and natural disaster to the extent that losses exceed the City's deductible per incident. These deductibles vary by type of incident, none of which exceed \$25,000.

### **Factors Affecting Economic Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Waltham operates.

The City is a mature industrial-residential community with the industrial activity, a good part of which is in the electronics/high-technology field, concentrated along Interstate 95. Retail trade is concentrated in the City's central business district. Several nationally known companies have chosen to locate in the City. In addition to its commercial base, the City is home to both Bentley University and Brandeis University.

The City continues to manage its financial affairs in a prudent manner as is demonstrated by its excellent Moody's bond rating of Aa1 and Standard & Poor's bond rating of AA+, even with the constraints of the Commonwealth of Massachusetts cutbacks and the general downturn in the economy. The City's financial actions are generally guided by long range planning tools such as a five-year Capital Improvement Program; prioritizing spending plans and identifying discretionary spending; pay-as-you go financing strategies; long-term planning for all liabilities including pension and insurance reserves and municipal best practices, which are reviewed annually at the beginning of each budget development cycle. Additionally the City has enhanced its revenue flexibility by establishing enterprise funds and many other user supported programs. This has allowed the City to shift the operating costs of certain services to the users so that little or no tax support subsidizes these services.

The City maintains a strong industrial and commercial tax base. In FY2009, the combined assessed value of these properties represented 31.4% of the total City value. The residential values demonstrate the desirability of the City. The City's proximity to Boston and major highways, its quality of life, and dedication to public education underlies the community's popular reputation.

Quarterly tax billings and excellent collection rates have eliminated the need to borrow on a short term basis to maintain cash flow. The City's investment options are governed by Massachusetts General Laws and focus on safety, liquidity and yield.

At the State level the economic outlook for the Commonwealth has diminished. It is anticipated that state aid will decrease and be level funded at best, in the following years. This will leave the City in a position of having to rely primarily on property taxes to cover the increasing cost of providing services.

The City is currently managing approximately \$98.6 million in long and short term debt. The long term indebtedness consists of \$95.9 million of general obligation bonds; of which \$13.5 million is self-supporting through enterprise fund revenues and \$2.6 million of bond anticipation notes are expected to be permanently funded in February 2010. Under the school building assistance program, the City is eligible for a state grant representing 90% reimbursement of approved costs incurred in the building of the eight new school facilities. Under the State's revised financing method the City received four lump sum payments totaling \$123.5 million for the first six schools - \$24.7 million in FY2005, \$44.4 million in FY2006, \$29.8 million in FY2007 and \$24.6 million in FY2008. The City has issued bonds to provide for the remainder of the cost. Under a new financing method, for the last two schools, the State has reimbursed 90% of approved costs on an as incurred basis. The final reimbursement payment of \$1.3 million was received in September 2009.

The City has authorized and unissued debt for the new school facilities, water/sewer infrastructure improvements, departmental equipment, land acquisition/development and other various projects totaling \$17.9 million as of June 30, 2009. The authorized and unissued debt includes \$11.2 million for water/sewer infrastructure improvements.

The City of Waltham contributes to the Waltham Contributory Retirement System (the System), a cost sharing, defined benefit pension plan administered by the Waltham Contributory Retirement Board (Board). Each year, an independent actuary engaged by the Board calculates the amount of the annual contribution that the City of Waltham must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As required by law, the City of Waltham fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of January 1, 2008, the latest actuarial date, the System had succeeded in funding 64% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 19 years as part of the annual required contribution as calculated by the actuary.

The City of Waltham also provides post retirement health care benefits for certain retirees and their dependents. There are approximately 1,200 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP now requires the City to conduct an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The City completed this actuarial valuation in August 2007. If the City is unable to fund the minimum annual contribution as determined by the actuarial valuation, the unpaid amount will be required to be recorded as a liability on the financial statements of the City.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the City Auditor's department staff. We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the City Council and Mayor for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Waltham's finances.

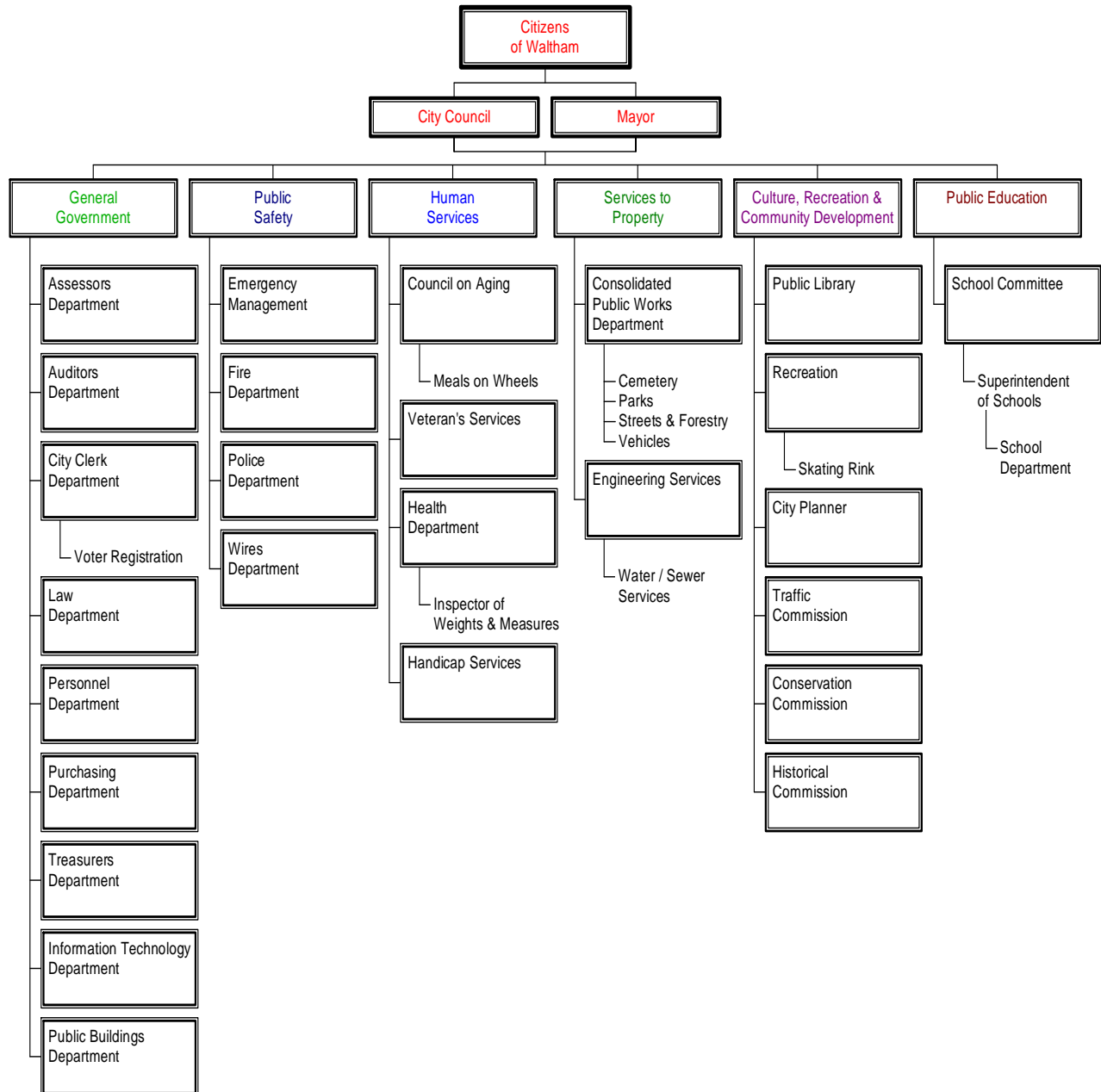
Respectfully submitted,

A handwritten signature in black ink, reading "Dennis P. Quinn". The signature is fluid and cursive, with the first name "Dennis" and last name "Quinn" clearly legible.

Dennis P. Quinn  
City Auditor

# City of Waltham, Massachusetts

## Organizational Chart



## Principal City Officials

### Elected Officials

Mayor

Jeannette A. McCarthy

City Council

#### Councilors-at-Large

Paul J. Brasco, Council Vice President

Sarafina Collura

David H. Marcou Jr.

Kathleen B. McMenimen

Patrick J. O'Brien

Thomas M. Stanley

#### Ward Councilors

Robert S. Kelly

Edmund P. Tarallo

George A. Darcy III

Thomas J. Curtin, Council President

Gary J. Marchese

Robert J. Waddick

Joseph M. Giordano Jr.

Stephen F. Rourke

Robert G. Logan

School Committee

Jeannette A. McCarthy, Mayor, Chairperson

Robert Cincotta, Vice Chairperson

Margaret Donnelly

Michael O'Halloran

Stephen Rando

Harold Walker

Susanne M. McIvor

### Principal Executive Officers

City Auditor

Dennis P. Quinn

City Treasurer/Collector

Thomas J. Magno

City Clerk

Rosario C. Malone



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Waltham  
Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "K. L. R.", is positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is positioned above the title "Executive Director".

Executive Director

# ***Financial Section***



Robert Treat Paine Estate

## ***Financial Section***

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## Independent Auditors' Report

To the Honorable Mayor Jeannette A. McCarthy  
and Members of the City Council  
City of Waltham, Massachusetts

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 Waltham, Massachusetts, as of and for the fiscal year ended June 30, 2009 (except for the Waltham Contributory Retirement System which is as of and for the year ended December 31, 2008), which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Waltham, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

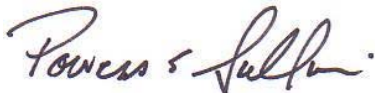
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waltham, Massachusetts, as of June 30, 2009 (except for the Waltham Contributory Retirement System which is as of December 31, 2008), and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009 on our consideration of the City of Waltham, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining fund statements, as listed in the table of contents, are presented for the purpose of supplementary analysis and are not a required part of the financial statements of the City of Waltham, Massachusetts. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Management's discussion and analysis, located on the following pages, and schedule of revenues, expenditures and changes in fund balance – general fund – budgetary basis, other post-employment benefit plan schedule of funding progress, and other post-employment benefit plan actuarial assumptions and methods, located after the notes to the basic financial statements, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

A handwritten signature in dark ink, appearing to read "Powers & Sullivan". The signature is fluid and cursive, with a small dot at the end.

December 18, 2009

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



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

As management of the City of Waltham, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2009. The City complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principals (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

### **Financial Highlights**

- The assets of the City of Waltham exceeded its liabilities at the close of the most recent fiscal year by \$229.9 million (net assets).
- Of this amount, 17% or \$39.6 million (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors.
- At the close of the current fiscal year, the City's general fund reported an ending fund balance of \$25.6 million, a decrease of \$2.6 million in comparison with the prior year. Total fund balance represents 14% of total general fund expenditures.
- The City's total debt (short-term and long-term combined) increased by \$4.4 million during the current fiscal year. This was the net effect of \$6.2 million in principal payments on long-term debt and the issuance of \$10.6 million in debt for school construction, building renovations, land development, machinery and equipment, and infrastructure improvements.
- The City implemented GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions in fiscal year 2008. At the close of the current fiscal year, the City incurred an additional \$12.3 million in other post-employment benefits obligation bringing the total liability to \$28.9 million.

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

This discussion and analysis are intended to serve as an introduction to the City of Waltham's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**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 assets* presents information on all assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 fiscal 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 and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, cemetery, community development, health and human services, culture and recreation and interest. The business-type activities include the activities of water, sewer, and the Veteran's Memorial Rink services.

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

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal 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 of Waltham adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

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

The *internal service fund* is used 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 active employees' and retirees' health insurance.

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

**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 assets may serve over time as a useful indicator of a government's financial position. The City of Waltham's assets exceeded liabilities by \$229.9 million at the close of Fiscal 2009, a decrease of \$16.5 million from the prior year.

Net assets of \$181.3 million (79%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the government's net assets, \$9 million (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$39.6 million (17%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Waltham is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true in the prior year.

The governmental activities and business-type activities of the City are presented on the following pages.

### **Governmental Activities**

The City of Waltham's assets exceeded liabilities for governmental activities by \$198.5 million at the close of Fiscal 2009.

	Fiscal 2009	Fiscal 2008
<b>Assets:</b>		
Current assets.....	\$ 72,633,307	\$ 85,101,600
Noncurrent assets (excluding capital).....	2,780,495	2,745,897
Capital assets.....	247,409,072	241,862,467
<b>Total assets.....</b>	<b>322,822,874</b>	<b>329,709,964</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	10,516,404	14,987,703
Noncurrent liabilities (excluding debt).....	30,106,700	18,189,841
Current debt.....	8,824,538	5,763,638
Noncurrent debt.....	74,842,120	76,710,020
<b>Total liabilities.....</b>	<b>124,289,762</b>	<b>115,651,202</b>
<b>Net Assets:</b>		
Capital assets net of related debt.....	166,859,105	167,046,725
Restricted.....	8,967,296	8,155,442
Unrestricted.....	22,706,711	38,856,595
<b>Total net assets.....</b>	<b>\$ 198,533,112</b>	<b>\$ 214,058,762</b>
<b>Program revenues:</b>		
Charges for services.....	\$ 13,859,443	\$ 13,392,432
Operating grants and contributions.....	37,942,509	36,507,186
Capital grants and contributions.....	1,915,581	24,884,028
<b>General Revenues:</b>		
Real estate and personal property taxes.....	126,943,021	117,203,576
Tax liens.....	1,282,908	358,871
Motor vehicle and other excise taxes.....	7,956,157	8,763,021
Community preservation tax.....	2,088,829	2,215,987
Nonrestricted grants.....	7,549,066	8,152,388
Unrestricted investment income.....	976,911	2,265,352
Other revenues.....	486,316	459,473
<b>Total revenues.....</b>	<b>201,000,741</b>	<b>214,202,314</b>
<b>Expenses:</b>		
General Government.....	12,936,686	12,828,297
Public Safety.....	56,145,799	57,670,691
Education.....	113,953,264	109,656,513
Public Works.....	17,841,171	16,905,881
Cemetery.....	462,473	502,938
Community development.....	5,810,281	5,796,409
Human Services.....	2,696,784	2,717,555
Culture and recreation.....	4,230,997	4,705,448
Interest.....	2,448,936	2,596,363
<b>Total expenses.....</b>	<b>216,526,391</b>	<b>213,380,095</b>
<b>Change in net assets.....</b>	<b>\$ (15,525,650)</b>	<b>\$ 822,219</b>

The governmental expenses totaled \$216.5 million of which \$53.7 million (25%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$147.3 million, primarily coming from property taxes, motor vehicle excise, non-restricted state aid and investment income.

The governmental net assets decreased by \$15.5 million during the current fiscal year. This was primarily due to the recognition of an additional \$12 million for the other post-employment benefit plan (OPEB) liability and depreciation expense exceeding debt principal payments raised on the tax rate by \$4 million; offset by the receipt of \$1.9 million in grants to fund highway and community preservation capital projects.

### Business-type Activities

For the City's business-type activities, assets exceeded liabilities by \$31.4 million at the close of Fiscal 2009.

	Fiscal 2009	Fiscal 2008
<b>Assets:</b>		
Current assets.....	\$ 23,297,204	\$ 20,992,428
Capital assets.....	24,148,707	23,966,753
<b>Total assets.....</b>	<b>47,445,911</b>	<b>44,959,181</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	507,414	492,186
Noncurrent liabilities (excluding debt).....	628,465	387,354
Current debt.....	2,859,980	1,090,885
Noncurrent debt.....	12,050,875	10,628,886
<b>Total liabilities.....</b>	<b>16,046,734</b>	<b>12,599,311</b>
<b>Net Assets:</b>		
Capital assets net of related debt.....	14,475,464	15,605,526
Unrestricted.....	16,923,713	16,754,344
<b>Total net assets.....</b>	<b>\$ 31,399,177</b>	<b>\$ 32,359,870</b>
<b>Program revenues:</b>		
Charges for services.....	\$ 25,782,576	\$ 29,016,703
Capital grants and contributions.....	247,500	-
<b>General Revenues:</b>		
Unrestricted investment income.....	154,501	73,764
<b>Total revenues.....</b>	<b>26,184,577</b>	<b>29,090,467</b>
<b>Expenses:</b>		
Water.....	11,198,348	10,077,596
Sewer.....	15,512,343	14,657,691
Veterans Memorial Rink.....	434,579	419,504
<b>Total expenses.....</b>	<b>27,145,270</b>	<b>25,154,791</b>
<b>Change in net assets.....</b>	<b>\$ (960,693)</b>	<b>\$ 3,395,676</b>

Business-type net assets of \$14.5 million (46%) represent the investment in capital assets while \$16.9 million (54%) is unrestricted. The City's business-type activities net assets decreased by \$961,000 in the current fiscal year.

The sewer department experienced a decrease of \$645,000 in net assets. Revenues decreased by 11% and expenses increased by 6%, which resulted in a decrease in net assets when compared with the prior year. The decrease in revenues was primarily due to a decrease in usage.

The water department experienced a decrease of \$236,000 in net assets. Revenues decreased by 12% and expenses increased by 10%, which resulted in a decrease in net assets when compared with the prior year. The decrease in revenues was primarily due to a decrease in usage.

The Veterans Memorial Rink experienced a decrease of \$79,000 in net assets which was primarily due to an unfavorable budget-to-actual variance for charges for services.

## ***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 the City's *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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balance of \$52.3 million. This is comprised of \$25.6 million for the general fund, \$5 million for the stabilization fund, a deficit of \$83,000 in the community development fund, \$11.8 million for the community preservation fund, a deficit of \$1.7 million in the school capital projects fund, and \$11.7 million in the nonmajor governmental funds. Cumulatively there was a decrease of \$9.9 million in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$16.4 million, while total fund balance was \$25.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 9% of the total general fund expenditures, while total fund balance represents 14% of that same amount. Fund balance reserved for encumbrances and continuing appropriations totaled \$9.2 million.

The stabilization fund is a special revenue fund used to account for the accumulation of resources to be used for general and/or capital purposes upon approval of City Council. The fund balance decreased by \$2.7 million in fiscal 2009, which was due to transfers to the general fund.

The highway projects fund is a special revenue fund used to account for construction, reconstruction and improvements to roadways, streets and sidewalks.

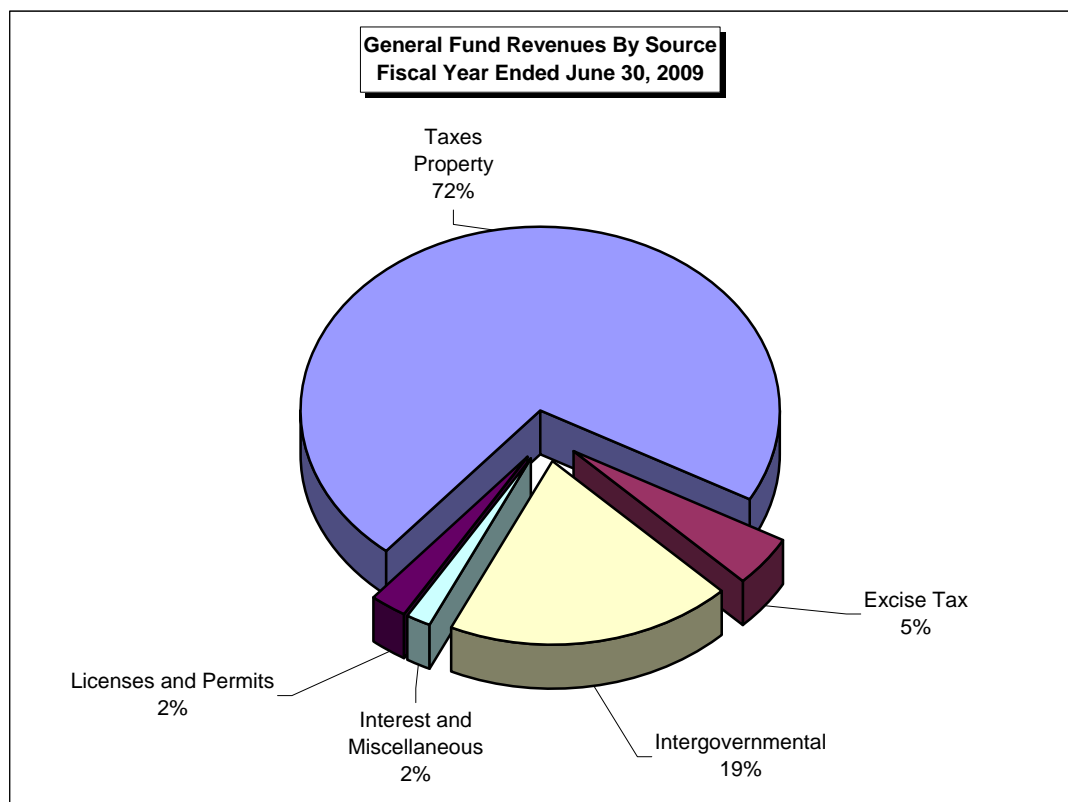
The state fiscal stabilization major fund is used to account for the City's use of the federal state fiscal stabilization program which was awarded to Governors to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services. The Governor cut state Chapter 70 funding by 10% and replaced the amount with federal amounts. During fiscal year 2009, the City received and spent \$801,000 of state fiscal stabilization funds.

The community development fund is used to account for the community development block grant program. This fund has a deficit fund balance of \$83,000. This deficit will be funded by future grant revenue.

