

City of Waltham, Massachusetts

COMPREHENSIVE ANNUAL FINANCIAL REPORT

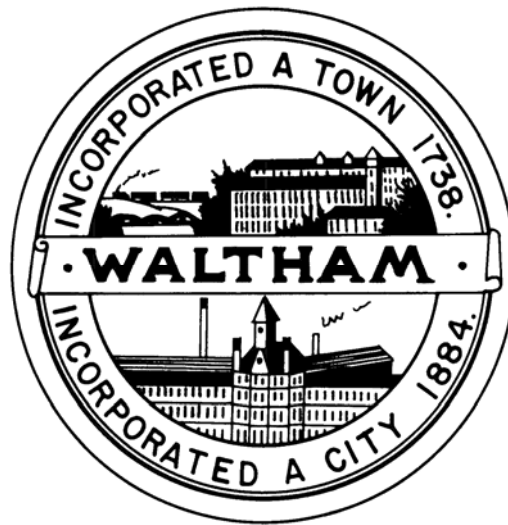
For the Year Ended June 30, 2016



CITY OF WALTHAM, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2016



Prepared by:

City Auditor's Office

CITY OF WALTHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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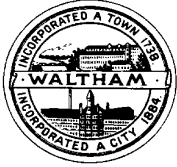
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Introductory Section



Moody Street Bridge



Paul G. Centofanti
City Auditor

CITY OF WALTHAM

Commonwealth of Massachusetts

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

Letter of Transmittal

January 27, 2017

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, 2016 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, 2016 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, 2016, 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, 2016 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 2016, the combined assessed value of these properties represented 34.2% of the total City value. In terms of tax burden, the same industrial and commercial tax base bore 59.8% of the fiscal year 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 \$94.2 million in long and short term debt. The long term indebtedness consists of \$77.1 million of general obligation bonds; of which \$19.7 million is self-supporting through enterprise fund revenues and \$17.1 million of bond anticipation notes which are expected to be permanently financed in June 2017. 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 FY2005, \$44.4 million in fiscal year 2006, \$29.8 million in fiscal year 2007, \$24.6 million in fiscal year 2008 and the final payment of \$1.3 million was received in fiscal year 2010. The City has outstanding bonds totaling \$25 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 \$32.1 million (excluding short term debt issuances) as of June 30, 2016. The authorized and unissued debt includes \$11.3 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, 2016, the latest actuarial valuation date, the System had succeeded in funding 54.6% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 18 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 1,878 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP now requires the City to conduct an actuarial valuation to determine the unfunded liability and to recognize the annual cost of reducing this liability in addition to the current year benefits. The City completed this actuarial valuation effective June 30, 2016, with a reported liability of \$589 million. If the City is unable to fund the minimum annual contribution as determined by the actuarial valuation, the unpaid amount will be required to be recorded as a liability on the financial statements of the City. The City established and maintains an OPEB Trust Fund (not considered a trust for GASB reporting purposes) with a balance of approximately \$9.9 million as of June 30, 2016.

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, 2015. This was the twelfth 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.

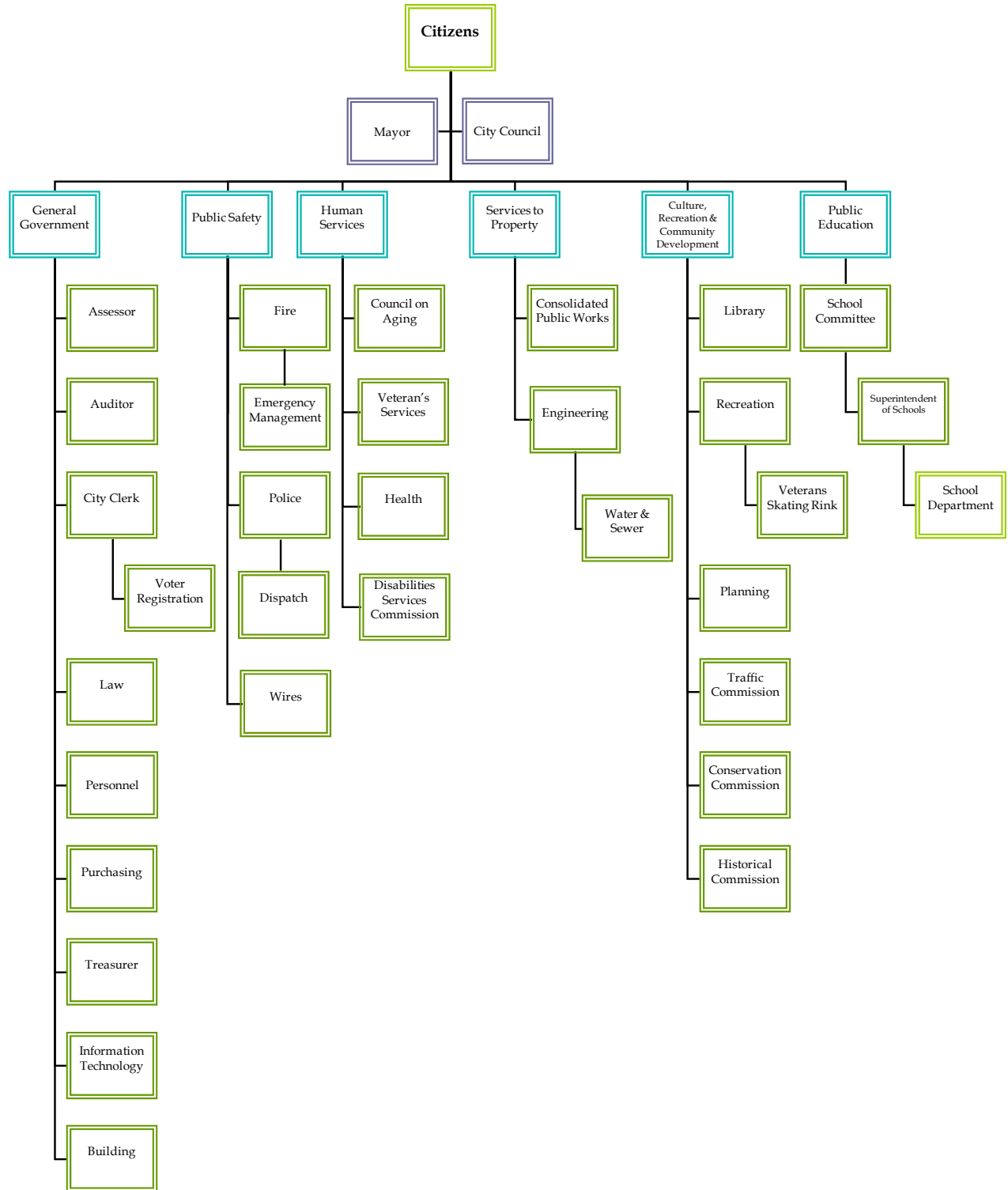
The preparation of this report would not have been possible without the dedication and commitment to excellence by the staff of the Auditing Department. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation of this report. We would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

ELECTED OFFICIALS

Mayor

Jeannette A. McCarthy

City Council

Councillors-at-Large

Paul J. Brasco

Diane P. LeBlanc, Council Vice President

Kathleen B. McMenimen

Patrick J. O'Brien

Carlos A. Vidal

Joseph W. Vizard

Ward Councillors

Daniel P. Romard

William H. Fowler

George A. Darcy III

John J. McLaughlin

Gary J. Marchese, Council President

Robert J. Waddick

Joseph M. Giordano Jr.

Stephen F. Rourke

Robert G. Logan

SCHOOL COMMITTEE

Jeannette A. McCarthy, Mayor, Chairperson

Margaret Donnelly

Kathleen Dowcett, Vice Chairperson

John A. Frassica, II

John B. Graceffa

Stephen Rando, Jr.

Edmund Tarallo

Dr. Drew M. Echelson

PRINCIPAL EXECUTIVE OFFICERS

City Auditor

Paul G. Centofanti

City Treasurer/Collector

Thomas J. Magno

City Clerk

Rosario C. Malone



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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO

Financial Section



Waltham Riverwalk

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, 2016 (except for the Waltham Contributory Retirement System, which is as of and for the year ended December 31, 2015), and the related notes to the financial statements, which collectively comprise the City of Waltham, Massachusetts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waltham, Massachusetts, as of June 30, 2016 (except for the Waltham Contributory Retirement System, which is as of and for the year ended December 31, 2015), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter Regarding a Correction of an Error

As discussed in Note 19 to the financial statements, a certain error resulting in the understatement of capital assets previously reported in governmental activities as of June 30, 2015, were discovered by management. Accordingly, an adjustment has been made to the beginning net position of governmental activities. Our opinion is not modified with respect to this matter.

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 83 through 105) 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

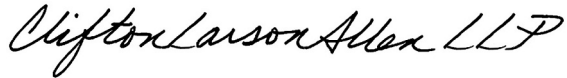
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waltham, Massachusetts' basic financial statements. The introductory section, combining statements, and statistical section are presented for purposes of additional analysis 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 financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2017, 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 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 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
January 27, 2017

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, 2016.

Significant Financial Results

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$35,976,804 (net position). The City's governmental activities had negative unrestricted net position totaling (\$237,815,782) and \$27,252,829 in unrestricted net position for its business-type activities.
- The City's total net position decreased \$7,310,214.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances totaling \$87,054,102, a decrease of \$509,425 in comparison with the prior year. \$18,146,615 represents unassigned fund balance.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$27,563,382, or 12.0% of total general fund expenditures and transfers out.
- The City's total long-term debt decreased by \$9,926,188 (11.2%) during the fiscal year.

Overview of the Basic Financial Statements

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

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

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

Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

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

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

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. Fiduciary funds

Governmental Funds

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

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

The City maintains 25 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and community preservation (special revenue) funds, each of which are considered to be major funds. Data from the other 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 109-116 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 119-120 and page 122 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 38-81 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 83-104 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 assets exceeded liabilities by \$35,976,804 at the close of the fiscal year and are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2016	2015	2016	2015	2016	2015
Assets and Deferred Outflows of Resources						
Current Assets..... \$	120,376,009	\$ 115,508,258	\$ 41,859,385	\$ 42,451,832	\$ 162,235,394	\$ 157,960,090
Noncurrent Assets (Excluding Capital Assets).....	2,406,669	2,632,998	-	-	2,406,669	2,632,998
Capital Assets (Net).....	237,952,963	239,692,790	32,887,625	29,596,546	270,840,588	269,289,336
Deferred Outflows of Resources.....	20,642,754	165,831	878,847	8,112	21,521,601	173,943
Total Assets and Deferred Outflows of Resources.....	381,378,395	357,999,877	75,625,857	72,056,490	457,004,252	430,056,367
Liabilities and Deferred Inflows of Resources						
Current Liabilities (Excluding Debt).....	19,182,429	20,472,217	1,257,588	1,151,934	20,440,017	21,624,151
Noncurrent Liabilities (Excluding Debt).....	294,686,542	259,245,779	9,294,227	8,957,086	303,980,769	268,202,865
Current Debt.....	21,868,447	15,625,247	4,591,388	3,750,940	26,459,835	19,376,187
Noncurrent Debt.....	51,156,119	58,480,367	18,317,891	20,344,280	69,474,010	78,824,647
Deferred Inflows of Resources.....	672,817	172,834	-	665	672,817	173,499
Total Liabilities and Deferred Inflows of Resources.....	387,566,354	353,996,444	33,461,094	34,204,905	421,027,448	388,201,349
Net Position						
Net Investment in Capital Assets.....	171,191,593	168,907,226	14,911,934	14,092,537	186,103,527	182,999,763
Restricted.....	60,636,230	49,579,791	-	-	60,636,230	49,579,791
Unrestricted.....	(238,015,782)	(214,483,584)	27,252,829	23,759,048	(210,762,953)	(190,724,536)
Total Net Position..... \$	(6,187,959)	\$ 4,003,433	\$ 42,164,763	\$ 37,851,585	\$ 35,976,804	\$ 41,855,018

The largest portion of the City's net position (\$186,103,527) 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 (\$60,636,230) represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of \$27,252,829 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, 2016, the City's total net position decreased by \$7,310,214, compared to a decrease of \$399,753 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2016	2015	2016	2015	2016	2015
Revenues						
<i>Program Revenues:</i>						
Charges for Services..... \$	16,518,504	\$ 14,235,985	\$ 34,962,353	\$ 35,108,808	\$ 51,480,857	\$ 49,344,793
Operating Grants and Contributions.....	34,465,615	28,245,599	104,867	101,988	34,570,482	28,347,587
Capital Grants and Contributions.....	2,030,654	1,786,940	-	2,320,501	2,030,654	4,107,441
<i>General Revenues:</i>						
Real Estate and Personal Property Taxes.....	165,603,012	161,059,057	-	-	165,603,012	161,059,057
Motor Vehicle and Other Excise Taxes.....	8,240,497	7,588,970	-	-	8,240,497	7,588,970
Hotel/motel taxes.....	4,382,145	3,837,715	-	-	4,382,145	3,837,715
Meals Tax.....	1,451,906	1,278,394	-	-	1,451,906	1,278,394
Penalties and Interest on Taxes.....	722,464	687,747	-	-	722,464	687,747
Payments in Lieu of Taxes.....	46,849	58,763	-	-	46,849	58,763
Community Preservation Taxes.....	2,695,476	3,365,262	-	-	2,695,476	3,365,262
Grants and Contributions Not Restricted						
to Specific Programs.....	9,745,521	9,557,090	-	-	9,745,521	9,557,090
Unrestricted Investment Income.....	2,055,791	491,842	-	-	2,055,791	491,842
Gain on Sale of Capital Assets.....	1,164,887	-	-	-	1,164,887	-
Total Revenues.....	249,123,321	232,193,364	35,067,220	37,531,297	284,190,541	269,724,661
Expenses						
General Government.....	17,458,090	14,516,477	-	-	17,458,090	14,516,477
Public Safety.....	71,565,431	59,675,967	-	-	71,565,431	59,675,967
Education.....	134,376,754	127,306,510	-	-	134,376,754	127,306,510
Public Works.....	18,232,857	19,928,652	-	-	18,232,857	19,928,652
Health and Human Services.....	4,435,418	4,022,919	-	-	4,435,418	4,022,919
Culture and Recreation.....	7,426,345	6,843,845	-	-	7,426,345	6,843,845
Community Development.....	4,562,345	4,399,974	-	-	4,562,345	4,399,974
Debt Service - Interest.....	2,283,883	2,450,774	-	-	2,283,883	2,450,774
Sewer.....	-	-	17,602,663	17,792,313	17,602,663	17,792,313
Water.....	-	-	13,000,651	12,623,659	13,000,651	12,623,659
Veterans Memorial Rink.....	-	-	556,318	563,324	556,318	563,324
Total Expenses.....	260,341,123	239,145,118	31,159,632	30,979,296	291,500,755	270,124,414
Change in Net Position Before Transfers.....	(11,217,802)	(6,951,754)	3,907,588	6,552,001	(7,310,214)	(399,753)
Transfers, Net.....	(405,590)	(184,205)	405,590	184,205	-	-
Change in Net Position.....	(11,623,392)	(7,135,959)	4,313,178	6,736,206	(7,310,214)	(399,753)
Net position - Beginning of Year (As Restated)*.....	5,435,433	11,139,392	37,851,585	31,115,379	43,287,018	42,254,771
Net Position - End of Year..... \$	<u><u>(6,187,959)</u></u>	<u><u>4,003,433</u></u>	<u><u>42,164,763</u></u>	<u><u>37,851,585</u></u>	<u><u>35,976,804</u></u>	<u><u>41,855,018</u></u>

*During fiscal year 2016, the City restated the beginning net position. See Note 19 for details.

Governmental activities decreased the City's net position by \$11,623,392. In the prior year, governmental activities decreased the City's net position by \$7,135,959. The key elements of this change are an increase of approximately \$2,700,000 in the permit revenue which was offset by a decrease of approximately \$5,900,000 in retroactive salary adjustments and employee/retiree healthcare expenses.

Business-type activities increased the City's net position by \$4,313,178. In the prior year, business-type activities increased the City's net position by \$6,736,206. The key element of this change is an decrease in capital grants and contributions of approximately \$2,300,000 related to sewer projects which were received in fiscal year 2015.

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 \$87,054,102, a decrease of \$509,425 in comparison with the prior year. \$17,946,615 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable - \$2,376,974
- Restricted - \$55,855,890
- Committed - \$7,198,929
- Assigned - \$3,675,694

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 \$27,363,382, while total fund balance was \$48,205,389. 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 12.0% of total general fund expenditures and transfers out, while total fund balance represents 21.1% of that same amount.

The balance of the City's general fund decreased \$4,126,000 during fiscal year 2016. The City recognized a budgetary surplus of \$19,539,726 (excluding encumbrances and continuing appropriations), and anticipated utilizing reserves and continuing appropriations of approximately \$18,700,000 to fund fiscal year 2016 operations.

Some of the significant increases to the balance of the general fund were the result of positive variances to local receipts from the following sources: motor vehicle excise tax - \$465,000, building permits - \$2,718,000, hotel tax - \$632,000, meals tax \$177,000 and Medicaid reimbursements - \$297,000. Additionally, there was an overall net positive variance to operating expenditures of \$3,700,000. Some of the significant decreases to the balance of the general fund were from the following uses: employee/retiree health insurance - \$3,800,000, one-time retroactive salary increases - \$2,098,000, fire department overtime - \$205,000 and building maintenance - \$150,000.

Financial highlights of the City's other major governmental funds are as follows:

The fund balance of the community preservation fund (special revenue) increased \$4,233,226 during the current fiscal year. The fund recognized \$2,691,518 of community preservation taxes, \$4,665 of penalties and interest on taxes, \$771,775 of intergovernmental revenues, and \$999,705 of investment income and market appreciation. Expenditures incurred totaled \$234,437.

The fund balance of the city capital projects fund decreased by \$3,544,921 during the current fiscal year. Expenditures incurred totaled \$7,010,675. Some of the significant expenditures of the capital projects fund were for the following uses: land acquisition - \$1,009,200, street/sidewalk improvements - \$2,856,890, improvements to recreation facilities - \$1,374,428 and street lighting improvements - \$1,038,605.

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 \$11,737,752, \$15,595,497 and (\$80,420), respectively. The sewer and water enterprise funds had increases in net position for the year of \$2,044,393 and \$2,272,312, respectively. The Veterans Memorial Rink enterprise fund had a decrease in net position for the year of \$3,527. 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 \$211,216,811 increased by \$14,005,261 (6.6%) during the fiscal year. The following table summarizes the increase:

Purpose of Increase	Amount	Funding Source
Building - Repairs/Maintenance.....	\$ 150,000	Unassigned Fund Balance
Building - Salaries/OT.....	22,000	Unassigned Fund Balance
City Clerk - Salaries (OOG).....	5,000	Unassigned Fund Balance
Fire OT.....	205,000	Unassigned Fund Balance
Health Insurance.....	3,800,000	Unassigned Fund Balance
Info Tech - Salaries (Vacation).....	11,000	Unassigned Fund Balance
Mayor - Land Acquisition.....	1,005,000	Unassigned Fund Balance
Non-Union Employees - Salaries.....	2,098,000	Unassigned Fund Balance
Public Works - Capital Improvements.....	18,000	Unassigned Fund Balance
Law - Claims/Settlements.....	135,000	Stabilization Fund
Building - Capital Improvements	292,650	Stabilization Fund
Public Works - Capital Improvements	129,500	Stabilization Fund
Fire - Capital Improvements	1,171,915	Stabilization Fund
Fire- Capital Improvements (1).....	825,000	Stabilization Fund
Police - Capital Improvements	356,900	Stabilization Fund
School - Capital Improvements.....	2,520,500	Stabilization Fund
Library - Operating Expenses	53,796	State Grant
Building - Capital Improvements.....	106,000	Sale of City Owned Property
Police - Salaries (CBA).....	1,100,000	Overlay Surplus
Total Increase	\$ 14,005,261	

(1) Subsequently reclassified to transfers out to the stabilization fund.

During the year, general fund revenues exceeded budgetary estimates, and expenditures, encumbrances and continuing appropriations other financing sources were less than budgetary estimates, resulting in a positive overall budget to actual variance of approximately \$11,422,000. Encumbrances and continuing appropriations totaled \$8,118,162 at year-end.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$270,840,588 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure and library books. The total decrease in the investment in capital assets for the current fiscal year totaled 0.3%.

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

- Sewer Mitigation ACO - Cedarwood (\$2,790,972)
- Sidewalk Improvements - Main & Moody (\$2,380,279)
- Lighting Improvements - Main & Moody (\$1,038,605)
- Land Acquisition - 476/486 Main Street (\$1,009,200)
- Recreational Facilities - Cedarwood Playground (\$685,413)
- Recreational Facilities - Drake Playground (\$577,492)

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>	
	2016	2015	2016	2015	2016	2015
Land.....	\$ 25,449,361	\$ 24,440,162	\$ 38,550	\$ 38,550	\$ 25,487,911	\$ 24,478,712
Land Improvements.....	12,523,636	12,243,151	-	-	12,523,636	12,243,151
Buildings and Improvements.....	160,957,960	167,056,727	1,544,624	1,666,186	162,502,584	168,722,913
Machinery and Equipment.....	7,829,082	8,646,758	1,934,067	1,686,741	9,763,149	10,333,499
Infrastructure.....	30,253,504	26,673,946	28,970,709	26,205,070	59,224,213	52,879,016
Construction in Progress.....	275,858	-	399,675	-	675,533	-
Library Books.....	663,562	632,046	-	-	663,562	632,046
Total Capital Assets.....	<u>\$ 237,952,963</u>	<u>\$ 239,692,790</u>	<u>\$ 32,887,625</u>	<u>\$ 29,596,547</u>	<u>\$ 270,840,588</u>	<u>\$ 269,289,337</u>

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

Long-Term Debt

At the end of the current fiscal year, total long-term debt and unamortized premiums outstanding was \$78,824,645, 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>	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds..... \$	58,480,366	\$ 66,032,614	\$ 14,213,974	\$ 15,365,857	\$ 72,694,340	\$ 81,398,471
MWRA.....	-	-	3,862,342	4,824,951	3,862,342	4,824,951
MCWT.....	-	-	2,267,963	2,527,411	2,267,963	2,527,411
Total Bonds and Notes and Unamortized Premiums..... \$	<u>58,480,366</u>	<u>\$ 66,032,614</u>	<u>\$ 20,344,279</u>	<u>\$ 22,718,219</u>	<u>\$ 78,824,645</u>	<u>\$ 88,750,833</u>

The City's total long-term debt decreased \$9,926,188 (11.2%) during the fiscal year.

