

# **City of Waltham, Massachusetts**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2019**



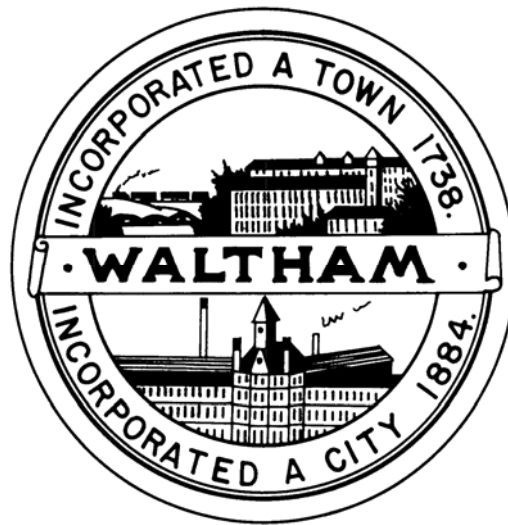
**Veterans Circle of Remembrance**



# **CITY OF WALTHAM, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2019



**Prepared by:**

**City Auditor's Office**

**CITY OF WALTHAM, MASSACHUSETTS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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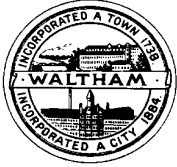
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# *Introductory Section*



**Graverson Playground**



Paul G. Centofanti  
City Auditor

# CITY OF WALTHAM

Commonwealth of Massachusetts

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## Letter of Transmittal

December 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, 2019 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, 2019 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, 2019, 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, 2019 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 2019, the combined assessed value of these properties represented 34.3% of the total City value. In terms of tax burden, the same industrial and commercial tax base bore 60.1% of the fiscal year 2019 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 \$97.1 million in long and short term debt. The long term indebtedness consists of \$72.4 million of general obligation bonds for the general fund and \$24.7 million which is self-supporting through enterprise fund revenues. During 2019, the City issued \$23.5 million in new long term debt; \$20.2 million for the general fund and \$3.3 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 \$22.2 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 \$21.4 million as of June 30, 2019. The authorized and unissued debt includes \$4.1 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, 2019, the latest actuarial valuation date, the System had succeeded in funding (actuarially) 46.8% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 13 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. The total OPEB liability at year end totaled approximately \$619 million. The City established and maintains an OPEB Trust Fund (not considered a trust for GASB reporting purposes) with a balance in excess of \$12.1 million as of June 30, 2019. Of this balance, \$1.2 million is attributable to employee contributions paid during 2017, 2018 and 2019 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, 2018. This was the fifteenth 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.

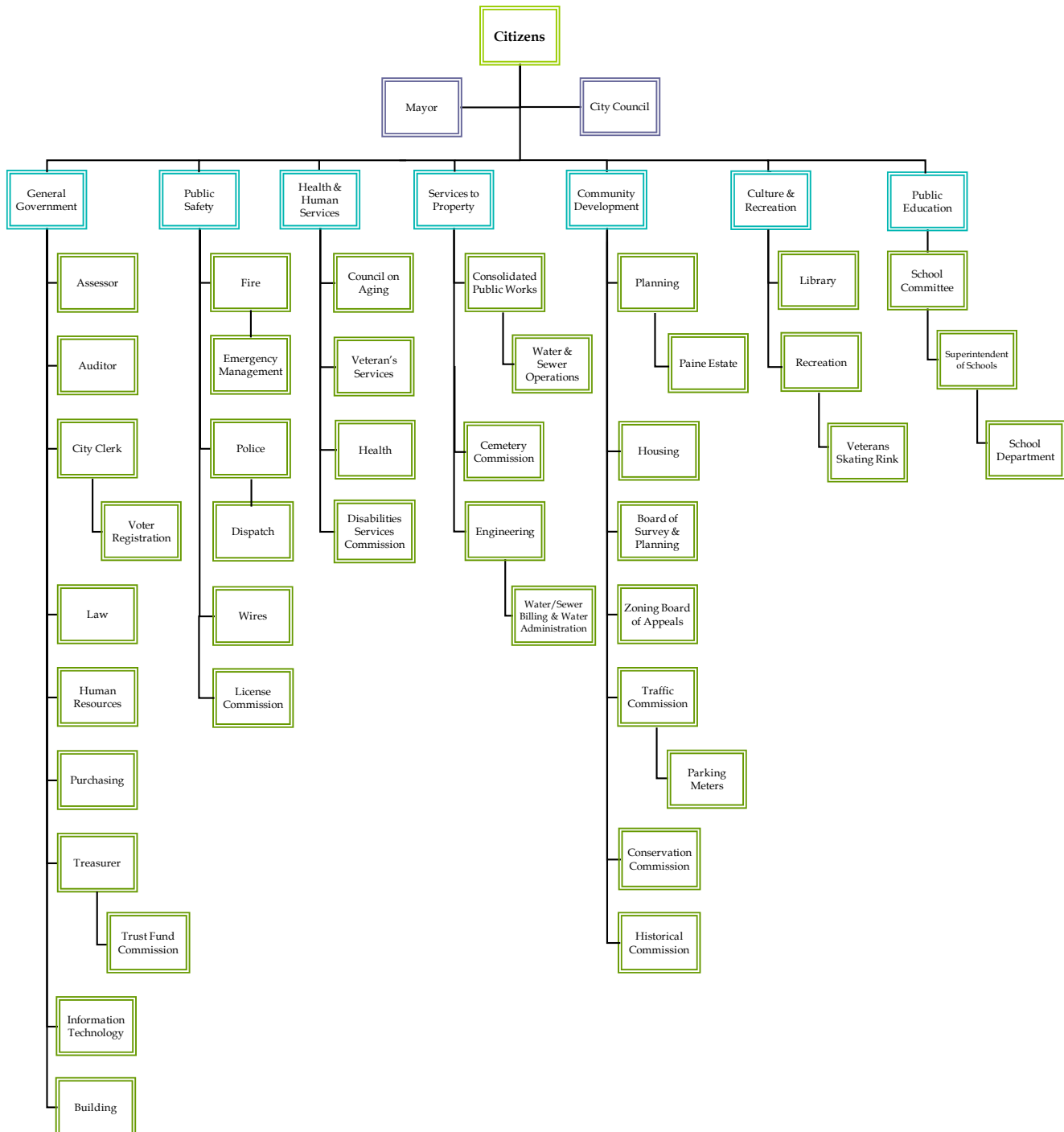
The preparation of this report would not have been possible without the dedication and commitment to excellence by the staff of the Auditing Department. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation of this report. We would 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, Council President

Diane P. LeBlanc

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

George Frost, Interim Superintendent of Schools

Elizabeth Aljammal

Margaret Donnelly

John A. Frassica, II

John B. Graceffa

Stephen Rando, Jr.

Edmund Tarallo

**PRINCIPAL EXECUTIVE OFFICERS**

City Auditor

Paul G. Centofanti

City Treasurer/Collector

Thomas J. Magno

City Clerk

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, 2018**

*Christopher P. Morrell*

Executive Director/CEO

# *Financial Section*



Francis Cabot Lowell Mill



## 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, 2019 (except for the Waltham Contributory Retirement System, which is as of and for the year ended December 31, 2018), 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.

### ***Auditors' 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 auditors' 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, 2019 (except for the Waltham Contributory Retirement System, which is as of and for the year ended December 31, 2018), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (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*

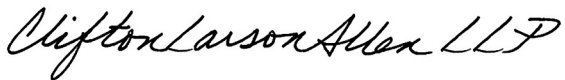
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waltham, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements, and statistical section are presented for purposes of 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 December 30, 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 black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen**

Boston, Massachusetts  
December 30, 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, 2019.

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

- The current liabilities of \$47,525,409, noncurrent liabilities of \$898,015,331 and deferred inflows of \$1,016,589 exceeded its current assets of \$182,591,837, noncurrent assets of \$296,062,536 and deferred outflows of \$47,978,921 at the close of the most recent fiscal year by \$419,924,035 (net deficit). The City's governmental activities had an unrestricted net deficit totaling (\$714,253,221) and \$24,700,610 in unrestricted net position for its business-type activities.
- The City's total net position decreased \$15,707,007.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances totaling \$113,585,551, an increase of \$8,625,267 in comparison with the prior year. \$31,569,938 represents unassigned fund balance.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$31,953,010, or 12.4% of total general fund expenditures and transfers out.
- The City's total long-term debt increased by \$16,013,838 (18.5%) during fiscal year 2019, which includes \$25,634,206 of new debt issued.

### ***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 24 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 22 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 \$419,924,035 at the close of the fiscal year and are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2019	2018	2019	2018	2019	2018
<b>Assets and Deferred Outflows of Resources</b>						
Current Assets..... \$	137,305,507	\$ 129,593,963	\$ 45,286,330	\$ 44,015,012	\$ 182,591,837	\$ 173,608,975
Noncurrent Assets (Excluding Capital Assets).....	1,941,126	2,061,120	-	-	1,941,126	2,061,120
Capital Assets (Net).....	254,093,346	235,727,833	40,028,064	38,026,091	294,121,410	273,753,924
Total Assets.....	<u>393,339,979</u>	<u>367,382,916</u>	<u>85,314,394</u>	<u>82,041,103</u>	<u>478,654,373</u>	<u>449,424,019</u>
Deferred Outflows of Resources.....	<u>46,336,780</u>	<u>7,543,894</u>	<u>1,642,141</u>	<u>281,199</u>	<u>47,978,921</u>	<u>7,825,093</u>
<b>Liabilities and Deferred Inflows of Resources</b>						
Current Liabilities (Excluding Debt).....	33,532,178	11,866,538	1,772,159	1,752,025	35,304,337	13,618,563
Noncurrent Liabilities (Excluding Debt).....	790,089,068	731,453,854	17,797,902	16,012,184	807,886,970	747,466,038
Current Debt.....	8,965,737	10,521,333	3,255,335	6,480,172	12,221,072	17,001,505
Noncurrent Debt.....	<u>67,253,709</u>	<u>54,751,033</u>	<u>22,874,652</u>	<u>20,261,536</u>	<u>90,128,361</u>	<u>75,012,569</u>
Total Liabilities.....	<u>899,840,692</u>	<u>808,592,758</u>	<u>45,700,048</u>	<u>44,505,917</u>	<u>945,540,740</u>	<u>853,098,675</u>
Deferred Inflows of Resources.....	<u>1,014,493</u>	<u>8,113,763</u>	<u>2,096</u>	<u>253,702</u>	<u>1,016,589</u>	<u>8,367,465</u>
<b>Net Position</b>						
Net Investment in Capital Assets.....	178,888,539	172,230,570	16,553,781	17,705,732	195,442,320	189,936,302
Restricted.....	74,186,256	71,414,954	-	-	74,186,256	71,414,954
Unrestricted.....	<u>(714,253,221)</u>	<u>(685,425,235)</u>	<u>24,700,610</u>	<u>19,856,951</u>	<u>(689,552,611)</u>	<u>(665,568,284)</u>
Total Net Position..... \$	<u>(461,178,426)</u>	<u>(441,779,711)</u>	<u>41,254,391</u>	<u>37,562,683</u>	<u>(419,924,035)</u>	<u>(404,217,028)</u>

The largest portion of the City's net position (\$195,442,320) 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 (\$74,186,256) represents resources that are subject to external restrictions on how they may be used.



Unrestricted net position of \$24,700,610 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, 2019, the City's total net position decreased by \$15,707,007, compared to a decrease of \$14,612,694 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2019	2018**	2019	2018	2019	2018
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services.....	\$ 20,304,139	\$ 14,836,553	\$ 33,844,311	\$ 32,090,417	\$ 54,148,450	\$ 46,926,970
Operating Grants and Contributions.....	48,259,161	50,811,292	-	-	48,259,161	50,811,292
Capital Grants and Contributions.....	1,029,053	1,221,305	2,994,024	37,949	4,023,077	1,259,254
<i>General Revenues:</i>						
Real Estate and Personal Property Taxes.....	184,981,077	178,305,767	-	-	184,981,077	178,305,767
Motor Vehicle and Other Excise Taxes.....	8,520,782	8,463,994	-	-	8,520,782	8,463,994
Hotel/Motel Taxes.....	5,060,931	4,292,785	-	-	5,060,931	4,292,785
Meals Tax.....	1,681,619	1,612,669	-	-	1,681,619	1,612,669
Penalties and Interest on Taxes.....	611,087	707,197	-	-	611,087	707,197
Payments in Lieu of Taxes.....	71,633	77,740	-	-	71,633	77,740
Community Preservation Taxes.....	3,010,079	2,894,647	-	-	3,010,079	2,894,647
Grants and Contributions Not Restricted to Specific Programs.....	10,712,304	10,392,962	-	-	10,712,304	10,392,962
Unrestricted Investment Income.....	4,316,038	713,990	675,040	356,943	4,991,078	1,070,933
Gain on Sale of Capital Assets.....	70,997	-	-	-	70,997	-
<b>Total Revenues.....</b>	<b>288,628,900</b>	<b>274,330,901</b>	<b>37,513,375</b>	<b>32,485,309</b>	<b>326,142,275</b>	<b>306,816,210</b>
<b>Expenses</b>						
General Government.....	15,631,195	16,852,499	-	-	15,631,195	16,852,499
Public Safety.....	79,161,282	69,526,941	-	-	79,161,282	69,526,941
Education.....	166,594,428	156,449,749	-	-	166,594,428	156,449,749
Public Works.....	22,672,980	22,953,565	-	-	22,672,980	22,953,565
Health and Human Services.....	4,991,002	4,596,271	-	-	4,991,002	4,596,271
Culture and Recreation.....	8,545,246	6,700,631	-	-	8,545,246	6,700,631
Community Development.....	8,162,491	9,059,623	-	-	8,162,491	9,059,623
Debt Service - Interest.....	2,168,991	2,142,265	-	-	2,168,991	2,142,265
Sewer.....	-	-	18,925,793	18,492,326	18,925,793	18,492,326
Water.....	-	-	14,432,176	14,137,215	14,432,176	14,137,215
Veterans Memorial Rink.....	-	-	563,698	517,819	563,698	517,819
<b>Total Expenses.....</b>	<b>307,927,615</b>	<b>288,281,544</b>	<b>33,921,667</b>	<b>33,147,360</b>	<b>341,849,282</b>	<b>321,428,904</b>
Change in Net Position Before Transfers.....	(19,298,715)	(13,950,643)	3,591,708	(662,051)	(15,707,007)	(14,612,694)
Transfers, Net.....	(100,000)	(159,000)	100,000	159,000	-	-
Change in Net Position.....	(19,398,715)	(14,109,643)	3,691,708	(503,051)	(15,707,007)	(14,612,694)
Net position - Beginning of Year.....	(441,779,711)	(427,670,068)	37,562,683	38,065,734	(404,217,028)	(389,604,334)
Net Position - End of Year.....	\$ (461,178,426)	\$ (441,779,711)	\$ 41,254,391	\$ 37,562,683	\$ (419,924,035)	\$ (404,217,028)

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

Governmental activities decreased the City's net position by \$19,398,715. In the prior year, governmental activities decreased the City's net position by \$14,109,643. The key element of this change is an increase in postemployment benefit expenses.

Business-type activities increased the City's net position by \$3,691,708. In the prior year, business-type activities decreased the City's net position by \$503,051. The key element of this change is an increase in capital contributions and investment income.

### ***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 \$113,585,551, an increase of \$8,625,267 in comparison with the prior year. \$31,953,010 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable - \$2,489,317
- Restricted - \$70,189,898
- Committed - \$5,291,707
- Assigned - \$4,044,691

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 \$31,953,010, while total fund balance was \$54,938,472. 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 12.4% of total general fund expenditures and transfers out, while total fund balance represents 21.32% of that same amount.

The balance of the City's general fund increased by \$6,630,414 during fiscal year 2019. The City recognized a budgetary surplus of \$16,104,955 (excluding encumbrances and continuing appropriations), and anticipated utilizing reserves and continuing appropriations of approximately \$12,785,000 to fund fiscal year 2019 operations.

Some of the significant increases to the balance of the general fund were the positive variances to local receipts from the following sources: licenses and permits-\$5,432,000 due to the permitting of several large office park developments, hotel/motel tax-\$661,000 due to two additional hotels and increased occupancy, FEMA reimbursement-\$656,000 due to a prior year snow storm, investment income-\$639,000 due to an increase in investment rates. Additionally, there was an overall net positive variance to operating expenditures of \$2,900,000 including the following programs: Public Works-\$645,000, Education-\$604,000, General Government-\$458,000, Public Safety-\$432,000 and Recreation-\$429,000, all primarily due to staffing vacancies in each respective program and to a lesser extent operating expenses.

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

The fund balance of the community preservation fund (special revenue) increased by \$851,242 during the current fiscal year. The fund recognized \$3,008,465 of community preservation taxes, \$4,949 of penalties and interest on taxes, \$550,314 of intergovernmental revenues, and \$1,589,958 of investment income and market appreciation. Expenditures incurred totaled \$4,302,444.

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 \$12,442,935, \$12,872,518 and (\$614,843), respectively. The sewer and water enterprise funds had increases in net position for the year of \$3,462,767 and \$295,067, respectively, and Veterans Memorial Rink enterprise fund had a decrease in net position of \$66,126. 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 \$239,369,431 increased by \$6,593,883 (2.8%) during the fiscal year. The following table summarizes the increase:

Purpose of Increase	Amount	Funding Source
Transfers Out - Stabilization Fund.....	\$ 1,000,000	Unassigned Fund Balance
Education - WHS - Early Site Package.....	1,000,000	Sale of City Land Special Revenue
Public Works - Snow & Ice Removal.....	705,000	Unassigned Fund Balance
Education - Whittemore Playground Equip/Improve.....	602,115	Unassigned Fund Balance/Stabilization Fund
CPW - Trucks.....	390,000	Unassigned Fund Balance
Debt Service - Interest (BAN).....	350,000	Sale of City Land Special Revenue
Fire - Moody St Fire Station (Rehab Project).....	330,500	Unassigned Fund Balance
Purchasing - Commissioning - 5 Schools.....	250,000	Unassigned Fund Balance
Building - Maintenance & Major Repairs.....	241,232	Unassigned Fund Balance
Recreation - Prospect Hill Park (Design).....	147,000	Stabilization Fund
Fire - Overtime.....	125,000	Unassigned Fund Balance
Purchasing - City Hall Renovations.....	122,433	Unassigned Fund Balance
CPW - Street Resurfacing.....	120,000	Unassigned Fund Balance
Fire - Vehicles/Equipment.....	115,574	Stabilization Fund
Voters Registration - Voting Machines.....	114,000	Unassigned Fund Balance
Engineering - Street Resurfacing.....	108,602	Unassigned Fund Balance
CPW - Recycling Program.....	100,000	Stabilization Fund
Fire - Medical Expenses.....	100,000	Unassigned Fund Balance
Mayor - Land Acquisition (334R Prospect Hill Rd).....	88,000	Stabilization Fund
Purchasing - Environmental Services (Fernald).....	77,400	Unassigned Fund Balance
Fire - Moody St Fire Station (Rehab Project).....	68,710	Stabilization Fund
Traffic - Signal Design (High/Joyce/Hamblin).....	55,000	Stabilization Fund
Purchasing - Electric Vehicles.....	53,342	Unassigned Fund Balance
Law - Appraisals.....	50,000	Unassigned Fund Balance
Mayor - Appraisals (Land).....	48,078	Stabilization Fund
CPW - Landscape Machine.....	35,000	Unassigned Fund Balance
Building - Truck.....	30,712	Unassigned Fund Balance
Building - Inspectors' Equipment.....	30,000	Building Code Violations Special Revenue
Council on Aging - Food Supplies.....	26,000	Unassigned Fund Balance
Building - Utilities.....	25,000	Unreserved Fund Balance
Library - Security Cameras.....	24,686	Unassigned Fund Balance
Library - Education Supplies.....	20,000	State Aid Grant
Health - Pest/Rat Control.....	15,000	Stabilization Fund
Fire - Building Rental.....	10,500	Unassigned Fund Balance
Traffic - Environmental Services (380 Lexington St).....	8,000	Unassigned Fund Balance
Veterans/License - Copy Machine.....	6,999	Stabilization Fund
Total Increase	\$ 6,593,883	

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 \$16,105,000. Encumbrances and continuing appropriations totaled \$7,565,450 at year-end.

Some of the significant revenue items that exceeded budgetary estimates were the following: licenses and permits-\$5,432,000, hotel/motel tax-\$661,000, FEMA reimbursement-\$656,000, investment income-\$639,000, tax liens-\$598,000, State aid-\$314,000 and departmental receipts-\$304,000. Some of the programs that expended less than budgetary estimates were the following: Public Works-\$645,000, Education-\$604,000, General Government-\$458,000, Public Safety-\$432,000 and Recreation-\$429,000.

### ***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 \$294,121,410 (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 increase in the investment in capital assets for the current fiscal year totaled 7.4%.