The community preservation fund had a fund balance at June 30, 2009 of \$11.8 million. These funds are attributable to the City's acceptance of the Community Preservation Act, which allows the City to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation's fund balance increased \$2.1 million which was due to timing differences between the receipt and planned use of funds.

The school capital projects fund is used to account for the City's major school construction project. The fund balance decreased by \$4.9 million in fiscal 2009, which was due to expenditures on the school construction projects.

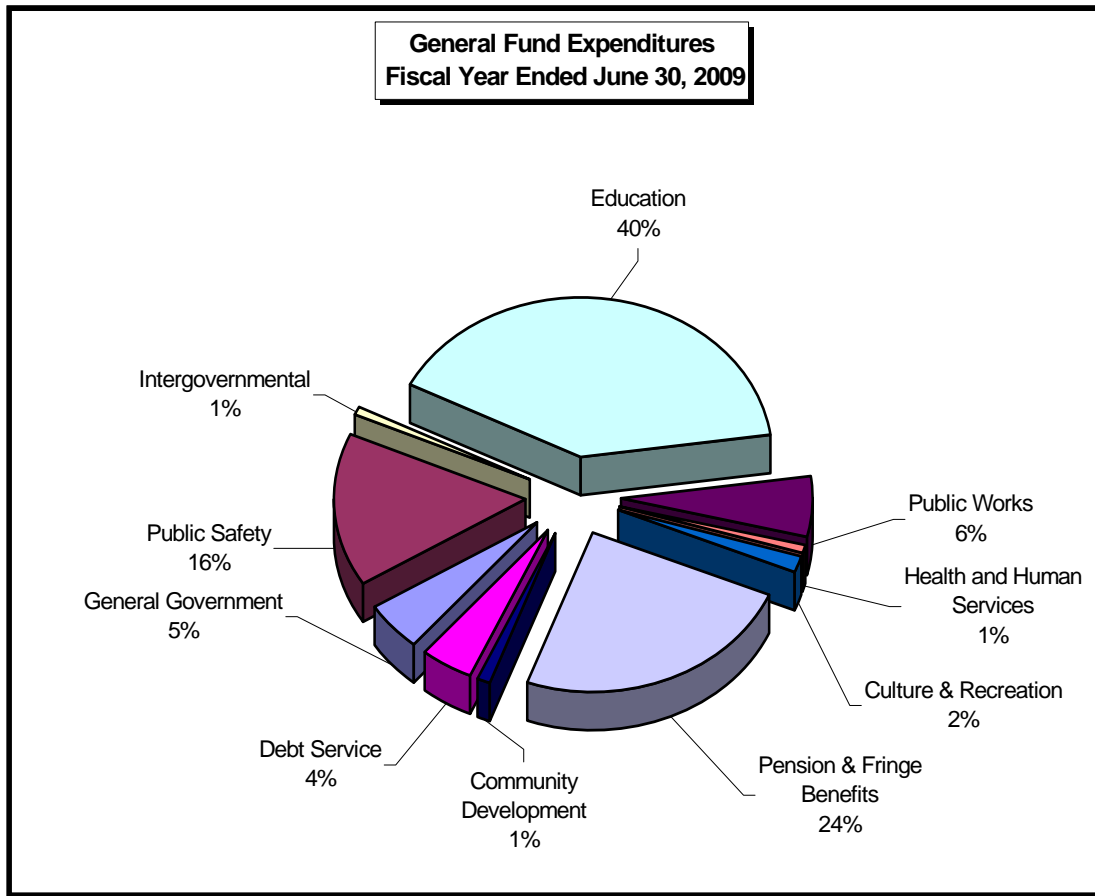
## General Fund Revenues



- Tax revenue continues to be the most significant revenue source for the City, comprising 73% of total general fund revenue. Tax revenue increased in accordance with the provisions of the Massachusetts law, which limits such increase to 2 1/2% over the preceding year plus an allowance for new growth.
- Intergovernmental revenue represents 19% of total revenues. This includes state aid as well as approximately \$13.7 million in on-behalf payments made by the State to the Massachusetts Teachers' Retirement Board for teachers' pension benefits.
- Excise tax revenue continued to be a significant source of revenue. Excise tax revenue represents 5% of the total general fund revenues.
- License and permit revenue reflects home renovation and building activity in the City.



## General Fund Expenditures



- Education continues to represent the largest category of general fund expenditures, equaling 40% in FY09. The City is committed to providing a high-quality education through its public schools.
- Public Safety and Public Works represent a combined 22% of general fund expenditures. This reflects the City's commitment to providing a safe, secure environment and essential public services.
- Debt service costs in FY09 were 4% of total general fund expenditures, reflecting principal and interest payments associated with building design, renovation and construction, land acquisition and development, equipment, and technology.
- Pension and fringe benefits were 24% of total general fund expenditures in FY09, reflecting high health insurance costs experienced throughout the State and the region.

The City's general fund undesignated fund balance that is available for appropriation is certified as "free cash" by the Massachusetts Department of Revenue's Bureau of Accounts. Waltham's certified "free cash" as of July 1, 2009 is \$7.8 million. The City remains committed to conservative budgets, tight management controls, and to maintaining reserves.

The general fund decreased by \$2.6 million from the prior fiscal year. This was primarily due to the use of \$2.5 million in reserves to fund current year operations (\$2.0 million of which was related to the costs of snow and ice removal).

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

The increase from the original budget to the final amended budget totaled \$5.5 million (3%). The majority of the supplemental appropriations are attributable to the cost of snow and ice removal, employee benefits and debt principal and interest.

The City continues to strive to achieve a balance between the need for municipal services with the costs of providing these services. Overall, the City under expended its budget by 1.9% while at the same time actual revenues were less than budgeted estimates by 1%.

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

**Capital Assets.** In conjunction with the annual operating budget, the City annually prepares a capital budget for the upcoming fiscal year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$271.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, bridges and water and sewer infrastructure. The total increase in the City's investment in capital assets for the current year was \$5.7 million.

Major capital asset events during the current fiscal year included the completion of the two remaining school construction projects and the acquisition of a new fire truck. Other capital asset additions included land and building improvements, the acquisition of machinery and equipment, the purchase of library books and ongoing street and sidewalk infrastructure projects.

The additions to enterprise fund capital assets are primarily attributable to sewer and water infrastructure improvements.

**Debt Administration.** The City maintains a Moody's bond rating of Aa1 and Standard & Poor's rating of AA+. The City continues to maintain strong market access for both note and bond sales. Outstanding long-term debt of the general government, as of June 30, 2009, totaled \$82.4 million of which \$52.4 million is related to school projects, \$18.1 million for land design and acquisition, \$3.9 million for building renovations and \$8 million for other CIP related projects.

During fiscal 2009, the City issued \$5 million in governmental long-term bonds, which was related to school construction projects, land development and acquisition, building renovations and other miscellaneous asset acquisitions.

At year end, the sewer and water enterprise funds have \$9.9 million and \$3.7 million, respectively, of outstanding long-term debt, which are fully supported by rates and do not rely on a general fund subsidy.

For further discussion please refer to Note 4 for major capital activity and Notes 6 and 7 for debt activity.

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

This financial report is designed to provide a general overview of the City of Waltham'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 City Auditor, City Hall, 610 Main Street, Waltham, Massachusetts 02452.

## ***Basic Financial Statements***

# STATEMENT OF NET ASSETS

JUNE 30, 2009

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 58,838,518	\$ 13,865,939	\$ 72,704,457
Investments.....	1,775,539	-	1,775,539
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,652,197	-	1,652,197
Tax liens.....	1,547,640	217,095	1,764,735
Motor vehicle and other excise taxes.....	493,061	-	493,061
Water fees.....	-	3,641,135	3,641,135
Sewer fees.....	-	4,959,433	4,959,433
Departmental and other.....	613,443	-	613,443
Special assessments.....	75,251	-	75,251
Intergovernmental.....	7,637,658	613,602	8,251,260
Total current assets.....	72,633,307	23,297,204	95,930,511
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Real estate tax deferrals.....	385,742	-	385,742
Special assessments.....	379,689	-	379,689
Loans.....	2,015,064	-	2,015,064
Capital assets, nondepreciable.....	15,859,899	38,550	15,898,449
Capital assets, net of accumulated depreciation.....	231,549,173	24,110,157	255,659,330
Total noncurrent assets.....	250,189,567	24,148,707	274,338,274
<b>TOTAL ASSETS.....</b>	<b>322,822,874</b>	<b>47,445,911</b>	<b>370,268,785</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	2,911,985	131,474	3,043,459
Health claims payable.....	3,454,000	-	3,454,000
Tax refunds payable.....	727,000	-	727,000
Accrued interest.....	818,232	130,903	949,135
Other liabilities.....	-	116,193	116,193
Customer deposits payable.....	1,500	-	1,500
Compensated absences.....	2,299,406	128,844	2,428,250
Workers' compensation.....	239,000	-	239,000
Unamortized premium on bonds and notes payable...	65,281	-	65,281
Bonds and notes payable.....	8,824,538	2,859,980	11,684,518
Total current liabilities.....	19,340,942	3,367,394	22,708,336
<b>NONCURRENT:</b>			
Compensated absences.....	956,370	165,502	1,121,872
Workers' compensation.....	228,000	-	228,000
Unamortized premium on bonds and notes payable...	466,070	-	466,070
Other post-employment benefits obligation.....	28,456,260	462,963	28,919,223
Bonds and notes payable.....	74,842,120	12,050,875	86,892,995
Total noncurrent liabilities.....	104,948,820	12,679,340	117,628,160
<b>TOTAL LIABILITIES.....</b>	<b>124,289,762</b>	<b>16,046,734</b>	<b>140,336,496</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	166,859,105	14,475,464	181,334,569
Restricted for:			
Loans.....	2,015,064	-	2,015,064
Permanent funds:			
Expendable.....	426,788	-	426,788
Nonexpendable.....	1,751,907	-	1,751,907
Gifts and grants.....	4,773,537	-	4,773,537
Unrestricted.....	22,706,711	16,923,713	39,630,424
<b>TOTAL NET ASSETS.....</b>	<b>\$ 198,533,112</b>	<b>\$ 31,399,177</b>	<b>\$ 229,932,289</b>

See notes to basic financial statements.

# STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2009

		Program Revenues					
Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
<b>Primary Government:</b>							
<i>Governmental Activities:</i>							
General government.....	\$ 15,811,724	\$ (2,875,038)	\$ 5,163,594	\$ 5,665,995	\$ -	\$ (2,107,097)	
Public safety.....	54,892,713	1,253,086	2,857,635	3,199,699	-	(50,088,465)	
Education.....	113,762,975	190,289	3,700,154	27,225,528	-	(83,027,582)	
Public works.....	17,129,264	711,907	415,032	-	1,175,419	(16,250,720)	
Cemetery.....	360,502	101,971	362,248	-	-	(100,225)	
Community development.....	5,659,703	150,578	638,934	1,516,309	-	(3,655,038)	
Community preservation.....	-	-	-	-	740,162	740,162	
Health and human services.....	2,494,528	202,256	196,384	214,580	-	(2,285,820)	
Culture and recreation.....	3,966,046	264,951	525,462	120,398	-	(3,585,137)	
Interest.....	2,448,936	-	-	-	-	(2,448,936)	
Total Governmental Activities...	216,526,391	-	13,859,443	37,942,509	1,915,581	(162,808,858)	
<i>Business-Type Activities:</i>							
Sewer.....	15,512,343	-	14,557,425	-	247,500	(707,418)	
Water.....	11,198,348	-	10,869,955	-	-	(328,393)	
Veterans Memorial Rink.....	434,579	-	355,196	-	-	(79,383)	
Total Business-Type Activities..	27,145,270	-	25,782,576	-	247,500	(1,115,194)	
Total Primary Government.....	\$ 243,671,661	\$ -	\$ 39,642,019	\$ 37,942,509	\$ 2,163,081	\$ (163,924,052)	

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES (Continued)

FISCAL YEAR ENDED JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ <b>(162,808,858)</b>	\$ <b>(1,115,194)</b>	\$ <b>(163,924,052)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	126,943,021	-	126,943,021
Tax liens.....	1,282,908	-	1,282,908
Motor vehicle and other excise taxes.....	6,039,430	-	6,039,430
Hotel/motel tax.....	1,916,727	-	1,916,727
Community preservation tax.....	2,088,829	-	2,088,829
Penalties and interest on taxes.....	440,482	-	440,482
Payments in lieu of taxes.....	45,834	-	45,834
Grants and contributions not restricted to specific programs.....	7,549,066	-	7,549,066
Unrestricted investment income.....	976,911	154,501	1,131,412
Total general revenues.....	147,283,208	154,501	147,437,709
Change in net assets.....	(15,525,650)	(960,693)	(16,486,343)
<i>Net Assets:</i>			
Beginning of year.....	214,058,762	32,359,870	246,418,632
End of year.....	\$ <u>198,533,112</u>	\$ <u>31,399,177</u>	\$ <u>229,932,289</u>

(Concluded)



**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2009

<b>ASSETS</b>	<u>General</u>	<u>Stabilization</u>	<u>Highway Projects</u>	<u>Community Development</u>
Cash and cash equivalents.....	\$ 26,825,823	\$ 4,958,128	\$ -	\$ -
Investments.....	-	-	-	-
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,652,197	-	-	-
Real estate tax deferrals.....	385,742	-	-	-
Tax liens.....	1,547,640	-	-	-
Motor vehicle and other excise taxes.....	493,061	-	-	-
Departmental and other.....	19,335	-	-	-
Special assessments.....	454,940	-	-	-
Intergovernmental.....	629,682	-	3,598,666	1,386,041
Loans.....	-	-	-	2,015,064
Due from other funds.....	1,075,393	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 33,083,813</b>	<b>\$ 4,958,128</b>	<b>\$ 3,598,666</b>	<b>\$ 3,401,105</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Warrants payable.....	\$ 1,965,874	\$ -	\$ 9,250	\$ -
Tax refunds payable.....	727,000	-	-	-
Liabilities due depositors.....	-	-	-	-
Deferred revenues.....	4,805,262	-	3,583,189	3,401,105
Due to other funds.....	-	-	6,227	83,223
Notes payable.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>7,498,136</b>	<b>-</b>	<b>3,598,666</b>	<b>3,484,328</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances and continuing appropriations...	9,203,972	-	-	-
Perpetual permanent funds.....	-	-	-	-
Unreserved:				
Undesignated, reported in:				
General fund.....	16,381,705	-	-	-
Special revenue funds.....	-	4,958,128	-	(83,223)
Capital projects funds.....	-	-	-	-
Permanent funds.....	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>25,585,677</b>	<b>4,958,128</b>	<b>-</b>	<b>(83,223)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 33,083,813</b>	<b>\$ 4,958,128</b>	<b>\$ 3,598,666</b>	<b>\$ 3,401,105</b>

See notes to basic financial statements.

Community Preservation	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 11,858,438	\$ -	\$ 11,398,019	\$ 55,040,408
-	-	1,775,539	1,775,539
-	-	-	1,652,197
-	-	-	385,742
-	-	-	1,547,640
-	-	-	493,061
43,294	-	298,030	360,659
-	-	-	454,940
729,210	1,294,059	-	7,637,658
-	-	-	2,015,064
-	-	-	1,075,393
<u>\$ 12,630,942</u>	<u>\$ 1,294,059</u>	<u>\$ 13,471,588</u>	<u>\$ 72,438,301</u>

\$ 13,638	\$ 161,739	\$ 761,484	\$ 2,911,985
-	-	-	727,000
-	-	1,500	1,500
772,504	1,294,059	298,030	14,154,149
-	319,482	666,461	1,075,393
-	1,268,000	-	1,268,000
<u>786,142</u>	<u>3,043,280</u>	<u>1,727,475</u>	<u>20,138,027</u>
-	-	-	9,203,972
-	-	1,751,907	1,751,907
-	-	-	16,381,705
11,844,800	-	7,553,020	24,272,725
-	(1,749,221)	2,098,308	349,087
-	-	340,878	340,878
<u>11,844,800</u>	<u>(1,749,221)</u>	<u>11,744,113</u>	<u>52,300,274</u>
<u>\$ 12,630,942</u>	<u>\$ 1,294,059</u>	<u>\$ 13,471,588</u>	<u>\$ 72,438,301</u>

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

JUNE 30, 2009

Total governmental fund balances.....	\$ 52,300,274
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	247,409,072
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	14,154,149
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.....	596,894
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(818,232)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds and notes payable.....	(82,398,658)
Workers' compensation.....	(467,000)
Compensated absences.....	(3,255,776)
Other post-employment benefits obligation.....	<u>(28,456,260)</u>
Net effect of reporting long-term liabilities.....	(114,577,694)
In the statement of activities, material premiums are amortized over the lives of the bonds and notes payable.....	<u>(531,351)</u>
Net assets of governmental activities.....	\$ <u>198,533,112</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	General	Stabilization	Highway Projects	State Fiscal Stabilization	Community Development
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 126,844,968	\$ -	\$ -	\$ -	\$ -
Tax liens.....	509,178	-	-	-	-
Motor vehicle and other excise taxes.....	6,149,014	-	-	-	-
Community preservation tax.....	-	-	-	-	-
Hotel/motel tax.....	1,916,727	-	-	-	-
Charges for services.....	-	-	-	-	-
Penalties and interest on taxes.....	440,482	-	-	-	-
Fees and rentals.....	450,611	-	-	-	-
Payments in lieu of taxes.....	45,834	-	-	-	-
Licenses and permits.....	4,219,961	-	-	-	-
Fines and forfeitures.....	640,202	-	-	-	-
Intergovernmental.....	34,499,632	-	15,450	801,247	885,992
Departmental and other.....	840,460	-	-	-	-
Special assessments.....	98,438	-	-	-	-
Contributions.....	-	-	-	-	-
Investment income.....	622,880	109,368	-	-	113
Miscellaneous.....	-	-	-	-	91,775
<b>TOTAL REVENUES.....</b>	<b>177,278,387</b>	<b>109,368</b>	<b>15,450</b>	<b>801,247</b>	<b>977,880</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	9,056,443	-	-	-	-
Public safety.....	28,486,378	-	-	-	-
Education.....	73,769,345	-	-	801,247	-
Public works.....	11,329,002	-	15,450	-	-
Cemetery.....	3,696	-	-	-	-
Community development.....	2,291,126	-	-	-	1,020,648
Health and human services.....	1,510,436	-	-	-	-
Culture and recreation.....	2,914,906	-	-	-	-
Pension benefits.....	12,282,098	-	-	-	-
Employee benefits.....	32,072,199	-	-	-	-
State and county charges.....	1,556,523	-	-	-	-
Debt service:					
Principal.....	5,115,000	-	-	-	-
Interest.....	2,901,122	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>183,288,274</b>	<b>-</b>	<b>15,450</b>	<b>801,247</b>	<b>1,020,648</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(6,009,887)</b>	<b>109,368</b>	<b>-</b>	<b>-</b>	<b>(42,768)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of bonds and notes.....	-	-	-	-	-
Premium from issuance of bonds and notes.....	526,073	-	-	-	-
Transfers in.....	2,864,687	-	-	-	-
Transfers out.....	-	(2,781,668)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>3,390,760</b>	<b>(2,781,668)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(2,619,127)</b>	<b>(2,672,300)</b>	<b>-</b>	<b>-</b>	<b>(42,768)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>28,204,804</b>	<b>7,630,428</b>	<b>-</b>	<b>-</b>	<b>(40,455)</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 25,585,677</b>	<b>\$ 4,958,128</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (83,223)</b>

See notes to basic financial statements.

Community Preservation	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 126,844,968
-	-	-	509,178
-	-	-	6,149,014
2,088,829	-	-	2,088,829
-	-	-	1,916,727
-	-	469,206	469,206
-	-	-	440,482
-	-	-	450,611
-	-	-	45,834
-	-	-	4,219,961
-	-	-	640,202
1,306,958	-	6,380,806	43,890,085
-	-	2,245,043	3,085,503
-	-	-	98,438
-	-	281,259	281,259
128,024	-	28,731	889,116
-	-	2,036,158	2,127,933
3,523,811	-	11,441,203	194,147,346
-	-	1,031,208	10,087,651
-	-	3,343,083	31,829,461
-	6,584,692	6,976,675	88,131,959
-	-	1,617,067	12,961,519
-	-	159,389	163,085
1,435,745	-	1,827,991	6,575,510
-	-	84,950	1,595,386
-	-	1,387,402	4,302,308
-	-	-	12,282,098
-	-	-	32,072,199
-	-	-	1,556,523
-	-	-	5,115,000
-	-	-	2,901,122
1,435,745	6,584,692	16,427,765	209,573,821
2,088,066	(6,584,692)	(4,986,562)	(15,426,475)
-	1,649,000	3,391,000	5,040,000
-	-	-	526,073
-	-	-	2,864,687
-	-	(83,019)	(2,864,687)
-	1,649,000	3,307,981	5,566,073
2,088,066	(4,935,692)	(1,678,581)	(9,860,402)
9,756,734	3,186,471	13,422,694	62,160,676
\$ 11,844,800	\$ (1,749,221)	\$ 11,744,113	\$ 52,300,274

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

FISCAL YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds.....	\$	(9,860,402)
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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.

Capital outlay.....	14,652,399	
Depreciation expense.....	(9,105,794)	

Net effect of reporting capital assets.....		5,546,605
---	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....