The City received an AA+ bond rating from Standard & Poor's for the general obligation bonds issued on June 10, 2014.

The City's bond rating was affirmed as AA1 by Moody's investors service in August 2015 and as AA+ by Standard & Poor's in June 2016.

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 \$3.07 billion to \$3.40 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 2016, the estimated cost of construction resulting from the issuance of building permits totaled in excess of \$305 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 2017 operating budget totaling \$250.3 million during June 2016. This represents a \$12.5 million increase, or 5.3% from the fiscal year 2016 approved budget. Included in this budget is \$79.5 million for education, \$35.2 million for public safety, \$33.3 million for the water/sewer/rink enterprise funds, \$1.1 million for collective bargaining contingencies, \$64.2 million for employee and retiree health/pension benefits, \$9.6 million for debt service and \$200,000 towards funding the OPEB liability.

Of the \$250.3 million fiscal year 2017 operating budget, the revenues budgeted to balance it are property taxes - 69.0%, local receipts - 10.2%, state aid - 7.8% and the enterprise funds user charges - 13.0%. The average owner-occupied single family home has an assessed value of \$444,400. After applying the 25% residential exemption, the annual property tax bill for the average owner-occupied single family home is \$4,122. This represents an increase of about \$5 from fiscal year 2016.

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, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents.....	\$ 48,372,030	\$ 32,018,575	\$ 80,390,605
Restricted Cash and Cash Equivalents.....	39,140,794	4,933,589	44,074,383
Restricted Investments.....	26,734,263	-	26,734,263
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes.....	1,463,838	-	1,463,838
Tax and Utility Liens.....	1,485,053	252,910	1,737,963
Motor Vehicle and Other Excise Taxes.....	1,022,439	-	1,022,439
Community Preservation Taxes.....	61,590	-	61,590
Water.....	-	1,982,127	1,982,127
Sewer.....	-	2,672,184	2,672,184
Special Assessments.....	25	-	25
Departmental and Other.....	604,417	-	604,417
Intergovernmental.....	1,491,560	-	1,491,560
Total Current Assets.....	<u>120,376,009</u>	<u>41,859,385</u>	<u>162,235,394</u>
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate Tax Deferrals.....	398,941	-	398,941
Special Assessments.....	61,180	-	61,180
Loans.....	1,946,548	-	1,946,548
Capital Assets not being Depreciated.....	25,725,220	438,224	26,163,444
Capital Assets, Net of Accumulated Depreciation.....	<u>212,227,743</u>	<u>32,449,401</u>	<u>244,677,144</u>
Total Noncurrent Assets.....	<u>240,359,632</u>	<u>32,887,625</u>	<u>273,247,257</u>
Total Assets.....	<u>360,735,641</u>	<u>74,747,010</u>	<u>435,482,651</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related.....	<u>20,642,754</u>	<u>878,847</u>	<u>21,521,601</u>
LIABILITIES			
Current Liabilities:			
Warrants Payable.....	2,737,236	533,682	3,270,918
Accrued Payroll.....	6,300,836	29,494	6,330,330
Tax Refunds Payable.....	1,928,505	-	1,928,505
Other Liabilities.....	677,520	331,947	1,009,467
Accrued Interest.....	703,008	193,765	896,773
Accrued Health Claims Payable.....	2,789,724	-	2,789,724
Workers' Compensation Claims.....	307,792	-	307,792
Compensated Absences.....	3,737,807	168,699	3,906,506
Short-Term Notes Payable.....	14,544,200	2,565,000	17,109,200
Long-Term Bonds and Notes Payable.....	<u>7,324,247</u>	<u>2,026,388</u>	<u>9,350,635</u>
Total Current Liabilities.....	<u>41,050,875</u>	<u>5,848,975</u>	<u>46,899,850</u>
Noncurrent Liabilities:			
Compensated Absences.....	5,187,187	195,201	5,382,388
Net OPEB Obligation.....	132,000,842	2,393,669	134,394,511
Net Pension Liability.....	157,498,513	6,705,357	164,203,870
Long-Term Bonds and Notes Payable.....	<u>51,156,120</u>	<u>18,317,892</u>	<u>69,474,012</u>
Total Noncurrent Liabilities.....	<u>345,842,662</u>	<u>27,612,119</u>	<u>373,454,781</u>
Total Liabilities.....	<u>386,893,537</u>	<u>33,461,094</u>	<u>420,354,631</u>
DEFERRED INFLOWS OF RESOURCES:			
Taxes Collected in Advance.....	<u>672,817</u>	<u>-</u>	<u>672,817</u>
NET POSITION			
Net Investment in Capital Assets.....	171,191,593	14,911,934	186,103,527
Restricted for:			
OPEB.....	9,967,384	-	9,967,384
Loans.....	1,946,548	-	1,946,548
Community Preservation.....	27,508,813	-	27,508,813
Permanent Funds:			
Expendable.....	317,332	-	317,332
Nonexpendable.....	2,376,974	-	2,376,974
Revolving Funds.....	4,011,225	-	4,011,225
Traffic Impact.....	3,767,955	-	3,767,955
Parking Meters.....	1,936,538	-	1,936,538
Housing Trust.....	1,616,412	-	1,616,412
Sale of Lots/Graves.....	1,448,562	-	1,448,562
Public Safety.....	1,355,885	-	1,355,885
School Lunch.....	1,018,650	-	1,018,650
Other Specific Purposes.....	3,363,952	-	3,363,952
Unrestricted.....	<u>(238,015,782)</u>	<u>27,252,829</u>	<u>(210,762,953)</u>
Total Net Position.....	<u>\$ (6,187,959)</u>	<u>\$ 42,164,763</u>	<u>\$ 35,976,804</u>

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

**CITY OF WALTHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense)/ Revenue
Primary Government:					
Governmental Activities:					
General Government.....	\$ 17,458,090	\$ 9,035,348	\$ 633,703	\$ -	\$ (7,789,039)
Public Safety.....	71,565,431	3,925,311	1,678,231	-	(65,961,889)
Education.....	134,376,754	1,696,229	29,884,025	-	(102,796,500)
Public Works.....	18,232,857	408,997	246,983	1,476,183	(16,100,694)
Health and Human Services.....	4,435,418	427,170	431,225	-	(3,577,023)
Culture and Recreation.....	7,426,345	443,316	170,685	-	(6,812,344)
Community Development.....	4,562,345	582,133	1,261,753	554,471	(2,163,988)
Debt Service-Interest.....	2,283,883	-	159,010	-	(2,124,873)
Total Governmental Activities.....	260,341,123	16,518,504	34,465,615	2,030,654	(207,326,350)
Business-Type Activities:					
Sewer.....	17,602,663	19,481,085	45,723	-	1,924,145
Water.....	13,000,650	15,039,938	59,144	-	2,098,432
Veterans Memorial Rink.....	556,320	441,331	-	-	(114,989)
Total Business-Type Activities.....	31,159,633	34,962,354	104,867	-	3,907,588
Total Primary Governments.....	\$ 291,500,756	\$ 51,480,858	\$ 34,570,482	\$ 2,030,654	\$ (203,418,762)

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

**CITY OF WALTHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2016**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION			
Net (Expense) Revenue (From Previous Page).....	\$ (207,326,350)	\$ 3,907,588	\$ (203,418,762)
General Revenues:			
Real Estate and Personal Property Taxes.....	165,603,012	-	165,603,012
Motor Vehicle and Other Excise Taxes.....	8,240,497	-	8,240,497
Hotel/Motel Taxes.....	4,382,145	-	4,382,145
Meals Tax.....	1,451,906	-	1,451,906
Penalties and Interest on Taxes.....	722,464	-	722,464
Payments in Lieu of Taxes.....	46,849	-	46,849
Community Preservation Taxes.....	2,695,476	-	2,695,476
Grants and Contributions not Restricted to Specific Programs.....	9,745,521	-	9,745,521
Unrestricted Investment Income.....	2,055,791	-	2,055,791
Gain on Sale of Capital Assets.....	1,164,887	-	1,164,887
Transfers, Net.....	(405,590)	405,590	-
Total General Revenues and Transfers.....	195,702,958	405,590	196,108,548
CHANGE IN NET POSITION	(11,623,392)	4,313,178	(7,310,214)
Net Position - Beginning of Year (As Restated).....	5,435,433	37,851,585	43,287,018
NET POSITION - END OF YEAR	\$ (6,187,959)	\$ 42,164,763	\$ 35,976,804

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

**CITY OF WALTHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

ASSETS	General	Community Preservation	City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents.....	\$ 48,372,030	\$ -	\$ -	\$ -	\$ 48,372,030
Restricted Cash and Cash Equivalents.....	40,611	12,181,433	5,762,953	19,497,795	37,482,792
Restricted Investments.....	9,726,773	14,728,851	-	2,278,639	26,734,263
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes.....	1,463,838	-	-	-	1,463,838
Real Estate Tax Deferrals.....	398,941	-	-	-	398,941
Tax and Trash Liens.....	1,485,053	-	-	-	1,485,053
Motor Vehicle and Other Excise taxes.....	1,022,439	-	-	-	1,022,439
Community Preservation Taxes.....	-	61,590	-	-	61,590
Special Assessments.....	61,205	-	-	-	61,205
Departmental and Other.....	256,563	-	-	347,854	604,417
Intergovernmental.....	685,873	554,471	-	251,216	1,491,560
Loans.....	-	-	-	1,946,548	1,946,548
Due from Other Funds.....	551,868	-	-	-	551,868
Total Assets.....	<u>\$ 64,065,194</u>	<u>\$ 27,526,345</u>	<u>\$ 5,762,953</u>	<u>\$ 24,322,052</u>	<u>\$ 121,676,544</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Warrants Payable.....	\$ 1,945,627	7,250	\$ 485,192	\$ 299,167	\$ 2,737,236
Accrued Payroll.....	6,249,176	666	-	50,994	6,300,836
Tax Refunds Payable.....	1,928,505	-	-	-	1,928,505
Due to Other Funds.....	-	-	-	551,868	551,868
Short-Term Notes Payable.....	-	-	14,203,200	341,000	14,544,200
Total Liabilities.....	<u>10,123,308</u>	<u>7,916</u>	<u>14,688,392</u>	<u>1,243,029</u>	<u>26,062,645</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue.....	5,073,296	616,061	-	2,197,623	7,886,980
Taxes Collected in Advance.....	663,201	9,616	-	-	672,817
Total Deferred Inflows of Resources.....	<u>5,736,497</u>	<u>625,677</u>	<u>-</u>	<u>2,197,623</u>	<u>8,559,797</u>
FUND BALANCES					
Nonspendable.....	-	-	-	2,376,974	2,376,974
Restricted.....	9,967,384	26,892,752	-	18,995,754	55,855,890
Committed.....	7,198,929	-	-	-	7,198,929
Assigned.....	3,675,694	-	-	-	3,675,694
Unassigned.....	27,363,382	-	(8,925,439)	(491,328)	17,946,615
Total Fund Balances.....	<u>48,205,389</u>	<u>26,892,752</u>	<u>(8,925,439)</u>	<u>20,881,400</u>	<u>87,054,102</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$ 64,065,194</u>	<u>\$ 27,526,345</u>	<u>\$ 5,762,953</u>	<u>\$ 24,322,052</u>	<u>\$ 121,676,544</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 BALANCE TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Governmental Fund Balances (Page 29).....	\$ 87,054,102
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	237,952,963
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....	7,886,980
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.....	(703,008)
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.....	(58,480,367)
Workers' Compensation Claims.....	(307,792)
Compensated Absences.....	(8,924,994)
Net OPEB Obligation.....	(132,000,842)
Net Pension Liability, Net of Deferred Outflows and Inflows of Resources.....	(136,855,759)
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.....	<u>(1,809,242)</u>
Net Position of Governmental Activities (Page 26).....	<u><u>\$ (6,187,959)</u></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, 2016**

	General	Community Preservation	City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real Estate and Personal Property Taxes.....	\$ 164,931,064	\$ -	\$ -	\$ -	\$ 164,931,064
Motor Vehicle and Other Excise Taxes.....	7,990,210	-	-	-	7,990,210
Hotel/Motel Tax.....	4,382,145	-	-	-	4,382,145
Meals Tax.....	1,451,906	-	-	-	1,451,906
Tax Liens.....	674,676	-	-	-	674,676
Payments in Lieu of Taxes.....	46,849	-	-	-	46,849
Community Preservation Taxes.....	-	2,691,518	-	-	2,691,518
Charges for Services.....	-	-	-	3,213,857	3,213,857
Intergovernmental.....	33,055,632	771,775	-	11,604,875	45,432,282
Special Assessments.....	66,861	-	-	-	66,861
Penalties and Interest on Taxes.....	717,800	4,665	-	-	722,465
Licenses and Permits.....	8,640,647	-	-	-	8,640,647
Fines and Forfeitures.....	581,167	-	-	83,132	664,299
Departmental and Other.....	1,362,827	-	-	2,685,627	4,048,454
Contributions.....	-	-	-	789,891	789,891
Investment Income.....	1,062,086	999,705	-	170,465	2,232,256
Total Revenues.....	<u>224,963,870</u>	<u>4,467,663</u>	<u>-</u>	<u>18,547,847</u>	<u>247,979,380</u>
EXPENDITURES					
Current:					
General Government.....	9,895,433	-	1,495,121	542,816	11,933,370
Public Safety.....	39,893,070	-	75,261	3,248,920	43,217,251
Education.....	89,198,239	-	-	7,741,806	96,940,045
Public Works.....	12,835,951	-	3,207,789	1,522,637	17,566,377
Health and Human Services.....	1,845,413	-	1,407	178,526	2,025,346
Culture and Recreation.....	4,030,989	-	1,373,306	389,222	5,793,517
Community Development.....	915,105	234,437	857,791	1,881,741	3,889,074
Pension Benefits.....	15,168,439	-	-	-	15,168,439
Employee Benefits.....	43,488,817	-	-	-	43,488,817
State and County Charges.....	1,833,755	-	-	-	1,833,755
Debt Service:					
Principal.....	7,425,238	-	-	-	7,425,238
Interest.....	2,481,308	-	-	-	2,481,308
Total Expenditures.....	<u>229,011,757</u>	<u>234,437</u>	<u>7,010,675</u>	<u>15,505,668</u>	<u>251,762,537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	<u>(4,047,887)</u>	<u>4,233,226</u>	<u>(7,010,675)</u>	<u>3,042,179</u>	<u>(3,783,157)</u>
OTHER FINANCING SOURCES (USES)					
Premium from Issuance of Bonds and Notes.....	159,010	-	-	-	159,010
Sale of Capital Assets.....	-	-	-	3,520,312	3,520,312
Transfers In.....	171,879	-	3,500,000	37,658	3,709,537
Transfer Out.....	(409,002)	-	(34,246)	(3,671,879)	(4,115,127)
Total Other Financing Sources (Uses).....	<u>(78,113)</u>	<u>-</u>	<u>3,465,754</u>	<u>(113,909)</u>	<u>3,273,732</u>
NET CHANGE IN FUND BALANCES.....	<u>(4,126,000)</u>	<u>4,233,226</u>	<u>(3,544,921)</u>	<u>2,928,270</u>	<u>(509,425)</u>
Fund Balances - Beginning of Year.....	<u>52,331,389</u>	<u>22,659,526</u>	<u>(5,380,518)</u>	<u>17,953,130</u>	<u>87,563,527</u>
FUND BALANCES - END OF YEAR.....	<u>\$ 48,205,389</u>	<u>\$ 26,892,752</u>	<u>\$ (8,925,439)</u>	<u>\$ 20,881,400</u>	<u>\$ 87,054,102</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, 2016

Net Change in Fund Balances - Total Governmental Funds (Page 31).....	\$ (509,425)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.</p>	
Capital Outlays.....	11,384,102
Depreciation.....	(12,200,504)
<p>In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.....</p>	
	(2,355,425)
<p>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.....</p>	
	(882,257)
<p>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.</p>	
Bond Maturities.....	7,425,238
Amortization of Bond Premiums.....	127,009
<p>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.....</p>	
	70,415
<p>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:</p>	
Workers' Compensation.....	364,268
Compensated Absences.....	(806,584)
Net OPEB Obligation.....	(13,328,508)
Net Pension Liability, Net.....	(1,118,202)
<p>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.....</p>	
	206,481
Changes in Net Position of Governmental Activities (Page 28).....	\$ <u>(11,623,392)</u>

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

**CITY OF WALTHAM, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents.....	\$ 12,700,504	\$ 19,137,886	\$ 180,185	\$ 32,018,575	\$ -
Restricted Cash and Cash Equivalents.....	3,318,301	1,615,288	-	4,933,589	1,658,002
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges.....	2,672,184	1,982,127	-	4,654,311	-
Utility Liens.....	148,517	104,393	-	252,910	-
Total Current Assets.....	<u>18,839,506</u>	<u>22,839,694</u>	<u>180,185</u>	<u>41,859,385</u>	<u>1,658,002</u>
Noncurrent Assets:					
Capital Assets not being Depreciated.....	438,224	-	-	438,224	-
Capital Assets, Net of Accumulated Depreciation.....	22,231,550	10,118,773	99,078	32,449,401	-
Total Noncurrent Assets.....	<u>22,669,774</u>	<u>10,118,773</u>	<u>99,078</u>	<u>32,887,625</u>	<u>-</u>
Total Assets.....	<u>41,509,280</u>	<u>32,958,467</u>	<u>279,263</u>	<u>74,747,010</u>	<u>1,658,002</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related.....	<u>292,949</u>	<u>585,898</u>	<u>-</u>	<u>878,847</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Warrants Payable.....	483,901	44,491	5,290	533,682	-
Accrued Payroll.....	7,274	19,480	2,740	29,494	-
Other Liabilities.....	331,947	-	-	331,947	677,520
Accrued Interest.....	139,124	54,641	-	193,765	-
Accrued Health Claims Payable.....	-	-	-	-	2,789,724
Compensated Absences.....	55,737	96,796	16,166	168,699	-
Short-Term Notes Payable.....	2,520,000	45,000	-	2,565,000	-
Long-Term Bonds and Notes Payable.....	1,256,685	769,703	-	2,026,388	-
Total Current Liabilities.....	<u>4,794,668</u>	<u>1,030,111</u>	<u>24,196</u>	<u>5,848,975</u>	<u>3,467,244</u>
Noncurrent Liabilities:					
Compensated Absences.....	86,198	85,743	23,260	195,201	-
Net OPEB Obligation.....	737,102	1,443,418	213,149	2,393,669	-
Net Pension Liability.....	2,235,119	4,470,238	-	6,705,357	-
Long-Term Bonds and Notes Payable.....	12,103,408	6,214,484	-	18,317,892	-
Total Noncurrent Liabilities.....	<u>15,161,827</u>	<u>12,213,883</u>	<u>236,409</u>	<u>27,612,119</u>	<u>-</u>
Total Liabilities.....	<u>19,956,495</u>	<u>13,243,994</u>	<u>260,605</u>	<u>33,461,094</u>	<u>3,467,244</u>
FUND NET POSITION					
Net Investment in Capital Assets.....	10,107,982	4,704,874	99,078	14,911,934	-
Unrestricted.....	<u>11,737,752</u>	<u>15,595,497</u>	<u>(80,420)</u>	<u>27,252,829</u>	<u>(1,809,242)</u>
Total Net Position.....	<u>\$ 21,845,734</u>	<u>\$ 20,300,371</u>	<u>\$ 18,658</u>	<u>\$ 42,164,763</u>	<u>\$ (1,809,242)</u>