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

- Land Purchase – 554 Lexington Street (\$18,000,000)
- Playground Improvements - Graverson (\$1,256,888)
- Playground Improvements – Elsie Turner (\$1,178,229)
- Playground Improvements – Hillcroft/MacArthur/Various (\$1,167,038)
- Sewer Infrastructure (\$1,929,428)
- Water Infrastructure (\$995,956)

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>	
	2019	2018	2019	2018	2019	2018
Land.....	\$ 48,266,243	\$ 29,643,292	\$ 38,550	\$ 38,550	\$ 48,304,793	\$ 29,681,842
Land Improvements.....	17,794,272	13,994,328	-	-	17,794,272	13,994,328
Buildings and Improvements.....	146,565,222	149,651,650	1,272,263	1,332,275	147,837,485	150,983,925
Machinery and Equipment.....	8,731,673	8,204,844	2,331,214	2,011,818	11,062,887	10,216,662
Infrastructure.....	31,590,189	33,055,136	35,696,722	33,982,108	67,286,911	67,037,244
Construction in Progress.....	350,832	438,534	689,315	661,340	1,040,147	1,099,874
Library Books.....	794,915	740,049	-	-	794,915	740,049
<b>Total Capital Assets.....</b>	<b>\$ 254,093,346</b>	<b>\$ 235,727,833</b>	<b>\$ 40,028,064</b>	<b>\$ 38,026,091</b>	<b>\$ 294,121,410</b>	<b>\$ 273,753,924</b>

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 \$102,349,433, 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>	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds..... \$	76,219,446	\$ 63,284,081	\$ 18,512,562	\$ 15,293,483	\$ 94,732,008	\$ 78,577,564
MWRA.....	-	-	6,159,901	5,754,793	6,159,901	5,754,793
MCWT.....	-	-	1,457,524	2,003,238	1,457,524	2,003,238
Total Bonds and Notes and Unamortized Premiums..... \$	<u>76,219,446</u>	<u>\$ 63,284,081</u>	<u>\$ 26,129,987</u>	<u>\$ 23,051,514</u>	<u>\$ 102,349,433</u>	<u>\$ 86,335,595</u>

The City's total long-term debt increased \$16,013,838 (18.5%) during fiscal year 2019, which includes \$25,634,206 of new debt issued.

The City received an AA+ bond rating from Standard & Poor's for the general obligation bonds issued on June 13, 2019.

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 \$3.9 billion to \$4.2 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 2019, the estimated cost of construction resulting from the issuance of building permits totaled in excess of \$506.4 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 2020 operating budget totaling \$278.1 million during June 2019. This represents a \$9.2 million increase, or a 3.5% increase from the fiscal year 2019 approved budget. Included in this budget is \$90.8 million for education, \$39.8 million for public safety, \$36.3 million for the water/sewer/rink enterprise funds, \$14.1 for public works, \$66.0 million for employee and retiree health/pension benefits, \$11.3 million for debt service and \$200,000 towards funding the OPEB liability.

Of the \$278.1 million fiscal year 2020 operating budget, the revenues budgeted to balance it are property taxes – 68.6%, local receipts – 9.4%, state aid – 8.9 % and the enterprise funds user charges – 13.1%. The average owner-occupied single family home has an assessed value of \$570,000. After applying the 35% residential exemption of \$213,900, the annual property tax bill for the average owner-occupied single family home is \$4,253. This represents an increase of about \$54 from fiscal year 2019.

*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, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents.....	\$ 45,603,201	\$ 33,260,941	\$ 78,864,142
Restricted Cash and Cash Equivalents.....	51,008,134	7,590,727	58,598,861
Restricted Investments.....	32,702,344	-	32,702,344
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes.....	2,516,347	-	2,516,347
Tax and Utility Liens.....	807,349	126,826	934,175
Motor Vehicle and Other Excise Taxes.....	1,071,366	-	1,071,366
Community Preservation Taxes.....	56,283	-	56,283
Water.....	-	1,695,080	1,695,080
Sewer.....	-	2,609,936	2,609,936
Special Assessments.....	93	-	93
Departmental and Other.....	1,180,560	-	1,180,560
Intergovernmental.....	2,359,830	2,820	2,362,650
Total Current Assets.....	<u>137,305,507</u>	<u>45,286,330</u>	<u>182,591,837</u>
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate Tax Deferrals.....	288,573	-	288,573
Special Assessments.....	5,007	-	5,007
Loans.....	1,647,546	-	1,647,546
Capital Assets not being Depreciated.....	48,617,075	727,865	49,344,940
Capital Assets, Net of Accumulated Depreciation.....	205,476,271	39,300,199	244,776,470
Total Noncurrent Assets.....	<u>256,034,472</u>	<u>40,028,064</u>	<u>296,062,536</u>
Total Assets.....	<u>393,339,979</u>	<u>85,314,394</u>	<u>478,654,373</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related.....	<u>46,336,780</u>	<u>1,642,141</u>	<u>47,978,921</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Warrants Payable.....	4,129,499	960,617	5,090,116
Accrued Payroll.....	1,255,610	46,366	1,301,976
Tax Refunds Payable.....	178,500	-	178,500
Other Liabilities.....	-	104,095	104,095
Accrued Interest.....	476,330	144,934	621,264
Accrued Health Claims Payable.....	2,735,102	-	2,735,102
Workers' Compensation Claims.....	443,998	-	443,998
Total OPEB Liability.....	20,483,958	370,410	20,854,368
Compensated Absences.....	3,829,181	145,737	3,974,918
Long-Term Bonds and Notes Payable.....	8,965,737	3,255,335	12,221,072
Total Current Liabilities.....	<u>42,497,915</u>	<u>5,027,494</u>	<u>47,525,409</u>
Noncurrent Liabilities:			
Compensated Absences.....	5,067,718	172,459	5,240,177
Total OPEB Liability.....	587,402,350	10,621,971	598,024,321
Net Pension Liability.....	197,619,000	7,003,472	204,622,472
Long-Term Bonds and Notes Payable.....	67,253,709	22,874,652	90,128,361
Total Noncurrent Liabilities.....	<u>857,342,777</u>	<u>40,672,554</u>	<u>898,015,331</u>
Total Liabilities.....	<u>899,840,692</u>	<u>45,700,048</u>	<u>945,540,740</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related.....	59,155	2,096	61,251
Taxes Collected in Advance.....	955,338	-	955,338
Total Deferred Inflows of Resources.....	<u>1,014,493</u>	<u>2,096</u>	<u>1,016,589</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets.....	178,888,539	16,553,781	195,442,320
Restricted for:			
OPEB.....	13,649,064	-	13,649,064
Loans.....	1,647,546	-	1,647,546
Community Preservation.....	25,177,305	-	25,177,305
Permanent Funds:			
Expendable.....	370,712	-	370,712
Nonexpendable.....	2,489,317	-	2,489,317
Revolving Funds.....	7,706,512	-	7,706,512
Traffic Impact.....	5,996,867	-	5,996,867
Parking Meters.....	2,202,246	-	2,202,246
Housing Trust.....	1,548,942	-	1,548,942
Sale of Lots/Graves.....	283,970	-	283,970
Public Safety.....	7,368,499	-	7,368,499
School Lunch.....	1,371,894	-	1,371,894
Other Specific Purposes.....	4,373,382	-	4,373,382
Unrestricted.....	<u>(714,253,221)</u>	<u>24,700,610</u>	<u>(689,552,611)</u>
Total Net Position.....	<u>\$ (461,178,426)</u>	<u>\$ 41,254,391</u>	<u>\$ (419,924,035)</u>

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



**CITY OF WALTHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

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.....	\$ 15,631,195	\$ 11,938,027	\$ 419,255	\$ -	\$ (3,273,913)
Public Safety.....	79,161,282	4,735,733	1,254,187	-	(73,171,362)
Education.....	166,594,428	2,099,518	42,196,624	-	(122,298,286)
Public Works.....	22,672,980	446,749	915,542	605,646	(20,705,043)
Health and Human Services.....	4,991,002	470,916	289,936	-	(4,230,150)
Culture and Recreation.....	8,545,246	490,549	207,794	-	(7,846,903)
Community Development.....	8,162,491	122,647	2,975,823	423,407	(4,640,614)
Debt Service-Interest.....	2,168,991	-	-	-	(2,168,991)
Total Governmental Activities.....	307,927,615	20,304,139	48,259,161	1,029,053	(238,335,262)
Business-Type Activities:					
Sewer.....	18,925,793	19,160,248	-	2,980,042	3,214,497
Water.....	14,432,176	14,286,491	-	13,982	(131,703)
Veterans Memorial Rink.....	563,698	397,572	-	-	(166,126)
Total Business-Type Activities.....	33,921,667	33,844,311	-	2,994,024	2,916,668
Total Primary Government.....	\$ 341,849,282	\$ 54,148,450	\$ 48,259,161	\$ 4,023,077	\$ (235,418,594)

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

**CITY OF WALTHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>CHANGES IN NET POSITION</b>			
Net (Expense) Revenue (From Previous Page).....	\$ (238,335,262)	\$ 2,916,668	\$ (235,418,594)
General Revenues:			
Real Estate and Personal Property Taxes.....	184,981,077	-	184,981,077
Motor Vehicle and Other Excise Taxes.....	8,520,782	-	8,520,782
Hotel/Motel Taxes.....	5,060,931	-	5,060,931
Meals Tax.....	1,681,619	-	1,681,619
Penalties and Interest on Taxes.....	611,087	-	611,087
Payments in Lieu of Taxes.....	71,633	-	71,633
Community Preservation Taxes.....	3,010,079	-	3,010,079
Grants and Contributions not Restricted to Specific Programs.....	10,712,304	-	10,712,304
Unrestricted Investment Income.....	4,316,038	675,040	4,991,078
Gain on Sale of Capital Assets.....	70,997	-	70,997
Transfers, Net.....	(100,000)	100,000	-
Total General Revenues and Transfers.....	218,936,547	775,040	219,711,587
<b>CHANGE IN NET POSITION.....</b>	(19,398,715)	3,691,708	(15,707,007)
Net Position - Beginning of Year.....	(441,779,711)	37,562,683	(404,217,028)
<b>NET POSITION - END OF YEAR.....</b>	<u>\$ (461,178,426)</u>	<u>\$ 41,254,391</u>	<u>\$ (419,924,035)</u>

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

**CITY OF WALTHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

ASSETS	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents.....	\$ 45,603,201	\$ -	\$ -	\$ 45,603,201
Restricted Cash and Cash Equivalents.....	189,098	8,345,060	31,463,988	39,998,146
Restricted Investments.....	13,459,965	16,718,031	2,524,348	32,702,344
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes.....	2,516,347	-	-	2,516,347
Real Estate Tax Deferrals.....	288,573	-	-	288,573
Tax Liens.....	807,349	-	-	807,349
Motor Vehicle and Other Excise taxes.....	1,071,366	-	-	1,071,366
Community Preservation Taxes.....	-	56,283	-	56,283
Special Assessments.....	5,100	-	-	5,100
Departmental and Other.....	282,593	-	272,537	555,130
Intergovernmental.....	580,363	423,407	1,356,060	2,359,830
Loans.....	-	-	1,647,546	1,647,546
Due from Other Funds.....	824,301	-	-	824,301
Total Assets.....	<u>\$ 65,628,256</u>	<u>\$ 25,542,781</u>	<u>\$ 37,264,479</u>	<u>\$ 128,435,516</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Warrants Payable.....	\$ 3,053,782	\$ 351,231	\$ 515,505	\$ 3,920,518
Accrued Payroll.....	1,199,780	704	55,126	1,255,610
Tax Refunds Payable.....	178,500	-	-	178,500
Due to Other Funds.....	-	-	824,301	824,301
Total Liabilities.....	<u>4,432,062</u>	<u>351,935</u>	<u>1,394,932</u>	<u>6,178,929</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue.....	5,315,925	479,690	1,920,083	7,715,698
Taxes Collected in Advance.....	941,797	13,541	-	955,338
Total Deferred Inflows of Resources.....	<u>6,257,722</u>	<u>493,231</u>	<u>1,920,083</u>	<u>8,671,036</u>
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	2,489,317	2,489,317
Restricted.....	13,649,064	24,697,615	31,843,219	70,189,898
Committed.....	5,291,707	-	-	5,291,707
Assigned.....	4,044,691	-	-	4,044,691
Unassigned.....	31,953,010	-	(383,072)	31,569,938
Total Fund Balances.....	<u>54,938,472</u>	<u>24,697,615</u>	<u>33,949,464</u>	<u>113,585,551</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$ 65,628,256</u>	<u>\$ 25,542,781</u>	<u>\$ 37,264,479</u>	<u>\$ 128,435,516</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, 2019**

Total Governmental Fund Balances (Page 29).....	\$ 113,585,551
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	254,093,346
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....	7,715,698
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.....	(476,330)
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.....	(76,219,446)
Workers' Compensation Claims.....	(443,998)
Compensated Absences.....	(8,896,899)
Total OPEB Liability.....	(607,886,308)
Net Pension Liability, Net of Deferred Outflows and Inflows of Resources.....	(151,341,375)
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.....	8,691,335
Net Position of Governmental Activities (Page 26).....	\$ <u>(461,178,426)</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, 2019**

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Real Estate and Personal Property Taxes.....	\$ 184,190,588	\$ -	\$ -	\$ 184,190,588
Motor Vehicle and Other Excise Taxes.....	8,420,840	-	-	8,420,840
Hotel/Motel Tax.....	5,060,931	-	-	5,060,931
Meals Tax.....	1,681,619	-	-	1,681,619
Tax Liens.....	597,724	-	-	597,724
Payments in Lieu of Taxes.....	71,633	-	-	71,633
Community Preservation Taxes.....	-	3,008,465	-	3,008,465
Charges for Services.....	-	-	4,098,488	4,098,488
Intergovernmental.....	45,374,305	550,314	10,344,217	56,268,836
Special Assessments.....	1,380	-	-	1,380
Penalties and Interest on Taxes.....	606,138	4,949	-	611,087
Licenses and Permits.....	11,531,814	-	-	11,531,814
Fines and Forfeitures.....	470,368	-	64,817	535,185
Departmental and Other.....	2,091,750	-	3,645,600	5,737,350
Contributions.....	-	-	1,264,012	1,264,012
Investment Income.....	2,737,380	1,589,958	470,698	4,798,036
Total Revenues.....	<u>262,836,470</u>	<u>5,153,686</u>	<u>19,887,832</u>	<u>287,877,988</u>
<b>EXPENDITURES</b>				
Current:				
General Government.....	11,074,407	-	230,207	11,304,614
Public Safety.....	39,186,729	-	3,843,271	43,030,000
Education.....	108,032,771	-	27,298,814	135,331,585
Public Works.....	14,637,119	-	3,095,528	17,732,647
Health and Human Services.....	2,051,282	-	389,844	2,441,126
Culture and Recreation.....	4,192,899	-	850,470	5,043,369
Community Development.....	1,281,983	4,302,444	3,249,132	8,833,559
Pension Benefits.....	16,755,738	-	-	16,755,738
Employee Benefits.....	47,456,831	-	-	47,456,831
State and County Charges.....	1,985,334	-	-	1,985,334
Debt Service:				
Principal.....	8,251,238	-	-	8,251,238
Interest.....	2,671,122	-	-	2,671,122
Total Expenditures.....	<u>257,577,453</u>	<u>4,302,444</u>	<u>38,957,266</u>	<u>300,837,163</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<u>5,259,017</u>	<u>851,242</u>	<u>(19,069,434)</u>	<u>(12,959,175)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of Bonds and Notes.....	-	-	20,224,806	20,224,806
Premium from Issuance of Bonds and Notes.....	-	-	1,388,639	1,388,639
Sale of Capital Assets.....	70,997	-	-	70,997
Transfers In.....	1,400,400	-	-	1,400,400
Transfers Out.....	(100,000)	-	(1,400,400)	(1,500,400)
Total Other Financing Sources (Uses).....	<u>1,371,397</u>	<u>-</u>	<u>20,213,045</u>	<u>21,584,442</u>
<b>NET CHANGE IN FUND BALANCES.....</b>	<u>6,630,414</u>	<u>851,242</u>	<u>1,143,611</u>	<u>8,625,267</u>
Fund Balances - Beginning of Year.....	<u>48,308,058</u>	<u>23,846,373</u>	<u>32,805,853</u>	<u>104,960,284</u>
<b>FUND BALANCES - END OF YEAR.....</b>	<u>\$ 54,938,472</u>	<u>\$ 24,697,615</u>	<u>\$ 33,949,464</u>	<u>\$ 113,585,551</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, 2019**

Net Change in Fund Balances - Total Governmental Funds (Page 31)..... \$ 8,625,267

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.....	31,352,224
Depreciation.....	(12,986,711)

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.....	25,877
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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.

Proceeds of Bonds.....	(20,224,806)
Proceeds from Bond Premiums.....	(1,243,606)
Bond Maturities.....	8,251,238
Amortization of Bond Premiums.....	281,809

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.....

75,421

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.....	25,232
Compensated Absences.....	(24,724)
Total OPEB Liability.....	(22,774,799)
Net Pension Liability, Net.....	(10,929,404)

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.....

148,267

Changes in Net Position of Governmental Activities (Page 28).....	\$ (19,398,715)
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*The accompanying notes are an integral part of the financial statements.*

**CITY OF WALTHAM, MASSACHUSETTS  
PROPRIETARY FUNDS  
STATEMENT OF FUND NET POSITION  
JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents.....	\$ 12,508,631	\$ 20,577,486	\$ 174,824	\$ 33,260,941	\$ -
Restricted Cash and Cash Equivalents.....	5,189,488	2,363,202	38,037	7,590,727	11,009,988
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges.....	2,609,936	1,695,080	-	4,305,016	-
Utility Liens.....	72,967	53,859	-	126,826	-
Departmental and Other.....	-	-	-	-	625,430
Intergovernmental.....	2,820	-	-	2,820	-
Total Current Assets.....	20,383,842	24,689,627	212,861	45,286,330	11,635,418
Noncurrent Assets:					
Capital Assets Not Being Depreciated.....	483,543	244,322	-	727,865	-
Capital Assets, Net of Accumulated Depreciation.....	26,240,637	12,379,514	680,048	39,300,199	-
Total Noncurrent Assets.....	26,724,180	12,623,836	680,048	40,028,064	-
Total Assets.....	47,108,022	37,313,463	892,909	85,314,394	11,635,418
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related.....	537,394	1,074,789	29,958	1,642,141	-
LIABILITIES					
Current Liabilities:					
Warrants Payable.....	521,846	427,160	11,611	960,617	208,981
Accrued Payroll.....	11,957	30,842	3,567	46,366	-
Other Liabilities.....	104,095	-	-	104,095	-
Accrued Interest.....	103,766	41,168	-	144,934	-
Accrued Health Claims Payable.....	-	-	-	-	2,735,102
Total OPEB Liability.....	134,535	214,157	21,718	370,410	-
Compensated Absences.....	50,359	77,551	17,827	145,737	-
Long-Term Bonds and Notes Payable.....	1,918,368	1,202,442	134,525	3,255,335	-
Total Current Liabilities.....	2,844,926	1,993,320	189,248	5,027,494	2,944,083
Noncurrent Liabilities:					
Compensated Absences.....	99,636	52,833	19,990	172,459	-
Total OPEB Liability.....	3,857,955	6,141,221	622,795	10,621,971	-
Net Pension Liability.....	2,291,902	4,583,804	127,766	7,003,472	-
Long-Term Bonds and Notes Payable.....	14,788,068	7,558,484	528,100	22,874,652	-
Total Noncurrent Liabilities.....	21,037,561	18,336,342	1,298,651	40,672,554	-
Total Liabilities.....	23,882,487	20,329,662	1,487,899	45,700,048	2,944,083
DEFERRED INFLOWS OF RESOURCES					
Pension Related.....	686	1,372	38	2,096	-
FUND NET POSITION					
Net Investment in Capital Assets.....	11,319,308	5,184,700	49,773	16,553,781	-
Unrestricted.....	12,442,935	12,872,518	(614,843)	24,700,610	8,691,335
Total Net Position.....	\$ 23,762,243	\$ 18,057,218	\$ (565,070)	\$ 41,254,391	\$ 8,691,335

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, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
<b>OPERATING REVENUES</b>					
Charges for Services.....	\$ 19,160,248	\$ 14,286,491	\$ 397,572	\$ 33,844,311	\$ -
Employer Contributions.....	-	-	-	-	45,558,455
Employee Contributions.....	-	-	-	-	5,952,672
Total Operating Revenues.....	<u>19,160,248</u>	<u>14,286,491</u>	<u>397,572</u>	<u>33,844,311</u>	<u>51,511,127</u>
<b>OPERATING EXPENSES</b>					
Cost of Service and Administration.....	3,002,377	2,988,535	418,590	6,409,502	-
MWRA Assessment.....	13,800,824	9,311,252	-	23,112,076	-
Depreciation.....	978,997	632,769	29,167	1,640,933	-
Employee Benefits.....	621,835	1,338,345	115,941	2,076,121	51,682,840
Total Operating Expenses.....	<u>18,404,033</u>	<u>14,270,901</u>	<u>563,698</u>	<u>33,238,632</u>	<u>51,682,840</u>
<b>OPERATING INCOME (LOSS).....</b>	<u>756,215</u>	<u>15,590</u>	<u>(166,126)</u>	<u>605,679</u>	<u>(171,713)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income.....	248,270	426,770	-	675,040	319,980
Interest Expense.....	(521,760)	(161,275)	-	(683,035)	-
Total Nonoperating Revenues (Expenses), Net.....	<u>(273,490)</u>	<u>265,495</u>	<u>-</u>	<u>(7,995)</u>	<u>319,980</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS .....</b>	<u>482,725</u>	<u>281,085</u>	<u>(166,126)</u>	<u>597,684</u>	<u>148,267</u>
Capital Contributions.....	2,980,042	13,982	-	2,994,024	-
Transfers In.....	-	-	100,000	100,000	-
Total Capital Contributions and Transfers.....	<u>2,980,042</u>	<u>13,982</u>	<u>100,000</u>	<u>3,094,024</u>	<u>-</u>
<b>CHANGE IN FUND NET POSITION.....</b>	<u>3,462,767</u>	<u>295,067</u>	<u>(66,126)</u>	<u>3,691,708</u>	<u>148,267</u>
Fund Net Position - Beginning of Year.....	<u>20,299,476</u>	<u>17,762,151</u>	<u>(498,944)</u>	<u>37,562,683</u>	<u>8,543,068</u>
<b>FUND NET POSITION - END OF YEAR.....</b>	<u>\$ 23,762,243</u>	<u>\$ 18,057,218</u>	<u>\$ (565,070)</u>	<u>\$ 41,254,391</u>	<u>\$ 8,691,335</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, 2019**

