

# City of Waltham, Massachusetts

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018



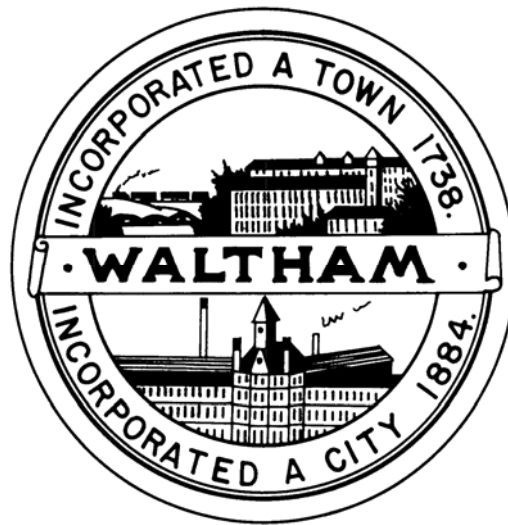
City Hall



# **CITY OF WALTHAM, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2018



**Prepared by:**

**City Auditor's Office**

**CITY OF WALTHAM, MASSACHUSETTS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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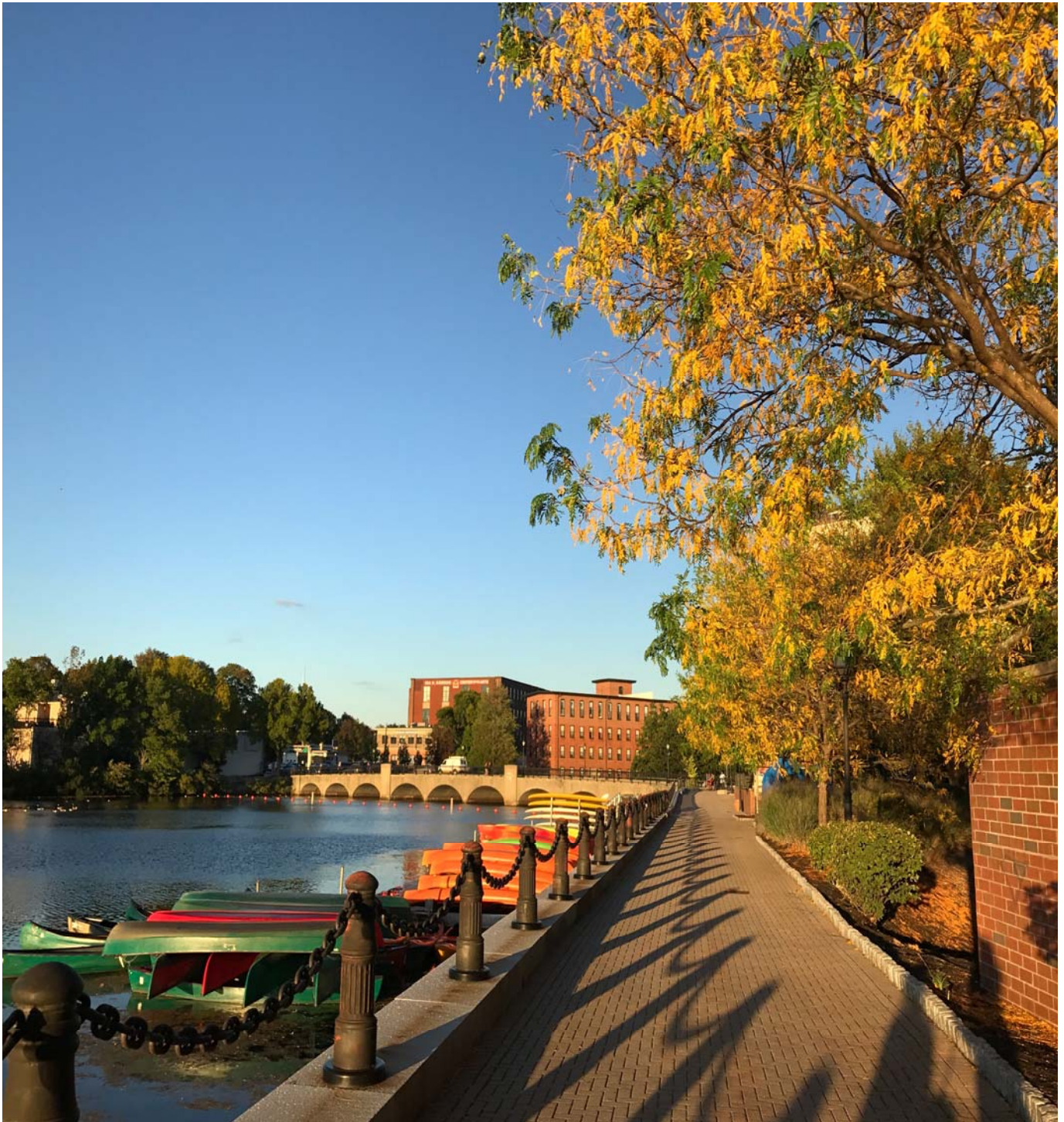
**TABLE OF CONTENTS**

Introductory Section.....	1
Letter of Transmittal.....	2
Organizational Chart.....	7
Principal City Officials.....	8
Certificate of Achievement.....	9
Financial Section .....	10
Independent Auditors' Report.....	11
Management's Discussion and Analysis .....	14
Basic Financial Statements	
Statement of Net Position .....	26
Statement of Activities .....	27
Governmental Funds – Balance Sheet.....	29
Reconciliation of the Governmental Funds Total Fund Balances to the Statement of Net Position .....	30
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balance .....	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	32
Proprietary Funds – Statement of Fund Net Position.....	33
Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Position .....	34
Proprietary Funds – Statement of Cash Flows.....	35
Fiduciary Funds – Statement of Fiduciary Net Position.....	36
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	37
Notes to Basic Financial Statements .....	38
Required Supplementary Information.....	80
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	81
Community Preservation Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual .....	95
Pension Plan Schedules.....	97
Schedule of Changes in Employers' Net Pension Liability and Related Ratios (System).....	97
Schedule of Employer Contributions (System).....	98
Schedule of Investment Returns (System).....	98

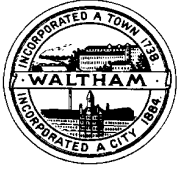
Schedule of City's Proportionate Share of the Net Pension Liability .....	99
Schedule of City's Contributions.....	99
Schedule of Special Funding Amounts of the Net Pension Liability (MTRS) .....	100
Other Postemployment Benefits Schedule .....	101
Schedule of Changes in the City's Total OPEB Liability and Related Ratios .....	101
Notes to Required Supplementary Information.....	102
Combining and Individual Fund Statements .....	104
Nonmajor Governmental Funds.....	105
Narrative.....	105
Combining Balance Sheet .....	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	111
Private Purpose Trust Funds.....	116
Narrative.....	116
Statement of Fiduciary Net Position .....	117
Statement of Changes in Fiduciary Net Position.....	118
Agency Funds.....	119
Narrative.....	119
Statement of Changes in Assets and Liabilities .....	120
Statistical Section.....	122
Table of Contents .....	123
Net Position by Component .....	124
Changes in Net Position.....	125
Fund Balances, Governmental Funds .....	126
Changes in Fund Balances, Governmental Funds.....	127
Assessed Value and Actual Value of Taxable Property .....	128
Principal Taxpayers .....	129
Property Tax Levies and Collections.....	130
Ratios of Outstanding Debt and General Bonded Debt .....	131
Direct and Overlapping Governmental Activities Debt.....	132
Computation of Legal Debt Margin .....	133
Principal Employers (Excluding City) .....	134
Demographic and Economic Statistics.....	135
Full-Time Equivalent City Employees by Function.....	136
Operating Indicators by Function/Program.....	137
Capital Assets Expenditures by Purpose.....	138



# *Introductory Section*



**Waltham Riverwalk**



Paul G. Centofanti  
City Auditor

## CITY OF WALTHAM

Commonwealth of Massachusetts

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Waltham, Massachusetts 02452-5580  
(781) 314-3220  
Email: pcentofanti@city.waltham.ma.us

### Letter of Transmittal

January 31, 2019

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, 2018 for your review.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the 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, 2018 are fairly presented in conformity with GAAP.

The City of Waltham's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018, is 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, significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2018 are fairly presented in conformity with GAAP. The independent auditors' 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 2010 federal census, has a population of 60,632.

Subject to local legislative decisions made by a fifteen (15) member City Council elected for two-year terms, a Mayor, who is elected for a four-year term on an at-large basis, generally administers the affairs of the City. 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, curbside collection and disposal of trash and recyclable materials, public education in grades kindergarten through twelve, water and sewer services, street maintenance, 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, the Council makes provision for preparation of a budget. 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. Healthcare 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 exceeds \$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 significant industrial activity, a good part of which is in the communications, technology, healthcare and financial services fields, concentrated along Interstate 95 (Route 128). Retail trade is concentrated in the City's downtown 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, fiscally responsible manner as is demonstrated by its excellent Moody's bond rating of Aa1 and Standard & Poor's bond rating of AA+, even with the limitations of state aid funds from the Commonwealth of Massachusetts and the current overall 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 fiscal year 2018, the combined assessed value of these properties represented 34.6% of the total City value. In terms of tax burden, the same industrial and commercial tax base bore 60.6% of the fiscal year 2018 tax levy. The appreciation of residential values, while keeping property taxes comparatively low, serves as an attraction to the City. The City's close proximity to Boston and major highways, its quality of life, the affordable delivery of services to its residents and dedication to public education personifies 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 operating 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 been generally stable. It is anticipated that state aid will see moderate increases in the following years. Optimistically, this will place the City in a position of having a lesser degree of reliance on property taxes to cover the increasing cost of providing services.

The City is currently managing approximately \$88.2 million in long and short term debt. The long term indebtedness consists of \$60.4 million of general obligation bonds for the general fund and \$22.1 million which is self-supporting through enterprise fund revenues. During 2018, the City issued \$5.7 million in new short term debt; \$2.0 million for the general fund and \$3.7 million for the self-supporting enterprise funds. Under the school building assistance program, the City was eligible for a state grant representing 90% reimbursement of approved costs incurred in the building of eight new school facilities. The City received \$124.8 million of such assistance based on reimbursement of eligible construction costs. \$24.7 million was received in fiscal year 2005, \$44.4 million in fiscal year 2006, \$29.8 million in fiscal year 2007, \$24.6 million in fiscal year 2008 and the final payment of \$1.3 million was received in fiscal year 2010. The City has outstanding bonds totaling \$25.1 million with maturity dates of 2025 and 2028 that provided the remainder of the cost for the school building project.

The City has authorized and unissued debt for school facilities, water/sewer infrastructure improvements, departmental equipment, land acquisition/development and other various projects totaling \$24.6 million as of June 30, 2018. The authorized and unissued debt includes \$7.6 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, 2017, the latest actuarial valuation date, the System had succeeded in funding (actuarially) 57.7% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 15 years as part of the annual required contribution as calculated by the actuary.

The City of Waltham also provides post-retirement healthcare benefits for certain retirees and their dependents. Currently, there are 1,912 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. During fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the City to record the entire total OPEB liability on its financial statements. The implementation of this Statement required a restatement of beginning net position totaling approximately \$424 million. The total OPEB liability at year end totaled approximately \$596 million. The City established and maintains an OPEB Trust Fund (not considered a trust for GASB reporting purposes) with a balance in excess of \$11.6 million as of June 30, 2018. Of this balance, \$768,706 is attributable to employee contributions paid during 2017 and 2018 under an ongoing provision of the collective bargaining agreements between the City and its unions. Non-union employees are also required to contribute to the OPEB Trust Fund.

## 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, 2017. This was the fourteenth 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.

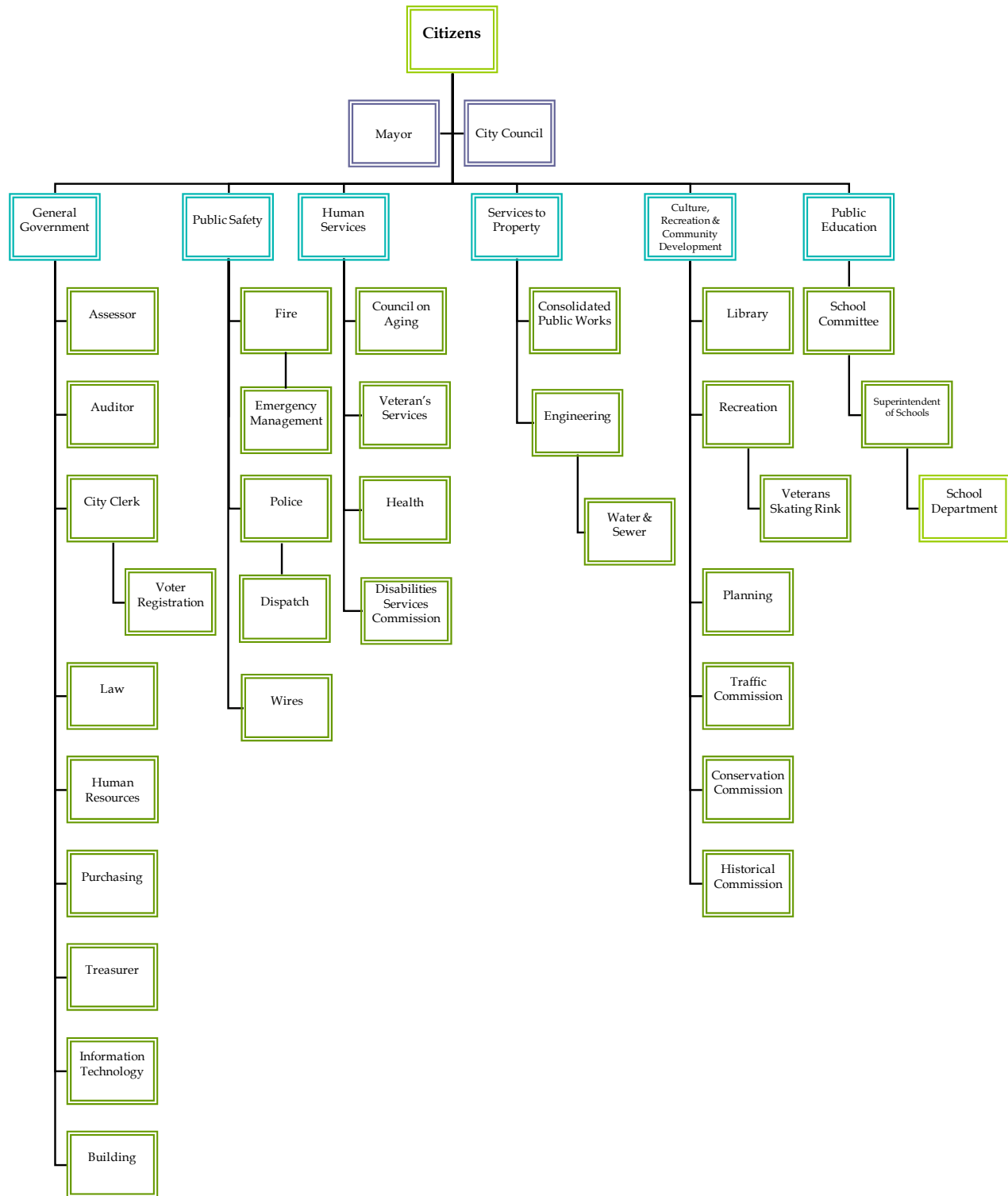
The preparation of this report would not have been possible without the dedication and commitment to excellence by the staff of the Auditing Department. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation of this report. We would also like to acknowledge and give credit to the Mayor, the Finance Committee and the City Council for their consistent support to uphold the highest standards of professionalism in the management of the City of Waltham's finances.

Respectfully submitted,

*Paul G. Centofanti*

Paul G. Centofanti  
City Auditor

## City of Waltham, Massachusetts Organizational Chart



**CITY OF WALTHAM, MASSACHUSETTS**

**PRINCIPAL CITY OFFICIALS**

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**ELECTED OFFICIALS**

**Mayor**

Jeannette A. McCarthy

**City Council**

**Councillors-at-Large**

Paul J. Brasco

Diane P. LeBlanc, Council President

Randall J. LeBlanc

Kathleen B. McMenimen

Thomas M. Stanley

Carlos A. Vidal

**Ward Councillors**

Daniel P. Romard

William H. Fowler

George A. Darcy III

John J. McLaughlin

Joseph P. LaCava

Sharline Nabulime

Kristine A Mackin

Cathyann Harris

Robert G. Logan, Council Vice President

**SCHOOL COMMITTEE**

Jeannette A. McCarthy, Mayor, Chairperson

Dr. Drew M. Echelson, Superintendent of Schools

Elizabeth Aljammal

Margaret Donnelly

John A. Frassica, II

John B. Graceffa

Stephen Rando, Jr.

Edmund Tarallo

**PRINCIPAL EXECUTIVE OFFICERS**

City Auditor

City Treasurer/Collector

City Clerk

Paul G. Centofanti

Thomas J. Magno

Robert J. Waddick



Government Finance Officers Association

**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, 2017**

*Christopher P. Morrell*

Executive Director/CEO



# *Financial Section*



City Hall



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waltham, Massachusetts, as of and for the year ended June 30, 2018 (except for the Waltham Contributory Retirement System, which is as of and for the year ended December 31, 2017), and the related notes to the financial statements, which collectively comprise the City of Waltham, Massachusetts' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waltham, Massachusetts, as of June 30, 2018 (except for the Waltham Contributory Retirement System, which is as of and for the year ended December 31, 2017), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

During the fiscal year ended June 30, 2018, the City of Waltham, Massachusetts adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, the City of Waltham, Massachusetts reported a restatement for the change in accounting principle (see Note 1). Our auditors' opinion was not modified with respect to the restatement.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 14 through 24) and general fund and community preservation fund budgetary comparisons and certain pension and other postemployment benefits information (located on pages 80 through 101) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2019, on our consideration of the City of Waltham, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waltham, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
January 29, 2019

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

As management of the City of Waltham, Massachusetts (City), we offer readers of these financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2018.

### ***Significant Financial Results***

- The liabilities of the City exceeded its assets at the close of the most recent fiscal year by \$404,217,028 (net position). The City's governmental activities had an unrestricted net deficit totaling (\$685,425,235) and \$19,856,951 in unrestricted net position for its business-type activities.
- The City's total net position decreased \$14,612,694.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances totaling \$104,960,284, a decrease of \$4,165,737 in comparison with the prior year. \$26,296,287 represents unassigned fund balance.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$26,865,693, or 10.8% of total general fund expenditures and transfers out.
- The City's total long-term debt decreased by \$11,604,736 (11.8%).

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

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains required supplementary and other information in addition to the basic financial statements.

#### **Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the City 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*).



Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, community development and debt service (interest). Business-type activities include the sewer, water and Veterans Memorial Rink operations.

The government-wide financial statements can be found on pages 26-28 of this report.

#### 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. 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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and community preservation (special revenue) funds, each of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 107-114 of this report.

The basic governmental funds financial statements can be found on pages 29-32 of this report.

#### **Proprietary funds**

The City maintains two types of proprietary funds.

*Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its sewer, water and Veterans Memorial Rink operations, for which sewer and water are considered to be major funds.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for employee health insurance activities.

Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary funds financial statements.

The basic proprietary funds financial statements can be found on pages 33-35 of this report.

**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 statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The fiduciary funds provide separate information for the City's pension trust fund. Private-purpose trust funds and agency funds are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the captions "private purpose trust funds" and "agency funds", respectively. Individual fund data for private-purpose trust funds and agency funds are provided in the form of combining statements on pages 117-119 and page 120 of this report.

The basic fiduciary funds financial statements can be found on pages 36-37 of this report.

**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. The notes to the financial statements can be found on pages 38-79 of this report.

**Required Supplementary and Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the budget comparison for the general fund and community preservation fund and certain pension and other postemployment benefits information. Such information can be located on pages 81-101 of this report.

The combining statements previously referred to are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

The following tables present current and prior year data on the government-wide financial statements.

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's liabilities exceeded assets by \$404,217,028 at the close of the fiscal year and are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2018	2017	2018	2017	2018	2017
<b>Assets and Deferred Outflows of Resources</b>						
Current Assets..... \$	129,593,963	\$ 128,663,199	\$ 44,015,012	\$ 46,612,915	\$ 173,608,975	\$ 175,276,114
Noncurrent Assets (Excluding Capital Assets).....	2,061,120	2,286,329	-	-	2,061,120	2,286,329
Capital Assets (Net).....	235,727,833	239,400,388	38,026,091	34,572,985	273,753,924	273,973,373
Total Assets.....	367,382,916	370,349,916	82,041,103	81,185,900	449,424,019	451,535,816
Deferred Outflows of Resources.....	7,543,894	19,680,457	281,199	757,951	7,825,093	20,438,408
<b>Liabilities and Deferred Inflows of Resources</b>						
Current Liabilities (Excluding Debt).....	11,866,538	15,827,689	1,752,025	1,508,867	13,618,563	17,336,556
Noncurrent Liabilities (Excluding Debt).....	731,453,854	310,693,530	16,012,184	8,953,684	747,466,038	319,647,214
Current Debt.....	10,521,333	8,820,250	6,480,172	2,784,485	17,001,505	11,604,735
Noncurrent Debt.....	54,751,033	63,284,081	20,261,536	23,051,513	75,012,569	86,335,594
Total Liabilities.....	808,592,758	398,625,550	44,505,917	36,298,549	853,098,675	434,924,099
Deferred Inflows of Resources.....	8,113,763	1,223,243	253,702	5,202	8,367,465	1,228,445
<b>Net Position</b>						
Net Investment in Capital Assets.....	172,230,570	169,703,666	17,705,732	15,409,731	189,936,302	185,113,397
Restricted.....	71,414,954	66,881,349	-	-	71,414,954	66,881,349
Unrestricted.....	(685,425,235)	(246,403,435)	19,856,951	30,230,369	(665,568,284)	(216,173,066)
Total Net Position..... \$	(441,779,711)	\$ (9,818,420)	\$ 37,562,683	\$ 45,640,100	\$ (404,217,028)	\$ 35,821,680

The largest portion of the City's net position (\$189,936,302) reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, equipment, infrastructure and library books); less any related outstanding debt used to acquire those assets. These capital assets are used 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 related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$71,414,954) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of \$19,856,951 may be used to support business-type activities. The City has no unrestricted net position available for the support of governmental activities. Such resources have been consumed with the recognition of net pension and other post employment benefits liabilities.

### Changes in Net Position

For the fiscal year ended June 30, 2018, the City's total net position decreased by \$14,612,694, compared to a decrease of \$155,124 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2018	2017**	2018	2017	2018	2017
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services.....	\$ 14,836,553	\$ 14,004,819	\$ 32,090,417	\$ 34,964,051	\$ 46,926,970	\$ 48,968,870
Operating Grants and Contributions.....	50,811,292	42,829,194	2,619	158,720	50,813,911	42,987,914
Capital Grants and Contributions.....	1,221,305	3,395,633	35,330	-	1,256,635	3,395,633
<i>General Revenues:</i>						
Real Estate and Personal Property Taxes.....	178,305,767	174,279,026	-	-	178,305,767	174,279,026
Motor Vehicle and Other Excise Taxes.....	8,463,994	8,300,679	-	-	8,463,994	8,300,679
Hotel/Motel Taxes.....	4,292,785	4,270,443	-	-	4,292,785	4,270,443
Meals Tax.....	1,612,669	1,546,042	-	-	1,612,669	1,546,042
Penalties and Interest on Taxes.....	707,197	623,172	-	-	707,197	623,172
Payments in Lieu of Taxes.....	77,740	58,579	-	-	77,740	58,579
Community Preservation Taxes.....	2,894,647	2,801,619	-	-	2,894,647	2,801,619
Grants and Contributions Not Restricted to Specific Programs.....	10,392,962	10,110,325	-	-	10,392,962	10,110,325
Unrestricted Investment Income.....	713,990	1,333,587	356,943	-	1,070,933	1,333,587
Gain on Sale of Capital Assets.....	-	1,053,296	-	-	-	1,053,296
<b>Total Revenues.....</b>	<b>274,330,901</b>	<b>264,606,414</b>	<b>32,485,309</b>	<b>35,122,771</b>	<b>306,816,210</b>	<b>299,729,185</b>
<b>Expenses</b>						
General Government.....	17,997,394	17,524,966	-	-	17,997,394	17,524,966
Public Safety.....	69,526,941	64,099,037	-	-	69,526,941	64,099,037
Education.....	156,449,749	146,368,939	-	-	156,449,749	146,368,939
Public Works.....	23,034,003	19,786,558	-	-	23,034,003	19,786,558
Health and Human Services.....	4,596,271	4,304,882	-	-	4,596,271	4,304,882
Culture and Recreation.....	6,705,870	7,111,347	-	-	6,705,870	7,111,347
Community Development.....	7,834,851	6,866,482	-	-	7,834,851	6,866,482
Debt Service - Interest.....	2,136,465	2,089,864	-	-	2,136,465	2,089,864
Sewer.....	-	-	18,492,326	17,483,368	18,492,326	17,483,368
Water.....	-	-	14,137,215	13,605,240	14,137,215	13,605,240
Veterans Memorial Rink.....	-	-	517,819	643,626	517,819	643,626
<b>Total Expenses.....</b>	<b>288,281,544</b>	<b>268,152,075</b>	<b>33,147,360</b>	<b>31,732,234</b>	<b>321,428,904</b>	<b>299,884,309</b>
Change in Net Position Before Transfers.....	(13,950,643)	(3,545,661)	(662,051)	3,390,537	(14,612,694)	(155,124)
Transfers, Net.....	(159,000)	(84,800)	159,000	84,800	-	-
Change in Net Position.....	(14,109,643)	(3,630,461)	(503,051)	3,475,337	(14,612,694)	(155,124)
Net position - Beginning of Year (As Restated)*.....	(427,670,068)	(6,187,959)	38,065,734	42,164,763	(389,604,334)	35,976,804
Net Position - End of Year.....	\$ (441,779,711)	\$ (9,818,420)	\$ 37,562,683	\$ 45,640,100	\$ (404,217,028)	\$ 35,821,680

\*During fiscal year 2018, the City implemented GASB Statement No. 75 to record the total OPEB liability. See Note 1.

\*\*Certain amounts presented have been reclassified to conform with the current year presentation.

Governmental activities decreased the City's net position by \$14,109,643. In the prior year, governmental activities decreased the City's net position by \$3,630,461. The key element of this change is an increase in postemployment benefit expenses.

Business-type activities decreased the City's net position by \$503,051. In the prior year, business-type activities increased the City's net position by \$3,475,337. The key element of this change is an increase in postemployment benefit expenses.

### ***Fund Financial Statement Analysis***

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

#### **Governmental funds**

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

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$104,960,284, a decrease of \$4,165,737 in comparison with the prior year. \$26,296,287 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable - \$2,384,500
- Restricted - \$66,452,346
- Committed - \$5,412,452
- Assigned - \$4,414,699

The general fund is the primary operating fund of the City. At the end of the current fiscal year, the general fund's unassigned fund balance totaled \$26,865,693, while total fund balance was \$48,308,058. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents 10.8% of total general fund expenditures and transfers out, while total fund balance represents 19.4% of that same amount.

The balance of the City's general fund decreased \$3,711,482 during fiscal year 2018. The City recognized a budgetary surplus of \$11,444,802 (excluding encumbrances and continuing appropriations), and anticipated utilizing reserves and continuing appropriations of approximately \$14,400,000 to fund fiscal year 2018 operations.

Some of the significant increases to the balance of the general fund were the result of positive variances to local receipts from the following sources: licenses and permits - \$515,000, intergovernmental - \$653,000, and motor vehicle excise tax - \$347,000. Additionally, there was an overall net positive variance to operating expenditures of \$3,200,000.