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

**CITY OF WALTHAM, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
OPERATING REVENUES					
Charges for Services.....	\$ 19,481,085	\$ 15,039,938	\$ 441,331	\$ 34,962,354	\$ -
Employer Contributions.....	-	-	-	-	41,552,028
Employee Contributions.....	-	-	-	-	5,415,468
Total Operating Revenues.....	<u>19,481,085</u>	<u>15,039,938</u>	<u>441,331</u>	<u>34,962,354</u>	<u>46,967,496</u>
OPERATING EXPENSES					
Cost of Service and Administration.....	3,394,293	2,900,879	464,729	6,759,901	-
MWRA Assessment.....	12,680,425	8,631,171	-	21,311,596	-
Depreciation.....	788,341	613,911	14,958	1,417,210	-
Employee Benefits.....	321,208	686,948	76,841	1,084,997	46,769,467
Total Operating Expenses.....	<u>17,184,267</u>	<u>12,832,909</u>	<u>556,528</u>	<u>30,573,704</u>	<u>46,769,467</u>
OPERATING INCOME (LOSS).....	<u>2,296,818</u>	<u>2,207,029</u>	<u>(115,197)</u>	<u>4,388,650</u>	<u>198,029</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income.....	35,757	39,211	-	74,968	8,452
Other.....	9,966	19,933	-	29,899	-
Interest Expense.....	(418,396)	(167,741)	208	(585,929)	-
Total Nonoperating Revenues (Expenses), Net.....	<u>(372,673)</u>	<u>(108,597)</u>	<u>208</u>	<u>(481,062)</u>	<u>8,452</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,924,145</u>	<u>2,098,432</u>	<u>(114,989)</u>	<u>3,907,588</u>	<u>206,481</u>
Transfers In.....	<u>120,248</u>	<u>173,880</u>	<u>111,462</u>	<u>405,590</u>	<u>-</u>
CHANGE IN FUND NET POSITION.....	<u>2,044,393</u>	<u>2,272,312</u>	<u>(3,527)</u>	<u>4,313,178</u>	<u>206,481</u>
Fund Net Position - Beginning of Year.....	<u>19,801,341</u>	<u>18,028,059</u>	<u>22,185</u>	<u>37,851,585</u>	<u>(2,015,723)</u>
FUND NET POSITION - END OF YEAR.....	<u>\$ 21,845,734</u>	<u>\$ 20,300,371</u>	<u>\$ 18,658</u>	<u>\$ 42,164,763</u>	<u>\$ (1,809,242)</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, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users.....	\$ 20,064,142	\$ 15,384,954	\$ 441,331	\$ 35,890,427	\$ 5,415,468
Receipts from Interfund Services Provided.....	-	-	-	-	41,943,314
Payments to Vendors.....	(15,840,419)	(10,887,112)	(369,862)	(27,097,393)	-
Payments to Employees.....	(881,796)	(1,682,079)	(136,587)	(2,700,462)	-
Payments for Interfund Services Used.....	-	-	-	-	(46,899,215)
Net Cash Provided by Operating Activities.....	<u>3,341,927</u>	<u>2,815,763</u>	<u>(65,118)</u>	<u>6,092,572</u>	<u>459,567</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In.....	<u>120,248</u>	<u>173,880</u>	<u>111,462</u>	<u>405,590</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the Issuance of Bonds and Notes.....	2,520,000	45,000	-	2,565,000	-
Acquisition and Construction of Capital Assets.....	(3,776,141)	(720,038)	-	(4,496,179)	-
Principal Payments on Bonds and Notes.....	(2,892,223)	(806,234)	(14,000)	(3,712,457)	-
Interest Paid.....	(448,740)	(144,568)	(560)	(593,868)	-
Net Cash Used by Capital and Related Financing Activities.....	<u>(4,597,104)</u>	<u>(1,625,840)</u>	<u>(14,560)</u>	<u>(6,237,504)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income.....	<u>35,757</u>	<u>39,211</u>	<u>-</u>	<u>74,968</u>	<u>8,452</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,099,172)	1,403,014	31,784	335,626	468,019
Cash and Cash Equivalents - Beginning of Year (Includes \$6,485,919, \$2,104,846 and \$444 Reported as Restricted in the Sewer, Water and Rink Enterprise Funds, Respectively).....	<u>17,117,977</u>	<u>19,350,160</u>	<u>148,401</u>	<u>36,616,538</u>	<u>1,189,983</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Includes \$3,318,301 and \$1,615,288 Reported as Restricted in the Sewer and Water Enterprise Funds, Respectively).....	<u>\$ 16,018,805</u>	<u>\$ 20,753,174</u>	<u>\$ 180,185</u>	<u>\$ 36,952,164</u>	<u>\$ 1,658,002</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating Income (Loss).....	\$ 2,296,818	\$ 2,207,029	\$ (115,197)	\$ 4,388,650	\$ 198,029
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Changes in Assets and Liabilities not Requiring Current Cash Flows:					
Depreciation.....	788,341	613,911	14,958	1,417,210	-
Net OPEB Obligation.....	79,301	152,586	19,235	251,122	-
Net Pension Liability, Net.....	(271,186)	(542,362)	-	(813,548)	-
Effect of Changes in Operating Assets and Liabilities:					
Utility Liens.....	(17,078)	(14,254)	-	(31,332)	-
User Charges.....	600,135	359,270	-	959,405	-
Departmental and Other.....	-	-	-	-	391,286
Warrants Payable.....	(309,631)	25,095	4,301	(280,235)	(8,503)
Accrued Payroll.....	(5,723)	(11,588)	(1,329)	(18,640)	-
Other Liabilities.....	186,379	-	-	186,379	(176,013)
Accrued Health Claims Payable.....	-	-	-	-	54,768
Workers' Compensation Claims.....	(11,424)	(21,216)	-	(32,640)	-
Compensated Absences.....	5,995	47,292	12,914	66,201	-
Total Adjustments.....	<u>1,045,109</u>	<u>608,734</u>	<u>50,079</u>	<u>1,703,922</u>	<u>261,538</u>
Net Cash Provided by Operating Activities.....	<u>\$ 3,341,927</u>	<u>\$ 2,815,763</u>	<u>\$ (65,118)</u>	<u>\$ 6,092,572</u>	<u>\$ 459,567</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, 2016**

ASSETS	Pension Trust Fund (As of 12/31/15)	Private Purpose Trust Funds	Agency Funds
Cash and Cash Equivalents.....	\$ 2,606,428	\$ 56,744	\$ 947,758
Investments:			
US Treasuries and Agencies.....	-	2,903,772	-
Real Estate Funds.....	5,243,072	-	-
Private Equity.....	2,612,442	-	-
External Investment Pool (PRIT).....	192,040,012	-	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other.....	223,553	-	-
Loans.....	-	90,050	-
	<u>202,725,507</u>	<u>3,050,566</u>	<u>\$ 947,758</u>
LIABILITIES			
Warrants Payable.....	14,775	-	10,200
Other Liabilities.....	-	-	4,041
Liabilities Due Depositors.....	-	-	933,517
	<u>14,775</u>	<u>-</u>	<u>\$ 947,758</u>
NET POSITION			
Restricted for pensions and other purposes.....	<u>\$ 202,710,732</u>	<u>\$ 3,050,566</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, 2016**

	Pension Trust Fund (For the Year Ended 12/31/15)	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer.....	\$ 16,233,644	\$ -
Plan Members.....	6,444,960	-
Private Donations.....	-	122,641
Total Contributions.....	<u>22,678,604</u>	<u>122,641</u>
Net Investment Income:		
Net Depreciation in Fair Value of Investments.....	(2,608,475)	-
Interest.....	593	208,910
Dividends.....	5,402,168	-
Total Investment Income.....	<u>2,794,286</u>	<u>208,910</u>
Less: Investment Expense.....	<u>(1,104,601)</u>	<u>-</u>
NET INVESTMENT INCOME.....	<u>1,689,685</u>	<u>208,910</u>
Intergovernmental.....	<u>490,405</u>	<u>-</u>
Transfers from Other Systems.....	<u>261,241</u>	<u>-</u>
Total Additions.....	<u>25,119,935</u>	<u>331,551</u>
DEDUCTIONS		
Administration.....	519,094	-
Retirement Benefits and Refunds.....	24,341,535	-
Scholarships Awarded.....	-	149,806
Total Deductions.....	<u>24,860,629</u>	<u>149,806</u>
CHANGE IN NET POSITION.....	<u>259,306</u>	<u>181,745</u>
Net Position - Beginning of Year.....	<u>202,451,426</u>	<u>2,868,821</u>
NET POSITION - END OF YEAR.....	<u><u>\$ 202,710,732</u></u>	<u><u>\$ 3,050,566</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 610 Main Street, Waltham, Massachusetts 02452.

C. Implementation of New Accounting Principles

For the year ended June 30, 2016, the City implemented the following pronouncements issued by the GASB:

- GASB Statement No. 72, *Fair Value Measurement and Application*
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

- GASB Statement No. 76, *The Hierarchy of Generally Accepted Principles for State and Local Governments*
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

The implementation of GASB Statement No.'s 73, 76 and 79 had no reporting impact for the City.

The implementation of GASB Statement No. 72 required certain disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques related to the City's investments.

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are primarily supported by user fees.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

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

E. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

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

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

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60-days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund.

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

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

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 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st 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 1st, November 1st, February 1st, and May 1st 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 are recorded at the estimated fair market value at the date of donation. Construction period interest is not capitalized on constructed capital assets.

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

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	10-50
Buildings and improvements.....	5-40
Equipment.....	3-20
Infrastructure.....	10-50
Library books.....	5

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

Governmental Funds Financial Statements

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

L. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

Transactions of a buyer/seller nature between funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

M. Interfund Transfers

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

Government-Wide Financial Statements

Transfers between governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

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

N. Deferred Outflows of Resources

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

Deferred outflows of resources related to pensions is 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 2017 levy.

The third deferred inflows of resources reported is related to pensions and is 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. *Post Retirement Benefits***Government-Wide and Fund Financial Statements**

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 2016 approved budget for the general fund authorized \$211,216,811 in appropriations. During fiscal year 2016, supplemental appropriations totaling \$14,005,261 were authorized. The original fiscal year 2016 approved budget for the community preservation fund authorized \$170,997 in appropriations. During fiscal year 2016, supplemental appropriations totaling \$5,295,434 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, 2016, the following governmental fund deficits exist:

Fund	Amount	Funding Source
Governmental Funds:		
City Capital Projects (Major).....	\$ 8,925,439	Issuance of long-term debt
Police and Fire Detail.....	446,146	User charges and available funds
City Federal Grants.....	25,841	Federal grant
CDBG Block Grant	6,728	Federal grant
Highway Projects.....	6,553	State grant
City State Grants.....	3,667	State grant
Vocational School Reserve.....	2,393	User charges and available funds
Sub-Total.....	9,416,767	
Internal Service Fund:		
Health Claims Trust.....	1,809,242	Employer contributions
Total.....	\$ 11,226,009	

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 treasury and agency obligations of the United States government, 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, 2016, \$16,373,195 of the City's bank balance of \$138,932,307 was uninsured, uncollateralized and exposed to custodial credit risk. The carrying value of the City's deposits totaled \$122,229,641 at June 30, 2016.

Investments Summary

The City's investments at June 30, 2016 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.....	\$ 9,491,659	\$ 1,328,871	\$ 5,497,148	\$ 2,665,640
U.S. Agencies.....	7,172,775	3,383,747	2,975,814	813,214
Corporate Bonds.....	944,495	398,121	546,374	-
Municipal Bonds.....	67,077	-	67,077	-
Money Market Mutual Funds.....	592,686	592,686	-	-
External Investment Pools (MMDT).....	2,647,164	2,647,164	-	-
Total Investments.....	20,915,856	\$ 8,350,589	\$ 9,086,413	\$ 3,478,854
<u>Other Investments:</u>				
Equity Securities.....	11,962,029			
Total Investments.....	\$ 32,877,885			

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, 2016, 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, 2016, the credit quality ratings of the City's debt securities are as follows:

Investment Type	Total Amount	Quality Ratings *						
		AA+	AA	A+	A	A-	BBB+	Unrated
U.S. Agencies.....	\$ 7,172,775	\$ 7,172,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Bonds.....	944,495	-	-	32,245	258,481	209,482	444,287	-
Money Market Mutual Funds.....	592,686	-	-	-	-	-	-	592,686
Municipal Bonds.....	67,077	-	67,077	-	-	-	-	-
External Investment Pools (MMDT)....	2,647,164	-	-	-	-	-	-	2,647,164
Total.....	\$ 11,424,197	\$ 7,172,775	\$ 67,077	\$ 32,245	\$ 258,481	\$ 209,482	\$ 444,287	\$ 3,239,850

* 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, 2016, the City's exposure to concentration of credit risk was as follows:

Issuer	Fair Value	Percentage of Total Investments
Federal National Mortgage Association.....	\$ 3,614,444	11.0%
Federal Home Loan Mortgage Corp.....	2,260,832	6.9%

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, 2016:

Investment Type	Fair Value	Investment Maturities		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U.S. Treasuries.....	\$ 9,491,659	\$ 9,491,659	\$ -	\$ -
U.S. Agencies.....	7,172,775	7,172,775	-	-
Equity Securities.....	11,962,029	11,962,029	-	-
Money Market Mutual Funds.....	592,686	592,686	-	-
Municipal Bonds.....	67,077	-	67,077	-
Corporate Bonds.....	944,495	-	944,495	-
Total Investments at Fair Value....	\$ 30,230,721	\$ 29,219,149	\$ 1,011,572	\$ -

Investments measured at Amortized Cost:

External Investment Pools (MMDT).....	2,647,164
Total Investments.....	\$ 32,877,885

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 equity securities, corporate bonds and other specified investments.

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, 2015, the System was not exposed to custodial credit risk.

Investments Summary

The System's investments at December 31, 2015 are presented below. All investments are presented by investment type with debt securities presented by maturity.

Investment Type	Total Amount	Investment Maturities (in Years) <u>Less Than 1</u>
<u>Debt Securities:</u>		
Money Market Mutual Funds.....	\$ 2,606,428	\$ 2,606,428
External Investment Pools (PRIT).....	192,040,012	192,040,012
Total Debt Securities.....	194,646,440	\$ 194,646,440
<u>Other Investments:</u>		
Real Estate.....	5,243,072	
Private Equity.....	2,612,442	
Total Other Investments.....	7,855,514	
Total Investments.....	\$ 202,501,954	

During December 2015, the Waltham Retirement Board voted to methodically withdraw its investments from the PRIT portfolio and to assume investment responsibility for the system's assets. Also during December 2015, the Waltham Retirement Board voted to engage the investment firm SEI to manage the portfolio with an initial withdrawal of 50% of the portfolio from PRIT. During June 2016, the Waltham Retirement Board voted a target asset allocation that was achieved with 50% of the portfolio managed by PRIT and 50% of the portfolio managed by SEI. During September 2016, 50% of the portfolio was withdrawn from PRIT and transferred to SEI.

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 System does not have a policy for interest rate risk of debt securities.

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, 2015, 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, 2015, 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, 2015, the System was not exposed to concentration of credit risk.

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. As of December 31, 2015, the System did not have any investments that were required to be reported in the fair value hierarchy.

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
External Investment Pool (PRIT) (1).....	\$ 192,040,012	\$ -	Monthly	24 Hours
Real Estate (2).....	5,243,072	-	N/A	N/A
Private Equity (3).....	2,612,442	400,915	N/A	N/A
Total Investments Measured at the NAV.....	<u>\$ 199,895,526</u>			

- (1) External Investment Pool (PRIT): The System is a participating retirement system in the PRIT fund. They system owns units, or shares in the PRIT fund, which is a pooled investment trust. 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 in the pool.

- (2) Real Estate: This type includes 3 real estate funds that invest primarily in U.S. commercial real estate and value added opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The investments can never be redeemed with the funds. Distributions from each of these funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 3 years.
- (3) Private Equity: This type includes 7 private equity funds that consist primarily of limited partnership interests in private equity and venture capital funds, which include leveraged buy-out, mezzanine investments, and early start-up financing type investments. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The remaining investments can never be redeemed with the funds. Distributions from each of these funds will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 1 to 5 years.

NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2016, receivables for the individual major governmental funds and nonmajor governmental, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real Estate and Personal Property Taxes.....	\$ 1,463,838	\$ -	\$ 1,463,838
Real Estate Tax Deferrals.....	398,941	-	398,941
Tax Liens.....	1,485,053	-	1,485,053
Motor Vehicle and Other Excise Taxes.....	2,169,451	(1,147,012)	1,022,439
Community Preservation Taxes.....	61,590	-	61,590
Special Assessments.....	61,205	-	61,205
Departmental and Other.....	1,236,870	(408,900)	827,970
Intergovernmental.....	1,491,560	-	1,491,560
Loans.....	2,036,598	-	2,036,598
	<u>\$ 10,405,106</u>	<u>\$ (1,555,912)</u>	<u>\$ 8,849,194</u>

At June 30, 2016, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User Charges.....	\$ 4,654,311	\$ -	\$ 4,654,311
Water and Sewer Liens.....	252,910	-	252,910
	<u>\$ 4,907,221</u>	<u>\$ -</u>	<u>\$ 4,907,221</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance *	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital Assets Not Being Depreciated:</u>				
Land.....	\$ 24,440,162	\$ 1,009,200	\$ -	\$ 25,449,362
Construction In Progress.....	-	275,858	-	275,858
Total Capital Assets Not Being Depreciated.....	24,440,162	1,285,058	-	25,725,220
<u>Capital Assets Being Depreciated:</u>				
Land Improvements.....	22,609,357	1,415,719	(25,525)	23,999,551
Buildings and Improvements.....	250,715,116	797,384	(3,124,381)	248,388,119
Equipment.....	29,339,789	1,171,161	(505,740)	30,005,210
Infrastructure.....	61,088,385	6,425,605	-	67,513,990
Library Books.....	1,268,746	289,175	(250,075)	1,307,846
Total Capital Assets Being Depreciated.....	365,021,393	10,099,044	(3,905,721)	371,214,716
<u>Less Accumulated Depreciation For:</u>				
Land Improvements.....	(10,366,206)	(1,133,321)	23,612	(11,475,915)
Buildings and Improvements.....	(82,226,389)	(5,979,322)	775,551	(87,430,160)
Equipment.....	(20,693,031)	(1,984,155)	501,058	(22,176,128)
Infrastructure.....	(34,414,440)	(2,846,047)	-	(37,260,487)
Library Books.....	(636,699)	(257,659)	250,075	(644,283)
Total Accumulated Depreciation.....	(148,336,765)	(12,200,504)	1,550,296	(158,986,973)
Total Capital Assets Being Depreciated, Net.....	216,684,628	(2,101,460)	(2,355,425)	212,227,743
Total Governmental Activities Capital Assets, Net.....	\$ 241,124,790	\$ (816,402)	\$ (2,355,425)	\$ 237,952,963

*Includes prior period adjustment of the beginning balance (See Note 19)

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer Enterprise Fund:				
<u>Capital Assets Not Being Depreciated:</u>				
Land.....	\$ 38,550	\$ -	\$ -	\$ 38,550
Construction In Progress.....	-	399,674	-	399,674
Total Capital Assets Not Being Depreciated.....	38,550	399,674	-	438,224
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements.....	3,185,587	-	-	3,185,587
Equipment.....	1,522,721	114,741	-	1,637,462
Infrastructure.....	39,848,343	3,473,835	-	43,322,178
Total Capital Assets Being Depreciated.....	44,556,651	3,588,576	-	48,145,227
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(1,666,211)	(87,673)	-	(1,753,884)
Equipment.....	(976,528)	(94,698)	-	(1,071,226)
Infrastructure.....	(22,482,597)	(605,970)	-	(23,088,567)
Total Accumulated Depreciation.....	(25,125,336)	(788,341)	-	(25,913,677)
Total Capital Assets Being Depreciated, Net.....	19,431,315	2,800,235	-	22,231,550
Total Sewer Enterprise Capital Assets, Net.....	\$ 19,469,865	\$ 3,199,909	\$ -	\$ 22,669,774
Water Enterprise Fund:				
<u>Capital Assets Not Being Depreciated:</u>				
Buildings and Improvements.....	\$ 1,104,422	\$ -	\$ -	\$ 1,104,422
Equipment.....	2,792,930	460,644	(17,850)	3,235,724
Infrastructure.....	21,591,296	259,394	-	21,850,690
Total Capital Assets Being Depreciated.....	25,488,648	720,038	(17,850)	26,190,836
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(1,035,396)	(27,611)	-	(1,063,007)
Equipment.....	(1,688,633)	(224,681)	17,850	(1,895,464)
Infrastructure.....	(12,751,973)	(361,619)	-	(13,113,592)
Total Accumulated Depreciation.....	(15,476,002)	(613,911)	17,850	(16,072,063)
Total Water Enterprise Capital Assets, Net.....	\$ 10,012,646	\$ 106,127	\$ -	\$ 10,118,773

	Beginning Balance	Increases	Decreases	Ending Balance
Veterans Memorial Rink Enterprise Fund:				
<u>Capital Assets Not Being Depreciated:</u>				
Buildings and Improvements.....	\$ 102,355	\$ -	\$ -	\$ 102,355
Equipment.....	143,289	-	-	143,289
Total Capital Assets Being Depreciated.....	245,644	-	-	245,644
<u>Less Accumulated Depreciation For:</u>				
Buildings and Improvements.....	(24,571)	(6,279)	-	(30,850)
Equipment.....	(107,037)	(8,679)	-	(115,716)
Total Accumulated Depreciation.....	(131,608)	(14,958)	-	(146,566)
Total Veterans Memorial Rink Enterprise Capital Assets, Net.....	\$ 114,036	\$ (14,958)	\$ -	\$ 99,078
Total business-type activities capital assets, net.....	\$ 29,596,547	\$ 3,291,078	\$ -	\$ 32,887,625

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

Governmental Activities:

General Government.....	\$ 374,646
Public Safety.....	1,101,267
Education.....	5,698,873
Public Works.....	2,815,969
Health and Human Services.....	37,297
Culture and Recreation.....	1,227,322
Community Development.....	945,130
Total Depreciation Expense - Governmental Activities.....	\$ 12,200,504

Business-Type Activities:

Sewer.....	\$ 788,341
Water.....	613,911
Veterans Memorial Rink.....	14,958
Total Depreciation Expense - Business-Type Activities.....	\$ 1,417,210

NOTE 6 – NET INVESTMENT IN CAPITAL ASSETS

The City's net investment in capital assets at June 30, 2016, is summarized as follows:

Governmental Activities

Capital Assets.....	\$ 396,939,936
Less Accumulated Depreciation.....	(158,986,973)
Less Outstanding Bonds and Notes Payable.....	(73,024,567)
Add Unspent Proceeds of Capital Related Debt....	<u>6,263,197</u>
Net Investment in Capital Assets.....	<u>\$ 171,191,593</u>

Business-Type Activities

Capital Assets.....	\$ 75,019,931
Less Accumulated Depreciation.....	(42,132,306)
Less Outstanding Bonds and Notes Payable.....	(22,909,280)
Add Unspent Proceeds of Capital Related Debt....	<u>4,933,589</u>
Net Investment in Capital Assets.....	<u>\$ 14,911,934</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Receivables and payables between funds at June 30, 2016 are summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund.....	Highway Projects Nonmajor Fund.....	\$ 56,188 (1)
General Fund.....	Police and Fire Detail Nonmajor Fund.....	398,557 (1)
General Fund.....	School Federal Grants Nonmajor Fund.....	69,615 (1)
General Fund.....	City Public Safety Federal Grants Nonmajor Fund.....	23,841 (1)
General Fund.....	City State Grants Nonmajor Fund.....	<u>3,667 (1)</u>
		<u>\$ 551,868</u>

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

Interfund transfers for the fiscal year ended June 30, 2016 are summarized as follows:

Transfers In:							
Transfers Out:	General Fund	City Capital Projects Fund	Nonmajor Governmental Funds	Sewer Enterprise Funds	Water Enterprise Fund	Veterans Memorial Rink Enterprise Fund	Total
General Fund.....	\$ -	\$ -	\$ 3,412	\$ 120,248	\$ 173,880	\$ 111,462	\$ 409,002 (1)
City Capital Projects Fund.....	-	-	34,246	-	-	-	34,246 (2)
Nonmajor Governmental Funds.....	<u>171,879</u>	<u>3,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,671,879 (3)</u>
	<u>\$ 171,879</u>	<u>\$ 3,500,000</u>	<u>\$ 37,658</u>	<u>\$ 120,248</u>	<u>\$ 173,880</u>	<u>\$ 111,462</u>	<u>\$ 4,115,127</u>

(1) Represents budgeted transfers to parking management fund (\$3,412), sewer enterprise fund (\$120,248), water enterprise fund (\$173,880) and Veterans Memorial Rink enterprise fund (\$111,462).

(2) Represents budgeted transfers from the city capital project fund (\$34,246) to traffic impact fund

(3) Represents budgeted transfers from the sale of city owned land fund (\$3,606,000), library state aid (\$53,797), and insurance recovery (\$12,082) special revenue funds.