	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.....	\$ 19,311,366	\$ 14,428,437	\$ 397,572	\$ 34,137,375	\$ 5,952,672
Receipts from Interfund Services Provided.....	-	-	-	-	45,174,766
Payments to Vendors.....	(17,351,692)	(12,451,386)	(385,518)	(30,188,596)	-
Payments to Employees.....	(374,218)	(759,393)	(105,257)	(1,238,868)	-
Payments for Interfund Services Used.....	-	-	-	-	(51,238,757)
Net Cash Provided (Used) by Operating Activities.....	<u>1,585,456</u>	<u>1,217,658</u>	<u>(93,203)</u>	<u>2,709,911</u>	<u>(111,319)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In.....	-	-	100,000	100,000	-
Net Cash Provided by Noncapital Financing Activities.....	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from the Issuance of Bonds and Notes.....	3,230,069	1,564,331	615,000	5,409,400	-
Premium from the Issuance of Bonds and Notes.....	356,006	55,420	47,625	459,051	-
Capital Contributions.....	2,901,599	-	-	2,901,599	-
Acquisition and Construction of Capital Assets.....	(1,943,589)	(1,043,692)	(627,650)	(3,614,931)	-
Principal Payments on Bonds and Notes.....	(4,284,513)	(1,443,234)	(660,000)	(6,387,747)	-
Interest Paid.....	(535,139)	(152,802)	-	(687,941)	-
Net Cash Used by Capital and Related Financing Activities.....	<u>(275,567)</u>	<u>(1,019,977)</u>	<u>(625,025)</u>	<u>(1,920,569)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income.....	<u>248,270</u>	<u>426,770</u>	<u>-</u>	<u>675,040</u>	<u>319,980</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>1,558,159</b>	<b>624,451</b>	<b>(618,228)</b>	<b>1,564,382</b>	<b>208,661</b>
Cash and Cash Equivalents - Beginning of Year (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>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> (Includes \$5,189,488, \$2,363,202 and \$38,037 Reported as Restricted in the Sewer, Water and Nonmajor Enterprise Funds, Respectively).....	<u>\$ 17,698,119</u>	<u>\$ 22,940,688</u>	<u>\$ 212,861</u>	<u>\$ 40,851,668</u>	<u>\$ 11,009,988</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss).....	\$ 756,215	\$ 15,590	\$ (166,126)	\$ 605,679	\$ (171,713)
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.....	978,997	632,769	29,167	1,640,933	-
Change in Total OPEB Liability.....	149,581	238,108	24,147	411,836	-
Change in Net Pension Liability.....	569,000	1,137,991	35,095	1,742,086	-
Change in Deferred Outflows - Pension.....	(445,312)	(890,624)	(25,006)	(1,360,942)	-
Change in Deferred Inflows - Pension.....	(82,392)	(164,784)	(4,430)	(251,606)	-
Effect of Changes in Operating Assets and Liabilities:					
Utility Liens.....	42,656	25,354	-	68,010	-
User Charges.....	111,282	116,592	-	227,874	-
Departmental and Other.....	-	-	-	-	(383,689)
Intergovernmental.....	(2,820)	-	-	(2,820)	-
Warrants Payable.....	(485,933)	128,198	1,646	(356,089)	208,981
Accrued Payroll.....	4,626	410	503	5,539	-
Other Liabilities.....	(19,214)	-	-	(19,214)	-
Accrued Health Claims Payable.....	-	-	-	-	235,102
Compensated Absences.....	8,770	(21,946)	11,801	(1,375)	-
Total Adjustments.....	<u>829,241</u>	<u>1,202,068</u>	<u>72,923</u>	<u>2,104,232</u>	<u>60,394</u>
Net Cash Provided (Used) by Operating Activities.....	<u>\$ 1,585,456</u>	<u>\$ 1,217,658</u>	<u>\$ (93,203)</u>	<u>\$ 2,709,911</u>	<u>\$ (111,319)</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, 2019**

<b>ASSETS</b>	Pension Trust Fund (As of 12/31/18)	Private Purpose Trust Funds	Agency Funds
Cash and Cash Equivalents.....	\$ 16,559	\$ 57,084	\$ 1,003,352
Investments:			
Equities and Equity Mutual Funds.....	109,559,428	-	-
Fixed Income Mutual Funds.....	50,056,069	-	-
US Treasuries and Agencies.....	-	3,058,623	-
Real Estate Funds.....	80,109	-	-
Private Equity.....	825,829	-	-
External Investment Pool (PRIT).....	72,841,034	-	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other.....	1,161	-	-
Loans.....	-	114,331	-
Total Assets.....	<u>233,380,189</u>	<u>3,230,038</u>	<u>\$ 1,003,352</u>
<b>LIABILITIES</b>			
Warrants Payable.....	114,657	-	42,990
Accrued Payroll.....	-	-	6,402
Liabilities Due Depositors.....	-	-	953,960
Total Liabilities.....	<u>114,657</u>	<u>-</u>	<u>\$ 1,003,352</u>
<b>NET POSITION</b>			
Restricted for Pensions and Other Purposes.....	<u>\$ 233,265,532</u>	<u>\$ 3,230,038</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, 2019**

	Pension Trust Fund (For the Year Ended 12/31/18)	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer.....	\$ 17,785,000	\$ -
Plan Members.....	6,887,149	-
Private Donations.....	-	19,557
Total Contributions.....	<u>24,672,149</u>	<u>19,557</u>
Net Investment Income (Loss):		
Net Change in Fair Value of Investments.....	(19,223,855)	347,436
Interest.....	827	-
Dividends.....	7,695,049	-
Total Investment Income.....	<u>(11,527,979)</u>	<u>347,436</u>
Less: Investment Expense.....	<u>(919,198)</u>	<u>-</u>
<b>NET INVESTMENT INCOME.....</b>	<u>(12,447,177)</u>	<u>347,436</u>
Intergovernmental.....	<u>403,935</u>	<u>-</u>
Transfers from Other Systems.....	<u>290,280</u>	<u>-</u>
Total Additions.....	<u>12,919,187</u>	<u>366,993</u>
<b>DEDUCTIONS</b>		
Administration.....	510,532	-
Retirement Benefits and Refunds.....	27,473,481	-
Scholarships Awarded.....	<u>-</u>	<u>139,915</u>
Total Deductions.....	<u>27,984,013</u>	<u>139,915</u>
<b>CHANGE IN NET POSITION.....</b>	<u>(15,064,826)</u>	<u>227,078</u>
Net Position - Beginning of Year.....	<u>248,330,358</u>	<u>3,002,960</u>
<b>NET POSITION - END OF YEAR.....</b>	<u><u>\$ 233,265,532</u></u>	<u><u>\$ 3,230,038</u></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, 2019, the City implemented the following pronouncements issued by the GASB:

- GASB Statement No. 83, Certain Asset Retirement Obligations
- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The implementation of these GASB Statements had no reporting impact for the City.

#### ***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 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:

Capital Asset Type	Estimated Useful Life (in years)
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 and OPEB 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 are related to pensions and OPEB 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 2019 approved budget for the general fund authorized \$239,369,431 in appropriations. During fiscal year 2019, supplemental appropriations totaling \$6,593,883 were authorized. The original fiscal year 2019 approved budget for the community preservation fund authorized \$169,367 in appropriations. During fiscal year 2019, supplemental appropriations totaling \$6,240,361 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, 2019, the following governmental fund deficits exist:

Fund	Amount	Funding Source
Governmental Funds:		
Police and Fire Detail.....	\$ 367,486	User Charges and Available Funds
School Capital Projects.....	15,586	Available Funds
Total.....	<u>\$ 383,072</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, 2019, \$1,164,188 of the City's bank balance of \$133,917,431 was uninsured, uncollateralized and exposed to custodial credit risk. The carrying value of the City's deposits totaled \$132,315,843 at June 30, 2019.

Investments Summary

The City's investments at June 30, 2019 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.....	\$ 8,659,215	\$ 1,294,442	\$ 4,777,830	\$ 2,586,943
U.S. Agencies.....	6,243,518	1,491,822	3,131,105	1,620,591
Corporate Bonds.....	2,989,219	101,686	1,844,064	1,043,469
Municipal Bonds.....	60,973	60,973	-	-
Money Market Mutual Funds.....	472,559	472,559	-	-
Fixed Income Mutual Funds.....	1,941,639	1,941,639	-	-
External Investment Pool (MMDT).....	5,735,037	5,735,037	-	-
Total Investments.....	26,102,160	\$ 11,098,158	\$ 9,752,999	\$ 5,251,003
<u>Other Investments:</u>				
Equity Securities.....	15,866,403			
Total Investments.....	\$ 41,968,563			



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, 2019, 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, 2019, 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.....	\$ 6,243,518	\$ 6,243,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Bonds.....	2,989,219	-	-	499,788	1,720,744	380,352	388,335	-
Money Market Mutual Funds.....	472,559	-	-	-	-	-	-	472,559
Municipal Bonds.....	60,973	-	60,973	-	-	-	-	-
Fixed Income Mutual Funds.....	1,941,639	-	1,941,639	-	-	-	-	-
External Investment Pools (MMDT).....	5,735,037	-	-	-	-	-	-	5,735,037
Total.....	\$ 17,442,945	\$ 6,243,518	\$ 2,002,612	\$ 499,788	\$ 1,720,744	\$ 380,352	\$ 388,335	\$ 6,207,596

\* 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, 2019, the City's exposure to concentration of credit risk was as follows:

Issuer	Fair Value	Percentage of Total Investments
Federal National Mortgage Association.....	\$ 4,363,807	10.4%

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, 2019:

Investment Type	Fair Value	Investment Maturities		
		Quoted Prices in	Significant	Significant
		Active Markets for	Other	Unobservable
		Identical	Observable	
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
Investments by Fair Value Level:				
U.S. Treasuries.....	\$ 8,659,215	\$ 8,659,215	\$ -	\$ -
U.S. Agencies.....	6,243,518	6,243,518	-	-
Equity Securities.....	15,866,403	15,866,403	-	-
Money Market Mutual Funds.....	472,559	472,559	-	-
Municipal Bonds.....	60,973	-	60,973	-
Fixed Income Mutual Funds.....	1,941,639	1,941,639	-	-
Corporate Bonds.....	2,989,219	-	2,989,219	-
Total Investments at Fair Value....	36,233,526	\$ 33,183,334	\$ 3,050,192	\$ -
Investments measured at Amortized Cost:				
External Investment Pool (MMDT).....	5,735,037			
Total Investments.....	\$ 41,968,563			

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, 2018, the System was not exposed to custodial credit risk. The System had no deposits at December 31, 2018.

Investments Summary

The System's investments at December 31, 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
<u>Debt Securities:</u>		
Money Market Mutual Funds..... \$	16,559	\$ 16,559
Fixed Income Mutual Funds.....	50,056,069	50,056,069
External Investment Pools (PRIT).....	72,841,034	72,841,034
Total Debt Securities.....	122,913,662	\$ 122,913,662
<u>Other Investments:</u>		
Equities and Equity Mutual Funds..... \$	109,559,428	
Real Estate Funds.....	80,109	
Private Equity Funds.....	825,829	
Total Other Investments.....	110,465,366	
Total Investments..... \$	233,379,028	

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, 2018, 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, 2018, 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, 2018, 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, 2018, the System had indirect exposure to foreign currency risk for certain equity mutual fund investments in the amount of \$40,320,155.

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, 2018:

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.....	\$ 109,559,428	\$ 109,559,428	\$ -	\$ -
Total Equity Securities.....	109,559,428	109,559,428	-	-
<u>Debt Securities:</u>				
Money Market Mutual Funds.....	16,559	16,559	-	-
Fixed Income Mutual Funds.....	50,056,069	50,056,069	-	-
External Investment Pool (PRIT).....	72,841,034	-	72,841,034	-
Total Investments by Fair Value Level.....	122,913,662	\$ 159,632,056	\$ 72,841,034	\$ -
<u>Investments measured at the NAV:</u>				
Real Estate .....	80,109			
Private Equity.....	825,829			
Total Investments measured at the NAV.....	905,938			
Total Investments measured at Fair Value.....	\$ 233,379,028			

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).....	\$ 80,109	\$ -	N/A	N/A
Private Equity (2).....	825,829	416,372	N/A	N/A
Total Investments Measured at the NAV.....	\$ 905,938			

- (1) Real Estate: This type includes 2 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 5 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 3 years.

#### NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2019, 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....	\$ 2,516,347	\$ -	\$ 2,516,347
Real Estate Tax Deferrals.....	288,573	-	288,573
Tax Liens.....	807,349	-	807,349
Motor Vehicle and Other Excise Taxes.....	2,372,321	(1,300,955)	1,071,366
Community Preservation Taxes.....	56,283	-	56,283
Special Assessments.....	5,100	-	5,100
Departmental and Other.....	1,608,607	(426,886)	1,181,721
Intergovernmental.....	2,359,830	-	2,359,830
Loans.....	1,761,877	-	1,761,877
	<u>\$ 11,776,287</u>	<u>\$ (1,727,841)</u>	<u>\$ 10,048,446</u>

At June 30, 2019, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User Charges.....	\$ 4,305,016	\$ -	\$ 4,305,016
Water and Sewer Liens.....	126,826	-	126,826
Intergovernmental.....	2,820	-	2,820
	<u>\$ 4,434,662</u>	<u>\$ -</u>	<u>\$ 4,434,662</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Land.....	\$ 29,643,292	\$ 18,622,951	\$ -	\$ 48,266,243
Construction In Progress.....	438,534	350,832	(438,534)	350,832
Total Capital Assets Not Being Depreciated.....	<u>30,081,826</u>	<u>18,973,783</u>	<u>(438,534)</u>	<u>48,617,075</u>
<u>Capital Assets Being Depreciated:</u>				
Land Improvements.....	28,000,674	5,226,981	-	33,227,655
Buildings and Improvements.....	248,203,798	2,950,017	-	251,153,815
Equipment.....	31,828,422	2,424,524	(894,203)	33,358,743
Infrastructure.....	77,427,899	1,870,647	-	79,298,546
Library Books.....	1,401,403	344,806	(248,220)	1,497,989
Total Capital Assets Being Depreciated.....	<u>386,862,196</u>	<u>12,816,975</u>	<u>(1,142,423)</u>	<u>398,536,748</u>
<u>Less Accumulated Depreciation For:</u>				
Land Improvements.....	(14,006,346)	(1,427,038)	-	(15,433,384)
Buildings and Improvements.....	(98,552,148)	(6,036,445)	-	(104,588,593)
Equipment.....	(23,623,577)	(1,897,695)	894,203	(24,627,069)
Infrastructure.....	(44,372,763)	(3,335,594)	-	(47,708,357)
Library Books.....	(661,355)	(289,939)	248,220	(703,074)
Total Accumulated Depreciation.....	<u>(181,216,189)</u>	<u>(12,986,711)</u>	<u>1,142,423</u>	<u>(193,060,477)</u>
Total Capital Assets Being Depreciated, Net.....	<u>205,646,007</u>	<u>(169,736)</u>	<u>-</u>	<u>205,476,271</u>
Total Governmental Activities Capital Assets, Net.....	<u>\$ 235,727,833</u>	<u>\$ 18,804,047</u>	<u>\$ (438,534)</u>	<u>\$ 254,093,346</u>

	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	444,993	(472,973)	444,993
Total Capital Assets Not Being Depreciated.....	511,523	444,993	(472,973)	483,543
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements.....	3,185,587	-	-	3,185,587
Equipment.....	2,273,679	14,161	-	2,287,840
Infrastructure.....	47,460,549	1,929,428	-	49,389,977
Total Capital Assets Being Depreciated.....	52,919,815	1,943,589	-	54,863,404
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(1,912,259)	(53,734)	-	(1,965,993)
Equipment.....	(1,234,396)	(148,293)	-	(1,382,689)
Infrastructure.....	(24,497,115)	(776,970)	-	(25,274,085)
Total Accumulated Depreciation.....	(27,643,770)	(978,997)	-	(28,622,767)
Total Capital Assets Being Depreciated, Net.....	25,276,045	964,592	-	26,240,637
Total Sewer Enterprise Capital Assets, Net.....	\$ 25,787,568	\$ 1,409,585	\$ (472,973)	\$ 26,724,180
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water Enterprise Fund:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Construction in Progress.....	\$ 188,367	\$ 244,322	\$ (188,367)	\$ 244,322
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements.....	1,104,422	-	-	1,104,422
Equipment.....	3,333,982	47,735	-	3,381,717
Infrastructure.....	24,872,331	995,957	-	25,868,288
Total Capital Assets Being Depreciated.....	29,310,735	1,043,692	-	30,354,427
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(1,104,422)	-	-	(1,104,422)
Equipment.....	(2,384,064)	(198,969)	-	(2,583,033)
Infrastructure.....	(13,853,658)	(433,800)	-	(14,287,458)
Total Accumulated Depreciation.....	(17,342,144)	(632,769)	-	(17,974,913)
Total Capital Assets Being Depreciated, Net.....	11,968,591	410,923	-	12,379,514
Total Water Enterprise Capital Assets, Net.....	\$ 12,156,958	\$ 655,245	\$ (188,367)	\$ 12,623,836

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Veterans Memorial Rink Enterprise Fund:</b>				
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements.....	\$ 102,355	\$ -	\$ -	\$ 102,355
Equipment.....	143,289	627,650	-	770,939
Total Capital Assets Being Depreciated.....	<u>245,644</u>	<u>627,650</u>	<u>-</u>	<u>873,294</u>
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(43,407)	(6,279)	-	(49,686)
Equipment.....	(120,672)	(22,888)	-	(143,560)
Total Accumulated Depreciation.....	<u>(164,079)</u>	<u>(29,167)</u>	<u>-</u>	<u>(193,246)</u>
Total Veterans Memorial Rink Enterprise Capital Assets, Net.....	<u>\$ 81,565</u>	<u>\$ 598,483</u>	<u>\$ -</u>	<u>\$ 680,048</u>
Total Business-Type Activities Capital Assets, Net.....	<u>\$ 38,026,091</u>	<u>\$ 2,663,313</u>	<u>\$ (661,340)</u>	<u>\$ 40,028,064</u>

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

**Governmental Activities:**

General Government.....	\$ 325,986
Public Safety.....	1,266,618
Education.....	5,411,117
Public Works.....	3,250,043
Health and Human Services.....	65,204
Culture and Recreation.....	1,311,234
Community Development.....	<u>1,356,509</u>
Total Depreciation Expense - Governmental Activities.....	<u>\$ 12,986,711</u>

**Business-Type Activities:**

Sewer.....	\$ 978,997
Water.....	632,769
Veterans Memorial Rink.....	<u>29,167</u>
Total Depreciation Expense - Business-Type Activities.....	<u>\$ 1,640,933</u>



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

The City's net investment in capital assets at June 30, 2019, is summarized as follows:

***Governmental Activities***

Capital Assets.....	\$ 447,153,823
Less Accumulated Depreciation.....	(193,060,477)
Less Outstanding Bonds and Notes Payable.....	(76,219,446)
Add Unspent Proceeds of Capital Related Debt....	1,014,639
Net Investment in Capital Assets.....	<u>\$ 178,888,539</u>

***Business-Type Activities***

Capital Assets.....	\$ 86,818,990
Less Accumulated Depreciation.....	(46,790,926)
Less Outstanding Bonds and Notes Payable.....	(26,129,987)
Add Unspent Proceeds of Capital Related Debt....	2,655,704
Net Investment in Capital Assets.....	<u>\$ 16,553,781</u>

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

Receivables and payables between funds at June 30, 2019 are summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund.....	Highway Projects Nonmajor Fund.....	\$ 206,581 (1)
General Fund.....	Police and Fire Detail Nonmajor Fund.....	318,752 (1)
General Fund.....	School Federal Grants Nonmajor Fund.....	262,907 (1)
General Fund.....	City Public Safety Federal Grants Nonmajor Fund.....	20,475 (1)
General Fund.....	Capital Projects - School Nonmajor Fund.....	15,586 (1)
		<u>\$ 824,301</u>

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

Interfund transfers for the fiscal year ended June 30, 2019 are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Veterans Memorial Rink Enterprise Fund	Total
General Fund.....	\$ -	\$ 100,000	\$ 100,000 (1)
Nonmajor Governmental Funds.....	1,400,400	-	1,400,400 (2)
	<u>\$ 1,400,400</u>	<u>\$ 100,000</u>	<u>\$ 1,500,400</u>

(1) Represents budgeted transfers to Veterans Memorial Rink fund (\$100,000)

(2) Represents budgeted transfers from sale of city owned land (\$1,350,000), building code violations (\$30,000), library state aid (\$20,000) and insurance recovery (\$400)

**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, 2019, is as follows:

*Notes Payable - Governmental Funds*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
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	-
BAN	Land Acquisition.....	9/27/18	6/27/19	3.00%	-	18,000,000	18,000,000	-
	Total.....				<u>\$ 1,988,285</u>	<u>\$ 18,000,000</u>	<u>\$ 19,988,285</u>	<u>\$ -</u>

*Notes Payable - Sewer Enterprise Fund*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
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.....				<u>\$ 2,614,194</u>	<u>\$ -</u>	<u>\$ 2,614,194</u>	<u>\$ -</u>