Financial highlights of the City's other major governmental fund is as follows:

The fund balance of the community preservation fund (special revenue) decreased \$3,295,482 during the current fiscal year. The fund recognized \$2,899,487 of community preservation taxes, \$7,275 of penalties and interest on taxes, \$481,879 of intergovernmental revenues, and \$119,755 of investment income and market appreciation. Expenditures incurred totaled \$6,803,878.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the sewer, water and Veterans Memorial Rink enterprise funds at the end of the year amounted to \$8,168,128, \$12,270,306 and (\$581,483), respectively. The sewer, water, and veterans memorial rink enterprise funds had decreases in net position for the year of \$348,890, \$139,589 and \$14,572, respectively. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Results

The original general fund budget of \$233,513,149 increased by \$4,890,430 (2.1%) during the fiscal year. The following table summarizes the increase:

Purpose of Increase	Amount	Funding Source
Public Works - Snow & Ice Removal.....	\$ 1,619,220	Unassigned Fund Balance
Police - Cruisers.....	384,000	Stabilization Fund
Housing - HOME funding.....	380,268	Unassigned Fund Balance
Wires - Radio System.....	371,751	Stabilization Fund
Building - Design Services (Moody St Fire Station)....	343,275	Unassigned Fund Balance
Fire - Overtime.....	285,000	Unassigned Fund Balance
Mayor - Feasibility Study.....	269,079	Unassigned Fund Balance
Building - Utilities.....	200,000	Unassigned Fund Balance
IT - Computer Equipment & Systems.....	150,000	Unassigned Fund Balance
Recreation - Design Services (Warren Playground)....	150,000	Unassigned Fund Balance
Health - Medical & Behavioral Services.....	100,000	Unassigned Fund Balance
Traffic - Liftgate Truck.....	66,500	Unassigned Fund Balance
Police - Animal Control Vehicle.....	56,000	Stabilization Fund
Fire - Turn Out Gear Cleaning & Repair.....	52,000	Unassigned Fund Balance
Wires - Fire Alarm System Equipment.....	50,000	Unassigned Fund Balance
Wires - Traffic Controller Equipment.....	50,000	Unassigned Fund Balance
Building - Maintenance & Repair Expenses.....	50,000	Unassigned Fund Balance
Police - Motorcycles.....	49,000	Stabilization Fund
Planning - HVAC Improvements.....	42,253	Unassigned Fund Balance
Library - Educational Expenses.....	40,000	State Aid Grant
Fire - Medical Services.....	35,000	Unassigned Fund Balance
Purchasing - Steam Trap/Valve Project.....	29,984	Unassigned Fund Balance
IT Telephone - Utilities.....	19,000	Stabilization Fund
Library - Office/Computer Equipment.....	16,000	Unassigned Fund Balance
IT Telephone - Utilities.....	12,500	Unassigned Fund Balance
Council on Aging - Food Supplies.....	12,000	Unassigned Fund Balance
Recreation - Playground Signs.....	10,000	Unassigned Fund Balance
Council on Aging - Copy Machine.....	9,000	Unassigned Fund Balance
Council on Aging - Convection Oven.....	6,500	Unassigned Fund Balance
Library - Training/Out of State Travel.....	5,100	State Aid Grant
Building - Inspectors' Equipment.....	5,000	Building Code Violations Special Revenue
Building - Copy Machine.....	5,000	Unassigned Fund Balance
Human Resources - Civil Service Exams.....	5,000	Stabilization Fund
Traffic - Truck Rental.....	5,000	Unassigned Fund Balance
Building - Snowblowers.....	4,000	Unassigned Fund Balance
Library - Carpeting.....	3,000	State Aid Grant
Total Increase	\$ <u>4,890,430</u>	



During the year, general fund revenues exceeded budgetary estimates, and expenditures, encumbrances and continuing appropriations were less than budgetary estimates, resulting in a positive overall budget to actual variance of approximately \$11,445,000. Encumbrances and continuing appropriations totaled \$7,415,675 at year-end.

### *Capital Asset and Debt Administration*

#### Capital assets

The City's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$273,753,924 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure and library books. The total decrease in the investment in capital assets for the current fiscal year totaled 0.1%.

Major capital asset events that occurred during the current fiscal year include the following:

- Land Purchase – Arrigo Farms (\$3,302,547)
- Water Infrastructure (\$2,594,623)
- Sewer Infrastructure (\$1,817,065)
- Fire Truck (\$1,405,333)

The following table summarizes the City's capital assets (net of accumulated depreciation):

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2018	2017	2018	2017	2018	2017
Land.....	\$ 29,643,292	\$ 26,340,744	\$ 38,550	\$ 38,550	\$ 29,681,842	\$ 26,379,294
Land Improvements.....	13,994,328	13,928,417	-	-	13,994,328	13,928,417
Buildings and Improvements.....	149,651,650	154,916,941	1,332,275	1,423,063	150,983,925	156,340,004
Machinery and Equipment.....	8,204,844	8,689,707	2,011,818	1,681,054	10,216,662	10,370,761
Infrastructure.....	33,055,136	34,843,443	33,982,108	30,689,476	67,037,244	65,532,919
Construction in Progress.....	438,534	-	661,340	740,842	1,099,874	740,842
Library Books.....	740,049	681,136	-	-	740,049	681,136
Total Capital Assets.....	<u>\$ 235,727,833</u>	<u>\$ 239,400,388</u>	<u>\$ 38,026,091</u>	<u>\$ 34,572,985</u>	<u>\$ 273,753,924</u>	<u>\$ 273,973,373</u>

Additional information on the City's capital assets can be found in Note 5 on pages 56-58 of this report.

Long-Term Debt

At the end of the current fiscal year, total long-term debt and unamortized premiums outstanding was \$86,335,595, which is backed by the full faith and credit of the City, and is summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds.....	\$ 63,284,081	\$ 72,104,332	\$ 15,293,483	\$ 19,705,694	\$ 78,577,564	\$ 91,810,026
MWRA.....	-	-	5,754,793	3,862,342	5,754,793	3,862,342
MCWT.....	-	-	2,003,238	2,267,963	2,003,238	2,267,963
Total Bonds and Notes and Unamortized Premiums.....	\$ 63,284,081	\$ 72,104,332	\$ 23,051,514	\$ 25,835,999	\$ 86,335,595	\$ 97,940,331

The City's total long-term debt decreased \$11,604,736 (11.8%) during the fiscal year.

The City received an AA+ bond rating from Standard & Poor's for the general obligation bonds issued on June 20, 2017.

Additional information on the City's long-term debt can be found in Note 10 on pages 62-66 of this report.

*Economic Factors and Next Year's Budgets and Rates*

Waltham is one of the primary economic engines of metropolitan Boston. An increase in Waltham's commercial and industrial tax base from \$3.6 billion to \$3.9 billion makes it one of the most highly valued business centers in the state. Interstate 95 passes through the western part of the City and access to the Massachusetts Turnpike is close by. Growing industries focused on information technology, communication, education, consulting services and manufacturing have chosen to locate in Waltham. During fiscal year 2018, the estimated cost of construction resulting from the issuance of building permits totaled in excess of \$277 million. Waltham homeowners consequently enjoy a significant benefit from a relatively high tax contribution from business properties, including tax policies which shift the burden from the residential property.

The Waltham City Council approved the fiscal year 2019 operating budget totaling \$268.8 million during June 2018. This represents a \$6.9 million increase, or a 2.6% increase from the fiscal year 2018 approved budget. Included in this budget is \$87.62 million for education, \$39.1 million for public safety, \$35.3 million for the water/sewer/rink enterprise funds, \$13.8 million for public works, \$65.4 million for employee and retiree health/pension benefits, \$10.6 million for debt service and \$200,000 towards funding the OPEB liability.

Of the \$268.8 million fiscal year 2019 operating budget, the revenues budgeted to balance it are property taxes – 69.2%, local receipts – 9.4%, state aid – 8.4% and the enterprise funds user charges – 13.0%. The average owner-occupied single family home has an assessed value of \$520,000. After applying the 35% residential exemption of \$188,290, the annual property tax bill for the average owner-occupied single family home is \$4,199. This represents an increase of about \$98 from fiscal year 2018.

*Requests for Information*

This financial report is designed to provide a general overview of the City's finances for all those with an interest in its 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**

**CITY OF WALTHAM, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents.....	\$ 40,502,005	\$ 32,822,475	\$ 73,324,480
Restricted Cash and Cash Equivalents.....	52,136,419	6,464,811	58,601,230
Restricted Investments.....	28,994,058	-	28,994,058
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes.....	1,993,207	-	1,993,207
Tax and Utility Liens.....	1,019,058	194,836	1,213,894
Motor Vehicle and Other Excise Taxes.....	971,424	-	971,424
Community Preservation Taxes.....	54,669	-	54,669
Water.....	-	1,811,672	1,811,672
Sewer.....	-	2,721,218	2,721,218
Departmental and Other.....	772,062	-	772,062
Intergovernmental.....	3,151,061	-	3,151,061
Total Current Assets.....	129,593,963	44,015,012	173,608,975
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate Tax Deferrals.....	326,190	-	326,190
Special Assessments.....	6,179	-	6,179
Loans.....	1,728,751	-	1,728,751
Capital Assets not being Depreciated.....	30,081,826	699,890	30,781,716
Capital Assets, Net of Accumulated Depreciation.....	205,646,007	37,326,201	242,972,208
Total Noncurrent Assets.....	237,788,953	38,026,091	275,815,044
Total Assets.....	367,382,916	82,041,103	449,424,019
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related.....	7,543,894	281,199	7,825,093
<b>LIABILITIES</b>			
Current Liabilities:			
Warrants Payable.....	2,763,304	1,288,731	4,052,035
Accrued Payroll.....	1,029,613	40,827	1,070,440
Tax Refunds Payable.....	873,135	-	873,135
Other Liabilities.....	-	123,309	123,309
Accrued Interest.....	551,751	149,840	701,591
Accrued Health Claims Payable.....	2,500,000	-	2,500,000
Workers' Compensation Claims.....	469,230	-	469,230
Compensated Absences.....	3,679,505	149,318	3,828,823
Short-Term Notes Payable.....	1,988,285	3,690,194	5,678,479
Long-Term Bonds and Notes Payable.....	8,533,048	2,789,978	11,323,026
Total Current Liabilities.....	22,387,871	8,232,197	30,620,068
Noncurrent Liabilities:			
Compensated Absences.....	5,192,670	170,253	5,362,923
Total OPEB Liability.....	585,111,509	10,580,545	595,692,054
Net Pension Liability.....	141,149,675	5,261,386	146,411,061
Long-Term Bonds and Notes Payable.....	54,751,033	20,261,536	75,012,569
Total Noncurrent Liabilities.....	786,204,887	36,273,720	822,478,607
Total Liabilities.....	808,592,758	44,505,917	853,098,675
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related.....	6,806,190	253,702	7,059,892
Taxes Collected in Advance.....	1,307,573	-	1,307,573
Total Deferred Inflows of Resources.....	8,113,763	253,702	8,367,465
<b>NET POSITION</b>			
Net Investment in Capital Assets.....	172,230,570	17,705,732	189,936,302
Restricted for:			
OPEB.....	11,615,214	-	11,615,214
Loans.....	1,728,751	-	1,728,751
Community Preservation.....	24,451,356	-	24,451,356
Permanent Funds:			
Expendable.....	324,306	-	324,306
Nonexpendable.....	2,384,500	-	2,384,500
Revolving Funds.....	8,681,932	-	8,681,932
Traffic Impact.....	4,831,514	-	4,831,514
Parking Meters.....	2,124,594	-	2,124,594
Housing Trust.....	1,567,409	-	1,567,409
Sale of Lots/Graves.....	1,582,012	-	1,582,012
Public Safety.....	7,467,436	-	7,467,436
School Lunch.....	1,298,940	-	1,298,940
Other Specific Purposes.....	3,356,990	-	3,356,990
Unrestricted.....	(685,425,235)	19,856,951	(665,568,284)
Total Net Position.....	\$ (441,779,711)	\$ 37,562,683	\$ (404,217,028)

The accompanying notes are an integral part of the financial statements.

**CITY OF WALTHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense)/ Revenue
<b>Primary Government:</b>					
Governmental Activities:					
General Government.....	\$ 17,997,394	\$ 6,758,302	\$ 730,295	\$ -	\$ (10,508,797)
Public Safety.....	69,526,941	4,613,820	6,889,181	-	(58,023,940)
Education.....	156,449,749	2,132,585	41,077,033	-	(113,240,131)
Public Works.....	23,034,003	407,767	35,260	670,991	(21,919,985)
Health and Human Services.....	4,596,271	434,721	361,118	-	(3,800,432)
Culture and Recreation.....	6,705,870	473,528	661,975	-	(5,570,367)
Community Development.....	7,834,851	15,830	1,056,430	550,314	(6,212,277)
Debt Service-Interest.....	2,136,465	-	-	-	(2,136,465)
Total Governmental Activities.....	288,281,544	14,836,553	50,811,292	1,221,305	(221,412,394)
Business-Type Activities:					
Sewer.....	18,492,326	17,956,502	2,619	25,028	(508,177)
Water.....	14,137,215	13,723,487	-	3,983	(409,745)
Veterans Memorial Rink.....	517,819	410,428	-	6,319	(101,072)
Total Business-Type Activities.....	33,147,360	32,090,417	2,619	35,330	(1,018,994)
Total Primary Government.....	\$ 321,428,904	\$ 46,926,970	\$ 50,813,911	\$ 1,256,635	\$ (222,431,388)

*The accompanying notes are an integral part of the financial statements.*



**CITY OF WALTHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>CHANGES IN NET POSITION</b>			
Net (Expense) Revenue (From Previous Page).....	\$ (221,412,394)	\$ (1,018,994)	\$ (222,431,388)
General Revenues:			
Real Estate and Personal Property Taxes.....	178,305,767	-	178,305,767
Motor Vehicle and Other Excise Taxes.....	8,463,994	-	8,463,994
Hotel/Motel Taxes.....	4,292,785	-	4,292,785
Meals Tax.....	1,612,669	-	1,612,669
Penalties and Interest on Taxes.....	707,197	-	707,197
Payments in Lieu of Taxes.....	77,740	-	77,740
Community Preservation Taxes.....	2,894,647	-	2,894,647
Grants and Contributions not Restricted to Specific Programs.....	10,392,962	-	10,392,962
Unrestricted Investment Income.....	713,990	356,943	1,070,933
Transfers, Net.....	(159,000)	159,000	-
Total General Revenues and Transfers.....	207,302,751	515,943	207,818,694
<b>CHANGE IN NET POSITION</b> .....	(14,109,643)	(503,051)	(14,612,694)
Net Position - Beginning of Year (As Restated).....	(427,670,068)	38,065,734	(389,604,334)
<b>NET POSITION - END OF YEAR</b> .....	\$ (441,779,711)	\$ 37,562,683	\$ (404,217,028)

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2018**

ASSETS	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents.....	\$ 40,502,005	\$ -	\$ -	\$ 40,502,005
Restricted Cash and Cash Equivalents.....	155,300	9,094,987	32,084,805	41,335,092
Restricted Investments.....	11,459,914	15,236,617	2,297,527	28,994,058
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes.....	1,993,207	-	-	1,993,207
Real Estate Tax Deferrals.....	326,190	-	-	326,190
Tax Liens.....	1,019,058	-	-	1,019,058
Motor Vehicle and Other Excise taxes.....	971,424	-	-	971,424
Community Preservation Taxes.....	-	54,669	-	54,669
Special Assessments.....	6,179	-	-	6,179
Departmental and Other.....	286,845	-	243,476	530,321
Intergovernmental.....	664,429	550,314	1,936,318	3,151,061
Loans.....	-	-	1,728,751	1,728,751
Due from Other Funds.....	965,631	-	-	965,631
Total Assets.....	<u>\$ 58,350,182</u>	<u>\$ 24,936,587</u>	<u>\$ 38,290,877</u>	<u>\$ 121,577,646</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Warrants Payable.....	\$ 1,786,364	\$ 466,297	\$ 510,643	\$ 2,763,304
Accrued Payroll.....	980,601	769	48,243	1,029,613
Tax Refunds Payable.....	873,135	-	-	873,135
Due to Other Funds.....	-	-	965,631	965,631
Short-Term Notes Payable.....	-	-	1,988,285	1,988,285
Total Liabilities.....	<u>3,640,100</u>	<u>467,066</u>	<u>3,512,802</u>	<u>7,619,968</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue.....	5,112,616	604,983	1,972,222	7,689,821
Taxes Collected in Advance.....	1,289,408	18,165	-	1,307,573
Total Deferred Inflows of Resources.....	<u>6,402,024</u>	<u>623,148</u>	<u>1,972,222</u>	<u>8,997,394</u>
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	2,384,500	2,384,500
Restricted.....	11,615,214	23,846,373	30,990,759	66,452,346
Committed.....	5,412,452	-	-	5,412,452
Assigned.....	4,414,699	-	-	4,414,699
Unassigned.....	26,865,693	-	(569,406)	26,296,287
Total Fund Balances.....	<u>48,308,058</u>	<u>23,846,373</u>	<u>32,805,853</u>	<u>104,960,284</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$ 58,350,182</u>	<u>\$ 24,936,587</u>	<u>\$ 38,290,877</u>	<u>\$ 121,577,646</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

Total Governmental Fund Balances (Page 29).....	\$ 104,960,284
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	235,727,833
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....	7,689,821
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.....	(551,751)
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.....	(63,284,081)
Workers' Compensation Claims.....	(469,230)
Compensated Absences.....	(8,872,175)
Net OPEB Obligation.....	(585,111,509)
Net Pension Liability, Net of Deferred Outflows and Inflows of Resources.....	(140,411,971)
Internal service funds are used by management to account for health insurance activities. The assets and liabilities of the internal service fund is reported as governmental activities in the statement of net position.....	8,543,068
Net Position of Governmental Activities (Page 26).....	\$ <u>(441,779,711)</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2018**

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Real Estate and Personal Property Taxes.....	\$ 177,170,045	\$ -	\$ -	\$ 177,170,045
Motor Vehicle and Other Excise Taxes.....	8,617,711	-	-	8,617,711
Hotel/Motel Tax.....	4,292,785	-	-	4,292,785
Meals Tax.....	1,612,669	-	-	1,612,669
Tax Liens.....	792,606	-	-	792,606
Payments in Lieu of Taxes.....	77,740	-	-	77,740
Community Preservation Taxes.....	-	2,899,487	-	2,899,487
Charges for Services.....	-	-	3,411,670	3,411,670
Intergovernmental.....	42,133,755	481,879	15,830,468	58,446,102
Special Assessments.....	2,858	-	-	2,858
Penalties and Interest on Taxes.....	699,920	7,275	-	707,195
Licenses and Permits.....	6,520,040	-	-	6,520,040
Fines and Forfeitures.....	517,999	-	74,878	592,877
Departmental and Other.....	1,863,147	-	4,902,236	6,765,383
Contributions.....	-	-	1,272,257	1,272,257
Investment Income.....	617,955	119,755	38,465	776,175
Total Revenues.....	<u>244,919,230</u>	<u>3,508,396</u>	<u>25,529,974</u>	<u>273,957,600</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....	10,492,304	-	2,596,621	13,088,925
Public Safety.....	38,703,620	-	4,372,116	43,075,736
Education.....	100,840,239	-	11,144,746	111,984,985
Public Works.....	14,871,406	-	2,947,514	17,818,920
Health and Human Services.....	1,945,349	-	773,597	2,718,946
Culture and Recreation.....	3,721,959	-	462,178	4,184,137
Community Development.....	964,819	6,803,878	667,695	8,436,392
Pension Benefits.....	16,179,125	-	-	16,179,125
Employee Benefits.....	48,131,846	-	-	48,131,846
State and County Charges.....	1,815,848	-	-	1,815,848
Debt Service:				
Principal.....	8,501,238	-	-	8,501,238
Interest.....	2,508,405	-	-	2,508,405
Total Expenditures.....	<u>248,676,158</u>	<u>6,803,878</u>	<u>22,964,467</u>	<u>278,444,503</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<u>(3,756,928)</u>	<u>(3,295,482)</u>	<u>2,565,507</u>	<u>(4,486,903)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium from Issuance of Bonds and Notes.....	-	-	19,036	19,036
Sale of Capital Assets.....	152,233	-	308,897	461,130
Transfers In.....	54,113	-	1,900	56,013
Transfer Out.....	(160,900)	-	(54,113)	(215,013)
Total Other Financing Sources (Uses).....	<u>45,446</u>	<u>-</u>	<u>275,720</u>	<u>321,166</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>(3,711,482)</u>	<u>(3,295,482)</u>	<u>2,841,227</u>	<u>(4,165,737)</u>
Fund Balances - Beginning of Year.....	<u>52,019,540</u>	<u>27,141,855</u>	<u>29,964,626</u>	<u>109,126,021</u>
<b>FUND BALANCES - END OF YEAR.....</b>	<u>\$ 48,308,058</u>	<u>\$ 23,846,373</u>	<u>\$ 32,805,853</u>	<u>\$ 104,960,284</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balances - Total Governmental Funds (Page 31)..... \$ (4,165,737)

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. These amounts represent the related activity of the current period.

Capital Outlays.....	10,424,024
Depreciation.....	(13,167,555)

In the statement of activities, the gain or loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed..... (929,024)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 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 inflows of resources..... (314,258)

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 impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.

Bond Maturities.....	8,501,238
Amortization of Bond Premiums.....	319,012

In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable..... 52,927

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

These amounts represent the net changes:

Workers' Compensation.....	(106,553)
Compensated Absences.....	75,576
Total OPEB Liability.....	(21,917,034)
Net Pension Liability, Net.....	127,599

Internal service funds are used by management to account for health insurance activities. The net activity of the internal service fund is reported with governmental activities.....

6,990,142

Changes in Net Position of Governmental Activities (Page 28)..... \$ (14,109,643)

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF FUND NET POSITION  
JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents.....	\$ 12,292,191	\$ 20,366,488	\$ 163,796	\$ 32,822,475	\$ -
Restricted Cash and Cash Equivalents.....	3,847,769	1,949,749	667,293	6,464,811	10,801,327
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges.....	2,721,218	1,811,672	-	4,532,890	-
Utility Liens.....	115,623	79,213	-	194,836	-
Departmental and Other.....	-	-	-	-	241,741
Total Current Assets.....	<u>18,976,801</u>	<u>24,207,122</u>	<u>831,089</u>	<u>44,015,012</u>	<u>11,043,068</u>
Noncurrent Assets:					
Capital Assets Not Being Depreciated.....	511,523	188,367	-	699,890	-
Capital Assets, Net of Accumulated Depreciation.....	25,276,045	11,968,591	81,565	37,326,201	-
Total Noncurrent Assets.....	<u>25,787,568</u>	<u>12,156,958</u>	<u>81,565</u>	<u>38,026,091</u>	<u>-</u>
Total Assets.....	<u>44,764,369</u>	<u>36,364,080</u>	<u>912,654</u>	<u>82,041,103</u>	<u>11,043,068</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related.....	<u>92,082</u>	<u>184,165</u>	<u>4,952</u>	<u>281,199</u>	<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Warrants Payable.....	1,035,759	243,007	9,965	1,288,731	-
Accrued Payroll.....	7,331	30,432	3,064	40,827	-
Other Liabilities.....	123,309	-	-	123,309	-
Accrued Interest.....	117,145	32,695	-	149,840	-
Accrued Health Claims Payable.....	-	-	-	-	2,500,000
Compensated Absences.....	54,018	83,628	11,672	149,318	-
Short-Term Notes Payable.....	2,614,194	416,000	660,000	3,690,194	-
Long-Term Bonds and Notes Payable.....	1,748,762	1,041,216	-	2,789,978	-
Total Current Liabilities.....	<u>5,700,518</u>	<u>1,846,978</u>	<u>684,701</u>	<u>8,232,197</u>	<u>2,500,000</u>
Noncurrent Liabilities:					
Compensated Absences.....	87,207	68,702	14,344	170,253	-
Total OPEB Liability.....	3,842,909	6,117,270	620,366	10,580,545	-
Net Pension Liability.....	1,722,902	3,445,813	92,671	5,261,386	-
Long-Term Bonds and Notes Payable.....	13,120,361	7,141,175	-	20,261,536	-
Total Noncurrent Liabilities.....	<u>18,773,379</u>	<u>16,772,960</u>	<u>727,381</u>	<u>36,273,720</u>	<u>-</u>
Total Liabilities.....	<u>24,473,897</u>	<u>18,619,938</u>	<u>1,412,082</u>	<u>44,505,917</u>	<u>2,500,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related.....	<u>83,078</u>	<u>166,156</u>	<u>4,468</u>	<u>253,702</u>	<u>-</u>
<b>FUND NET POSITION</b>					
Net Investment in Capital Assets.....	12,131,348	5,491,845	82,539	17,705,732	-
Unrestricted.....	8,168,128	12,270,306	(581,483)	19,856,951	8,543,068
Total Net Position.....	<u>\$ 20,299,476</u>	<u>\$ 17,762,151</u>	<u>\$ (498,944)</u>	<u>\$ 37,562,683</u>	<u>\$ 8,543,068</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
<b>OPERATING REVENUES</b>					
Charges for Services.....	\$ 17,956,502	\$ 13,723,487	\$ 410,428	\$ 32,090,417	\$ -
Employer Contributions.....	-	-	-	-	46,306,790
Employee Contributions.....	-	-	-	-	7,070,660
Total Operating Revenues.....	<u>17,956,502</u>	<u>13,723,487</u>	<u>410,428</u>	<u>32,090,417</u>	<u>53,377,450</u>
<b>OPERATING EXPENSES</b>					
Cost of Service and Administration.....	3,025,686	3,197,614	413,040	6,636,340	-
MWRA Assessment.....	13,521,664	9,038,537	-	22,560,201	-
Depreciation.....	915,833	646,406	8,245	1,570,484	-
Employee Benefits.....	603,496	1,130,614	96,534	1,830,644	46,511,360
Total Operating Expenses.....	<u>18,066,679</u>	<u>14,013,171</u>	<u>517,819</u>	<u>32,597,669</u>	<u>46,511,360</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>(110,177)</u>	<u>(289,684)</u>	<u>(107,391)</u>	<u>(507,252)</u>	<u>6,866,090</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental.....	2,619	-	-	2,619	-
Investment Income.....	135,787	221,156	-	356,943	124,052
Interest Expense.....	(425,647)	(124,044)	-	(549,691)	-
Total Nonoperating Revenues (Expenses), Net.....	<u>(287,241)</u>	<u>97,112</u>	<u>-</u>	<u>(190,129)</u>	<u>124,052</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS .....</b>	<u>(397,418)</u>	<u>(192,572)</u>	<u>(107,391)</u>	<u>(697,381)</u>	<u>6,990,142</u>
Capital Contributions.....	25,028	3,983	6,319	35,330	-
Transfers In.....	23,500	49,000	86,500	159,000	-
Total Capital Contributions and Transfers.....	<u>48,528</u>	<u>52,983</u>	<u>92,819</u>	<u>194,330</u>	<u>-</u>
<b>CHANGE IN FUND NET POSITION.....</b>	<u>(348,890)</u>	<u>(139,589)</u>	<u>(14,572)</u>	<u>(503,051)</u>	<u>6,990,142</u>
Fund Net Position - Beginning of Year (as Restated).....	<u>20,648,366</u>	<u>17,901,740</u>	<u>(484,372)</u>	<u>38,065,734</u>	<u>1,552,926</u>
<b>FUND NET POSITION - END OF YEAR.....</b>	<u>\$ 20,299,476</u>	<u>\$ 17,762,151</u>	<u>\$ (498,944)</u>	<u>\$ 37,562,683</u>	<u>\$ 8,543,068</u>