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, 2016, is as follows:

Notes Payable - Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2015	Increases	Decreases	Balance at June 30, 2016
BAN	Building Renovations (Banks School).....	6/24/15	6/24/16	0.60%	\$ 3,500,000	\$ -	\$ (3,500,000)	\$ -
BAN	Renovations and Equipment Purchase.....	6/24/15	6/24/16	2.00%	4,573,000	-	(4,573,000)	-
BAN	Renovations, Equipment and Land Purchase.....	6/24/16	6/24/17	1.00%	-	4,005,000	-	4,005,000
BAN	Renovations and Equipment Purchase.....	6/24/16	6/24/17	2.00%	-	6,650,000	-	6,650,000
BAN	Renovations, Equipment and Land Purchase.....	6/24/16	6/24/17	2.25%	-	3,889,200	-	3,889,200
Total.....					\$ 8,073,000	\$ 14,544,200	\$ (8,073,000)	\$ 14,544,200

Notes Payable - Sewer Enterprise Fund

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2015	Increases	Decreases	Balance at June 30, 2016
BAN	Renovations and Equipment Purchase.....	6/24/15	6/24/16	2.00%	\$ 1,332,000	\$ -	\$ (1,332,000)	\$ -
BAN	Renovations and Equipment Purchase.....	6/24/16	6/24/17	1.00%	-	950,000	-	950,000
BAN	Renovations and Equipment Purchase.....	6/24/16	6/24/17	2.00%	-	350,000	-	350,000
BAN	Renovations and Equipment Purchase.....	6/24/16	6/24/17	2.25%	-	1,220,000	-	1,220,000
Total.....					\$ 1,332,000	\$ 2,520,000	\$ (1,332,000)	\$ 2,520,000

Notes Payable - Water Enterprise Fund

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2015	Increases	Decreases	Balance at June 30, 2016
BAN	Water Mains (Trapelo Road).....	6/24/15	6/24/16	2.00%	\$ 45,000	\$ -	\$ (45,000)	\$ -
BAN	Water Mains (Trapelo Road).....	6/24/16	6/24/17	1.00%	-	45,000	-	45,000
Total.....					\$ 45,000	\$ 45,000	\$ (45,000)	\$ 45,000

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, 2016:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016	Current Portion
Governmental Activities:					
Bonds and Notes Payable.....	\$ 64,788,130	\$ -	\$ (7,425,238)	\$ 57,362,892	\$ 7,197,238
Unamortized Deferred Premium....	1,244,484	-	(127,009)	1,117,475	127,009
Bonds and Notes Payable, Gross...	66,032,614	-	(7,552,247)	58,480,367	7,324,247
Workers' Compensation Claims.....	672,060	51,155	(415,423)	307,792	307,792
Net OPEB Obligation.....	118,672,334	32,128,798	(18,800,290)	132,000,842	-
Net Pension Liability.....	135,889,794	36,776,605	(15,167,886)	157,498,513	-
Compensated Absences.....	8,118,410	4,225,457	(3,418,873)	8,924,994	3,737,807
Total.....	\$ 329,385,212	\$ 73,182,015	\$ (45,354,719)	\$ 357,212,508	\$ 11,369,846
Business-Type Activities:					
Bonds and Notes Payable.....	\$ 22,095,162	\$ -	\$ (2,335,457)	\$ 19,759,705	\$ 1,988,673
Unamortized Deferred Premium....	623,057	-	(38,482)	584,575	37,715
Bonds and Notes Payable, Gross...	22,718,219	-	(2,373,939)	20,344,280	2,026,388
Workers' Compensation Claims.....	32,640	-	(32,640)	-	-
Net OPEB Obligation.....	2,142,547	605,338	(354,216)	2,393,669	-
Net Pension Liability.....	6,647,505	871,400	(813,548)	6,705,357	-
Compensated Absences.....	297,699	186,768	(120,567)	363,900	168,699
Total.....	\$ 31,838,610	\$ 1,663,506	\$ (3,694,910)	\$ 29,807,206	\$ 2,195,087

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, 2016, and the debt service requirements are as follows:

Bonds and Notes Payable - Governmental Funds

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Building Renovations (City).....	9/17/27	2.00 - 5.00%	\$ 1,225,000	\$ -	\$ (196,000)	\$ 1,029,000
School Construction (MSBA Project).....	9/15/28	2.00 - 5.00%	33,903,930	-	(2,927,638)	30,976,292
Land Development.....	9/15/23	2.00 - 5.00%	2,663,000	-	(416,000)	2,247,000
Land Acquisition.....	9/15/27	2.00 - 5.00%	4,270,000	-	(460,000)	3,810,000
Equipment (City).....	9/15/18	2.00 - 5.00%	854,000	-	(214,000)	640,000
Signals and Communications.....	9/15/17	2.00 - 5.00%	111,000	-	(47,000)	64,000
Streets/Sidewalk Improvements.....	9/15/28	3.00 - 5.00%	630,000	-	(65,000)	565,000
Street Reconstruction.....	9/15/28	3.00 - 5.00%	161,000	-	(21,000)	140,000
Land Acquisition.....	2/1/32	3.00 - 5.00%	2,720,000	-	(160,000)	2,560,000
Building Renovations (City/School).....	2/1/32	3.00 - 5.00%	2,185,200	-	(159,600)	2,025,600
Equipment (City).....	2/1/21	3.00 - 5.00%	1,162,000	-	(351,000)	811,000
Street Reconstruction.....	2/1/17	3.00 - 5.00%	653,000	-	(354,000)	299,000
Land Development.....	2/1/27	3.00 - 5.00%	1,214,000	-	(114,000)	1,100,000
Incinerator Facility Removal.....	2/1/27	3.00 - 5.00%	815,000	-	(85,000)	730,000
City Yard Structures.....	2/1/27	3.00 - 5.00%	430,000	-	(37,000)	393,000
Design/Engineering (Recreation).....	2/1/25	3.00 - 5.00%	152,000	-	(16,000)	136,000
Technology (City).....	2/1/19	3.00 - 5.00%	24,000	-	(7,000)	17,000
Building Renovations (School).....	2/1/33	2.00 - 4.25%	395,000	-	(25,000)	370,000
Equipment (School).....	2/1/22	2.00 - 4.00%	425,000	-	(75,000)	350,000
Building Renovations (City).....	2/1/28	2.00 - 4.00%	895,000	-	(155,000)	740,000
Equipment.....	2/1/22	2.00 - 4.00%	1,010,000	-	(440,000)	570,000
Land Development.....	2/1/27	2.00 - 4.00%	1,145,000	-	(100,000)	1,045,000
Street/Sidewalk Improvements.....	2/1/28	2.00 - 4.00%	1,520,000	-	(150,000)	1,370,000
Technology.....	2/1/22	2.00 - 4.00%	150,000	-	(55,000)	95,000
Land Acquisition.....	2/1/33	2.00 - 4.25%	875,000	-	(50,000)	825,000
Land Acquisition.....	2/1/22	2.00 - 4.00%	1,210,000	-	(180,000)	1,030,000
Design/Engineering (School).....	5/1/34	2.50 - 5.00%	150,000	-	(10,000)	140,000
Design/Engineering (School).....	5/1/30	2.50 - 5.00%	75,000	-	(5,000)	70,000
Building Renovations (City).....	5/1/24	3.00 - 5.00%	45,000	-	(5,000)	40,000
Technology (School).....	5/1/19	4.00 - 5.00%	70,000	-	(20,000)	50,000
Street/Sidewalk Improvements.....	5/1/24	3.00 - 5.00%	1,910,000	-	(215,000)	1,695,000
Street Reconstruction.....	5/1/18	4.00 - 5.00%	15,000	-	(5,000)	10,000
Street/Sidewalk Improvements.....	5/1/19	4.00 - 5.00%	20,000	-	(5,000)	15,000
Signals & Communications.....	5/1/24	3.00 - 5.00%	65,000	-	(10,000)	55,000
Equipment (Fire).....	5/1/19	4.00 - 5.00%	180,000	-	(45,000)	135,000
Design/Engineering (Recreation).....	5/1/19	4.00 - 5.00%	120,000	-	(30,000)	90,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	25,000	-	(10,000)	15,000
Equipment (Police).....	5/1/19	4.00 - 5.00%	220,000	-	(55,000)	165,000
Revaluation (Assessor).....	5/1/24	3.00 - 5.00%	130,000	-	(15,000)	115,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	240,000	-	(60,000)	180,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	40,000	-	(10,000)	30,000
Street/Sidewalk Improvements.....	5/1/24	3.00 - 5.00%	225,000	-	(25,000)	200,000
Equipment (Public Works).....	5/1/19	4.00 - 5.00%	80,000	-	(20,000)	60,000
Land Acquisition.....	5/1/34	2.50 - 5.00%	380,000	-	(20,000)	360,000
Sub-Total.....			64,788,130	-	(7,425,238)	57,362,892
Add: Unamortized Premium.....			1,244,484	-	(127,009)	1,117,475
Total Governmental Funds.....			\$ 66,032,614	\$ -	\$ (7,552,247)	\$ 58,480,367

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017.....\$	7,197,238 \$	2,107,567 \$	9,304,805
2018.....	6,432,238	1,810,161	8,242,399
2019.....	6,176,238	1,550,698	7,726,936
2020.....	5,651,238	1,297,663	6,948,901
2021.....	5,371,238	1,077,828	6,449,066
2022.....	5,171,238	873,709	6,044,947
2023.....	4,362,238	679,974	5,042,212
2024.....	4,232,238	527,765	4,760,003
2025.....	3,907,238	381,922	4,289,160
2026.....	2,873,238	250,936	3,124,174
2027.....	2,163,238	168,187	2,331,425
2028.....	1,398,238	106,446	1,504,684
2029.....	1,234,236	68,474	1,302,710
2030.....	367,600	39,192	406,792
2031.....	362,600	27,352	389,952
2032.....	357,600	15,597	373,197
2033.....	80,000	4,057	84,057
2034.....	25,000	872	25,872
Total..... \$	<u>57,362,892</u> \$	<u>10,988,400</u> \$	<u>68,351,292</u>

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

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Sewer Improvements.....	11/15/26	2.00 - 5.00%	\$ 2,355,000	\$ -	\$ (210,000)	\$ 2,145,000
Sewer Improvements.....	9/15/28	4.00%	499,000	-	(36,000)	463,000
Sewer Equipment.....	9/15/28	2.00 - 5.00%	417,000	-	(78,000)	339,000
Sewer Improvements (MCWT).....	7/8/30	2.00%	2,209,466	-	(231,877)	1,977,589
Sewer Improvements (MWRA).....	11/15/15	0.00%	335,060	-	(335,060)	-
Sewer Improvements.....	2/1/32	3.00 - 5.00%	2,261,350	-	(133,550)	2,127,800
Sewer Improvements.....	2/1/32	3.00 - 5.00%	3,286,750	-	(193,750)	3,093,000
Sewer Improvements (MCWT).....	7/15/18	2.00%	66,064	-	(15,987)	50,077
Traffic & Signal Improvements.....	2/1/22	3.00 - 5.00%	254,000	-	(42,000)	212,000
Sewer Improvements.....	2/1/33	2.00 - 4.25%	1,265,000	-	(75,000)	1,190,000
Drainage Improvements.....	5/1/17	4.00 - 5.00%	10,000	-	(5,000)	5,000
Sewer Improvements (MCWT).....	7/15/32	2.00%	251,881	-	(11,584)	240,297
Sewer Improvements (MWRA) (Cedarwood).....	2/15/25	0.00%	588,750	-	(58,875)	529,875
Sewer Improvements (MWRA) (Cedarwood).....	2/15/20	0.00%	667,700	-	(133,540)	534,160
Sub-Total.....			14,467,021	-	(1,560,223)	12,906,798
Add: Unamortized Premium.....			482,540	-	(29,245)	453,295
Total Sewer Enterprise.....			\$ 14,949,561	\$ -	\$ (1,589,468)	\$ 13,360,093

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

Fiscal Year	Principal	Interest	Total
2017..... \$	1,227,440	\$ 431,127	\$ 1,658,567
2018.....	1,232,826	385,822	1,618,648
2019.....	1,235,319	341,064	1,576,382
2020.....	1,045,392	299,380	1,344,772
2021.....	914,869	268,910	1,183,778
2022.....	887,943	238,449	1,126,393
2023.....	885,083	202,160	1,087,243
2024.....	888,287	173,220	1,061,507
2025.....	901,555	143,934	1,045,489
2026.....	785,013	115,315	900,329
2027.....	608,415	91,096	699,511
2028.....	477,963	72,834	550,797
2029.....	472,697	56,868	529,566
2030.....	427,448	42,772	470,220
2031.....	428,212	29,069	457,281
2032.....	406,640	15,783	422,423
2033.....	81,695	2,931	84,626
Total..... \$	12,906,798	\$ 2,910,735	\$ 15,817,533

Water Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Water Improvements.....	9/15/28	4.10 - 5.00%	\$ 185,000	\$ -	\$ (15,000)	\$ 170,000
Water Improvements.....	9/15/28	4.00%	1,274,000	-	(116,000)	1,158,000
Water Improvements.....	9/15/18	3.00 - 5.00%	28,000	-	(7,000)	21,000
Water Improvements (MWRA).....	11/15/21	0.00%	1,029,911	-	(171,652)	858,259
Water Improvements.....	2/1/32	3.00 - 5.00%	338,300	-	(19,900)	318,400
Water Improvements.....	2/1/32	3.00 - 5.00%	973,700	-	(58,100)	915,600
Water Improvements.....	2/1/32	3.00 - 5.00%	426,700	-	(25,100)	401,600
Water Improvements (MWRA).....	5/15/18	0.00%	1,725,160	-	(215,645)	1,509,515
Water Improvements.....	2/1/33	2.00 - 4.25%	935,000	-	(70,000)	865,000
Water Improvements.....	5/1/21	4.00 - 5.00%	30,000	-	(5,000)	25,000
Water Improvements.....	5/1/34	2.50 - 5.00%	190,000	-	(10,000)	180,000
Water Improvements (MWRA).....	8/15/24	0.00%	478,370	-	(47,837)	430,533
Sub-Total.....			7,614,141	-	(761,234)	6,852,907
Add: Unamortized Premium.....			139,749	-	(8,469)	131,280
Total Water Enterprise.....			\$ 7,753,890	\$ -	\$ (769,703)	\$ 6,984,187

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

Fiscal Year	Principal	Interest	Total
2017..... \$	761,233	\$ 150,643	\$ 911,876
2018.....	736,234	137,632	873,866
2019.....	730,234	124,557	854,791
2020.....	723,234	111,059	834,293
2021.....	708,234	100,026	808,260
2022.....	531,582	90,123	621,705
2023.....	526,582	78,478	605,060
2024.....	310,937	69,425	380,362
2025.....	305,937	60,516	366,453
2026.....	258,100	51,584	309,684
2027.....	258,100	42,458	300,558
2028.....	258,100	33,091	291,191
2029.....	208,100	24,723	232,823
2030.....	157,100	18,477	175,577
2031.....	157,100	13,202	170,302
2032.....	157,100	7,904	165,004
2033.....	55,000	2,600	57,600
2034.....	10,000	346	10,346
Total..... \$	6,852,907	\$ 1,116,844	\$ 7,969,751

Veterans Memorial Rink Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Equipment.....	2/1/2016	3.00 - 5.00%	\$ 14,000	\$ -	\$ (14,000)	\$ -
Add: Unamortized Premium.....			768	-	(768)	-
Total Veterans Memorial Rink.....			<u>\$ 14,768</u>	<u>\$ -</u>	<u>\$ (14,768)</u>	<u>\$ -</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. MWRA bonds outstanding at June 30, 2016, totals \$1,064,035 and \$2,798,307 for sewer and water enterprise funds, respectively.

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2016, the City had the following authorized and unissued debt:

Purpose	Amount
Sewer.....	\$ 6,903,940
Street & Traffic Improvements.....	2,949,000
Water.....	1,872,972
Equipment.....	1,805,560
Design/Planning/Engineering.....	913,000
Land Development.....	376,000
Building Construction.....	83,274
Technology.....	79,000
Disposal Facility Removal.....	1,000
Total.....	<u>\$ 14,983,746</u>

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

Plan Description – The City 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 since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The City established an Other Post-Employment Benefits trust fund under a special act through the Commonwealth of Massachusetts in 2002. The City has contributed over \$8.7 million to the trust fund and its current value as of June 30, 2016 is approximately \$9.9 million. However, it is not considered a qualifying asset for reporting purposes under GASB Statements #43 and #45.

The number of participants as of June 30, 2016, the latest actuarial valuation, is as follows:

Active Employees.....	1,495
Retirees and Survivors.....	<u>1,878</u>
Total.....	<u><u>3,373</u></u>

Funding Policy - 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.

Annual OPEB Cost and Net OPEB Obligation - The City’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with the parameters set forth in GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table identifies the components of the City’s annual OPEB cost for the year, the actual amount contributed to the plan, and changes in the City’s net OPEB obligation:

	<u>Amount</u>
Annual Required Contribution.....	\$ 31,928,704
Interest on Net OPEB Obligation.....	4,832,595
Adjustment to Annual Required Contribution.....	<u>(4,027,163)</u>
Annual OPEB Cost.....	32,734,136
Contributions Made.....	<u>(19,154,506)</u>
Increase in Net OPEB Obligation.....	13,579,630
Net OPEB Obligation at Beginning of Year.....	<u>120,814,881</u>
Net OPEB Obligation at End of Year.....	<u><u>\$ 134,394,511</u></u>

Trend information regarding annual OPEB cost, the percentage of the annual OPEB cost contributed and the net OPEB obligation is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOPEBC)</u>	<u>Percentage of AOPEBC Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014.....	\$ 35,476,378	51.1%	\$ 104,842,803
June 30, 2015.....	36,904,076	56.7%	120,814,881
June 30, 2016.....	32,734,136	58.5%	134,394,511

Funded Status and Funding Progress – The funded status of the Plan at June 30, 2016, the most recent actuarial valuation, was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
06/30/16	\$ -	\$ 589,442,299	\$ 589,442,299	0%	\$ 102,048,387	578%

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

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

The significant methods and assumptions as of the latest actuarial valuation are as follows:

Valuation date:	June 30, 2016
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level percentage of projected payroll
Remaining amortization period:	30 years (open)
Interest discount rate:	4.0%
Healthcare/Medical cost inflation rate:	6.0% decreasing a half percent annually for 3 years to an ultimate level of 4.5% per year

Allocation of AOPEBC – AOPEBC costs were allocated to the City's functions as follows:

Governmental Activities:

General Government.....	\$ 2,239,817
Public Safety.....	9,568,128
Education.....	17,237,746
Public Works.....	1,315,840
Health and Human Services.....	408,190
Culture and Recreation.....	864,961
Community Development.....	494,116

Total AOPEBC - Governmental Activities.....	<u>32,128,798</u>
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Business-Type Activities:

Sewer.....	191,158
Water.....	367,814
Veterans Memorial Rink.....	46,366

Total AOPEBC - Business-Type Activities.....	<u>605,338</u>
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Total.....	<u><u>\$ 32,734,136</u></u>
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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 \$250,000 per claim. At June 30, 2016, the amount of the liability for health insurance claims totaled \$2,789,724. Changes in the reported liability since July 1, 2014, are as follows:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2015.....	\$ 3,294,832	\$ 43,049,361	\$ (43,609,237)	\$ 2,734,956
Fiscal year 2016.....	2,734,956	47,248,695	(47,193,927)	2,789,724

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, 2016, totaled \$307,792. Changes in the reported liability since July 1, 2014, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-end
Fiscal year 2015.....	\$ 321,218	\$ 853,122	\$ (469,640)	\$ 704,700
Fiscal year 2016.....	704,700	51,154	(448,062)	307,792

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	City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Permanent Fund Principal.....	\$ -	\$ -	\$ -	\$ 2,376,974	\$ 2,376,974
Restricted:					
Community Preservation.....	-	26,892,752	-	-	26,892,752
OPEB.....	9,967,384	-	-	-	9,967,384
Other Special Revenue.....	-	-	-	4,011,225	4,011,225
City Federal Grants.....	-	-	-	68	68
School Federal Grants.....	-	-	-	99,960	99,960
City State Grants.....	-	-	-	294,102	294,102
School State Grants.....	-	-	-	62,812	62,812
Insurance Recovery.....	-	-	-	98,420	98,420
Gifts.....	-	-	-	569,739	569,739
Sale of Lots/Graves.....	-	-	-	1,448,562	1,448,562
Revenue Reserve.....	-	-	-	2,214,486	2,214,486
School Lunch.....	-	-	-	1,018,650	1,018,650
Parking Meters.....	-	-	-	1,936,538	1,936,538
UDAG Nova Biomedical.....	-	-	-	24,364	24,364
Public Safety Trust Funds.....	-	-	-	1,355,885	1,355,885
Traffic Impact Fund.....	-	-	-	3,767,955	3,767,955
Waltham Housing.....	-	-	-	1,616,412	1,616,412
School Capital Projects.....	-	-	-	159,244	159,244
Cemetery Trust Funds.....	-	-	-	23,523	23,523
Other Permanent Funds.....	-	-	-	293,809	293,809
Sub-Total - Restricted.....	9,967,384	26,892,752	-	18,995,754	55,855,890
Committed:					
Debt Service.....	1,039,163	-	-	-	1,039,163
General Government.....	478,478	-	-	-	478,478
Public Safety.....	2,784,087	-	-	-	2,784,087
Education.....	2,647,619	-	-	-	2,647,619
Public Works.....	55,051	-	-	-	55,051
Community Development.....	128,502	-	-	-	128,502
Other.....	66,029	-	-	-	66,029
Sub-Total - Committed.....	7,198,929	-	-	-	7,198,929
Assigned:					
General Government.....	428,938	-	-	-	428,938
Public Safety.....	952,989	-	-	-	952,989
Education.....	1,336,811	-	-	-	1,336,811
Public Works.....	649,527	-	-	-	649,527
Health and Human Services.....	27,227	-	-	-	27,227
Culture and Recreation.....	154,439	-	-	-	154,439
Community Development.....	110,918	-	-	-	110,918
Other.....	14,845	-	-	-	14,845
Sub-Total - Assigned.....	3,675,694	-	-	-	3,675,694
Unassigned.....	27,363,382	-	(8,925,439)	(491,328)	17,946,615
	\$ 48,205,389	\$ 26,892,752	\$ (8,925,439)	\$ 20,881,400	\$ 87,054,102

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 fund.