*Notes Payable - Water Enterprise Fund*

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
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, 2018	Increases	Decreases	Balance at June 30, 2019
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, 2019:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion
<b>Governmental Activities:</b>					
Bonds and Notes Payable.....	\$ 60,413,416	\$ 20,224,806	\$ (8,251,238)	\$ 72,386,984	\$ 8,641,044
Unamortized Deferred Premium....	2,870,665	1,243,606	(281,809)	3,832,462	324,693
Bonds and Notes Payable, Gross...	63,284,081	21,468,412	(8,533,047)	76,219,446	8,965,737
Workers' Compensation Claims.....	469,230	421,174	(446,406)	443,998	443,998
Compensated Absences.....	8,872,175	24,724	-	8,896,899	3,829,181
Total.....	<u>\$ 72,625,486</u>	<u>\$ 21,914,310</u>	<u>\$ (8,979,453)</u>	<u>\$ 85,560,343</u>	<u>\$ 13,238,916</u>
<b>Business-Type Activities:</b>					
Bonds and Notes Payable.....	\$ 22,049,972	\$ 5,409,400	\$ (2,697,553)	\$ 24,761,819	\$ 3,112,242
Unamortized Deferred Premium....	1,001,542	459,051	(92,425)	1,368,168	143,093
Bonds and Notes Payable, Gross...	23,051,514	5,868,451	(2,789,978)	26,129,987	3,255,335
Compensated Absences.....	319,571	-	(1,375)	318,196	145,737
Total.....	<u>\$ 23,371,085</u>	<u>\$ 5,868,451</u>	<u>\$ (2,791,353)</u>	<u>\$ 26,448,183</u>	<u>\$ 3,401,072</u>

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, 2019, and the debt service requirements are as follows:

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

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2018	Issued	Redeemed	Outstanding at June 30, 2019
Building Renovations (City).....	9/17/27	2.00 - 5.00%	\$ 707,000	\$ -	\$ (156,000)	\$ 551,000
School Construction (MSBA Project).....	9/15/28	2.00 - 5.00%	25,123,016	-	(2,926,638)	22,196,378
Land Development.....	9/15/23	2.00 - 5.00%	1,445,000	-	(401,000)	1,044,000
Land Acquisition.....	9/15/27	2.00 - 5.00%	2,760,000	-	(525,000)	2,235,000
Equipment (City).....	9/15/18	2.00 - 5.00%	213,000	-	(213,000)	-
Streets/Sidewalk Improvements.....	9/15/28	3.00 - 5.00%	455,000	-	(45,000)	410,000
Street Reconstruction.....	9/15/28	3.00 - 5.00%	110,000	-	(10,000)	100,000
Land Acquisition.....	2/1/32	3.00 - 5.00%	2,240,000	-	(160,000)	2,080,000
Building Renovations (City/School).....	2/1/32	3.00 - 5.00%	1,718,400	-	(147,600)	1,570,800
Equipment (City).....	2/1/21	3.00 - 5.00%	431,000	-	(167,000)	264,000
Land Development.....	2/1/27	3.00 - 5.00%	882,000	-	(108,000)	774,000
Incinerator Facility Removal.....	2/1/27	3.00 - 5.00%	560,000	-	(85,000)	475,000
City Yard Structures.....	2/1/27	3.00 - 5.00%	320,000	-	(36,000)	284,000
Design/Engineering (Recreation).....	2/1/25	3.00 - 5.00%	104,000	-	(16,000)	88,000
Technology (City).....	2/1/19	3.00 - 5.00%	5,000	-	(5,000)	-
Building Renovations (School).....	2/1/33	2.00 - 4.25%	320,000	-	(25,000)	295,000
Equipment (School).....	2/1/22	2.00 - 4.00%	220,000	-	(55,000)	165,000
Building Renovations (City).....	2/1/28	2.00 - 4.00%	435,000	-	(55,000)	380,000
Equipment.....	2/1/22	2.00 - 4.00%	20,000	-	(5,000)	15,000
Land Development.....	2/1/27	2.00 - 4.00%	845,000	-	(100,000)	745,000
Street/Sidewalk Improvements.....	2/1/28	2.00 - 4.00%	1,075,000	-	(145,000)	930,000
Technology.....	2/1/22	2.00 - 4.00%	40,000	-	(10,000)	30,000
Land Acquisition.....	2/1/33	2.00 - 4.25%	725,000	-	(50,000)	675,000
Land Acquisition.....	2/1/22	2.00 - 4.00%	670,000	-	(180,000)	490,000
Design/Engineering (School).....	5/1/34	2.50 - 5.00%	120,000	-	(10,000)	110,000
Design/Engineering (School).....	5/1/30	2.50 - 5.00%	60,000	-	(5,000)	55,000
Building Renovations (City).....	5/1/24	3.00 - 5.00%	30,000	-	(5,000)	25,000
Technology (School).....	5/1/19	4.00 - 5.00%	15,000	-	(15,000)	-
Street/Sidewalk Improvements.....	5/1/24	3.00 - 5.00%	1,265,000	-	(215,000)	1,050,000
Street/Sidewalk Improvements.....	5/1/19	4.00 - 5.00%	5,000	-	(5,000)	-
Signals & Communications.....	5/1/24	3.00 - 5.00%	35,000	-	(10,000)	25,000
Equipment (Fire).....	5/1/19	4.00 - 5.00%	45,000	-	(45,000)	-
Design/Engineering (Recreation).....	5/1/19	4.00 - 5.00%	30,000	-	(30,000)	-
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	5,000	-	(5,000)	-
Equipment (Police).....	5/1/19	4.00 - 5.00%	55,000	-	(55,000)	-
Revaluation (Assessor).....	5/1/24	3.00 - 5.00%	85,000	-	(15,000)	70,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	60,000	-	(60,000)	-
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	10,000	-	(10,000)	-
Street/Sidewalk Improvements.....	5/1/24	3.00 - 5.00%	150,000	-	(25,000)	125,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	20,000	-	(20,000)	-
Land Acquisition.....	5/1/34	2.50 - 5.00%	320,000	-	(20,000)	300,000
Equipment (School).....	6/15/20	4.00%	240,000	-	(120,000)	120,000
Equipment (School).....	6/15/22	4.00%	110,000	-	(30,000)	80,000
Land Acquisition.....	6/15/36	3.00 - 4.00%	950,000	-	(55,000)	895,000
Land Acquisition.....	6/15/36	3.00 - 4.00%	830,000	-	(45,000)	785,000
Building Renovations (City).....	6/15/27	4.00%	215,000	-	(25,000)	190,000
Sidewalks Main & Moody.....	6/15/27	4.00%	1,800,000	-	(200,000)	1,600,000
Sidewalks Main & Moody.....	6/15/27	4.00%	2,065,000	-	(230,000)	1,835,000
Street/Sidewalk Improvements.....	6/15/27	4.00%	2,700,000	-	(300,000)	2,400,000
Street/Sidewalk Improvements.....	6/15/27	4.00%	1,260,000	-	(140,000)	1,120,000
Street/Sidewalk Improvements.....	6/15/27	4.00%	905,000	-	(105,000)	800,000
Equipment (Public Works).....	6/15/20	4.00%	130,000	-	(65,000)	65,000
Equipment (Fire).....	6/15/22	4.00%	660,000	-	(165,000)	495,000
Equipment (Public Works).....	6/15/22	4.00%	430,000	-	(110,000)	320,000
Signals & Communications (Police).....	6/15/26	4.00%	40,000	-	(5,000)	35,000
Public Lighting Main & Moody.....	6/15/25	4.00%	875,000	-	(125,000)	750,000
Public Lighting Main & Moody.....	6/15/26	4.00%	990,000	-	(125,000)	865,000
Revaluation (Assessor).....	6/15/26	4.00%	125,000	-	(20,000)	105,000
Design/Engineering (Traffic).....	6/15/21	4.00%	20,000	-	(10,000)	10,000
Land Development (Recreation).....	6/15/30	4.00%	300,000	-	(25,000)	275,000
Land Development (Recreation).....	6/15/30	4.00%	660,000	-	(55,000)	605,000
Land Development (Recreation).....	6/15/32	4.00%	300,000	-	(25,000)	275,000
Land Development (Recreation).....	6/15/31	4.00%	1,045,000	-	(85,000)	960,000
Technology (Auditor).....	6/15/22	4.00%	30,000	-	(10,000)	20,000
Building Renovations (School).....	2/1/20	5.00%	-	79,445	-	79,445
Building Renovations (School).....	2/1/20	5.00%	-	59,500	-	59,500
Design/Engineering (Traffic).....	2/1/20	5.00%	-	40,000	-	40,000
Technology (Auditor).....	2/1/20	5.00%	-	25,000	-	25,000
Equipment (Fire).....	2/1/24	5.00%	-	196,840	-	196,840
Equipment (Fire).....	2/1/24	5.00%	-	579,500	-	579,500
Equipment (CPW).....	2/1/22	5.00%	-	15,000	-	15,000
Equipment (CPW).....	2/1/24	5.00%	-	993,000	-	993,000
Street/Sidewalk Improvements.....	2/1/24	5.00%	-	236,521	-	236,521
Land Acquisition (Stigmatine's).....	2/1/48	3.00 - 5.00%	-	18,000,000	-	18,000,000
Sub-Total.....			60,413,416	20,224,806	(8,251,238)	72,386,984
Add: Unamortized Premium.....			2,870,665	1,243,606	(281,809)	3,832,462
Total Governmental Funds.....			\$ 63,284,081	\$ 21,468,412	\$ (8,533,047)	\$ 76,219,446

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

Fiscal Year	Principal	Interest	Total
2020.....	\$ 8,641,044	\$ 2,245,688	\$ 10,886,732
2021.....	8,276,238	2,286,178	10,562,416
2022.....	8,061,238	1,955,609	10,016,847
2023.....	6,942,238	1,635,999	8,578,237
2024.....	6,812,238	1,370,240	8,182,478
2025.....	6,082,238	1,120,847	7,203,085
2026.....	4,913,238	896,511	5,809,749
2027.....	4,063,238	725,812	4,789,050
2028.....	2,308,238	581,846	2,890,084
2029.....	2,139,236	501,174	2,640,410
2030.....	1,272,600	429,392	1,701,992
2031.....	1,187,600	381,352	1,568,952
2032.....	1,102,600	342,897	1,445,497
2033.....	810,000	309,004	1,119,004
2034.....	755,000	283,925	1,038,925
2035.....	730,000	261,150	991,150
2036.....	730,000	239,250	969,250
2037.....	630,000	217,350	847,350
2038.....	630,000	198,450	828,450
2039.....	630,000	179,550	809,550
2040.....	630,000	160,650	790,650
2041.....	630,000	141,750	771,750
2042.....	630,000	122,850	752,850
2043.....	630,000	103,950	733,950
2044.....	630,000	85,050	715,050
2045.....	630,000	66,150	696,150
2046.....	630,000	47,250	677,250
2047.....	630,000	28,350	658,350
2048.....	630,000	9,450	639,450
Total.....	\$ <u>72,386,984</u>	\$ <u>16,927,674</u>	\$ <u>89,314,658</u>

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

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2018	Issued	Redeemed	Outstanding at June 30, 2019
Sewer Improvements.....	11/15/26	2.00 - 5.00%	\$ 1,720,000	\$ -	\$ (215,000)	\$ 1,505,000
Sewer Improvements.....	9/15/28	4.00%	386,000	-	(36,000)	350,000
Sewer Equipment.....	9/15/28	2.00 - 5.00%	193,000	-	(73,000)	120,000
Sewer Improvements (MCWT).....	7/8/30	2.00%	1,499,706	-	(246,195)	1,253,511
Sewer Improvements.....	2/1/32	3.00 - 5.00%	1,860,700	-	(133,550)	1,727,150
Sewer Improvements.....	2/1/32	3.00 - 5.00%	2,705,500	-	(193,750)	2,511,750
Sewer Improvements (MCWT).....	7/15/18	2.00%	17,053	-	(17,053)	-
Traffic & Signal Improvements.....	2/1/22	3.00 - 5.00%	129,000	-	(41,000)	88,000
Sewer Improvements.....	2/1/33	2.00 - 4.25%	1,040,000	-	(75,000)	965,000
Sewer Improvements (MCWT).....	7/15/32	2.00%	216,369	-	(12,356)	204,013
Sewer Improvements (MWRA) (Cedarwood)..	2/15/25	0.00%	412,125	-	(58,875)	353,250
Sewer Improvements (MWRA) (Cedarwood)..	2/15/20	0.00%	267,080	-	(133,540)	133,540
Sewer Improvements.....	6/15/24	4.00%	30,000	-	(5,000)	25,000
Sewer Improvements.....	6/15/25	4.00%	590,000	-	(70,000)	520,000
Sewer Improvements.....	6/15/27	4.00%	315,000	-	(35,000)	280,000
Sewer Improvements.....	6/15/27	4.00%	750,000	-	(85,000)	665,000
Sewer Improvements.....	6/15/27	4.00%	1,070,000	-	(120,000)	950,000
Sewer Improvements.....	6/15/25	4.00%	700,000	-	(100,000)	600,000
Sewer Improvements.....	6/15/25	4.00%	130,000	-	(20,000)	110,000
Sewer Improvements.....	2/1/29	3.00 - 5.00%	-	2,267,694	-	2,267,694
Sewer Improvements (MWRA).....	5/15/29	0.00%	-	962,375	-	962,375
Sub-Total.....			14,031,533	3,230,069	(1,670,319)	15,591,283
Add: Unamortized Premium.....			837,590	356,006	(78,443)	1,115,153
Total Sewer Enterprise.....			<u>\$ 14,869,123</u>	<u>\$ 3,586,075</u>	<u>\$ (1,748,762)</u>	<u>\$ 16,706,436</u>

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

Fiscal Year	Principal	Interest	Total
2020.....	\$ 1,804,324	\$ 452,545	\$ 2,256,869
2021.....	1,671,107	452,749	2,123,855
2022.....	1,644,182	396,392	2,040,573
2023.....	1,636,321	334,388	1,970,709
2024.....	1,634,525	279,916	1,914,440
2025.....	1,637,793	225,357	1,863,149
2026.....	1,401,251	171,925	1,573,175
2027.....	1,224,653	127,754	1,352,406
2028.....	799,201	88,212	887,413
2029.....	793,935	61,414	855,349
2030.....	427,448	42,118	469,566
2031.....	428,212	28,850	457,062
2032.....	406,640	15,783	422,423
2033.....	81,696	2,931	84,627
Total.....	<u>\$ 15,591,283</u>	<u>\$ 2,680,334</u>	<u>\$ 18,271,617</u>

Water Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2018	Issued	Redeemed	Outstanding at June 30, 2019
Water Improvements.....	9/15/28	4.10 - 5.00%	\$ 140,000	\$ -	\$ (15,000)	\$ 125,000
Water Improvements.....	9/15/28	4.00%	951,000	-	(91,000)	860,000
Water Improvements.....	9/15/18	3.00 - 5.00%	7,000	-	(7,000)	-
Water Improvements (MWRA).....	11/15/21	0.00%	514,956	-	(171,652)	343,304
Water Improvements.....	2/1/32	3.00 - 5.00%	278,600	-	(19,900)	258,700
Water Improvements.....	2/1/32	3.00 - 5.00%	799,400	-	(57,100)	742,300
Water Improvements.....	2/1/32	3.00 - 5.00%	351,400	-	(25,100)	326,300
Water Improvements (MWRA).....	5/15/23	0.00%	1,078,225	-	(215,645)	862,580
Water Improvements.....	2/1/33	2.00 - 4.25%	725,000	-	(65,000)	660,000
Water Improvements.....	5/1/21	4.00 - 5.00%	15,000	-	(5,000)	10,000
Water Improvements.....	5/1/34	2.50 - 5.00%	160,000	-	(10,000)	150,000
Water Improvements (MWRA).....	8/15/24	0.00%	334,858	-	(47,837)	287,021
Water Improvements (MWRA).....	5/15/27	0.00%	2,268,000	-	(252,000)	2,016,000
Water Improvements.....	6/15/26	4.00%	40,000	-	(5,000)	35,000
Water Improvements.....	6/15/27	4.00%	355,000	-	(40,000)	315,000
Water Improvements.....	2/1/29	5.00%	-	362,500	-	362,500
Water Improvements (MWRA).....	11/15/28	0.00%	-	1,201,831	-	1,201,831
Sub-Total.....			8,018,439	1,564,331	(1,027,234)	8,555,536
Add: Unamortized Premium.....			163,952	55,420	(13,982)	205,390
Total Water Enterprise.....			\$ 8,182,391	\$ 1,619,751	\$ (1,041,216)	\$ 8,760,926

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

Fiscal Year	Principal	Interest	Total
2020.....	\$ 1,182,918	\$ 133,059	\$ 1,315,977
2021.....	1,165,417	127,226	1,292,643
2022.....	983,765	113,648	1,097,413
2023.....	978,765	98,453	1,077,218
2024.....	763,120	85,850	848,970
2025.....	758,119	73,391	831,510
2026.....	710,283	60,909	771,192
2027.....	700,283	48,233	748,516
2028.....	413,283	35,714	448,997
2029.....	363,283	25,598	388,881
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	350	10,350
Total.....	\$ 8,555,536	\$ 844,614	\$ 9,400,150

Veteran's Rink Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2018	Issued	Redeemed	Outstanding at June 30, 2019
Veterans Rink Equipment.....	2/1/24	5.00%	\$ -	\$ 615,000	\$ -	\$ 615,000
Add: Unamortized Premium.....			-	47,625	-	47,625
Total Veteran's Rink Enterprise.....			<u>\$ -</u>	<u>\$ 662,625</u>	<u>\$ -</u>	<u>\$ 662,625</u>

Debt service requirements for principal and interest for the veteran's rink enterprise fund in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2020.....	\$ 125,000	\$ 18,279	\$ 143,279
2021.....	125,000	24,500	149,500
2022.....	125,000	18,250	143,250
2023.....	120,000	12,000	132,000
2024.....	120,000	6,000	126,000
Total.....	<u>\$ 615,000</u>	<u>\$ 79,029</u>	<u>\$ 694,029</u>

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. During fiscal year 2019, the City issued \$2,164,206 of MWRA bonds, and received approximately \$2,900,000 in MWRA grants for water and sewer improvement projects. MWRA bonds outstanding at June 30, 2019, totals \$1,449,165 and \$4,710,736 for sewer and water enterprise funds, respectively.

During fiscal year 2019, the City issued \$23,470,000 of general obligation bonds for land acquisition, departmental equipment, building renovations, water and sewer improvement projects.

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, 2019, the City had the following authorized and unissued debt:

Purpose	Amount
Fire Station.....	\$ 10,000,000
Street & Traffic Improvements.....	3,252,000
Land Development.....	2,936,000
Sewer.....	2,879,746
Water.....	1,242,141
Design/Planning/Engineering.....	817,329
Equipment.....	297,000
Technology.....	16,000
Police Communication System.....	2,420
Disposal Facility Removal.....	1,000
Total.....	<u>\$ 21,443,636</u>



**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’s OPEB trust fund value as of June 30, 2019 is approximately \$12.1 million. Of this balance, \$1.2 million 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, 2019, 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 \$618,878,689 was determined by an actuarial valuation performed of as June 30, 2018 which was rolled forward to the measurement date of June 30, 2019.

**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, 2018..... \$	595,692,054
Changes for the year:	
Service cost.....	19,785,937
Interest.....	22,721,494
Benefits payments.....	(19,320,796)
Net Changes.....	23,186,635
Balances at June 30, 2019..... \$	618,878,689

**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	\$ 729,659,810	\$ 618,878,689	\$ 531,796,604

**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	\$ 518,912,883	\$ 618,878,689	\$ 749,496,651

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

For the year ended June 30, 2019, the City recognized OPEB expenses of \$42,507,431. At June 30, 2019, 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, 2019, the amount of the liability for health insurance claims totaled \$2,735,102. Changes in the reported liability since July 1, 2017, are as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2018.....	\$ 2,334,669	\$ 46,676,692	\$ (46,511,361)	\$ 2,500,000
Fiscal year 2019.....	2,500,000	51,708,961	(51,473,859)	2,735,102

**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, 2019, totaled \$443,998. Changes in the reported liability since July 1, 2017, are as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2018.....	\$ 362,677	\$ 512,458	\$ (405,905)	\$ 469,230
Fiscal year 2019.....	469,230	421,173	(446,406)	443,998

**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.....	\$ -	\$ -	\$ 2,489,317	\$ 2,489,317
<b>Restricted:</b>				
Community Preservation.....	-	24,697,615	-	24,697,615
OPEB.....	13,649,064	-	-	13,649,064
Other Special Revenue.....	-	-	7,706,512	7,706,512
City Federal Grants.....	-	-	1,613	1,613
School Federal Grants.....	-	-	53,737	53,737
City State Grants.....	-	-	577,256	577,256
School State Grants.....	-	-	46,980	46,980
Insurance Recovery.....	-	-	87,902	87,902
Gifts.....	-	-	1,055,824	1,055,824
Sale of Lots/Graves.....	-	-	283,970	283,970
Revenue Reserve.....	-	-	2,248,626	2,248,626
School Lunch.....	-	-	1,371,894	1,371,894
Parking Meters.....	-	-	2,202,246	2,202,246
UDAG Nova Biomedical.....	-	-	16,277	16,277
Vocational School Reserve.....	-	-	12,629	12,629
Public Safety Funds.....	-	-	7,368,499	7,368,499
Traffic Impact Fund.....	-	-	5,996,867	5,996,867
Waltham Housing.....	-	-	1,548,942	1,548,942
City Capital Projects.....	-	-	892,733	892,733
Cemetery Trust Funds.....	-	-	25,832	25,832
Other Permanent Funds.....	-	-	344,880	344,880
Sub-Total - Restricted.....	13,649,064	24,697,615	31,843,219	70,189,898
<b>Committed:</b>				
Debt Service.....	1,039,163	-	-	1,039,163
General Government.....	780,014	-	-	780,014
Public Safety.....	1,105,122	-	-	1,105,122
Education.....	1,514,702	-	-	1,514,702
Public Works.....	399,846	-	-	399,846
Culture and Recreation.....	237,087	-	-	237,087
Community Development.....	215,773	-	-	215,773
Sub-Total - Committed.....	5,291,707	-	-	5,291,707
<b>Assigned:</b>				
General Government.....	694,533	-	-	694,533
Public Safety.....	1,201,950	-	-	1,201,950
Education.....	1,458,731	-	-	1,458,731
Public Works.....	567,313	-	-	567,313
Health and Human Services.....	33,266	-	-	33,266
Culture and Recreation.....	16,506	-	-	16,506
Community Development.....	72,392	-	-	72,392
Sub-Total - Assigned.....	4,044,691	-	-	4,044,691
<b>Unassigned.....</b>	31,953,010	-	(383,072)	31,569,938
	\$ 54,938,472	\$ 24,697,615	\$ 33,949,464	\$ 113,585,551

**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 \$1,024,409 at June 30, 2019 and is reported in the general fund as unassigned fund balance. The balances of the debt service, historical preservation, police and fire stabilization funds total \$1,039,163, \$25,000, \$654,100, and \$85, respectively, at June 30, 2019. 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, 2018:

Active Members.....	937
Inactive Members.....	156
Disabled Members.....	100
Retirees and Beneficiaries currently receiving benefits.....	677
Total.....	<u>1,870</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 25 Lexington Street, Waltham, Massachusetts 02452.