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers and Users.....	\$ 18,005,056	\$ 13,765,270	\$ 410,428	\$ 32,180,754	\$ 7,070,660
Receipts from Interfund Services Provided.....	-	-	-	-	46,338,997
Payments to Vendors.....	(16,726,678)	(12,031,078)	(383,295)	(29,141,051)	-
Payments to Employees.....	(523,736)	(1,212,771)	(111,148)	(1,847,655)	-
Payments for Interfund Services Used.....	-	-	-	-	(47,150,210)
Net Cash Provided (Used) by Operating Activities.....	<u>754,642</u>	<u>521,421</u>	<u>(84,015)</u>	<u>1,192,048</u>	<u>6,259,447</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In.....	23,500	49,000	86,500	159,000	-
Intergovernmental Receipts.....	2,619	-	-	2,619	-
Net Cash Provided by Noncapital Financing Activities.....	<u>26,119</u>	<u>49,000</u>	<u>86,500</u>	<u>161,619</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from the Issuance of Bonds and Notes.....	2,614,194	416,000	660,000	3,690,194	-
Capital Contributions.....	25,028	3,983	6,319	35,330	-
Acquisition and Construction of Capital Assets.....	(1,965,000)	(2,620,027)	-	(4,585,027)	-
Principal Payments on Bonds and Notes.....	(1,658,825)	(1,033,234)	-	(2,692,059)	-
Interest Paid.....	(511,627)	(154,987)	-	(666,614)	-
Net Cash Provided (Used) by Capital and Related Financing Activities.....	<u>(1,496,230)</u>	<u>(3,388,265)</u>	<u>666,319</u>	<u>(4,218,176)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income.....	<u>135,787</u>	<u>221,156</u>	<u>-</u>	<u>356,943</u>	<u>124,052</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(579,682)</b>	<b>(2,596,688)</b>	<b>668,804</b>	<b>(2,507,566)</b>	<b>6,383,499</b>
Cash and Cash Equivalents - Beginning of Year (Includes \$3,049,268 and \$4,152,823 Reported as Restricted in the Sewer and Water Enterprise Funds, Respectively).....	<u>16,719,642</u>	<u>24,912,925</u>	<u>162,285</u>	<u>41,794,852</u>	<u>4,417,828</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> (Includes \$3,847,769, \$1,949,749 and \$667,293 Reported as Restricted in the Sewer, Water and Nonmajor Enterprise Funds, Respectively).....	<u>\$ 16,139,960</u>	<u>\$ 22,316,237</u>	<u>\$ 831,089</u>	<u>\$ 39,287,286</u>	<u>\$ 10,801,327</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss).....	\$ (110,177)	\$ (289,684)	\$ (107,391)	\$ (507,252)	\$ 6,866,090
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities not Requiring Current Cash Flows:					
Depreciation.....	915,833	646,406	8,245	1,570,484	-
Change in Total OPEB Liability.....	143,947	229,140	23,238	396,325	-
Change in Net Pension Liability.....	(295,694)	(591,370)	8,517	(878,547)	-
Change in Deferred Outflows - Pension.....	156,079	312,156	4,376	472,611	-
Change in Deferred Inflows - Pension.....	81,375	162,749	(16,891)	227,233	-
Effect of Changes in Operating Assets and Liabilities:					
Utility Liens.....	(5,308)	(3,571)	-	(8,879)	-
User Charges.....	53,862	45,354	-	99,216	-
Departmental and Other.....	-	-	-	-	32,207
Warrants Payable.....	(24,335)	19,063	(8,718)	(13,990)	-
Accrued Payroll.....	(555)	4,214	999	4,658	-
Other Liabilities.....	(169,048)	-	-	(169,048)	(804,182)
Accrued Health Claims Payable.....	-	-	-	-	165,332
Compensated Absences.....	8,663	(13,036)	3,610	(763)	-
Total Adjustments.....	<u>864,819</u>	<u>811,105</u>	<u>23,376</u>	<u>1,699,300</u>	<u>(606,643)</u>
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 754,642</u>	<u>\$ 521,421</u>	<u>\$ (84,015)</u>	<u>\$ 1,192,048</u>	<u>\$ 6,259,447</u>

*The accompanying notes are an integral part of the financial statements.*



**CITY OF WALTHAM, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

<b>ASSETS</b>	Pension Trust Fund (As of 12/31/17)	Private Purpose Trust Funds	Agency Funds
Cash and Cash Equivalents.....	\$ 1,106,049	\$ 29,791	\$ 947,609
Investments:			
Equities and Equity Mutual Funds.....	97,539,883	-	-
Fixed Income Mutual Funds.....	51,408,413	-	-
US Treasuries and Agencies.....	-	2,867,954	-
Real Estate Funds.....	731,434	-	-
Private Equity.....	1,042,547	-	-
External Investment Pool (PRIT).....	96,430,276	-	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other.....	175,264	-	-
Loans.....	-	105,215	-
	<u>248,433,866</u>	<u>3,002,960</u>	<u>\$ 947,609</u>
<b>LIABILITIES</b>			
Warrants Payable.....	103,508	-	7,150
Accrued Payroll.....	-	-	5,450
Liabilities Due Depositors.....	-	-	935,009
	<u>103,508</u>	<u>-</u>	<u>\$ 947,609</u>
<b>NET POSITION</b>			
Restricted for Pensions and Other Purposes.....	<u>\$ 248,330,358</u>	<u>\$ 3,002,960</u>	

*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2018**

	Pension Trust Fund (For the Year Ended 12/31/17)	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer.....	\$ 17,233,644	\$ -
Plan Members.....	6,553,300	-
Private Donations.....	-	138,931
Total Contributions.....	<u>23,786,944</u>	<u>138,931</u>
Net Investment Income (Loss):		
Net Change in Fair Value of Investments.....	27,912,356	(1,190)
Interest.....	10,469	-
Dividends.....	<u>6,178,460</u>	<u>-</u>
Total Investment Income.....	34,101,285	(1,190)
Less: Investment Expense.....	<u>(996,571)</u>	<u>-</u>
<b>NET INVESTMENT INCOME.....</b>	<u>33,104,714</u>	<u>(1,190)</u>
Intergovernmental.....	<u>424,855</u>	<u>-</u>
Transfers from Other Systems.....	<u>287,262</u>	<u>-</u>
Total Additions.....	<u>57,603,775</u>	<u>137,741</u>
<b>DEDUCTIONS</b>		
Administration.....	582,872	-
Retirement Benefits and Refunds.....	25,613,137	-
Scholarships Awarded.....	<u>-</u>	<u>129,099</u>
Total Deductions.....	<u>26,196,009</u>	<u>129,099</u>
<b>CHANGE IN NET POSITION.....</b>	31,407,766	8,642
Net Position - Beginning of Year.....	<u>216,922,592</u>	<u>2,994,318</u>
<b>NET POSITION - END OF YEAR.....</b>	<u>\$ 248,330,358</u>	<u>\$ 3,002,960</u>

*The accompanying notes are an integral part of the financial statements.*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. General**

The basic financial statements 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 standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

**B. Reporting Entity**

The City of Waltham, Massachusetts (City) is a 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 basic financial statements include all funds, organizations, agencies, boards, commissions and institutions that are not legally separate from the City.

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/or significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the City (primary government) and its component units.

The City has included one entity as a component unit (fiduciary fund) in the reporting entity because of the significance of its operational and financial relationship with the City. 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.

**Fiduciary Fund Component Unit**

The Waltham Contributory Retirement System (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 funds financial statements.

The System did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts' (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 25 Lexington Street, Waltham, Massachusetts 02452.

**C. Implementation of New Accounting Principles**

For the year ended June 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions*.

The implementation of GASB Statement No. 75 resulted in, among other things, the recognition of the total OPEB liability in the Statement of Net Position, as well as deferred inflows and outflows related to OPEB activities. As a result, the City has restated its 2018 beginning net position to reflect the implementation of the Statement. The cumulative effect of the change in accounting principle is as follows:

	Governmental Activities	Total Business-Type Activities	Business-Type Activities		
			Sewer	Water	Nonmajor
Net Position, June 30, 2017, as Previously Reported.....	\$ (9,818,420)	\$ 45,640,100	\$ 23,546,912	\$ 22,210,968	\$ (117,780)
Cumulative Affect of Implementation of GASB No. 75.....	(417,851,648)	(7,574,366)	(2,898,546)	(4,309,228)	(366,592)
Net Position, June 30, 2017, as Restated.....	<u>\$ (427,670,068)</u>	<u>\$ 38,065,734</u>	<u>\$ 20,648,366</u>	<u>\$ 17,901,740</u>	<u>\$ (484,372)</u>

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

##### Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all 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 primarily supported by user fees.

##### 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.

Internal service funds and fiduciary funds are reported by fund type.

#### **E. Measurement Focus, Basis of Accounting and Basis of 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 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 specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

### Fund Financial Statements

**Governmental funds** financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, 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 the end of the fiscal year. 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 used to account for and report all financial resources not accounted for and reported in another fund.

The *Community Preservation* fund is a special revenue fund used to account for the 2% local real estate tax 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 tax 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. Disbursements from this fund must originate from the Community Preservation Committee and be approved by the City Council.

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:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

*Permanent funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

**Proprietary funds** financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby 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 City's sewer activities.

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

The following nonmajor proprietary fund is reported:

The *Veterans Memorial Rink enterprise fund* is used to account for the City's 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 funds** financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's 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, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. The City reports private purpose trust funds related to scholarship funds.

The *agency fund* is used to account for assets held in a custodial capacity. Such assets consist of confiscated police property and security deposits. Agency funds do not present the results of operations or have a measurement focus.

**F. Deposits 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, net asset value (NAV) or amortized cost, as further described in Note 3.

**G. Accounts Receivable****Government-Wide and Fund Financial Statements**

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

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

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 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.

**Motor Vehicle Excise Taxes**

Motor vehicle excise taxes are assessed annually for each vehicle registered in the City 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 to the City. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

**Community Preservation Taxes**

Community preservation taxes are levied annually at a rate of 2% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors with low or moderate income as defined by DOR guidelines. The tax is due with the real estate tax on a quarterly basis each 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. Overdue taxes are included on the tax liens processed on delinquent real estate taxes. Taxes are recorded as receivables in the fiscal year of the levy.

**Water and Sewer User Charges and Utility Liens**

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. Water and sewer liens are processed in December of every year and are included as a lien on the property owner's tax bill. Water and sewer charges and liens are recorded as receivables in the fiscal year of the levy.

**Departmental and Other**

Departmental and other receivables primarily consist of parking ticket fines and police and fire details and are recorded as receivables in the fiscal year accrued.

**Special Assessments**

Special assessments consist of street and sidewalk betterments and are recorded as receivables in the fiscal year accrued.

**Intergovernmental**

Various state and federal operating and capital grants are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

**Loans**

The Planning/Housing Department administers loan programs that provide housing assistance to residents and capital needs for small businesses. Loans are recorded as receivables upon issuance.

***H. Allowance for Uncollectible Amounts***

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Departmental and other

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens
- Community preservation taxes
- Water and sewer user charges and liens
- Special assessments
- Loans

Intergovernmental receivables are considered 100% collectible.

***I. 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.



**J. Restricted Assets****Government-Wide and Fund Financial Statements**

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

**K. Capital Assets****Government-Wide and Proprietary Funds Financial Statements**

Capital assets, which consist of land, land improvements, buildings and improvements, equipment, infrastructure (e.g., roads, water mains, sewer mains, and similar items) and library books are reported in the applicable governmental or business-type activities column of the government-wide financial statements and the proprietary funds' financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at the acquisition value. Construction period interest is not 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 Funds Financial Statements**

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

**L. Interfund Receivables and Payables**

During the course of its operations, transactions occur between funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as “internal balances”.

Fund Financial Statements

Transactions of a buyer/seller nature between 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.

***M. Interfund Transfers***

During the course of its operations, resources are permanently reallocated between funds.

Government-Wide Financial Statements

Transfers between governmental funds are eliminated from the governmental activities in the statement of activities. 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 funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

***N. Deferred Outflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred outflows of resources related to pensions are reported in the government-wide and enterprise funds’ statements of net position.

***O. Deferred Inflows of Resources***

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

The City has three items that qualify for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet and taxes collected in advance is reported in both the statement of net position and governmental funds balance. Unavailable revenue 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. Taxes collected in advance represents amount collected related to the fiscal year 2019 levy.

The third type of deferred inflows of resources reported is related to pensions and are reported in the government-wide and enterprise funds’ statements of net position.

## ***P. Net Position and Fund Balances***

### **Government-Wide Financial Statements and Proprietary Funds Financial Statements (Net Position)**

Net position represents the residual difference between assets and deferred outflows less liabilities and deferred inflows.

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use. Net position has been “restricted” for the following:

“OPEB” represents amounts restricted for retiree health insurance benefits pursuant to special legislation enacted in 2002.

“Loans” represents amounts outstanding for community development block grant program loans receivable.

“Community preservation” represents amounts restricted for the purpose of acquiring land for conservation, recreational, historic preservation, and affordable housing projects.

“Permanent funds – expendable” represents amounts held in trust for which the expenses are restricted by various trust agreements.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Revolving funds” represents amounts restricted for various activities that require a user charge.

“Traffic impact” represents amounts restricted for traffic improvements required by special permit.

“Parking meters” represents amounts restricted for parking meter and off-street parking lot improvements.

“Housing Trust” represents amounts provided for the creation and preservation of affordable housing in the City.

“Sale of lots/graves” represents restricted amounts for cemetery improvements.

“Public safety” represents amounts restricted for public safety purposes.

“School lunch” represents amounts restricted for education purposes.

“Other specific purposes” represents other restrictions placed on assets from outside parties.

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

The following fund balance classifications describe the relative strength of the spending constraints:

*Nonspendable* — represents amounts that cannot be spent either because they are in nonspendable form (i.e., loans receivable) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

*Restricted* — represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – represents amounts that can be used only for specific purposes imposed by a formal action (vote) of City Council, which is the highest level of decision-making authority for the City. Committed amounts may be established, modified, or rescinded only through “Council Orders” voted and approved by City Council.

*Assigned* – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the City’s structure, only authorized assignments for non-contractual encumbrances can be made by individual department heads.

*Unassigned* – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

#### ***Q. Long-term Debt***

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

Long-term debt is reported as liabilities in the government-wide and proprietary funds statements of net position. Material bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

##### Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. 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.

#### ***R. 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 permanent, proprietary and fiduciary funds is retained by the respective funds.

#### ***S. Compensated Absences***

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

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

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

##### Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

***T. Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Waltham Contributory Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***U. Other Postemployment Benefits***

In addition to providing pension benefits, and as more fully described in Note 11, the City provides health, dental and life insurance coverage for current and future retirees and their spouses.

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

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

***W. 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 presented 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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*****A. 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.

Generally, expenditures may not exceed the level of spending (personnel, general, equipment/unusual, capital improvement and special) authorized for an appropriation account. However, the City is statutorily required to pay debt service and certain other obligations, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund and community preservation fund in conformity with the guidelines described above. The original fiscal year 2018 approved budget for the general fund authorized \$233,513,149 in appropriations. During fiscal year 2018, supplemental appropriations totaling \$4,890,430 were authorized. The original fiscal year 2018 approved budget for the community preservation fund authorized \$150,051 in appropriations. During fiscal year 2018, supplemental appropriations totaling \$4,985,237 were authorized.

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

#### **B. Fund Deficits**

At June 30, 2018, the following governmental fund deficits exist:

Fund	Amount	Funding Source
Governmental Funds:		
Police and Fire Detail.....	\$ 337,051	User Charges and Available Funds
City Capital Projects.....	108,921	Available Funds
School Capital Projects.....	88,221	Available Funds
School Federal Grants.....	35,213	Federal Grant
Total.....	<u>\$ 569,406</u>	

**NOTE 3 - DEPOSITS AND INVESTMENTS*****City (excluding the Pension Trust Fund)***

The municipal finance laws of the Commonwealth authorize the City to invest temporarily idle cash in bank term deposits and certificates of deposits, and U.S. Treasury and Agency obligations, with maturities of one year or less; U.S. Treasury or Agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool - the Massachusetts Municipal Depository Trust (MMDT). The Treasurer also has expanded investment powers as it relates to certain trust funds (as defined by the Commonwealth), permanent funds and fiduciary funds, which permits investments in equity and other securities.

The MMDT is an external investment pool that meets the criteria established under GASB 79 to report its investments at amortized cost. As such, the City reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds, private purpose trust funds and the pension trust fund are held separately from other City funds.

**Deposits - Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. 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.

As of June 30, 2018, \$12,020,031 of the City's bank balance of \$133,180,328 was uninsured, uncollateralized and exposed to custodial credit risk. The carrying value of the City's deposits totaled \$130,900,344 at June 30, 2018.

**Investments Summary**

The City's investments at June 30, 2018 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Total Amount	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	
<u>Debt Securities:</u>					
U.S. Treasuries.....	\$ 7,896,204	\$ 885,532	\$ 4,121,057	\$ 2,889,615	
U.S. Agencies.....	6,588,804	1,630,435	3,436,314	1,522,055	
Corporate Bonds.....	2,158,417	114,298	1,464,343	579,776	
Municipal Bonds.....	62,018	-	62,018	-	
Money Market Mutual Funds.....	433,110	433,110	-	-	
Fixed Income Mutual Funds.....	1,362,479	1,362,479	-	-	
External Investment Pool (MMDT).....	1,569,656	1,569,656	-	-	
Total Investments.....	20,070,688	\$ 5,995,510	\$ 9,083,732	\$ 4,991,446	
<u>Other Investments:</u>					
Equity Securities.....	13,794,090				
Total Investments.....	\$ 33,864,778				

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The City's investment policy limits 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.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk of investments. As of June 30, 2018, the City was not exposed to custodial credit risk.

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The City's policy is to limit 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, 2018, the credit quality ratings of the City's debt securities are as follows:

Investment Type	Total Amount	Quality Ratings *						
		AAA	AA+	A+	A-	BBB+	BBB	Unrated
U.S. Agencies.....	\$ 6,588,804	\$ 6,588,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Bonds.....	2,158,417	-	-	382,232	1,110,307	252,209	413,669	-
Money Market Mutual Funds.....	433,110	-	-	-	-	-	-	433,110
Municipal Bonds.....	62,018	-	62,018	-	-	-	-	-
Fixed Income Mutual Funds.....	1,362,479	-	-	-	-	-	-	1,362,479
External Investment Pools (MMDT).....	1,569,656	-	-	-	-	-	-	1,569,656
Total.....	\$ 12,174,484	\$ 6,588,804	\$ 62,018	\$ 382,232	\$ 1,110,307	\$ 252,209	\$ 413,669	\$ 3,365,245

\* Per the rating scale of Standard and Poor's (a national credit rating organization)

Investments - Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a policy for concentration of credit risk. As of June 30, 2018, the City's exposure to concentration of credit risk was as follows:

Issuer	Fair Value	Percentage of Total Investments
Federal National Mortgage Association.....	\$ 3,971,084	11.7%
Federal Home Loan Mortgage Corp.....	2,617,722	7.7%

Investments - Fair Value Measurements

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



The City has the following recurring fair value measurements as of June 30, 2018:

Investment Type	Fair Value	Investment Maturities		
		Quoted Prices in	Significant	
		Active Markets for	Other	Significant
		Identical	Observable	Unobservable
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
Investments by Fair Value Level:				
U.S. Treasuries.....	\$ 7,896,204	\$ 7,896,204	\$ -	\$ -
U.S. Agencies.....	6,588,804	6,588,804	-	-
Equity Securities.....	13,794,090	13,794,090	-	-
Money Market Mutual Funds.....	433,110	433,110	-	-
Municipal Bonds.....	62,018	-	62,018	-
Fixed Income Mutual Funds.....	1,362,479	1,362,479	-	-
Corporate Bonds.....	2,158,417	-	2,158,417	-
Total Investments at Fair Value....	32,295,122	\$ 30,074,687	\$ 2,220,435	\$ -
Investments measured at Amortized Cost:				
External Investment Pool (MMDT).....	1,569,656			
Total Investments.....	\$ 33,864,778			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

### ***Pension Trust Fund (The System)***

The System has expanded investment powers, including the ability to invest in real estate and private equity investments. The investment policy objective states that the assets are to be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. This is accomplished through the retention of investment managers that adhere to M.G.L. Chapter 32, Section 23 (3), the Prudent Person rule.

The System has retained an investment consultant to work as a non-discretionary advisor to the Board. The consultant will assist in the development and periodic review of the Investment Policy Statement and the Plan's asset allocations, conduct manager searches when necessary, monitor the performance of the funds, and communicate other matters related to the oversight of the Plan.

The System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee and provides regulatory oversight. The System does not have the ability to control any of the investment decisions related to its funds in PRIT.

### **Deposits - Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the System's deposits may not be recovered. The System does not have a policy for custodial credit risk of deposits. As of December 31, 2017, the System was not exposed to custodial credit risk. The System had no deposits at December 31, 2017.

Investments Summary

The System's investments at December 31, 2017 are presented below. All investments are presented by investment type with debt securities presented by maturity.

Investment Type	Total Amount	Investment Maturities (in Years) Less Than 1
<u>Debt Securities:</u>		
Money Market Mutual Funds.....	\$ 1,106,049	\$ 1,106,049
Fixed Income Mutual Funds.....	51,408,413	51,408,413
External Investment Pools (PRIT).....	96,430,276	96,430,276
Total Debt Securities.....	148,944,738	\$ 148,944,738
<u>Other Investments:</u>		
Equities and Equity Mutual Funds.....	97,539,883	
Real Estate Funds.....	731,434	
Private Equity Funds.....	1,042,547	
Total Other Investments.....	99,313,864	
Total Investments.....	\$ 248,258,602	

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System does not have a policy for custodial credit risk. As of December 31, 2017, the System's investments were not exposed to custodial credit risk.

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The System does not have a policy for credit risk of debt securities. As of December 31, 2017, the System's debt securities were unrated by a national credit rating organization.

Investments - Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System does not have a policy for concentration of credit risk. As of December 31, 2017, the System was not exposed to concentration of credit risk.

Investments - Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or a deposit. The System does not have a policy for foreign currency risk. As of December 31, 2017, the System had indirect exposure to foreign currency risk for certain equity mutual fund investments in the amount of \$27,883,363.

Investments – Fair Value Measurements

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

The System has the following recurring fair value measurements as of December 31, 2017:

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Equity Securities:</u>				
Equities and Equity Mutual Funds.....	\$ 97,539,883	\$ 97,539,883	\$ -	\$ -
<u>Debt Securities:</u>				
Money Market Mutual Funds.....	1,106,049	1,106,049	-	-
Fixed Income Mutual Funds.....	51,408,413	51,408,413	-	-
External Investment Pool (PRIT).....	96,430,276	-	96,430,276	-
Total Investments by Fair Value Level.....	246,484,621	\$ 150,054,345	\$ 96,430,276	\$ -
<u>Investments measured at the NAV:</u>				
Real Estate .....	731,434			
Private Equity.....	1,042,547			
Total Investments measured at the NAV....	1,773,981			
Total Investments measured at Fair Value....	\$ 248,258,602			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

The PRIT fund is an external investment pool (level 2) that is not registered with the Securities and Exchange Commission, but is subject to oversight provided by the Pension Reserves Investment Management Board (the PRIM Board). The PRIM Board was created by legislation to provide general supervision of the investments and management of PRIT. PRIT is not a rated fund. The fair value of the PRIT pooled fund is based on unit value as reported by management of the PRIT fund. The PRIT fund issues separately available audited financial statements. The Plan is required to provide a 30 day redemption notice for this investment.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate (1).....	\$ 731,434	\$ -	N/A	N/A
Private Equity (2).....	1,042,547	400,915	N/A	N/A
Total Investments Measured at the NAV.....	\$ 1,773,981			

- (1) Real Estate: This type includes 3 real estate funds that invest primarily in U.S. commercial real estate and value added opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The investments can never be redeemed with the funds. Distributions from each of these funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 2 years.
- (2) Private Equity: This type includes 7 private equity funds that consist primarily of limited partnership interests in private equity and venture capital funds, which include leveraged buy-out, mezzanine investments, and early start-up financing type investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The remaining investments can never be redeemed with the funds. Distributions from each of these funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 4 years.

#### NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2018, receivables for the individual major governmental funds and nonmajor governmental, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real Estate and Personal Property Taxes....	\$ 1,993,207	\$ -	\$ 1,993,207
Real Estate Tax Deferrals.....	326,190	-	326,190
Tax Liens.....	1,019,058	-	1,019,058
Motor Vehicle and Other Excise Taxes.....	2,209,606	(1,238,182)	971,424
Community Preservation Taxes.....	54,669	-	54,669
Special Assessments.....	6,179	-	6,179
Departmental and Other.....	1,333,960	(386,634)	947,326
Intergovernmental.....	3,151,061	-	3,151,061
Loans.....	1,833,966	-	1,833,966
	<u>\$ 11,927,896</u>	<u>\$ (1,624,816)</u>	<u>\$ 10,303,080</u>

At June 30, 2018, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User Charges.....	\$ 4,532,890	\$ -	\$ 4,532,890
Water and Sewer Liens.....	194,836	-	194,836
	<u>\$ 4,727,726</u>	<u>\$ -</u>	<u>\$ 4,727,726</u>

**NOTE 5 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Land.....	\$ 26,340,745	\$ 3,302,547	\$ -	\$ 29,643,292
Construction In Progress.....	-	438,534	-	438,534
Total Capital Assets Not Being Depreciated.....	26,340,745	3,741,081	-	30,081,826
<u>Capital Assets Being Depreciated:</u>				
Land Improvements.....	26,628,374	1,372,300	-	28,000,674
Buildings and Improvements.....	247,512,229	869,648	(178,079)	248,203,798
Equipment.....	31,920,629	2,303,445	(2,395,652)	31,828,422
Infrastructure.....	75,622,062	1,805,837	-	77,427,899
Library Books.....	1,326,612	331,713	(256,922)	1,401,403
Total Capital Assets Being Depreciated.....	383,009,906	6,682,943	(2,830,653)	386,862,196
<u>Less Accumulated Depreciation For:</u>				
Land Improvements.....	(12,699,957)	(1,306,389)	-	(14,006,346)
Buildings and Improvements.....	(92,595,288)	(5,956,860)	-	(98,552,148)
Equipment.....	(23,230,924)	(2,037,360)	1,644,707	(23,623,577)
Infrastructure.....	(40,778,619)	(3,594,144)	-	(44,372,763)
Library Books.....	(645,475)	(272,802)	256,922	(661,355)
Total Accumulated Depreciation.....	(169,950,263)	(13,167,555)	1,901,629	(181,216,189)
Total Capital Assets Being Depreciated, Net.....	213,059,643	(6,484,612)	(929,024)	205,646,007
Total Governmental Activities Capital Assets, Net.....	\$ 239,400,388	\$ (2,743,531)	\$ (929,024)	\$ 235,727,833

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Sewer Enterprise Fund:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Land.....	\$ 38,550	\$ -	\$ -	\$ 38,550
Construction In Progress.....	-	472,973	-	472,973
Total Capital Assets Not Being Depreciated.....	38,550	472,973	-	511,523
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements.....	3,185,587	-	-	3,185,587
Equipment.....	1,607,677	666,002	-	2,273,679
Infrastructure.....	45,643,484	1,817,065	-	47,460,549
Total Capital Assets Being Depreciated.....	50,436,748	2,483,067	-	52,919,815
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(1,841,556)	(70,703)	-	(1,912,259)
Equipment.....	(1,119,405)	(114,991)	-	(1,234,396)
Infrastructure.....	(23,766,976)	(730,139)	-	(24,497,115)
Total Accumulated Depreciation.....	(26,727,937)	(915,833)	-	(27,643,770)
Total Capital Assets Being Depreciated, Net.....	23,708,811	1,567,234	-	25,276,045
Total Sewer Enterprise Capital Assets, Net.....	\$ 23,747,361	\$ 2,040,207	\$ -	\$ 25,787,568
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water Enterprise Fund:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Construction in Progress.....	\$ 740,842	\$ 188,367	\$ (740,842)	\$ 188,367
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements.....	1,104,422	-	-	1,104,422
Equipment.....	3,308,580	25,402	-	3,333,982
Infrastructure.....	22,277,708	2,594,623	-	24,872,331
Total Capital Assets Being Depreciated.....	26,690,710	2,620,025	-	29,310,735
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(1,090,618)	(13,804)	-	(1,104,422)
Equipment.....	(2,140,380)	(243,684)	-	(2,384,064)
Infrastructure.....	(13,464,740)	(388,918)	-	(13,853,658)
Total Accumulated Depreciation.....	(16,695,738)	(646,406)	-	(17,342,144)
Total Capital Assets Being Depreciated, Net.....	9,994,972	1,973,619	-	11,968,591
Total Water Enterprise Capital Assets, Net.....	\$ 10,735,814	\$ 2,161,986	\$ (740,842)	\$ 12,156,958

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Veterans Memorial Rink Enterprise Fund:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Buildings and Improvements.....	\$ 102,355	\$ -	\$ -	\$ 102,355
Equipment.....	143,289	-	-	143,289
Total Capital Assets Being Depreciated.....	245,644	-	-	245,644
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(37,128)	(6,279)	-	(43,407)
Equipment.....	(118,706)	(1,966)	-	(120,672)
Total Accumulated Depreciation.....	(155,834)	(8,245)	-	(164,079)
Total Veterans Memorial Rink Enterprise Capital Assets, Net.....	\$ 89,810	\$ (8,245)	\$ -	\$ 81,565
Total Business-Type Activities Capital Assets, Net.....	\$ 34,572,985	\$ 4,193,948	\$ (740,842)	\$ 38,026,091

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

**Governmental Activities:**

General Government.....	\$ 330,104
Public Safety.....	1,166,000
Education.....	5,638,332
Public Works.....	3,515,782
Health and Human Services.....	36,164
Culture and Recreation.....	1,295,052
Community Development.....	1,186,121
Total Depreciation Expense - Governmental Activities.....	\$ 13,167,555

**Business-Type Activities:**

Sewer.....	\$ 915,833
Water.....	646,406
Veterans Memorial Rink.....	8,245
Total Depreciation Expense - Business-Type Activities.....	\$ 1,570,484

**NOTE 6 - NET INVESTMENT IN CAPITAL ASSETS**

The City's net investment in capital assets at June 30, 2018, is summarized as follows:

***Governmental Activities***

Capital Assets.....	\$ 416,944,023
Less Accumulated Depreciation.....	(181,216,190)
Less Outstanding Bonds and Notes Payable.....	(65,272,366)
Add Unspent Proceeds of Capital Related Debt....	1,775,103
Net Investment in Capital Assets.....	<u>\$ 172,230,570</u>

***Business-Type Activities***

Capital Assets.....	\$ 83,176,085
Less Accumulated Depreciation.....	(45,149,994)
Less Outstanding Bonds and Notes Payable.....	(26,741,707)
Add Unspent Proceeds of Capital Related Debt....	6,421,348
Net Investment in Capital Assets.....	<u>\$ 17,705,732</u>

**NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Receivables and payables between funds at June 30, 2018 are summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund.....	Highway Projects Nonmajor Fund.....	\$ 166,486 (1)
General Fund.....	Police and Fire Detail Nonmajor Fund.....	294,207 (1)
General Fund.....	School Federal Grants Nonmajor Fund.....	414,098 (1)
General Fund.....	City Federal Grants Nonmajor Fund.....	80,117 (1)
General Fund.....	City State Grants Nonmajor Fund.....	10,723 (1)
		<u>\$ 965,631</u>

(1) Represents temporary cash advances to the respective funds.