1,413,921

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Proceeds from bonds and notes.....	(5,040,000)	
Debt service principal payments.....	5,115,000	
Amortization of premium from issuance of bonds and notes payable.....	69,367	

Net effect of reporting long-term debt.....		144,367
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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.

Net change in compensated absences accrual.....	(26,859)	
Net change in workers' compensation.....	124,000	
Net change in accrued interest on long-term debt.....	(143,254)	
Net change in post-employment benefits liability.....	(12,021,393)	

Net effect of recording long-term liabilities and amortizing deferred losses.....		(12,067,506)
---	--	--------------

Internal service funds are used by management to account for health insurance and workers' compensation activities.

The net activity of internal service funds is reported with Governmental Activities.....		(702,635)
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Change in net assets of governmental activities.....	\$	(15,525,650)
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See notes to basic financial statements.

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**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**

JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Veterans Memorial Rink	Total	Funds
<b>ASSETS</b>					
<b>CURRENT:</b>					
Cash and cash equivalents.....	\$ 6,841,201	\$ 7,024,738	\$ -	\$ 13,865,939	\$ 3,798,110
Receivables, net of allowance for uncollectibles:					
Water and sewer liens.....	130,926	86,169	-	217,095	-
Water fees.....	-	3,641,135	-	3,641,135	-
Sewer fees.....	4,959,433	-	-	4,959,433	-
Departmental and other.....	-	-	-	-	252,784
Intergovernmental.....	613,602	-	-	613,602	-
Due from other funds.....	-	48,294	-	48,294	-
Total current assets.....	12,545,162	10,800,336	-	23,345,498	4,050,894
<b>NONCURRENT:</b>					
Capital assets, nondepreciable.....	38,550	-	-	38,550	-
Capital assets, net of accumulated depreciation.....	15,176,117	8,858,032	76,008	24,110,157	-
Total noncurrent assets.....	15,214,667	8,858,032	76,008	24,148,707	-
TOTAL ASSETS.....	27,759,829	19,658,368	76,008	47,494,205	4,050,894
<b>LIABILITIES</b>					
<b>CURRENT:</b>					
Warrants payable.....	33,316	95,451	2,707	131,474	-
Health claims payable.....	-	-	-	-	3,454,000
Accrued interest.....	93,917	36,986	-	130,903	-
Other liabilities.....	116,193	-	-	116,193	-
Compensated absences.....	47,025	76,379	5,440	128,844	-
Due to other funds.....	-	-	48,294	48,294	-
Bonds and notes payable.....	1,602,880	1,257,100	-	2,859,980	-
Total current liabilities.....	1,893,331	1,465,916	56,441	3,415,688	3,454,000
<b>NONCURRENT:</b>					
Compensated absences.....	86,903	74,157	4,442	165,502	-
Other post-employment benefits obligation.....	138,959	262,891	61,113	462,963	-
Bonds and notes payable.....	8,908,875	3,142,000	-	12,050,875	-
Total noncurrent liabilities.....	9,134,737	3,479,048	65,555	12,679,340	-
TOTAL LIABILITIES.....	11,028,068	4,944,964	121,996	16,095,028	3,454,000
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt.....	8,062,387	6,337,069	76,008	14,475,464	-
Unrestricted.....	8,669,374	8,376,335	(121,996)	16,923,713	596,894
TOTAL NET ASSETS.....	\$ 16,731,761	\$ 14,713,404	\$ (45,988)	\$ 31,399,177	\$ 596,894

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Veterans Memorial Rink	Total	
<b>OPERATING REVENUES:</b>					
Employee contributions .....	\$ -	\$ -	\$ -	\$ -	\$ 5,351,717
Employer contributions .....	-	-	-	-	28,885,000
Charges for services .....	14,557,425	10,869,955	355,196	25,782,576	-
<b>TOTAL OPERATING REVENUES .....</b>	<b>14,557,425</b>	<b>10,869,955</b>	<b>355,196</b>	<b>25,782,576</b>	<b>34,236,717</b>
<b>OPERATING EXPENSES:</b>					
Cost of services and administration .....	2,623,561	2,047,914	335,285	5,006,760	-
MWRA Assessment.....	10,890,696	7,131,291	-	18,021,987	-
Depreciation.....	914,880	535,857	11,379	1,462,116	-
Employee benefits .....	732,863	1,326,582	87,915	2,147,360	35,027,109
<b>TOTAL OPERATING EXPENSES .....</b>	<b>15,162,000</b>	<b>11,041,644</b>	<b>434,579</b>	<b>26,638,223</b>	<b>35,027,109</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(604,575)</b>	<b>(171,689)</b>	<b>(79,383)</b>	<b>(855,647)</b>	<b>(790,392)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income.....	62,053	92,448	-	154,501	87,757
Interest expense.....	(350,343)	(156,704)	-	(507,047)	-
Intergovernmental.....	247,500	-	-	247,500	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(40,790)</b>	<b>(64,256)</b>	<b>-</b>	<b>(105,046)</b>	<b>87,757</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(645,365)</b>	<b>(235,945)</b>	<b>(79,383)</b>	<b>(960,693)</b>	<b>(702,635)</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>17,377,126</b>	<b>14,949,349</b>	<b>33,395</b>	<b>32,359,870</b>	<b>1,299,529</b>
<b>NET ASSETS AT END OF YEAR..... \$</b>	<b>16,731,761</b>	<b>14,713,404</b>	<b>(45,988)</b>	<b>31,399,177</b>	<b>596,894</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Veterans Memorial Rink	Total	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>					
Receipts from customers and users.....	\$ 15,791,871	\$ 11,632,870	\$ 355,196	\$ 27,779,937	\$ -
Receipts from interfund services provided.....	-	-	-	-	34,236,717
Payments to vendors.....	(13,146,347)	(8,068,821)	(231,352)	(21,446,520)	-
Payments to employees.....	(420,698)	(1,101,527)	(102,265)	(1,624,490)	-
Payments for interfund services used.....	(654,752)	(1,192,314)	(61,663)	(1,908,729)	(34,765,040)
NET CASH FROM OPERATING ACTIVITIES.....	1,570,074	1,270,208	(40,084)	2,800,198	(528,323)
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>					
Advances from other funds.....	-	-	40,084	40,084	-
Advances to other funds.....	-	(40,084)	-	(40,084)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	-	(40,084)	40,084	-	-
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>					
Issuance of bonds and notes.....	2,667,399	1,210,000	-	3,877,399	-
Acquisition and construction of capital assets.....	(900,911)	(743,158)	-	(1,644,069)	-
Principal payments on bonds and notes.....	(706,620)	(385,000)	-	(1,091,620)	-
Intergovernmental.....	247,500	-	-	247,500	-
Interest expense.....	(313,090)	(133,987)	-	(447,077)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	994,278	(52,145)	-	942,133	-
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>					
Investment income.....	62,053	92,448	-	154,501	87,757
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	2,626,405	1,270,427	-	3,896,832	(440,566)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	4,214,796	5,754,311	-	9,969,107	4,238,676
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 6,841,201	\$ 7,024,738	\$ -	\$ 13,865,939	\$ 3,798,110
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u></b>					
Operating income (loss).....	\$ (604,575)	\$ (171,689)	\$ (79,383)	\$ (855,647)	\$ (790,392)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation.....	914,880	535,857	11,379	1,462,116	-
Changes in assets and liabilities:					
Water and sewer liens.....	(14,380)	(1,844)	-	(16,224)	-
Water fees.....	-	764,759	-	764,759	-
Sewer fees.....	1,248,826	-	-	1,248,826	-
Departmental and other.....	-	-	-	-	609,165
Warrants payable.....	(145,131)	26,172	(8,214)	(127,173)	(220,096)
Health claims payable.....	-	-	-	-	(127,000)
Other liabilities.....	79,752	-	-	79,752	-
Accrued compensated absences.....	12,591	(17,315)	9,882	5,158	-
Other post-employment benefits obligation.....	78,111	134,268	26,252	238,631	-
Total adjustments.....	2,174,649	1,441,897	39,299	3,655,845	262,069
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,570,074	\$ 1,270,208	\$ (40,084)	\$ 2,800,198	\$ (528,323)

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	Pension Trust Fund (as of December 31, 2008)	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 6,957,586	\$ 2,917,561	\$ 740,449
Investments:			
Government agencies.....	-	1,327,932	-
Government sponsored enterprises.....	-	647,277	-
Corporate bonds.....	-	187,961	-
Pooled real estate funds.....	9,555,165	-	-
Pooled alternative investments.....	12,491,267	-	-
PRIT funds.....	95,058,616	-	-
Interest and dividends.....	3,779	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	88,296	-	-
<b>TOTAL ASSETS.....</b>	<b>124,154,709</b>	<b>5,080,731</b>	<b>740,449</b>
<b>LIABILITIES</b>			
Warrants payable.....	44,508	-	8,272
Liabilities due depositors.....	-	-	732,177
<b>TOTAL LIABILITIES.....</b>	<b>44,508</b>	<b>-</b>	<b>740,449</b>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes.....	\$ 124,110,201	\$ 5,080,731	\$ -

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	Pension Trust Fund (as of December 31, 2008)	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer.....	\$ 13,242,164	\$ -
Employee.....	4,688,973	-
Private donations.....	-	36,814
Total contributions.....	17,931,137	36,814
Net investment income (loss):		
Net change in fair value of investments.....	(48,037,828)	-
Interest.....	165,008	111,830
Dividends.....	4,466,637	-
Total investment income (loss).....	(43,406,183)	111,830
Less: investment expense.....	(899,604)	-
Net investment income (loss).....	(44,305,787)	111,830
Intergovernmental.....	1,347,849	-
Transfers from other systems.....	194,402	-
TOTAL ADDITIONS.....	(24,832,399)	148,644
<b>DEDUCTIONS:</b>		
Administration.....	373,796	-
Transfers to other systems.....	490,133	-
Retirement benefits and refunds.....	18,952,614	-
Educational scholarships.....	-	129,817
Housing subsidies.....	-	68,958
TOTAL DEDUCTIONS.....	19,816,543	198,775
CHANGE IN NET ASSETS.....	(44,648,942)	(50,131)
NET ASSETS AT BEGINNING OF YEAR.....	168,759,143	5,130,862
NET ASSETS AT END OF YEAR.....	\$ 124,110,201	\$ 5,080,731

See notes to basic financial statements.

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

The accompanying basic financial statements of the City of Waltham, Massachusetts (the 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 accounting policies are described herein.

**A. Reporting Entity**

The City is a Massachusetts municipal corporation with a Mayor-Council form of government. The Mayor is elected at large for a four-year term. The City Council is comprised of fifteen members elected for two-year terms from nine election districts and six at large.

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.

*Blended Component Units* – Blended component units are entities that are legally separate from the City, but are so related that they are, in substance, the same as the City or entities providing services entirely or almost entirely for the benefit of the City. The following component unit is blended within the fiduciary funds of the primary government:

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

**Availability of Financial Information for Component Units**

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 610 Main Street, Waltham, Massachusetts 02452.

**B. Government-Wide and Fund Financial Statements*****Government-Wide Financial Statements***

The government-wide financial statements (i.e., statement of net assets and the statement of changes in net assets) 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, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, 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 fiscal 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, 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 fiscal 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 *stabilization fund* is a special revenue fund used to account for the accumulation of resources to be used for general and/or capital purposes upon approval of City Council.

The *highway projects fund* is used to account for construction, reconstruction and improvements to roadways, streets and sidewalks. Funding is provided primarily by grants.

The *state fiscal stabilization fund* is used to account for the City's use of the federally funded state fiscal stabilization program which was awarded to Governors to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

The *community development fund* is used to account for the community development block grant program.

The *community preservation fund* is a special revenue fund used to account for the 2% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes. Property exempt from the surcharge consists of the first \$100,000 of all residential property and also property owned by low income seniors with a low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines.

The *school capital project fund* is a capital project fund used to account for the construction and renovation to the City's schools.



The nonmajor governmental funds consist of other special revenue, capital projects and permanent 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 the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

**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 following major proprietary funds are reported:

The *sewer enterprise fund* is used to account for the sewer activities.

The *water enterprise fund* is used to account for the water activities.

The *Veteran's Memorial Rink enterprise fund* is used to account for the rink activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used 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 active employees' and retirees' health insurance.

**Fiduciary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, except for agency funds which have no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

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

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and

trustee policies only allows the trustees to authorize spending of the realized investment earnings. The City's educational scholarship and housing trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity, such as confiscated police property and security deposits.

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

For the government-wide financial statements, and proprietary and fiduciary fund accounting, all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or prior to November 30, 1989, are applied, unless those pronouncements conflict with or contradict GASB pronouncements.

#### 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.

#### E. Accounts Receivable

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

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

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

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

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Tax liens may be subject to foreclosure if the tax liens are not paid in accordance with the period required by the law (M.G.L. Ch.60, §50). Foreclosure proceedings are processed by the Treasurer or other tax lien custodian. Foreclosed properties can then be sold through advertised public auction or held for use by the City.

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 Excise***

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the fiscal 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.

***Water and Sewer User Fees***

User fees are levied monthly 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 fiscal year-end and are recorded as revenue in the current period. Water and Sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and Sewer charges and liens are recorded as receivables in the fiscal 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 public safety details and traffic impact fees that are recorded as receivables in the fiscal year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

***Special Assessments***

The costs incurred on completed special projects that have been assessed to the benefited taxpayers which have not been paid.

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

***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.

***Loans***

The City administers loan programs that provide housing assistance to residents and capital needs assistance for small businesses. Upon issuance, a receivable is recorded for the principal amount of the loan.

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

F. Inventories*Government-Wide and Fund Financial Statements*

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

G. Capital Assets*Government-Wide and Proprietary Fund Financial Statements*

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

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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>
Land improvements.....	10-50
Buildings and improvements.....	5-40
Equipment.....	3-20
Infrastructure.....	10-50
Library Books.....	5

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 fiscal year of the purchase.

H. 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 assets. Any residual balances outstanding

between the governmental activities and business-type activities are reported in the statement of net assets 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.

#### I. 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 assets. 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.

#### J. Deferred Revenue

Deferred 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. Deferred revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

#### K. Net Assets and Fund Equity

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

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

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

Net assets have been “restricted for” the following:

“Loans” represents community development outstanding loans receivable balances.

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties and primarily represents school federal and state grants whose use is limited to specific grant activities.

#### *Fund Financial Statements (Fund Balances)*

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

Fund balances have been “reserved for” the following:

“Encumbrances and continuing appropriations” represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.

“Perpetual permanent funds” represents amounts held in trust for which only investment earnings may be expended.

#### L. Long-term debt

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

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

##### *Governmental Fund Financial Statements*

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

#### M. Investment Income

Excluding the permanent 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).

Investment income from proprietary funds is retained within the respective fund.

#### N. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures.

##### *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*

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.

O. Fund Deficits

The following funds had deficit fund balances at June 30, 2009. These deficits will be funded by grants, departmental revenues, bond proceeds and available fund balances.

<u>Fund Name</u>	<u>Amount</u>
Public law fund.....	\$ (424,230)
School state grants.....	(22,865)
Vocational school reserve.....	(15,448)
Community development.....	(83,223)
School capital projects.....	(1,749,221)
Police detail.....	(263,496)
Fire detail.....	(9,349)
Veterans memorial rink.....	<u>(45,988)</u>
Total.....	\$ <u><u>(2,613,820)</u></u>

P. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions. These assumptions 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 fiscal year. Actual results could vary from estimates that were used.

Q. Total Column*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**NOTE 2 – CASH AND INVESTMENTS**

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

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

The Pension Reserve Investment Trust (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 bank failure the City's deposits may not be returned to it. The City's policy allows unlimited deposits, for up to one year, in bank accounts or CD's that are fully collateralized through a third party agreement in banking institutions that do not receive the highest bank rating as determined by a recognized bank rating firm. For banking institutions receiving the highest rating no collateralization is required. The City's policy also allows unlimited investments in money market funds, which are allowed by statute and are considered to be liquid funds.

At fiscal year-end, the carrying amount of deposits totaled \$73,327,419 and the bank balance totaled \$74,939,420. Of the bank balance, \$1,315,646 was covered by Federal Depository Insurance, \$64,976,822, was collateralized and \$8,646,952 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2008, the carrying amount of the System's deposits was zero and the bank balance totaled \$191,738. All of the bank balance was covered by Federal Depository Insurance. The System's investment policy does not address custodial credit risk.

#### Investments - City

As of June 30, 2009, the City had the following investments:

		<u>Maturity</u>			
	<u>Fair Value</u>	<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	
<b>Investment Type</b>					
<u>Debt Securities:</u>					
Government Agencies.....	\$ 2,417,905	\$ 201,868	\$ 1,337,530	\$ 878,507	
Government Sponsored Enterprises.....	1,178,564	-	961,064	217,500	
Corporate Bonds.....	342,240	101,548	179,251	61,441	
Total Debt Securities.....	3,938,709	\$ 303,416	\$ 2,477,845	\$ 1,157,448	
<u>Other Investments:</u>					
Money Market Mutual Funds.....	738,527				
MMDT.....	2,296,521				
Total Investments.....	\$ 6,973,757				



Investments – Retirement System

As of December 31, 2008, the System had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
<u>Other Investments:</u>	
PRIT.....	\$ 95,058,616
Money Market Mutual Funds.....	6,957,586
Pooled Real Estate Funds.....	9,555,165
Pooled Alternative Investments.....	<u>12,491,267</u>
Total Investments.....	<u>\$ 124,062,634</u>

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. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The City's \$3,938,709 in debt securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty. The City's investment policy does not address custodial credit risk.

The System's investments are not exposed to custodial credit risk because the securities are held in a custodial capacity and are segregated from the depository financial institutions assets with ownership remaining with the System. The System's investment policy does not address custodial credit risk.

Interest Rate Risk

The City's investment policy limits investment maturities to one year, except for the trust funds which are not limited, as a means of managing its exposure to fair value losses arising from increasing interest rates. The Retirement System's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The City participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

The System participates in PRIT. The effective weighted duration rate for PRIT investments ranged from .08 to 9.42 years.

Credit Risk

The City's investment policy limits investments in debt securities to government agencies and government sponsored enterprises, with the exception of the trust funds which are not limited, as means of limiting credit risk. As of June 30, 2009, the City had the following quality ratings for its investments:

	Investment Type			
	Government Agencies	Government Sponsored Enterprises	Corporate Bonds	Total
Fair Value.....	\$ 2,417,905	\$ 1,178,564	\$ 342,240	\$ 3,938,709
<u>Quality Ratings:</u>				
AAA.....	\$ 2,417,905	\$ 1,178,564	\$ -	\$ 3,596,469
A.....	-	-	342,240	342,240
Total.....	\$ 2,417,905	\$ 1,178,564	\$ 342,240	\$ 3,938,709

Concentration of Credit Risk

The City places no limit on the amount the government may invest in any one issuer. The City did not have any securities exceeding 5 percent of its total investments.

The System places no limit on the amount the government may invest in any one issuer. The System did not have any securities exceeding 5 percent of its total investments.