The balance of the general stabilization fund totals \$179,406 at June 30, 2016 and is reported in the general fund as unassigned fund balance. The balances of the debt service, open space, historical preservation, police, fire and school stabilization funds total \$1,039,163, \$23,263, \$25,000, \$1,143,100, \$60,085 and \$479,500, respectively, at June 30, 2016, 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 17).

Membership in the System was as follows at December 31, 2015:

Active Members.....	915
Inactive Members.....	128
Disabled Members.....	104
Retirees and Beneficiaries currently receiving benefits.....	659
Total.....	<u>1,806</u>

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

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

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

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

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

When a member's retirement becomes effective, their deductions and related interest are transferred to the Annuity Reserve Fund. Any cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth of Massachusetts' state law during those years are borne by the Commonwealth and are deposited into the Pension Fund. Cost-of-living adjustments granted after 1997 must be approved by the System and all costs are borne by the System.

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

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

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

Contributions. Chapter 32 of MGL governs the contributions of plan members and the City. Plan members are required to contribute to the System at rates ranging from 5% to 11% 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, 2015, active member contributions totaled \$6,444,960 and employer contributions totaled \$16,233,644. Contributions to the System from the City were \$15,813,645 for the year ended June 30, 2016.

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, 2015, were as follows:

Total Pension Liability.....	\$ 371,275,737
Plan Fiduciary Net Position.....	<u>(202,710,732)</u>
Net Pension Liability.....	<u>\$ 168,565,005</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	54.6%

At June 30, 2016, the City reported a liability of \$164,203,870 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. 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, 2015, the City's proportion was 97.4128 percent, which was an increase of 0.20316 percent from its 97.2096 percent proportion measure as of December 31, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$16,850,498 and support provided by nonemployer contributing entities totaled \$732,199. At June 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan	
Investments.....	\$ 11,634,737
Changes in Assumptions.....	5,029,147
Differences Between Expected and Actual Experience.....	4,489,274
Changes in proportion.....	<u>368,443</u>
Totals.....	<u>\$ 21,521,601</u>

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

<u>Year Ended June 30</u>	
2017.....	\$ 5,655,218
2018.....	5,655,218
2019.....	5,655,219
2020.....	<u>4,555,946</u>
Total.....	<u>\$ 21,521,601</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation performed of as January 1, 2016 and measured as of December 31, 2015. The following actuarial methods and assumptions apply to all periods included in the measurement.

Methods:

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

Assumptions:

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

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to December 31, 2015.

Investment Policy and Rates of Return. Approximately 95% 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.

Approximately 5% of the System's investments are in money market mutual funds, real estate and private equity investments.

The System's annual money-weighted rate of return on pension plan investments was 0.84%. 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 PRIT. 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 PRIT's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	40.0%	6.90%
Core Fixed Income.....	13.0%	2.40%
Value-Added Fixed Income.....	10.0%	5.80%
Private Equity.....	10.0%	8.50%
Real Estate.....	10.0%	6.50%
Timber/Natural Resources.....	4.0%	6.60%
Hedge Funds.....	9.0%	5.80%
Portfolio Completion Strategies.....	4.0%	5.50%
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.....	\$ 209,017,378	\$ 168,565,005	\$ 134,223,832

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.....	\$ 203,609,680	\$ 164,203,870	\$ 130,751,193

Legally Required Reserve Accounts. The balance in the System's legally required reserves as of December 31, 2015 are as follows:

Description	Amount	Purpose
Annuity Savings Fund..... \$	64,643,455	Active members' contribution balance
Annuity Reserve Fund.....	16,119,751	Retired members' contribution account
Pension Reserve Fund.....	103,373,117	Amounts appropriated to fund future retirement
Pension Fund.....	18,574,409	Remaining Net Position
Total..... \$	<u>202,710,732</u>	

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

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

NOTE 16 - MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

General Information about the Pension Plan

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

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

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

Contributions. The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5-11% 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, 2016. The Commonwealth's net pension liability associated with the City was \$147,219,461.

The MTRS' net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015.

For the year ended June 30, 2016, the City recognized pension expense of \$11,940,809 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, 2015 measurement date was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015. This valuation used the following assumptions:

Investment rate of return - 7.50%

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

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

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

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	40%	6.90%
Core Fixed Income.....	13%	2.40%
Hedge Funds.....	9%	5.80%
Private Equity.....	10%	8.50%
Real Estate.....	10%	6.50%
Value Added Fixed Income.....	10%	5.80%
Portfolio Completion Strategies.....	4%	5.50%
Timber/Natural Resources.....	4%	6.60%
Totals.....	100%	

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

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

NOTE 17 – COMMITMENTS

The City has entered into, or is planning to enter into, contracts totaling approximately \$47,578,455 for 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 \$8,118,162 at June 30, 2016.

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, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2016.

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, 2016, 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 – PRIOR PERIOD ADJUSTMENT

Constructions costs of \$1,432,000 were incurred over multiple years and were not properly capitalized. As a result an adjustment was made to the beginning governmental activities net position as of June 30, 2015. The impact of the adjustment is as follows:

	Governmental Activities
Net Position, June 30, 2015, as Previously Reported.....	\$ 4,003,433
Increase in Capital Assets.....	1,432,000
Net Position, June 30, 2015, as Adjusted.....	<u>\$ 5,435,433</u>

NOTE 21 – FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented during fiscal year 2018. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 77, *Tax Abatement Disclosures*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 80, *Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 14*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 81, *Irrevocable Split-Interest Agreements*, which is required to be implemented during fiscal year 2018. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 83, *Certain Asset Retirement Obligations*, which is required to be implemented during fiscal year 2019. Management is evaluating the Statement's future impact on the basic financial statements.

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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Real estate and personal property taxes..... \$	-	\$ 165,460,447	\$ -	\$ 165,460,447
Motor vehicle and other excise taxes.....	-	7,200,000	-	7,200,000
Hotel/motel tax.....	-	4,075,000	-	4,075,000
Meals taxes.....	-	1,275,000	-	1,275,000
Tax liens.....	-	-	-	-
Payments in lieu of taxes.....	-	50,000	-	50,000
Intergovernmental	-	19,681,364	-	19,681,364
Special assessments.....	-	85,000	-	85,000
Penalties and interest on taxes.....	-	610,000	-	610,000
Licenses and permits.....	-	5,175,000	-	5,175,000
Fines and forfeitures.....	-	550,000	-	550,000
Departmental and other.....	-	2,675,000	-	2,675,000
Investment income.....	-	105,000	-	105,000
TOTAL REVENUES.....	-	206,941,811	-	206,941,811
EXPENDITURES				
GENERAL GOVERNMENT				
City Council				
Personnel.....	-	292,984	-	292,984
General.....	4,974	69,050	-	74,024
Equipment/Unusual.....	32,790	16,000	-	48,790
Capital Improvement.....	23,607	-	-	23,607
Total.....	61,371	378,034	-	439,405
Mayor's Office				
Personnel.....	-	296,287	47,000	343,287
General.....	-	25,000	-	25,000
Equipment/Unusual.....	122,157	406,400	-	528,557
Special.....	-	-	-	-
Capital Improvement.....	6,200	-	1,005,000	1,011,200
Total.....	128,357	727,687	1,052,000	1,908,044
Auditors				
Personnel.....	-	506,654	113,200	619,854
General.....	-	5,200	-	5,200
Equipment/Unusual.....	-	4,200,000	(4,191,446)	8,554
Special.....	-	-	-	-
Capital Improvement.....	818	-	-	818
Total.....	818	4,711,854	(4,078,246)	634,426
Treasurer and Collector				
Personnel.....	-	833,293	191,300	1,024,593
General.....	17,717	300,600	-	318,317
Capital Improvement.....	9,640	-	-	9,640
Total.....	27,357	1,133,893	191,300	1,352,550
Assessors				
Personnel.....	-	414,089	86,100	500,189
General.....	18,450	139,870	-	158,320
Capital Improvement.....	-	-	-	-
Total.....	18,450	553,959	86,100	658,509
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)
\$ 166,454,325	\$ -	\$ 166,454,325	\$ 993,878
7,990,210	-	7,990,210	790,210
4,382,145	-	4,382,145	307,145
1,451,906	-	1,451,906	176,906
674,676	-	674,676	674,676
46,849	-	46,849	(3,151)
21,114,823	-	21,114,823	1,433,459
66,861	-	66,861	(18,139)
717,800	-	717,800	107,800
8,640,647	-	8,640,647	3,465,647
581,167	-	581,167	31,167
1,362,827	-	1,362,827	(1,312,173)
98,634	-	98,634	(6,366)
<u>213,582,870</u>	<u>-</u>	<u>213,582,870</u>	<u>6,641,059</u>
292,984	-	292,984	-
67,866	-	67,866	6,158
38,499	10,110	48,609	181
-	23,607	23,607	-
<u>399,349</u>	<u>33,717</u>	<u>433,066</u>	<u>6,339</u>
320,005	-	320,005	23,282
23,597	1,074	24,671	329
347,521	149,550	497,071	31,486
-	-	-	-
-	6,200	6,200	1,005,000
<u>691,123</u>	<u>156,824</u>	<u>847,947</u>	<u>1,060,097</u>
604,395	-	604,395	15,459
3,039	-	3,039	2,161
-	8,554	8,554	-
-	-	-	-
-	806	806	12
<u>607,434</u>	<u>9,360</u>	<u>616,794</u>	<u>17,632</u>
1,019,710	-	1,019,710	4,883
302,058	7,612	309,670	8,647
260	9,380	9,640	-
<u>1,322,028</u>	<u>16,992</u>	<u>1,339,020</u>	<u>13,530</u>
456,656	-	456,656	43,533
126,359	401	126,760	31,560
-	-	-	-
<u>583,015</u>	<u>401</u>	<u>583,416</u>	<u>75,093</u>
-	-	-	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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Purchasing				
Personnel.....	-	207,865	47,400	255,265
General.....	(6,196)	5,600	-	(596)
Special.....	-	301,650	-	301,650
Capital Improvement.....	208	-	-	208
Total.....	(5,988)	515,115	47,400	556,527
Trust Funds				
Personnel.....	-	4,000	-	4,000
Law Department				
Personnel.....	-	813,962	183,400	997,362
General.....	9,769	91,500	-	101,269
Equipment/Unusual.....	51,332	48,500	135,000	234,832
Capital Improvement.....	5,518	-	-	5,518
Total.....	66,619	953,962	318,400	1,338,981
Building				
Personnel.....	60,621	1,498,776	287,978	1,847,375
General.....	77,593	295,600	150,300	523,493
Capital Improvement.....	256,646	-	398,650	655,296
Total.....	394,860	1,794,376	836,928	3,026,164
Utilities				
General.....	81,733	1,149,344	-	1,231,077
Central Telephone Service				
Personnel.....	-	27,707	-	27,707
General.....	15,253	187,000	-	202,253
Equipment/Unusual.....	-	35,000	-	35,000
Total.....	15,253	249,707	-	264,960
Personnel				
Personnel.....	-	271,373	50,100	321,473
General.....	286	6,950	-	7,236
Equipment/Unusual.....	-	23,000	-	23,000
Total.....	286	301,323	50,100	351,709
Work Study				
General.....	-	6,000	-	6,000
City Clerk				
Personnel.....	15,631	312,447	66,196	394,274
General.....	7,470	108,100	-	115,570
Capital Improvement.....	32,543	-	-	32,543
Total.....	55,644	420,547	66,196	542,387
Information Technology				
Personnel.....	68,570	1,037,291	171,188	1,277,049
General.....	11,144	322,175	-	333,319
Equipment/Unusual.....	-	10,000	-	10,000
Capital Improvement.....	8,728	-	-	8,728
Total.....	88,442	1,369,466	171,188	1,629,096

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
254,907	-	254,907	358
4,401	(4,999)	(598)	2
233,528	-	233,528	68,122
208	-	208	-
493,044	(4,999)	488,045	68,482
4,000	-	4,000	-
994,094	-	994,094	3,268
81,381	4,393	85,774	15,495
139,807	51,736	191,543	43,289
-	5,518	5,518	-
1,215,282	61,647	1,276,929	62,052
1,835,288	-	1,835,288	12,087
443,629	78,968	522,597	896
27,756	387,539	415,295	240,001
2,306,673	466,507	2,773,180	252,984
925,241	65,349	990,590	240,487
25,303	-	25,303	2,404
182,407	18,152	200,559	1,694
30,772	2,930	33,702	1,298
238,482	21,082	259,564	5,396
317,464	-	317,464	4,009
5,021	-	5,021	2,215
15,521	3,200	18,721	4,279
338,006	3,200	341,206	10,503
5,290	-	5,290	710
393,471	-	393,471	803
97,901	7,392	105,293	10,277
-	32,543	32,543	-
491,372	39,935	531,307	11,080
1,274,105	-	1,274,105	2,944
313,987	15,066	329,053	4,266
9,999	-	9,999	1
4,680	4,047	8,727	1
1,602,771	19,113	1,621,884	7,212

(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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Voter Registration				
Personnel.....	9,407	191,308	34,216	234,931
General.....	-	159,700	-	159,700
Capital Improvement.....	10,000	-	-	10,000
Total.....	19,407	351,008	34,216	404,631
TOTAL GENERAL GOVERNMENT.....	952,609	14,640,275	(1,224,418)	14,368,466
PUBLIC SAFETY				
Police and Animal Control				
Personnel.....	3,461,516	13,469,832	2,987,960	19,919,308
General.....	46,028	313,900	-	359,928
Equipment/Unusual.....	40,450	201,634	-	242,084
Special.....	17,973	161,075	36,400	215,448
Capital Improvement.....	60,532	-	356,900	417,432
Total.....	3,626,499	14,146,441	3,381,260	21,154,200
Dispatch				
Personnel.....	9,716	1,666,315	7,382	1,683,413
General.....	620	48,675	-	49,295
Special.....	-	8,800	-	8,800
Total.....	10,336	1,723,790	7,382	1,741,508
Fire				
Personnel.....	1,812,935	13,864,038	1,303,300	16,980,273
General.....	110,746	412,907	-	523,653
Equipment/Unusual.....	36,360	64,500	-	100,860
Special.....	24,106	151,425	-	175,531
Capital Improvement.....	25,821	-	1,171,915	1,197,736
Total.....	2,009,968	14,492,870	2,475,215	18,978,053
Emergency Management				
Personnel.....	-	69,869	11,600	81,469
General.....	-	2,700	-	2,700
Equipment/Unusual.....	734	8,690	-	9,424
Special.....	-	400	-	400
Capital Improvement.....	25,140	-	-	25,140
Total.....	25,874	81,659	11,600	119,133
Wires				
Personnel.....	21,502	645,410	115,276	782,188
General.....	15,095	269,200	100	284,395
Equipment/Unusual.....	2,099	8,000	-	10,099
Capital Improvement.....	25,000	-	-	25,000
Total.....	63,696	922,610	115,376	1,101,682
Licensing				
Personnel.....	-	15,600	-	15,600
General.....	55	3,925	-	3,980
Total.....	55	19,525	-	19,580
TOTAL PUBLIC SAFETY.....	5,736,428	31,386,895	5,990,833	43,114,156

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
229,848	-	229,848	5,083
116,485	9,448	125,933	33,767
1,162	8,838	10,000	-
347,495	18,286	365,781	38,850
11,570,605	907,414	12,478,019	1,890,447
19,419,802	-	19,419,802	499,506
254,617	85,494	340,111	19,817
134,412	74,272	208,684	33,400
196,897	7,773	204,670	10,778
33,000	383,847	416,847	585
20,038,728	551,386	20,590,114	564,086
1,621,661	-	1,621,661	61,752
30,266	6,405	36,671	12,624
8,800	-	8,800	-
1,660,727	6,405	1,667,132	74,376
16,367,562	612,711	16,980,273	-
413,921	94,934	508,855	14,798
76,724	17,767	94,491	6,369
148,042	24,966	173,008	2,523
25,821	1,171,915	1,197,736	-
17,032,070	1,922,293	18,954,363	23,690
80,854	-	80,854	615
2,699	-	2,699	1
6,924	-	6,924	2,500
399	-	399	1
-	25,140	25,140	-
90,876	25,140	116,016	3,117
772,198	-	772,198	9,990
249,266	27,767	277,033	7,362
6,392	900	7,292	2,807
23,267	-	23,267	1,733
1,051,123	28,667	1,079,790	21,892
15,600	-	15,600	-
3,946	-	3,946	34
19,546	-	19,546	34
39,893,070	2,533,891	42,426,961	687,195

(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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
EDUCATION				
Personnel.....	-	59,870,288	(150,253)	59,720,035
General.....	1,243,313	10,919,965	(43,000)	12,120,278
Professional Development.....	16,300	414,255	10,253	440,808
Equipment/Unusual.....	191,848	345,000	183,000	719,848
Special.....	239,534	5,632,290	-	5,871,824
Capital Improvement.....	-	-	2,520,500	2,520,500
TOTAL EDUCATION.....	1,690,995	77,181,798	2,520,500	81,393,293
PUBLIC WORKS				
Consolidated Public Works				
Personnel.....	112,649	3,934,753	670,207	4,717,609
General.....	34,501	1,171,950	85,925	1,292,376
Equipment/Unusual.....	179,451	241,000	-	420,451
Capital Improvement.....	152,502	-	147,500	300,002
Total.....	479,103	5,347,703	903,632	6,730,438
Snow and Ice Removal				
Personnel.....	9,139	146,000	49,506	204,645
General.....	113,427	1,759,700	40,350	1,913,477
Total.....	122,566	1,905,700	89,856	2,118,122
Street Lighting				
General.....	33,122	530,000	-	563,122
Collection and Disposal of Rubbish				
Equipment/Unusual.....	334,617	4,215,000	(85,000)	4,464,617
Cemetery Commission				
Personnel.....	-	3,000	-	3,000
TOTAL PUBLIC WORKS.....	969,408	12,001,403	908,488	13,879,299
COMMUNITY DEVELOPMENT				
Planning				
Personnel.....	-	171,857	63,900	235,757
General.....	-	2,650	-	2,650
Equipment/Unusual.....	33,040	20,000	-	53,040
Capital Improvement.....	55,515	-	-	55,515
Total.....	88,555	194,507	63,900	346,962
Housing				
Personnel.....	-	251,104	53,400	304,504
General.....	-	1,550	-	1,550
Total.....	-	252,654	53,400	306,054
Board of Survey and Planning				
Personnel.....	-	17,000	-	17,000
General.....	-	5,100	-	5,100
Total.....	-	22,100	-	22,100
Zoning Board of Appeals				
Personnel.....	1,300	18,000	-	19,300
General.....	225	24,500	-	24,725
Capital Improvement.....	1,814	-	-	1,814
Total.....	3,339	42,500	-	45,839

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
58,915,362	-	58,915,362	804,673
11,562,902	535,944	12,098,846	21,432
416,734	16,700	433,434	7,374
454,591	652,144	1,106,735	(386,887)
5,555,463	132,024	5,687,487	184,337
352,381	2,168,119	2,520,500	-
77,257,433	3,504,931	80,762,364	630,929
4,543,448	-	4,543,448	174,161
1,125,971	43,757	1,169,728	122,648
217,839	170,865	388,704	31,747
244,597	55,051	299,648	354
6,131,855	269,673	6,401,528	328,910
204,639	-	204,639	6
1,896,058	10,248	1,906,306	7,171
2,100,697	10,248	2,110,945	7,177
474,396	76,911	551,307	11,815
3,968,724	347,746	4,316,470	148,147
2,800	-	2,800	200
12,678,472	704,578	13,383,050	496,249
204,252	-	204,252	31,505
2,650	-	2,650	-
15,568	27,415	42,983	10,057
3,478	52,036	55,514	1
225,948	79,451	305,399	41,563
276,040	-	276,040	28,464
1,448	102	1,550	-
277,488	102	277,590	28,464
13,100	-	13,100	3,900
4,685	-	4,685	415
17,785	-	17,785	4,315
17,700	1,600	19,300	-
20,361	2,023	22,384	2,341
-	1,814	1,814	-
38,061	5,437	43,498	2,341

(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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Traffic Engineering				
Personnel.....	-	341,380	81,269	422,649
General.....	1,924	61,000	50	62,974
Equipment/Unusual.....	-	100,000	-	100,000
Capital Improvement.....	291,447	-	-	291,447
Total.....	293,371	502,380	81,319	877,070
Conservation Commission				
Personnel.....	1,600	39,316	5,200	46,116
General.....	104	3,900	-	4,004
Capital Improvement.....	53,915	-	-	53,915
Total.....	55,619	43,216	5,200	104,035
Historical Commission				
Personnel.....	700	30,535	2,400	33,635
General.....	351	3,875	-	4,226
Equipment/Unusual.....	3,388	8,500	-	11,888
Total.....	4,439	42,910	2,400	49,749
Paine Estate				
Personnel.....	8,797	102,414	38,230	149,441
General.....	3,059	33,750	-	36,809
Capital Improvement.....	7	-	-	7
Total.....	11,863	136,164	38,230	186,257
Engineering				
Personnel.....	12,490	466,275	59,854	538,619
General.....	100	8,450	-	8,550
Total.....	12,590	474,725	59,854	547,169
TOTAL COMMUNITY DEVELOPMENT.....	469,776	1,711,156	304,303	2,485,235
HEALTH AND HUMAN SERVICES				
Health				
Personnel.....	39,425	696,654	116,676	852,755
General.....	40	43,650	-	43,690
Equipment/Unusual.....	484	600	-	1,084
Total.....	39,949	740,904	116,676	897,529
Veterans				
Personnel.....	-	165,160	37,900	203,060
General.....	160	252,325	-	252,485
Total.....	160	417,485	37,900	455,545
Council on Aging				
Personnel.....	-	390,969	94,624	485,593
General.....	15,249	198,612	25	213,886
Capital Improvement.....	18,162	-	-	18,162
Total.....	33,411	589,581	94,649	717,641
Celebration of Holidays				
General.....	10,000	10,000	-	20,000

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
420,365	-	420,365	2,284
57,850	2,830	60,680	2,294
28,020	71,980	100,000	-
270,710	20,737	291,447	-
776,945	95,547	872,492	4,578
43,818	-	43,818	2,298
1,584	183	1,767	2,237
-	53,915	53,915	-
45,402	54,098	99,500	4,535
17,918	-	17,918	15,717
2,350	202	2,552	1,674
10,540	1,335	11,875	13
30,808	1,537	32,345	17,404
142,475	-	142,475	6,966
32,015	3,191	35,206	1,603
-	-	-	7
174,490	3,191	177,681	8,576
437,549	-	437,549	101,070
8,491	58	8,549	1
446,040	58	446,098	101,071
2,032,967	239,421	2,272,388	212,847
785,550	-	785,550	67,205
40,643	25	40,668	3,022
849	-	849	235
827,042	25	827,067	70,462
202,941	-	202,941	119
136,825	696	137,521	114,964
339,766	696	340,462	115,083
478,994	-	478,994	6,599
183,111	16,507	199,618	14,268
-	18,162	18,162	-
662,105	34,669	696,774	20,867
10,000	10,000	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, 2016**