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

Transfers Out:	Transfers In:					Total
	General Fund	Nonmajor Governmental Funds	Sewer Enterprise Funds	Water Enterprise Fund	Veterans Memorial Rink Enterprise Fund	
General Fund.....	\$ -	\$ 1,900	\$ 23,500	\$ 49,000	\$ 86,500	\$ 160,900 (1)
Nonmajor Governmental Funds.....	54,113	-	-	-	-	54,113 (2)
	<u>\$ 54,113</u>	<u>\$ 1,900</u>	<u>\$ 23,500</u>	<u>\$ 49,000</u>	<u>\$ 86,500</u>	<u>\$ 215,013</u>

(1) Represents budgeted transfers to parking management fund (\$1,900), sewer enterprise fund (\$23,500), water enterprise fund (\$49,000) and Veterans Memorial Rink fund (\$86,500)

(2) Represents budgeted transfers from building code violations (\$5,000), library state aid (\$48,100) and insurance recovery (\$1,013)



**NOTE 8 – 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 anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

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, 2018, is as follows:

*Notes Payable - Governmental Funds*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2017	Increases	Decreases	Balance at June 30, 2018
BAN	CPW Equipment .....	6/28/18	6/27/19	3.00%	\$ -	\$ 1,008,000	\$ -	\$ 1,008,000
BAN	Fire Equipment.....	6/28/18	6/27/19	3.00%	-	776,340	-	776,340
BAN	Building Construction (School).....	6/28/18	6/27/19	3.00%	-	79,445	-	79,445
BAN	Building Renovations.....	6/28/18	6/27/19	3.00%	-	59,500	-	59,500
BAN	Design/Engineering.....	6/28/18	6/27/19	3.00%	-	40,000	-	40,000
BAN	Technology.....	6/28/18	6/27/19	3.00%	-	25,000	-	25,000
Total.....					\$ -	\$ 1,988,285	\$ -	\$ 1,988,285

*Notes Payable - Sewer Enterprise Fund*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2017	Increases	Decreases	Balance at June 30, 2018
BAN	Sewer Improvements.....	6/28/18	6/27/19	3.00%	\$ -	\$ 2,464,194	\$ -	\$ 2,464,194
BAN	Sewer/Drain Improvements.....	6/28/18	6/27/19	3.00%	-	150,000	-	150,000
Total.....					\$ -	\$ 2,614,194	\$ -	\$ 2,614,194

*Notes Payable - Water Enterprise Fund*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2017	Increases	Decreases	Balance at June 30, 2018
BAN	Water Improvements.....	6/28/18	6/27/19	3.00%	\$ -	\$ 416,000	\$ -	\$ 416,000

*Notes Payable - Veterans Memorial Rink Enterprise Fund*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2017	Increases	Decreases	Balance at June 30, 2018
BAN	Veterans Rink Equipment .....	6/28/18	6/27/19	3.00%	\$ -	\$ 660,000	\$ -	\$ 660,000

**NOTE 9 - LONG-TERM OBLIGATIONS**

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2018:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion
<b>Governmental Activities:</b>					
Bonds and Notes Payable.....	\$ 68,914,654	\$ -	\$ (8,501,238)	\$ 60,413,416	\$ 8,251,238
Unamortized Deferred Premium....	3,189,677	-	(319,012)	2,870,665	281,810
Bonds and Notes Payable, Gross...	72,104,331	-	(8,820,250)	63,284,081	8,533,048
Workers' Compensation Claims.....	362,677	512,458	(405,905)	469,230	469,230
Total OPEB Liability.....	563,194,475 *	40,077,440	(18,160,406)	585,111,509	-
Net Pension Liability.....	160,084,947	16,050,967	(34,986,239)	141,149,675	-
Compensated Absences.....	8,947,751	-	(75,576)	8,872,175	3,679,505
Total.....	\$ 804,694,181	\$ 56,640,865	\$ (62,448,376)	\$ 798,886,670	\$ 12,681,783
<b>Business-Type Activities:</b>					
Bonds and Notes Payable.....	\$ 24,742,031	\$ -	\$ (2,692,059)	\$ 22,049,972	\$ 2,697,553
Unamortized Deferred Premium....	1,093,967	-	(92,425)	1,001,542	92,425
Bonds and Notes Payable, Gross...	25,835,998	-	(2,784,484)	23,051,514	2,789,978
Total OPEB Liability.....	10,184,220 *	724,719	(328,394)	10,580,545	-
Net Pension Liability.....	6,165,341	424,357	(1,328,312)	5,261,386	-
Compensated Absences.....	320,334	-	(763)	319,571	149,318
Total.....	\$ 42,505,893	\$ 1,149,076	\$ (4,441,953)	\$ 39,213,016	\$ 2,939,296

\*Beginning balances were restated as a result of the implementation of GASB Statement No. 75

The governmental activities long-term obligations are generally liquidated by the general fund.

**NOTE 10 - LONG-TERM DEBT**

Details related to the outstanding indebtedness at June 30, 2018, and the debt service requirements are as follows:

***Bonds and Notes Payable - Governmental Funds***

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2017	Issued	Redeemed	Outstanding at June 30, 2018
Building Renovations (City).....	9/17/27	2.00 - 5.00%	\$ 868,000	\$ -	\$ (161,000)	\$ 707,000
School Construction (MSBA Project).....	9/15/28	2.00 - 5.00%	28,049,654	-	(2,926,638)	25,123,016
Land Development.....	9/15/23	2.00 - 5.00%	1,846,000	-	(401,000)	1,445,000
Land Acquisition.....	9/15/27	2.00 - 5.00%	3,285,000	-	(525,000)	2,760,000
Equipment (City).....	9/15/18	2.00 - 5.00%	426,000	-	(213,000)	213,000
Signals and Communications.....	9/15/17	2.00 - 5.00%	32,000	-	(32,000)	-
Streets/Sidewalk Improvements.....	9/15/28	3.00 - 5.00%	500,000	-	(45,000)	455,000
Street Reconstruction.....	9/15/28	3.00 - 5.00%	125,000	-	(15,000)	110,000
Land Acquisition.....	2/1/32	3.00 - 5.00%	2,400,000	-	(160,000)	2,240,000
Building Renovations (City/School).....	2/1/32	3.00 - 5.00%	1,868,000	-	(149,600)	1,718,400
Equipment (City).....	2/1/21	3.00 - 5.00%	598,000	-	(167,000)	431,000
Land Development.....	2/1/27	3.00 - 5.00%	991,000	-	(109,000)	882,000
Incinerator Facility Removal.....	2/1/27	3.00 - 5.00%	645,000	-	(85,000)	560,000
City Yard Structures.....	2/1/27	3.00 - 5.00%	356,000	-	(36,000)	320,000
Design/Engineering (Recreation).....	2/1/25	3.00 - 5.00%	120,000	-	(16,000)	104,000
Technology (City).....	2/1/19	3.00 - 5.00%	11,000	-	(6,000)	5,000
Building Renovations (School).....	2/1/33	2.00 - 4.25%	345,000	-	(25,000)	320,000
Equipment (School).....	2/1/22	2.00 - 4.00%	275,000	-	(55,000)	220,000
Building Renovations (City).....	2/1/28	2.00 - 4.00%	585,000	-	(150,000)	435,000
Equipment.....	2/1/22	2.00 - 4.00%	135,000	-	(115,000)	20,000
Land Development.....	2/1/27	2.00 - 4.00%	945,000	-	(100,000)	845,000
Street/Sidewalk Improvements.....	2/1/28	2.00 - 4.00%	1,220,000	-	(145,000)	1,075,000
Technology.....	2/1/22	2.00 - 4.00%	50,000	-	(10,000)	40,000
Land Acquisition.....	2/1/33	2.00 - 4.25%	775,000	-	(50,000)	725,000
Land Acquisition.....	2/1/22	2.00 - 4.00%	850,000	-	(180,000)	670,000
Design/Engineering (School).....	5/1/34	2.50 - 5.00%	130,000	-	(10,000)	120,000
Design/Engineering (School).....	5/1/30	2.50 - 5.00%	65,000	-	(5,000)	60,000
Building Renovations (City).....	5/1/24	3.00 - 5.00%	35,000	-	(5,000)	30,000
Technology (School).....	5/1/19	4.00 - 5.00%	30,000	-	(15,000)	15,000
Street/Sidewalk Improvements.....	5/1/24	3.00 - 5.00%	1,480,000	-	(215,000)	1,265,000
Street Reconstruction.....	5/1/18	4.00 - 5.00%	5,000	-	(5,000)	-
Street/Sidewalk Improvements.....	5/1/19	4.00 - 5.00%	10,000	-	(5,000)	5,000
Signals & Communications.....	5/1/24	3.00 - 5.00%	45,000	-	(10,000)	35,000
Equipment (Fire).....	5/1/19	4.00 - 5.00%	90,000	-	(45,000)	45,000
Design/Engineering (Recreation).....	5/1/19	4.00 - 5.00%	60,000	-	(30,000)	30,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	10,000	-	(5,000)	5,000
Equipment (Police).....	5/1/19	4.00 - 5.00%	110,000	-	(55,000)	55,000
Revaluation (Assessor).....	5/1/24	3.00 - 5.00%	100,000	-	(15,000)	85,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	120,000	-	(60,000)	60,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	20,000	-	(10,000)	10,000
Street/Sidewalk Improvements.....	5/1/24	3.00 - 5.00%	175,000	-	(25,000)	150,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	40,000	-	(20,000)	20,000
Land Acquisition.....	5/1/34	2.50 - 5.00%	340,000	-	(20,000)	320,000
Equipment (School).....	6/15/20	4.00%	341,000	-	(101,000)	240,000
Equipment (School).....	6/15/22	4.00%	159,000	-	(49,000)	110,000
Land Acquisition.....	6/15/36	3.00 - 4.00%	1,005,000	-	(55,000)	950,000
Land Acquisition.....	6/15/36	3.00 - 4.00%	875,000	-	(45,000)	830,000
Building Renovations (City).....	6/15/27	4.00%	240,000	-	(25,000)	215,000
Sidewalks Main & Moody.....	6/15/27	4.00%	2,000,000	-	(200,000)	1,800,000
Sidewalks Main & Moody.....	6/15/27	4.00%	2,297,095	-	(232,095)	2,065,000
Street/Sidewalk Improvements.....	6/15/27	4.00%	3,000,000	-	(300,000)	2,700,000
Street/Sidewalk Improvements.....	6/15/27	4.00%	1,400,000	-	(140,000)	1,260,000
Street/Sidewalk Improvements.....	6/15/27	4.00%	1,012,000	-	(107,000)	905,000
Equipment (Public Works).....	6/15/20	4.00%	192,000	-	(62,000)	130,000
Equipment (Fire).....	6/15/22	4.00%	825,000	-	(165,000)	660,000
Equipment (Public Works).....	6/15/22	4.00%	540,000	-	(110,000)	430,000
Signals & Communications (Police).....	6/15/26	4.00%	42,800	-	(2,800)	40,000
Public Lighting Main & Moody.....	6/15/25	4.00%	1,000,000	-	(125,000)	875,000
Public Lighting Main & Moody.....	6/15/26	4.00%	1,112,905	-	(122,905)	990,000
Revaluation (Assessor).....	6/15/26	4.00%	144,200	-	(19,200)	125,000
Design/Engineering (Traffic).....	6/15/21	4.00%	30,000	-	(10,000)	20,000
Land Development (Recreation).....	6/15/30	4.00%	325,000	-	(25,000)	300,000
Land Development (Recreation).....	6/15/30	4.00%	715,000	-	(55,000)	660,000
Land Development (Recreation).....	6/15/32	4.00%	325,000	-	(25,000)	300,000
Land Development (Recreation).....	6/15/31	4.00%	1,130,000	-	(85,000)	1,045,000
Technology (Auditor).....	6/15/22	4.00%	38,000	-	(8,000)	30,000
Sub-Total.....			68,914,654	-	(8,501,238)	60,413,416
Add: Unamortized Premium.....			3,189,677	-	(319,012)	2,870,665
Total Governmental Funds.....			\$ 72,104,331	\$ -	\$ (8,820,250)	\$ 63,284,081

Debt service requirements for principal and interest for governmental funds in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019.....	\$ 8,251,238	\$ 2,212,748	\$ 10,463,986
2020.....	7,711,238	1,876,713	9,587,951
2021.....	7,226,238	1,574,478	8,800,716
2022.....	7,021,238	1,296,159	8,317,397
2023.....	5,907,238	1,028,424	6,935,662
2024.....	5,777,238	814,415	6,591,653
2025.....	5,447,238	606,772	6,054,010
2026.....	4,278,238	414,186	4,692,424
2027.....	3,428,238	275,237	3,703,475
2028.....	1,678,238	162,896	1,841,134
2029.....	1,509,236	113,724	1,622,960
2030.....	642,600	73,442	716,042
2031.....	557,600	50,602	608,202
2032.....	472,600	31,047	503,647
2033.....	180,000	16,057	196,057
2034.....	125,000	9,872	134,872
2035.....	100,000	6,000	106,000
2036.....	100,000	2,997	102,997
Total.....	\$ <u>60,413,416</u>	\$ <u>10,565,769</u>	\$ <u>70,979,185</u>

**Bonds and Notes Payable – Enterprise Funds****Sewer Enterprise**

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2017	Issued	Redeemed	Outstanding at June 30, 2018
Sewer Improvements.....	11/15/26	2.00 - 5.00%	\$ 1,935,000	\$ -	\$ (215,000)	\$ 1,720,000
Sewer Improvements.....	9/15/28	4.00%	425,000	-	(39,000)	386,000
Sewer Equipment.....	9/15/28	2.00 - 5.00%	266,000	-	(73,000)	193,000
Sewer Improvements (MCWT).....	7/8/30	2.00%	1,741,034	-	(241,328)	1,499,706
Sewer Improvements.....	2/1/32	3.00 - 5.00%	1,994,250	-	(133,550)	1,860,700
Sewer Improvements.....	2/1/32	3.00 - 5.00%	2,899,250	-	(193,750)	2,705,500
Sewer Improvements (MCWT).....	7/15/18	2.00%	33,742	-	(16,689)	17,053
Traffic & Signal Improvements.....	2/1/22	3.00 - 5.00%	170,000	-	(41,000)	129,000
Sewer Improvements.....	2/1/33	2.00 - 4.25%	1,115,000	-	(75,000)	1,040,000
Sewer Improvements (MCWT).....	7/15/32	2.00%	228,462	-	(12,093)	216,369
Sewer Improvements (MWRA) (Cedarwood).....	2/15/25	0.00%	471,000	-	(58,875)	412,125
Sewer Improvements (MWRA) (Cedarwood).....	2/15/20	0.00%	400,620	-	(133,540)	267,080
Sewer Improvements.....	6/15/24	4.00%	32,000	-	(2,000)	30,000
Sewer Improvements.....	6/15/25	4.00%	950,000	-	(120,000)	830,000
Sewer Improvements.....	6/15/27	4.00%	3,029,000	-	(304,000)	2,725,000
Sub-Total.....			15,690,358	-	(1,658,825)	14,031,533
Add: Unamortized Premium.....			916,033	-	(78,443)	837,590
Total Sewer Enterprise.....			\$ 16,606,391	\$ -	\$ (1,737,268)	\$ 14,869,123

Debt service requirements for principal and interest for the sewer enterprise fund in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2019.....	\$ 1,670,319	\$ 484,464	\$ 2,154,782
2020.....	1,475,392	425,380	1,900,772
2021.....	1,344,869	377,710	1,722,579
2022.....	1,317,944	330,049	1,647,993
2023.....	1,315,083	276,560	1,591,643
2024.....	1,313,287	230,420	1,543,707
2025.....	1,316,555	184,134	1,500,689
2026.....	1,080,013	138,915	1,218,928
2027.....	903,415	102,896	1,006,311
2028.....	477,963	72,834	550,797
2029.....	472,697	56,868	529,565
2030.....	427,448	42,772	470,220
2031.....	428,212	29,069	457,281
2032.....	406,640	15,783	422,423
2033.....	81,696	2,931	84,627
Total.....	\$ 14,031,533	\$ 2,770,786	\$ 16,802,319

Water Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2017	Issued	Redeemed	Outstanding at June 30, 2018
Water Improvements.....	9/15/28	4.10 - 5.00%	\$ 155,000	\$ -	\$ (15,000)	\$ 140,000
Water Improvements.....	9/15/28	4.00%	1,042,000	-	(91,000)	951,000
Water Improvements.....	9/15/18	3.00 - 5.00%	14,000	-	(7,000)	7,000
Water Improvements (MWRA).....	11/15/21	0.00%	686,608	-	(171,652)	514,956
Water Improvements.....	2/1/32	3.00 - 5.00%	298,500	-	(19,900)	278,600
Water Improvements.....	2/1/32	3.00 - 5.00%	857,500	-	(58,100)	799,400
Water Improvements.....	2/1/32	3.00 - 5.00%	376,500	-	(25,100)	351,400
Water Improvements (MWRA).....	5/15/23	0.00%	1,293,870	-	(215,645)	1,078,225
Water Improvements.....	2/1/33	2.00 - 4.25%	795,000	-	(70,000)	725,000
Water Improvements.....	5/1/21	4.00 - 5.00%	20,000	-	(5,000)	15,000
Water Improvements.....	5/1/34	2.50 - 5.00%	170,000	-	(10,000)	160,000
Water Improvements (MWRA).....	8/15/24	0.00%	382,695	-	(47,837)	334,858
Water Improvements (MWRA).....	5/15/27	0.00%	2,520,000	-	(252,000)	2,268,000
Water Improvements.....	6/15/26	4.00%	45,000	-	(5,000)	40,000
Water Improvements.....	6/15/27	4.00%	395,000	-	(40,000)	355,000
Sub-Total.....			9,051,673	-	(1,033,234)	8,018,439
Add: Unamortized Premium.....			177,934	-	(13,982)	163,952
Total Water Enterprise.....			\$ 9,229,607	\$ -	\$ (1,047,216)	\$ 8,182,391

Debt service requirements for principal and interest for the water enterprise fund in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2019..... \$	1,027,234	\$ 140,357	\$ 1,167,591
2020.....	1,020,234	125,059	1,145,293
2021.....	1,005,234	112,226	1,117,460
2022.....	828,582	100,523	929,105
2023.....	823,582	87,078	910,660
2024.....	607,937	76,225	684,162
2025.....	602,936	65,516	668,452
2026.....	555,100	54,784	609,884
2027.....	545,100	43,858	588,958
2028.....	258,100	33,091	291,191
2029.....	208,100	24,723	232,823
2030.....	157,100	18,477	175,577
2031.....	157,100	13,202	170,302
2032.....	157,100	7,904	165,004
2033.....	55,000	2,600	57,600
2034.....	10,000	346	10,346
Total..... \$	\$ 8,018,439	\$ 905,969	\$ 8,924,408

The Massachusetts Water Resource Authority (MWRA) operates financial assistance programs for community owned collection systems. Financial assistance received from the MWRA consists of non-interest bearing loans (payable in five equal annual installments) and, in some instances, grants. MWRA bonds outstanding at June 30, 2018, totals \$679,205 and \$4,196,039 for sewer and water enterprise funds, respectively.

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2018, the City had the following authorized and unissued debt:

Purpose	Amount
Land Acquisition.....	\$ 18,000,000
Sewer.....	2,798,746
Street & Traffic Improvements.....	1,549,000
Water.....	1,061,972
Design/Planning/Engineering.....	817,329
Equipment.....	297,000
Land Development.....	51,000
Technology.....	16,000
Police Communication System.....	2,420
Disposal Facility Removal.....	1,000
Total.....	<u>\$ 24,594,467</u>

#### Subsequent Event

On September 27, 2018, the City issued \$18,000,000 in BAN's that bear interest at 3.00% and are due on June 27, 2019. The proceeds of the BAN were used to acquire land for educational use, open space, recreational use, temporary housing use and/or cemetery use.

**NOTE 11 – OTHER POST EMPLOYMENT BENEFITS**

**Plan Description** – The City’s defined benefit OPEB plan provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the “Plan”) as a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand-alone financial report.

The City established an Other Post-Employment Benefits trust fund under a special act through the Commonwealth of Massachusetts in 2002. However, the trust is not considered a qualifying trust for reporting purposes under GASB Statement No. 74 and 75. The City has contributed over \$9.8 million to the trust fund and its current value as of June 30, 2018 is approximately \$11.6 million. Of this balance, \$786,000 is attributable to employee contributions received under an ongoing provision of the collective bargaining agreements between the City and its unions. Non-union employees are also required to contribute to the OPEB trust fund.

**Benefits Provided** – The City provides health, dental and life insurance coverage for its retirees and their survivors. The contribution requirements of Plan members and the City are established and may be amended by the City. The required health and dental insurance (including Medicare Part B) contribution rates of Plan members and the City are between 1.0% to 12.5% and 87.5% to 99.0%, respectively, depending on the plan elected. The Plan members and the City each contribute 50% towards a \$5,000 term life insurance premium. The City currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the City.

**Employees covered by benefit terms** – At June 30, 2018, the following employees were covered by the benefit terms.

Active Employees.....	1,540
Retirees and Survivors.....	1,912
Total.....	<u>3,452</u>

**Total OPEB Liability**

The City’s total OPEB liability of \$595,692,054 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2018 actuarial valuation and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	3.75%, net of investment expenses
Healthcare/Medical cost inflation rate:	5.5% decreasing a half percent annually for 2 years to an ultimate level of 4.5% per year
Age-based Morbidity:	Medical costs are adjusted to reflect expected cost increases related to age. The increase in the net costs assumed to be: 49 and below – 2.6%, 50-54 – 3.2%, 55-59 – 3.4%, 60-64 – 3.7%, 65-69 – 3.2%, 70-74 – 2.4%, 75-79 – 1.8%, 80 and over – 0.0%.



Mortality (Non-Teachers): It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2014, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.

Mortality (Teachers): It is assumed that pre-retirement mortality, retiree mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2017, fully generational. For the period after disability retirement, the RP-2000 Combined Healthy Table set forward 2 years is used.

### Changes in Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2017..... \$	573,378,695
Changes for the year:	
Service cost.....	18,933,911
Interest.....	21,868,248
Benefits payments.....	(18,488,800)
Net Changes.....	22,313,359
Balances at June 30, 2018..... \$	595,692,054

**Sensitivity of the total OPEB liability to changes in the discount rate** – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Total OPEB Liability	\$ 702,375,849	\$ 595,692,054	\$ 511,789,584

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates** – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 504,257,129	\$ 595,692,054	\$ 714,503,850

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

For the year ended June 30, 2018, the City recognized OPEB expenses of \$40,802,159. At June 30, 2018, the City did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

**NOTE 12 - 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 healthcare plans for its active employees and retirees, as well as being self-insured. These 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.

The City is also self-insured for its workers' compensation and unemployment compensation activities.

**A. Health Insurance**

Health insurance claims are administered by a third party administrator and are funded from the City's internal service fund. The estimate of "Incurred But Not Reported (IBNR)" claims is based on approximately one 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 \$300,000 per claim. At June 30, 2018, the amount of the liability for health insurance claims totaled \$2,500,000. Changes in the reported liability since July 1, 2016, are as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2017..... \$	2,789,724 \$	47,348,141 \$	(47,803,196) \$	2,334,669
Fiscal year 2018.....	2,334,669	46,676,692	(46,511,361)	2,500,000

**B. 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 liability is based on history and injury type.

The liability at June 30, 2018, totaled \$469,230. Changes in the reported liability since July 1, 2016, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2017..... \$	307,792	\$ 322,671	\$ (267,786)	\$ 362,677
Fiscal year 2018.....	362,677	512,458	(405,905)	469,230

**NOTE 13 – FUND BALANCES**

The constraints on fund balances as listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Permanent Fund Principal.....	\$ -	\$ -	\$ 2,384,500	\$ 2,384,500
<b>Restricted:</b>				
Community Preservation.....	-	23,846,373	-	23,846,373
OPEB.....	11,615,214	-	-	11,615,214
Other Special Revenue.....	-	-	8,681,932	8,681,932
City Federal Grants.....	-	-	3,283	3,283
City State Grants.....	-	-	278,231	278,231
School State Grants.....	-	-	14,237	14,237
Insurance Recovery.....	-	-	87,216	87,216
Gifts.....	-	-	814,855	814,855
Sale of Lots/Graves.....	-	-	1,582,012	1,582,012
Revenue Reserve.....	-	-	1,887,801	1,887,801
School Lunch.....	-	-	1,298,940	1,298,940
Parking Meters.....	-	-	2,124,594	2,124,594
UDAG Nova Biomedical.....	-	-	20,175	20,175
Vocational School Reserve.....	-	-	6,818	6,818
Public Safety Funds.....	-	-	7,467,436	7,467,436
Traffic Impact Fund.....	-	-	4,831,514	4,831,514
Waltham Housing.....	-	-	1,567,409	1,567,409
Cemetery Trust Funds.....	-	-	24,711	24,711
Other Permanent Funds.....	-	-	299,595	299,595
Sub-Total - Restricted.....	11,615,214	23,846,373	30,990,759	66,452,346
<b>Committed:</b>				
Debt Service.....	1,039,163	-	-	1,039,163
General Government.....	849,383	-	-	849,383
Public Safety.....	2,008,047	-	-	2,008,047
Education.....	955,024	-	-	955,024
Public Works.....	173,059	-	-	173,059
Health and human services.....	33,662	-	-	33,662
Culture and recreation.....	177,930	-	-	177,930
Community Development.....	176,184	-	-	176,184
Sub-Total - Committed.....	5,412,452	-	-	5,412,452
<b>Assigned:</b>				
General Government.....	765,364	-	-	765,364
Public Safety.....	1,069,976	-	-	1,069,976
Education.....	1,892,944	-	-	1,892,944
Public Works.....	579,077	-	-	579,077
Health and Human Services.....	49,147	-	-	49,147
Culture and Recreation.....	22,094	-	-	22,094
Community Development.....	36,097	-	-	36,097
Sub-Total - Assigned.....	4,414,699	-	-	4,414,699
<b>Unassigned.....</b>	26,865,693	-	(569,406)	26,296,287
	\$ 48,308,058	\$ 23,846,373	\$ 32,805,853	\$ 104,960,284

**NOTE 14 – STABILIZATION FUNDS**

The City maintains stabilization funds that were established under MGL Chapter 40, Section 5B. Appropriations in to the stabilization funds require majority City Council approval, while transfers out require a two-thirds approval. Investment income is retained by the funds.

The balance of the general stabilization fund totals \$615,669 at June 30, 2018 and is reported in the general fund as unassigned fund balance. The balances of the debt service, open space, historical preservation, police, fire and school stabilization funds total \$1,039,163, \$10,763, \$25,000, \$654,100, \$85 and \$193,365, respectively, at June 30, 2018. These funds require city council approval to be used for the intended purposes and therefore are reported as committed fund balance in the general fund.