**NOTE 3 – RECEIVABLES**

At June 30, 2009, receivables for the individual major, non-major governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,652,197	\$ -	\$ 1,652,197
Real estate tax deferrals.....	385,742	-	385,742
Tax liens.....	1,547,640	-	1,547,640
Motor vehicle and other excise taxes.....	1,418,861	(925,800)	493,061
Departmental and other.....	613,443	-	613,443
Special assessments.....	454,940	-	454,940
Intergovernmental.....	7,637,658	-	7,637,658
Loans.....	2,015,064	-	2,015,064
Total.....	\$ 15,725,545	\$ (925,800)	\$ 14,799,745

At June 30, 2009, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water and sewer liens.....	\$ 217,095	\$ -	\$ 217,095
Water fees.....	3,641,135	-	3,641,135
Sewer fees.....	4,959,433	-	4,959,433
Intergovernmental.....	613,602	-	613,602
Total.....	\$ 9,431,265	\$ -	\$ 9,431,265

Governmental funds report *deferred 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 fiscal year, the various components of *deferred revenue* reported in the governmental funds were as follows:

	General Fund	Highway Projects	Community Development	Community Preservation	School Capital Projects	Other Governmental Funds	Total
<b>Receivable type:</b>							
Real estate and personal property taxes. \$	1,274,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,274,862
Real estate tax deferrals.....	385,742	-	-	-	-	-	385,742
Tax liens.....	1,547,640	-	-	-	-	-	1,547,640
Motor vehicle and other excise taxes.....	493,061	-	-	-	-	-	493,061
Departmental and other.....	19,335	-	-	43,294	-	86,078	148,707
Police details.....	-	-	-	-	-	205,806	205,806
Fire details.....	-	-	-	-	-	6,146	6,146
Special assessments.....	454,940	-	-	-	-	-	454,940
Intergovernmental.....	629,682	3,583,189	1,386,041	729,210	1,294,059	-	7,622,181
Loans.....	-	-	2,015,064	-	-	-	2,015,064
<b>Total.....</b>	<b>\$ 4,805,262</b>	<b>\$ 3,583,189</b>	<b>\$ 3,401,105</b>	<b>\$ 772,504</b>	<b>\$ 1,294,059</b>	<b>\$ 298,030</b>	<b>\$ 14,154,149</b>

#### NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 14,427,357	\$ 930,000	\$ -	\$ 15,357,357
Construction in progress.....	42,879,601	502,542	(42,879,601)	502,542
<b>Total capital assets not being depreciated.....</b>	<b>57,306,958</b>	<b>1,432,542</b>	<b>(42,879,601)</b>	<b>15,859,899</b>
<u>Capital assets being depreciated:</u>				
Land improvements.....	14,773,059	882,327	-	15,655,386
Buildings and improvements.....	184,449,763	51,682,238	-	236,132,001
Equipment.....	20,580,157	1,407,708	(699,621)	21,288,244
Infrastructure.....	43,629,727	1,837,479	(11,097)	45,456,109
Library books.....	1,408,257	289,706	(270,000)	1,427,963
<b>Total capital assets being depreciated.....</b>	<b>264,840,963</b>	<b>56,099,458</b>	<b>(980,718)</b>	<b>319,959,703</b>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,161,837)	(742,503)	-	(4,904,340)
Buildings and improvements.....	(43,030,979)	(4,817,141)	-	(47,848,120)
Equipment.....	(14,583,006)	(1,490,436)	699,621	(15,373,821)
Infrastructure.....	(17,541,119)	(1,916,932)	11,097	(19,446,954)
Library books.....	(968,513)	(138,782)	270,000	(837,295)
<b>Total accumulated depreciation.....</b>	<b>(80,285,454)</b>	<b>(9,105,794)</b>	<b>980,718</b>	<b>(88,410,530)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>184,555,509</b>	<b>46,993,664</b>	<b>-</b>	<b>231,549,173</b>
<b>Total governmental activities capital assets.....</b>	<b>\$ 241,862,467</b>	<b>\$ 48,426,206</b>	<b>\$ (42,879,601)</b>	<b>\$ 247,409,072</b>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Sewer Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 38,550	\$ -	\$ -	\$ 38,550
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	1,606,812	399,020	-	2,005,832
Equipment.....	930,495	10,199	-	940,694
Infrastructure.....	31,544,789	491,692	-	32,036,481
Total capital assets being depreciated.....	34,082,096	900,911	-	34,983,007
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,142,313)	(48,203)	-	(1,190,516)
Equipment.....	(569,449)	(73,075)	-	(642,524)
Infrastructure.....	(17,180,248)	(793,602)	-	(17,973,850)
Total accumulated depreciation.....	(18,892,010)	(914,880)	-	(19,806,890)
Total capital assets being depreciated, net.....	15,190,086	(13,969)	-	15,176,117
Total sewer activities capital assets.....	\$ 15,228,636	\$ (13,969)	\$ -	\$ 15,214,667
<b>Water Activities:</b>				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 1,104,422	\$ -	\$ -	\$ 1,104,422
Equipment.....	1,151,879	728,205	-	1,880,084
Infrastructure.....	17,964,624	14,953	-	17,979,577
Total capital assets being depreciated.....	20,220,925	743,158	-	20,964,083
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(842,122)	(27,611)	-	(869,733)
Equipment.....	(943,668)	(62,336)	-	(1,006,004)
Infrastructure.....	(9,784,404)	(445,910)	-	(10,230,314)
Total accumulated depreciation.....	(11,570,194)	(535,857)	-	(12,106,051)
Total water activities capital assets.....	\$ 8,650,731	\$ 207,301	\$ -	\$ 8,858,032

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Veterans Memorial Rink Activities:</b>				
<u>Capital assets being depreciated:</u>				
Equipment.....	\$ 113,789	\$ -	\$ -	\$ 113,789
<u>Less accumulated depreciation for:</u>				
Equipment.....	(26,402)	(11,379)	-	(37,781)
Total Veterans Memorial Rink activities capital assets.....	\$ 87,387	\$ (11,379)	\$ -	\$ 76,008

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

**Governmental Activities:**

General government.....	\$ 431,463
Public safety.....	724,604
Education.....	4,553,217
Public works.....	1,940,652
Cemetery.....	11,941
Community development.....	560,433
Health and human services.....	32,107
Culture and recreation.....	851,377

Total depreciation expense - governmental activities..... \$ 9,105,794

**Business-Type Activities:**

Sewer.....	\$ 914,880
Water.....	535,857
Veterans Memorial Rink.....	11,379

Total depreciation expense - business-type activities..... \$ 1,462,116

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
<i>Governmental Activities:</i>		
General	Highway projects.....	\$ 6,227
General	Community development.....	83,223
General	School capital projects.....	319,482
General	Nonmajor governmental funds.....	666,461
	Total Governmental.....	\$ 1,075,393
<i>Business-Type Activities:</i>		
Water Enterprise	Veteran's Memorial Rink Enterprise.....	\$ 48,294

As of June 30, 2009, the City has governmental and business-type interfund receivables and payables totaling \$1,075,393 and \$48,294, respectively. The purpose of these balances is to cover short-term cash needs that will be funded by future grant and bond proceeds.

Interfund transfers

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
Stabilization Fund.....	\$ 2,781,668	\$ -	\$ 2,781,668 (1)
Nonmajor Governmental Funds.....	83,019	-	83,019 (2)
Total.....	<u>\$ 2,864,687</u>	<u>\$ -</u>	<u>\$ 2,864,687</u>

(1) Represents budgeted transfers from the stabilization fund to the general fund.

(2) Represents budgeted transfers to the general fund from receipts reserved for appropriation.

#### 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).

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 enterprise funds, respectively.

Details related to the short-term debt activity for the fiscal year ended June 30, 2009, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2008	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2009
<i>Governmental Funds</i>							
BAN	Equipment.....	1.00	02/02/10	\$ -	\$ 102,000	\$ -	\$ 102,000
BAN	Incinerator Facility Removal...	1.00	02/02/10	-	535,000	-	535,000
BAN	Buildings.....	1.00	02/02/10	-	350,000	-	350,000
BAN	Building Remodeling.....	1.00	02/02/10	-	81,000	-	81,000
BAN	Recreation.....	1.00	02/02/10	-	200,000	-	200,000
Total.....				\$ -	\$ 1,268,000	\$ -	\$ 1,268,000
<i>Sewer Enterprise Fund</i>							
BAN	Infrastructure.....	1.00	02/02/10	\$ -	\$ 650,000	\$ -	\$ 650,000
<i>Water Enterprise Fund</i>							
BAN	Infrastructure.....	1.00	02/02/10	\$ -	\$ 720,000	\$ -	\$ 720,000

## 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".

Details related to the outstanding indebtedness at June 30, 2009, and the debt service requirements are as follows:

### Bonds and Notes Payable Schedule – Governmental Funds

Project	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Building renovations.....	2.00-5.00	\$ 4,030,000	\$ 526,000	\$ 650,000	\$ 3,906,000
School construction.....	2.00-5.00	51,027,758	3,391,000	1,995,000	52,423,758
Land development.....	2.00-5.00	8,280,000	960,000	865,000	8,375,000
Land acquisition.....	2.00-5.00	10,370,000	-	610,000	9,760,000
City equipment.....	2.00-5.00	3,857,000	3,000	420,000	3,440,000
City technology.....	2.00-5.00	510,000	160,000	100,000	570,000
Signals and communications.....	2.00-5.00	1,352,000	-	165,000	1,187,000
Design/engineering.....	2.00-5.00	375,000	-	165,000	210,000
Pond preservation.....	2.00-4.00	215,000	-	40,000	175,000
Sidewalk improvements.....	3.10-4.25	500,000	-	100,000	400,000
Streets.....	3.00-5.00	1,665,000	-	5,000	1,660,000
Drainage.....	3.00-5.00	291,900	-	-	291,900
Total Governmental bonds payable.....		\$ 82,473,658	\$ 5,040,000	\$ 5,115,000	\$ 82,398,658

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

Fiscal Year	Principal	Interest	Total
2010.....	\$ 7,556,538	\$ 2,904,687	\$ 10,461,225
2011.....	7,128,638	2,651,183	9,779,821
2012.....	6,623,638	2,402,597	9,026,235
2013.....	6,250,638	2,164,708	8,415,346
2014.....	5,168,638	1,950,274	7,118,912
2015.....	4,592,638	1,768,235	6,360,873
2016.....	4,531,638	1,592,635	6,124,273
2017.....	4,524,638	1,412,909	5,937,547
2018.....	4,503,638	1,246,151	5,749,789
2019.....	4,461,638	1,078,431	5,540,069
2020.....	4,206,638	908,625	5,115,263
2021.....	4,006,638	746,778	4,753,416
2022.....	3,931,638	598,146	4,529,784
2023.....	3,286,638	462,416	3,749,054
2024.....	3,170,638	345,442	3,516,080
2025.....	3,105,638	231,889	3,337,527
2026.....	2,095,638	122,770	2,218,408
2027.....	1,390,638	65,090	1,455,728
2028.....	995,638	29,527	1,025,165
2029.....	866,636	4,634	871,270
Totals.....	\$ <u>82,398,658</u>	\$ <u>22,687,127</u>	\$ <u>105,085,785</u>

#### Bonds and Notes Payable Schedule – Sewer Enterprise Fund

Project	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Sewer projects.....	2.00-5.00	\$ 4,700,000	\$ -	\$ 395,000	\$ 4,305,000
Sewer improvements.....	4.00	545,000	700,000	175,000	1,070,000
Sewer equipment.....	2.00-5.00	655,000	250,000	-	905,000
Sewer surface drains.....	4.00	60,000	-	30,000	30,000
MWPAT.....	2.00	2,185,671	1,170,204	106,620	3,249,255
MWRA.....	0.00	-	302,500	-	302,500
Total Sewer Enterprise bonds payable.....		\$ <u>8,145,671</u>	\$ <u>2,422,704</u>	\$ <u>706,620</u>	\$ <u>9,861,755</u>

The City is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. As of June 30, 2009, the City has \$302,500 outstanding with the MWRA.



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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010..... \$	952,880	\$ 344,899	\$ 1,297,779
2011.....	919,932	317,460	1,237,392
2012.....	734,123	287,534	1,021,657
2013.....	736,398	264,157	1,000,555
2014.....	732,759	240,397	973,156
2015.....	552,709	217,256	769,965
2016.....	553,248	196,320	749,568
2017.....	554,880	174,292	729,172
2018.....	565,606	153,673	719,279
2019.....	567,425	133,277	700,702
2020.....	379,382	114,846	494,228
2021.....	381,774	99,118	480,892
2022.....	389,213	83,419	472,632
2023.....	391,702	67,516	459,218
2024.....	400,242	51,387	451,629
2025.....	412,833	34,828	447,661
2026.....	355,476	19,129	374,605
2027.....	183,173	7,988	191,161
2028.....	52,000	3,016	55,016
2029.....	46,000	947	46,947
Totals..... \$	<u>9,861,755</u>	<u>\$ 2,811,459</u>	<u>\$ 12,673,214</u>

#### Bonds and Notes Payable Schedule – Water Enterprise Fund

<u>Project</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2008</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2009</u>
Water mains.....	4.10-5.00	\$ 294,100	\$ -	\$ -	\$ 294,100
Water improvements.....	4.00	1,960,000	420,000	145,000	2,235,000
Water tower.....	2.00-4.00	240,000	-	40,000	200,000
Water projects.....	3.00-5.00	<u>1,080,000</u>	<u>70,000</u>	<u>200,000</u>	<u>950,000</u>
Total Water Enterprise bonds payable.....		<u>\$ 3,574,100</u>	<u>\$ 490,000</u>	<u>\$ 385,000</u>	<u>\$ 3,679,100</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010.....	\$ 537,100	\$ 133,154	\$ 670,254
2011.....	473,000	114,121	587,121
2012.....	383,000	96,989	479,989
2013.....	378,000	83,277	461,277
2014.....	243,000	72,436	315,436
2015.....	178,000	64,596	242,596
2016.....	138,000	57,883	195,883
2017.....	138,000	52,412	190,412
2018.....	113,000	48,107	161,107
2019.....	113,000	43,587	156,587
2020.....	106,000	38,394	144,394
2021.....	106,000	33,624	139,624
2022.....	106,000	29,384	135,384
2023.....	106,000	25,144	131,144
2024.....	106,000	20,904	126,904
2025.....	101,000	16,764	117,764
2026.....	101,000	12,660	113,660
2027.....	101,000	8,493	109,493
2028.....	101,000	4,289	105,289
2029.....	51,000	1,084	52,084
Totals.....	\$ <u>3,679,100</u>	\$ <u>957,302</u>	\$ <u>4,636,402</u>

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, 2009, the City had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
School design/construction.....	\$ 2,933,701
Water improvements.....	1,840,000
Sewer improvements.....	9,338,272
Streets, water, and sewer.....	408,009
Street construction.....	201,991
City yard structures.....	550,000
Design/engineering.....	1,100,000
Land acquisition and development.....	281,000
Technology.....	145,000
Equipment.....	57,000
Removal of incinerator facility.....	<u>1,085,000</u>
Total.....	\$ <u>17,939,973</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2009, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Long-term bonds and notes.....	\$ 82,473,658	\$ 5,040,000	\$ (5,115,000)	\$ 82,398,658	\$ 7,556,538
Workers' compensation.....	591,000	189,000	(313,000)	467,000	239,000
Compensated absences.....	3,228,917	2,310,154	(2,283,295)	3,255,776	2,299,406
Unamortized premium.....	600,718	-	(69,367)	531,351	65,281
Other post-employment benefits obligation.....	16,434,867	12,021,393	-	28,456,260	-
Total governmental activity long-term liabilities.....	<u>\$ 103,329,160</u>	<u>\$ 19,560,547</u>	<u>\$ (7,780,662)</u>	<u>\$ 115,109,045</u>	<u>\$ 10,160,225</u>
<b>Business-Type Activities:</b>					
Long-term bonds and notes.....	\$ 11,719,771	\$ 2,912,704	\$ (1,091,620)	\$ 13,540,855	\$ 1,489,980
Compensated absences.....	289,188	131,324	(126,166)	294,346	128,844
Other post-employment benefits obligation.....	224,332	238,631	-	462,963	-
Total business-type activity long-term liabilities.....	<u>\$ 12,233,291</u>	<u>\$ 3,282,659</u>	<u>\$ (1,217,786)</u>	<u>\$ 14,298,164</u>	<u>\$ 1,618,824</u>

Compensated absence and workers' compensation liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Except for the amounts related to compensated absences and workers' compensation, the governmental long-term liabilities are generally liquidated by the general fund.

**NOTE 8 – 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; and natural disasters for which the City carries commercial insurance. In addition, the City is self-insured for damages not covered by commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

The City participates in premium-based health care plans for its active employees and retirees, as well as being self-insured. The City is also self-insured for its workers' compensation and unemployment compensation activities which are accounted for in the funds incurring the expenditures. The self-insured health insurance activities are accounted for in the City's internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

*Health Insurance*

Health insurance claims are administered by a third party administrator and are funded on an as needed basis from the City's internal service fund. The estimate of Incurred But Not Reported (IBNR) claims is based on a two month claims paid average. The City purchases individual stop loss insurance for claims in excess of the coverage provided by the City in the amount of \$200,000 per claim. At June 30, 2009, the amount of the

liability for health insurance claims totaled \$3,454,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2007, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-End	Due Within One Year
Fiscal Year 2008.....	\$ 3,112,000	\$ 36,279,000	\$ (35,810,000)	\$ 3,581,000	\$ 3,581,000
Fiscal Year 2009.....	3,581,000	34,418,000	(34,545,000)	3,454,000	3,454,000

#### *Workers' Compensation*

Workers' compensation claims are administered by the City and are funded on a pay-as-you-go basis from annual appropriations. The estimated future workers' compensation liability is based on history and injury type. At June 30, 2009, the amount of the liability for workers' compensation claims totaled \$467,000. Changes in the reported liability since July 1, 2007, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-End	Due Within One Year
Fiscal Year 2008.....	\$ 725,000	\$ 236,000	\$ (370,000)	\$ 591,000	\$ 313,000
Fiscal Year 2009.....	591,000	205,000	(329,000)	467,000	239,000

#### **NOTE 9 – PENSION PLAN**

*Plan Description* - The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Waltham Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the City does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$13,736,000 for the fiscal year ended June 30, 2009, and, accordingly, are reported in the general fund as intergovernmental revenues and education expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. 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 Waltham Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at 610 Main Street, Waltham, Massachusetts 02452.

At December 31, 2008, the System's membership consists of the following:

Active members.....	909
Inactive members.....	129
Retirees and beneficiaries currently receiving benefits.....	<u>778</u>
Total.....	<u><u>1,816</u></u>

**Funding Policy** - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The City is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding fiscal years' apportionment of the annual pension cost between the two employers required the City to contribute 97% of the total. Chapter 32 of the MGL governs the contributions of plan members and the City.

**Annual Pension Cost** - The City's contributions to the System for the fiscal years ended June 30, 2009, 2008, and 2007 were approximately \$12,878,000, \$12,413,000, and \$11,408,000, respectively, which equaled its required contribution for each fiscal year. At June 30, 2009, the City did not have a net pension obligation. The required contribution was determined as part of the January 1, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included an 8.5% investment rate of return and projected salary increases of 4.0% per year for fiscal 2008 through 2011 and 5% thereafter. The actuarial value of the System's assets was determined using the fair value of the assets. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2009, was 18 years.

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/08	\$ 161,934,253	\$ 251,353,888	\$ 89,419,635	64.4%	\$ 45,141,147	198.1%
01/01/06	136,645,912	267,164,850	130,518,938	51.1%	43,804,722	298.0%
01/01/05	132,657,305	252,142,463	119,485,158	52.6%	42,282,485	282.6%
01/01/04	132,381,882	241,741,616	109,359,734	54.8%	40,324,076	271.2%
01/01/03	123,352,105	232,487,351	109,135,246	53.1%	38,317,908	284.8%
01/01/01	123,997,853	196,626,146	72,628,293	63.1%	38,264,636	189.8%

Funding progress is reported based on the biennial actuarial valuation performed by the System, and is being accumulated on a biennial basis. The City is responsible for approximately 97% of the unfunded liability.

**Noncontributory Retirement Allowance** – The City pays the entire retirement allowance for certain retirees who are eligible for noncontributory benefits and are not members of the System. The general fund expenditure for fiscal year 2009 totaled approximately \$44,000.

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* – The City of Waltham administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the City’s group health insurance plan, which covers both active and retired members. 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* – Contribution requirements are also negotiated between the City and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The City contributes a variable portion of the cost of current-year premiums, which varies by plan, for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs. For fiscal year 2009, the City contributed \$17.9 million to the plan.

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

Normal cost.....	\$ 12,408,013
Amortization of unfunded actuarial accrued liability.....	17,891,564
Adjustments to annual required contribution.....	<u>(170,876)</u>
Annual OPEB cost (expense).....	30,128,701
Contributions made.....	<u>(17,868,677)</u>
Increase in net OPEB obligation.....	12,260,024
Net OPEB obligation--beginning of year.....	<u>16,659,199</u>
Net OPEB obligation--end of year.....	<u><u>\$ 28,919,223</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$ 28,938,268	42%	\$ 16,659,199
6/30/2009	30,128,701	59%	28,919,223

*Funded Status and Funding Progress* – As of July 1, 2006, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$517 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$81,699,545, and the ratio of the UAAL to the covered payroll was 633 percent.

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

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

In the July 1, 2006, actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4% investment return assumption, which is based on the expected yield on the assets of the City, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 9% initially, graded to 5% over 8 years and included a 4% inflation assumption. The UAAL is being amortized over a 30 year period, with amortization payments increasing at 4.5% per year. The remaining amortization period at June 30, 2009 is 27 years.

#### **NOTE 11 – COMMITMENTS**

The City's school construction project includes two new middle schools and six elementary schools. The two middle schools and the six elementary schools have been completed at a cost of \$180.2 million of which \$123.5 million was reimbursed through a state grant at June 30, 2009. An additional \$1.3 million was reimbursed as a state grant and was received in September of 2009.

The City has various other commitments totaling approximately \$22.5 million for projects related to street/water/sewer infrastructure, building renovations, equipment and land development. Approximately \$19.1 million has been spent on these projects at June 30, 2009.

#### **NOTE 12 – CONTINGENCIES**

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2009, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various 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, 2009, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2009.

**NOTE 13 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2009, the following GASB pronouncements were implemented:

- The GASB issued Statement #55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This standard did not impact the basic financial statements.
- The GASB issued Statement #56, *Codification of Accounting and Reporting Guidance Contained in the AICPA Statement on Auditing Standards*. This standard did not impact the basic financial statements.

Future Implementation of GASB Pronouncements:

- The GASB issued Statement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is required to be implemented in fiscal year 2011. Management believes that this pronouncement will require additional disclosure and will impact the basic financial statements.