	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
TOTAL HEALTH AND HUMAN SERVICES.....	83,520	1,765,170	249,225	2,097,915
CULTURE AND RECREATION				
Library				
Personnel.....	-	2,201,636	106,379	2,308,015
General.....	16,727	287,400	53,859	357,986
Equipment/Unusual.....	-	61,000	-	61,000
Capital Improvement.....	24,122	-	-	24,122
Total.....	40,849	2,550,036	160,238	2,751,123
Recreation				
Personnel.....	-	744,470	137,065	881,535
General.....	944	18,475	25	19,444
Equipment/Unusual.....	92,030	102,000	-	194,030
Capital Improvement.....	5,375	-	-	5,375
Total.....	98,349	864,945	137,090	1,100,384
Playgrounds				
Personnel.....	-	61,950	-	61,950
General.....	50,670	351,000	-	401,670
Equipment/Unusual.....	122	3,000	-	3,122
Total.....	50,792	415,950	-	466,742
Summer Fun				
Personnel.....	-	67,300	-	67,300
General.....	987	13,800	-	14,787
Total.....	987	81,100	-	82,087
Support of Recreation Activities				
General.....	19,251	105,000	-	124,251
Equipment/Unusual.....	1,600	10,500	-	12,100
Total.....	20,851	115,500	-	136,351
TOTAL CULTURE AND RECREATION.....	211,828	4,027,531	297,328	4,536,687
PENSION BENEFITS				
Contributory Retirement System.....	-	15,813,645	-	15,813,645
Non-Contributory Pension Benefits.....	-	600	-	600
TOTAL PENSION BENEFITS.....	-	15,814,245	-	15,814,245
EMPLOYEE BENEFITS				
Worker's Compensation.....	35,786	455,000	-	490,786
Optional Medical Extension.....	-	3,000,000	300,000	3,300,000
Hospital and Medical Insurance.....	83,499	37,113,000	3,500,000	40,696,499
Group Life Insurance.....	-	84,000	-	84,000
Social Security.....	-	30,000	-	30,000
Unemployment.....	5,584	30,000	-	35,584
TOTAL EMPLOYEE BENEFITS.....	124,869	40,712,000	3,800,000	44,636,869

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
6,300	-	6,300	700
200	-	200	-
6,500	-	6,500	700
1,845,413	45,390	1,890,803	207,112
2,166,116	10,739	2,176,855	131,160
345,967	7,868	353,835	4,151
60,588	-	60,588	412
15,071	9,000	24,071	51
2,587,742	27,607	2,615,349	135,774
800,502	-	800,502	81,033
18,829	-	18,829	615
32,115	70,995	103,110	90,920
1,121	4,254	5,375	-
852,567	75,249	927,816	172,568
58,634	-	58,634	3,316
341,416	56,251	397,667	4,003
2,543	-	2,543	579
402,593	56,251	458,844	7,898
67,300	-	67,300	-
11,396	140	11,536	3,251
78,696	140	78,836	3,251
86,762	7,709	94,471	29,780
8,980	737	9,717	2,383
95,742	8,446	104,188	32,163
4,017,340	167,693	4,185,033	351,654
15,813,645	-	15,813,645	-
553	-	553	47
15,814,198	-	15,814,198	47
457,115	272	457,387	33,399
3,300,000	-	3,300,000	-
40,539,058	2,044	40,541,102	155,397
83,167	-	83,167	833
26,319	-	26,319	3,681
22,553	4,273	26,826	8,758
44,428,212	6,589	44,434,801	202,068

(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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
STATE AND COUNTY CHARGES.....	-	1,791,338	-	1,791,338
DEBT SERVICE				
Principal.....	-	7,565,000	-	7,565,000
Interest.....	-	2,545,000	-	2,545,000
TOTAL DEBT SERVICE.....	-	10,110,000	-	10,110,000
TOTAL EXPENDITURES.....	10,239,433	211,141,811	12,846,259	234,227,503
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(10,239,433)	(4,200,000)	(12,846,259)	(27,285,692)
OTHER FINANCING SOURCES (USES):				
Premium from issuance of bonds.....	-	-	-	-
Transfers in.....	-	4,275,000	5,591,261	9,866,261
Transfers out.....	-	(75,000)	(1,159,002)	(1,234,002)
Total other financing sources (uses).....	-	4,200,000	4,432,259	8,632,259
NET CHANGE IN FUND BALANCE.....	(10,239,433)	-	(8,414,000)	(18,653,433)
FUND BALANCE AT BEGINNING OF YEAR.....	36,693,285	36,693,285	36,693,285	36,693,285
FUND BALANCE AT END OF YEAR.....	\$ 26,453,852	\$ 36,693,285	\$ 28,279,285	\$ 18,039,852

See accompanying notes to required supplementary information.

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
<u>1,833,755</u>	<u>-</u>	<u>1,833,755</u>	<u>(42,417)</u>
7,439,238	-	7,439,238	125,762
<u>2,503,215</u>	<u>8,255</u>	<u>2,511,470</u>	<u>33,530</u>
<u>9,942,453</u>	<u>8,255</u>	<u>9,950,708</u>	<u>159,292</u>
<u>221,313,918</u>	<u>8,118,162</u>	<u>229,432,080</u>	<u>4,795,423</u>
<u>(7,731,048)</u>	<u>(8,118,162)</u>	<u>(15,849,210)</u>	<u>11,436,482</u>
159,010	-	159,010	159,010
9,692,333	-	9,692,333	(173,928)
<u>(1,234,002)</u>	<u>-</u>	<u>(1,234,002)</u>	<u>-</u>
<u>8,617,341</u>	<u>-</u>	<u>8,617,341</u>	<u>(14,918)</u>
886,293	(8,118,162)	(7,231,869)	11,421,564
<u>36,693,285</u>	<u>-</u>	<u>36,693,285</u>	<u>-</u>
<u>\$ 37,579,578</u>	<u>\$ (8,118,162)</u>	<u>\$ 29,461,416</u>	<u>\$ 11,421,564</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, 2016**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Community preservation taxes.....	\$ -	\$ 2,454,200	\$ -	\$ 2,454,200
Intergovernmental	-	771,775	-	771,775
Penalties and interest on taxes.....	-	-	-	-
Investment income.....	-	419,475	-	419,475
TOTAL REVENUES.....	-	3,645,450	-	3,645,450
EXPENDITURES				
Personnel.....	-	40,397	-	40,397
General.....	602	13,300	-	13,902
Equipment/Unusual.....	7,225	117,300	-	124,525
Capital Improvement.....	3,417,312	-	5,295,434	8,712,746
TOTAL EXPENDITURES.....	3,425,139	170,997	5,295,434	8,891,570
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(3,425,139)	3,474,453	(5,295,434)	(5,246,120)
FUND BALANCE AT BEGINNING OF YEAR.....	22,700,735	22,700,735	22,700,735	22,700,735
FUND BALANCE AT END OF YEAR.....	\$ 19,275,596	\$ 26,175,188	\$ 17,405,301	\$ 17,454,615

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ 2,698,647	\$ -	\$ 2,698,647	\$ 244,447
771,775	-	771,775	-
4,665	-	4,665	4,665
367,862	-	367,862	(51,613)
3,842,949	-	3,842,949	197,499
35,077	-	35,077	5,320
11,700	176	11,876	2,026
16,225	34,500	50,725	73,800
171,435	8,514,042	8,685,477	27,269
234,437	8,548,718	8,783,155	108,415
3,608,512	(8,548,718)	(4,940,206)	305,914
22,700,735	-	22,700,735	-
\$ 26,309,247	\$ (8,548,718)	\$ 17,760,529	\$ 305,914

**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, 2015	December 31, 2014
<u>Total Pension Liability</u>		
Service Cost	\$ 5,761,367	\$ 7,040,834
Interest	28,290,238	27,535,037
Benefit Payments, including refunds of member contributions	(24,341,534)	(23,951,108)
Change in Assumptions	6,596,806	-
Experience Loss	5,888,647	-
Net Change in Total Pension Liability	22,195,524	10,624,763
Total Pension Liability - Beginning	349,080,213	338,455,450
Total Pension Liability - Ending (a)	\$ 371,275,737	\$ 349,080,213
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	\$ 16,233,644	\$ 15,728,477
Contributions - Member	6,444,960	5,222,151
Other Additions	751,646	1,118,908
Net Investment Income	1,689,685	15,528,118
Benefit Payments and Transfers to Other Systems	(24,341,535)	(23,951,107)
Administrative Expense	(519,094)	(521,690)
Net Change in Plan Fiduciary Net Position	259,306	13,124,857
Plan Fiduciary Net Position - Beginning	202,451,426	189,326,569
Plan Fiduciary Net Position - Ending (b)	\$ 202,710,732	\$ 202,451,426
Net Pension Liability - Ending (a) - (b)	\$ 168,565,005	\$ 146,628,787
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.6%	58.0%
Covered - Employee Payroll	\$ 59,292,926	\$ 55,578,341
Net Pension Liability as a Percentage of Covered Employee Payroll	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)

	2015	2014	2013	2012	2011
Actuarially Determined Contribution	16,233,644	15,728,477	14,735,293	14,289,286	14,133,617
Contributions in Relation to the Actuarially Determined Contribution	16,233,644	15,728,477	14,735,293	14,289,286	14,133,617
Contribution Deficiency (Excess)	-	-	-	-	-
Covered Employee Payroll	\$ 59,292,926	\$ 55,578,341	\$ 50,696,522	\$ 50,696,522	\$ 48,493,764
Contributions as a Percentage of Covered Employee Payroll	27.38%	28.30%	29.07%	28.19%	29.15%

(Continued)

	2010	2009	2008	2007	2006
Actuarially Determined Contribution	14,106,542	13,752,867	13,192,164	12,695,230	11,408,000
Contributions in Relation to the Actuarially Determined Contribution	14,106,542	13,752,867	13,192,164	12,695,230	11,408,000
Contribution Deficiency (Excess)	-	-	-	-	-
Covered Employee Payroll	\$ 48,493,764	\$ 47,443,385	\$ 45,141,147	\$ 45,141,147	\$ 43,804,722
Contributions as a Percentage of Covered Employee Payroll	29.09%	28.99%	29.22%	28.12%	26.04%

(Concluded)

SCHEDULE OF INVESTMENT RETURNS (SYSTEM) (1)

	2015	2014
Annual money-weighted rate of return, net of investment expense	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)**

	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	97.4128%	97.2096%
City's Proportionate Share of the Net Pension Liability	\$ 164,203,870	\$ 142,537,299
City's Covered-Employee Payroll	\$ 57,758,899	\$ 53,948,267
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	284.29%	264.21%
Plan fiduciary net position as a percentage of the total pension liability	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'S CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Required Contribution	\$ 15,813,645	\$ 15,289,594	\$ 14,303,117	\$ 13,857,860	\$ 13,738,814
Contributions in Relation to the Actuarially Required Contribution	15,813,645	15,289,594	14,303,117	13,857,860	13,738,814
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 57,758,899	\$ 53,948,267	\$ 49,280,385	\$ 49,280,385	\$ 47,345,883
Contributions as a Percentage of Covered Employee Payroll	27.38%	28.34%	29.02%	28.12%	29.02%

(Continued)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially Required Contribution	\$ 13,720,343	\$ 13,427,327	\$ 12,878,477	\$ 12,412,792	\$ 11,132,517
Contributions in Relation to the Actuarially Required Contribution	13,720,343	13,427,327	12,878,477	12,412,792	11,132,517
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 47,345,883	\$ 46,315,263	\$ 44,051,068	\$ 44,051,068	\$ 42,568,036
Contributions as a Percentage of Covered Employee Payroll	28.98%	28.99%	29.24%	28.18%	26.15%

(Concluded)

**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)**

	2016	2015
City's Share of Net Pension Liability	\$ 147,219,461	\$ 110,096,513
Commonwealth's Share of City's Net Pension Liability	147,219,461	110,096,513
City's Net Pension Liability	<u>\$ -</u>	<u>\$ -</u>
City's Expense and Revenue Recognized for the Commonwealth's Support	\$ 11,940,809	\$ 7,648,933
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	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
YEAR ENDED JUNE 30, 2016**

OTHER POSTEMPLOYMENT BENEFITS SCHEDULE

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
06/30/16	\$ -	\$ 589,442,299	\$ 589,442,299	0%	\$ 102,048,387	578%
06/30/14	-	600,635,042	600,635,042	0%	89,853,532	668%
06/30/12	-	657,972,850	657,972,850	0%	82,752,496	795%

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, 2016, 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.....	\$ 213,582,870	\$ 229,432,080	\$ 8,617,341	\$ 29,461,416
<u>Adjustments and Reclassifications</u>				
Net change in recording 60-day receipts.....	(78,308)	-	-	300,616
Net change in recording tax refunds payable.....	(938,505)	-	-	(1,928,505)
Net change in recording other revenues.....	(506,448)	-	-	(463,201)
To record MTRS on-behalf payments.....	11,940,809	11,940,809	-	-
To allocate indirect costs to functional line items.....	-	(4,088,989)	(4,088,989)	-
To record encumbrances and continuing appropriations.....	-	(8,118,162)	-	8,118,162
To reclassify the stabilization funds to the general fund.....	8,757	13,650	(4,806,465)	2,749,517
To reclassify the other postemployment benefit fund to the general fund.....	954,695	(167,631)	200,000	9,967,384
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 224,963,870</u>	<u>\$ 229,011,757</u>	<u>\$ (78,113)</u>	<u>\$ 48,205,389</u>

Community Preservation Fund

	Revenues	Expenditures	Fund Balance
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 3,842,949	\$ 8,783,155	\$ 17,760,529
<u>Adjustments</u>			
Net change in recording revenues.....	624,714	-	583,505
To record encumbrances and continuing appropriations.....	-	(8,548,718)	8,548,718
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 4,467,663</u>	<u>\$ 234,437</u>	<u>\$ 26,892,752</u>

NOTE B - SCHEDULE OF CHANGES IN EMPLOYER NET PENSION LIABILITY AND RELATED RATIOS*Changes in Assumptions*

The investment rate of return was reduced from 8.25% to 7.75% effective December 31, 2015.

The mortality assumptions were adjusted as follows:

Previous Mortality:

It is assumed that both pre-retirement and post retirement mortality are represented by the RP-2000 Mortality Table for males and females, adjusted to 2015 with Scale AA. Mortality for disabled members is represented by the RP-2000 Mortality Table set forward two years for all disabled members.

New Mortality Assumption:

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-2000 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-2000 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.

NOTE C - SCHEDULE OF EMPLOYER CONTRIBUTIONS

The following methods and assumptions from the January 1, 2015 valuation were used to determine the most recent actuarially determined contribution rates:

Methods:

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

Assumptions:

Salary Increases	3.5% per year
Investment Rate of Return	8.25%
Cost of Living Adjustment	3.0% per year
Mortality	Pre-Retirement - The RP-2000 mortality table for males and females, adjusted to 2015 with scale AA
	Post-Retirement - The RP-2000 mortality table for males and females, adjusted to 2015 with scale AA
	Disabled Retiree - The RP-2000 mortality table set forward 2 years
Retirement Rates	General Employees - 1.0% and 1.5% for males and females, respectively, beginning at age 50 ranging to 100.0% and 100.0% for males and females, respectively, ending at age 70
	Police and Fire - 2.0% 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.

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.

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, 2016**

<i>Special Revenue Funds</i>								
	Other Special Revenue	City Federal Grants	School Federal Grants	City State Grants	School State Grants	Insurance Recovery	Gifts	
ASSETS								
Restricted Cash and Cash Equivalents.....	\$ 4,040,296	\$ 7,115	\$ -	\$ 303,713	\$ 95,979	\$ 98,420	\$ 571,863	
Restricted Investments.....	-	-	-	-	-	-	-	
Receivables, Net of Uncollectibles:								
Departmental and Other.....	-	-	-	-	-	-	-	
Intergovernmental.....	-	-	186,817	14,764	-	-	-	
Loans.....	-	1,946,548	-	-	-	-	-	
TOTAL ASSETS.....	\$ 4,040,296	\$ 1,953,663	\$ 186,817	\$ 318,477	\$ 95,979	\$ 98,420	\$ 571,863	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES:								
Warrants Payable.....	\$ 28,134	\$ 112,554	\$ 17,242	\$ 24,375	\$ 33,167	\$ -	\$ 2,124	
Accrued Payroll.....	937	-	-	-	-	-	-	
Due to Other Funds.....	-	23,841	69,615	3,667	-	-	-	
Short-Term Notes Payable.....	-	-	-	-	-	-	-	
TOTAL LIABILITIES.....	29,071	136,395	86,857	28,042	33,167	-	2,124	
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue.....	-	1,849,769	-	-	-	-	-	
FUND BALANCES:								
Nonspendable.....	-	-	-	-	-	-	-	
Restricted.....	4,011,225	68	99,960	294,102	62,812	98,420	569,739	
Unassigned.....	-	(32,569)	-	(3,667)	-	-	-	
TOTAL FUND BALANCES.....	4,011,225	(32,501)	99,960	290,435	62,812	98,420	569,739	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 4,040,296	\$ 1,953,663	\$ 186,817	\$ 318,477	\$ 95,979	\$ 98,420	\$ 571,863	

Special Revenue Funds

<u>Sale of Lots/Graves</u>		<u>Revenue Reserve</u>		<u>School Lunch</u>		<u>Parking Meters</u>		<u>UDAG Nova Biomedical</u>		<u>Vocational School Reserve</u>	
\$	1,448,562	\$	2,232,989	\$	1,053,645	\$	1,945,444	\$	24,364	\$	4,335
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
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\$	<u>1,448,562</u>	\$	<u>2,232,989</u>	\$	<u>1,053,645</u>	\$	<u>1,945,444</u>	\$	<u>24,364</u>	\$	<u>4,335</u>
\$	-	\$	18,503	\$	34,995	\$	6,438	\$	-	\$	6,728
	-		-		-		2,468		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
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	-		18,503		34,995		8,906		-		6,728
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	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	1,448,562		2,214,486		1,018,650		1,936,538		24,364		-
	-		-		-		-		-		(2,393)
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	1,448,562		2,214,486		1,018,650		1,936,538		24,364		(2,393)
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$	<u>1,448,562</u>	\$	<u>2,232,989</u>	\$	<u>1,053,645</u>	\$	<u>1,945,444</u>	\$	<u>24,364</u>	\$	<u>4,335</u>

(continued)

**CITY OF WALTHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	<i>Special Revenue Funds</i>					<i>Capital Projects</i>
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Waltham Housing	Sub-total	School Capital Projects
ASSETS						
Restricted Cash and Cash Equivalents.....	\$ 1,370,792	\$ 3,767,955	\$ -	\$ 1,616,412	\$ 18,581,884	\$ 500,244
Restricted Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and Other.....	-	-	347,854	-	347,854	-
Intergovernmental.....	-	-	-	-	201,581	-
Loans.....	-	-	-	-	1,946,548	-
TOTAL ASSETS.....	\$ 1,370,792	\$ 3,767,955	\$ 347,854	\$ 1,616,412	\$ 21,077,867	\$ 500,244
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Warrants Payable.....	\$ 14,907	\$ -	\$ -	\$ -	\$ 299,167	\$ -
Accrued Payroll.....	-	-	47,589	-	50,994	-
Due to Other Funds.....	-	-	398,557	-	495,680	-
Short-Term Notes Payable.....	-	-	-	-	-	341,000
TOTAL LIABILITIES.....	14,907	-	446,146	-	845,841	341,000
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue.....	-	-	347,854	-	2,197,623	-
FUND BALANCES:						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	1,355,885	3,767,955	-	1,616,412	18,519,178	159,244
Unassigned.....	-	-	(446,146)	-	(484,775)	-
TOTAL FUND BALANCES.....	1,355,885	3,767,955	(446,146)	1,616,412	18,034,403	159,244
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 1,370,792	\$ 3,767,955	\$ 347,854	\$ 1,616,412	\$ 21,077,867	\$ 500,244

<i>Capital Projects</i>		<i>Permanent Funds</i>				Total
Highway Projects	Sub-total	Cemetery Trust Funds	Other Permanent Funds	Sub-total		Nonmajor Governmental Funds
\$ -	\$ 500,244	\$ 267,928	\$ 147,739	\$ 415,667	\$	19,497,795
-	-	1,882,734	395,905	2,278,639		2,278,639
-	-	-	-	-		-
-	-	-	-	-		347,854
49,635	49,635	-	-	-		251,216
-	-	-	-	-		1,946,548
<u>49,635</u>	<u>549,879</u>	<u>2,150,662</u>	<u>\$ 543,644</u>	<u>\$ 2,694,306</u>	\$	<u>24,322,052</u>
-	\$ -	\$ -	\$ -	\$ -	\$	299,167
-	-	-	-	-		50,994
56,188	56,188	-	-	-		551,868
-	341,000	-	-	-		341,000
<u>56,188</u>	<u>397,188</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>1,243,029</u>
-	-	-	-	-		2,197,623
-	-	2,127,139	249,835	2,376,974		2,376,974
-	159,244	23,523	293,809	317,332		18,995,754
(6,553)	(6,553)	-	-	-		(491,328)
<u>(6,553)</u>	<u>152,691</u>	<u>2,150,662</u>	<u>543,644</u>	<u>2,694,306</u>		<u>20,881,400</u>
\$ <u>49,635</u>	\$ <u>549,879</u>	\$ <u>2,150,662</u>	\$ <u>543,644</u>	\$ <u>2,694,306</u>	\$	<u>24,322,052</u>

(concluded)