*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, 2018, active member contributions totaled \$6,887,148 and employer contributions totaled \$17,785,000. Contributions to the System from the City were \$17,349,549 for the year ended June 30, 2019.

### 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, 2018, were as follows:

Total Pension Liability.....	\$ 443,023,760
Plan Fiduciary Net Position.....	<u>(233,265,532)</u>
Net Pension Liability.....	<u>\$ 209,758,228</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	52.7%

At June 30, 2019, the City reported a liability of \$204,622,472 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. 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, 2018, the City's proportion was 97.5516 percent, which was an increase of 0.17443 percent from its 97.3771 percent proportion measure as of December 31, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$29,085,708 and support provided by nonemployer contributing entities totaled \$677,218. At June 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments.....	\$ 17,974,771	\$ -
Changes in Assumptions.....	18,071,230	-
Differences Between Expected and Actual Experience.....	11,597,906	-
Changes in Proportion.....	<u>335,014</u>	<u>61,251</u>
Totals.....	<u>\$ 47,978,921</u>	<u>\$ 61,251</u>

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

Fiscal Year Ended June 30	
2020.....	\$ 16,217,965
2021.....	11,084,174
2022.....	10,383,943
2023.....	<u>10,231,588</u>
Total.....	<u>\$ 47,917,670</u>

*Actuarial assumptions.* The total pension liability was determined by an actuarial valuation performed of as January 1, 2019. The following actuarial methods and assumptions apply to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	Fair Value
<u>Assumptions:</u>	
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	It is assumed that pre-retirement mortality is represented by the Pub-2010 Active General Mortality.
	Mortality for retired members for Group 1 and 2 is represented by the Pub-2010 Healthy General Mortality Table. Mortality for beneficiaries of members for Group 1 and 2 is represented by the Pub-2010 General Survivors Mortality Table.
	Mortality for disabled for Group 1 and 2 is represented by the Pub-2010 General Disability Mortality Table.
	It is assumed that pre-retirement mortality is represented by the Pub-2010 Active Public Safety Mortality. Mortality for retired members for Group 4 is represented by the Pub-2010 Healthy Public Safety Mortality Table. Mortality for beneficiaries of members for Group 4 is represented by the Pub-2010 Public Safety Survivors Mortality Table.
	Mortality for disabled for Group 4 is represented by the Pub-2010 General Disability Mortality Table.
	Generational adjusting is based on Scale MP-2018 and applied through 2025.
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.

*Investment Policy and Rates of Return.* Approximately 30% 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 -5.08%. 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. 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.....	\$ 257,900,558	\$ 209,758,228	\$ 168,794,325

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.....	\$ 251,586,076	\$ 204,622,472	\$ 164,661,536

*Legally Required Reserve Accounts.* The balance in the System's legally required reserves as of December 31, 2018 are as follows:

Description	Amount	Purpose
Annuity Savings Fund..... \$	72,470,588	Active members' contribution balance
Annuity Reserve Fund.....	17,177,704	Retired members' contribution account
Pension Fund.....	17,862,668	Amounts appropriated to fund future retirement
Pension Reserve Fund.....	125,754,573	Remaining Net Position
Total..... \$	233,265,532	

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, 2019. The Commonwealth's net pension liability associated with the City was \$195,469,540.

The MTRS' net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2018.

For the year ended June 30, 2019, the City recognized pension expense of \$19,808,007 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, 2018 measurement date was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2018. This valuation used the following assumptions:

Investment rate of return - 7.35%

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 White Collar Healthy Annuitant table projected generationally with Scale MP-2016.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	39.0%	5.0%
Portfolio Completion Strategies.....	13.0%	3.7%
Core Fixed Income.....	12.0%	0.9%
Private Equity.....	12.0%	6.6%
Real Estate.....	10.0%	3.8%
Value Added Fixed Income.....	10.0%	3.8%
Timber/Natural Resources.....	4.0%	3.4%
Totals.....	100.0%	

*Discount rate.* The discount rate used to measure the MTRS' total pension liability was 7.35%. 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 \$53,920,209 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 \$7,565,450 at June 30, 2019.

**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, 2019, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2019.

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, 2019, 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. 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. 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.
- Statement No. 91, *Conduit Debt Obligations*, which is required to be implemented during fiscal year 2022. 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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>REVENUES</b>				
Real estate and personal property taxes..... \$	-	\$ 184,954,321	\$ -	\$ 184,954,321
Motor vehicle and other excise taxes.....	-	8,499,127	-	8,499,127
Hotel/motel tax.....	-	4,400,000	-	4,400,000
Meals taxes.....	-	1,700,000	-	1,700,000
Tax liens.....	-	-	-	-
Payments in lieu of taxes.....	-	70,000	-	70,000
Intergovernmental .....	-	25,251,983	-	25,251,983
Special assessments.....	-	2,000	-	2,000
Penalties and interest on taxes.....	-	650,000	-	650,000
Licenses and permits.....	-	6,100,000	-	6,100,000
Fines and forfeitures.....	-	500,000	-	500,000
Departmental and other.....	-	1,367,000	-	1,367,000
Investment income.....	-	600,000	-	600,000
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>234,094,431</b>	<b>-</b>	<b>234,094,431</b>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
City Council				
Personnel.....	-	304,400	-	304,400
General.....	1,490	70,542	-	72,032
Equipment/Unusual.....	9,500	10,250	-	19,750
Capital Improvement.....	13,464	-	-	13,464
<b>Total.....</b>	<b>24,454</b>	<b>385,192</b>	<b>-</b>	<b>409,646</b>
Mayor's Office				
Personnel.....	-	279,166	-	279,166
General.....	228	25,050	-	25,278
Equipment/Unusual.....	125,298	386,450	48,078	559,826
Capital Improvement.....	275,279	-	88,000	363,279
<b>Total.....</b>	<b>400,805</b>	<b>690,666</b>	<b>136,078</b>	<b>1,227,549</b>
Auditors				
Personnel.....	-	618,897	-	618,897
General.....	-	4,800	-	4,800
Equipment/Unusual.....	263,179	155,000	(250,000)	168,179
Capital Improvement.....	806	-	-	806
<b>Total.....</b>	<b>263,985</b>	<b>778,697</b>	<b>(250,000)</b>	<b>792,682</b>
Treasurer and Collector				
Personnel.....	-	950,086	-	950,086
General.....	13,838	318,600	-	332,438
Capital Improvement.....	6,090	-	-	6,090
<b>Total.....</b>	<b>19,928</b>	<b>1,268,686</b>	<b>-</b>	<b>1,288,614</b>
Assessors				
Personnel.....	-	469,887	(35,455)	434,432
General.....	-	110,120	-	110,120
Capital Improvement.....	-	-	35,455	35,455
<b>Total.....</b>	<b>-</b>	<b>580,007</b>	<b>-</b>	<b>580,007</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)
\$ 183,067,294	\$ -	\$ 183,067,294	\$ (1,887,027)
8,420,840	-	8,420,840	(78,287)
5,060,931	-	5,060,931	660,931
1,681,619	-	1,681,619	(18,381)
597,724	-	597,724	597,724
71,633	-	71,633	1,633
25,566,298	-	25,566,298	314,315
1,380	-	1,380	(620)
606,138	-	606,138	(43,862)
11,531,814	-	11,531,814	5,431,814
470,368	-	470,368	(29,632)
1,671,250	-	1,671,250	304,250
1,239,058	-	1,239,058	639,058
239,986,347	-	239,986,347	5,891,916
299,692	-	299,692	4,708
66,871	205	67,076	4,956
2,288	9,500	11,788	7,962
-	13,464	13,464	-
368,851	23,169	392,020	17,626
278,244	-	278,244	922
22,683	-	22,683	2,595
350,966	159,119	510,085	49,741
343,879	19,400	363,279	-
995,772	178,519	1,174,291	53,258
608,552	-	608,552	10,345
4,649	-	4,649	151
190	167,989	168,179	-
-	806	806	-
613,391	168,795	782,186	10,496
946,746	-	946,746	3,340
300,288	15,366	315,654	16,784
-	6,090	6,090	-
1,247,034	21,456	1,268,490	20,124
381,434	-	381,434	52,998
96,500	7,600	104,100	6,020
-	35,455	35,455	-
477,934	43,055	520,989	59,018
-	-	-	20,000

(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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Purchasing				
Personnel.....	-	243,900	-	243,900
General.....	-	4,770	(790)	3,980
Special.....	-	320,000	-	320,000
Capital Improvement.....	29,984	-	503,965	533,949
Total.....	29,984	568,670	503,175	1,101,829
Trust Funds				
Personnel.....	-	4,000	-	4,000
Law Department				
Personnel.....	-	989,316	(9,825)	979,491
General.....	12,820	106,900	(6,014)	113,706
Equipment/Unusual.....	89,633	72,500	50,000	212,133
Capital Improvement.....	2,024	-	15,839	17,863
Total.....	104,477	1,168,716	50,000	1,323,193
Building				
Personnel.....	-	1,959,142	(90,000)	1,869,142
General.....	57,457	422,400	116,297	596,154
Equipment/Unusual.....	133	-	30,000	30,133
Capital Improvement.....	330,350	-	155,647	485,997
Total.....	387,940	2,381,542	211,944	2,981,426
Utilities				
General.....	80,435	1,075,700	115,000	1,271,135
Central Telephone Service				
Personnel.....	-	28,538	-	28,538
General.....	15,106	190,000	-	205,106
Total.....	15,106	218,538	-	233,644
Human Resources				
Personnel.....	-	330,752	-	330,752
General.....	164	10,450	-	10,614
Equipment/Unusual.....	4,200	38,000	-	42,200
Capital Improvement.....	-	-	4,726	4,726
Total.....	4,364	379,202	4,726	388,292
Work Study				
General.....	-	6,000	-	6,000
City Clerk				
Personnel.....	-	342,600	11,000	353,600
General.....	4,446	97,425	-	101,871
Equipment/Unusual.....	-	2,100	-	2,100
Capital Improvement.....	32,543	-	-	32,543
Total.....	36,989	442,125	11,000	490,114
Information Technology				
Personnel.....	-	1,204,701	-	1,204,701
General.....	14,200	346,825	-	361,025
Equipment/Unusual.....	11,496	30,000	-	41,496
Capital Improvement.....	151,920	-	-	151,920
Total.....	177,616	1,581,526	-	1,759,142

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
240,312	-	240,312	3,588
3,961	-	3,961	19
312,646	-	312,646	7,354
153,669	380,135	533,804	145
710,588	380,135	1,090,723	11,106
4,000	-	4,000	-
933,745	-	933,745	45,746
77,621	21,547	99,168	14,538
66,447	125,348	191,795	20,338
500	17,363	17,863	-
1,078,313	164,258	1,242,571	80,622
1,864,052	-	1,864,052	5,090
557,764	38,390	596,154	-
29,411	-	29,411	722
339,309	146,045	485,354	643
2,790,536	184,435	2,974,971	6,455
1,207,005	64,130	1,271,135	-
26,109	-	26,109	2,429
191,674	5,922	197,596	7,510
217,783	5,922	223,705	9,939
329,622	-	329,622	1,130
5,203	1,923	7,126	3,488
33,415	1,827	35,242	6,958
4,195	-	4,195	531
372,435	3,750	376,185	12,107
1,551	-	1,551	4,449
347,232	-	347,232	6,368
91,045	2,733	93,778	8,093
2,030	-	2,030	70
413	32,130	32,543	-
440,720	34,863	475,583	14,531
1,095,174	-	1,095,174	109,527
330,992	15,458	346,450	14,575
38,034	3,075	41,109	387
142,458	9,462	151,920	-
1,606,658	27,995	1,634,653	124,489

(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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Voter Registration				
Personnel.....	-	211,504	(11,000)	200,504
General.....	562	150,450	-	151,012
Capital Improvement.....	6,924	-	114,000	120,924
Total.....	7,486	361,954	103,000	472,440
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>1,553,569</b>	<b>11,911,221</b>	<b>884,923</b>	<b>14,349,713</b>
<b>PUBLIC SAFETY</b>				
Police and Animal Control				
Personnel.....	-	17,172,292	-	17,172,292
General.....	38,281	302,400	-	340,681
Equipment/Unusual.....	47,949	201,835	-	249,784
Special.....	14,505	237,875	-	252,380
Capital Improvement.....	450,253	-	-	450,253
Total.....	550,988	17,914,402	-	18,465,390
Dispatch				
Personnel.....	-	1,944,776	-	1,944,776
General.....	41	39,941	-	39,982
Special.....	-	15,400	-	15,400
Total.....	41	2,000,117	-	2,000,158
Fire				
Personnel.....	797,110	16,394,730	125,000	17,316,840
General.....	64,649	559,800	100,000	724,449
Equipment/Unusual.....	13,277	73,000	10,500	96,777
Special.....	44,733	252,404	-	297,137
Capital Improvement.....	91,424	-	514,784	606,208
Total.....	1,011,193	17,279,934	750,284	19,041,411
Emergency Management				
Personnel.....	-	78,985	-	78,985
General.....	-	3,100	-	3,100
Equipment/Unusual.....	-	7,600	-	7,600
Special.....	-	400	-	400
Capital Improvement.....	25,140	-	-	25,140
Total.....	25,140	90,085	-	115,225
Wires				
Personnel.....	-	841,729	-	841,729
General.....	15,423	314,490	-	329,913
Equipment/Unusual.....	-	27,500	-	27,500
Capital Improvement.....	295,266	-	-	295,266
Total.....	310,689	1,183,719	-	1,494,408
Licensing				
Personnel.....	-	15,600	-	15,600
General.....	110	3,875	-	3,985
Total.....	110	19,475	-	19,585
<b>TOTAL PUBLIC SAFETY.....</b>	<b>1,898,161</b>	<b>38,487,732</b>	<b>750,284</b>	<b>41,136,177</b>

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
198,046	-	198,046	2,458
139,072	-	139,072	11,940
1,260	119,664	120,924	-
338,378	119,664	458,042	14,398
12,470,949	1,420,146	13,891,095	458,618
17,013,973	111,309	17,125,282	47,010
285,005	55,676	340,681	-
190,903	24,556	215,459	34,325
225,715	26,665	252,380	-
428,426	21,096	449,522	731
18,144,022	239,302	18,383,324	82,066
1,771,352	-	1,771,352	173,424
31,618	180	31,798	8,184
12,248	3,152	15,400	-
1,815,218	3,332	1,818,550	181,608
16,533,206	783,634	17,316,840	-
649,761	68,569	718,330	6,119
73,499	21,824	95,323	1,454
236,733	50,689	287,422	9,715
304,286	301,922	606,208	-
17,797,485	1,226,638	19,024,123	17,288
77,872	-	77,872	1,113
2,966	133	3,099	1
5,100	-	5,100	2,500
400	-	400	-
-	25,140	25,140	-
86,338	25,273	111,611	3,614
798,009	-	798,009	43,720
307,163	22,750	329,913	-
24,378	-	24,378	3,122
195,266	-	195,266	100,000
1,324,816	22,750	1,347,566	146,842
15,600	-	15,600	-
3,250	-	3,250	735
18,850	-	18,850	735
39,186,729	1,517,295	40,704,024	432,153

(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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>EDUCATION</b>				
Personnel.....	158,389	70,755,388	27,475	70,941,252
General.....	944,600	11,893,145	(267,686)	12,570,059
Equipment/Unusual.....	680,099	352,500	331,989	1,364,588
Special.....	109,856	4,592,272	(91,778)	4,610,350
Capital Improvement.....	761,659	-	1,602,115	2,363,774
<b>TOTAL EDUCATION.....</b>	<b>2,654,603</b>	<b>87,593,305</b>	<b>1,602,115</b>	<b>91,850,023</b>
<b>PUBLIC WORKS</b>				
Consolidated Public Works				
Personnel.....	-	5,068,227	(200,000)	4,868,227
General.....	68,572	1,205,720	-	1,274,292
Equipment/Unusual.....	168,289	480,000	-	648,289
Capital Improvement.....	173,059	-	545,000	718,059
Total.....	409,920	6,753,947	345,000	7,508,867
Snow and Ice Removal				
Personnel.....	-	137,000	177,000	314,000
General.....	7,522	1,759,745	528,000	2,295,267
Total.....	7,522	1,896,745	705,000	2,609,267
Street Lighting				
General.....	38,394	530,000	-	568,394
Capital Improvement.....	2,779	-	-	2,779
Total.....	41,173	530,000	-	571,173
Collection and Disposal of Rubbish				
Equipment/Unusual.....	334,694	5,120,000	300,000	5,754,694
Cemetery Commission				
Personnel.....	-	3,000	-	3,000
<b>TOTAL PUBLIC WORKS.....</b>	<b>793,309</b>	<b>14,303,692</b>	<b>1,350,000</b>	<b>16,447,001</b>
<b>COMMUNITY DEVELOPMENT</b>				
Planning				
Personnel.....	-	296,892	-	296,892
General.....	1	2,800	-	2,801
Equipment/Unusual.....	16,623	10,000	-	26,623
Capital Improvement.....	18,192	-	-	18,192
Total.....	34,816	309,692	-	344,508
Housing				
Personnel.....	-	358,030	-	358,030
General.....	-	101,550	-	101,550
Equipment/Unusual.....	-	100,000	-	100,000
Total.....	-	559,580	-	559,580
Board of Survey and Planning				
Personnel.....	-	17,000	-	17,000
General.....	-	4,900	-	4,900
Total.....	-	21,900	-	21,900
Zoning Board of Appeals				
Personnel.....	-	23,000	-	23,000
General.....	2,537	34,000	-	36,537
Capital Improvement.....	1,814	-	-	1,814
Total.....	4,351	57,000	-	61,351

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
70,176,304	162,982	70,339,286	601,966
11,966,330	539,233	12,505,563	64,496
761,008	574,124	1,335,132	29,456
4,472,051	229,791	4,701,842	(91,492)
849,071	1,514,703	2,363,774	-
88,224,764	3,020,833	91,245,597	604,426
4,535,387	-	4,535,387	332,840
1,195,028	21,802	1,216,830	57,462
384,811	176,813	561,624	86,665
301,631	399,846	701,477	16,582
6,416,857	598,461	7,015,318	493,549
308,593	-	308,593	5,407
2,222,885	-	2,222,885	72,382
2,531,478	-	2,531,478	77,789
502,726	32,812	535,538	32,856
-	2,779	2,779	-
502,726	35,591	538,317	32,856
5,345,000	368,698	5,713,698	40,996
2,800	-	2,800	200
14,798,861	1,002,750	15,801,611	645,390
291,191	-	291,191	5,701
2,801	-	2,801	-
5,473	21,146	26,619	4
-	18,192	18,192	-
299,465	39,338	338,803	5,705
346,261	-	346,261	11,769
84,034	4,087	88,121	13,429
85,740	-	85,740	14,260
516,035	4,087	520,122	39,458
15,100	-	15,100	1,900
4,570	-	4,570	330
19,670	-	19,670	2,230
21,000	-	21,000	2,000
31,438	-	31,438	5,099
-	1,814	1,814	-
52,438	1,814	54,252	7,099

(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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>Traffic Engineering</b>				
Personnel.....	-	425,935	-	425,935
General.....	4,322	66,766	-	71,088
Equipment/Unusual.....	2,342	75,000	-	77,342
Capital Improvement.....	66,500	-	63,000	129,500
Total.....	73,164	567,701	63,000	703,865
<b>Conservation Commission</b>				
Personnel.....	-	47,123	(6,910)	40,213
General.....	-	2,393	-	2,393
Equipment/Unusual.....	-	-	6,910	6,910
Capital Improvement.....	53,915	-	-	53,915
Total.....	53,915	49,516	-	103,431
<b>Historical Commission</b>				
Personnel.....	-	7,000	-	7,000
General.....	-	6,780	-	6,780
Equipment/Unusual.....	6,000	12,500	-	18,500
Total.....	6,000	26,280	-	32,280
<b>Paine Estate</b>				
Personnel.....	-	122,487	-	122,487
General.....	3,261	34,750	-	38,011
Total.....	3,261	157,237	-	160,498
<b>Engineering</b>				
Personnel.....	-	528,970	-	528,970
General.....	1,011	11,100	-	12,111
Capital Improvement.....	-	-	108,602	108,602
Total.....	1,011	540,070	108,602	649,683
<b>TOTAL COMMUNITY DEVELOPMENT .....</b>	<b>176,518</b>	<b>2,288,976</b>	<b>171,602</b>	<b>2,637,096</b>
<b>HEALTH AND HUMAN SERVICES</b>				
<b>Health</b>				
Personnel.....	-	816,823	-	816,823
General.....	121	53,409	15,000	68,530
Equipment/Unusual.....	387	100,600	-	100,987
Total.....	508	970,832	15,000	986,340
<b>Veterans</b>				
Personnel.....	-	195,408	-	195,408
General.....	17,250	192,675	-	209,925
Capital Improvement.....	-	-	6,999	6,999
Total.....	17,250	388,083	6,999	412,332
<b>Council on Aging</b>				
Personnel.....	-	549,085	-	549,085
General.....	21,439	233,023	26,000	280,462
Capital Improvement.....	33,662	-	-	33,662
Total.....	55,101	782,108	26,000	863,209
<b>Celebration of Holidays</b>				
General.....	9,950	10,450	-	20,400