## ***Required Supplementary Information***

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

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

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 126,113,808	\$ 126,113,808	\$ 127,181,979	\$ -	\$ 1,068,171
Tax liens.....	-	-	509,178	-	509,178
Motor vehicle and other excise taxes.....	6,650,000	6,650,000	6,149,014	-	(500,986)
Hotel/motel tax.....	2,200,000	2,200,000	1,916,727	-	(283,273)
Penalties and interest on taxes.....	455,000	455,000	440,482	-	(14,518)
Fees and rentals.....	534,550	534,550	450,611	-	(83,939)
Payments in lieu of taxes.....	45,000	45,000	45,834	-	834
Licenses and permits.....	4,707,405	4,707,405	4,219,961	-	(487,444)
Fines and forfeitures.....	585,000	585,000	640,202	-	55,202
Intergovernmental.....	22,440,893	22,440,893	20,763,673	-	(1,677,220)
Departmental and other.....	835,000	835,000	840,460	-	5,460
Special assessments.....	106,000	106,000	98,438	-	(7,562)
Investment income.....	980,529	980,529	622,880	-	(357,649)
<b>TOTAL REVENUES.....</b>	<b>165,653,185</b>	<b>165,653,185</b>	<b>163,879,439</b>	<b>-</b>	<b>(1,773,746)</b>
<b>EXPENDITURES:</b>					
Current:					
General government					
City Council					
Salaries.....	260,745	260,745	260,636	-	109
Expenses.....	66,597	66,597	60,304	-	6,293
Equipment and unusual.....	25,588	25,588	5,263	20,325	-
Capital Improvement.....	982	982	-	982	-
Total.....	353,912	353,912	326,203	21,307	6,402
Mayor's Office					
Salaries.....	283,229	283,229	250,149	-	33,080
Expenses.....	32,163	32,163	28,712	-	3,451
Equipment and unusual.....	353,925	358,125	155,403	198,695	4,027
Capital Improvement.....	30,101	30,101	12,635	17,466	-
Total.....	699,418	703,618	446,899	216,161	40,558
Director of Finance					
Salaries.....	610,101	610,101	556,338	-	53,763
Expenses.....	10,044	10,044	6,370	-	3,674
Equipment and unusual.....	5,920	5,920	-	5,920	-
Capital Improvement.....	804	804	-	804	-
Total.....	626,869	626,869	562,708	6,724	57,437
Treasurer and Collector					
Salaries.....	800,514	800,514	798,347	-	2,167
Expenses.....	284,915	284,915	270,092	498	14,325
Capital Improvement.....	2,977	2,977	1,335	1,000	642
Total.....	1,088,406	1,088,406	1,069,774	1,498	17,134
Assessments					
Salaries.....	448,584	448,584	447,313	-	1,271
Expenses.....	36,905	36,905	30,803	-	6,102
Equipment and unusual.....	-	22,750	3,640	19,110	-
Capital Improvement.....	44,100	44,100	39,130	4,970	-
Total.....	529,589	552,339	520,886	24,080	7,373

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>Purchasing Services</b>					
Salaries.....	215,140	215,140	215,127	-	13
Expenses.....	10,836	10,836	8,498	-	2,338
Miscellaneous.....	343,313	343,313	250,385	-	92,928
Total.....	569,289	569,289	474,010	-	95,279
<b>Administration of Trust Funds</b>					
Salaries.....	4,000	4,000	4,000	-	-
Expenses.....	17,000	17,000	15,350	1,650	-
Total.....	21,000	21,000	19,350	1,650	-
<b>Law Department</b>					
Salaries.....	695,692	695,692	694,386	-	1,306
Expenses.....	58,021	58,021	53,721	-	4,300
Equipment and unusual.....	99,870	149,870	11,559	125,519	12,792
Capital Improvement.....	22,204	22,204	830	21,374	-
Total.....	875,787	925,787	760,496	146,893	18,398
<b>Building General Support</b>					
Salaries.....	234,933	234,933	214,933	-	20,000
Expenses.....	3,831	3,831	2,704	-	1,127
Equipment and unusual.....	-	10,000	5,000	5,000	-
Capital Improvement.....	2,500	2,500	-	2,500	-
Total.....	241,264	251,264	222,637	7,500	21,127
<b>Public Buildings Maintenance</b>					
Salaries/Wages.....	849,090	849,090	849,090	-	-
Expenses.....	376,847	376,847	358,668	4,569	13,610
Equipment and unusual.....	8,241	8,241	8,241	-	-
Capital Improvement.....	67,483	67,483	40,511	26,972	-
Total.....	1,301,661	1,301,661	1,256,510	31,541	13,610
<b>Public Building Utilities</b>					
Expenses.....	833,207	1,036,207	1,036,207	-	-
<b>Central Telephone Service</b>					
Salaries.....	27,707	27,707	25,250	-	2,457
Expenses.....	198,489	198,489	191,919	-	6,570
Total.....	226,196	226,196	217,169	-	9,027
<b>Personnel</b>					
Salaries.....	348,614	348,614	319,341	-	29,273
Expenses.....	6,495	6,495	3,607	-	2,888
Equipment and unusual.....	80,790	80,790	71,473	-	9,317
Total.....	435,899	435,899	394,421	-	41,478
<b>Work Study</b>					
Expenses.....	10,383	10,383	3,672	-	6,711
<b>City Clerk</b>					
Salaries.....	325,564	325,562	325,346	-	216
Expenses.....	38,934	38,934	28,481	-	10,453
Capital Improvement.....	1,074	1,074	1,074	-	-
Total.....	365,572	365,570	354,901	-	10,669

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Management Information Systems					
Salaries/Wages.....	938,241	941,481	933,704	-	7,777
Expenses.....	333,975	330,735	284,228	-	46,507
Equipment and unusual.....	11,970	11,970	1,545	10,425	-
Capital Improvement.....	99,260	99,260	205	99,055	-
Total.....	1,383,446	1,383,446	1,219,682	109,480	54,284
Voter Registration					
Salaries.....	206,265	206,265	205,435	-	830
Expenses.....	103,422	103,422	91,295	-	12,127
Total.....	309,687	309,687	296,730	-	12,957
Total General Government.....	9,871,585	10,161,533	9,182,255	566,834	412,444
Public safety					
Police					
Salaries.....	12,581,768	12,581,768	12,282,955	-	298,813
Police General Support					
Expenses.....	178,356	253,356	218,792	12,218	22,346
Equipment and unusual.....	108,927	108,927	93,763	12,450	2,714
Miscellaneous.....	19,719	19,719	14,435	-	5,284
Capital Improvement.....	10,895	10,895	10,895	-	-
Total.....	317,897	392,897	337,885	24,668	30,344
Police Community Services					
Expenses.....	14,350	14,350	9,546	-	4,804
Equipment and unusual.....	39,400	39,400	27,588	7,700	4,112
Miscellaneous.....	36,130	33,130	28,530	-	4,600
Total.....	89,880	86,880	65,664	7,700	13,516
Police Criminal Patrol and Apprehension					
Expenses.....	81,410	79,410	57,264	-	22,146
Equipment and unusual.....	31,316	31,316	25,215	4,000	2,101
Miscellaneous.....	104,400	104,400	95,960	-	8,440
Total.....	217,126	215,126	178,439	4,000	32,687
Police Investigation and Prosecution					
Expenses.....	16,775	16,775	9,746	1,000	6,029
Equipment and unusual.....	4,500	4,500	-	-	4,500
Miscellaneous.....	16,250	16,250	16,000	-	250
Total.....	37,525	37,525	25,746	1,000	10,779
Dispatch					
Wages.....	1,400,643	1,400,643	1,276,840	-	123,803
Expenses.....	22,490	22,490	16,694	-	5,796
Miscellaneous.....	8,400	8,400	4,798	-	3,602
Total.....	1,431,533	1,431,533	1,298,332	-	133,201
Fire					
Salaries/ Wages.....	13,087,409	13,087,409	12,214,720	540,278	332,411

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Fire General Support					
Expenses.....	41,134	81,130	76,242	4,839	49
Equipment and unusual.....	9,000	9,000	-	-	9,000
Miscellaneous.....	775	775	775	-	-
Total.....	50,909	90,905	77,017	4,839	9,049
Fire Prevention and Investigation					
Expenses.....	9,015	9,015	3,080	4,600	1,335
Miscellaneous.....	3,875	3,875	3,875	-	-
Total.....	12,890	12,890	6,955	4,600	1,335
Fire Fighting and Training					
Expenses.....	203,201	203,201	202,689	512	-
Equipment and unusual.....	68,828	68,828	18,489	49,767	572
Miscellaneous.....	155,354	155,354	144,195	1,415	9,744
Total.....	427,383	427,383	365,373	51,694	10,316
Fire Building and Grounds					
Expenses.....	18,480	18,480	16,411	1,376	693
Equipment and unusual.....	10,472	10,472	4,900	5,572	-
Total.....	28,952	28,952	21,311	6,948	693
Emergency Management					
Salaries.....	66,389	66,389	66,245	-	144
Expenses.....	23,123	23,123	23,123	-	-
Equipment and unusual.....	16,340	16,340	11,240	5,100	-
Miscellaneous.....	10,400	10,400	10,400	-	-
Total.....	116,252	116,252	111,008	5,100	144
Wires General Support and Inspection					
Salaries.....	310,979	310,979	241,644	-	69,335
Expenses.....	62,223	62,223	54,891	88	7,244
Total.....	373,202	373,202	296,535	88	76,579
Wires Electricians					
Salaries.....	234,439	234,439	231,451	-	2,988
Expenses.....	38,650	38,650	17,086	313	21,251
Total.....	273,089	273,089	248,537	313	24,239
Wires Signal Installation and Maintenance					
Salaries.....	125,966	125,966	111,429	-	14,537
Expenses.....	277,449	277,449	215,087	3,874	58,488
Equipment and unusual.....	3,000	3,000	3,000	-	-
Total.....	406,415	406,415	329,516	3,874	73,025
Wires Street Lighting					
Expenses.....	655,461	655,461	457,448	108,350	89,663
Inspection Weight and Measures					
Salaries.....	75,266	75,266	75,220	-	46
Expenses.....	1,850	1,850	984	-	866
Total.....	77,116	77,116	76,204	-	912

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Licensing					
Salaries.....	12,600	12,600	12,600	-	-
Expenses.....	4,180	4,180	2,672	-	1,508
Total.....	16,780	16,780	15,272	-	1,508
Animal Control					
Salaries.....	69,646	69,646	68,732	-	914
Expenses.....	1,400	1,400	789	-	611
Equipment and unusual.....	6,706	11,706	7,940	2,486	1,280
Total.....	77,752	82,752	77,461	2,486	2,805
Total Public Safety.....	30,279,339	30,394,335	28,486,378	765,938	1,142,019
Education					
Salaries.....	48,449,158	48,449,158	45,164,299	3,276,859	8,000
Expenses.....	16,248,800	16,248,800	14,860,930	576,357	811,513
Capital Improvement.....	24,157	24,157	8,157	16,000	-
Total Education.....	64,722,115	64,722,115	60,033,386	3,869,216	819,513
Public Works					
Consolidated Public Works Administration					
Expenses.....	1,003,830	1,103,830	1,036,236	62,132	5,462
Equipment and unusual.....	648,809	648,809	210,535	433,867	4,407
Capital Improvement.....	7,217	84,410	432	83,978	-
Total.....	1,659,856	1,837,049	1,247,203	579,977	9,869
Consolidated Public Works					
Salaries.....	3,983,999	4,187,619	3,866,975	-	320,644
Highway Maintenance and Repair					
Expenses.....	2,439	2,439	2,439	-	-
Equipment and unusual.....	3,921	3,921	3,921	-	-
Capital Improvement.....	77,194	-	-	-	-
Total.....	83,554	6,360	6,360	-	-
Snow and Ice Removal					
Expenses.....	583,650	2,383,650	2,357,878	-	25,772
Trees and Shrubs					
Expenses.....	3,296	3,296	3,296	-	-
Collection and Disposal of Rubbish					
Equipment and unusual.....	5,955,103	5,855,103	5,699,640	4,000	151,463
Public Vehicles Maintenance and Repair					
Expenses.....	7,394	7,390	7,390	-	-
Public Vehicles Gasoline and Oil					
Expenses.....	5,543	5,543	5,543	-	-
Parks					
Expenses.....	6,260	6,260	674	-	5,586
Total Public Works.....	12,288,655	14,292,270	13,194,959	583,977	513,334

(continued)



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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Community Development					
Office of the City Planner					
Salaries.....	203,617	265,559	241,530	-	24,029
Expenses.....	2,000	2,000	1,981	-	19
Equipment and unusual.....	70,320	70,320	270	70,050	-
Capital Improvement.....	184,819	184,819	131,572	48,390	4,857
Total.....	460,756	522,698	375,353	118,440	28,905
Housing Office					
Salaries.....	195,700	248,198	253,817	-	(5,619)
Expenses.....	2,125	2,125	2,094	-	31
Total.....	197,825	250,323	255,911	-	(5,588)
Board of Survey and Planning					
Salaries.....	20,500	20,500	13,800	-	6,700
Expenses.....	5,200	5,200	3,322	-	1,878
Total.....	25,700	25,700	17,122	-	8,578
Zoning Board of Appeals					
Salaries.....	24,500	24,500	16,100	1,500	6,900
Expenses.....	28,674	28,674	17,844	225	10,605
Equipment and unusual.....	171	171	-	-	171
Total.....	53,345	53,345	33,944	1,725	17,676
Traffic Commission					
Salaries.....	346,631	346,631	271,187	-	75,444
Expenses.....	77,525	77,525	32,777	2,356	42,392
Capital Improvement.....	7,693	7,693	-	7,693	-
Total.....	431,849	431,849	303,964	10,049	117,836
Conservation Commission					
Salaries.....	71,093	71,093	66,136	-	4,957
Expenses.....	4,888	4,888	3,107	-	1,781
Equipment and unusual.....	2,000	2,000	-	2,000	-
Capital Improvement.....	85,915	85,915	32,000	53,915	-
Total.....	163,896	163,896	101,243	55,915	6,738
Historical Commission					
Salaries.....	30,500	30,500	29,900	-	600
Expenses.....	7,700	7,700	5,083	-	2,617
Equipment and unusual.....	34,840	34,840	20,513	14,327	-
Total.....	73,040	73,040	55,496	14,327	3,217
Paine Estate Functions					
Salaries.....	92,904	92,904	92,828	-	76
Expenses.....	48,713	48,713	36,783	-	11,930
Total.....	141,617	141,617	129,611	-	12,006
Building Code Enforcement					
Salaries.....	485,595	485,595	481,962	150	3,483
Expenses.....	10,450	10,450	10,212	-	238
Total.....	496,045	496,045	492,174	150	3,721

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Engineering Design and Surveying					
Salaries.....	444,489	444,489	425,446	-	19,043
Expenses.....	6,150	6,150	6,118	-	32
Equipment and unusual.....	14,738	14,738	-	14,738	-
Capital Improvement.....	130,266	130,266	94,744	35,522	-
Total.....	595,643	595,643	526,308	50,260	19,075
Total Community Development.....	2,639,716	2,754,156	2,291,126	250,866	212,164
Health and Human Services					
Office of Public Health					
Salaries.....	183,614	183,614	182,805	500	309
Expenses.....	38,730	38,730	34,965	-	3,765
Equipment and unusual.....	10,600	10,600	6,124	-	4,476
Total.....	232,944	232,944	223,894	500	8,550
Health Inspections					
Salaries.....	440,244	440,244	439,339	-	905
Expenses.....	7,000	7,000	5,949	-	1,051
Total.....	447,244	447,244	445,288	-	1,956
Veterans Benefits and Services					
Salaries.....	154,395	154,395	149,726	-	4,669
Expenses.....	211,975	211,975	178,103	-	33,872
Total.....	366,370	366,370	327,829	-	38,541
Council on Aging					
Salaries.....	287,095	296,595	282,030	600	13,965
Expenses.....	9,940	9,940	9,805	44	91
Total.....	297,035	306,535	291,835	644	14,056
Meals on Wheels					
Salaries.....	56,199	56,199	55,969	-	230
Expenses.....	156,657	156,657	148,521	-	8,136
Total.....	212,856	212,856	204,490	-	8,366
Celebration of Holidays					
Expenses.....	21,100	21,100	11,000	10,000	100
Handicap Services					
Salaries.....	7,000	7,000	6,100	-	900
Expenses.....	200	200	-	-	200
Capital Improvement.....	55,000	55,000	-	55,000	-
Total.....	62,200	62,200	6,100	55,000	1,100
Total Health and Human Services.....	1,639,749	1,649,249	1,510,436	66,144	72,669

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Culture and Recreation					
Library					
Salaries/Wages.....	1,852,427	1,852,427	1,776,902	-	75,525
Library General Support					
Expenses.....	262,256	345,275	343,803	-	1,472
Equipment and unusual.....	62,515	62,515	59,629	2,886	-
Capital Improvement.....	17	17	17	-	-
Total.....	324,788	407,807	403,449	2,886	1,472
Recreation General Support					
Salaries.....	390,849	390,849	387,570	-	3,279
Expenses.....	16,769	16,769	12,857	-	3,912
Equipment and unusual.....	6,269	6,269	-	6,269	-
Capital Improvement.....	85,992	85,992	73,006	12,986	-
Total.....	499,879	499,879	473,433	19,255	7,191
Playgrounds and Pools					
Salaries.....	40,168	40,168	33,770	-	6,398
Expenses.....	71,489	71,489	60,024	11,426	39
Equipment and unusual.....	5,000	5,000	4,141	-	859
Total.....	116,657	116,657	97,935	11,426	7,296
Day Camps					
Salaries.....	55,844	55,844	55,844	-	-
Expenses.....	14,471	14,471	13,362	612	497
Total.....	70,315	70,315	69,206	612	497
Support of Recreation Activities					
Expenses.....	102,000	102,000	86,050	5,000	10,950
Equipment and unusual.....	10,000	10,000	7,257	-	2,743
Total.....	112,000	112,000	93,307	5,000	13,693
Recreation Activities					
Expenses.....	94,682	-	-	-	-
Total Culture and Recreation	3,070,748	3,059,085	2,914,232	39,179	105,674
Cemetery					
MT Feake, Grove Hill and Commission					
Salaries.....	3,000	3,000	2,900	-	100
Expenses.....	796	796	796	-	-
Total Cemetery	3,796	3,796	3,696	-	100
Pension benefits					
Contributory Retirement.....	13,097,362	13,097,362	12,928,477	168,885	-
Non-Contributory Retirement.....	97,260	97,260	44,075	53,185	-
Total.....	13,194,622	13,194,622	12,972,552	222,070	-

(continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Employee benefits					
Worker's Compensation.....	398,215	663,215	590,150	73,000	65
Optional Medicare Extension.....	1,460,000	1,460,000	1,460,000	-	-
Hospital and Medical Insurance.....	30,232,380	30,232,380	30,187,829	44,551	-
Group Life Insurance - City.....	90,000	90,000	85,556	3,529	915
Social Security.....	27,000	27,000	27,000	-	-
Unemployment Compensation.....	33,109	33,109	4,129	-	28,980
Total.....	32,240,704	32,505,704	32,354,664	121,080	29,960
State and county charges.....	1,498,031	1,498,031	1,556,523	-	(58,492)
Debt service:					
Principal.....	5,115,000	5,915,000	5,115,000	800,000	-
Interest.....	3,243,428	5,112,096	2,901,122	1,918,668	292,306
TOTAL EXPENDITURES.....	179,807,488	185,261,992	172,516,329	9,203,972	3,541,691
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(14,154,303)	(19,608,807)	(8,636,890)	(9,203,972)	1,767,945
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	521,562	521,562	526,073	-	4,511
Transfers in.....	2,964,014	5,828,701	5,828,701	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	3,485,576	6,350,263	6,354,774	-	4,511
NET CHANGE IN FUND BALANCE.....	(10,668,727)	(13,258,544)	(2,282,116)	(9,203,972)	1,772,456
BUDGETARY FUND BALANCE, Beginning of year.....	28,217,460	28,217,460	28,217,460	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 17,548,733	\$ 14,958,916	\$ 25,935,344	\$ (9,203,972)	\$ 1,772,456

(concluded)

See notes to required supplementary information.

## ***Other Post-Employment Benefit Plan Schedules***

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

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

**Other Post-Employment Benefit Plan  
Schedule of Funding Progress**

June 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2006	\$ -	\$ 517,127,027	\$ 517,127,027	0%	\$ 81,699,545	633%

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008.  
Information for prior years is not available.

See notes to required supplementary information.

**Other Post-Employment Benefit Plan  
Actuarial Methods and Assumptions**

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Actuarial Methods:

Valuation date.....	July 1, 2006
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 4.5%, closed
Remaining amortization period.....	30 years as of July 1, 2006

Actuarial Assumptions:

Investment rate of return.....	4.0%, pay-as-you-go
Medical/drug cost trend rate.....	9.0% graded to 5.0% over 8 years
Inflation assumption.....	4.0%

Plan Membership:

Current retirees, beneficiaries, and dependents....	1,193
Current active members.....	<u>1,254</u>
Total.....	<u><u>2,447</u></u>

See notes to required supplementary information.

**NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****1. Budgetary Information**

Within 170 days after the annual organization of the City government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on the next July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the Council may not make any appropriation for a purpose not included in the proposed budget, except by a two-thirds vote in the case of the failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the Council. The Council may not increase any item without the recommendation of the Mayor (except as provided by legislation, recommendation of the school committee or regional district school committee and by two-thirds vote of the Council, provided that such increase does not cause the total annual budget to exceed the property tax limitations). If the Council fails to act on any item of the proposed budget within 45 days, that item takes effect.

City department heads are generally required to submit their budget requests to the Mayor by the end of February. This does not apply to the school department, which must submit its request in time for the Mayor to include them in the submission to the council.

If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Water and Sewer Department expenditures are included in the budgets adopted by City Council.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. These carry forwards are included as part of the subsequent fiscal 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 claims and 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 initial fiscal year 2009 approved budget authorized approximately \$168.9 million in appropriations and other amounts to be raised. Also approved were carry forwards totaling \$10.9 million. During fiscal year 2009, the Council also approved supplemental appropriations totaling approximately \$5.5 million (3% of initial budget). Approximately 91% of the supplemental appropriations are attributable to the cost of snow and ice removal, employee benefits and debt principal and interest.