**NOTE 15 – PENSION PLAN****General Information about the 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 of the City are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System (See Note 16).

Membership in the System was as follows at December 31, 2017:

Active Members.....	921
Inactive Members.....	161
Disabled Members.....	93
Retirees and Beneficiaries currently receiving benefits.....	658
Total.....	<u>1,833</u>

As identified in Note 1, the System is reported as a pension trust fund in these financial statements. The System also issues a publicly available report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 30 Third Street, Suite 301, Fall River, Massachusetts 02720.

*Benefits provided.* Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The plan provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are three classes of membership in the plan; Group 1, Group 2 and Group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have been specified as hazardous. Lastly, Group 4 consists of police officers, firefighters, and other hazardous positions.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with 10 years of service if in group 1, 50 years of age with 10 years of service if in group 2, and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

When a member's retirement becomes effective, their deductions and related interest are transferred to the Annuity Reserve Fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' 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 System and all costs are borne by the System.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status and group classification.

Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Pursuant to MGL, Chapter 32, Section 3(8)(c), for members leaving a system to work for other Massachusetts governmental units, the System transfers their accumulated account balances and creditable service to the retirement system of their new employer. Other such retirement systems are in turn required to make comparable transfers to the System for employees coming to work for a participating employer. Liability for the service transfer is not calculated until the member's actual retirement date. Per statute, the actuary considers length of service as well as acceptance of military service credit and salary cap provisions (if applicable) in calculating the liability.

*Contributions.* Chapter 32 of MGL governs the contributions of plan members and the City. Plan members are required to contribute to the System at rates ranging from 5% to 9% of annual covered compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000. 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 annual covered payroll.

Cost-of-living adjustments (COLA) must be granted by the Board and are the responsibility of the System. COLA cannot exceed 3% of the first \$12,000 in benefits, unless the System elects to increase the maximum base retirement allowance in multiples of \$1,000. The System has elected to increase the COLA base to \$14,000.

For the year ended December 31, 2017, active member contributions totaled \$6,553,300 and employer contributions totaled \$17,233,644. Contributions to the System from the City were \$16,781,631 for the year ended June 30, 2018.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The components of the net pension liability of the System at December 31, 2017, were as follows:

Total Pension Liability.....	\$ 398,684,998
Plan Fiduciary Net Position.....	<u>(248,330,358)</u>
Net Pension Liability.....	<u>\$ 150,354,640</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	62.3%

At June 30, 2018, the City reported a liability of \$146,411,061 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 which was rolled forward to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the City's proportion was 97.3771 percent, which was an increase of 0.0868 percent from its 97.2903 percent proportion measure as of December 31, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$17,168,762 and support provided by nonemployer contributing entities totaled \$693,439. At June 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments.....	\$ -	\$ 6,959,123
Changes in Assumptions.....	2,234,360	-
Differences Between Expected and Actual Experience.....	5,327,442	-
Changes in Proportion.....	<u>263,291</u>	<u>100,769</u>
Totals.....	<u>\$ 7,825,093</u>	<u>\$ 7,059,892</u>

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

<u>Fiscal Year Ended June 30</u>	
2019.....	\$ 3,752,545
2020.....	2,653,663
2021.....	(2,471,022)
2022.....	<u>(3,169,985)</u>
Total.....	<u>\$ 765,201</u>

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation performed of as January 1, 2017 which was rolled forward to the measurement date of December 31, 2017. The following actuarial methods and assumptions apply to all periods included in the measurement.

Methods:

Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	Fair Value

Assumptions:

Salary Increases	3.5% per year
Investment Rate of Return	7.75%
Cost of Living Adjustment	3.0% annually on the first \$14,000
Mortality	Pre-Retirement & Beneficiary - The RP-2014 Blue Collar mortality with scale MP-2014, fully generational.  Post-Retirement Group 1 & 2 - The RP-2000 mortality table set forward five years for males and three years for females, fully generational.  Post-Retirement Group 4 - The RP-2000 mortality table set forward three years for males and six years for females, fully generational.  Disabled Retirees Group 1 & 2 - The RP-2000 mortality table set forward six years.  Disabled Retirees Group 4 - The RP-2000 mortality table set forward two years.  Generational adjusting is based on scale MP-2014.
Retirement Rates	General Employees - 3.6% and 10.2% for males and females, respectively, beginning at age 50 ranging to 100.0% and 100.0% for males and females, respectively, ending at age 80.  Police and Fire - 3.8% beginning at age 50 ranging to 100.0% at age 65.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014.

*Investment Policy and Rates of Return.* Approximately 40% of the System's investments are in the Pension Reserve Investment Trust (PRIT), which was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board. The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

The System's remaining investments are in money market mutual funds, fixed income and equity mutual funds, real estate and private equity investments.

The System's annual money-weighted rate of return on pension plan investments was 15.75%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested, measured monthly.

The pension plan's policy regarding the allocation of invested assets is established by the Retirement Board. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on the system's investments was determined using average return of investments for the past 32 years. The target allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation
US Large Cap.....	6.3%
S&P 500 Index.....	14.1%
US Small/Mid Cap Equity.....	2.8%
US Small/Mid Cap Index.....	4.0%
World Equity ex-US.....	15.3%
Emerging Markets Equity.....	4.3%
US High Yield.....	5.8%
Emerging Markets Debt.....	5.3%
Dynamic Asset Allocation.....	2.6%
Core Fixed Income.....	15.2%
U.S Private Equity.....	5.0%
Moderate Volatility Hedge.....	6.5%
Structured Credit.....	1.4%
Private Real Estate.....	10.0%
Timber.....	1.4%
Totals	100.0%

*Discount rate.* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the System calculated using the discount rate of 7.75%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
System's Net Pension Liability.....	\$ 192,834,191	\$ 150,354,640	\$ 114,228,731



The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's Proportionate Share of the Net Pension Liability.....	\$ 187,776,435	\$ 146,411,061	\$ 111,232,680

*Legally Required Reserve Accounts.* The balance in the System's legally required reserves as of December 31, 2017 are as follows:

Description	Amount	Purpose
Annuity Savings Fund..... \$	70,739,094	Active members' contribution balance
Annuity Reserve Fund.....	16,364,780	Retired members' contribution account
Pension Reserve Fund.....	18,499,318	Amounts appropriated to fund future retirement
Pension Fund.....	142,727,166	Remaining Net Position
Total..... \$	<u>248,330,358</u>	

All reserve accounts are funded at levels required by state law.

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in this financial report.

## NOTE 16 - MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

### General Information about the Pension Plan

*Plan description.* Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers' Retirement Board. The MTRS is part of the Commonwealth of Massachusetts' (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth's audited financial statements that can be obtained at <http://www.mass.gov/osc/publications-and-reports/financial-reports/cafr-reports.html>.

*Benefits provided.* MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

*Contributions.* The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5-9% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Since the City does not contribute directly to MTRS, the City does not report a proportionate share of the net pension liability of the MTRS at June 30, 2018. The Commonwealth's net pension liability associated with the City was \$170,927,597.

The MTRS' net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 rolled forward to June 30, 2017.

For the year ended June 30, 2018, the City recognized pension expense of \$17,840,211 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

*Actuarial assumptions.* The MTRS' total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of January 1, 2017 rolled forward to June 30, 2017. This valuation used the following assumptions:

Investment rate of return - 7.50%

Salary increases - Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service

Mortality Rates - Pre-retirement reflects RP-2014 White Collar Employees Table projected generationally with Scale MP-2016 (gender distinct). Post-retirement reflects RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016 (gender distinct). Disability reflects RP-2014 Healthy Annuitant table projected generationally with Scale BB and a base year 2014 set forward 4 years.

Other - 3.5% interest rate credited to the annuity savings fund and 3.0% cost of living increase per year.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	40%	5.00%
Core Fixed Income.....	12%	1.10%
Hedge Funds.....	0%	3.60%
Private Equity.....	11%	6.60%
Real Estate.....	10%	3.60%
Value Added Fixed Income.....	10%	3.80%
Portfolio Completion Strategies.....	13%	3.60%
Timber/Natural Resources.....	4%	3.20%
Totals.....	100%	

*Discount rate.* The discount rate used to measure the MTRS' total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Pension plan fiduciary net position.* Detailed information about the MTRS' fiduciary net position is available in the Commonwealth's audited financial statements.

**NOTE 17 – COMMITMENTS**

The City has entered into, or is planning to enter into, contracts totaling approximately \$48,390,010 for land purchases, equipment, street and sidewalks, buildings and improvements, and water and sewer infrastructure in accordance with its five-year capital improvement plan.

Other significant commitments include the encumbrances and continuing appropriations outstanding for the general fund, which totaled \$7,415,675 at June 30, 2018.

**NOTE 18 – CONTINGENCIES**

Various legal actions and claims are pending against the City. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2018.

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) through June 30, 2018, 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 the City expects such amounts, if any, to be immaterial.

**NOTE 19 – FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS**

The GASB has issued the following statements:

- Statement No. 83, *Certain Asset Retirement Obligations*, which is required to be implemented during fiscal year 2019. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 84, *Fiduciary Activities*, which is required to be implemented during fiscal year 2020. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 87, *Leases*, which is required to be implemented during fiscal year 2021. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented during fiscal year 2019. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented during fiscal year 2021. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, which is required to be implemented during fiscal year 2020. Management is evaluating the Statement's future impact on the basic financial statements.

These pronouncements will be implemented by their respective implementation dates.

## **Required Supplementary Information**

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>REVENUES</b>				
Real estate and personal property taxes..... \$	-	\$ 179,334,620	\$ -	\$ 179,334,620
Motor vehicle and other excise taxes.....	-	8,270,997	-	8,270,997
Hotel/motel tax.....	-	4,300,000	-	4,300,000
Meals taxes.....	-	1,550,000	-	1,550,000
Tax liens.....	-	-	-	-
Payments in lieu of taxes.....	-	60,000	-	60,000
Intergovernmental .....	-	23,640,229	-	23,640,229
Special assessments.....	-	50,000	-	50,000
Penalties and interest on taxes.....	-	650,000	-	650,000
Licenses and permits.....	-	6,005,000	-	6,005,000
Fines and forfeitures.....	-	550,000	-	550,000
Departmental and other.....	-	1,530,000	-	1,530,000
Investment income.....	-	325,000	-	325,000
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>226,265,846</b>	<b>-</b>	<b>226,265,846</b>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
City Council				
Personnel.....	-	302,095	-	302,095
General.....	2,042	70,100	-	72,142
Equipment/Unusual.....	4,000	17,000	-	21,000
Capital Improvement.....	13,464	-	-	13,464
<b>Total.....</b>	<b>19,506</b>	<b>389,195</b>	<b>-</b>	<b>408,701</b>
Mayor's Office				
Personnel.....	-	312,074	-	312,074
General.....	-	24,750	-	24,750
Equipment/Unusual.....	186,275	378,000	-	564,275
Capital Improvement.....	6,200	-	269,079	275,279
<b>Total.....</b>	<b>192,475</b>	<b>714,824</b>	<b>269,079</b>	<b>1,176,378</b>
Auditors				
Personnel.....	-	591,773	-	591,773
General.....	-	4,800	-	4,800
Equipment/Unusual.....	475,604	1,450,000	(1,654,100)	271,504
Capital Improvement.....	806	-	-	806
<b>Total.....</b>	<b>476,410</b>	<b>2,046,573</b>	<b>(1,654,100)</b>	<b>868,883</b>
Treasurer and Collector				
Personnel.....	-	968,114	-	968,114
General.....	23,637	312,600	-	336,237
Capital Improvement.....	7,358	-	-	7,358
<b>Total.....</b>	<b>30,995</b>	<b>1,280,714</b>	<b>-</b>	<b>1,311,709</b>
Assessors				
Personnel.....	-	495,612	-	495,612
General.....	-	110,120	-	110,120
<b>Total.....</b>	<b>-</b>	<b>605,732</b>	<b>-</b>	<b>605,732</b>
Certification and Interest on Refunds*.....	-	20,000	-	20,000

\* Budgeted amount voted by City Council as part of debt service - interest.

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 177,710,742	\$ -	\$ 177,710,742	\$ (1,623,878)
8,617,711	-	8,617,711	346,714
4,292,785	-	4,292,785	(7,215)
1,612,669	-	1,612,669	62,669
792,606	-	792,606	792,606
77,740	-	77,740	17,740
24,293,544	-	24,293,544	653,315
2,858	-	2,858	(47,142)
699,920	-	699,920	49,920
6,520,040	-	6,520,040	515,040
517,999	-	517,999	(32,001)
1,393,838	-	1,393,838	(136,162)
612,102	-	612,102	287,102
<u>227,144,554</u>	<u>-</u>	<u>227,144,554</u>	<u>878,708</u>
295,748	-	295,748	6,347
64,266	1,490	65,756	6,386
1,500	9,500	11,000	10,000
-	13,464	13,464	-
<u>361,514</u>	<u>24,454</u>	<u>385,968</u>	<u>22,733</u>
282,198	-	282,198	29,876
22,564	228	22,792	1,958
385,760	125,298	511,058	53,217
-	275,279	275,279	-
<u>690,522</u>	<u>400,805</u>	<u>1,091,327</u>	<u>85,051</u>
584,166	-	584,166	7,607
2,765	-	2,765	2,035
8,325	263,179	271,504	-
-	806	806	-
<u>595,256</u>	<u>263,985</u>	<u>859,241</u>	<u>9,642</u>
906,668	-	906,668	61,446
299,631	13,838	313,469	22,768
1,268	6,090	7,358	-
<u>1,207,567</u>	<u>19,928</u>	<u>1,227,495</u>	<u>84,214</u>
445,287	-	445,287	50,325
104,927	-	104,927	5,193
<u>550,214</u>	<u>-</u>	<u>550,214</u>	<u>55,518</u>
-	-	-	20,000

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Purchasing				
Personnel.....	-	252,267	-	252,267
General.....	(37)	5,200	-	5,163
Special.....	814	304,000	-	304,814
Capital Improvement.....	-	-	29,984	29,984
Total.....	777	561,467	29,984	592,228
Trust Funds				
Personnel.....	-	4,000	-	4,000
Law Department				
Personnel.....	-	945,328	-	945,328
General.....	6,511	94,500	-	101,011
Equipment/Unusual.....	51,098	58,500	-	109,598
Capital Improvement.....	4,568	-	-	4,568
Total.....	62,177	1,098,328	-	1,160,505
Building				
Personnel.....	1,725	1,719,386	79,200	1,800,311
General.....	40,936	392,000	55,200	488,136
Equipment/Unusual.....	4,700	-	5,000	9,700
Capital Improvement.....	105,535	-	352,275	457,810
Total.....	152,896	2,111,386	491,675	2,755,957
Utilities				
General.....	2,800	1,075,700	200,000	1,278,500
Central Telephone Service				
Personnel.....	-	28,538	-	28,538
General.....	-	190,000	31,500	221,500
Total.....	-	218,538	31,500	250,038
Human Resources				
Personnel.....	-	323,613	-	323,613
General.....	-	10,450	5,000	15,450
Equipment/Unusual.....	-	28,000	12,000	40,000
Total.....	-	362,063	17,000	379,063
Work Study				
General.....	-	6,000	-	6,000
City Clerk				
Personnel.....	-	351,214	6,500	357,714
General.....	1,107	89,300	-	90,407
Equipment/Unusual.....	1,047	-	1,077	2,124
Capital Improvement.....	32,543	-	-	32,543
Total.....	34,697	440,514	7,577	482,788
Information Technology				
Personnel.....	-	1,134,733	27,300	1,162,033
General.....	6,735	339,639	-	346,374
Equipment/Unusual.....	4,105	30,000	-	34,105
Capital Improvement.....	62,847	-	150,000	212,847
Total.....	73,687	1,504,372	177,300	1,755,359



Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
251,700	-	251,700	567
4,482	-	4,482	681
304,477	-	304,477	337
-	29,984	29,984	-
560,659	29,984	590,643	1,585
3,300	-	3,300	700
945,328	-	945,328	-
68,245	12,820	81,065	19,946
2,522	89,633	92,155	17,443
2,544	2,024	4,568	-
1,018,639	104,477	1,123,116	37,389
1,756,740	-	1,756,740	43,571
416,563	57,457	474,020	14,116
8,014	133	8,147	1,553
127,460	330,350	457,810	-
2,308,777	387,940	2,696,717	59,240
1,198,065	80,435	1,278,500	-
25,797	-	25,797	2,741
206,394	15,106	221,500	-
232,191	15,106	247,297	2,741
317,890	-	317,890	5,723
3,914	164	4,078	11,372
30,661	4,200	34,861	5,139
352,465	4,364	356,829	22,234
5,429	-	5,429	571
323,674	-	323,674	34,040
76,705	4,446	81,151	9,256
1,970	-	1,970	154
-	32,543	32,543	-
402,349	36,989	439,338	43,450
1,131,992	-	1,131,992	30,041
320,086	14,200	334,286	12,088
17,168	11,496	28,664	5,441
60,927	151,920	212,847	-
1,530,173	177,616	1,707,789	47,570

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Voter Registration				
Personnel.....	-	200,227	3,500	203,727
General.....	1,117	172,450	(1,077)	172,490
Capital Improvement.....	8,838	-	-	8,838
Total.....	9,955	372,677	2,423	385,055
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>1,056,375</b>	<b>12,812,083</b>	<b>(427,562)</b>	<b>13,440,896</b>
<b>PUBLIC SAFETY</b>				
Police and Animal Control				
Personnel.....	116,858	16,265,530	27,100	16,409,488
General.....	17,665	311,400	500	329,565
Equipment/Unusual.....	46,344	187,600	-	233,944
Special.....	13,315	212,825	2,150	228,290
Capital Improvement.....	16,522	-	489,000	505,522
Total.....	210,704	16,977,355	518,750	17,706,809
Dispatch				
Personnel.....	4,265	1,859,061	4,600	1,867,926
General.....	-	39,941	-	39,941
Special.....	400	12,000	4,200	16,600
Total.....	4,665	1,911,002	8,800	1,924,467
Fire				
Personnel.....	682,274	15,273,543	1,335,500	17,291,317
General.....	91,689	491,907	41,125	624,721
Equipment/Unusual.....	2,711	69,500	-	72,211
Special.....	3,752	169,925	106,925	280,602
Capital Improvement.....	1,127,155	-	52,000	1,179,155
Total.....	1,907,581	16,004,875	1,535,550	19,448,006
Emergency Management				
Personnel.....	-	77,407	-	77,407
General.....	584	3,400	-	3,984
Equipment/Unusual.....	1,672	6,300	-	7,972
Special.....	-	400	-	400
Capital Improvement.....	25,140	-	-	25,140
Total.....	27,396	87,507	-	114,903
Wires				
Personnel.....	870	736,622	32,100	769,592
General.....	10,768	286,000	18,800	315,568
Equipment/Unusual.....	380	7,500	22,000	29,880
Capital Improvement.....	-	-	471,751	471,751
Total.....	12,018	1,030,122	544,651	1,586,791
Licensing				
Personnel.....	-	15,600	-	15,600
General.....	-	3,875	-	3,875
Total.....	-	19,475	-	19,475
<b>TOTAL PUBLIC SAFETY.....</b>	<b>2,162,364</b>	<b>36,030,336</b>	<b>2,607,751</b>	<b>40,800,451</b>

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
203,558	-	203,558	169
120,278	562	120,840	51,650
1,914	6,924	8,838	-
325,750	7,486	333,236	51,819
11,342,870	1,553,569	12,896,439	544,457
16,399,287	-	16,399,287	10,201
250,166	38,281	288,447	41,118
156,434	43,453	199,887	34,057
201,443	14,505	215,948	12,342
55,269	450,253	505,522	-
17,062,599	546,492	17,609,091	97,718
1,801,708	-	1,801,708	66,218
35,325	41	35,366	4,575
15,171	-	15,171	1,429
1,852,204	41	1,852,245	72,222
16,489,953	797,110	17,287,063	4,254
556,456	64,649	621,105	3,616
54,774	13,277	68,051	4,160
235,601	44,733	280,334	268
1,087,731	91,424	1,179,155	-
18,424,515	1,011,193	19,435,708	12,298
76,324	-	76,324	1,083
3,982	-	3,982	2
4,838	-	4,838	3,134
400	-	400	-
-	25,140	25,140	-
85,544	25,140	110,684	4,219
758,790	-	758,790	10,802
296,321	15,423	311,744	3,824
28,161	-	28,161	1,719
176,485	295,266	471,751	-
1,259,757	310,689	1,570,446	16,345
15,600	-	15,600	-
3,402	110	3,512	363
19,002	110	19,112	363
38,703,621	1,893,665	40,597,286	203,165

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>EDUCATION</b>				
Personnel.....	-	66,743,216	(344,800)	66,398,416
General.....	961,584	12,038,324	(81,200)	12,918,708
Equipment/Unusual.....	573,727	334,750	515,800	1,424,277
Special.....	248,399	4,124,174	(89,800)	4,282,773
Capital Improvement.....	1,094,460	-	-	1,094,460
<b>TOTAL EDUCATION.....</b>	<b>2,878,170</b>	<b>83,240,464</b>	<b>-</b>	<b>86,118,634</b>
<b>PUBLIC WORKS</b>				
Consolidated Public Works				
Personnel.....	7,946	4,718,036	103,198	4,829,180
General.....	28,219	1,138,800	5,600	1,172,619
Equipment/Unusual.....	163,447	480,000	-	643,447
Capital Improvement.....	132,279	-	46,302	178,581
Total.....	331,891	6,336,836	155,100	6,823,827
Snow and Ice Removal				
Personnel.....	-	137,000	268,000	405,000
General.....	6,891	1,759,700	1,353,120	3,119,711
Total.....	6,891	1,896,700	1,621,120	3,524,711
Street Lighting				
General.....	90,794	530,000	(40,000)	580,794
Capital Improvement.....	12,779	-	-	12,779
Total.....	103,573	530,000	(40,000)	593,573
Collection and Disposal of Rubbish				
Equipment/Unusual.....	430,363	5,075,000	-	5,505,363
Cemetery Commission				
Personnel.....	-	3,000	-	3,000
<b>TOTAL PUBLIC WORKS.....</b>	<b>872,718</b>	<b>13,841,536</b>	<b>1,736,220</b>	<b>16,450,474</b>
<b>COMMUNITY DEVELOPMENT</b>				
Planning				
Personnel.....	-	264,227	-	264,227
General.....	198	2,600	-	2,798
Equipment/Unusual.....	28,877	110,000	-	138,877
Capital Improvement.....	72,135	-	42,253	114,388
Total.....	101,210	376,827	42,253	520,290
Housing				
Personnel.....	-	334,070	-	334,070
General.....	102	1,550	-	1,652
Equipment/Unusual.....	-	-	380,268	380,268
Total.....	102	335,620	380,268	715,990
Board of Survey and Planning				
Personnel.....	-	17,000	-	17,000
General.....	-	5,100	-	5,100
Total.....	-	22,100	-	22,100
Zoning Board of Appeals				
Personnel.....	-	23,000	-	23,000
General.....	-	34,000	-	34,000
Capital Improvement.....	1,814	-	-	1,814
Total.....	1,814	57,000	-	58,814

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
66,133,877	158,389	66,292,266	106,150
11,798,567	942,678	12,741,245	177,463
696,053	682,021	1,378,074	46,203
4,038,730	109,856	4,148,586	134,187
332,801	761,659	1,094,460	-
83,000,028	2,654,603	85,654,631	464,003
4,524,768	-	4,524,768	304,412
1,073,130	68,572	1,141,702	30,917
269,302	168,289	437,591	205,856
5,522	173,059	178,581	-
5,872,722	409,920	6,282,642	541,185
398,607	-	398,607	6,393
3,053,755	7,522	3,061,277	58,434
3,452,362	7,522	3,459,884	64,827
533,425	38,394	571,819	8,975
10,000	2,779	12,779	-
543,425	41,173	584,598	8,975
5,116,742	334,694	5,451,436	53,927
2,600	-	2,600	400
14,987,851	793,309	15,781,160	669,314
259,074	-	259,074	5,153
2,776	1	2,777	21
113,200	16,623	129,823	9,054
96,196	18,192	114,388	-
471,246	34,816	506,062	14,228
288,568	-	288,568	45,502
1,541	-	1,541	111
380,268	-	380,268	-
670,377	-	670,377	45,613
12,400	-	12,400	4,600
5,071	-	5,071	29
17,471	-	17,471	4,629
17,100	-	17,100	5,900
28,831	2,537	31,368	2,632
-	1,814	1,814	-
45,931	4,351	50,282	8,532

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Traffic Engineering				
Personnel.....	372	409,395	8,500	418,267
General.....	2,617	62,500	5,200	70,317
Equipment/Unusual.....	35,537	50,000	-	85,537
Capital Improvement.....	-	-	66,500	66,500
Total.....	38,526	521,895	80,200	640,621
Conservation Commission				
Personnel.....	-	45,116	-	45,116
General.....	120	1,900	-	2,020
Capital Improvement.....	53,915	-	-	53,915
Total.....	54,035	47,016	-	101,051
Historical Commission				
Personnel.....	-	35,694	-	35,694
General.....	949	4,380	-	5,329
Equipment/Unusual.....	584	12,000	-	12,584
Total.....	1,533	52,074	-	53,607
Paine Estate				
Personnel.....	1,500	116,168	3,100	120,768
General.....	2,288	34,750	-	37,038
Equipment/Unusual.....	-	4,000	-	4,000
Total.....	3,788	154,918	3,100	161,806
Engineering				
Personnel.....	-	493,480	10,800	504,280
General.....	2,162	9,300	600	12,062
Total.....	2,162	502,780	11,400	516,342
<b>TOTAL COMMUNITY DEVELOPMENT.....</b>	<b>203,170</b>	<b>2,070,230</b>	<b>517,221</b>	<b>2,790,621</b>
<b>HEALTH AND HUMAN SERVICES</b>				
Health				
Personnel.....	5,575	776,994	11,800	794,369
General.....	-	45,496	600	46,096
Equipment/Unusual.....	364	600	100,000	100,964
Total.....	5,939	823,090	112,400	941,429
Veterans				
Personnel.....	-	190,121	-	190,121
General.....	-	192,325	-	192,325
Total.....	-	382,446	-	382,446
Council on Aging				
Personnel.....	135	481,289	3,700	485,124
General.....	12,864	198,587	12,300	223,751
Capital Improvement.....	18,162	-	15,500	33,662
Total.....	31,161	679,876	31,500	742,537
Celebration of Holidays				
General.....	9,450	10,000	-	19,450

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
66,133,877	158,389	66,292,266	106,150
11,798,567	942,678	12,741,245	177,463
696,053	682,021	1,378,074	46,203
4,038,730	109,856	4,148,586	134,187
332,801	761,659	1,094,460	-
83,000,028	2,654,603	85,654,631	464,003
4,524,768	-	4,524,768	304,412
1,073,130	68,572	1,141,702	30,917
269,302	168,289	437,591	205,856
5,522	173,059	178,581	-
5,872,722	409,920	6,282,642	541,185
398,607	-	398,607	6,393
3,053,755	7,522	3,061,277	58,434
3,452,362	7,522	3,459,884	64,827
533,425	38,394	571,819	8,975
10,000	2,779	12,779	-
543,425	41,173	584,598	8,975
5,116,742	334,694	5,451,436	53,927
2,600	-	2,600	400
14,987,851	793,309	15,781,160	669,314
259,074	-	259,074	5,153
2,776	1	2,777	21
113,200	16,623	129,823	9,054
96,196	18,192	114,388	-
471,246	34,816	506,062	14,228
288,568	-	288,568	45,502
1,541	-	1,541	111
380,268	-	380,268	-
670,377	-	670,377	45,613
12,400	-	12,400	4,600
5,071	-	5,071	29
17,471	-	17,471	4,629
17,100	-	17,100	5,900
28,831	2,537	31,368	2,632
-	1,814	1,814	-
45,931	4,351	50,282	8,532