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
414,401	-	414,401	11,534
68,628	1,974	70,602	486
48,446	28,895	77,341	1
121,150	8,250	129,400	100
652,625	39,119	691,744	12,121
31,634	-	31,634	8,579
2,004	-	2,004	389
-	6,910	6,910	-
-	53,915	53,915	-
33,638	60,825	94,463	8,968
6,000	-	6,000	1,000
3,643	195	3,838	2,942
10,300	5,140	15,440	3,060
19,943	5,335	25,278	7,002
122,487	-	122,487	-
27,271	1,758	29,029	8,982
149,758	1,758	151,516	8,982
449,420	-	449,420	79,550
9,264	2,287	11,551	560
-	108,602	108,602	-
458,684	110,889	569,573	80,110
2,202,256	263,165	2,465,421	171,675
745,988	-	745,988	70,835
58,989	1,000	59,989	8,541
100,387	466	100,853	134
905,364	1,466	906,830	79,510
195,349	-	195,349	59
143,162	-	143,162	66,763
6,999	-	6,999	-
345,510	-	345,510	66,822
495,108	-	495,108	53,977
254,847	21,350	276,197	4,265
33,504	-	33,504	158
783,459	21,350	804,809	58,400
9,950	10,450	20,400	-

(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, 2019**

	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>82,809</b>	<b>2,158,673</b>	<b>47,999</b>	<b>2,289,481</b>
<b>CULTURE AND RECREATION</b>				
Library				
Personnel.....	-	2,408,102	250,000	2,658,102
General.....	5,245	402,349	20,000	427,594
Equipment/Unusual.....	1,000	73,350	-	74,350
Capital Improvement.....	21,375	-	24,686	46,061
Total.....	27,620	2,883,801	294,686	3,206,107
Recreation				
Personnel.....	-	888,815	-	888,815
General.....	139	18,625	-	18,764
Equipment/Unusual.....	-	42,000	-	42,000
Capital Improvement.....	156,555	-	147,000	303,555
Total.....	156,694	949,440	147,000	1,253,134
Playgrounds				
Personnel.....	-	66,500	-	66,500
General.....	575	126,000	-	126,575
Equipment/Unusual.....	-	3,500	-	3,500
Total.....	575	196,000	-	196,575
Summer Fun				
Personnel.....	-	74,000	-	74,000
General.....	-	12,800	-	12,800
Total.....	-	86,800	-	86,800
Support of Recreation Activities				
General.....	14,119	107,000	-	121,119
Equipment/Unusual.....	1,017	10,500	-	11,517
Total.....	15,136	117,500	-	132,636
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>200,025</b>	<b>4,233,541</b>	<b>441,686</b>	<b>4,875,252</b>
<b>PENSION BENEFITS</b>				
Contributory Retirement System.....	-	17,349,549	-	17,349,549
Non-Contributory Pension Benefits.....	-	600	-	600
<b>TOTAL PENSION BENEFITS.....</b>	<b>-</b>	<b>17,350,149</b>	<b>-</b>	<b>17,350,149</b>
<b>EMPLOYEE BENEFITS</b>				
Worker's Compensation.....	42,230	520,000	(4,726)	557,504
Optional Medical Extension.....	-	5,000,000	-	5,000,000
Hospital and Medical Insurance.....	23,749	42,866,000	(10,000)	42,879,749
Group Life Insurance.....	-	95,000	10,000	105,000
Social Security.....	-	20,000	-	20,000
Unemployment.....	4,553	20,000	-	24,553
<b>TOTAL EMPLOYEE BENEFITS.....</b>	<b>70,532</b>	<b>48,521,000</b>	<b>(4,726)</b>	<b>48,586,806</b>

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
7,000	-	7,000	-
-	-	-	200
7,000	-	7,000	200
2,051,283	33,266	2,084,549	204,932
2,312,214	-	2,312,214	345,888
426,430	1,164	427,594	-
66,419	7,827	74,246	104
6,990	38,546	45,536	525
2,812,053	47,537	2,859,590	346,517
868,288	-	868,288	20,527
16,649	216	16,865	1,899
41,883	-	41,883	117
104,974	198,541	303,515	40
1,031,794	198,757	1,230,551	22,583
56,232	-	56,232	10,268
99,393	-	99,393	27,182
3,492	-	3,492	8
159,117	-	159,117	37,458
70,325	-	70,325	3,675
11,637	980	12,617	183
81,962	980	82,942	3,858
98,275	6,320	104,595	16,524
9,697	-	9,697	1,820
107,972	6,320	114,292	18,344
4,192,898	253,594	4,446,492	428,760
17,349,549	-	17,349,549	-
-	-	-	600
17,349,549	-	17,349,549	600
473,104	49,649	522,753	34,751
5,000,000	-	5,000,000	-
42,879,659	-	42,879,659	90
104,948	-	104,948	52
13,129	-	13,129	6,871
10,500	4,752	15,252	9,301
48,481,340	54,401	48,535,741	51,065

(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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
STATE AND COUNTY CHARGES.....	-	1,844,142	-	1,844,142
DEBT SERVICE				
Principal.....	-	8,252,000	-	8,252,000
Interest.....	-	2,325,000	350,000	2,675,000
TOTAL DEBT SERVICE.....	-	10,577,000	350,000	10,927,000
TOTAL EXPENDITURES.....	7,429,526	239,269,431	5,593,883	252,292,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(7,429,526)	(5,175,000)	(5,593,883)	(18,198,409)
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets.....	-	-	-	-
Transfers in.....	-	4,275,000	2,237,726	6,512,726
Transfers out.....	-	(100,000)	(1,000,000)	(1,100,000)
Total Other Financing Sources (Uses).....	-	4,175,000	1,237,726	5,412,726
NET CHANGE IN FUND BALANCE.....	(7,429,526)	(1,000,000)	(4,356,157)	(12,785,683)
FUND BALANCE AT BEGINNING OF YEAR.....	36,162,527	36,162,527	36,162,527	36,162,527
FUND BALANCE AT END OF YEAR.....	\$ 28,733,001	\$ 35,162,527	\$ 31,806,370	\$ 23,376,844

*See accompanying notes to required supplementary information.*

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
<u>1,985,334</u>	<u>-</u>	<u>1,985,334</u>	<u>(141,192)</u>
8,251,238	-	8,251,238	762
<u>2,671,122</u>	<u>-</u>	<u>2,671,122</u>	<u>3,878</u>
10,922,360	-	10,922,360	4,640
<u>241,866,323</u>	<u>7,565,450</u>	<u>249,431,773</u>	<u>2,861,067</u>
<u>(1,879,976)</u>	<u>(7,565,450)</u>	<u>(9,445,426)</u>	<u>8,752,983</u>
70,997	-	70,997	70,997
6,228,251	-	6,228,251	(284,475)
<u>(1,100,000)</u>	<u>-</u>	<u>(1,100,000)</u>	<u>-</u>
<u>5,199,248</u>	<u>-</u>	<u>5,199,248</u>	<u>(213,478)</u>
3,319,272	(7,565,450)	(4,246,178)	8,539,505
<u>36,162,527</u>	<u>-</u>	<u>36,162,527</u>	<u>-</u>
<u>39,481,799</u>	<u>\$ (7,565,450)</u>	<u>\$ 31,916,349</u>	<u>\$ 8,539,505</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, 2019**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
<b>REVENUES</b>				
Community preservation taxes.....	\$ -	\$ 2,800,000	\$ -	\$ 2,800,000
Intergovernmental .....	-	550,314	-	550,314
Penalties and interest on taxes.....	-	-	-	-
Investment income.....	-	576,878	-	576,878
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>3,927,192</b>	<b>-</b>	<b>3,927,192</b>
<b>EXPENDITURES</b>				
Personnel.....	-	46,867	-	46,867
General.....	-	15,900	-	15,900
Equipment/Unusual.....	-	106,600	-	106,600
Capital Improvement.....	5,289,253	-	6,240,361	11,529,614
<b>TOTAL EXPENDITURES.....</b>	<b>5,289,253</b>	<b>169,367</b>	<b>6,240,361</b>	<b>11,698,981</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(5,289,253)	3,757,825	(6,240,361)	(7,771,789)
<b>FUND BALANCE AT BEGINNING OF YEAR.....</b>	<b>24,133,978</b>	<b>24,133,978</b>	<b>24,133,978</b>	<b>24,133,978</b>
<b>FUND BALANCE AT END OF YEAR.....</b>	<b>\$ 18,844,725</b>	<b>\$ 27,891,803</b>	<b>\$ 17,893,617</b>	<b>\$ 16,362,189</b>

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 2,990,300	\$ -	\$ 2,990,300	\$ 190,300
550,314	-	550,314	-
4,949	-	4,949	4,949
625,299	-	625,299	48,421
4,170,862	-	4,170,862	243,670
42,500	-	42,500	4,367
13,267	-	13,267	2,633
-	-	-	106,600
4,319,322	7,210,292	11,529,614	-
4,375,089	7,210,292	11,585,381	113,600
(204,227)	(7,210,292)	(7,414,519)	357,270
24,133,978	-	24,133,978	-
\$ 23,929,751	\$ (7,210,292)	\$ 16,719,459	\$ 357,270

**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, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<u>Total Pension Liability</u>					
Service Cost	\$ 7,175,529	\$ 6,880,955	\$ 6,676,993	\$ 5,761,367	\$ 7,040,834
Interest	30,409,457	29,614,028	28,355,410	28,290,238	27,535,037
Benefit Payments, including refunds of member contributions	(27,473,481)	(25,613,137)	(24,612,183)	(24,341,534)	(23,951,108)
Change in Assumptions	22,640,210	-	-	6,596,806	-
Experience Loss	11,587,047	-	6,107,195	5,888,647	-
Net Change in Total Pension Liability	44,338,762	10,881,846	16,527,415	22,195,524	10,624,763
Total Pension Liability - Beginning	398,684,998	387,803,152	371,275,737	349,080,213	338,455,450
Total Pension Liability - Ending (a)	<u>\$ 443,023,760</u>	<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	\$ 17,785,000	\$ 17,233,644	\$ 16,733,644	\$ 16,233,644	\$ 15,728,477
Contributions - Member	6,887,148	6,553,300	6,251,685	6,444,960	5,222,151
Other Additions	694,215	712,117	743,196	751,646	1,118,908
Net Investment Income	(12,447,176)	33,104,714	15,709,913	1,689,685	15,528,118
Benefit Payments and Transfers to Other Systems	(27,473,481)	(25,613,137)	(24,612,182)	(24,341,535)	(23,951,107)
Administrative Expense	(510,532)	(582,872)	(614,396)	(519,094)	(521,690)
Net Change in Plan Fiduciary Net Position	(15,064,826)	31,407,766	14,211,860	259,306	13,124,857
Plan Fiduciary Net Position - Beginning	248,330,358	216,922,592	202,710,732	202,451,426	189,326,569
Plan Fiduciary Net Position - Ending (b)	<u>\$ 233,265,532</u>	<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>\$ 209,758,228</u>	<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	52.7%	62.3%	55.9%	54.6%	58.0%
Covered Payroll	\$ 66,327,801	\$ 64,099,533	\$ 61,634,166	\$ 59,292,926	\$ 55,578,341
Net Pension Liability as a Percentage of Covered Payroll	316.2%	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)**

	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 17,785,000	\$ 17,233,644	\$ 16,733,644	\$ 16,233,644	\$ 15,728,477
Contributions in Relation to the Actuarially Determined Contribution	17,785,000	17,233,644	16,733,644	16,233,644	15,728,477
Contribution Deficiency (Excess)	-	-	-	-	-
Covered Payroll	\$ 66,327,801	\$ 64,099,533	\$ 61,634,166	\$ 59,292,926	\$ 55,578,341
Contributions as a Percentage of Covered Payroll	26.81%	26.89%	27.15%	27.38%	28.30%
(Continued)					
	2013	2012	2011	2010	2009
Actuarially Determined Contribution	\$ 14,735,293	\$ 14,289,286	\$ 14,133,617	\$ 14,106,542	\$ 13,752,867
Contributions in Relation to the Actuarially Determined Contribution	14,735,293	14,289,286	14,133,617	14,106,542	13,752,867
Contribution Deficiency (Excess)	-	-	-	-	-
Covered Payroll	\$ 50,696,522	\$ 50,696,522	\$ 48,493,764	\$ 48,493,764	\$ 47,443,385
Contributions as a Percentage of Covered Payroll	29.07%	28.19%	29.15%	29.09%	28.99%
(Concluded)					

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

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-5.08%	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)**

	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	97.5516%	97.3771%	97.2903%	97.4128%	97.2096%
City's Proportionate Share of the Net Pension Liability	\$ 204,622,472	\$ 146,411,061	\$ 166,250,288	\$ 164,203,870	\$ 142,537,299
City's Covered Payroll	\$ 62,695,385	\$ 60,608,378	\$ 60,208,016	\$ 61,485,840	\$ 51,878,853
City's proportionate share of the net pension liability as a percentage of its covered payroll	326.38%	241.57%	276.13%	267.06%	274.75%
Plan fiduciary net position as a percentage of the total pension liability	52.7%	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)**

	2019	2018	2017	2016	2015
Actuarially Required Contribution	\$ 17,349,549	\$ 16,781,631	\$ 16,280,220	\$ 15,813,645	\$ 15,289,594
Contributions in Relation to the Actuarially Required Contribution	17,349,549	16,781,631	16,280,220	15,813,645	15,289,594
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 63,728,971	\$ 62,211,345	\$ 59,447,775	\$ 65,900,611	\$ 53,155,130
Contributions as a Percentage of Covered Payroll	27.22%	26.98%	27.39%	24.00%	28.76%

(Continued)

	2014	2013	2012	2011	2010
Actuarially Required Contribution	\$ 14,303,117	\$ 13,857,860	\$ 13,738,814	\$ 13,720,343	\$ 13,427,327
Contributions in Relation to the Actuarially Required Contribution	14,303,117	13,857,860	13,738,814	13,720,343	13,427,327
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 51,057,010	\$ 51,013,250	\$ 48,157,186	\$ 49,063,562	\$ 49,334,985
Contributions as a Percentage of Covered Payroll	28.01%	27.17%	28.53%	27.96%	27.22%

(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)**

	2019	2018	2017	2016	2015
City's Share of Net Pension Liability	\$ 195,469,540	\$ 170,927,597	\$ 160,484,933	\$ 147,219,461	\$ 110,096,513
Commonwealth's Share of City's Net Pension Liability	195,469,540	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>	<u>\$ -</u>
City's Expense and Revenue Recognized for the Commonwealth's Support	\$ 19,808,007	\$ 17,840,211	\$ 16,370,515	\$ 11,940,809	\$ 7,648,933
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	54.84%	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>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 19,785,937	\$ 18,933,911
Interest on Liability and Service Cost	22,721,494	21,868,248
Benefits payments	<u>(19,320,796)</u>	<u>(18,488,800)</u>
Change in Total OPEB Liability	23,186,635	22,313,359
Total OPEB Liability - Beginning	<u>595,692,054</u>	<u>573,378,695</u>
Total OPEB Liability - Ending	<u><u>\$ 618,878,689</u></u>	<u><u>\$ 595,692,054</u></u>
 Covered Employee Payroll	 113,763,189	 109,916,125
Total OPEB Liability as a Percentage of Covered Employee Payroll	544.0%	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, 2019, 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.....	\$ 239,986,347	\$ 249,431,773	\$ 5,199,248	\$ 31,916,349
<u>Adjustments and Reclassifications</u>				
Net change in recording 60-day receipts.....	81,049	-	-	235,765
Net change in recording tax refunds payable.....	694,635	-	-	(178,500)
Net change in recording other revenues.....	347,611	-	-	(941,798)
To record MTRS on-behalf payments.....	19,808,007	19,808,007	-	-
Net change in recording other expenditures.....	-	50,614	-	(50,614)
To allocate indirect costs to functional line items.....	-	(3,990,125)	(3,990,125)	-
To record encumbrances and continuing appropriations.....	-	(7,565,450)	-	7,565,450
To reclassify the stabilization funds to the general fund.....	42,338	-	162,274	2,742,757
To reclassify the other postemployment benefit fund to the general fund.....	1,876,483	(157,366)	-	13,649,063
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	\$ 262,836,470	\$ 257,577,453	\$ 1,371,397	\$ 54,938,472

***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.....	\$ 4,170,862	\$ 11,585,381	\$ 16,719,459
<u>Adjustments</u>			
Net change in recording revenues.....	982,824	-	1,118,695
Net change in recording other expenditures.....	-	(72,645)	(350,831)
To record encumbrances and continuing appropriations.....	-	(7,210,292)	7,210,292
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	\$ 5,153,686	\$ 4,302,444	\$ 24,697,615

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

The following methods and assumptions from the January 1, 2017 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, 2019**

<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.....	\$ 7,780,310	\$ 8,755	\$ -	\$ 596,939	\$ 46,147	\$ 87,902	\$ 1,044,953	
Restricted Investments.....	-	-	-	-	-	-	-	
Receivables, Net of Uncollectibles:								
Departmental and Other.....	-	-	-	-	-	-	-	
Intergovernmental.....	-	34,282	343,168	12,224	1,650	-	26,182	
Loans.....	-	1,647,546	-	-	-	-	-	
<b>TOTAL ASSETS.....</b>	<b>\$ 7,780,310</b>	<b>\$ 1,690,583</b>	<b>\$ 343,168</b>	<b>\$ 609,163</b>	<b>\$ 47,797</b>	<b>\$ 87,902</b>	<b>\$ 1,071,135</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Warrants Payable.....	\$ 70,867	\$ 20,949	\$ 26,524	\$ 31,907	\$ 817	\$ -	\$ 15,311	
Accrued Payroll.....	2,931	-	-	-	-	-	-	
Due to Other Funds.....	-	20,475	262,907	-	-	-	-	
<b>TOTAL LIABILITIES.....</b>	<b>73,798</b>	<b>41,424</b>	<b>289,431</b>	<b>31,907</b>	<b>817</b>	<b>-</b>	<b>15,311</b>	
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable Revenue.....	-	1,647,546	-	-	-	-	-	
<b>FUND BALANCES:</b>								
Nonspendable.....	-	-	-	-	-	-	-	
Restricted.....	7,706,512	1,613	53,737	577,256	46,980	87,902	1,055,824	
Unassigned.....	-	-	-	-	-	-	-	
<b>TOTAL FUND BALANCES.....</b>	<b>7,706,512</b>	<b>1,613</b>	<b>53,737</b>	<b>577,256</b>	<b>46,980</b>	<b>87,902</b>	<b>1,055,824</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 7,780,310</b>	<b>\$ 1,690,583</b>	<b>\$ 343,168</b>	<b>\$ 609,163</b>	<b>\$ 47,797</b>	<b>\$ 87,902</b>	<b>\$ 1,071,135</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>
\$ 283,970	\$ 1,528,459	\$ 1,374,773	\$ 2,220,720	\$ 16,277	\$ 12,629
-	-	-	-	-	-
-	-	-	-	-	-
-	731,973	-	-	-	-
-	-	-	-	-	-
<u>\$ 283,970</u>	<u>\$ 2,260,432</u>	<u>\$ 1,374,773</u>	<u>\$ 2,220,720</u>	<u>\$ 16,277</u>	<u>\$ 12,629</u>
\$ -	\$ 11,806	\$ 2,879	\$ 15,013	\$ -	\$ -
-	-	-	3,461	-	-
-	-	-	-	-	-
-	11,806	2,879	18,474	-	-
-	-	-	-	-	-
-	-	-	-	-	-
283,970	2,248,626	1,371,894	2,202,246	16,277	12,629
-	-	-	-	-	-
<u>283,970</u>	<u>2,248,626</u>	<u>1,371,894</u>	<u>2,202,246</u>	<u>16,277</u>	<u>12,629</u>
<u>\$ 283,970</u>	<u>\$ 2,260,432</u>	<u>\$ 1,374,773</u>	<u>\$ 2,220,720</u>	<u>\$ 16,277</u>	<u>\$ 12,629</u>