The City Auditor's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.



**2. 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 fiscal year ended June 30, 2009, is presented below:

Net change in fund balance - budgetary basis.....	\$ (2,282,116)
<u>Basis of accounting differences:</u>	
Net change in revenues in recording 60 day receipts.....	(126,011)
Net change in revenues in recording tax refunds payable.....	(211,000)
Increase in revenues due to on-behalf payments.....	13,735,959
Increase in expenditures due to on-behalf payments.....	<u>(13,735,959)</u>
Net change in fund balance - GAAP basis.....	\$ <u>(2,619,127)</u>

**3. Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2009, expenditures exceeded appropriations for housing office salaries, and state and county charges. These over-expenditures will be funded by tax levy and reserves.

**NOTE B – OTHER POST-RETIREMENT BENEFITS**

The City 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 healthcare, life and dental insurance plans, which covers both active and retired members, including teachers.

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

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets. Since this is the City’s initial year of implementation of GASB Statement 45, information for prior years is not available.

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

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

## ***Combining Statements***

# ***Nonmajor Governmental Funds***

## ***Special Revenue Funds***

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

*Other Special Revenue Fund* – This fund is used to account for receipts reserved for appropriation.

*Public Law Fund* – This fund is used to account for federal school public law grants.

*City State Grants Fund* – This fund is used to account for non-school related activity specifically financed by state grants which are designated for specific programs.

*School State Grants Fund* – This fund is used to account for the educational programs specifically financed by state grants which are designated for specific programs.

*Insurance Recovery Fund* – This fund is used to account for insurance reimbursements.

*Gifts Fund* – This fund is used to account for gifts which have been accepted by the City to be used for the purpose specified by the donor.

*Sale of Lots/Graves Fund* – This fund is used to account for the proceeds from the sale of cemetery lots and graves for cemetery improvements.

*Revenue Reserve Fund* – This fund is used to account for school receipts reserved for appropriation.

*School Lunch Fund* – This fund is used to account for all cafeteria activities and is funded by user charges, federal and state grants and commodities received.

*Parking Meters Fund* – This fund is used to account for parking meter and off-street parking lot proceeds.

*UDAG Nova Biomedical Fund* – This fund is used to account for special programs under community development block grant guidelines.

*Vocational School Reserve Fund* – This fund is used to account for the proceeds from outside services provided by vocational Students.

*Public Safety Trust Funds* – This fund is used to account for contributions where both principal and investment earnings may be spent to support public safety.

*Traffic Impact Fund* – This fund is used to account for traffic improvements required by special permit.

*Police Detail Fund* – This fund is used to account for police detail activities.

*Fire Detail Fund* – This fund is used to account for fire detail activities.

### ***Capital Project Funds***

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

*City Capital Projects* – This fund is used to account for smaller non-school related capital acquisition and construction projects. These projects will be funded through the issuance of long-term bonds and notes and other available funds.

### ***Permanent Funds***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

*Paine Estate* – This fund is used to account for various contributions associated with maintenance of the Paine Estate.

*Cemetery Perpetual Care* – This fund is used to account for various contributions and activities associated with maintenance of the City's cemeteries.

*Other Permanent Funds* – This fund is used to account for various contributions associated with governmental programs.

**NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING BALANCE SHEET

JUNE 30, 2009

	Special Revenue Funds				
	Other Special Revenue	Public Law Fund	City State Grants	School State Grants	Insurance Recovery
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 1,567,067	\$ -	\$ 359,327	\$ 13,367	\$ 16,067
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and other.....	168	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 1,567,235</b>	<b>\$ -</b>	<b>\$ 359,327</b>	<b>\$ 13,367</b>	<b>\$ 16,067</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 15,010	\$ 30,614	\$ 20,092	\$ 36,232	-
Liabilities due depositors.....	-	-	-	-	-
Deferred revenues.....	168	-	-	-	-
Due to other funds.....	-	393,616	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>15,178</b>	<b>424,230</b>	<b>20,092</b>	<b>36,232</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Perpetual permanent funds.....	-	-	-	-	-
Unreserved:					
Undesignated, reported in:					
Special revenue funds.....	1,552,057	(424,230)	339,235	(22,865)	16,067
Capital projects funds.....	-	-	-	-	-
Permanent funds.....	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>1,552,057</b>	<b>(424,230)</b>	<b>339,235</b>	<b>(22,865)</b>	<b>16,067</b>
<b>TOTAL LIABILITIES AND FUND BALANCES..</b>	<b>\$ 1,567,235</b>	<b>\$ -</b>	<b>\$ 359,327</b>	<b>\$ 13,367</b>	<b>\$ 16,067</b>

Special Revenue Funds							
Gifts	Sale of Lots/Graves	Revenue Reserve	School Lunch	Parking Meters	UDAG Nova Biomedical	Vocational School Reserve	
\$ 709,114	\$ 1,024,505	\$ 250,281	\$ 531,210	\$ 1,175,080	\$ 173,406	\$ 50,462	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 709,114</u>	<u>\$ 1,024,505</u>	<u>\$ 250,281</u>	<u>\$ 531,210</u>	<u>\$ 1,175,080</u>	<u>\$ 173,406</u>	<u>\$ 50,462</u>	
\$ 5,689	\$ -	\$ 6,248	\$ 25,694	\$ 50,600	\$ 2,853	\$ 65,910	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>5,689</u>	<u>-</u>	<u>6,248</u>	<u>25,694</u>	<u>50,600</u>	<u>2,853</u>	<u>65,910</u>	
-	-	-	-	-	-	-	
703,425	1,024,505	244,033	505,516	1,124,480	170,553	(15,448)	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>703,425</u>	<u>1,024,505</u>	<u>244,033</u>	<u>505,516</u>	<u>1,124,480</u>	<u>170,553</u>	<u>(15,448)</u>	
<u>\$ 709,114</u>	<u>\$ 1,024,505</u>	<u>\$ 250,281</u>	<u>\$ 531,210</u>	<u>\$ 1,175,080</u>	<u>\$ 173,406</u>	<u>\$ 50,462</u>	

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING BALANCE SHEET

JUNE 30, 2009

	Special Revenue Funds				
	Public Safety Trust Funds	Traffic Impact Fund	Police Detail	Fire Detail	Subtotal
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 777,373	\$ 2,078,031	\$ -	\$ -	\$ 8,725,290
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	205,806	6,146	212,120
<b>TOTAL ASSETS.....</b>	<b>\$ 777,373</b>	<b>\$ 2,078,031</b>	<b>\$ 205,806</b>	<b>\$ 6,146</b>	<b>\$ 8,937,410</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ -	\$ 246,867	\$ -	\$ -	\$ 505,809
Liabilities due depositors.....	-	-	-	-	-
Deferred revenues.....	-	-	205,806	6,146	212,120
Due to other funds.....	-	-	263,496	9,349	666,461
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>246,867</b>	<b>469,302</b>	<b>15,495</b>	<b>1,384,390</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Perpetual permanent funds.....	-	-	-	-	-
Unreserved:					
Undesignated, reported in:					
Special revenue funds.....	777,373	1,831,164	(263,496)	(9,349)	7,553,020
Capital projects funds.....	-	-	-	-	-
Permanent funds.....	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>777,373</b>	<b>1,831,164</b>	<b>(263,496)</b>	<b>(9,349)</b>	<b>7,553,020</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 777,373</b>	<b>\$ 2,078,031</b>	<b>\$ 205,806</b>	<b>\$ 6,146</b>	<b>\$ 8,937,410</b>

Capital Projects		Permanent Funds			Total Governmental Funds	
City Projects	Paine Estate	Cemetery Perpetual Care	Other Permanent Funds	Subtotal		
\$ 2,353,983	\$ 1,500	\$ 92,179	\$ 225,067	\$ 318,746	\$	11,398,019
-	-	-	1,775,539	1,775,539		1,775,539
-	-	-	85,910	85,910		298,030
<u>\$ 2,353,983</u>	<u>\$ 1,500</u>	<u>\$ 92,179</u>	<u>\$ 2,086,516</u>	<u>\$ 2,180,195</u>	<u>\$</u>	<u>13,471,588</u>
\$ 255,675	\$ -	\$ -	\$ -	\$ -	\$	761,484
-	1,500	-	-	1,500		1,500
-	-	-	85,910	85,910		298,030
-	-	-	-	-		666,461
<u>255,675</u>	<u>1,500</u>	<u>-</u>	<u>85,910</u>	<u>87,410</u>		<u>1,727,475</u>
-	-	-	1,751,907	1,751,907		1,751,907
-	-	-	-	-		7,553,020
2,098,308	-	-	-	-		2,098,308
-	-	92,179	248,699	340,878		340,878
<u>2,098,308</u>	<u>-</u>	<u>92,179</u>	<u>2,000,606</u>	<u>2,092,785</u>		<u>11,744,113</u>
<u>\$ 2,353,983</u>	<u>\$ 1,500</u>	<u>\$ 92,179</u>	<u>\$ 2,086,516</u>	<u>\$ 2,180,195</u>	<u>\$</u>	<u>13,471,588</u>

(Concluded)



**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 2009

	Special Revenue Funds				
	Other Special Revenue	Public Law Fund	City State Grants	School State Grants	Insurance Recovery
<b>REVENUES:</b>					
Charges for services.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	90,043	2,711,144	564,141	420,883	-
Departmental and other.....	811,102	-	-	-	-
Contributions.....	-	-	-	-	-
Investment income.....	-	-	129	-	-
Miscellaneous.....	-	-	-	-	23,590
<b>TOTAL REVENUES.....</b>	<b>901,145</b>	<b>2,711,144</b>	<b>564,270</b>	<b>420,883</b>	<b>23,590</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	17,108	-	14,448	-	21,275
Public safety.....	1,580	-	324,255	-	-
Education.....	-	2,829,271	-	434,399	-
Public works.....	-	-	-	-	-
Cemetery.....	-	-	-	-	-
Community development.....	5,396	-	32,416	-	-
Human services.....	-	-	64,214	-	-
Culture and recreation.....	250,871	-	3,675	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>274,955</b>	<b>2,829,271</b>	<b>439,008</b>	<b>434,399</b>	<b>21,275</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	626,190	(118,127)	125,262	(13,516)	2,315
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from bonds and notes.....	-	-	-	-	-
Transfers out.....	(89,804)	10,405	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(89,804)</b>	<b>10,405</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>536,386</b>	<b>(107,722)</b>	<b>125,262</b>	<b>(13,516)</b>	<b>2,315</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>1,015,671</b>	<b>(316,508)</b>	<b>213,973</b>	<b>(9,349)</b>	<b>13,752</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 1,552,057</b>	<b>\$ (424,230)</b>	<b>\$ 339,235</b>	<b>\$ (22,865)</b>	<b>\$ 16,067</b>

Special Revenue Funds						
Gifts	Sale of Lots/Graves	Revenue Reserve	School Lunch	Parking Meters	UDAG Nova Biomedical	Vocational School Reserve
\$ -	\$ -	\$ -	\$ -	\$ 469,206	\$ -	\$ -
-	-	1,842,282	752,313	-	-	-
-	87,200	-	875,237	-	-	-
281,259	-	-	-	-	-	-
219	-	484	365	-	4,636	-
-	-	-	-	-	-	49,517
<u>281,478</u>	<u>87,200</u>	<u>1,842,766</u>	<u>1,627,915</u>	<u>469,206</u>	<u>4,636</u>	<u>49,517</u>
300,000	-	-	-	-	-	-
4,966	-	-	-	-	-	-
-	-	1,995,767	1,665,143	-	-	52,095
-	-	-	-	-	-	-
-	-	-	-	-	-	-
65,932	-	-	-	364,956	377,621	-
16,798	-	-	-	-	-	-
42,518	-	-	-	-	-	-
<u>430,214</u>	<u>-</u>	<u>1,995,767</u>	<u>1,665,143</u>	<u>364,956</u>	<u>377,621</u>	<u>52,095</u>
<u>(148,736)</u>	<u>87,200</u>	<u>(153,001)</u>	<u>(37,228)</u>	<u>104,250</u>	<u>(372,985)</u>	<u>(2,578)</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>(148,736)</u>	<u>87,200</u>	<u>(153,001)</u>	<u>(37,228)</u>	<u>104,250</u>	<u>(372,985)</u>	<u>(2,578)</u>
<u>852,161</u>	<u>937,305</u>	<u>397,034</u>	<u>542,744</u>	<u>1,020,230</u>	<u>543,538</u>	<u>(12,870)</u>
<u>\$ 703,425</u>	<u>\$ 1,024,505</u>	<u>\$ 244,033</u>	<u>\$ 505,516</u>	<u>\$ 1,124,480</u>	<u>\$ 170,553</u>	<u>\$ (15,448)</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2009

	Special Revenue Funds				
	Public Safety Trust Funds	Traffic Impact Fund	Police Detail	Fire Detail	Subtotal
<b>REVENUES:</b>					
Charges for services.....	\$ -	\$ -	\$ -	\$ -	469,206
Intergovernmental.....	-	-	-	-	6,380,806
Departmental and other.....	381,107	-	-	-	2,154,646
Contributions.....	-	-	-	-	281,259
Investment income.....	7,184	4,767	-	-	17,784
Miscellaneous.....	-	7,444	1,856,978	98,629	2,036,158
<b>TOTAL REVENUES.....</b>	<b>388,291</b>	<b>12,211</b>	<b>1,856,978</b>	<b>98,629</b>	<b>11,339,859</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	-	-	-	-	352,831
Public safety.....	84,683	-	1,869,349	95,908	2,380,741
Education.....	-	-	-	-	6,976,675
Public works.....	-	-	-	-	-
Cemetery.....	-	-	-	-	-
Community development.....	-	401,204	-	-	1,247,525
Human services.....	-	-	-	-	81,012
Culture and recreation.....	-	-	-	-	297,064
<b>TOTAL EXPENDITURES.....</b>	<b>84,683</b>	<b>401,204</b>	<b>1,869,349</b>	<b>95,908</b>	<b>11,335,848</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>303,608</b>	<b>(388,993)</b>	<b>(12,371)</b>	<b>2,721</b>	<b>4,011</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from bonds and notes.....	-	-	-	-	-
Transfers out.....	-	-	-	-	(79,399)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,399)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>303,608</b>	<b>(388,993)</b>	<b>(12,371)</b>	<b>2,721</b>	<b>(75,388)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>473,765</b>	<b>2,220,157</b>	<b>(251,125)</b>	<b>(12,070)</b>	<b>7,628,408</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 777,373</b>	<b>\$ 1,831,164</b>	<b>\$ (263,496)</b>	<b>\$ (9,349)</b>	<b>\$ 7,553,020</b>

Capital Projects		Permanent Funds			Total Governmental Funds
City Projects	Cemetery Perpetual Care	Other Permanent Funds	Subtotal		
\$ -	\$ -	\$ -	\$ -	\$ 469,206	
-	-	-	-	6,380,806	
-	58,162	32,235	90,397	2,245,043	
-	-	-	-	281,259	
-	-	10,947	10,947	28,731	
-	-	-	-	2,036,158	
-	58,162	43,182	101,344	11,441,203	
678,377	-	-	-	1,031,208	
962,342	-	-	-	3,343,083	
-	-	-	-	6,976,675	
1,617,067	-	-	-	1,617,067	
82,918	76,471	-	76,471	159,389	
578,972	-	1,494	1,494	1,827,991	
3,938	-	-	-	84,950	
1,090,338	-	-	-	1,387,402	
5,013,952	76,471	1,494	77,965	16,427,765	
(5,013,952)	(18,309)	41,688	23,379	(4,986,562)	
3,391,000	-	-	-	3,391,000	
-	(3,620)	-	(3,620)	(83,019)	
3,391,000	(3,620)	-	(3,620)	3,307,981	
(1,622,952)	(21,929)	41,688	19,759	(1,678,581)	
3,721,260	114,108	1,958,918	2,073,026	13,422,694	
\$ 2,098,308	\$ 92,179	\$ 2,000,606	\$ 2,092,785	\$ 11,744,113	

(Concluded)

## ***Private Purpose Trust Funds***

*Scholarship Trust Fund* – This fund is used to account for scholarships held by the City to benefit individuals.

*Housing Trust Fund* – This fund is used to account for the City's rental subsidy program.

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**

JUNE 30, 2009

	Private Purpose Trust Funds		
	Scholarship Trust Funds	Housing Trust Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents..... \$	407,299 \$	2,510,262 \$	2,917,561
Government agencies.....	1,327,932	-	1,327,932
Government sponsored enterprises.....	647,277	-	647,277
Corporate bonds.....	187,961	-	187,961
<b>TOTAL ASSETS.....</b>	<b>2,570,469</b>	<b>2,510,262</b>	<b>5,080,731</b>
<b>NET ASSETS</b>			
Held in trust for other purposes..... \$	<u>2,570,469 \$</u>	<u>2,510,262 \$</u>	<u>5,080,731</u>

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS**

FISCAL YEAR ENDED JUNE 30, 2009

	Private Purpose Trust Funds		
	Scholarship Trust Funds	Housing Trust Funds	Total
<b>ADDITIONS:</b>			
Contributions:			
Private donations.....	\$ 36,814	\$ -	\$ 36,814
Net investment income (loss):			
Interest.....	87,349	24,481	111,830
<b>TOTAL ADDITIONS.....</b>	<b>124,163</b>	<b>24,481</b>	<b>148,644</b>
<b>DEDUCTIONS:</b>			
Educational scholarships.....	129,817	-	129,817
Housing subsidies.....	-	68,958	68,958
<b>TOTAL DEDUCTIONS.....</b>	<b>129,817</b>	<b>68,958</b>	<b>198,775</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(5,654)</b>	<b>(44,477)</b>	<b>(50,131)</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>2,576,123</b>	<b>2,554,739</b>	<b>5,130,862</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 2,570,469</b>	<b>\$ 2,510,262</b>	<b>\$ 5,080,731</b>

# ***Agency Fund***

This fund is used primarily to account for confiscated police property and security deposits.



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

FISCAL YEAR ENDED JUNE 30, 2009

	Beginning of Year	Additions	Deletions	End of Year
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 730,883	\$ 954,505	\$ (944,939)	\$ 740,449
<b>LIABILITIES</b>				
Warrants payable.....	\$ 5,654	\$ 8,272	\$ (5,654)	\$ 8,272
Liabilities due depositors.....	725,229	946,233	(939,285)	732,177
TOTAL LIABILITIES.....	\$ 730,883	\$ 954,505	\$ (944,939)	\$ 740,449

# ***Statistical Section***



**Stonehurst**

# ***Statistical Section***

This part of the City of Waltham's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

## ***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 comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**City of Waltham, Massachusetts**  
**Net Assets By Component**  
**Last Eight Fiscal Years**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt.....	\$ 25,019,462	\$ 60,722,841	\$ 82,314,542	\$ 124,736,372	\$ 152,292,512	\$ 151,715,584	\$ 167,046,725	\$ 166,859,105
Restricted.....	5,119,144	7,967,649	7,615,103	8,662,081	6,684,687	6,772,208	8,155,442	8,967,296
Unrestricted.....	54,994,371	57,411,609	50,684,886	44,046,989	48,221,543	54,748,751	38,856,595	22,706,711
Total governmental activities net assets.....	<u>\$ 85,132,977</u>	<u>\$ 126,102,099</u>	<u>\$ 140,614,531</u>	<u>\$ 177,445,442</u>	<u>\$ 207,198,742</u>	<u>\$ 213,236,543</u>	<u>\$ 214,058,762</u>	<u>\$ 198,533,112</u>
Business-type activities								
Invested in capital assets, net of related debt.....	12,193,808	12,894,413	13,804,798	13,963,633	18,461,108	13,954,222	15,605,526	14,475,464
Unrestricted.....	9,473,742	13,406,944	13,514,487	13,806,301	9,336,814	14,469,972	16,754,344	16,923,713
Total business-type activities net assets.....	<u>\$ 21,667,550</u>	<u>\$ 26,301,357</u>	<u>\$ 27,319,285</u>	<u>\$ 27,769,934</u>	<u>\$ 27,797,922</u>	<u>\$ 28,424,194</u>	<u>\$ 32,359,870</u>	<u>\$ 31,399,177</u>
Primary government								
Invested in capital assets, net of related debt.....	37,213,270	73,617,254	96,119,340	138,700,005	170,753,620	165,669,806	187,511,336	181,334,569
Restricted.....	5,119,144	7,967,649	7,615,103	8,662,081	6,684,687	6,772,208	8,155,442	8,967,296
Unrestricted.....	64,468,113	70,818,553	64,199,373	57,853,290	57,558,357	69,218,723	50,751,854	39,630,424
Total primary government net assets.....	<u>\$ 106,800,527</u>	<u>\$ 152,403,456</u>	<u>\$ 167,933,816</u>	<u>\$ 205,215,376</u>	<u>\$ 234,996,664</u>	<u>\$ 241,660,737</u>	<u>\$ 246,418,632</u>	<u>\$ 229,932,289</u>