**CITY OF WALTHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2016**

	<i>Special Revenue Funds</i>						
	Other Special Revenue	City Federal Grants	School Federal Grants	City State Grants	School State Grants	Insurance Recovery	Gifts
REVENUES							
Charges for Services.....	\$ 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	72,104	1,072,486	2,621,115	559,197	248,404	-	-
Fines and Forfeitures.....	33,442	-	-	-	-	-	-
Departmental and Other.....	529,152	254,364	-	-	-	171,791	-
Contributions.....	543,860	-	-	10,000	-	-	92,711
Investment Income.....	-	1,890	-	59	-	-	156
TOTAL REVENUES.....	1,178,582	1,328,740	2,621,115	569,256	248,404	171,791	92,867
EXPENDITURES							
Current:							
General Government.....	490,514	-	-	24,837	-	22,535	3,321
Public Safety.....	-	89,856	-	393,103	-	3,152	18,841
Education.....	621	-	2,539,945	-	216,954	-	-
Public Works.....	-	-	-	1,221	-	35,601	-
Health and Human Services.....	80,310	-	-	60,253	-	-	32,742
Culture and Recreation.....	349,905	-	-	37,500	-	-	1,092
Community Development.....	-	1,242,604	-	-	-	-	115,997
TOTAL EXPENDITURES.....	921,350	1,332,460	2,539,945	516,914	216,954	61,288	171,993
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	257,232	(3,720)	81,170	52,342	31,450	110,503	(79,126)
OTHER FINANCING SOURCES (USES)							
Transfers In.....	-	-	-	-	-	-	-
Sale of Capital Assets.....	3,520,312	-	-	-	-	-	-
Transfers Out.....	(3,659,796)	-	-	-	-	(12,083)	-
TOTAL OTHER FINANCING SOURCES (USES).....	(139,484)	-	-	-	-	(12,083)	-
NET CHANGE IN FUND BALANCES.....	117,748	(3,720)	81,170	52,342	31,450	98,420	(79,126)
FUND BALANCES AT BEGINNING OF YEAR.....	3,893,477	(28,781)	18,790	238,093	31,362	-	648,865
FUND BALANCES AT END OF YEAR.....	\$ 4,011,225	\$ (32,501)	\$ 99,960	\$ 290,435	\$ 62,812	\$ 98,420	\$ 569,739

Special Revenue Funds

<u>Sale of Lots/Graves</u>	<u>Revenue Reserve</u>	<u>School Lunch</u>	<u>Parking Meters</u>	<u>UDAG Nova Biomedical</u>	<u>Vocational School Reserve</u>
\$ -	\$ 264,439	\$ 788,589	\$ -	\$ -	\$ -
-	2,320,524	1,651,361	-	-	-
-	-	-	49,690	-	-
73,050	478,582	-	507,345	-	44,941
-	115,170	-	-	-	-
-	226	182	-	38	-
<u>73,050</u>	<u>3,178,941</u>	<u>2,440,132</u>	<u>557,035</u>	<u>38</u>	<u>44,941</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	2,672,104	2,196,013	-	-	48,127
-	-	-	-	-	-
-	-	-	5,221	-	-
-	-	-	-	-	-
-	-	-	503,316	5,128	-
<u>-</u>	<u>2,672,104</u>	<u>2,196,013</u>	<u>508,537</u>	<u>5,128</u>	<u>48,127</u>
<u>73,050</u>	<u>506,837</u>	<u>244,119</u>	<u>48,498</u>	<u>(5,090)</u>	<u>(3,186)</u>
-	-	-	3,412	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,412</u>	<u>-</u>	<u>-</u>
<u>73,050</u>	<u>506,837</u>	<u>244,119</u>	<u>51,910</u>	<u>(5,090)</u>	<u>(3,186)</u>
<u>1,375,512</u>	<u>1,707,649</u>	<u>774,531</u>	<u>1,884,628</u>	<u>29,454</u>	<u>793</u>
<u>\$ 1,448,562</u>	<u>\$ 2,214,486</u>	<u>\$ 1,018,650</u>	<u>\$ 1,936,538</u>	<u>\$ 24,364</u>	<u>\$ (2,393)</u>

(continued)

**CITY OF WALTHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2016**

<i>Special Revenue Funds</i>					
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Waltham Housing	Sub-total
REVENUES					
Charges for Services.....	\$ -	\$ -	\$ 2,160,805	\$ -	\$ 3,213,857
Intergovernmental	751,955	-	-	-	9,297,146
Fines and Forfeitures.....	-	-	-	-	83,132
Departmental and Other.....	-	626,402	-	-	2,685,627
Contributions.....	-	-	-	-	761,741
Investment Income.....	1,568	3,768	-	2,757	10,644
TOTAL REVENUES.....	753,523	630,170	2,160,805	2,757	16,052,147
EXPENDITURES					
Current:					
General Government.....	-	-	-	-	541,207
Public Safety.....	477,192	-	2,266,776	-	3,248,920
Education.....	-	-	-	-	7,673,764
Public Works.....	-	-	-	-	36,822
Health and Human Services.....	-	-	-	-	178,526
Culture and Recreation.....	-	-	-	-	388,497
Community Development.....	-	10,087	-	4,609	1,881,741
TOTAL EXPENDITURES.....	477,192	10,087	2,266,776	4,609	13,949,477
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	276,331	620,083	(105,971)	(1,852)	2,102,670
OTHER FINANCING SOURCES (USES)					
Transfers In.....	-	34,246	-	-	37,658
Sale of Capital Assets.....	-	-	-	-	3,520,312
Transfers Out.....	-	-	-	-	(3,671,879)
TOTAL OTHER FINANCING SOURCES (USES).....	-	34,246	-	-	(113,909)
NET CHANGE IN FUND BALANCES.....	276,331	654,329	(105,971)	(1,852)	1,988,761
FUND BALANCES AT BEGINNING OF YEAR.....	1,079,554	3,113,626	(340,175)	1,618,264	16,045,642
FUND BALANCES AT END OF YEAR.....	\$ 1,355,885	\$ 3,767,955	\$ (446,146)	\$ 1,616,412	\$ 18,034,403

<i>Capital Projects</i>			<i>Permanent Funds</i>			Total
School Capital Projects	Highway Projects	Sub-total	Cemetery Trust Funds	Other Permanent Funds	Sub-total	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,213,857
-	2,307,729	2,307,729	-	-	-	11,604,875
-	-	-	-	-	-	83,132
-	-	-	-	-	-	2,685,627
-	-	-	28,150	-	28,150	789,891
-	-	-	132,004	27,817	159,821	170,465
-	2,307,729	2,307,729	160,154	27,817	187,971	18,547,847
-	-	-	-	1,609	1,609	542,816
-	-	-	-	-	-	3,248,920
68,042	-	68,042	-	-	-	7,741,806
-	1,475,007	1,475,007	10,808	-	10,808	1,522,637
-	-	-	-	-	-	178,526
-	-	-	-	725	725	389,222
-	-	-	-	-	-	1,881,741
68,042	1,475,007	1,543,049	10,808	2,334	13,142	15,505,668
(68,042)	832,722	764,680	149,346	25,483	174,829	3,042,179
-	-	-	-	-	-	37,658
-	-	-	-	-	-	3,520,312
-	-	-	-	-	-	(3,671,879)
-	-	-	-	-	-	(113,909)
(68,042)	832,722	764,680	149,346	25,483	174,829	2,928,270
227,286	(839,275)	(611,989)	2,001,316	518,161	2,519,477	17,953,130
\$ 159,244	\$ (6,553)	\$ 152,691	\$ 2,150,662	\$ 543,644	\$ 2,694,306	\$ 20,881,400

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CITY OF WALTHAM, MASSACHUSETTS
PRIVATE PURPOSE TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

Private Purposes 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, 2016**

	<u>Scholarship Trust Funds</u>
ASSETS	
Cash and Cash Equivalents.....	\$ 56,744
Investments:	
U.S. Treasuries and Agencies.....	2,903,772
Receivables, Net of Allowance for Uncollectibles:	
Loans.....	<u>90,050</u>
Total Assets.....	<u>3,050,566</u>
NET POSITION	
Restricted for Other Purposes.....	<u>\$ 3,050,566</u>

**CITY OF WALTHAM, MASSACHUSETTS
PRIVATE PURPOSE TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2016**

	<u>Scholarship Trust Funds</u>
ADDITIONS	
Contributions:	
Private Donations.....	\$ 122,641
Net Investment Income:	
Interest.....	<u>208,910</u>
TOTAL ADDITIONS.....	331,551
DEDUCTIONS	
Educational Scholarships & Awards.....	<u>149,806</u>
CHANGE IN NET POSITION.....	181,745
NET POSITION AT BEGINNING OF YEAR.....	<u>2,868,821</u>
NET POSITION AT END OF YEAR.....	\$ <u><u>3,050,566</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, 2016

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
ASSETS				
Cash and Cash Equivalents.....	\$ 790,503	\$ 1,533,504	\$ (1,376,249)	\$ 947,758
LIABILITIES				
Warrants Payable.....	5,850	10,200	(5,850)	10,200
Other Liabilities.....	8,027	4,041	(8,027)	4,041
Liabilities Due Depositors.....	776,626	1,214,016	(1,057,125)	933,517
TOTAL LIABILITIES.....	\$ 790,503	\$ 1,228,257	\$ (1,071,002)	\$ 947,758

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Statistical Section



Cedarwood 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 126 – 129)

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 130 – 132)

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

Debt Capacity (pages 133 – 135)

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 136 – 137)

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 138 – 140)

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets.....	\$ 151,715,584	\$ 167,046,725	\$ 166,859,105	\$ 169,360,245	\$ 169,551,297	\$ 167,006,050	\$ 165,312,712	\$ 164,015,843	\$ 168,907,226	\$ 171,191,593
Restricted.....	6,772,208	8,155,442	8,967,296	7,547,471	30,065,242	40,566,045	46,282,436	52,842,407	49,579,791	60,636,230
Unrestricted.....	<u>54,748,751</u>	<u>38,856,595</u>	<u>22,706,711</u>	<u>12,459,498</u>	<u>(10,932,512)</u>	<u>(35,115,909)</u>	<u>(49,699,586)</u>	<u>(67,714,757)</u>	<u>(214,483,584)</u>	<u>(238,015,782)</u>
Total Governmental Activities Net Position.....	<u>\$ 213,236,543</u>	<u>\$ 214,058,762</u>	<u>\$ 198,533,112</u>	<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>
Business-Type Activities										
Net Investment in Capital Assets.....	\$ 13,954,222	\$ 15,605,526	\$ 14,475,464	\$ 11,605,346	\$ 12,188,286	\$ 11,726,473	\$ 9,399,319	\$ 10,482,833	\$ 14,092,537	\$ 14,911,934
Unrestricted.....	<u>14,469,972</u>	<u>16,754,344</u>	<u>16,923,713</u>	<u>13,507,266</u>	<u>17,253,879</u>	<u>16,365,651</u>	<u>23,952,132</u>	<u>27,383,479</u>	<u>23,759,048</u>	<u>27,252,829</u>
Total Business-Type Activities Net Position.....	<u>\$ 28,424,194</u>	<u>\$ 32,359,870</u>	<u>\$ 31,399,177</u>	<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>
Primary Government										
Net Investment in Capital Assets.....	\$ 165,669,806	\$ 187,511,336	\$ 181,334,569	\$ 180,965,591	\$ 181,739,583	\$ 178,732,523	\$ 174,712,031	\$ 174,498,676	\$ 182,999,763	\$ 186,103,527
Restricted.....	6,772,208	8,155,442	8,967,296	7,547,471	30,065,242	40,566,045	46,282,436	52,842,407	49,579,791	60,636,230
Unrestricted.....	<u>69,218,723</u>	<u>50,751,854</u>	<u>39,630,424</u>	<u>25,966,764</u>	<u>6,321,367</u>	<u>(18,750,258)</u>	<u>(25,747,454)</u>	<u>(40,331,278)</u>	<u>(190,724,536)</u>	<u>(210,762,953)</u>
Total Primary Government Net Position.....	<u>\$ 241,660,737</u>	<u>\$ 246,418,632</u>	<u>\$ 229,932,289</u>	<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>

CITY OF WALTHAM, MASSACHUSETTS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Government.....	\$ 10,808,307	\$ 12,828,297	\$ 12,936,686	\$ 12,548,346	\$ 12,803,207	\$ 12,839,887	\$ 14,431,751	\$ 14,141,084	\$ 14,516,477	\$ 17,458,090
Public Safety.....	49,652,433	57,670,691	56,145,799	57,363,358	56,774,590	54,892,255	56,396,153	60,787,241	59,675,967	71,565,431
Education.....	95,343,997	109,656,513	113,953,264	112,799,898	117,168,957	125,803,368	127,632,730	133,882,547	127,306,510	134,376,754
Public Works.....	15,607,027	17,408,819	18,303,644	17,436,688	18,582,134	17,620,280	19,107,437	21,990,015	19,928,652	18,232,857
Community Development.....	4,922,180	5,796,409	5,810,281	5,034,910	5,463,838	3,921,262	4,332,865	4,198,865	4,399,974	4,562,345
Health and Human Services.....	2,373,030	2,717,555	2,696,784	2,818,957	2,817,765	4,043,942	6,327,318	6,532,446	4,022,919	4,435,418
Culture and Recreation.....	4,227,546	4,705,448	4,230,997	5,028,081	5,655,542	6,019,224	-	3,902,190	6,843,362	7,426,345
Interest.....	2,709,385	2,596,363	2,448,936	3,054,071	2,523,696	2,631,033	2,581,037	2,550,610	2,450,774	2,283,883
Total Government Activities Expenses.....	185,643,905	213,380,095	216,526,391	216,084,309	221,789,729	227,771,251	234,852,093	247,984,998	239,144,635	260,341,123
Business-Type Activities:										
Sewer.....	13,777,149	14,657,691	15,512,343	17,385,085	16,806,067	17,381,941	17,382,177	17,537,836	17,792,313	17,602,663
Water.....	10,217,450	10,077,596	11,198,348	11,129,805	11,431,049	11,796,251	11,995,289	12,161,194	12,623,659	13,000,651
Veterans Memorial Rink.....	347,630	419,504	434,579	384,013	402,304	397,385	457,608	503,830	563,324	556,318
Total Business-Type Activities Expenses.....	24,342,229	25,154,791	27,145,270	28,898,903	28,639,420	29,575,577	29,835,074	30,202,860	30,979,296	31,159,632
Total Primary Government Expenses.....	\$ 209,986,134	\$ 238,534,886	\$ 243,671,661	\$ 244,983,212	\$ 250,429,149	\$ 257,346,828	\$ 264,687,167	\$ 278,187,858	\$ 270,123,931	\$ 291,500,755
Program Revenues										
Governmental Activities:										
General Government Charges for Services.....	\$ 4,646,711	\$ 5,228,939	\$ 5,163,594	\$ 1,969,326	\$ 3,934,076	\$ 2,450,923	\$ 4,225,256	\$ 5,679,098	\$ 6,540,791	\$ 9,035,348
Public Safety Charges for Services.....	2,438,923	2,552,702	2,857,635	3,443,664	3,493,485	4,071,301	3,910,093	3,966,696	4,049,827	3,925,311
Education Charges for Services.....	2,834,459	2,961,479	3,700,154	3,908,483	4,567,355	1,434,279	1,217,100	1,442,388	1,486,402	1,696,229
Public Works Charges for Services.....	622,572	975,061	415,032	666,730	714,008	333,956	448,072	318,133	380,549	408,997
Other Charges for Services.....	1,510,571	1,674,251	1,723,028	1,721,146	1,678,380	1,757,353	2,105,916	1,821,190	2,004,880	1,452,619
Operating Grants and Contributions.....	30,656,882	31,048,318	33,649,763	33,503,809	37,611,357	33,232,551	33,044,593	36,885,652	28,018,652	34,465,615
Capital Grants and Contributions.....	6,498,738	24,884,028	1,915,581	2,246,744	(1,684,833)	(2,404,439)	2,820,119	1,955,479	1,786,940	2,030,654
Total Government Activities Program Revenues.....	49,208,856	69,324,778	49,424,787	47,459,902	50,313,828	40,875,924	47,771,149	52,068,636	44,268,041	53,014,773
Business-Type Activities:										
Sewer Charges for Services.....	13,764,259	16,311,578	14,557,425	14,029,718	18,222,159	15,854,586	19,582,834	19,389,533	19,615,814	19,481,088
Water Charges for Services.....	10,456,605	12,353,427	10,869,955	10,089,418	13,175,501	11,864,008	14,875,449	14,687,995	15,102,116	15,039,936
Veterans Memorial Rink Charges for Services.....	345,096	351,698	355,196	379,428	381,936	398,769	385,832	397,985	390,878	441,329
Operating Grants and Contributions.....	-	-	-	-	-	33,173	124,881	43,857	101,988	104,867
Capital Grants and Contributions.....	270,000	-	247,500	-	1,370,700	-	-	22,901	2,320,501	-
Total Business-Type Activities Program Revenues.....	24,835,960	29,016,703	26,030,076	24,498,564	33,150,296	28,150,536	34,968,996	34,542,271	37,531,297	35,067,220
Total Primary Government Program Revenues.....	\$ 74,044,816	\$ 98,341,481	\$ 75,454,863	\$ 71,958,466	\$ 83,464,124	\$ 69,026,460	\$ 82,740,145	\$ 86,610,907	\$ 81,799,338	\$ 88,081,993
Net (Expense)/Revenue										
Governmental Activities.....	\$ (136,435,049)	\$ (144,055,317)	\$ (167,101,604)	\$ (168,624,407)	\$ (171,475,901)	\$ (186,895,327)	\$ (187,080,944)	\$ (195,916,362)	\$ (194,876,594)	\$ (207,326,350)
Business-Type Activities.....	493,731	3,861,912	(1,115,194)	(4,400,339)	4,510,876	(1,425,041)	5,133,922	4,339,411	6,552,001	3,907,588
Total Primary Government Net Expense.....	\$ (135,941,318)	\$ (140,193,405)	\$ (168,216,798)	\$ (173,024,746)	\$ (166,965,025)	\$ (188,320,368)	\$ (181,947,022)	\$ (191,576,951)	\$ (188,324,593)	\$ (203,418,762)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Real Estate and Personal Property Taxes,										
Net of Tax Refunds Payable.....	\$ 115,203,646	\$ 117,562,447	\$ 128,225,929	\$ 137,055,385	\$ 144,687,551	\$ 147,941,835	\$ 153,272,077	\$ 159,052,033	\$ 161,059,057	\$ 165,603,012
Motor Vehicle and Other Excise Taxes.....	6,223,714	6,585,465	6,039,430	6,013,280	6,233,152	6,372,776	6,650,738	7,002,622	7,588,970	8,240,497
Hotel/Motel Tax.....	1,983,506	2,177,556	1,916,727	1,974,863	2,665,704	3,061,233	3,298,311	3,535,326	3,837,715	4,382,145
Community Preservation Tax.....	2,126,162	2,215,987	2,088,829	2,217,436	2,319,559	2,393,595	1,167,324	1,195,490	3,365,262	2,695,476
Meals Tax.....	-	-	-	-	862,461	1,128,180	702,090	705,407	1,278,394	1,451,906
Penalties and Interest on Taxes.....	449,572	449,873	440,482	510,939	481,134	518,982	54,812	43,151	687,747	722,464
Payments in Lieu of Taxes.....	33,200	9,600	45,834	33,586	46,350	53,905	2,475,978	2,535,235	58,763	46,849
Grants and Contributions Not Restricted to										
Specific Programs.....	13,152,486	13,611,256	11,841,812	9,319,430	8,357,186	9,147,352	8,835,809	9,064,858	9,557,090	9,745,521
Unrestricted Investment Income.....	3,359,616	2,265,352	976,911	388,780	277,404	124,628	135,838	181,321	491,842	2,055,791
Gain on Sale of Capital Assets.....	-	-	-	-	-	-	52,748	24,300	-	1,164,887
Transfers, Net.....	(59,052)	-	-	1,944,810	(116,154)	(75,000)	(125,405)	(175,450)	(184,205)	(405,590)
Total governmental activities.....	142,472,850	144,877,536	151,575,954	159,458,509	165,814,347	170,667,486	176,520,320	183,164,293	187,740,635	195,702,958
Business-Type Activities:										
Unrestricted Investment Income.....	73,489	73,764	154,501	58,584	40,938	-	-	-	-	-
Transfers, Net.....	59,052	-	-	(1,944,810)	116,154	75,000	125,405	175,450	184,205	405,590
Total Business-Type Activities.....	132,541	73,764	154,501	(1,886,226)	157,092	75,000	125,405	175,450	184,205	405,590
Total Primary Government.....	\$ 142,605,391	\$ 144,951,300	\$ 151,730,455	\$ 157,572,283	\$ 165,971,439	\$ 170,742,486	\$ 176,645,725	\$ 183,339,743	\$ 187,924,840	\$ 196,108,548
Changes in Net Position										
Governmental Activities.....	\$ 6,037,801	\$ 822,219	\$ (15,525,650)	\$ (9,165,898)	\$ (5,661,554)	\$ (16,227,841)	\$ (10,560,624)	\$ (12,752,069)	\$ (7,135,959)	\$ (11,623,392)
Business-Type Activities.....	626,272	3,935,676	(960,693)	(6,286,565)	4,667,968	(1,350,041)	5,259,327	4,514,861	6,736,206	4,313,178
Total Primary Government.....	\$ 6,664,073	\$ 4,757,895	\$ (16,486,343)	\$ (15,452,463)	\$ (993,586)	\$ (17,577,882)	\$ (5,301,297)	\$ (8,237,208)	\$ (399,753)	\$ (7,310,214)

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved.....	\$ 10,491,290	\$ 10,889,750	\$ 9,203,972	\$ 10,558,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	21,677,383	17,315,054	16,381,705	13,377,626	-	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	-	-	135,799	8,132,094	8,351,922	8,845,058	9,967,384
Committed.....	-	-	-	-	-	3,198,284	4,804,214	1,492,937	8,132,421	7,198,929
Assigned.....	-	-	-	-	6,852,796	850,771	1,677,650	4,378,117	9,145,765	3,675,694
Unassigned.....	-	-	-	-	18,459,773	30,818,389	29,196,820	34,984,665	26,208,145	27,363,382
Total General Fund.....	\$ <u>32,168,673</u>	\$ <u>28,204,804</u>	\$ <u>25,585,677</u>	\$ <u>23,935,712</u>	\$ <u>25,312,569</u>	\$ <u>35,003,243</u>	\$ <u>43,810,778</u>	\$ <u>49,207,641</u>	\$ <u>52,331,389</u>	\$ <u>48,205,389</u>
All Other Governmental Funds										
Reserved.....	\$ 1,697,219	\$ 1,719,969	\$ 1,751,907	\$ 1,770,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:										
Special Revenue Funds.....	22,165,402	24,975,115	24,272,725	23,780,763	-	-	-	-	-	-
Capital Projects Funds.....	(1,254,426)	6,907,731	349,087	(1,760,707)	-	-	-	-	-	-
Permanent Funds.....	318,782	353,057	340,878	332,261	-	-	-	-	-	-
Nonspendable.....	-	-	-	-	1,797,623	2,034,590	2,047,898	2,150,692	2,228,014	2,376,974
Restricted.....	-	-	-	-	28,267,619	32,807,347	38,252,137	37,642,538	39,592,873	45,888,506
Unassigned.....	-	-	-	-	(8,951,524)	(963,267)	(543,674)	(1,372,518)	(6,588,749)	(9,416,767)
Total All Other Governmental Funds.....	\$ <u>22,926,977</u>	\$ <u>33,955,872</u>	\$ <u>26,714,597</u>	\$ <u>24,122,523</u>	\$ <u>21,113,718</u>	\$ <u>33,878,670</u>	\$ <u>39,756,361</u>	\$ <u>38,420,712</u>	\$ <u>35,232,138</u>	\$ <u>38,848,713</u>