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Disabilities Services Commission				
Personnel.....	-	7,000	-	7,000
General.....	-	200	-	200
Total.....	-	7,200	-	7,200
<b>TOTAL HEALTH AND HUMAN SERVICES.....</b>	<b>46,550</b>	<b>1,902,612</b>	<b>143,900</b>	<b>2,093,062</b>
<b>CULTURE AND RECREATION</b>				
Library				
Personnel.....	4,775	2,387,328	10,400	2,402,503
General.....	7,894	367,875	43,500	419,269
Equipment/Unusual.....	-	71,329	-	71,329
Other Charges.....	-	-	2,000	2,000
Capital Improvement.....	8,892	-	19,000	27,892
Total.....	21,561	2,826,532	74,900	2,922,993
Recreation				
Personnel.....	140	843,966	4,000	848,106
General.....	334	16,875	100	17,309
Equipment/Unusual.....	70,000	42,000	-	112,000
Capital Improvement.....	39,654	-	160,000	199,654
Total.....	110,128	902,841	164,100	1,177,069
Playgrounds				
Personnel.....	-	66,500	-	66,500
General.....	864	376,000	-	376,864
Equipment/Unusual.....	-	3,500	-	3,500
Total.....	864	446,000	-	446,864
Summer Fun				
Personnel.....	-	74,000	-	74,000
General.....	-	12,300	-	12,300
Total.....	-	86,300	-	86,300
Support of Recreation Activities				
General.....	7,297	107,000	-	114,297
Equipment/Unusual.....	-	10,500	-	10,500
Total.....	7,297	117,500	-	124,797
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>139,850</b>	<b>4,379,173</b>	<b>239,000</b>	<b>4,758,023</b>
<b>PENSION BENEFITS</b>				
Contributory Retirement System.....	-	16,781,631	-	16,781,631
Non-Contributory Pension Benefits.....	-	600	-	600
<b>TOTAL PENSION BENEFITS.....</b>	<b>-</b>	<b>16,782,231</b>	<b>-</b>	<b>16,782,231</b>
<b>EMPLOYEE BENEFITS</b>				
Worker's Compensation.....	75,775	520,000	(22,000)	573,775
Optional Medical Extension.....	-	4,500,000	-	4,500,000
Hospital and Medical Insurance.....	-	44,311,000	-	44,311,000
Group Life Insurance.....	-	88,000	-	88,000
Social Security.....	-	30,000	-	30,000
Unemployment.....	2,210	20,000	10,000	32,210
<b>TOTAL EMPLOYEE BENEFITS.....</b>	<b>77,985</b>	<b>49,469,000</b>	<b>(12,000)</b>	<b>49,534,985</b>



Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
5,700	-	5,700	1,300
-	-	-	200
5,700	-	5,700	1,500
1,945,347	82,809	2,028,156	64,906
2,039,631	-	2,039,631	362,872
403,676	5,245	408,921	10,348
70,329	1,000	71,329	-
2,000	-	2,000	-
6,517	21,375	27,892	-
2,522,153	27,620	2,549,773	373,220
778,094	-	778,094	70,012
15,021	139	15,160	2,149
41,091	-	41,091	70,909
43,099	156,555	199,654	-
877,305	156,694	1,033,999	143,070
54,372	-	54,372	12,128
82,021	575	82,596	294,268
3,256	-	3,256	244
139,649	575	140,224	306,640
70,855	-	70,855	3,145
12,188	-	12,188	112
83,043	-	83,043	3,257
85,087	14,119	99,206	15,091
9,483	1,017	10,500	-
94,570	15,136	109,706	15,091
3,716,720	200,025	3,916,745	841,278
16,781,631	-	16,781,631	-
554	-	554	46
16,782,185	-	16,782,185	46
415,124	42,230	457,354	116,421
4,500,000	-	4,500,000	-
44,236,637	14,394	44,251,031	59,969
86,007	-	86,007	1,993
15,548	-	15,548	14,452
24,439	4,553	28,992	3,218
49,277,755	61,177	49,338,932	196,053

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
STATE AND COUNTY CHARGES.....	-	1,879,484	-	1,879,484
DEBT SERVICE				
Principal.....	-	8,502,000	-	8,502,000
Interest.....	4,800	2,529,000	-	2,533,800
TOTAL DEBT SERVICE.....	4,800	11,031,000	-	11,035,800
TOTAL EXPENDITURES.....	7,441,982	233,438,149	4,804,530	245,684,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(7,441,982)	(7,172,303)	(4,804,530)	(19,418,815)
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets.....	-	-	-	-
Transfers in.....	-	4,275,000	937,851	5,212,851
Transfers out.....	-	(75,000)	(85,900)	(160,900)
Total Other Financing Sources (Uses).....	-	4,200,000	851,951	5,051,951
NET CHANGE IN FUND BALANCE.....	(7,441,982)	(2,972,303)	(3,952,579)	(14,366,864)
FUND BALANCE AT BEGINNING OF YEAR.....	39,084,589	39,084,589	39,084,589	39,084,589
FUND BALANCE AT END OF YEAR.....	\$ 31,642,607	\$ 36,112,286	\$ 35,132,010	\$ 24,717,725

*See accompanying notes to required supplementary information.*

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
<u>1,815,848</u>	<u>-</u>	<u>1,815,848</u>	<u>63,636</u>
8,501,238	-	8,501,238	762
<u>2,514,205</u>	<u>-</u>	<u>2,514,205</u>	<u>19,595</u>
<u>11,015,443</u>	<u>-</u>	<u>11,015,443</u>	<u>20,357</u>
<u>235,019,732</u>	<u>7,415,675</u>	<u>242,435,407</u>	<u>3,249,254</u>
<u>(7,875,178)</u>	<u>(7,415,675)</u>	<u>(15,290,853)</u>	<u>4,127,962</u>
152,233	-	152,233	152,233
4,961,783	-	4,961,783	(251,068)
<u>(160,900)</u>	<u>-</u>	<u>(160,900)</u>	<u>-</u>
<u>4,953,116</u>	<u>-</u>	<u>4,953,116</u>	<u>(98,835)</u>
<u>(2,922,062)</u>	<u>(7,415,675)</u>	<u>(10,337,737)</u>	<u>4,029,127</u>
<u>39,084,589</u>	<u>-</u>	<u>39,084,589</u>	<u>-</u>
\$ <u>36,162,527</u>	\$ <u>(7,415,675)</u>	\$ <u>28,746,852</u>	\$ <u>4,029,127</u>

(concluded)

**CITY OF WALTHAM, MASSACHUSETTS  
COMMUNITY PRESERVATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>REVENUES</b>				
Community preservation taxes.....	\$ -	\$ 2,827,675	\$ -	\$ 2,827,675
Intergovernmental .....	-	481,879	-	481,879
Penalties and interest on taxes.....	-	-	-	-
Investment income.....	-	506,569	-	506,569
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>3,816,123</b>	<b>-</b>	<b>3,816,123</b>
<b>EXPENDITURES</b>				
Personnel.....	-	45,746	-	45,746
General.....	-	14,105	-	14,105
Equipment/Unusual.....	7,100	90,200	-	97,300
Capital Improvement.....	6,626,385	-	4,985,237	11,611,622
<b>TOTAL EXPENDITURES.....</b>	<b>6,633,485</b>	<b>150,051</b>	<b>4,985,237</b>	<b>11,768,773</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(6,633,485)	3,666,072	(4,985,237)	(7,952,650)
<b>FUND BALANCE AT BEGINNING OF YEAR.....</b>	<b>26,546,239</b>	<b>26,546,239</b>	<b>26,546,239</b>	<b>26,546,239</b>
<b>FUND BALANCE AT END OF YEAR.....</b>	<b>\$ 19,912,754</b>	<b>\$ 30,212,311</b>	<b>\$ 21,561,002</b>	<b>\$ 18,593,589</b>

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 2,902,108	\$ -	\$ 2,902,108	\$ 74,433
481,879	-	481,879	-
7,276	-	7,276	7,276
576,878	-	576,878	70,309
3,968,141	-	3,968,141	152,018
39,978	-	39,978	5,768
10,505	-	10,505	3,600
7,550	7,100	14,650	82,650
6,322,369	5,289,253	11,611,622	-
6,380,402	5,296,353	11,676,755	92,018
(2,412,261)	(5,296,353)	(7,708,614)	244,036
26,546,239	-	26,546,239	-
\$ 24,133,978	\$ (5,296,353)	\$ 18,837,625	\$ 244,036

**CITY OF WALTHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**PENSION PLAN SCHEDULES**

**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY  
AND RELATED RATIOS (SYSTEM) (1)**

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<u>Total Pension Liability</u>				
Service Cost	\$ 6,880,955	\$ 6,676,993	\$ 5,761,367	\$ 7,040,834
Interest	29,614,028	28,355,410	28,290,238	27,535,037
Benefit Payments, including refunds of member contributions	(25,613,137)	(24,612,183)	(24,341,534)	(23,951,108)
Change in Assumptions	-	-	6,596,806	-
Experience Loss	-	6,107,195	5,888,647	-
Net Change in Total Pension Liability	10,881,846	16,527,415	22,195,524	10,624,763
Total Pension Liability - Beginning	387,803,152	371,275,737	349,080,213	338,455,450
Total Pension Liability - Ending (a)	<u>\$ 398,684,998</u>	<u>\$ 387,803,152</u>	<u>\$ 371,275,737</u>	<u>\$ 349,080,213</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ 17,233,644	\$ 16,733,644	\$ 16,233,644	\$ 15,728,477
Contributions - Member	6,553,300	6,251,685	6,444,960	5,222,151
Other Additions	712,117	743,196	751,646	1,118,908
Net Investment Income	33,104,714	15,709,913	1,689,685	15,528,118
Benefit Payments and Transfers to Other Systems	(25,613,137)	(24,612,182)	(24,341,535)	(23,951,107)
Administrative Expense	(582,872)	(614,396)	(519,094)	(521,690)
Net Change in Plan Fiduciary Net Position	31,407,766	14,211,860	259,306	13,124,857
Plan Fiduciary Net Position - Beginning	216,922,592	202,710,732	202,451,426	189,326,569
Plan Fiduciary Net Position - Ending (b)	<u>\$ 248,330,358</u>	<u>\$ 216,922,592</u>	<u>\$ 202,710,732</u>	<u>\$ 202,451,426</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 150,354,640</u>	<u>\$ 170,880,560</u>	<u>\$ 168,565,005</u>	<u>\$ 146,628,787</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.3%	55.9%	54.6%	58.0%
Covered Payroll	\$ 64,099,533	\$ 61,634,166	\$ 59,292,926	\$ 55,578,341
Net Pension Liability as a Percentage of Covered Payroll	234.6%	277.2%	284.3%	263.8%

(1) Data is being accumulated annually to present 10 years of the reported information

**CITY OF WALTHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM)**

	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 17,233,644	\$ 16,733,644	\$ 16,233,644	\$ 15,728,477	\$ 14,735,293
Contributions in Relation to the Actuarially Determined Contribution	<u>17,233,644</u>	<u>16,733,644</u>	<u>16,233,644</u>	<u>15,728,477</u>	<u>14,735,293</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 64,099,533	\$ 61,634,166	\$ 59,292,926	\$ 55,578,341	\$ 50,696,522
Contributions as a Percentage of Covered Payroll	26.89%	27.15%	27.38%	28.30%	29.07%

(Continued)

	2012	2011	2010	2009	2008
Actuarially Determined Contribution	\$ 14,289,286	\$ 14,133,617	\$ 14,106,542	\$ 13,752,867	\$ 13,192,164
Contributions in Relation to the Actuarially Determined Contribution	<u>14,289,286</u>	<u>14,133,617</u>	<u>14,106,542</u>	<u>13,752,867</u>	<u>13,192,164</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 50,696,522	\$ 48,493,764	\$ 48,493,764	\$ 47,443,385	\$ 45,141,147
Contributions as a Percentage of Covered Payroll	28.19%	29.15%	29.09%	28.99%	29.22%

(Concluded)

**SCHEDULE OF INVESTMENT RETURNS (SYSTEM) (1)**

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	15.75%	7.78%	0.84%	9.07%

(1) Data is being accumulated annually to present 10 years of the reported information

**CITY OF WALTHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY (1)(2)**

	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	97.3771%	97.2903%	97.4128%	97.2096%
City's Proportionate Share of the Net Pension Liability	\$ 146,411,061	\$ 166,250,288	\$ 164,203,870	\$ 142,537,299
City's Covered Payroll	\$ 62,418,266	\$ 59,964,065	\$ 57,758,899	\$ 53,948,267
City's proportionate share of the net pension liability as a percentage of its covered payroll	234.56%	277.25%	284.29%	264.21%
Plan fiduciary net position as a percentage of the total pension liability	62.3%	55.9%	54.6%	58.0%

(1) Amounts presented were determined as of December 31

(2) Data is being accumulated annually to present 10 years of the reported information

**SCHEDULE OF CITY CONTRIBUTIONS (1)**

	2018	2017	2016	2015	2014
Actuarially Required Contribution	\$ 16,781,631	\$ 16,280,220	\$ 15,813,645	\$ 15,289,594	\$ 14,303,117
Contributions in Relation to the Actuarially Required Contribution	16,781,631	16,280,220	15,813,645	15,289,594	14,303,117
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 62,418,266	\$ 59,964,065	\$ 57,758,899	\$ 53,948,267	\$ 49,280,385
Contributions as a Percentage of Covered Payroll	26.89%	27.15%	27.38%	28.34%	29.02%

(Continued)

	2013	2012	2011	2010	2009
Actuarially Required Contribution	\$ 13,857,860	\$ 13,738,814	\$ 13,720,343	\$ 13,427,327	\$ 12,878,477
Contributions in Relation to the Actuarially Required Contribution	13,857,860	13,738,814	13,720,343	13,427,327	12,878,477
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 49,280,385	\$ 47,345,883	\$ 47,345,883	\$ 46,315,263	\$ 44,051,068
Contributions as a Percentage of Covered Payroll	28.12%	29.02%	28.98%	28.99%	29.24%

(Concluded)

(1) Amounts presented were determined as of fiscal years ended June 30



**CITY OF WALTHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**SCHEDULE OF SPECIAL FUNDING AMOUNTS OF THE NET PENSION LIABILITY  
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (1) (2)**

	2018	2017	2016	2015
City's Share of Net Pension Liability	\$ 170,927,597	\$ 160,484,933	\$ 147,219,461	\$ 110,096,513
Commonwealth's Share of City's Net Pension Liability	170,927,597	160,484,933	147,219,461	110,096,513
City's Net Pension Liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Expense and Revenue Recognized for the Commonwealth's Support	\$ 17,840,211	\$ 16,370,515	\$ 11,940,809	\$ 7,648,933
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	54.25%	52.73%	55.38%	61.64%

(1) Amounts presented were determined as of June 30 of the prior year

(2) Data is being accumulated annually to present 10 years of the reported information

**CITY OF WALTHAM, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS**

**OTHER POSTEMPLOYMENT BENEFITS SCHEDULE**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS (1)**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 18,933,911
Interest on Liability and Service Cost	21,868,248
Benefits payments	<u>(18,488,800)</u>
Change in Total OPEB Liability	22,313,359
Total OPEB Liability - Beginning	<u>573,378,695</u>
Total OPEB Liability - Ending	\$ <u><u>595,692,054</u></u>
 Covered Employee Payroll	 109,916,125
Total OPEB Liability as a Percentage of Covered Employee Payroll	542.0%

(1) Data is being accumulated annually to present 10 years of the reported information

**NOTE A - BUDGETARY - GAAP RECONCILIATION**

For budgetary financial reporting purposes, the Uniform Massachusetts 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 and community preservation fund for the fiscal year ended June 30, 2018, is presented below:

***General Fund***

	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 227,144,554	\$ 242,435,407	\$ 4,953,116	\$ 28,746,852
<u>Adjustments and Reclassifications</u>				
Net change in recording 60-day receipts.....	(113,299)	-	-	154,716
Net change in recording tax refunds payable.....	(210,604)	-	-	(873,135)
Net change in recording other revenues.....	(216,794)	-	-	(1,289,409)
To record MTRS on-behalf payments.....	17,840,211	17,840,211	-	-
To allocate indirect costs to functional line items.....	-	(4,022,919)	(4,022,919)	-
To record encumbrances and continuing appropriations.....	-	(7,415,675)	-	7,415,675
To reclassify the stabilization funds to the general fund.....	29,153	-	(884,751)	2,538,145
To reclassify the other postemployment benefit fund to the general fund.....	446,009	(160,866)	-	11,615,214
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 244,919,230</u>	<u>\$ 248,676,158</u>	<u>\$ 45,446</u>	<u>\$ 48,308,058</u>

***Community Preservation Fund***

	Revenues	Expenditures	Fund Balance
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 3,968,141	\$ 11,676,755	\$ 18,837,625
<u>Adjustments</u>			
Net change in recording revenues.....	(459,745)	-	135,871
Net change in recording other expenditures.....	-	423,476	(423,476)
To record encumbrances and continuing appropriations.....	-	(5,296,353)	5,296,353
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 3,508,396</u>	<u>\$ 6,803,878</u>	<u>\$ 23,846,373</u>

**NOTE B - SCHEDULE OF EMPLOYER CONTRIBUTIONS (PENSION PLAN)**

The following methods and assumptions from the January 1, 2016 valuation were used to determine the most recent actuarially determined contribution rates:

Methods:

Actuarial Cost Method  
Asset Valuation Method

Entry Age Normal Cost  
Fair Value

Assumptions:

Salary Increases

3.5% per year

Investment Rate of Return

7.75%

Cost of Living Adjustment

3.0% annually on the first \$14,000

Mortality

Pre-Retirement & Beneficiary - The RP-2014 Blue Collar mortality with scale MP-2014, fully generational.

Post-Retirement Group 1 & 2 - The RP-2000 mortality table set forward five years for males and three years for females, fully generational.

Post-Retirement Group 4 - The RP-2000 mortality table set forward three years for males and six years for females, fully generational.

Disabled Retirees Group 1 & 2 - The RP-2000 mortality table set forward six years.

Disabled Retirees Group 4 - The RP-2000 mortality table set forward two years.

Generational adjusting is based on scale MP-2014.

Retirement Rates

General Employees - 3.6% and 10.2% for males and females, respectively, beginning at age 50 ranging to 100.0% and 100.0% for males and females, respectively, ending at age 80.

Police and Fire - 3.8% beginning at age 50 ranging to 100.0% at age 65.

# Combining and Individual Fund Statements

# Nonmajor Governmental Funds

## Narrative

### *Special Revenue Funds*

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are grouped into the following categories:

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

*City Federal Grants* – This fund is used to account for programs specifically financed by federal grants which are designated for specific programs.

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

*City State Grants Fund* – This fund is used to account for programs 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.

*School 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* – This fund is used to account for drug forfeiture and other law enforcement activities.

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

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

### ***Special Revenue Funds (continued)***

*Waltham Housing Fund* – This fund is used to account for the City’s affordable housing program.

### ***Capital Projects Funds***

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The capital projects funds are grouped into the following category:

*School Capital Projects* – This fund is used to account for the construction and renovation to the City’s Schools. These projects will be funded through the issuance of long-term bonds and notes and other available funds.

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

*Highway Projects* – This fund is used to account for the construction and renovation to the City’s Highways. 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 account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government’s programs and benefit the government or its citizenry. The permanent funds are grouped into the following categories:

*Cemetery Trust Funds* – 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.

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018**

<i>Special Revenue Funds</i>								
	Other Special Revenue	City Federal Grants	School Federal Grants	City State Grants	School State Grants	Insurance Recovery	Gifts	
<b>ASSETS</b>								
Restricted Cash and Cash Equivalents.....	\$ 8,712,174	\$ 66	\$ (50,614)	\$ 299,905	\$ 22,748	\$ 87,216	\$ 795,835	
Restricted Investments.....	-	-	-	-	-	-	-	
Receivables, Net of Uncollectibles:								
Departmental and Other.....	-	-	-	-	-	-	-	
Intergovernmental.....	-	119,895	777,133	-	-	-	39,059	
Loans.....	-	1,728,751	-	-	-	-	-	
<b>TOTAL ASSETS.....</b>	<b>\$ 8,712,174</b>	<b>\$ 1,848,712</b>	<b>\$ 726,519</b>	<b>\$ 299,905</b>	<b>\$ 22,748</b>	<b>\$ 87,216</b>	<b>\$ 834,894</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Warrants Payable.....	\$ 28,042	\$ 36,561	\$ 347,634	\$ 10,951	\$ 8,511	\$ -	\$ 20,039	
Accrued Payroll.....	2,200	-	-	-	-	-	-	
Due to Other Funds.....	-	80,117	414,098	10,723	-	-	-	
Short-Term Notes Payable.....	-	-	-	-	-	-	-	
<b>TOTAL LIABILITIES.....</b>	<b>30,242</b>	<b>116,678</b>	<b>761,732</b>	<b>21,674</b>	<b>8,511</b>	<b>-</b>	<b>20,039</b>	
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue.....	-	1,728,751	-	-	-	-	-	
<b>FUND BALANCES:</b>								
Nonspendable.....	-	-	-	-	-	-	-	
Restricted.....	8,681,932	3,283	-	278,231	14,237	87,216	814,855	
Unassigned.....	-	-	(35,213)	-	-	-	-	
<b>TOTAL FUND BALANCES.....</b>	<b>8,681,932</b>	<b>3,283</b>	<b>(35,213)</b>	<b>278,231</b>	<b>14,237</b>	<b>87,216</b>	<b>814,855</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 8,712,174</b>	<b>\$ 1,848,712</b>	<b>\$ 726,519</b>	<b>\$ 299,905</b>	<b>\$ 22,748</b>	<b>\$ 87,216</b>	<b>\$ 834,894</b>	



*Special Revenue Funds*

<u>Sale of Lots/Graves</u>	<u>School Revenue Reserve</u>	<u>School Lunch</u>	<u>Parking Meters</u>	<u>UDAG Nova Biomedical</u>	<u>Vocational School Reserve</u>
\$ 1,582,012	\$ 1,056,765	\$ 1,323,914	\$ 2,129,412	\$ 21,175	\$ 7,203
-	-	-	-	-	-
-	-	-	-	-	-
-	833,745	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,582,012</u>	<u>\$ 1,890,510</u>	<u>\$ 1,323,914</u>	<u>\$ 2,129,412</u>	<u>\$ 21,175</u>	<u>\$ 7,203</u>
\$ -	\$ 2,709	\$ 24,974	\$ 1,619	\$ 1,000	\$ 385
-	-	-	3,199	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,709	24,974	4,818	1,000	385
-	-	-	-	-	-
-	-	-	-	-	-
1,582,012	1,887,801	1,298,940	2,124,594	20,175	6,818
-	-	-	-	-	-
<u>1,582,012</u>	<u>1,887,801</u>	<u>1,298,940</u>	<u>2,124,594</u>	<u>20,175</u>	<u>6,818</u>
<u>\$ 1,582,012</u>	<u>\$ 1,890,510</u>	<u>\$ 1,323,914</u>	<u>\$ 2,129,412</u>	<u>\$ 21,175</u>	<u>\$ 7,203</u>

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018**

<i>Special Revenue Funds</i>					
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Waltham Housing	Sub-total
<b>ASSETS</b>					
Restricted Cash and Cash Equivalents.....	\$ 7,473,257	\$ 4,831,514	\$ -	\$ 1,567,409	\$ 29,859,991
Restricted Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and Other.....	-	-	243,476	-	243,476
Intergovernmental.....	-	-	-	-	1,769,832
Loans.....	-	-	-	-	1,728,751
<b>TOTAL ASSETS.....</b>	<b>\$ 7,473,257</b>	<b>\$ 4,831,514</b>	<b>\$ 243,476</b>	<b>\$ 1,567,409</b>	<b>\$ 33,602,050</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants Payable.....	\$ 5,821	\$ -	\$ -	\$ -	\$ 488,246
Accrued Payroll.....	-	-	42,844	-	48,243
Due to Other Funds.....	-	-	294,207	-	799,145
Short-Term Notes Payable.....	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>5,821</b>	<b>-</b>	<b>337,051</b>	<b>-</b>	<b>1,335,634</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable Revenue.....	-	-	243,476	-	1,972,227
<b>FUND BALANCES:</b>					
Nonspendable.....	-	-	-	-	-
Restricted.....	7,467,436	4,831,514	-	1,567,409	30,666,453
Unassigned.....	-	-	(337,051)	-	(372,264)
<b>TOTAL FUND BALANCES.....</b>	<b>7,467,436</b>	<b>4,831,514</b>	<b>(337,051)</b>	<b>1,567,409</b>	<b>30,294,189</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 7,473,257</b>	<b>\$ 4,831,514</b>	<b>\$ 243,476</b>	<b>\$ 1,567,409</b>	<b>\$ 33,602,050</b>

<i>Capital Projects</i>				<i>Permanent Funds</i>			Total
School Capital Projects	City Capital Projects	Highway Projects	Sub-total	Cemetery Trust Funds	Other Permanent Funds	Sub-total	Nonmajor Governmental Funds
\$ 50,930	\$ 1,743,213	\$ -	\$ 1,794,143	\$ 281,243	\$ 149,428	\$ 430,671	\$ 32,084,805
-	-	-	-	1,896,706	400,821	2,297,527	2,297,527
-	-	-	-	-	-	-	243,476
-	-	166,486	166,486	-	-	-	1,936,318
-	-	-	-	-	-	-	1,728,751
<u>\$ 50,930</u>	<u>\$ 1,743,213</u>	<u>\$ 166,486</u>	<u>\$ 1,960,629</u>	<u>\$ 2,177,949</u>	<u>\$ 550,249</u>	<u>\$ 2,728,198</u>	<u>\$ 38,290,877</u>
\$ 206	\$ 2,794	\$ -	\$ 3,000	\$ 18,980	\$ 412	\$ 19,392	\$ 510,638
-	-	-	-	-	-	-	48,243
-	-	166,486	166,486	-	-	-	965,631
<u>138,945</u>	<u>1,849,340</u>	<u>-</u>	<u>1,988,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,988,285</u>
<u>139,151</u>	<u>1,852,134</u>	<u>166,486</u>	<u>2,157,771</u>	<u>18,980</u>	<u>412</u>	<u>19,392</u>	<u>3,512,797</u>
-	-	-	-	-	-	-	1,972,227
-	-	-	-	2,134,258	250,242	2,384,500	2,384,500
-	-	-	-	24,711	299,595	324,306	30,990,759
<u>(88,221)</u>	<u>(108,921)</u>	<u>-</u>	<u>(197,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(569,406)</u>
<u>(88,221)</u>	<u>(108,921)</u>	<u>-</u>	<u>(197,142)</u>	<u>2,158,969</u>	<u>549,837</u>	<u>2,708,806</u>	<u>32,805,853</u>
<u>\$ 50,930</u>	<u>\$ 1,743,213</u>	<u>\$ 166,486</u>	<u>\$ 1,960,629</u>	<u>\$ 2,177,949</u>	<u>\$ 550,249</u>	<u>\$ 2,728,198</u>	<u>\$ 38,290,877</u>

(concluded)

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2018**

	<i>Special Revenue Funds</i>						
	Other Special Revenue	City Federal Grants	School Federal Grants	City State Grants	School State Grants	Insurance Recovery	Gifts
<b>REVENUES</b>							
Charges for Services.....	\$ 81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental .....	71,513	554,860	3,366,690	444,810	127,407	-	-
Fines and Forfeitures.....	29,363	-	-	-	-	-	-
Departmental and Other.....	2,138,290	66,828	-	-	-	641,050	-
Contributions.....	517,291	-	-	10,000	-	-	524,492
Investment Income.....	-	-	-	115	-	-	272
<b>TOTAL REVENUES.....</b>	<b>2,756,538</b>	<b>621,688</b>	<b>3,366,690</b>	<b>454,925</b>	<b>127,407</b>	<b>641,050</b>	<b>524,764</b>
<b>EXPENDITURES</b>							
Current:							
General Government.....	1,723,705	453,997	-	33,259	-	-	2,498
Public Safety.....	-	49,297	-	305,623	-	615,583	27,979
Education.....	13,868	-	3,412,045	-	118,033	-	259,402
Public Works.....	-	-	-	-	-	49,008	-
Health and Human Services.....	95,419	-	-	101,161	-	-	14,566
Culture and Recreation.....	329,979	-	-	-	-	12,610	10,000
Community Development.....	-	116,147	-	-	-	-	26,472
<b>TOTAL EXPENDITURES.....</b>	<b>2,162,971</b>	<b>619,441</b>	<b>3,412,045</b>	<b>440,043</b>	<b>118,033</b>	<b>677,201</b>	<b>340,917</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	593,567	2,247	(45,355)	14,882	9,374	(36,151)	183,847
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In.....	-	-	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	-	-	-
Sale of Capital Assets.....	308,897	-	-	-	-	-	-
Transfers Out.....	(53,100)	-	-	-	-	(1,013)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>255,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,013)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>849,364</b>	<b>2,247</b>	<b>(45,355)</b>	<b>14,882</b>	<b>9,374</b>	<b>(37,164)</b>	<b>183,847</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>7,832,568</b>	<b>1,036</b>	<b>10,142</b>	<b>263,349</b>	<b>4,863</b>	<b>124,380</b>	<b>631,008</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 8,681,932</b>	<b>\$ 3,283</b>	<b>\$ (35,213)</b>	<b>\$ 278,231</b>	<b>\$ 14,237</b>	<b>\$ 87,216</b>	<b>\$ 814,855</b>