**City of Waltham, Massachusetts**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
Governmental activities:								
General government.....	\$ 14,021,793	\$ 12,355,882	\$ 12,444,145	\$ 11,297,905	\$ 11,977,216	\$ 10,808,307	\$ 12,828,297	\$ 12,936,686
Public safety.....	41,090,289	40,660,657	41,995,107	42,668,631	46,731,199	49,652,433	57,670,691	56,145,799
Education.....	59,523,029	75,392,346	82,632,614	79,312,823	89,112,944	95,343,997	109,656,513	113,953,264
Public works.....	14,616,755	14,178,064	12,568,134	13,428,600	14,138,007	15,207,538	16,905,881	17,841,171
Cemetery.....	738,516	838,174	824,429	810,559	404,377	399,489	502,938	462,473
Community development.....	4,552,851	5,861,444	4,862,504	3,922,508	5,313,135	4,922,180	5,796,409	5,810,281
Health and human services.....	2,915,583	2,798,609	1,992,123	2,084,853	2,190,954	2,373,030	2,717,555	2,696,784
Culture and recreation.....	4,131,335	3,371,350	5,903,371	5,228,564	4,254,812	4,227,546	4,705,448	4,230,997
Claims and judgments.....	2,693	63,976	-	-	-	-	-	-
Interest.....	869,406	1,618,856	2,211,900	2,884,943	3,236,060	2,709,385	2,596,363	2,448,936
Total government activities expenses.....	142,462,250	157,139,358	165,434,327	161,639,386	177,358,704	185,643,905	213,380,095	216,526,391
Business-type activities:								
Sewer.....	10,461,985	11,265,096	11,691,185	11,790,299	11,965,061	13,777,149	14,657,691	15,512,343
Water.....	7,355,065	7,153,861	7,868,940	8,550,968	9,393,920	10,217,450	10,077,596	11,198,348
Veterans Memorial Rink.....	-	-	-	-	333,078	347,630	419,504	434,579
Total business-type activities expenses.....	17,817,050	18,418,957	19,560,125	20,341,267	21,692,059	24,342,229	25,154,791	27,145,270
Total primary government expenses.....	\$ 160,279,300	\$ 175,558,315	\$ 184,994,452	\$ 181,980,653	\$ 199,050,763	\$ 209,986,134	\$ 238,534,886	\$ 243,671,661
<b>Program Revenues</b>								
Governmental activities:								
General government charges for services.....	\$ 911,840	\$ 896,662	\$ 3,384,744	\$ 3,987,652	\$ 5,558,844	\$ 4,646,711	\$ 5,228,939	\$ 5,163,594
Public Safety charges for services.....	4,359,428	4,786,769	2,136,268	2,133,941	2,291,049	2,438,923	2,552,702	2,857,635
Education charges for services.....	1,338,875	1,443,669	2,348,013	2,272,649	2,747,252	2,834,459	2,961,479	3,700,154
Public works charges for services.....	73,402	156,285	162,640	57,709	382,803	622,572	975,061	415,032
Other charges for services.....	829,464	975,761	1,380,304	1,416,363	1,459,806	1,510,571	1,674,251	1,723,028
Operating grants and contributions.....	13,559,705	28,492,174	30,593,121	32,857,733	34,232,895	36,115,750	36,507,186	37,942,509
Capital grants and contributions.....	1,539,564	27,971,905	19,770,608	31,578,071	10,409,121	6,498,738	24,884,028	1,915,581
Total government activities program revenues.....	22,612,278	64,723,225	59,775,698	74,304,118	57,081,770	54,667,724	74,783,646	53,717,533
Business-type activities:								
Sewer and water charges for services.....	20,895,152	20,332,731	-	-	-	-	-	-
Sewer charges for services.....	-	-	11,485,059	11,850,305	11,953,817	13,764,259	16,311,578	14,557,425
Water charges for services.....	-	-	9,072,704	8,880,173	9,313,013	10,456,605	12,353,427	10,869,955
Veterans Memorial Rink charges for services.....	-	-	-	-	277,761	345,096	351,698	355,196
Water capital grants and contributions.....	-	-	-	-	270,000	-	-	247,500
Total business-type activities program revenues.....	20,895,152	20,332,731	20,557,763	20,730,478	21,544,591	24,835,960	29,016,703	26,030,076
Total primary government program revenues.....	\$ 43,507,430	\$ 85,055,956	\$ 80,333,461	\$ 95,034,596	\$ 78,626,361	\$ 79,503,684	\$ 103,800,349	\$ 79,747,609
<b>Net (Expense)/Revenue</b>								
Governmental activities.....	\$ (119,849,972)	\$ (92,416,133)	\$ (105,658,629)	\$ (87,335,268)	\$ (120,276,934)	\$ (130,976,181)	\$ (138,596,449)	\$ (162,808,858)
Business-type activities.....	3,078,102	1,913,774	(19,560,125)	(20,341,267)	(147,468)	493,731	3,861,912	(1,115,194)
Total primary government net expense.....	\$ (116,771,870)	\$ (90,502,359)	\$ (125,218,754)	\$ (107,676,535)	\$ (120,424,402)	\$ (130,482,450)	\$ (134,734,537)	\$ (163,924,052)
<b>General Revenues and other Changes in Net Assets</b>								
Governmental activities:								
Real estate and personal property taxes, net of tax refunds payable.....	\$ 95,184,809	\$ 100,133,375	\$ 105,990,642	\$ 108,567,617	\$ 111,785,303	\$ 114,706,884	\$ 117,203,576	\$ 126,943,021
Tax liens.....	598,125	345,338	446,657	443,667	183,072	496,762	358,871	1,282,908
Motor vehicle and other excise taxes.....	7,489,695	6,145,014	5,821,144	6,414,380	6,405,194	6,223,714	6,585,465	6,039,430
Hotel/motel tax.....	1,343,130	1,413,824	1,494,529	1,577,119	1,791,211	1,983,506	2,177,556	1,916,727
Community preservation tax.....	-	-	-	-	1,835,071	2,126,162	2,215,987	2,088,829
Penalties and interest on taxes.....	767,868	586,956	511,752	457,007	404,635	449,572	449,873	440,482
Payments in lieu of taxes.....	255,976	82,257	43,113	45,000	95,301	33,200	9,600	45,834
Grants and contributions not restricted to specific programs.....	12,635,472	4,941,207	4,891,647	4,934,967	5,592,015	7,693,618	8,152,388	7,549,066
Unrestricted investment income.....	1,849,779	1,282,315	971,577	1,726,423	2,846,099	3,359,616	2,265,352	976,911
Miscellaneous.....	2,587,768	-	-	-	-	-	-	-
Transfers.....	(92,500)	(138,416)	-	-	(100,000)	(59,052)	-	-
Total governmental activities.....	122,620,122	114,791,870	120,171,061	124,166,180	130,837,901	137,013,982	139,418,668	147,283,208
Business-type activities:								
Unrestricted investment income.....	13,439	40,495	20,290	61,438	75,456	73,489	73,764	154,501
Transfers.....	92,500	138,416	-	-	100,000	59,052	-	-
Total business-type activities.....	105,939	178,911	20,290	61,438	175,456	132,541	73,764	154,501
Total primary government.....	\$ 122,726,061	\$ 114,970,781	\$ 120,191,351	\$ 124,227,618	\$ 131,013,357	\$ 137,146,523	\$ 139,492,432	\$ 147,437,709
<b>Changes in Net Assets</b>								
Governmental activities.....	\$ 2,770,150	\$ 22,375,737	\$ 14,512,432	\$ 36,830,912	\$ 10,560,967	\$ 6,037,801	\$ 822,219	\$ (15,525,650)
Business-type activities.....	3,184,041	2,092,685	(19,539,835)	(20,279,829)	27,988	626,272	3,935,676	(960,693)
Total primary government.....	\$ 5,954,191	\$ 24,468,422	\$ (5,027,403)	\$ 16,551,083	\$ 10,588,955	\$ 6,664,073	\$ 4,757,895	\$ (16,486,343)

**City of Waltham, Massachusetts**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved.....	\$ 6,318,895	\$ 9,158,131	\$ 12,251,925	\$ 11,452,472	\$ 8,578,650	\$ 11,538,490	\$ 13,343,295	\$ 10,491,290	\$ 10,889,750	\$ 9,203,972
Unreserved.....	<u>22,311,030</u>	<u>26,137,384</u>	<u>22,818,750</u>	<u>22,078,742</u>	<u>20,981,827</u>	<u>18,059,088</u>	<u>18,951,797</u>	<u>21,677,383</u>	<u>17,315,054</u>	<u>16,381,705</u>
Total general fund.....	<u>\$ 28,629,925</u>	<u>\$ 35,295,515</u>	<u>\$ 35,070,675</u>	<u>\$ 33,531,214</u>	<u>\$ 29,560,477</u>	<u>\$ 29,597,578</u>	<u>\$ 32,295,092</u>	<u>\$ 32,168,673</u>	<u>\$ 28,204,804</u>	<u>\$ 25,585,677</u>
All Other Governmental Funds										
Reserved.....	\$ 11,979	\$ 59,546	\$ 1,694,401	\$ 1,667,463	\$ 1,506,344	\$ 1,529,871	\$ 1,664,119	\$ 1,697,219	\$ 1,719,969	\$ 1,751,907
Unreserved, reported in:										
Special revenue funds.....	9,784,625	15,108,508	10,912,444	13,929,864	19,805,905	17,596,831	18,455,420	22,165,402	24,975,115	24,272,725
Capital projects funds.....	(821,469)	(4,653,295)	(30,791,122)	(47,319,847)	(57,961,099)	(58,937,147)	(38,767,997)	(1,254,426)	6,907,731	349,087
Permanent funds.....	<u>-</u>	<u>-</u>	<u>571,381</u>	<u>823,330</u>	<u>352,555</u>	<u>291,743</u>	<u>320,541</u>	<u>318,782</u>	<u>353,057</u>	<u>340,878</u>
Total all other governmental funds.....	<u>\$ 8,975,135</u>	<u>\$ 10,514,759</u>	<u>\$ (17,612,896)</u>	<u>\$ (30,899,190)</u>	<u>\$ (36,296,295)</u>	<u>\$ (39,518,702)</u>	<u>\$ (18,327,917)</u>	<u>\$ 22,926,977</u>	<u>\$ 33,955,872</u>	<u>\$ 26,714,597</u>

Fiscal years 2000 through 2001 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

**City of Waltham, Massachusetts**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 83,065,177	\$ 89,616,993	\$ 95,023,169	\$ 100,332,563	\$ 106,199,284	\$ 108,293,615	\$ 111,573,036	\$ 114,743,267	\$ 116,937,707	\$ 126,844,968
Tax liens.....	-	-	598,125	316,588	577,972	568,874	388,786	271,339	249,893	509,178
Motor vehicle and other excise taxes.....	5,260,286	5,634,915	7,451,112	7,387,227	6,163,156	6,524,925	6,360,950	5,989,376	6,826,127	6,149,014
Community preservation tax.....	-	-	-	-	-	-	1,797,283	2,126,162	2,215,987	2,088,829
Hotel/motel tax.....	-	-	-	-	1,494,529	1,577,119	1,791,211	1,983,506	2,177,556	1,916,727
Charges for services.....	-	-	4,527,541	4,481,348	406,699	362,048	350,460	342,937	436,355	469,206
Penalties and interest on taxes.....	-	-	767,868	586,956	511,752	457,007	404,635	449,572	449,873	440,482
Fees and rentals.....	-	-	-	-	370,277	428,481	405,660	501,438	536,719	450,611
Payment in lieu of taxes.....	-	-	255,976	82,257	43,113	45,000	95,301	33,200	9,600	45,834
Licenses and permits.....	-	-	2,365,092	2,727,429	2,834,822	3,299,548	3,535,083	4,355,487	4,946,886	4,219,961
Fines and forfeitures.....	-	-	562,872	528,875	522,345	522,629	482,128	544,149	585,032	640,202
Intergovernmental.....	26,041,595	30,737,955	27,858,215	27,944,662	34,350,305	59,213,246	84,495,059	72,937,451	70,472,597	43,890,085
Departmental and other.....	13,845,418	15,507,424	-	-	2,434,584	2,715,559	4,073,952	2,157,758	2,307,716	3,085,503
Special assessments.....	-	-	-	-	151,837	191,038	121,514	118,998	106,883	98,438
Contributions.....	-	-	868,234	179,929	759,407	333,040	539,784	155,691	260,074	281,259
Investment income.....	1,894,698	2,767,360	1,946,079	1,170,914	871,766	1,501,818	2,497,639	2,921,715	1,979,159	889,116
Miscellaneous.....	965,778	1,376,482	1,500,020	2,648,918	1,277,946	1,440,595	2,006,458	2,448,795	3,075,317	2,127,933
<b>Total Revenue.....</b>	<b>131,072,952</b>	<b>145,641,129</b>	<b>143,724,303</b>	<b>148,387,666</b>	<b>158,969,794</b>	<b>187,474,542</b>	<b>220,918,939</b>	<b>212,080,841</b>	<b>213,573,481</b>	<b>194,147,346</b>
<b>Expenditures:</b>										
General government.....	10,530,816	11,322,779	11,361,053	10,259,888	9,350,364	8,586,286	8,447,755	8,414,315	8,806,897	9,409,274
Public safety.....	23,793,589	24,338,056	26,429,319	27,344,357	26,051,354	26,888,370	28,279,739	30,092,856	30,177,858	30,867,119
Education.....	46,216,041	48,662,367	51,471,674	53,211,630	62,357,832	66,497,101	68,856,050	73,644,435	75,244,100	81,547,267
Public works.....	7,420,348	7,594,632	7,016,257	8,915,726	9,905,785	10,148,914	11,852,728	10,298,692	11,497,885	11,344,452
Cemetery.....	570,967	602,069	644,773	620,341	611,240	575,804	91,379	94,670	84,202	80,167
Community development.....	3,307,479	2,477,866	5,507,712	5,423,132	4,459,788	3,438,692	4,490,448	3,452,090	5,186,866	5,996,538
Health and human services.....	1,042,386	1,045,645	1,548,259	1,565,382	1,333,886	1,446,571	1,525,335	1,571,631	1,569,112	1,591,448
Culture and recreation.....	2,662,239	2,637,838	3,521,925	3,878,939	3,557,754	3,446,171	2,896,147	2,856,531	3,050,634	3,211,970
Pension benefits.....	7,724,580	8,049,554	8,458,400	9,050,567	8,656,467	9,665,038	10,116,370	10,556,442	12,081,677	12,282,098
Employee benefits.....	14,400,000	16,035,000	20,932,586	22,768,151	26,159,701	25,304,094	26,429,630	28,246,033	33,074,839	32,072,199
Claims and judgments.....	-	-	2,693	63,977	-	-	-	-	-	-
State and county charges.....	1,752,135	1,650,269	1,679,366	1,589,676	1,449,923	1,362,478	1,325,343	1,419,642	1,438,294	1,556,523
Capital outlay.....	2,108,574	14,448,040	26,169,476	34,134,291	35,364,211	46,214,191	14,582,399	10,815,801	46,058,616	11,598,644
Debt service.....	-	-	-	-	-	-	-	-	-	-
Principal.....	1,965,000	1,690,000	2,140,000	1,730,000	3,865,000	4,120,000	25,055,000	5,520,000	5,270,000	5,115,000
Interest.....	411,356	321,800	787,692	1,047,839	2,468,187	3,254,358	3,432,451	3,000,128	2,638,497	2,901,122
<b>Total Expenditures.....</b>	<b>123,905,510</b>	<b>140,875,915</b>	<b>167,671,185</b>	<b>181,603,896</b>	<b>195,591,492</b>	<b>210,948,044</b>	<b>207,380,774</b>	<b>189,983,266</b>	<b>236,179,477</b>	<b>209,573,821</b>
<b>Excess of revenues over (under) expenditures.....</b>	<b>7,167,442</b>	<b>4,765,214</b>	<b>(23,946,882)</b>	<b>(33,216,230)</b>	<b>(36,621,698)</b>	<b>(23,473,502)</b>	<b>13,538,165</b>	<b>22,097,575</b>	<b>(22,605,996)</b>	<b>(15,426,475)</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds and notes.....	-	3,440,000	-	17,140,000	25,635,000	19,885,000	-	18,470,000	29,633,658	5,040,000
Premium from issuance of bonds and notes.....	-	-	-	1,360,141	980,374	403,197	-	619,952	37,364	526,073
Sale of capital assets.....	-	-	308,000	28,750	-	-	-	-	-	-
Transfers in.....	1,226,715	6,997,781	6,406,687	4,727,086	4,145,419	2,604,231	-	1,700,597	1,903,390	2,864,687
Transfers out.....	(1,226,715)	(6,997,781)	(6,499,187)	(4,865,502)	(4,145,419)	(2,604,231)	-	(1,759,649)	(1,903,390)	(2,864,687)
<b>Total other financing sources (uses).....</b>	<b>-</b>	<b>3,440,000</b>	<b>215,500</b>	<b>18,390,475</b>	<b>26,615,374</b>	<b>20,288,197</b>	<b>-</b>	<b>19,030,900</b>	<b>29,671,022</b>	<b>5,566,073</b>
<b>Net change in fund balance.....</b>	<b>\$ 7,167,442</b>	<b>\$ 8,205,214</b>	<b>\$ (23,731,382)</b>	<b>\$ (14,825,755)</b>	<b>\$ (10,006,324)</b>	<b>\$ (3,185,305)</b>	<b>\$ 13,538,165</b>	<b>\$ 41,128,475</b>	<b>\$ 7,065,026</b>	<b>\$ (9,860,402)</b>
Debt service as a percentage of noncapital expenditures....	1.95%	1.59%	2.07%	1.88%	3.86%	4.61%	4.47% (a)	4.76%	4.22%	4.11%

**Notes:**

- Fiscal years 2000 through 2001 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

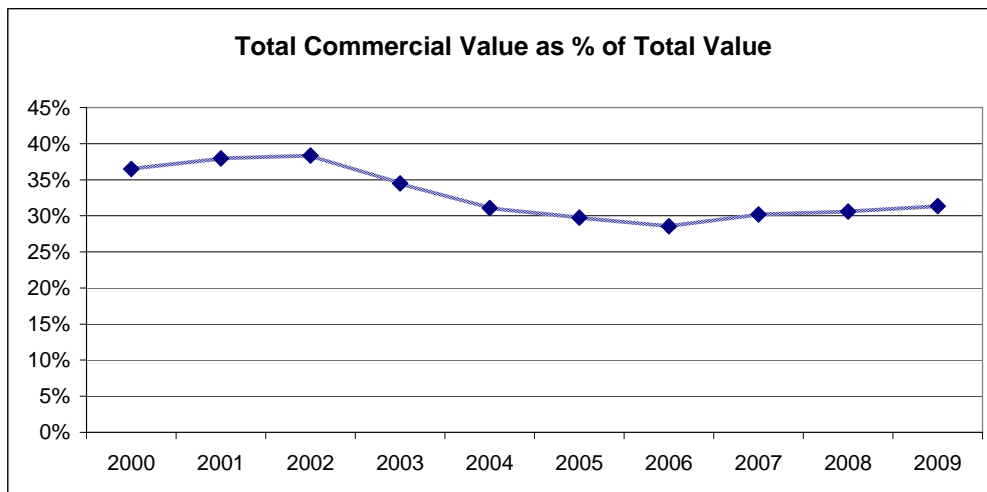
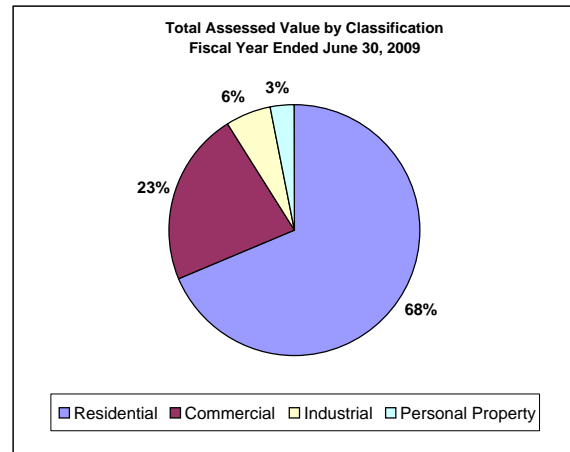
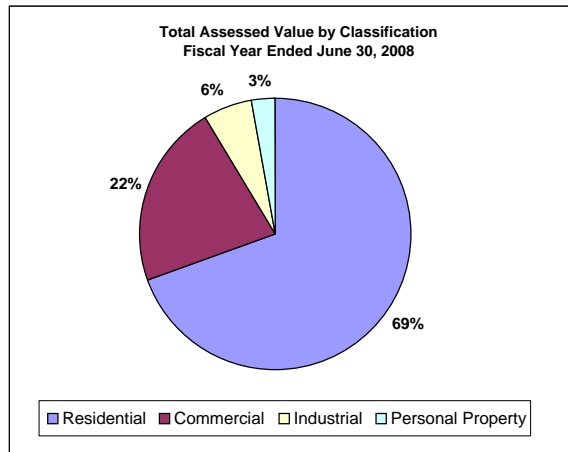
- In fiscal year 2004, the on-behalf payments by the Commonwealth for teachers pension benefits were reported for the first time.

- Revenue classifications prior to GASB 34 implementation in FY2002 have not been reclassified for the new format.

(a) The percentage was adjusted to reflect a \$20 million payment of short-term debt that was reported as long-term debt (FAS 6).