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

<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.....	\$ 7,443,826	\$ 6,006,284	\$ -	\$ 1,548,942	\$ 30,000,886
Restricted Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and Other.....	-	-	272,537	-	272,537
Intergovernmental.....	-	-	-	-	1,149,479
Loans.....	-	-	-	-	1,647,546
<b>TOTAL ASSETS.....</b>	<b>\$ 7,443,826</b>	<b>\$ 6,006,284</b>	<b>\$ 272,537</b>	<b>\$ 1,548,942</b>	<b>\$ 33,070,448</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants Payable.....	\$ 75,327	\$ 9,417	\$ -	\$ -	\$ 280,817
Accrued Payroll.....	-	-	48,734	-	55,126
Due to Other Funds.....	-	-	318,752	-	602,134
<b>TOTAL LIABILITIES.....</b>	<b>75,327</b>	<b>9,417</b>	<b>367,486</b>	<b>-</b>	<b>938,077</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable Revenue.....	-	-	272,537	-	1,920,083
<b>FUND BALANCES:</b>					
Nonspendable.....	-	-	-	-	-
Restricted.....	7,368,499	5,996,867	-	1,548,942	30,579,774
Unassigned.....	-	-	(367,486)	-	(367,486)
<b>TOTAL FUND BALANCES.....</b>	<b>7,368,499</b>	<b>5,996,867</b>	<b>(367,486)</b>	<b>1,548,942</b>	<b>30,212,288</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 7,443,826</b>	<b>\$ 6,006,284</b>	<b>\$ 272,537</b>	<b>\$ 1,548,942</b>	<b>\$ 33,070,448</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
\$ 1,127,421	\$ -	\$ -	\$ 1,127,421	\$ 181,522	\$ 154,159	\$ 335,681	\$ 31,463,988
-	-	-	-	2,083,007	441,341	2,524,348	2,524,348
-	-	-	-	-	-	-	272,537
-	-	206,581	206,581	-	-	-	1,356,060
-	-	-	-	-	-	-	1,647,546
<u>\$ 1,127,421</u>	<u>\$ -</u>	<u>\$ 206,581</u>	<u>\$ 1,334,002</u>	<u>\$ 2,264,529</u>	<u>\$ 595,500</u>	<u>\$ 2,860,029</u>	<u>\$ 37,264,479</u>
\$ 234,688	\$ -	\$ -	\$ 234,688	\$ -	\$ -	\$ -	\$ 515,505
-	-	-	-	-	-	-	55,126
-	15,586	206,581	222,167	-	-	-	824,301
<u>234,688</u>	<u>15,586</u>	<u>206,581</u>	<u>456,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,394,932</u>
-	-	-	-	-	-	-	1,920,083
-	-	-	-	2,238,697	250,620	2,489,317	2,489,317
892,733	-	-	892,733	25,832	344,880	370,712	31,843,219
-	(15,586)	-	(15,586)	-	-	-	(383,072)
<u>892,733</u>	<u>(15,586)</u>	<u>-</u>	<u>877,147</u>	<u>2,264,529</u>	<u>595,500</u>	<u>2,860,029</u>	<u>33,949,464</u>
<u>\$ 1,127,421</u>	<u>\$ -</u>	<u>\$ 206,581</u>	<u>\$ 1,334,002</u>	<u>\$ 2,264,529</u>	<u>\$ 595,500</u>	<u>\$ 2,860,029</u>	<u>\$ 37,264,479</u>

(concluded)

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019**

	<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.....	\$ 868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental .....	74,418	785,226	2,704,011	1,105,195	127,963	-	-
Fines and Forfeitures.....	24,627	-	-	-	-	-	-
Departmental and Other.....	758,250	135,010	-	-	-	97,916	-
Contributions.....	211,554	-	-	-	-	-	886,014
Investment Income.....	-	-	-	399	-	-	1,249
<b>TOTAL REVENUES.....</b>	<b>1,069,717</b>	<b>920,236</b>	<b>2,704,011</b>	<b>1,105,594</b>	<b>127,963</b>	<b>97,916</b>	<b>887,263</b>
<b>EXPENDITURES</b>							
Current:							
General Government.....	146,108	-	-	25,944	-	-	1,208
Public Safety.....	-	36,372	-	328,017	-	485	31,764
Education.....	12,667	-	2,615,061	-	95,220	-	488,598
Public Works.....	-	-	-	-	-	96,345	31,344
Health and Human Services.....	99,622	-	-	125,028	-	-	40,415
Culture and Recreation.....	303,377	5,988	-	-	-	-	3,266
Community Development.....	83,363	879,546	-	327,580	-	-	49,699
<b>TOTAL EXPENDITURES.....</b>	<b>645,137</b>	<b>921,906</b>	<b>2,615,061</b>	<b>806,569</b>	<b>95,220</b>	<b>96,830</b>	<b>646,294</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	424,580	(1,670)	88,950	299,025	32,743	1,086	240,969
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of bonds and notes.....	-	-	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	-	-	-
Transfers Out.....	(1,400,000)	-	-	-	-	(400)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(1,400,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(400)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(975,420)</b>	<b>(1,670)</b>	<b>88,950</b>	<b>299,025</b>	<b>32,743</b>	<b>686</b>	<b>240,969</b>
<b>FUND BALANCES AT BEGINNING 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>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 7,706,512</b>	<b>\$ 1,613</b>	<b>\$ 53,737</b>	<b>\$ 577,256</b>	<b>\$ 46,980</b>	<b>\$ 87,902</b>	<b>\$ 1,055,824</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>
\$ -	\$ 317,665	\$ 879,152	\$ -	\$ -	\$ -
-	2,689,877	1,981,715	-	-	-
-	-	-	40,190	-	-
58,875	455,918	-	526,408	-	51,471
-	140,319	1,500	-	-	-
-	1,162	1,269	-	93	-
<u>58,875</u>	<u>3,604,941</u>	<u>2,863,636</u>	<u>566,598</u>	<u>93</u>	<u>51,471</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	3,244,116	2,790,682	-	-	45,660
1,356,917	-	-	-	-	-
-	-	-	938	-	-
-	-	-	-	-	-
-	-	-	488,008	3,991	-
<u>1,356,917</u>	<u>3,244,116</u>	<u>2,790,682</u>	<u>488,946</u>	<u>3,991</u>	<u>45,660</u>
<u>(1,298,042)</u>	<u>360,825</u>	<u>72,954</u>	<u>77,652</u>	<u>(3,898)</u>	<u>5,811</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>(1,298,042)</u>	<u>360,825</u>	<u>72,954</u>	<u>77,652</u>	<u>(3,898)</u>	<u>5,811</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>
<u>\$ 283,970</u>	<u>\$ 2,248,626</u>	<u>\$ 1,371,894</u>	<u>\$ 2,202,246</u>	<u>\$ 16,277</u>	<u>\$ 12,629</u>

(continued)

**CITY OF WALTHAM, MASSACHUSETTS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019**

<i>Special Revenue Funds</i>					
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Waltham Housing	Sub-total
<b>REVENUES</b>					
Charges for Services.....	\$ -	\$ -	\$ 2,900,803	\$ -	\$ 4,098,488
Intergovernmental .....	270,166	-	-	-	9,738,571
Fines and Forfeitures.....	-	-	-	-	64,817
Departmental and Other.....	-	1,561,752	-	-	3,645,600
Contributions.....	-	-	-	-	1,239,387
Investment Income.....	140,366	9,285	-	31,038	184,861
<b>TOTAL REVENUES.....</b>	<b>410,532</b>	<b>1,571,037</b>	<b>2,900,803</b>	<b>31,038</b>	<b>18,971,724</b>
<b>EXPENDITURES</b>					
Current:					
General Government.....	-	-	-	-	173,260
Public Safety.....	509,469	-	2,931,238	-	3,837,345
Education.....	-	-	-	-	9,292,004
Public Works.....	-	(2)	-	-	1,484,604
Health and Human Services.....	-	-	-	-	266,003
Culture and Recreation.....	-	-	-	-	312,631
Community Development.....	-	405,686	-	49,505	2,287,378
<b>TOTAL EXPENDITURES.....</b>	<b>509,469</b>	<b>405,684</b>	<b>2,931,238</b>	<b>49,505</b>	<b>17,653,225</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(98,937)	1,165,353	(30,435)	(18,467)	1,318,499
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of bonds and notes.....	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	-
Transfers Out.....	-	-	-	-	(1,400,400)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,400,400)</b>
NET CHANGE IN FUND BALANCES.....	(98,937)	1,165,353	(30,435)	(18,467)	(81,901)
FUND BALANCES AT BEGINNING OF YEAR.....	7,467,436	4,831,514	(337,051)	1,567,409	30,294,189
FUND BALANCES AT END OF YEAR.....	\$ 7,368,499	\$ 5,996,867	\$ (367,486)	\$ 1,548,942	\$ 30,212,288

<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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,098,488
-	-	605,646	605,646	-	-	-	10,344,217
-	-	-	-	-	-	-	64,817
-	-	-	-	-	-	-	3,645,600
-	-	-	-	24,625	-	24,625	1,264,012
-	-	-	-	235,251	50,586	285,837	470,698
-	-	605,646	605,646	259,876	50,586	310,462	19,887,832
52,795	-	-	52,795	-	4,152	4,152	230,207
5,926	-	-	5,926	-	-	-	3,843,271
18,000,000	6,810	-	18,006,810	-	-	-	27,298,814
850,962	-	605,646	1,456,608	154,316	-	154,316	3,095,528
123,841	-	-	123,841	-	-	-	389,844
537,068	-	-	537,068	-	771	771	850,470
961,754	-	-	961,754	-	-	-	3,249,132
20,532,346	6,810	605,646	21,144,802	154,316	4,923	159,239	38,957,266
(20,532,346)	(6,810)	-	(20,539,156)	105,560	45,663	151,223	(19,069,434)
20,145,361	79,445	-	20,224,806	-	-	-	20,224,806
1,388,639	-	-	1,388,639	-	-	-	1,388,639
-	-	-	-	-	-	-	(1,400,400)
21,534,000	79,445	-	21,613,445	-	-	-	20,213,045
1,001,654	72,635	-	1,074,289	105,560	45,663	151,223	1,143,611
(108,921)	(88,221)	-	(197,142)	2,158,969	549,837	2,708,806	32,805,853
\$ 892,733	\$ (15,586)	\$ -	\$ 877,147	\$ 2,264,529	\$ 595,500	\$ 2,860,029	\$ 33,949,464

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CITY OF WALTHAM, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019

## 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, 2019**

	<u>Scholarship Trust Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents.....	\$ 57,084
Investments:	
U.S. Treasuries and Agencies.....	3,058,623
Receivables, Net of Allowance for Uncollectibles:	
Loans.....	<u>114,331</u>
Total Assets.....	<u>3,230,038</u>
<b>NET POSITION</b>	
Restricted for Other Purposes.....	<u>\$ 3,230,038</u>

**CITY OF WALTHAM, MASSACHUSETTS  
PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2019**

	<u>Scholarship Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Private Donations.....	\$ 19,557
Net Investment Income (Loss):	
Net Change in Fair Value of Investments.....	<u>347,436</u>
<b>TOTAL ADDITIONS.....</b>	366,993
<b>DEDUCTIONS</b>	
Educational Scholarships & Awards.....	<u>139,915</u>
<b>CHANGE IN NET POSITION.....</b>	227,078
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<u>3,002,960</u>
<b>NET POSITION AT END OF YEAR.....</b>	<u><u>\$ 3,230,038</u></u>

## 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, 2019**

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>ASSETS</b>				
Cash and Cash Equivalents.....	\$ 947,609	\$ 1,357,358	\$ (1,301,615)	\$ 1,003,352
	<u>947,609</u>	<u>1,357,358</u>	<u>(1,301,615)</u>	<u>1,003,352</u>
<b>LIABILITIES</b>				
Warrants Payable.....	7,150	42,990	(7,150)	42,990
Accrued Payroll.....	5,450	6,402	(5,450)	6,402
Liabilities Due Depositors.....	935,009	1,207,497	(1,188,546)	953,960
	<u>935,009</u>	<u>1,207,497</u>	<u>(1,188,546)</u>	<u>953,960</u>
<b>TOTAL LIABILITIES.....</b>	<b>\$ 947,609</b>	<b>\$ 1,256,889</b>	<b>\$ (1,201,146)</b>	<b>\$ 1,003,352</b>
	<u>947,609</u>	<u>1,256,889</u>	<u>(1,201,146)</u>	<u>1,003,352</u>

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# *Statistical Section*



**Elsie Turner Playground**



## ***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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets.....	\$ 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	\$ 178,888,539
Restricted.....	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	74,186,256
Unrestricted.....	<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>	<u>(714,253,221)</u>
Total Governmental Activities Net Position.....	<u>\$ 189,367,214</u>	<u>\$ 188,684,027</u>	<u>\$ 172,456,186</u>	<u>\$ 161,895,562</u>	<u>\$ 149,143,493</u>	<u>\$ 4,003,433</u>	<u>\$ (6,187,959)</u>	<u>\$ (9,818,420)</u>	<u>\$ (441,779,711)</u>	<u>\$ (461,178,426)</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets.....	\$ 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	\$ 16,553,781
Unrestricted.....	<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>	<u>24,700,610</u>
Total Business-Type Activities Net Position.....	<u>\$ 25,112,612</u>	<u>\$ 29,442,165</u>	<u>\$ 28,092,124</u>	<u>\$ 33,351,451</u>	<u>\$ 37,866,312</u>	<u>\$ 37,851,585</u>	<u>\$ 42,164,763</u>	<u>\$ 45,640,100</u>	<u>\$ 37,562,683</u>	<u>\$ 41,254,391</u>
<b>Primary Government</b>										
Net Investment in Capital Assets.....	\$ 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	\$ 195,442,320
Restricted.....	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	74,186,256
Unrestricted.....	<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>	<u>(689,552,611)</u>
Total Primary Government Net Position.....	<u>\$ 214,479,826</u>	<u>\$ 218,126,192</u>	<u>\$ 200,548,310</u>	<u>\$ 195,247,013</u>	<u>\$ 187,009,805</u>	<u>\$ 41,855,018</u>	<u>\$ 35,976,804</u>	<u>\$ 35,821,680</u>	<u>\$ (404,217,028)</u>	<u>\$ (419,924,035)</u>

# CITY OF WALTHAM, MASSACHUSETTS

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government.....	\$ 12,548,346	\$ 12,409,747	\$ 12,839,887	\$ 14,431,751	\$ 14,141,084	\$ 14,516,477	\$ 17,458,090	\$ 21,059,212	\$ 17,997,394	\$ 15,631,195
Public Safety.....	57,363,358	54,681,748	54,892,255	56,396,153	60,787,241	59,675,967	71,565,431	64,099,037	69,526,941	79,161,282
Education.....	112,799,898	119,839,129	125,803,368	127,632,730	133,882,547	127,306,510	134,376,754	146,366,944	156,449,749	166,594,428
Public Works.....	17,436,688	17,944,889	17,620,280	19,107,437	21,990,015	19,928,652	18,232,857	19,786,558	23,034,003	22,672,980
Community Development.....	5,034,910	5,425,862	3,921,262	4,332,865	4,198,865	4,399,974	4,562,345	3,334,231	7,834,851	8,162,491
Health and Human Services.....	2,818,957	2,756,414	4,043,942	6,327,318	6,532,446	4,022,919	4,435,415	4,304,882	4,596,271	4,991,002
Culture and Recreation.....	5,028,081	5,258,378	6,019,224	-	3,902,190	6,843,362	7,426,345	7,111,347	6,705,870	8,545,246
Interest.....	3,054,071	2,523,695	2,631,033	2,581,037	2,550,610	2,450,774	2,283,883	2,089,864	2,136,465	2,168,991
Total Government Activities Expenses.....	216,084,309	220,839,862	227,771,251	234,852,093	247,984,998	239,144,635	260,341,120	268,152,075	288,281,544	307,927,615
<b>Business-Type Activities:</b>										
Sewer.....	17,385,085	16,776,463	17,381,941	17,382,177	17,537,836	17,792,313	17,602,663	17,483,370	18,492,326	18,925,793
Water.....	11,129,805	11,787,043	11,796,251	11,995,289	12,161,194	12,623,659	13,000,651	13,605,238	14,137,215	14,432,176
Veterans Memorial Rink.....	384,013	414,329	397,385	457,608	503,830	563,324	556,318	643,626	517,819	563,698
Total Business-Type Activities Expenses.....	28,898,903	28,977,835	29,575,577	29,835,074	30,202,860	30,979,296	31,159,632	31,732,234	33,147,360	33,921,667
Total Primary Government Expenses.....	\$ 244,983,212	\$ 249,817,697	\$ 257,346,828	\$ 264,687,167	\$ 278,187,858	\$ 270,123,931	\$ 291,500,752	\$ 299,884,309	\$ 321,428,904	\$ 341,849,282
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
General Government Charges for Services.....	\$ 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	\$ 11,938,027
Public Safety Charges for Services.....	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	4,735,733
Education Charges for Services.....	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	2,099,518
Public Works Charges for Services.....	666,730	714,008	333,956	448,072	318,133	380,549	408,997	444,297	407,767	446,749
Other Charges for Services.....	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	1,084,112
Operating Grants and Contributions.....	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	48,259,161
Capital Grants and Contributions.....	2,246,744	2,213,768	(2,404,439)	2,820,119	1,955,479	1,786,940	2,030,654	3,395,633	1,221,305	1,029,053
Total Government Activities Program Revenues.....	47,459,902	54,212,429	40,875,924	47,771,149	52,068,636	44,268,041	53,014,773	60,229,646	66,869,150	69,592,353
<b>Business-Type Activities:</b>										
Sewer Charges for Services.....	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	19,160,248
Water Charges for Services.....	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	14,286,491
Veterans Memorial Rink Charges for Services.....	379,428	381,936	398,769	385,832	397,985	390,878	441,329	432,188	410,428	397,572
Operating Grants and Contributions.....	-	-	33,173	124,881	43,857	101,988	104,867	-	2,619	-
Capital Grants and Contributions.....	-	1,370,700	-	-	22,901	2,320,501	-	-	35,330	2,994,024
Total Business-Type Activities Program Revenues.....	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	36,838,335
Total Primary Government Program Revenues.....	\$ 71,958,466	\$ 87,362,725	\$ 69,026,460	\$ 82,740,145	\$ 86,610,907	\$ 81,799,338	\$ 88,081,993	\$ 95,220,512	\$ 98,997,516	\$ 106,430,688
<b>Net (Expense)/Revenue</b>										
Governmental Activities.....	\$ (168,624,407)	\$ (166,627,433)	\$ (186,895,327)	\$ (187,080,944)	\$ (195,916,362)	\$ (194,876,594)	\$ (207,326,347)	\$ (207,922,429)	\$ (221,412,394)	\$ (238,335,262)
Business-Type Activities.....	(4,400,339)	4,172,461	(1,425,041)	5,133,922	4,339,411	6,552,001	3,907,588	3,258,632	(1,018,994)	2,916,668
Total Primary Government Net Expense.....	\$ (173,024,746)	\$ (162,454,972)	\$ (188,320,368)	\$ (181,947,022)	\$ (191,576,951)	\$ (188,324,593)	\$ (203,418,759)	\$ (204,663,797)	\$ (222,431,388)	\$ (235,418,594)
<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.....	\$ 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	\$ 184,981,077
Motor Vehicle and Other Excise Taxes.....	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	8,520,782
Hotel/Motel Tax.....	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	5,060,931
Community Preservation Tax.....	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	3,010,079
Meals Tax.....	-	862,461	1,128,180	702,090	705,407	1,278,394	1,451,906	1,546,042	1,612,669	1,681,619
Penalties and Interest on Taxes.....	510,939	481,134	518,982	54,812	43,151	687,747	722,464	623,172	707,197	611,087
Payments in Lieu of Taxes.....	33,586	46,350	53,905	2,475,978	2,535,235	58,763	46,849	58,579	77,740	71,633
Grants and Contributions Not Restricted to Specific Programs.....	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	10,712,304
Unrestricted Investment Income.....	388,780	277,404	124,628	135,838	181,321	491,842	2,055,791	1,333,587	713,990	4,316,038
Gain on Sale of Capital Assets.....	-	-	-	52,748	24,300	-	1,164,887	1,053,296	-	70,997
Transfers, Net.....	1,944,810	(116,154)	(75,000)	(125,405)	(175,450)	(184,205)	(405,590)	(84,800)	(159,000)	(100,000)
Total Governmental Activities.....	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	218,936,547
<b>Business-Type Activities:</b>										
Unrestricted Investment Income.....	58,584	40,938	-	-	-	-	-	-	356,943	675,040
Transfers, Net.....	(1,944,810)	116,154	75,000	125,405	175,450	184,205	405,590	84,800	159,000	100,000
Total Business-Type Activities.....	(1,886,226)	157,092	75,000	125,405	175,450	184,205	405,590	84,800	515,943	775,040
Total Primary Government.....	\$ 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	\$ 219,711,587
<b>Changes in Net Position</b>										
Governmental Activities.....	\$ (9,165,898)	\$ (813,086)	\$ (16,227,841)	\$ (10,560,624)	\$ (12,752,069)	\$ (7,135,959)	\$ (11,623,389)	\$ (3,630,461)	\$ (14,109,643)	\$ (19,398,715)
Business-Type Activities.....	(6,286,565)	4,329,553	(1,350,041)	5,259,327	4,514,861	6,736,206	4,313,178	3,343,432	(503,051)	3,691,708
Total Primary Government.....	\$ (15,452,463)	\$ 3,516,467	\$ (17,577,882)	\$ (5,301,297)	\$ (8,237,208)	\$ (399,753)	\$ (7,310,211)	\$ (287,029)	\$ (14,612,694)	\$ (15,707,007)

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

		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund											
Reserved.....	\$	10,558,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....		13,377,626	-	-	-	-	-	-	-	-	-
Restricted.....		-	-	135,799	8,132,094	8,351,922	8,845,058	9,967,384	11,008,339	11,615,214	13,649,064
Committed.....		-	-	3,198,284	4,804,214	1,492,937	8,132,421	7,198,929	5,577,677	5,412,452	5,291,707
Assigned.....		-	6,852,796	850,771	1,677,650	4,378,117	9,145,765	3,675,694	4,484,428	4,414,699	4,044,691
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	31,953,010
Total General Fund.....	\$	<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>	<u>\$ 54,938,472</u>
All Other Governmental Funds											
Reserved.....	\$	1,770,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:											
Special Revenue Funds.....		23,780,763	-	-	-	-	-	-	-	-	-
Capital Projects Funds.....		(1,760,707)	-	-	-	-	-	-	-	-	-
Permanent Funds.....		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	2,489,317
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	56,540,834
Unassigned.....		-	(8,951,524)	(963,267)	(543,674)	(1,372,518)	(6,588,749)	(9,416,767)	(486,530)	(569,406)	(383,072)
Total All Other Governmental Funds.....	\$	<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>	<u>\$ 58,647,079</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**