*Special Revenue Funds*

<u>Sale of Lots/Graves</u>	<u>School Revenue Reserve</u>	<u>School Lunch</u>	<u>Parking Meters</u>	<u>UDAG Nova Biomedical</u>	<u>Vocational School Reserve</u>
\$ -	\$ 286,571	\$ 832,049	\$ -	\$ -	\$ -
-	2,590,708	1,929,241	-	-	-
-	-	-	45,515	-	-
64,650	591,516	-	512,199	-	57,780
-	193,474	650	-	-	-
-	322	289	-	94	-
<u>64,650</u>	<u>3,662,591</u>	<u>2,762,229</u>	<u>557,714</u>	<u>94</u>	<u>57,780</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	4,120,016	2,635,410	-	-	45,425
-	-	-	-	-	-
-	-	-	20,000	-	-
-	-	-	-	-	-
-	-	-	403,131	3,909	-
<u>-</u>	<u>4,120,016</u>	<u>2,635,410</u>	<u>423,131</u>	<u>3,909</u>	<u>45,425</u>
<u>64,650</u>	<u>(457,425)</u>	<u>126,819</u>	<u>134,583</u>	<u>(3,815)</u>	<u>12,355</u>
-	-	-	1,900	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>-</u>
<u>64,650</u>	<u>(457,425)</u>	<u>126,819</u>	<u>136,483</u>	<u>(3,815)</u>	<u>12,355</u>
<u>1,517,362</u>	<u>2,345,226</u>	<u>1,172,121</u>	<u>1,988,111</u>	<u>23,990</u>	<u>(5,537)</u>
\$ <u>1,582,012</u>	\$ <u>1,887,801</u>	\$ <u>1,298,940</u>	\$ <u>2,124,594</u>	\$ <u>20,175</u>	\$ <u>6,818</u>

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2018**

<i>Special Revenue Funds</i>					
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Waltham Housing	Sub-total
<b>REVENUES</b>					
Charges for Services.....	\$ -	\$ -	\$ 2,292,969	\$ -	\$ 3,411,670
Intergovernmental .....	6,093,284	-	-	-	15,178,513
Fines and Forfeitures.....	-	-	-	-	74,878
Departmental and Other.....	-	829,923	-	-	4,902,236
Contributions.....	-	-	-	-	1,245,907
Investment Income.....	17,210	7,651	-	15,355	41,308
<b>TOTAL REVENUES.....</b>	<b>6,110,494</b>	<b>837,574</b>	<b>2,292,969</b>	<b>15,355</b>	<b>24,854,512</b>
<b>EXPENDITURES</b>					
Current:					
General Government.....	-	-	-	-	2,213,459
Public Safety.....	409,039	-	2,197,770	-	3,605,291
Education.....	-	-	-	-	10,604,199
Public Works.....	-	45,087	-	-	94,095
Health and Human Services.....	-	-	-	-	231,146
Culture and Recreation.....	-	-	-	-	352,589
Community Development.....	-	22,261	-	47,093	619,013
<b>TOTAL EXPENDITURES.....</b>	<b>409,039</b>	<b>67,348</b>	<b>2,197,770</b>	<b>47,093</b>	<b>17,719,792</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	5,701,455	770,226	95,199	(31,738)	7,134,720
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In.....	-	-	-	-	1,900
Premium from issuance of bonds and notes.....	-	-	-	-	-
Sale of Capital Assets.....	-	-	-	-	308,897
Transfers Out.....	-	-	-	-	(54,113)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,684</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>5,701,455</b>	<b>770,226</b>	<b>95,199</b>	<b>(31,738)</b>	<b>7,391,404</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>1,765,981</b>	<b>4,061,288</b>	<b>(432,250)</b>	<b>1,599,147</b>	<b>22,902,785</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 7,467,436</b>	<b>\$ 4,831,514</b>	<b>\$ (337,051)</b>	<b>\$ 1,567,409</b>	<b>\$ 30,294,189</b>

<i>Capital Projects</i>				<i>Permanent Funds</i>			Total
City Capital Projects	School Capital Projects	Highway Projects	Sub-total	Cemetery Trust Funds	Other Permanent Funds	Sub-total	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,411,670
-	-	651,955	651,955	-	-	-	15,830,468
-	-	-	-	-	-	-	74,878
-	-	-	-	-	-	-	4,902,236
-	-	-	-	26,350	-	26,350	1,272,257
-	-	-	-	(2,648)	(195)	(2,843)	38,465
-	-	651,955	651,955	23,702	(195)	23,507	25,529,974
378,772	-	-	378,772	-	4,390	4,390	2,596,621
766,825	-	-	766,825	-	-	-	4,372,116
-	540,547	-	540,547	-	-	-	11,144,746
2,214,160	-	603,212	2,817,372	36,047	-	36,047	2,947,514
542,451	-	-	542,451	-	-	-	773,597
108,834	-	-	108,834	-	755	755	462,178
48,682	-	-	48,682	-	-	-	667,695
4,059,724	540,547	603,212	5,203,483	36,047	5,145	41,192	22,964,467
(4,059,724)	(540,547)	48,743	(4,551,528)	(12,345)	(5,340)	(17,685)	2,565,507
-	-	-	-	-	-	-	1,900
19,036	-	-	19,036	-	-	-	19,036
-	-	-	-	-	-	-	308,897
-	-	-	-	-	-	-	(54,113)
19,036	-	-	19,036	-	-	-	275,720
(4,040,688)	(540,547)	48,743	(4,532,492)	(12,345)	(5,340)	(17,685)	2,841,227
3,931,767	452,326	(48,743)	4,335,350	2,171,314	555,177	2,726,491	29,964,626
\$ (108,921)	\$ (88,221)	\$ -	\$ (197,142)	\$ 2,158,969	\$ 549,837	\$ 2,708,806	\$ 32,805,853

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CITY OF WALTHAM, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018

## Private Purpose Trust Funds

### Narrative

The private purpose trust fund is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.

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

**CITY OF WALTHAM, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	<u>Scholarship Trust Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents.....	\$ 29,791
Investments:	
U.S. Treasuries and Agencies.....	2,867,954
Receivables, Net of Allowance for Uncollectibles:	
Loans.....	<u>105,215</u>
Total Assets.....	<u>3,002,960</u>
<b>NET POSITION</b>	
Restricted for Other Purposes.....	\$ <u><u>3,002,960</u></u>

**CITY OF WALTHAM, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2018**

	<u>Scholarship Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Private Donations.....	\$ 138,931
Net Investment Income (Loss):	
Net Change in Fair Value of Investments.....	<u>(1,190)</u>
<b>TOTAL ADDITIONS.....</b>	<b>137,741</b>
<b>DEDUCTIONS</b>	
Educational Scholarships & Awards.....	<u>129,099</u>
<b>CHANGE IN NET POSITION.....</b>	<b>8,642</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b><u>2,994,318</u></b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ <u><u>3,002,960</u></u></b>

## Agency Funds

### Narrative

The agency fund is a fiduciary fund used to account for assets held in a custodial capacity. The City uses this fund to account for confiscated police property and security deposits.

**CITY OF WALTHAM, MASSACHUSETTS**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2018**

	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
<b>ASSETS</b>				
Cash and Cash Equivalents.....	\$ 916,855	\$ 1,214,647	\$ (1,183,893)	\$ 947,609
<b>LIABILITIES</b>				
Warrants Payable.....	30,593	7,150	(30,593)	7,150
Accrued Payroll.....	5,477	-	(27)	5,450
Liabilities Due Depositors.....	880,785	1,207,497	(1,153,273)	935,009
<b>TOTAL LIABILITIES.....</b>	<b>\$ 916,855</b>	<b>\$ 1,214,647</b>	<b>\$ (1,183,893)</b>	<b>\$ 947,609</b>

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# *Statistical Section*



**Carousel at Prospect Hill Park**

## ***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 (pages 124 – 127)**

*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 (pages 128 – 130)**

*These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*

### **Debt Capacity (pages 131 – 133)**

*These schedules contain 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 (pages 134 – 135)**

*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 (pages 136 – 138)**

*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.



**CITY OF WALTHAM, MASSACHUSETTS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities</b>										
Net Investment in Capital Assets.....	\$ 166,859,105	\$ 169,360,245	\$ 169,551,297	\$ 167,006,050	\$ 165,312,712	\$ 164,015,843	\$ 168,907,226	\$ 171,191,593	\$ 169,703,666	\$ 172,230,570
Restricted.....	8,967,296	7,547,471	30,065,242	40,566,045	46,282,436	52,842,407	49,579,791	60,636,230	66,881,349	71,414,954
Unrestricted.....	<u>22,706,711</u>	<u>12,459,498</u>	<u>(10,932,512)</u>	<u>(35,115,909)</u>	<u>(49,699,586)</u>	<u>(67,714,757)</u>	<u>(214,483,584)</u>	<u>(238,015,782)</u>	<u>(246,403,435)</u>	<u>(685,425,235)</u>
<b>Total Governmental Activities Net Position.....</b>	<b>\$ <u>198,533,112</u></b>	<b>\$ <u>189,367,214</u></b>	<b>\$ <u>188,684,027</u></b>	<b>\$ <u>172,456,186</u></b>	<b>\$ <u>161,895,562</u></b>	<b>\$ <u>149,143,493</u></b>	<b>\$ <u>4,003,433</u></b>	<b>\$ <u>(6,187,959)</u></b>	<b>\$ <u>(9,818,420)</u></b>	<b>\$ <u>(441,779,711)</u></b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets.....	\$ 14,475,464	\$ 11,605,346	\$ 12,188,286	\$ 11,726,473	\$ 9,399,319	\$ 10,482,833	\$ 14,092,537	\$ 14,911,934	\$ 15,409,731	\$ 17,705,732
Unrestricted.....	<u>16,923,713</u>	<u>13,507,266</u>	<u>17,253,879</u>	<u>16,365,651</u>	<u>23,952,132</u>	<u>27,383,479</u>	<u>23,759,048</u>	<u>27,252,829</u>	<u>30,230,369</u>	<u>19,856,951</u>
<b>Total Business-Type Activities Net Position.....</b>	<b>\$ <u>31,399,177</u></b>	<b>\$ <u>25,112,612</u></b>	<b>\$ <u>29,442,165</u></b>	<b>\$ <u>28,092,124</u></b>	<b>\$ <u>33,351,451</u></b>	<b>\$ <u>37,866,312</u></b>	<b>\$ <u>37,851,585</u></b>	<b>\$ <u>42,164,763</u></b>	<b>\$ <u>45,640,100</u></b>	<b>\$ <u>37,562,683</u></b>
<b>Primary Government</b>										
Net Investment in Capital Assets.....	\$ 181,334,569	\$ 180,965,591	\$ 181,739,583	\$ 178,732,523	\$ 174,712,031	\$ 174,498,676	\$ 182,999,763	\$ 186,103,527	\$ 185,113,397	\$ 189,936,302
Restricted.....	8,967,296	7,547,471	30,065,242	40,566,045	46,282,436	52,842,407	49,579,791	60,636,230	66,881,349	71,414,954
Unrestricted.....	<u>39,630,424</u>	<u>25,966,764</u>	<u>6,321,367</u>	<u>(18,750,258)</u>	<u>(25,747,454)</u>	<u>(40,331,278)</u>	<u>(190,724,536)</u>	<u>(210,762,953)</u>	<u>(216,173,066)</u>	<u>(665,568,284)</u>
<b>Total Primary Government Net Position.....</b>	<b>\$ <u>229,932,289</u></b>	<b>\$ <u>214,479,826</u></b>	<b>\$ <u>218,126,192</u></b>	<b>\$ <u>200,548,310</u></b>	<b>\$ <u>195,247,013</u></b>	<b>\$ <u>187,009,805</u></b>	<b>\$ <u>41,855,018</u></b>	<b>\$ <u>35,976,804</u></b>	<b>\$ <u>35,821,680</u></b>	<b>\$ <u>(404,217,028)</u></b>

# CITY OF WALTHAM, MASSACHUSETTS

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government.....	\$ 12,936,686	\$ 12,548,346	\$ 12,803,207	\$ 12,839,887	\$ 14,431,751	\$ 14,141,084	\$ 14,516,477	\$ 17,458,090	\$ 21,059,212	\$ 17,997,394
Public Safety.....	56,145,799	57,363,358	56,774,590	54,892,255	56,396,153	60,787,241	59,675,967	71,565,431	64,099,037	69,526,941
Education.....	113,953,264	112,799,898	117,168,957	125,803,368	127,632,730	133,882,547	127,306,510	134,376,754	146,366,944	156,449,749
Public Works.....	18,303,644	17,436,688	18,582,134	17,620,280	19,107,437	21,990,015	19,928,652	18,232,857	19,786,558	23,034,003
Community Development.....	5,810,281	5,034,910	5,463,838	3,921,262	4,332,865	4,198,865	4,399,974	4,562,345	3,334,231	7,834,851
Health and Human Services.....	2,696,784	2,818,957	2,817,765	4,043,942	6,327,318	6,532,446	4,022,919	4,435,415	4,304,882	4,596,271
Culture and Recreation.....	4,230,997	5,028,081	5,655,542	6,019,224	-	3,902,190	6,843,362	7,426,345	7,111,347	6,705,870
Interest.....	2,448,936	3,054,071	2,523,696	2,631,033	2,581,037	2,550,610	2,450,774	2,283,883	2,089,864	2,136,465
Total Government Activities Expenses.....	216,526,391	216,084,309	221,789,729	227,771,251	234,852,093	247,984,998	239,144,635	260,341,120	268,152,075	288,281,544
<b>Business-Type Activities:</b>										
Sewer.....	15,512,343	17,385,085	16,806,067	17,381,941	17,382,177	17,537,836	17,792,313	17,602,663	17,483,370	18,492,326
Water.....	11,198,348	11,129,805	11,431,049	11,796,251	11,995,289	12,161,194	12,623,659	13,000,651	13,605,238	14,137,215
Veterans Memorial Rink.....	434,579	384,013	402,304	397,385	457,608	503,830	563,324	556,318	643,626	517,819
Total Business-Type Activities Expenses.....	27,145,270	28,898,903	28,639,420	29,575,577	29,835,074	30,202,860	30,979,296	31,159,632	31,732,234	33,147,360
Total Primary Government Expenses.....	\$ 243,671,661	\$ 244,983,212	\$ 250,429,149	\$ 257,346,828	\$ 264,687,167	\$ 278,187,858	\$ 270,123,931	\$ 291,500,752	\$ 299,884,309	\$ 321,428,904
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
General Government Charges for Services.....	\$ 5,163,594	\$ 1,969,326	\$ 3,934,076	\$ 2,450,923	\$ 4,225,256	\$ 5,679,098	\$ 6,540,791	\$ 9,035,348	\$ 6,393,016	\$ 6,758,302
Public Safety Charges for Services.....	2,857,635	3,443,664	3,493,485	4,071,301	3,910,093	3,966,696	4,049,827	3,925,311	4,197,435	4,613,820
Education Charges for Services.....	3,700,154	3,908,483	4,567,355	1,434,279	1,217,100	1,442,388	1,486,402	1,696,229	1,907,330	2,132,585
Public Works Charges for Services.....	415,032	666,730	714,008	333,956	448,072	318,133	380,549	408,997	444,297	407,767
Other Charges for Services.....	1,723,028	1,721,146	1,678,380	1,757,353	2,105,916	1,821,190	2,004,880	1,452,619	1,062,741	924,079
Operating Grants and Contributions.....	33,649,763	33,503,809	37,611,357	33,232,551	33,044,593	36,885,652	28,018,652	34,465,615	42,829,194	50,811,292
Capital Grants and Contributions.....	1,915,581	2,246,744	(1,684,833)	(2,404,439)	2,820,119	1,955,479	1,786,940	2,030,654	3,395,633	1,221,305
Total Government Activities Program Revenues.....	49,424,787	47,459,902	50,313,828	40,875,924	47,771,149	52,068,636	44,268,041	53,014,773	60,229,646	66,869,150
<b>Business-Type Activities:</b>										
Sewer Charges for Services.....	14,557,425	14,029,718	18,222,159	15,854,586	19,582,834	19,389,533	19,615,814	19,481,088	19,128,368	17,956,502
Water Charges for Services.....	10,869,955	10,089,418	13,175,501	11,864,008	14,875,449	14,687,995	15,102,116	15,039,936	15,430,310	13,723,487
Veterans Memorial Rink Charges for Services.....	355,196	379,428	381,936	398,769	385,832	397,985	390,878	441,329	432,188	410,428
Operating Grants and Contributions.....	-	-	-	33,173	124,881	43,857	101,988	104,867	-	2,619
Capital Grants and Contributions.....	247,500	-	1,370,700	-	-	22,901	2,320,501	-	-	35,330
Total Business-Type Activities Program Revenues.....	26,030,076	24,498,564	33,150,296	28,150,536	34,968,996	34,542,271	37,531,297	35,067,220	34,990,866	32,128,366
Total Primary Government Program Revenues.....	\$ 75,454,863	\$ 71,958,466	\$ 83,464,124	\$ 69,026,460	\$ 82,740,145	\$ 86,610,907	\$ 81,799,338	\$ 88,081,993	\$ 95,220,512	\$ 98,997,516
<b>Net (Expense)/Revenue</b>										
Governmental Activities.....	\$ (167,101,604)	\$ (168,624,407)	\$ (171,475,901)	\$ (186,895,327)	\$ (187,080,944)	\$ (195,916,362)	\$ (194,876,594)	\$ (207,326,347)	\$ (207,922,429)	\$ (221,412,394)
Business-Type Activities.....	(1,115,194)	(4,400,339)	4,510,876	(1,425,041)	5,133,922	4,339,411	6,552,001	3,907,588	3,258,632	(1,018,994)
Total Primary Government Net Expense.....	\$ (168,216,798)	\$ (173,024,746)	\$ (166,965,025)	\$ (188,320,368)	\$ (181,947,022)	\$ (191,576,951)	\$ (188,324,593)	\$ (203,418,759)	\$ (204,663,797)	\$ (222,431,388)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Real Estate and Personal Property Taxes,										
Net of Tax Refunds Payable.....	\$ 128,225,929	\$ 137,055,385	\$ 144,687,551	\$ 147,941,835	\$ 153,272,077	\$ 159,052,033	\$ 161,059,057	\$ 165,603,012	\$ 174,279,026	\$ 178,305,767
Motor Vehicle and Other Excise Taxes.....	6,039,430	6,013,280	6,233,152	6,372,776	6,650,738	7,002,622	7,588,970	8,240,497	8,300,679	8,463,994
Hotel/Motel Tax.....	1,916,727	1,974,863	2,665,704	3,061,233	3,298,311	3,535,326	3,837,715	4,382,145	4,270,443	4,292,785
Community Preservation Tax.....	2,088,829	2,217,436	2,319,559	2,393,595	1,167,324	1,195,490	3,365,262	2,695,476	2,801,619	2,894,647
Meals Tax.....	-	-	862,461	1,128,180	702,090	705,407	1,278,394	1,451,906	1,546,042	1,612,669
Penalties and Interest on Taxes.....	440,482	510,939	481,134	518,982	54,812	43,151	687,747	722,464	623,172	707,197
Payments in Lieu of Taxes.....	45,834	33,586	46,350	53,905	2,475,978	2,535,235	58,763	46,849	58,579	77,740
Grants and Contributions Not Restricted to										
Specific Programs.....	11,841,812	9,319,430	8,357,186	9,147,352	8,835,809	9,064,858	9,557,090	9,745,521	10,110,325	10,392,962
Unrestricted Investment Income.....	976,911	388,780	277,040	124,628	135,838	181,321	491,842	2,055,791	1,333,587	713,990
Gain on Sale of Capital Assets.....	-	-	-	-	52,748	24,300	-	1,164,887	1,053,296	-
Transfers, Net.....	-	1,944,810	(116,154)	(75,000)	(125,405)	(175,450)	(184,205)	(405,590)	(84,800)	(159,000)
Total Governmental Activities.....	151,575,954	159,458,509	165,814,347	170,667,486	176,520,320	183,164,293	187,740,635	195,702,958	204,291,968	207,302,751
<b>Business-Type Activities:</b>										
Unrestricted Investment Income.....	154,501	58,584	40,938	-	-	-	-	-	-	356,943
Transfers, Net.....	-	(1,944,810)	116,154	75,000	125,405	175,450	184,205	405,590	84,800	159,000
Total Business-Type Activities.....	154,501	(1,886,226)	157,092	75,000	125,405	175,450	184,205	405,590	84,800	515,943
Total Primary Government.....	\$ 151,730,455	\$ 157,572,283	\$ 165,971,439	\$ 170,742,486	\$ 176,645,725	\$ 183,339,743	\$ 187,924,840	\$ 196,108,548	\$ 204,376,768	\$ 207,818,694
<b>Changes in Net Position</b>										
Governmental Activities.....	\$ (15,525,650)	\$ (9,165,898)	\$ (5,661,554)	\$ (16,227,841)	\$ (10,560,624)	\$ (12,752,069)	\$ (7,135,959)	\$ (11,623,389)	\$ (3,630,461)	\$ (14,109,643)
Business-Type Activities.....	(960,693)	(6,286,565)	4,667,968	(1,350,041)	5,259,327	4,514,861	6,736,206	4,313,178	3,343,432	(503,051)
Total Primary Government.....	\$ (16,486,343)	\$ (15,452,463)	\$ (993,586)	\$ (17,577,882)	\$ (5,301,297)	\$ (8,237,208)	\$ (399,753)	\$ (7,310,211)	\$ (287,029)	\$ (14,612,694)

**CITY OF WALTHAM, MASSACHUSETTS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved.....	\$ 9,203,972	\$ 10,558,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	16,381,705	13,377,626	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	135,799	8,132,094	8,351,922	8,845,058	9,967,384	11,008,339	11,615,214
Committed.....	-	-	-	3,198,284	4,804,214	1,492,937	8,132,421	7,198,929	5,577,677	5,412,452
Assigned.....	-	-	6,852,796	850,771	1,677,650	4,378,117	9,145,765	3,675,694	4,484,428	4,414,699
Unassigned.....	-	-	18,459,773	30,818,389	29,196,820	34,984,665	26,208,145	27,363,382	30,949,096	26,865,693
Total General Fund.....	<u>\$ 25,585,677</u>	<u>\$ 23,935,712</u>	<u>\$ 25,312,569</u>	<u>\$ 35,003,243</u>	<u>\$ 43,810,778</u>	<u>\$ 49,207,641</u>	<u>\$ 52,331,389</u>	<u>\$ 48,205,389</u>	<u>\$ 52,019,540</u>	<u>\$ 48,308,058</u>
All Other Governmental Funds										
Reserved.....	\$ 1,751,907	\$ 1,770,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:										
Special Revenue Funds.....	24,272,725	23,780,763	-	-	-	-	-	-	-	-
Capital Projects Funds.....	349,087	(1,760,707)	-	-	-	-	-	-	-	-
Permanent Funds.....	340,878	332,261	-	-	-	-	-	-	-	-
Nonspendable.....	-	-	1,797,623	2,034,590	2,047,898	2,150,692	2,228,014	2,376,974	2,397,259	2,384,500
Restricted.....	-	-	28,267,619	32,807,347	38,252,137	37,642,538	39,592,873	45,888,506	55,195,752	54,837,132
Unassigned.....	-	-	(8,951,524)	(963,267)	(543,674)	(1,372,518)	(6,588,749)	(9,416,767)	(486,530)	(569,406)
Total All Other Governmental Funds.....	<u>\$ 26,714,597</u>	<u>\$ 24,122,523</u>	<u>\$ 21,113,718</u>	<u>\$ 33,878,670</u>	<u>\$ 39,756,361</u>	<u>\$ 38,420,712</u>	<u>\$ 35,232,138</u>	<u>\$ 38,848,713</u>	<u>\$ 57,106,481</u>	<u>\$ 56,652,226</u>

*Note* : The City implemented GASB 54 in fiscal year 2011; fund balances prior to fiscal year 2011 have been reported in the pre-GASB 54 format.