**City of Waltham, Massachusetts**  
**Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	Assessed and Actual Values and Tax Rates								Total City Value
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	
2000	\$3,241,556,800	\$11.71	\$1,308,881,600	\$395,665,600	\$158,036,200	\$ 1,862,583,400	\$27.53	\$17.48	\$5,104,140,200
2001 (1)	\$3,703,170,200	\$11.10	\$1,643,470,100	\$436,956,200	\$186,047,200	\$ 2,266,473,500	\$24.46	\$16.17	\$5,969,643,700
2002	\$4,240,407,600	\$10.47	\$1,934,142,400	\$465,370,900	\$236,955,700	\$ 2,636,469,000	\$22.60	\$15.12	\$6,876,876,600
2003	\$4,925,898,587	\$9.67	\$1,895,463,068	\$466,912,733	\$233,376,400	\$ 2,595,752,201	\$23.65	\$14.49	\$7,521,650,788
2004 (1)	\$5,429,509,969	\$9.21	\$1,666,556,449	\$503,907,238	\$275,467,674	\$ 2,445,931,361	\$26.31	\$14.52	\$7,875,441,330
2005	\$5,487,525,201	\$9.89	\$1,550,274,117	\$487,910,338	\$285,014,010	\$ 2,323,198,465	\$27.87	\$15.24	\$7,810,723,666
2006	\$5,943,352,380	\$10.33	\$1,592,360,048	\$500,429,864	\$280,132,600	\$ 2,372,922,512	\$25.77	\$14.74	\$8,316,274,892
2007 (1)	\$6,313,415,259	\$9.97	\$1,904,693,049	\$556,350,782	\$268,794,020	\$ 2,729,837,851	\$22.97	\$13.89	\$9,043,253,110
2008	\$6,252,981,375	\$10.55	\$1,976,938,538	\$522,963,697	\$256,840,580	\$ 2,756,742,815	\$23.21	\$14.42	\$9,009,724,190
2009	\$6,122,890,011	\$11.30	\$2,008,953,904	\$526,041,471	\$263,231,090	\$ 2,798,226,465	\$25.31	\$15.69	\$8,921,116,476



(1) Revaluation year.

Source: Assessor's Department, City of Waltham

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 fiscal 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.



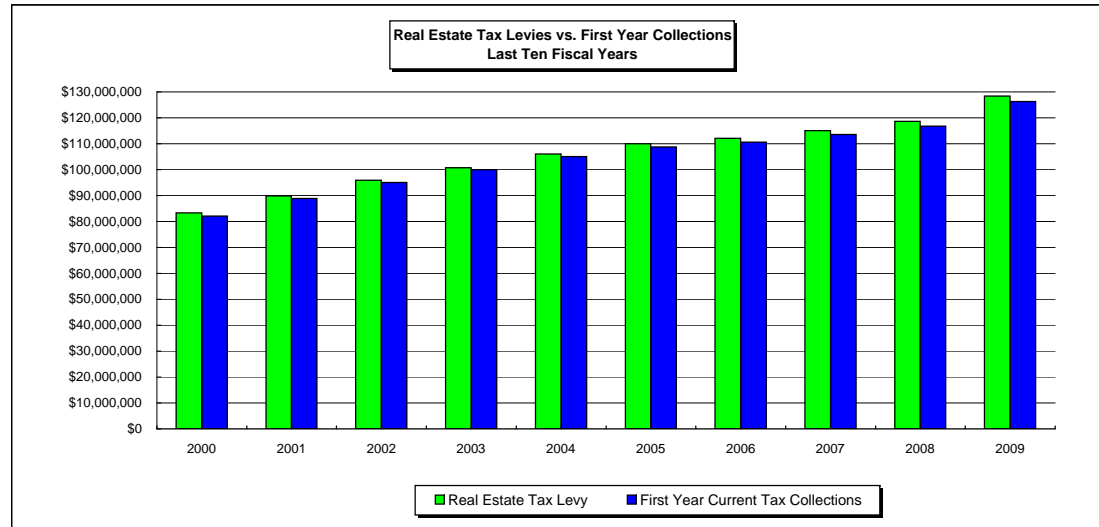
**City of Waltham, Massachusetts**  
**Principal Taxpayers**  
**Current Year and Nine Years Ago**

Name	Nature of Business	2009			2000		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
BCCC Property LLC	Office Building	\$167,324,391	1	1.88%	-	-	-
Boston Properties LLC	Office Building	\$77,844,800	2	0.87%	-	-	-
Astra	Office Building	\$76,190,180	3	0.85%	\$123,254,800	2	3.34%
Windsor Village	Apartments	\$70,207,600	4	0.79%	-	-	-
NSTAR	Utility	\$69,833,500	5	0.78%	\$48,035,200	8	1.30%
Gardencrest Apartments	Apartments	\$66,849,300	6	0.75%	-	-	-
MMS Lot & MMS Winter St LLC	Office Building	\$66,095,400	7	0.74%	-	-	-
PD Winter Street Trust	Office Building	\$63,873,000	8	0.72%	-	-	-
Longview Place, LLC. Hope Ave.	Office Building	\$61,112,000	9	0.69%	-	-	-
404 Wyman St.	Office Building	\$60,382,500	10	0.68%	\$70,597,600	3	1.91%
SRI Two Rtly Tr. Bay Colony	Office Building	-	-	-	\$165,146,300	1	4.47%
Polaroid	Manufacturing Facility	-	-	-	\$67,768,200	4	1.83%
Prospect Hill Acquisition Tr.	Office Building	-	-	-	\$55,969,500	5	1.52%
Brandeis University	Office Building	-	-	-	\$53,800,900	6	1.46%
Waltham Corporate Center	Office Building	-	-	-	\$50,259,700	7	1.36%
The Realty Assoc Fund III	Office Building	-	-	-	\$46,646,100	9	1.26%
275 Wyman Street Realty Tr.	Utility	-	-	-	\$44,492,900	10	1.20%
<b>Totals</b>		<b>\$779,712,671</b>		<b>8.75%</b>	<b>\$725,971,200</b>		<b>19.65%</b>

Source: Assessor's Department, City of Waltham

**City of Waltham, Massachusetts  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year		(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	Net as % of Total	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	Outstanding Delinquent Taxes	Percent of Delinquent Tax to Net Tax Levy
2000		\$ 83,572,834	\$ 262,577	\$ 83,310,257	99.69%	\$ 82,061,607	98.50%	\$ 2,022,729	\$ 84,084,336	100.93%	\$ (774,079)	-0.93%
2001	(1)	\$ 90,354,249	\$ 458,871	\$ 89,895,378	99.49%	\$ 88,868,671	98.86%	\$ 928,217	\$ 89,796,888	99.89%	\$ 98,490	0.11%
2002		\$ 97,132,870	\$ 1,192,539	\$ 95,940,331	98.77%	\$ 95,010,950	99.03%	\$ 961,410	\$ 95,972,360	100.03%	\$ (32,029)	-0.03%
2003		\$ 101,680,103	\$ 946,821	\$ 100,733,282	99.07%	\$ 99,955,013	99.23%	\$ 1,182,257	\$ 101,137,270	100.40%	\$ (403,988)	-0.40%
2004	(1)	\$ 106,597,742	\$ 579,050	\$ 106,018,692	99.46%	\$ 105,093,822	99.13%	\$ 1,435,171	\$ 106,528,993	100.48%	\$ (510,301)	-0.48%
2005		\$ 110,522,720	\$ 526,233	\$ 109,996,487	99.52%	\$ 108,786,615	98.90%	\$ 802,867	\$ 109,589,482	99.63%	\$ 407,005	0.37%
2006		\$ 112,831,612	\$ 729,197	\$ 112,102,415	99.35%	\$ 110,628,939	98.69%	\$ 339,428	\$ 110,968,367	98.99%	\$ 1,134,048	1.01%
2007	(1)	\$ 115,760,050	\$ 650,404	\$ 115,109,646	99.44%	\$ 113,547,290	98.64%	\$ 1,190,823	\$ 114,738,113	99.68%	\$ 371,533	0.32%
2008		\$ 119,538,305	\$ 918,871	\$ 118,619,434	99.23%	\$ 116,826,578	98.49%	\$ 890,609	\$ 117,717,187	99.24%	\$ 902,247	0.76%
2009		\$ 129,065,767	\$ 674,763	\$ 128,391,004	99.48%	\$ 126,252,280	98.33%	\$ 917,503	\$ 127,169,783	99.05%	\$ 1,221,221	0.95%



(1) Revaluation year.

(2) Includes tax liens.

Source: Assessor's Department City of Waltham

**City of Waltham, Massachusetts**  
**Ratios of Outstanding Debt and General Bonded Debt**  
**Last Ten Fiscal Years**

Fiscal Year	U. S. Census Population	Personal Income	Equalized Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Equalized Value
2000	59,226	\$1,561,434,264	\$5,461,431,800	\$7,305,000	\$0	\$123	0.47%	0.13%
2001	59,226	\$1,561,434,264	\$5,461,431,800	\$9,055,000	\$0	\$153	0.58%	0.17%
2002	59,226	\$1,561,434,264	\$7,455,289,200	\$6,915,000	\$0	\$117	0.44%	0.09%
2003	59,226	\$1,561,434,264	\$7,455,289,200	\$22,325,000	\$0	\$377	1.43%	0.30%
2004	59,226	\$1,561,434,264	\$8,289,720,700	\$44,095,000	\$0	\$745	2.82%	0.53%
2005	59,226	\$1,561,434,264	\$8,289,720,700	\$59,860,000	\$0	\$1,011	3.83%	0.72%
2006	59,226	\$1,561,434,264	\$9,255,808,700	\$45,160,000	\$0	\$763	2.89%	0.49%
2007	59,226	\$1,561,434,264	\$9,264,421,800	\$58,110,000	\$0	\$981	3.72%	0.63%
2008	60,236	\$1,588,061,904	\$9,934,066,400	\$82,473,658	\$0	\$1,369	5.19%	0.83%
2009	60,236	\$1,588,061,904	\$9,934,066,400	\$82,398,658	\$0	\$1,368	5.19%	0.83%

Fiscal Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Equalized Value
2000	\$2,754,979	\$0	\$10,059,979	\$170	0.64%	0.18%
2001	\$5,779,914	\$0	\$14,834,914	\$250	0.95%	0.27%
2002	\$6,426,304	\$0	\$13,341,304	\$225	0.85%	0.18%
2003	\$5,688,547	\$0	\$28,013,547	\$473	1.79%	0.38%
2004	\$6,166,873	\$0	\$50,261,873	\$849	3.22%	0.61%
2005	\$5,474,582	\$0	\$65,334,582	\$1,103	4.18%	0.79%
2006	\$4,322,291	\$0	\$49,482,291	\$835	3.17%	0.53%
2007	\$10,717,569	\$0	\$68,827,569	\$1,162	4.41%	0.74%
2008	\$11,719,771	\$0	\$94,193,429	\$1,564	5.93%	0.95%
2009	\$13,540,855	\$0	\$95,939,513	\$1,593	6.04%	0.97%

(1) Sewer and Water Funds

Source: Audited Financial Statements, U. S. Census

**City of Waltham, Massachusetts**  
**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2009**

<u>City of Waltham, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Current Year Assessment for Operations and Debt Service</u>
Debt repaid with property taxes and user charges				
MWRA Water.....	\$ -	3.992%	\$ -	\$ 7,131,291
MWRA Sewer.....	3,867,095,000	2.953%	114,195,315	10,890,696
MBTA.....	5,933,081,820	0.822%	<u>48,769,933</u>	<u>1,196,169</u>
Subtotal.....			162,965,248	<u>\$ 19,218,156</u>
City direct debt.....			<u>82,398,658</u>	
Total direct and overlapping debt.....			<u>\$ 245,363,906</u>	

Source: Official Statement for Sale of Bonds

**City of Waltham, Massachusetts**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Equalized Valuation.....	<u>\$ 5,461,431,800</u>	<u>\$ 5,461,431,800</u>	<u>\$ 7,455,289,200</u>	<u>\$ 7,455,289,200</u>	<u>\$ 8,289,720,700</u>	<u>\$ 8,289,720,700</u>	<u>\$ 9,255,808,700</u>	<u>\$ 9,264,421,800</u>	<u>\$ 9,934,066,400</u>	<u>\$ 9,934,066,400</u>
Debt Limit -5% of Equalized Valuation.....	273,071,590	273,071,590	372,764,460	372,764,460	414,486,035	414,486,035	462,790,435	463,221,090	496,703,320	496,703,320
Less:										
Outstanding debt applicable to limit.....	8,273,601	11,847,901	10,883,656	25,924,265	28,196,873	43,309,582	47,902,291	66,632,569	\$94,193,429	\$95,939,513
Authorized and unissued debt.....	<u>60,120,000</u>	<u>166,900,000</u>	<u>168,815,000</u>	<u>165,423,545</u>	<u>161,298,545</u>	<u>139,279,402</u>	<u>84,412,854</u>	<u>75,443,551</u>	<u>49,729,793</u>	<u>17,939,973</u>
Legal debt margin.....	<u>\$ 204,677,989</u>	<u>\$ 94,323,689</u>	<u>\$ 193,065,804</u>	<u>\$ 181,416,650</u>	<u>\$ 224,990,617</u>	<u>\$ 231,897,051</u>	<u>\$ 330,475,290</u>	<u>\$ 321,144,970</u>	<u>\$ 352,780,098</u>	<u>\$ 382,823,834</u>
Total debt applicable to the limit as a percentage of debt limit.....	25.05%	65.46%	48.21%	51.33%	45.72%	44.05%	28.59%	30.67%	28.98%	22.93%

Source: City Auditor's Office, City of Waltham

**City of Waltham, Massachusetts  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population Estimates</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2000	59,226	1,561,434,264	\$26,364	34.2	5,187	2.1%
2001	59,226	1,561,434,264	\$26,364	34.2	5,197	3.2%
2002	59,226	1,561,434,264	\$26,364	34.2	4,975	4.9%
2003	59,226	1,561,434,264	\$26,364	34.2	5,068	5.3%
2004	59,226	1,561,434,264	\$26,364	34.2	4,825	4.5%
2005	59,226	1,561,434,264	\$26,364	34.2	4,669	4.2%
2006	59,226	1,561,434,264	\$26,364	34.2	4,718	4.0%
2007	59,226	1,561,434,264	\$26,364	34.2	4,836	3.6%
2008	60,236	1,588,061,904	\$26,364	34.2	4,725	4.2%
2009	60,236	1,588,061,904	\$26,364	34.2	4,751	6.0%

Source: U. S. Census, Division of Local Services

Median age is based on most recent census data

**City of Waltham, Massachusetts**  
**Principal Employers (excluding City)**  
**Current Year and Nine Years Ago**

Employer	Nature of Business	2009			2000		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Brandeis University	Higher Education	1,512	1	4.61%	1,512	3	4.30%
Tufts Health Plan	Health Care	1,500	2	4.58%	1,500	4	4.26%
Bentley University	Higher Education	800	3	2.44%	698	9	1.98%
Bank of America	Financial Services	660	4	2.01%	-	-	-
Keyspan	Utility	650	5	1.98%	-	-	-
AM-FM Cleaning Corporation	Janitorial Contracting	600	6	1.83%	-	-	-
Nova Biomedical Corporation	BioTech Research	600	7	1.83%	600	10	1.71%
Raytheon	Electronics	587	8	1.79%	1,200	5	3.41%
Verizon	Communications	520	9	1.59%	-	-	-
Parexel International Corporation	R&D Consultant	500	10	1.53%	-	-	-
Polaroid Corporation	Camera Manufacturer	-	-	-	2,600	1	7.39%
FleetBoston	Financial Services	-	-	-	2,100	2	5.97%
Deaconess Waltham Hospital	Health Care	-	-	-	1,000	6	2.84%
Parametric Technology Corporation	Computer Systems	-	-	-	900	7	2.56%
IBM Corporation	Computers	-	-	-	800	8	2.27%
		<u>7,929</u>		<u>24.19%</u>	<u>12,910</u>		<u>36.69%</u>

Source: Massachusetts Department of Employment and Training

**City of Waltham, Massachusetts**  
**Full-time Equivalent City Employees by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function:										
General government.....	120	124	127	123	123	122	110	107	107	106
Public safety.....	382	383	380	384	367	377	374	369	370	359
Education.....	879	895	903	880	871	872	869	913	906	918
Consolidated public works.....	64	65	67	64	58	58	72	71	71	67
Community development.....	14	13	15	27	25	26	31	28	30	27
Health and human services.....	16	15	17	17	18	20	20	20	20	19
Culture and recreation.....	31	31	32	32	29	29	23	25	26	25
Water/sewer.....	<u>38</u>	<u>39</u>	<u>39</u>	<u>36</u>	<u>33</u>	<u>31</u>	<u>33</u>	<u>32</u>	<u>32</u>	<u>27</u>
Total .....	<u>1,544</u>	<u>1,565</u>	<u>1,580</u>	<u>1,563</u>	<u>1,524</u>	<u>1,535</u>	<u>1,532</u>	<u>1,565</u>	<u>1,562</u>	<u>1,548</u>

Source: City records.



**City of Waltham, Massachusetts**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
Cash flow (millions).....	330	350	375	400	440	460	480	500	520	540
Accounts payable invoices processed.....	29,771	30,440	31,109	31,778	36,640	37,000	37,000	37,000	36,000	36,000
Payroll checks processed.....	59,230	60,561	61,892	63,223	72,885	73,000	73,000	73,000	72,000	72,000
<b>Police</b>										
Arrests.....	1,518	1,567	1,334	1,175	1,058	1,074	1,193	1,137	1,194	1,006
Traffic citations.....	14,434	16,040	14,439	10,803	12,297	15,406	16,496	14,569	13,914	11,140
Parking violations.....	n/a	n/a	6,671	4,531	4,652	5,311	5,170	5,181	4,939	5,150
Service calls.....	36,795	34,632	44,394	40,837	42,079	38,563	35,119	34,494	34,694	35,000
Major investigations.....	1,000	997	709	1,092	1,470	1,542	1,607	1,721	1,826	1,880
<b>Fire</b>										
Inspections - schools/nursing homes/hospitals.....	240	240	240	240	223	220	200	100	100	100
Inspections - commercial/industrial.....	714	749	714	749	254	270	260	525	520	550
Emergency responses - box alarms.....	1,033	1,090	1,033	1,090	1,125	1,082	1,150	1,200	1,200	1,200
Emergency responses - still alarms.....	3,905	3,500	3,905	3,500	5,723	5,588	5,800	5,650	5,500	6,000
Emergency responses - false alarms.....	123	195	123	195	203	200	150	160	170	190
<b>Water</b>										
Consumption in gallons (billions/year).....	3.2	2.9	3.2	2.9	2.9	2.7	3	3	3	3
Leak detection (miles).....	n/a	n/a	n/a	160	155	155	160	151	165	165
Service repairs.....	n/a	n/a	n/a	165	158	208	183	225	150	155
Service connections - cumulative.....	n/a	n/a	n/a	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Sewer</b>										
Service repairs.....	n/a	n/a	n/a	n/a	23	25	30	45	43	40
Stoppages - mains.....	n/a	n/a	n/a	n/a	118	98	18	150	125	100
Stoppages - services.....	n/a	n/a	n/a	n/a	232	290	41	275	249	300
<b>Health and Human Services</b>										
Permits - public health.....	875	925	924	925	822	797	771	760	746	885
Senior citizen programs.....	70	70	10	10	15	26	26	26	26	26
Senior citizen programs - participants.....	5,230	2,000	2,400	2,000	2,350	2,400	2,400	2,500	2,351	2,200
Recreation activities.....	130	156	163	159	165	166	170	230	195	200
Recreation activities - participants.....	22,200	22,500	22,700	16,406	17,085	17,080	17,125	15,050	13,000	14,000
Veterans cases.....	550	550	550	550	570	640	750	850	950	1,050
Cemetery burials.....	208	251	246	251	208	230	230	215	168	100
<b>Libraries</b>										
Items circulated.....	560,323	551,660	553,950	591,727	642,884	641,497	645,000	640,000	578,192	575,000
Registered borrowers.....	38,000	34,000	30,000	28,640	29,963	31,744	32,500	32,500	30,268	32,000

Source: Various City Departments  
n/a = information not available

**City of Waltham, Massachusetts**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government										
Number of Buildings.....	58	58	58	59	60	59	59	59	59	59
Police										
Number of Stations.....	3	3	3	3	3	3	3	3	3	3
Fire										
Number of Stations.....	6	6	6	6	6	6	6	6	6	6
Education										
Number of elementary schools.....	8	8	8	8	7	7	7	7	6	6
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	-	-	-	-	-	159	159	159	159	159
Fire hydrants.....	-	-	-	-	-	1,176	1,176	1,176	1,176	1,176
Sanitary sewers (miles).....	-	-	-	-	-	160	160	160	160	160
Storm sewers (miles).....	-	-	-	-	-	121	121	121	121	121
Culture and Recreation										
Parks and playgrounds.....	13	13	13	13	13	13	13	13	13	13
Fields (baseball).....	11	11	11	11	11	11	11	11	11	11
Fields (softball).....	5	5	5	5	5	7	7	7	7	7
Fields (soccer/multi-purpose).....	4	4	4	4	4	8	8	8	8	8
Wading pools/spray parks.....	3	3	3	4	4	5	5	5	5	5
Basketball courts.....	18	18	18	18	18	18	18	18	18	18
Tennis courts.....	9	9	9	9	9	9	9	9	9	9

Source: Various City Departments



**Storer Conservation Land**