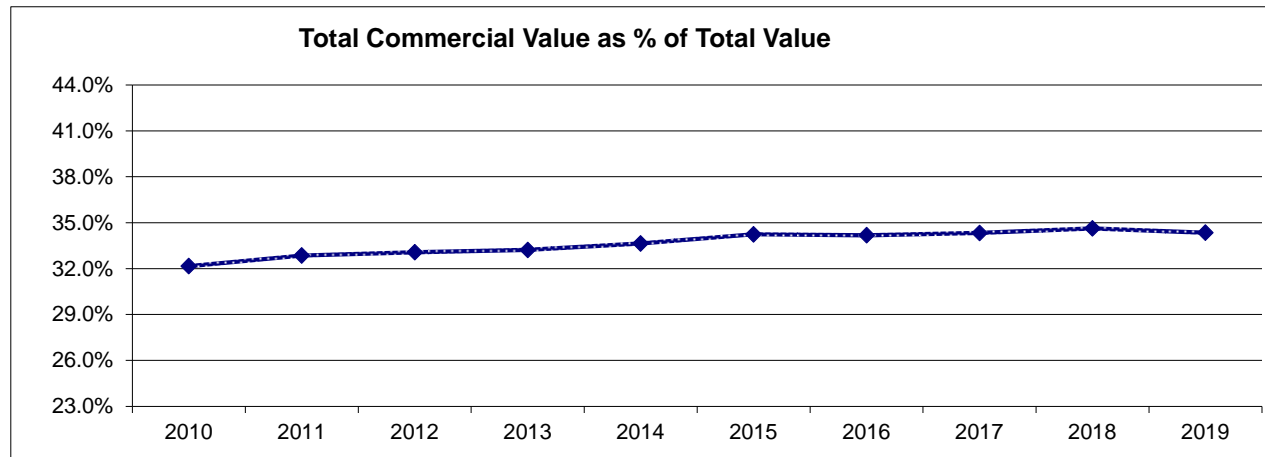
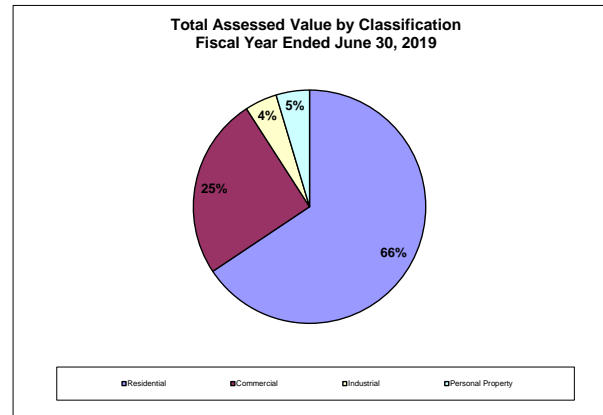
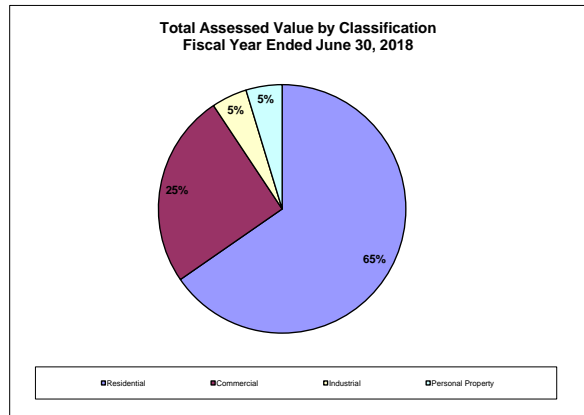
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Real Estate and Personal Property Taxes,										
Net of Tax Refunds.....	\$ 136,176,138	\$ 143,866,481	\$ 146,798,161	\$ 152,293,138	\$ 158,221,522	\$ 160,422,604	\$ 164,931,064	\$ 173,582,264	\$ 177,170,045	\$ 184,190,588
Tax Liens.....	685,462	760,070	645,263	1,203,258	1,010,349	1,143,807	674,676	903,353	792,606	597,724
Motor Vehicle and Other Excise Taxes.....	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	8,420,840
Community Preservation Tax.....	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	3,008,465
Hotel/Motel Tax.....	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	5,060,931
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	1,681,619
Charges for Services.....	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	4,098,488
Penalties and Interest on Taxes.....	510,939	481,134	518,981	702,090	705,407	687,746	722,465	623,171	707,195	611,087
Fees and Rentals (A).....	2,032,365	2,036,252	-	-	-	-	-	-	-	-
Payment in Lieu of Taxes.....	33,586	46,350	53,905	54,812	43,151	58,763	46,849	58,579	77,740	71,633
Licenses and Permits.....	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	11,531,814
Fines and Forfeitures.....	1,045,306	900,391	845,065	828,483	752,024	629,143	664,299	570,862	592,877	535,185
Intergovernmental.....	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	56,268,836
Departmental and Other.....	1,215,368	1,427,206	3,245,342	3,666,098	3,510,429	4,376,307	4,048,454	4,262,969	5,737,350	5,737,350
Special Assessments.....	282,434	150,294	124,392	130,820	96,635	88,261	66,861	55,573	2,858	1,380
Contributions.....	314,517	667,361	689,869	652,141	637,428	1,148,063	789,891	943,828	1,272,257	1,264,012
Investment Income.....	350,319	244,587	228,116	132,533	324,485	575,822	2,232,256	1,453,223	776,175	4,798,036
Miscellaneous (B).....	2,222,469	2,479,952	-	-	-	-	-	-	-	-
<b>Total Revenue.....</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>287,877,988</b>
<b>Expenditures:</b>										
General Government.....	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	11,304,614
Public Safety.....	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	43,030,000
Education.....	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	135,331,585
Public Works.....	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	17,732,647
Community Development.....	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	8,833,559
Health and Human Services.....	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	2,441,126
Culture and Recreation.....	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	5,043,369
Pension Benefits.....	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	16,755,738
Employee Benefits.....	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	47,456,831
Claims and Judgments.....	-	-	-	-	-	193,000	-	-	-	-
State and County Charges.....	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	1,985,334
Capital Outlay.....	5,348,663	-	-	-	-	-	-	-	-	-
Debt Service.....	-	-	-	-	-	-	-	-	-	-
Principal.....	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	8,251,238
Interest.....	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	2,671,122
<b>Total Expenditures.....</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>300,837,163</b>
<b>Excess of Revenues Over (Under) Expenditures.....</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>(12,959,175)</b>
<b>Other Financing Sources (Uses)</b>										
Issuance of Bonds and Notes.....	-	-	13,638,500	8,603,460	4,567,760	-	-	18,749,000	-	20,224,806
Premium from Issuance of Bonds and Notes.....	35,619	226,581	1,413,931	362,232	376,525	105,368	159,010	2,199,212	19,036	1,388,639
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	70,997
Transfers In.....	5,317,960	248,365	252,236	88,406	162,666	1,588,958	3,709,537	42,975	56,013	1,400,400
Transfers Out.....	(3,373,150)	(364,519)	(327,236)	(213,811)	(338,116)	(1,773,163)	(4,115,127)	(127,775)	(215,013)	(1,500,400)
<b>Total Other Financing Sources (Uses).....</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>21,584,442</b>
<b>Net Change in Fund Balance.....</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>\$ 8,625,267</b>
<b>Capitalized Capital Outlay Expenditures.....</b>	<b>\$ 8,752,635</b>	<b>\$ 8,941,471</b>	<b>\$ 8,475,915</b>	<b>\$ 7,891,233</b>	<b>\$ 11,710,679</b>	<b>\$ 14,673,377</b>	<b>\$ 11,384,102</b>	<b>\$ 16,573,455</b>	<b>\$ 10,424,024</b>	<b>\$ 31,352,225</b>
<b>Debt Service as a Percentage of Noncapital Expenditures.....</b>	<b>5.43%</b>	<b>4.85%</b>	<b>4.44%</b>	<b>5.71%</b>	<b>4.64%</b>	<b>4.92%</b>	<b>4.12%</b>	<b>3.83%</b>	<b>4.11%</b>	<b>4.05%</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
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
2019	(1)	\$8,034,063,638	\$12.66	\$3,084,647,258	\$551,234,728	\$566,733,810	\$4,202,615,796	\$26.45	\$17.40	\$12,236,679,434



(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**

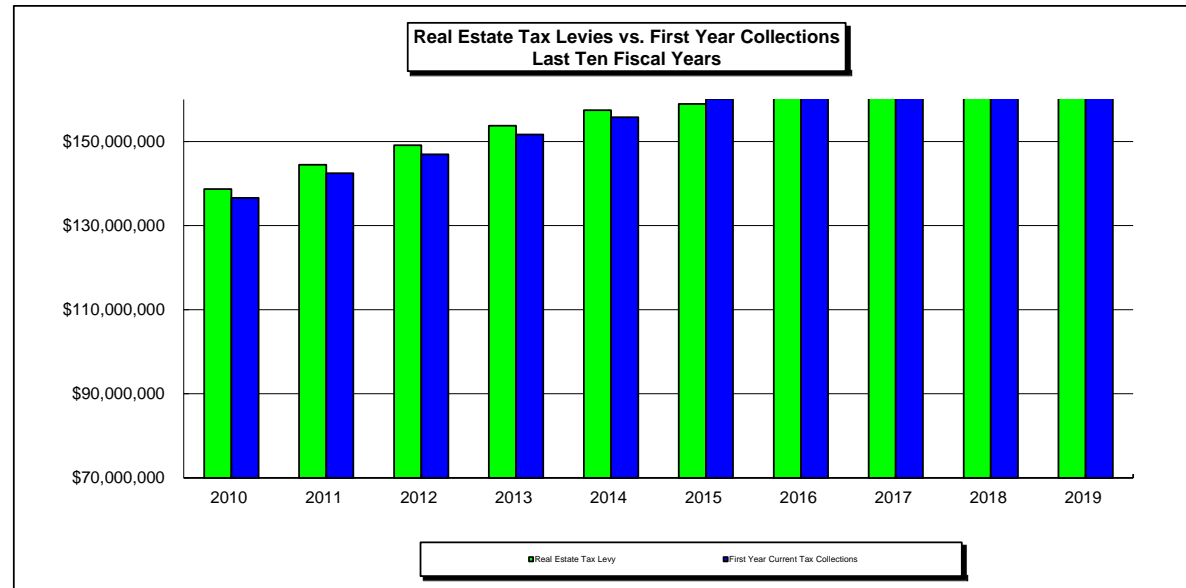
Name	Nature of Business	2019			2010		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
BCCC Property LLC	Office	\$187,750,370	1	2.68%	\$155,823,560	1	3.19%
NSTAR	Utility	\$137,838,450	2	1.97%	\$71,933,180	4	1.47%
Astra	Office	\$115,304,180	3	1.65%	\$91,930,490	2	1.88%
275 Wyman St Rlty Tr	Office	\$102,525,220	4	1.47%			
BP Reservoir Place, LLC	Office	\$97,217,650	5	1.39%	\$77,126,030	3	1.58%
DMP RE II LLC	Office	\$96,076,900	6	1.37%			
PD Winter St Trust	Office	\$87,560,800	7	1.25%	\$58,398,200	7	1.20%
Windsor Village	Apartments	\$83,121,580	8	0.57%	\$62,616,200	5	0.56%
Gardencrest Apartments	Apartments	\$77,204,100	9	0.53%	\$54,192,900	10	0.49%
Winter St 880 & 890 LP	Office	\$76,866,400	10	1.10%			
Longview Place, LLC	Apartments				\$54,495,300	9	0.49%
404 Wyman St.	Office				\$58,243,130	8	1.19%
MMS Lot & MMS Winter St LLC	Office				\$60,844,080	6	1.25%
	<b>Totals</b>	<u>\$1,061,465,650</u>		<u>13.98%</u>	<u>\$745,603,070</u>		<u>13.30%</u>

Source: Assessor's Department, City of Waltham

Used February 2019 OS for information

**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
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
2019	(1)	\$ 184,954,321	\$ 571,878	\$ 184,382,443	99.69%	\$ 181,032,818	98.18%	\$ 1,688,059	\$ 182,720,877



(1) Revaluation year.



**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
2010	60,605	\$1,819,410,000	\$8,542,640,122	\$75,308,191	\$0	\$1,243	4.14%	0.88%
2011	60,605	\$1,819,410,000	\$8,392,975,774	\$68,118,286	\$0	\$1,124	3.74%	0.81%
2012	60,632	\$1,819,410,000	\$8,442,780,234	\$76,353,856	\$0	\$1,259	4.20%	0.90%
2013	60,632	\$1,650,776,000	\$8,532,290,474	\$77,098,769	\$0	\$1,272	4.67%	0.90%
2014	60,632	\$1,720,850,000	\$8,698,186,074	\$73,794,122	\$0	\$1,217	4.29%	0.85%
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	\$72,104,331	\$0	\$1,142	3.62%	0.69%
2018	63,149	\$2,094,061,000	\$11,218,106,684	\$63,284,081	\$0	\$1,002	3.02%	0.56%
2019	63,378	\$2,230,717,000	\$12,236,679,434	\$76,219,446	\$0	\$1,203	3.42%	0.62%

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
2010	\$12,517,344	\$0	\$87,825,535	\$1,449	4.83%	1.03%
2011	\$14,516,230	\$0	\$82,634,516	\$1,363	4.54%	0.98%
2012	\$22,855,552	\$0	\$99,209,408	\$1,636	5.45%	1.18%
2013	\$25,366,592	\$0	\$102,465,361	\$1,690	6.21%	1.20%
2014	\$23,182,257	\$0	\$96,976,379	\$1,599	5.64%	1.11%
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	\$25,835,998	\$0	\$97,940,329	\$1,551	4.92%	0.93%
2018	\$23,051,514	\$0	\$86,335,595	\$1,367	4.12%	0.77%
2019	\$26,129,987	\$0	\$102,349,433	\$1,615	4.59%	0.84%

(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, 2019**

<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.....	\$ 2,044,213,000	3.813%	\$ 77,945,842	\$ 5,475,041
MWRA Sewer.....	3,449,020,000	2.812%	96,986,442	8,995,735
MBTA.....	5,728,840,000	0.818%	<u>46,861,911</u>	<u>1,396,678</u>
SubTotal.....			221,794,195	<u>\$ 15,867,454</u>
City Direct Debt.....			<u>76,219,446</u>	
Total Direct and Overlapping Debt.....			<u>\$ 298,013,641</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equalized Valuation.....	\$ 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	\$ 12,407,269,700
Debt Limit -5% of Equalized Valuation.....	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	620,363,485
Less:										
Outstanding Debt Applicable to Limit.....	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	88,223,268
Authorized and Unissued Debt.....	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	21,443,636
Legal Debt Margin.....	<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>	<u>\$ 510,696,581</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit.....	26.47%	23.50%	22.59%	22.22%	21.82%	21.92%	17.77%	21.48%	19.69%	17.68%

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	2019		2010	
		Employees	Rank	Employees	Rank
Bentley University	Higher Education	1,000-4,999	1	800	2
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	420	10
AM-FM Cleaning Corporation	Janitorial Contracting	500-999	7	600	5
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	11		
Glaxosmithkline	Pharmaceutical	500-999	12		
Nova Biomedical Corporation	BioTech Research			600	6
Massachusetts Medical Society	Medical Journal & Assoc			401	11
Bank of America	Financial Services			660	3
Keyspan	Utility			650	4
Raytheon	Electronics			587	7
Verizon	Communications			520	8
Parexel International Corporation	R&D Consultant			500	9
Astra-Zeneca	Pharmaceutical			400	12

**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>
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%
2019	63,378	2,230,717,000	\$35,197	34.2	5,647	2.5%

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

Median age is based on most recent census data

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
General Government.....	102	96	93	94	94	99	99	99	99	100
Public Safety.....	358	355	350	354	355	376	380	383	384	396
Education.....	911	927	932	896	904	930	941	964	994	1,021
Consolidated Public Works.....	63	60	61	61	61	62	64	67	68	69
Community Development.....	26	25	23	22	22	22	24	24	24	24
Health and Human Services.....	18	18	16	15	16	17	17	17	17	17
Culture and Recreation.....	24	25	26	37	38	56	59	61	63	64
Water/Sewer.....	27	27	28	28	28	33	33	33	32	32
Total .....	<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>	<u>1,723</u>

Source: City records.

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

<u>Function/Program</u>	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Cash flow (millions).....	550	580	600	620	640	660	680	700	720	740
Accounts payable invoices processed.....	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	39,500	35,880
Payroll checks processed.....	72,000	72,000	72,000	72,000	72,000	73,000	73,500	74,000	74,100	77,338
Police										
Arrests.....	1,181	1,097	1,049	928	912	800	828	852	689	650
Traffic citations.....	10,363	11,260	8,067	8,698	7,243	6,000	11,750	12,250	11,288	10,500
Parking violations.....	5,247	4,546	4,947	3,837	3,500	2,800	3,538	4,150	2,244	2,200
Service calls.....	35,000	35,000	35,000	35,000	35,000	35,500	36,000	36,000	36,000	41,000
Major investigations.....	1,880	1,607	1,607	1,495	1,450	1,850	1,750	1,700	1,472	1,720
Fire										
Inspections - schools/nursing homes/hospitals...	100	100	100	100	100	110	110	180	188	195
Inspections - commercial/industrial.....	550	550	550	550	550	550	600	600	817	785
Emergency responses - box alarms.....	1,360	1,800	1,900	1,900	1,900	2,000	2,000	2,000		
Emergency responses - still alarms.....	5,990	6,500	6,300	6,300	6,600	6,700	6,500	7,000		
Emergency responses - false alarms.....	150	200	150	150	150	150	170	180		
Total Company Responses.....									14,292	15,000
Water										
Consumption in gallons (billions/year).....	2.8	2.8	3	3	2.4	2.5	3.1	2.6	3.0	2.3
Leak detection (miles).....	165	165	165	150	340	256	340	170	170	300
Service repairs.....	91	100	100	115	121	107	140	152	177	155
Sewer										
Service repairs.....	26	30	29	29	54	40	38	36	34	40
Stoppages - mains.....	79	72	92	124	120	159	69	90	81	75
Stoppages - services.....	238	175	253	281	270	343	222	296	265	173
Health and Human Services										
Permits - public health.....	853	850	831	780	772	920	957	925	975	1,030
Senior citizen programs.....	26	26	26	26	27	29	29	29	30	50
Senior citizen programs - participants.....	2,613	2,615	2,650	2,822	2,653	2,735	2,863	3,067	3,171	3,400
Recreation activities.....	220	230	230	227	230	325	325	345	350	664
Recreation activities - participants.....	13,982	14,225	19,670	26,249	27,275	22,050	24,942	25,123	32,245	34,000
Veterans cases.....	1,050	1,050	1,065	1,065	1,080	1,080	2,000	2,000	2,000	2,000
Cemetery burials.....	200	200	210	200	210	214	215	210	203	205
Libraries										
Items circulated.....	527,956	507,500	513,041	463,251	425,000	424,500	430,000	442,000	423,000	474,253
Registered borrowers.....	28,991	28,900	28,223	27,418	27,000	27,500	27,500	27,500	26,807	27,271

Source: Various City Departments

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Equipment/Technology</b>										
General Government.....	\$ 149,835	\$ 124,693	\$ 195,221	\$ 250,223	\$ 373,285	\$ 81,159	\$ 224,524	\$ 152,778	\$ 108,450	\$ 479,110
Public Safety.....	32,370	2,254,088	562,315	595,314	1,455,397	1,203,638	134,082	1,286,830	2,093,308	793,159
Public Works.....	1,079,628	315,172	230,381	80,463	498,127	213,149	89,990	525,044	1,366,063	637,497
Community Development.....	-	-	58,470	32,421	80,978	-	-	2,001,500	32,965	274,883
Recreation.....	-	-	118,000	1,500	295,521	273	19,010	108	-	6,462
<b>Building Renovations</b>										
General Government.....	9,834	63,478	16,988	58,470	-	92,880	-	55,844	270,009	99,538
Public Safety.....	32,281	380,308	301,061	214,925	64,283	-	11,523	358,836	61,914	476,695
Public Works.....	374,726	118,726	-	-	43,780	-	-	-	-	81,236
Community Development.....	819,663	1,534,836	1,005,517	856,123	3,061,442	932,666	168,155	364,400	2,262,662	1,032,773
Recreation.....	-	753,045	346,397	459,969	840,826	312,716	331,152	29,597	4,875	1,447,820
<b>Street/ Sidewalk</b>										
Street Reconstruction.....	61,424	1,649,017	1,202,350	144,168	821,253	2,021,084	4,060,227	5,031,619	890,360	569,227
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	605,647
Parking Lot Construction.....	-	-	-	-	-	-	-	-	542,450	122,874
<b>Water &amp; Sewer</b>										
Infrastructure/Equipment.....	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	3,231,477
<b>School</b>										
Construction/Renovations/Equipment...	346,060	261,273	2,382,632	290,912	1,110,824	485,866	68,042	1,472,383	845,092	855,881
<b>Land Acquisition</b>										
Recreation.....	3,203,885	4,400	949,919	514,695	-	4,169,775	1,009,621	899,783	-	-
Open Space.....	-	-	-	-	-	-	-	-	3,302,547	88,000
Education.....	-	-	-	-	-	-	-	-	-	18,000,000
<b>Land Development</b>										
Recreation.....	239,838	339,711	695,815	1,861,581	1,434,819	1,113,229	1,427,084	1,990,816	882,895	3,738,111
Planning.....	-	-	-	-	-	-	-	-	257,460	194,691
Education.....	-	-	-	-	-	-	-	-	-	256,583
Public Works.....	-	-	-	-	-	-	-	-	-	1,356,917
<b>Signals/ Communications</b>										
Community Development.....	223,294	499,722	216,479	401,136	804,916	343,425	585,149	115,017	45,042	18,240
Grand Total.....	\$ 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	\$ 34,366,821

Source: Auditor's Department