**CITY OF WALTHAM, MASSACHUSETTS  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

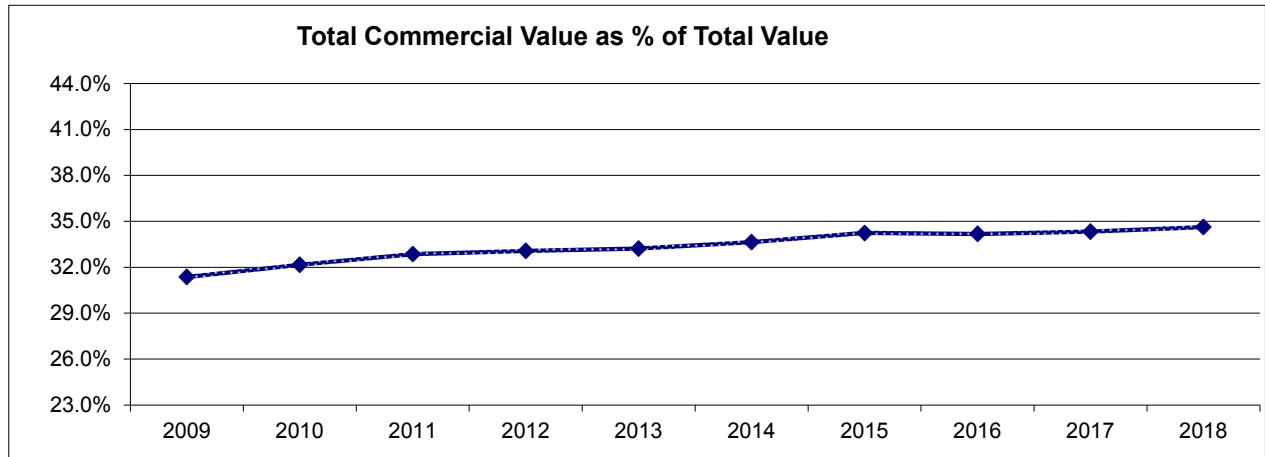
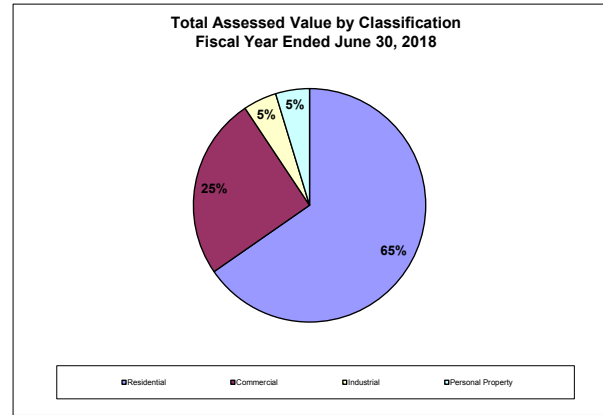
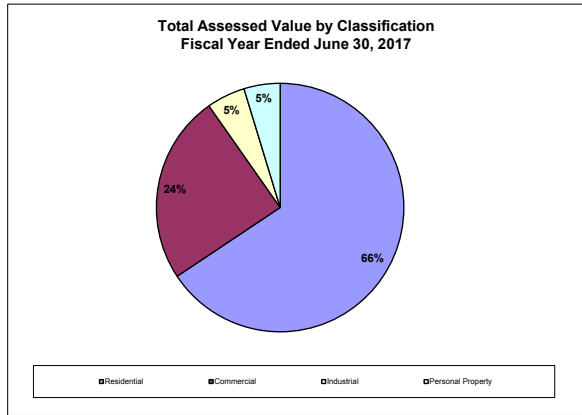
	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Real Estate and Personal Property Taxes,										
Net of Tax Refunds.....	\$ 126,844,968	\$ 136,176,138	\$ 143,866,481	\$ 146,798,161	\$ 152,293,138	\$ 158,221,522	\$ 160,422,604	\$ 164,931,064	\$ 173,582,264	\$ 177,170,045
Tax Liens.....	509,178	685,462	760,070	645,263	1,203,258	1,010,349	1,143,807	674,676	903,353	792,606
Motor Vehicle and Other Excise Taxes.....	6,149,014	5,822,906	6,295,833	6,233,321	6,567,957	7,127,054	7,535,378	7,990,210	8,197,977	8,617,711
Community Preservation Tax.....	2,088,829	2,217,436	2,319,559	2,386,680	2,469,122	2,534,651	2,604,317	2,691,518	2,803,700	2,899,487
Hotel/Motel Tax.....	1,916,727	1,974,863	2,665,704	3,061,233	3,298,311	3,535,326	3,837,715	4,382,145	4,270,443	4,292,785
Meals Tax.....	-	-	862,461	1,128,180	1,167,324	1,195,490	1,278,394	1,451,906	1,546,042	1,612,669
Charges for Services.....	469,206	498,741	496,126	3,244,260	3,036,615	3,312,082	3,337,900	3,213,857	3,499,681	3,411,670
Penalties and Interest on Taxes.....	440,482	510,939	481,134	518,981	702,090	705,407	687,746	722,465	623,171	707,195
Fees and Rentals (A).....	450,611	2,032,365	2,036,252	-	-	-	-	-	-	-
Payment in Lieu of Taxes.....	45,834	33,586	46,350	53,905	54,812	43,151	58,763	46,849	58,579	77,740
Licenses and Permits.....	4,219,961	2,165,567	4,082,752	2,546,547	4,259,773	5,830,674	6,548,176	8,640,647	6,005,613	6,520,040
Fines and Forfeitures.....	640,202	1,045,306	900,391	845,065	828,483	752,024	629,143	664,299	570,862	592,877
Intergovernmental.....	43,890,085	43,542,464	43,814,540	44,625,132	43,539,794	45,280,990	29,750,004	45,432,282	53,962,488	58,446,102
Departmental and Other.....	3,085,503	1,215,368	1,427,206	3,245,342	3,666,098	3,510,429	4,376,307	4,048,454	4,262,969	6,765,383
Special Assessments.....	98,438	282,434	150,294	124,392	130,820	96,635	88,261	66,861	55,573	2,858
Contributions.....	281,259	314,517	667,361	689,869	652,141	637,428	1,148,063	789,891	943,828	1,272,257
Investment Income.....	889,116	350,319	244,587	228,116	132,533	324,485	575,822	2,232,256	1,453,223	776,175
Miscellaneous (B).....	2,127,933	2,222,469	2,479,952	-	-	-	-	-	-	-
<b>Total Revenue.....</b>	<b>194,147,346</b>	<b>201,090,880</b>	<b>213,597,053</b>	<b>216,374,447</b>	<b>224,002,269</b>	<b>234,117,697</b>	<b>224,022,400</b>	<b>247,979,380</b>	<b>262,739,766</b>	<b>273,957,600</b>
<b>Expenditures:</b>										
General Government.....	9,409,274	9,082,529	9,929,386	8,722,040	9,202,807	11,733,712	11,290,176	11,933,370	16,013,588	13,088,925
Public Safety.....	30,867,119	31,106,507	33,719,409	32,018,623	32,623,739	35,972,040	34,350,115	43,217,251	39,504,974	43,075,736
Education.....	81,547,267	81,477,625	84,383,623	76,313,058	73,395,683	79,102,762	82,125,372	96,940,045	105,011,285	111,957,159
Public Works.....	11,424,619	11,414,663	14,344,728	12,889,605	13,786,096	16,951,921	19,472,720	17,566,377	21,046,731	17,846,746
Community Development.....	5,996,538	4,177,061	5,742,353	3,345,993	4,617,505	4,069,878	6,612,450	3,889,074	2,373,854	8,436,392
Health and Human Services.....	1,591,448	1,751,057	1,747,913	1,982,168	1,900,486	1,872,328	1,749,666	2,025,346	1,940,832	2,718,946
Culture and Recreation.....	3,211,970	3,149,481	3,553,233	3,879,349	5,326,138	4,625,983	4,602,862	5,793,517	4,596,281	4,184,137
Pension Benefits.....	12,282,098	12,747,613	13,152,472	29,490,180	30,328,370	31,040,342	14,577,088	15,168,439	15,677,027	16,179,125
Employee Benefits.....	32,072,199	34,768,726	37,191,542	35,823,260	35,055,370	37,367,643	37,023,287	43,488,817	47,150,295	48,131,846
Claims and Judgments.....	-	-	-	-	-	-	193,000	-	-	-
State and County Charges.....	1,556,523	1,507,037	1,560,299	1,524,202	1,597,185	1,763,919	1,708,001	1,833,755	1,877,795	1,815,848
Capital Outlay.....	11,598,644	5,348,663	-	-	-	-	-	-	-	-
Debt Service.....	-	-	-	-	-	-	-	-	-	-
Principal.....	5,115,000	7,556,538	7,128,638	6,623,638	9,346,738	7,745,398	7,634,498	7,425,238	7,197,238	8,501,238
Interest.....	2,901,122	3,225,848	2,885,832	2,542,952	2,772,464	2,603,692	2,669,154	2,481,308	2,315,202	2,508,405
<b>Total Expenditures.....</b>	<b>209,573,821</b>	<b>207,313,348</b>	<b>215,339,428</b>	<b>215,155,068</b>	<b>219,952,581</b>	<b>234,849,618</b>	<b>224,008,389</b>	<b>251,762,537</b>	<b>264,705,102</b>	<b>278,444,503</b>
<b>Excess of Revenues Over (Under) Expenditures.....</b>	<b>(15,426,475)</b>	<b>(6,222,468)</b>	<b>(1,742,375)</b>	<b>1,219,379</b>	<b>4,049,688</b>	<b>(731,921)</b>	<b>14,011</b>	<b>(3,783,157)</b>	<b>(1,965,336)</b>	<b>(4,486,903)</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of Bonds and Notes.....	5,040,000	-	-	13,638,500	8,603,460	4,567,760	-	-	18,749,000	-
Premium from Issuance of Bonds and Notes.....	526,073	35,619	226,581	1,413,931	362,232	376,525	105,368	159,010	2,199,212	19,036
Proceeds of Refunding Bonds.....	-	-	-	-	1,615,200	-	-	-	-	-
Premium from Issuance of Refunding Bonds.....	-	-	-	-	127,303	-	-	-	-	-
Sale of Capital Assets.....	-	-	-	-	52,748	24,300	-	3,520,312	3,173,843	461,130
Transfers In.....	2,864,687	5,317,960	248,365	252,236	88,406	162,666	1,588,958	3,709,537	42,975	56,013
Transfers Out.....	(2,864,687)	(3,373,150)	(364,519)	(327,236)	(213,811)	(338,116)	(1,773,163)	(4,115,127)	(127,775)	(215,013)
<b>Total Other Financing Sources (Uses).....</b>	<b>5,566,073</b>	<b>1,980,429</b>	<b>110,427</b>	<b>14,977,431</b>	<b>10,635,538</b>	<b>4,793,135</b>	<b>(78,837)</b>	<b>3,273,732</b>	<b>24,037,255</b>	<b>321,166</b>
<b>Net Change in Fund Balance.....</b>	<b>\$ (9,860,402)</b>	<b>\$ (4,242,039)</b>	<b>\$ (1,631,948)</b>	<b>\$ 16,196,810</b>	<b>\$ 14,685,226</b>	<b>\$ 4,061,214</b>	<b>\$ (64,826)</b>	<b>\$ (509,425)</b>	<b>\$ 22,071,919</b>	<b>\$ (4,165,737)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures.....</b>	<b>4.11%</b>	<b>5.43%</b>	<b>4.85%</b>	<b>5.73%</b>	<b>5.71%</b>	<b>4.64%</b>	<b>4.92%</b>	<b>4.12%</b>	<b>3.83%</b>	<b>4.20%</b>

(A) In fiscal year 2012, amounts previously reported as fees and rentals have been re-distributed to charges for services and departmental and other revenue

(B) In fiscal year 2012, miscellaneous revenue was further segregated into other revenue categories

**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								
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	Total Assessed Value
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
2010	(1) \$5,795,080,312	\$12.54	\$2,026,368,766	\$464,727,284	\$256,463,760	\$2,747,559,810	\$28.67	\$17.73	\$8,542,640,122
2011	\$5,635,369,835	\$13.09	\$2,045,047,523	\$440,775,576	\$271,782,840	\$2,757,605,939	\$30.40	\$18.78	\$8,392,975,774
2012	\$5,650,931,885	\$13.35	\$2,024,520,793	\$469,845,956	\$297,481,600	\$2,791,848,349	\$23.21	\$16.61	\$8,442,780,234
2013	(1) \$5,697,874,745	\$13.49	\$2,054,231,833	\$462,439,256	\$317,744,640	\$2,834,415,729	\$31.77	\$19.56	\$8,532,290,474
2014	\$5,772,320,361	\$13.43	\$2,127,776,189	\$461,112,274	\$336,977,250	\$2,925,865,713	\$31.97	\$19.67	\$8,698,186,074
2015	\$5,900,062,585	\$13.13	\$2,220,696,817	\$471,070,238	\$380,479,990	\$3,072,247,045	\$31.79	\$19.52	\$8,972,309,630
2016	(1) \$6,546,761,667	\$12.24	\$2,429,262,190	\$514,728,349	\$455,541,880	\$3,399,532,419	\$29.53	\$18.15	\$9,946,294,086
2017	\$6,891,358,240	\$12.56	\$2,578,505,792	\$528,610,108	\$494,998,700	\$3,602,114,600	\$29.04	\$18.22	\$10,493,472,840
2018	\$7,333,851,274	\$12.61	\$2,834,882,520	\$519,990,970	\$529,381,920	\$3,884,255,410	\$27.97	\$17.93	\$11,218,106,684



(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.

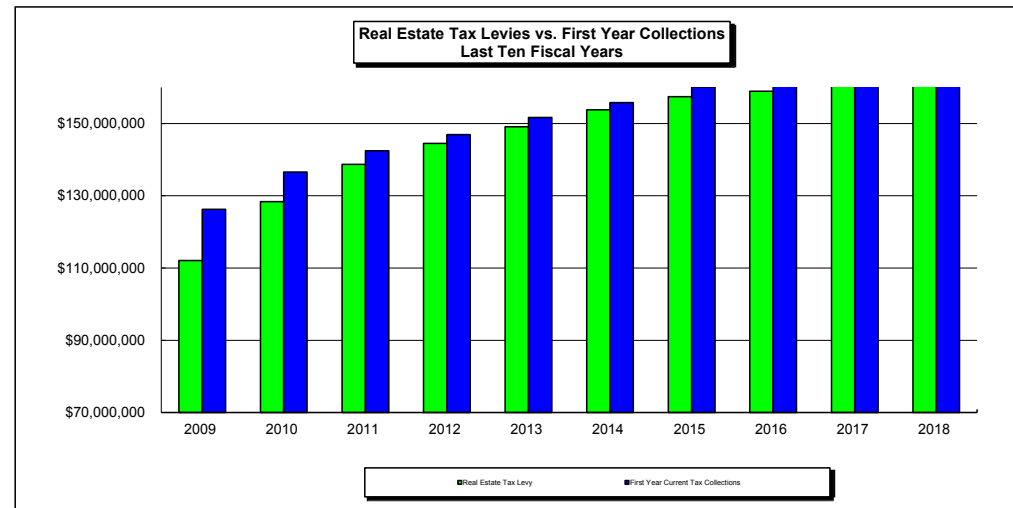
**CITY OF WALTHAM, MASSACHUSETTS  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Name	Nature of Business	2018			2009		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
BCCC Property LLC	Office	\$173,529,730	1	2.71%	\$167,278,500	1	3.34%
NSTAR	Utility	\$128,613,690	2	2.01%	\$67,292,490	5	1.34%
Astra	Office	\$111,712,220	3	1.74%	\$74,810,120	3	1.49%
275 Wyman St Rlty Tr	Office	\$93,936,330	4	1.46%			
BP Reservoir Place, LLC	Office	\$89,314,270	5	1.39%	\$75,957,410	2	1.52%
DMP RE II LLC	Office	\$88,248,400	6	1.38%			
PD Winter St Trust	Office	\$80,426,300	7	1.25%	\$63,873,000	6	1.27%
Windsor Village	Apartments	\$76,646,960	8	0.51%			
10-52 Second Avenue	Mixed Use	\$76,180,900	9	0.50%			
Gardencrest Apts	Apartments	\$70,985,500	10	0.47%			
Longview Place, LLC	Apartments				\$61,112,000	7	1.22%
Broadway Prospect Hill	Office				\$53,575,800	10	1.07%
404 Wyman St.	Office				\$60,335,900	8	1.20%
MMS Lot & MMS Winter St LLC	Office				\$67,440,500	4	1.35%
ECD Property LLC	Manufacturing				\$54,352,000	9	1.08%
	<b>Totals</b>	<b>\$989,594,300</b>		<b>13.42%</b>	<b>\$746,027,720</b>		<b>14.88%</b>

Source: Assessor's Department, City of Waltham

**CITY OF WALTHAM, MASSACHUSETTS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year		Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections
2009		\$ 129,065,767	\$ 674,763	\$ 128,391,004	99.48%	\$ 126,252,280	98.33%	\$ 1,432,313	\$ 127,684,593
2010	(1)	\$ 139,964,888	\$ 1,264,748	\$ 138,700,140	99.10%	\$ 136,591,479	98.48%	\$ 264,574	\$ 136,856,053
2011		\$ 145,976,141	\$ 1,467,306	\$ 144,508,835	98.99%	\$ 142,459,955	98.58%	\$ 1,458,173	\$ 143,918,129
2012		\$ 150,870,993	\$ 1,728,254	\$ 149,142,739	98.85%	\$ 146,918,672	98.51%	\$ 1,353,980	\$ 148,272,652
2013	(1)	\$ 154,887,838	\$ 1,098,748	\$ 153,789,090	99.29%	\$ 151,681,456	98.63%	\$ 1,948,314	\$ 153,629,770
2014		\$ 158,922,344	\$ 1,454,831	\$ 157,467,513	99.08%	\$ 155,789,875	98.93%	\$ 2,058,441	\$ 157,848,316
2015		\$ 163,000,697	\$ 1,221,598	\$ 161,779,099	99.25%	\$ 160,147,707	98.99%	\$ 2,065,561	\$ 162,213,268
2016	(1)	\$ 167,901,732	\$ 951,026	\$ 166,950,706	99.43%	\$ 165,282,149	99.00%	\$ 1,183,650	\$ 166,465,799
2017		\$ 174,137,000	\$ 830,395	\$ 173,306,605	99.52%	\$ 171,242,977	98.81%	\$ 1,346,066	\$ 172,589,043
2018		\$ 179,334,620	\$ 875,236	\$ 178,459,384	99.51%	\$ 175,333,537	98.25%	\$ 1,870,836	\$ 177,204,373



(1) Revaluation year.  
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	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2009	60,236	\$1,819,410,000	\$8,921,116,476	\$82,398,658	\$0	\$1,368	4.53%	0.92%
2010	60,605	\$1,819,410,000	\$8,542,640,122	\$74,842,120	\$0	\$1,235	4.11%	0.88%
2011	60,605	\$1,819,410,000	\$8,392,975,774	\$67,718,482	\$0	\$1,117	3.72%	0.81%
2012	60,632	\$1,819,410,000	\$8,442,780,234	\$74,728,344	\$0	\$1,232	4.11%	0.89%
2013	60,632	\$1,650,776,000	\$8,532,290,474	\$75,600,266	\$0	\$1,247	4.58%	0.89%
2014	60,632	\$1,720,850,000	\$8,698,186,074	\$72,689,629	\$0	\$1,199	4.22%	0.84%
2015	60,632	\$1,823,593,000	\$8,972,309,630	\$66,032,614	\$0	\$1,089	3.62%	0.74%
2016	63,378	\$2,228,433,858	\$9,946,294,086	\$58,480,367	\$0	\$923	2.62%	0.59%
2017	63,149	\$1,992,543,000	\$10,493,472,840	\$68,914,654	\$0	\$1,091	3.46%	0.66%
2018	63,149	\$2,094,061,000	\$11,218,106,684	\$60,413,416	\$0	\$957	2.88%	0.54%

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 Assessed Value
2009	\$13,540,855	\$0	\$95,939,513	\$1,593	5.27%	1.08%
2010	\$12,517,344	\$0	\$87,359,464	\$1,441	4.80%	1.02%
2011	\$14,511,230	\$0	\$82,229,712	\$1,357	4.52%	0.98%
2012	\$22,114,746	\$0	\$96,843,090	\$1,597	5.32%	1.15%
2013	\$24,665,033	\$0	\$100,265,299	\$1,654	6.07%	1.18%
2014	\$22,519,950	\$0	\$95,209,579	\$1,570	5.53%	1.09%
2015	\$22,718,219	\$0	\$88,750,833	\$1,464	4.87%	0.99%
2016	\$20,344,280	\$0	\$78,824,647	\$1,244	3.54%	0.79%
2017	\$24,742,032	\$0	\$93,656,686	\$1,483	4.70%	0.89%
2018	\$22,049,972	\$0	\$82,463,388	\$1,306	3.94%	0.74%

(1) Sewer, Water and Veterans Memorial Rink Funds

Source: Audited Financial Statements, U. S. Census, Division of Local Services



**CITY OF WALTHAM, MASSACHUSETTS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2018**

<u>City of Waltham, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</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.....	\$ 2,057,615,000	3.813%	\$ 78,456,860	\$ 5,407,434
MWRA Sewer.....	3,572,843,000	2.812%	100,468,345	8,958,448
MBTA.....	5,563,850,000	0.818%	<u>45,512,293</u>	<u>1,367,736</u>
SubTotal.....			224,437,498	<u>\$ 15,733,618</u>
City Direct Debt.....			<u>60,413,416</u>	
Total Direct and Overlapping Debt.....			<u>\$ 284,850,914</u>	

Source: Official Statement for Sale of Bonds

(1) The percentage of total overlapping debt is derived from the City's share of capital charges divided by the debt at fiscal year end.

**CITY OF WALTHAM, MASSACHUSETTS  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Equalized Valuation.....	\$ 8,921,116,476	\$ 8,542,640,122	\$ 9,212,986,100	\$ 9,279,182,000	\$ 9,729,182,000	\$ 9,539,477,600	\$ 9,539,477,600	\$ 9,539,477,600	\$ 10,593,326,800	\$ 10,593,326,800
Debt Limit -5% of Equalized Valuation.....	446,055,824	427,132,006	460,649,305	463,959,100	486,459,100	476,973,880	476,973,880	476,973,880	529,666,340	529,666,340
Less:										
Outstanding Debt Applicable to Limit.....	92,277,513	83,760,995	77,849,194	89,831,227	91,143,839	86,351,769	78,707,154	69,755,692	84,139,014	74,028,949
Authorized and Unissued Debt.....	16,099,973	29,314,022	30,413,485	14,962,927	16,953,434	17,742,434	25,835,956	14,983,746	29,612,946	30,272,946
Legal Debt Margin.....	<u>\$ 337,678,338</u>	<u>\$ 314,056,989</u>	<u>\$ 352,386,626</u>	<u>\$ 359,164,946</u>	<u>\$ 378,361,827</u>	<u>\$ 372,879,677</u>	<u>\$ 372,430,770</u>	<u>\$ 392,234,442</u>	<u>\$ 415,914,380</u>	<u>\$ 425,364,445</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit.....	24.30%	26.47%	23.50%	22.59%	22.22%	21.82%	21.92%	17.77%	21.48%	19.69%

Source: City Auditor's Office, City of Waltham

**CITY OF WALTHAM, MASSACHUSETTS  
PRINCIPAL EMPLOYERS (EXCLUDING CITY)  
CURRENT YEAR AND TEN YEARS AGO**

Employer	Nature of Business	2018		2008	
		Employees	Rank	Employees	Rank
Bentley University	Higher Education	1,000-4,999	1	800	3
Brandeis University	Higher Education	1,000-4,999	2	1,512	1
Fresenius Medical Care	Pharmaceuticals	1,000-4,999	3		
National Grid	Utility	1,000-4,999	4		
Novell, Inc	Software	1,000-4,999	5		
ADP Waltham	Payroll Services	500-999	6		
AM-FM Cleaning Corporation	Janitorial Contracting	500-999	7	600	6
Children's Hospital	Medical	500-999	8		
Constant Contact, Inc	Software	500-999	9		
Education Development Ctr	Educational Software	500-999	10		
Jfc Home Health Agency	Home Health Services	500-999	9		
Multi Plan Inc	Health Insurance	500-999	10		
Nova Biomedical Corporation	BioTech Research			600	7
Tufts Health Plan	Health Care			1,500	2
Bank of America	Financial Services			660	4
Keyspan	Utility			650	5
Raytheon	Electronics			587	8
Verizon	Communications			520	9
Parexel International Corporation	R&D Consultant			500	10

Source: Massachusetts Department of Employment and Training

Source: Exec Office Labor & Workforce Development (EOLWD) 2018 Largest Employers

**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>
2009	60,236	1,819,410,000	\$30,205	34.2	4,751	6.8%
2010	60,605	1,819,410,000	\$30,021	34.2	4,763	6.7%
2011	60,605	1,819,410,000	\$30,021	34.2	4,796	5.7%
2012	60,632	1,819,410,000	\$30,007	34.2	4,997	5.2%
2013	60,632	1,650,776,000	\$27,226	33.9	5,183	5.0%
2014	61,918	1,823,593,000	\$29,452	33.9	5,271	5.0%
2015	62,227	1,904,528,000	\$30,606	34.0	5,281	3.6%
2016	63,378	2,228,433,858	\$35,161	34.2	5,380	2.9%
2017	63,149	1,992,543,000	\$31,553	34.2	5,461	2.8%
2018	63,149	2,094,061,000	\$33,161	33.7	5,639	3.0%

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

Median age is based on most recent census data

2009 to 2018 population/personal income obtained from the Division of Local Services

**CITY OF WALTHAM, MASSACHUSETTS  
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function:										
General Government.....	106	102	96	93	94	94	99	99	99	99
Public Safety.....	359	358	355	350	354	355	376	380	383	384
Education.....	918	911	927	932	896	904	930	941	964	994
Consolidated Public Works.....	67	63	60	61	61	61	62	64	67	68
Community Development.....	27	26	25	23	22	22	22	24	24	24
Health and Human Services.....	19	18	18	16	15	16	17	17	17	17
Culture and Recreation.....	25	24	25	26	37	38	56	59	61	63
Water/Sewer.....	27	27	27	28	28	28	33	33	33	32
Total .....	<u>1,548</u>	<u>1,529</u>	<u>1,533</u>	<u>1,529</u>	<u>1,507</u>	<u>1,518</u>	<u>1,595</u>	<u>1,617</u>	<u>1,648</u>	<u>1,681</u>

Source: City records.

**CITY OF WALTHAM, MASSACHUSETTS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Cash flow (millions).....	540	550	580	600	620	640	660	680	700	720
Accounts payable invoices processed.....	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	39,500
Payroll checks processed.....	72,000	72,000	72,000	72,000	72,000	72,000	73,000	73,500	74,000	74,100
Police										
Arrests.....	1,006	1,181	1,097	1,049	928	912	800	828	852	689
Traffic citations.....	11,140	10,363	11,260	8,067	8,698	7,243	6,000	11,750	12,250	11,288
Parking violations.....	5,150	5,247	4,546	4,947	3,837	3,500	2,800	3,538	4,150	2,244
Service calls.....	35,000	35,000	35,000	35,000	35,000	35,000	35,500	36,000	36,000	36,000
Major investigations.....	1,880	1,880	1,607	1,607	1,495	1,450	1,850	1,750	1,700	1,472
Fire										
Inspections - schools/nursing homes/hospitals.....	100	100	100	100	100	100	110	110	180	188
Inspections - commercial/industrial.....	550	550	550	550	550	550	550	600	600	817
Emergency responses - box alarms.....	1,200	1,360	1,800	1,900	1,900	1,900	2,000	2,000	2,000	
Emergency responses - still alarms.....	6,000	5,990	6,500	6,300	6,300	6,600	6,700	6,500	7,000	
Emergency responses - false alarms.....	190	150	200	150	150	150	150	170	180	
Total Company Responses.....										14,292
Water										
Consumption in gallons (billions/year).....	3	2.8	2.8	3	3	2.4	2.5	3.1	2.6	3.0
Leak detection (miles).....	165	165	165	165	150	340	256	340	170	170
Service repairs.....	155	91	100	100	115	121	107	140	152	177
Sewer										
Service repairs.....	40	26	30	29	29	54	40	38	36	34
Stoppages - mains.....	100	79	72	92	124	120	159	69	90	81
Stoppages - services.....	300	238	175	253	281	270	343	222	296	265
Health and Human Services										
Permits - public health.....	885	853	850	831	780	772	920	957	925	975
Senior citizen programs.....	26	26	26	26	26	27	29	29	29	30
Senior citizen programs - participants.....	2,200	2,613	2,615	2,650	2,822	2,653	2,735	2,863	3,067	3,171
Recreation activities.....	200	220	230	230	227	230	325	325	345	350
Recreation activities - participants.....	14,000	13,982	14,225	19,670	26,249	27,275	22,050	24,942	25,123	32,245
Veterans cases.....	1,050	1,050	1,050	1,065	1,065	1,080	1,080	2,000	2,000	2,000
Cemetery burials.....	100	200	200	210	200	210	214	215	210	203
Libraries										
Items circulated.....	575,000	527,956	507,500	513,041	463,251	425,000	424,500	430,000	442,000	423,000
Registered borrowers.....	32,000	28,991	28,900	28,223	27,418	27,000	27,500	27,500	27,500	26,807

Source: Various City Departments

**CITY OF WALTHAM, MASSACHUSETTS  
CAPITAL ASSETS EXPENDITURES BY PURPOSE  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Equipment/Technology</b>										
General Government.....	\$ 238,687	\$ 149,835	\$ 124,693	\$ 195,221	\$ 250,223	\$ 373,285	\$ 81,159	\$ 224,524	\$ 152,778	\$ 108,450
Public Safety.....	913,319	32,370	2,254,088	562,315	595,314	1,455,397	1,203,638	134,082	1,286,830	2,093,308
General Government.....	1,125,049	1,079,628	315,172	230,381	80,463	498,127	213,149	89,990	525,044	1,366,063
Community Development.....	-	-	-	58,470	32,421	80,978	-	-	2,001,500	32,965
Recreation.....	-	-	-	118,000	1,500	295,521	273	19,010	108	-
<b>Building Renovations</b>										
General Government.....	131,129	9,834	63,478	16,988	58,470	-	92,880	-	55,844	270,009
Public Safety.....	31,875	32,281	380,308	301,061	214,925	64,283	-	11,523	358,836	61,914
General Government.....	418,940	374,726	118,726	-	-	43,780	-	-	-	-
Community Development.....	68,957	819,663	1,534,836	1,005,517	856,123	3,061,442	932,666	168,155	364,400	2,262,662
Recreation.....	3,938	-	753,045	346,397	459,969	840,826	312,716	331,152	29,597	4,875
<b>Street/ Sidewalk</b>										
Street Reconstruction.....	791,635	61,424	1,649,017	1,202,350	144,168	821,253	2,021,084	4,060,227	5,031,619	890,360
Street Resurfacing (Chapter 90).....	-	1,481,973	64,825	1,767,309	1,531,475	488,393	1,357,983	1,876,733	2,955,943	603,211
Parking Lot Construction.....	-	-	-	-	-	-	-	-	-	542,450
<b>Water &amp; Sewer</b>										
Infrastructure/Equipment.....	2,262,406	1,642,815	2,127,031	4,575,043	3,776,168	2,096,853	4,052,744	5,069,207	3,025,819	5,693,071
<b>School</b>										
Construction/Renovations/Equipment...	10,598,804	346,060	261,273	2,382,632	290,912	1,110,824	485,866	68,042	1,472,383	845,092
<b>Land Acquisition</b>										
Recreation.....	12,635	3,203,885	4,400	949,919	514,695	-	4,169,775	1,009,621	899,783	-
Open Space.....	-	-	-	-	-	-	-	-	-	3,302,547
<b>Land Development</b>										
Recreation.....	1,515,133	239,838	339,711	695,815	1,861,581	1,434,819	1,113,229	1,427,084	1,990,816	882,895
Planning.....	-	-	-	-	-	-	-	-	-	257,460
<b>Signals/ Communications</b>										
Community Development.....	154,601	223,294	499,722	216,479	401,136	804,916	343,425	585,149	115,017	45,042
Grand Total.....	\$ 18,267,108	\$ 9,697,626	\$ 10,490,325	\$ 14,623,897	\$ 11,069,543	\$ 13,470,697	\$ 16,380,587	\$ 15,074,497	\$ 20,266,316	\$ 19,262,374

Source: Auditor's Department