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**

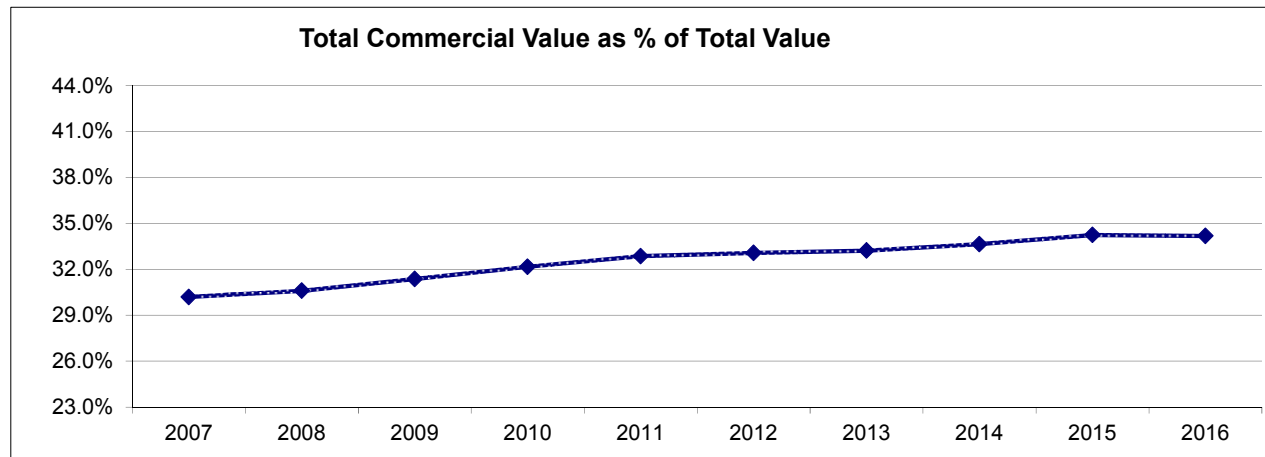
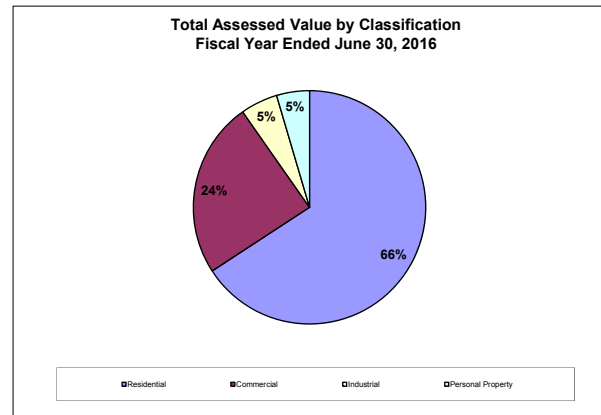
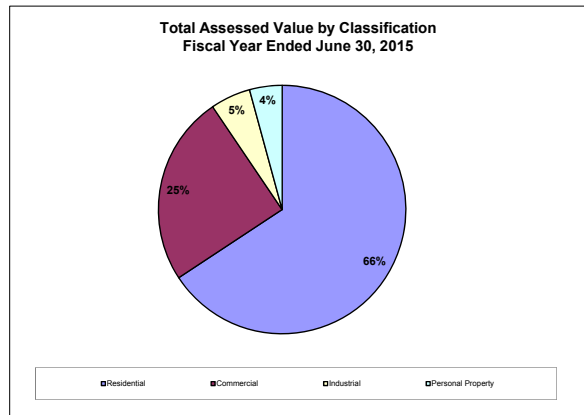
	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real Estate and Personal Property Taxes,										
Net of Tax Refunds.....	\$ 114,743,267	\$ 116,937,707	\$ 126,844,968	\$ 136,176,138	\$ 143,866,481	\$ 146,798,161	\$ 152,293,138	\$ 158,221,522	\$ 160,422,604	\$ 164,931,064
Tax Liens.....	271,339	249,893	509,178	685,462	760,070	645,263	1,203,258	1,010,349	1,143,807	674,676
Motor Vehicle and Other Excise Taxes.....	5,989,376	6,826,127	6,149,014	5,822,906	6,295,833	6,233,321	6,567,957	7,127,054	7,535,378	7,990,210
Community Preservation Tax.....	2,126,162	2,215,987	2,088,829	2,217,436	2,319,559	2,386,680	2,469,122	2,534,651	2,604,317	2,691,518
Hotel/Motel Tax.....	1,983,506	2,177,556	1,916,727	1,974,863	2,665,704	3,061,233	3,298,311	3,535,326	3,837,715	4,382,145
Meals Tax.....	-	-	-	-	862,461	1,128,180	1,167,324	1,195,490	1,278,394	1,451,906
Charges for Services.....	342,937	436,355	469,206	498,741	496,126	3,244,260	3,036,615	3,312,082	3,337,900	3,213,857
Penalties and Interest on Taxes.....	449,572	449,873	440,482	510,939	481,134	518,981	702,090	705,407	687,746	722,465
Fees and Rentals (A).....	501,438	536,719	450,611	2,032,365	2,036,252	-	-	-	-	-
Payment in Lieu of Taxes.....	33,200	9,600	45,834	33,586	46,350	53,905	54,812	43,151	58,763	46,849
Licenses and Permits.....	4,355,487	4,946,886	4,219,961	2,165,567	4,082,752	2,546,547	4,259,773	5,830,674	6,548,176	8,640,647
Fines and Forfeitures.....	544,149	585,032	640,202	1,045,306	900,391	845,065	828,483	752,024	629,143	664,299
Intergovernmental.....	72,937,451	70,472,597	43,890,085	43,542,464	43,814,540	44,625,132	43,539,794	45,280,990	29,750,004	45,432,282
Departmental and Other.....	2,157,758	2,307,716	3,085,503	1,215,368	1,427,206	3,245,342	3,666,098	3,510,429	4,376,307	4,048,454
Special Assessments.....	118,998	106,883	98,438	282,434	150,294	124,392	130,820	96,635	88,261	66,861
Contributions.....	155,691	260,074	281,259	314,517	667,361	689,869	652,141	637,428	1,148,063	789,891
Investment Income.....	2,921,715	1,979,159	889,116	350,319	244,587	228,116	132,533	324,485	575,822	2,232,256
Miscellaneous (B).....	2,448,795	3,073,317	2,127,933	2,222,469	2,479,952	-	-	-	-	-
Total Revenue.....	212,080,841	213,573,481	194,147,346	201,090,880	213,597,053	216,374,447	224,002,269	234,117,697	224,022,400	247,979,380
Expenditures:										
General Government.....	8,414,315	8,806,897	9,409,274	9,082,529	9,929,386	8,722,040	9,202,807	11,733,712	11,290,176	11,933,370
Public Safety.....	30,092,856	30,177,858	30,867,119	31,106,507	33,719,409	32,018,623	32,623,739	35,972,040	34,350,115	43,217,251
Education.....	73,644,435	75,244,100	81,547,267	81,477,625	84,383,623	76,313,058	73,395,683	79,102,762	82,125,372	96,940,045
Public Works.....	10,393,362	11,582,087	11,424,619	11,414,663	14,344,728	12,889,605	13,786,096	16,951,921	19,472,720	17,566,377
Community Development.....	3,452,090	5,186,866	5,996,538	4,177,061	5,742,353	3,345,993	4,617,505	4,069,878	6,612,450	3,889,074
Health and Human Services.....	1,571,631	1,569,112	1,591,448	1,751,057	1,747,913	1,982,168	1,900,486	1,872,328	1,749,666	2,025,346
Culture and Recreation.....	2,856,531	3,050,634	3,211,970	3,149,481	3,553,233	3,879,349	5,326,138	4,625,983	4,602,862	5,793,517
Pension Benefits.....	10,556,442	12,081,677	12,282,098	12,747,613	13,152,472	29,490,180	30,328,370	31,040,342	14,577,088	15,168,439
Employee Benefits.....	28,246,033	33,074,839	32,072,199	34,768,726	37,191,542	35,823,260	35,055,370	37,367,643	37,023,287	43,488,817
Claims and Judgments.....	-	-	-	-	-	-	-	-	193,000	-
State and County Charges.....	1,419,642	1,438,294	1,556,523	1,507,037	1,560,299	1,524,202	1,597,185	1,763,919	1,708,001	1,833,755
Capital Outlay.....	10,815,801	46,058,616	11,598,644	5,348,663	-	-	-	-	-	-
Debt Service.....	-	-	-	-	-	-	-	-	-	-
Principal.....	5,520,000	5,270,000	5,115,000	7,556,538	7,128,638	6,623,638	9,346,738	7,745,398	7,634,498	7,425,238
Interest.....	3,000,128	2,638,497	2,901,122	3,225,848	2,885,832	2,542,952	2,772,464	2,603,692	2,669,154	2,481,308
Total Expenditures.....	189,983,266	236,179,477	209,573,821	207,313,348	215,339,428	215,155,068	219,952,581	234,849,618	224,008,389	251,762,537
Excess of Revenues Over (Under) Expenditures.....	22,097,575	(22,605,996)	(15,426,475)	(6,222,468)	(1,742,375)	1,219,379	4,049,688	(731,921)	14,011	(3,783,157)
Other Financing Sources (Uses)										
Issuance of Bonds and Notes.....	18,470,000	29,633,658	5,040,000	-	-	13,638,500	8,603,460	4,567,760	-	-
Premium from Issuance of Bonds and Notes.....	619,952	37,364	526,073	35,619	226,581	1,413,931	362,232	376,525	105,368	159,010
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
Transfers In.....	1,700,597	1,903,390	2,864,687	5,317,960	248,365	252,236	88,406	162,666	1,588,958	3,709,537
Transfers Out.....	(1,759,649)	(1,903,390)	(2,864,687)	(3,373,150)	(364,519)	(327,236)	(213,811)	(338,116)	(1,773,163)	(4,115,127)
Total Other Financing Sources (Uses).....	19,030,900	29,671,022	5,566,073	1,980,429	110,427	14,977,431	10,635,538	4,793,135	(78,837)	3,273,732
Net Change in Fund Balance.....	\$ 41,128,475	\$ 7,065,026	\$ (9,860,402)	\$ (4,242,039)	\$ (1,631,948)	\$ 16,196,810	\$ 14,685,226	\$ 4,061,214	\$ (64,826)	\$ (509,425)
Debt Service as a Percentage of Noncapital Expenditures.....	4.76%	4.22%	4.11%	5.43%	4.85%	5.73%	5.71%	4.64%	4.92%	4.12%

(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 PROPREY
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
2007	(1)	\$6,313,415,259	\$9.97	\$1,904,693,049	\$556,350,782	\$268,794,020	\$ 2,729,837,851	\$22.97	\$13.89	\$9,043,253,110
2008		\$6,252,981,375	\$10.55	\$1,976,938,538	\$522,963,697	\$256,840,580	\$ 2,756,742,815	\$23.21	\$14.42	\$9,009,724,190
2009		\$6,122,890,011	\$11.30	\$2,008,953,904	\$526,041,471	\$263,231,090	\$ 2,798,226,465	\$25.31	\$15.69	\$8,921,116,476
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



(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.

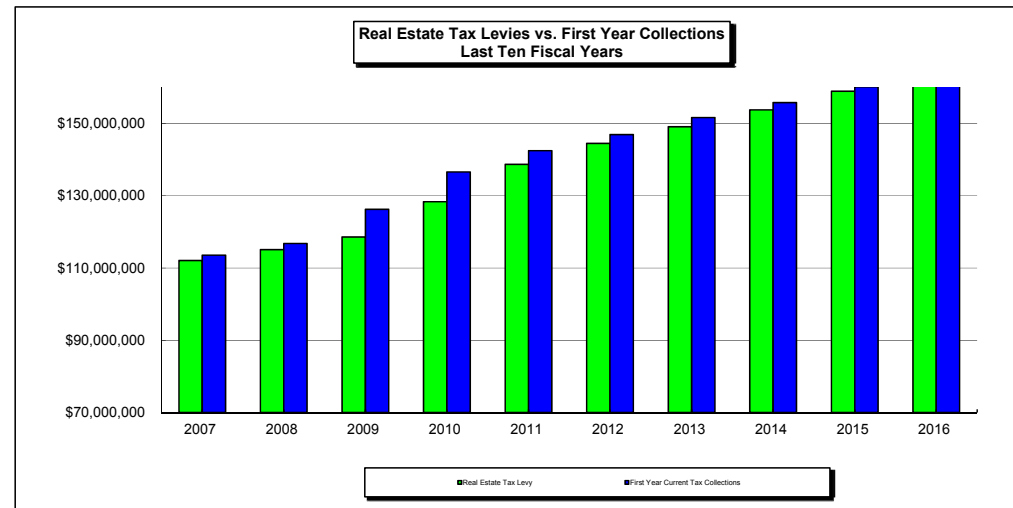
**CITY OF WALTHAM, MASSACHUSETTS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Name	Nature of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
BCCC Property LLC	Office Building	\$152,632,580	1	2.68%	\$167,254,500	1	3.31%
NSTAR	Utility	\$121,003,520	2	2.13%	\$66,337,790	6	1.31%
Astra	Office Building	\$105,227,130	3	1.85%	\$78,101,960	2	1.55%
BP Reservoir Place, LLC	Office Building	\$80,205,230	4	1.41%	\$75,967,560	3	1.50%
DMP RE II LLC	Office Building	\$71,248,000	5	1.25%			
PD Winter Street Trust	Office Building	\$69,816,500	6	1.23%			
Windsor Village	Apartments	\$68,198,960	7	0.50%	\$68,254,708	5	0.59%
Verizon New England	Utility	\$67,947,640	8	1.20%			
Intercontinental Fund	Office	\$64,574,300	9	1.14%			
10-52 Second Avenue	Office	\$63,262,600	10	1.11%			
Gardencrest Apts	Apartments				\$65,980,600	7	0.57%
ASN-MA Holdings, Inc	Apartments				\$64,579,500	8	0.55%
404 Wyman St.	Office Building				\$60,346,800	10	1.19%
MMS Lost & MMS Winter St LLC	Office Building				\$68,265,280	4	1.35%
ECD Property LLC	Manufacturing				\$61,434,100	9	1.22%
Totals		\$864,116,460		14.50%	\$776,522,798		13.14%

Source: Assessor's Department, City of Waltham

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

Fiscal Year		Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections
2007	(1)	\$ 115,760,050	\$ 650,404	\$ 115,109,646	99.44%	\$ 113,547,290	98.64%	\$ 1,190,823	\$ 114,738,113
2008		\$ 119,538,305	\$ 918,871	\$ 118,619,434	99.23%	\$ 116,826,578	98.49%	\$ 890,609	\$ 117,717,187
2009		\$ 129,065,767	\$ 674,763	\$ 128,391,004	99.48%	\$ 126,252,280	98.33%	\$ 1,432,313	\$ 127,684,593
2010	(1)	\$ 139,964,888	\$ 1,264,748	\$ 138,700,140	99.10%	\$ 136,591,479	98.48%	\$ 264,574	\$ 136,856,053
2011		\$ 145,976,141	\$ 1,467,306	\$ 144,508,835	98.99%	\$ 142,459,955	98.58%	\$ 1,458,173	\$ 143,918,129
2012		\$ 150,870,993	\$ 1,728,254	\$ 149,142,739	98.85%	\$ 146,918,672	98.51%	\$ 1,353,980	\$ 148,272,652
2013	(1)	\$ 154,887,838	\$ 1,098,748	\$ 153,789,090	99.29%	\$ 151,681,456	98.63%	\$ 1,948,314	\$ 153,629,770
2014		\$ 158,922,344	\$ 1,454,831	\$ 157,467,513	99.08%	\$ 155,789,875	98.93%	\$ 2,058,441	\$ 157,848,316
2015		\$ 163,000,697	\$ 1,221,598	\$ 161,779,099	99.25%	\$ 160,147,707	98.99%	\$ 2,065,561	\$ 162,213,268
2016	(1)	\$ 167,901,732	\$ 951,026	\$ 166,950,706	99.43%	\$ 165,282,149	99.00%	\$ 1,183,650	\$ 166,465,799



(1) Revaluation year.
Source: Assessor's Department City of Waltham

**CITY OF WALTHAM, MASSACHUSETTS
RATIOS OF OUTSTANDING DEBT AND GENERAL BONDED DEBT
LAST TEN FISCAL YEARS**

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2007	59,352	\$1,760,786,000	\$9,043,253,110	\$58,110,000	\$0	\$979	3.30%	0.64%
2008	60,325	\$1,819,410,000	\$9,009,724,190	\$82,473,658	\$0	\$1,367	4.53%	0.92%
2009	60,236	\$1,819,410,000	\$8,921,116,476	\$82,398,658	\$0	\$1,368	4.53%	0.92%
2010	60,605	\$1,819,410,000	\$8,542,640,122	\$74,842,120	\$0	\$1,235	4.11%	0.88%
2011	60,605	\$1,819,410,000	\$8,392,975,774	\$67,718,482	\$0	\$1,117	3.72%	0.81%
2012	60,632	\$1,819,410,000	\$8,442,780,234	\$74,728,344	\$0	\$1,232	4.11%	0.89%
2013	60,632	\$1,650,776,000	\$8,532,290,474	\$75,600,266	\$0	\$1,247	4.58%	0.89%
2014	60,632	\$1,823,593,000	\$8,698,186,074	\$72,689,629	\$0	\$1,199	3.99%	0.84%
2015	60,632	\$1,904,528,000	\$8,972,309,630	\$66,032,614	\$0	\$1,089	3.47%	0.74%
2016	63,378	\$2,228,433,858	\$9,946,294,086	\$58,480,367	\$0	\$923	2.62%	0.59%

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
2007	\$10,717,569	\$0	\$68,827,569	\$1,160	3.91%	0.76%
2008	\$11,719,771	\$0	\$94,193,429	\$1,561	5.18%	1.05%
2009	\$13,540,855	\$0	\$95,939,513	\$1,593	5.27%	1.08%
2010	\$12,517,344	\$0	\$87,359,464	\$1,441	4.80%	1.02%
2011	\$14,511,230	\$0	\$82,229,712	\$1,357	4.52%	0.98%
2012	\$22,114,746	\$0	\$96,843,090	\$1,597	5.32%	1.15%
2013	\$24,665,033	\$0	\$100,265,299	\$1,654	6.07%	1.18%
2014	\$22,519,950	\$0	\$95,209,579	\$1,570	5.22%	1.09%
2015	\$22,718,219	\$0	\$88,750,833	\$1,464	4.66%	0.99%
2016	\$20,344,280	\$0	\$78,824,647	\$1,244	3.54%	0.79%

(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, 2016**

<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.....	\$ 2,101,091,000	3.813%	\$ 80,114,600	\$ 3,804,104
MWRA Sewer.....	3,797,261,000	2.812%	106,778,979	4,474,995
MBTA.....	5,634,750,025	0.818%	<u>46,092,255</u>	<u>1,345,802</u>
SubTotal.....			232,985,834	<u>\$ 9,624,901</u>
City Direct Debt.....			<u>58,480,367</u>	
Total Direct and Overlapping Debt.....			<u>\$ 291,466,201</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Equalized Valuation.....	\$ 9,264,421,800	\$ 9,009,724,190	\$ 8,921,116,476	\$ 8,542,640,122	\$ 9,212,986,100	\$ 9,279,182,000	\$ 9,729,182,000	\$ 9,539,477,600	\$ 9,539,477,600	\$ 9,539,477,600
Debt Limit -5% of Equalized Valuation.....	463,221,090	450,486,210	446,055,824	427,132,006	460,649,305	463,959,100	486,459,100	476,973,880	476,973,880	476,973,880
Less:										
Outstanding Debt Applicable to Limit.....	66,632,569	73,510,840	92,277,513	83,760,995	77,849,194	89,831,227	91,143,839	86,351,769	78,707,154	\$69,755,692
Authorized and Unissued Debt.....	70,903,551	39,822,677	16,099,973	29,314,022	30,413,485	14,962,927	16,953,434	17,742,434	25,835,956	14,983,746
Legal Debt Margin.....	<u>\$ 325,684,970</u>	<u>\$ 337,152,693</u>	<u>\$ 337,678,338</u>	<u>\$ 314,056,989</u>	<u>\$ 352,386,626</u>	<u>\$ 359,164,946</u>	<u>\$ 378,361,827</u>	<u>\$ 372,879,677</u>	<u>\$ 372,430,770</u>	<u>\$ 392,234,442</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit.....	29.69%	25.16%	24.30%	26.47%	23.50%	22.59%	22.22%	21.82%	21.92%	17.77%

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	2016		2006	
		Employees	Rank	Employees	Rank
Bentley University	Higher Education	1,000-4,999	1		
Children's Hospital	Medical	1,000-4,999	2	800	3
Fresenius Medical Care	Pharmaceuticals	1,000-4,999	3		
National Grid	Utility	1,000-4,999	4		
Automatic Data Processing	Financial Services	500-999	5		
AM-FM Cleaning Corporation	Janitorial Contracting	500-999	6	600	6
Constant Contact	Software	500-999	7		
Education Development Ctr	Educational Software	500-999	8		
Jfc Home Health Agency	Home Health Services	500-999	9		
Multi Plan Inc	Health Insurance	500-999	10		
Nova Biomedical Corporation	BioTech Research	500-999		600	7
Brandeis University	Higher Education			1,512	1
Tufts Health Plan	Health Care			1,500	2
Bank of America	Financial Services			660	4
Keyspan	Utility			650	5
Raytheon	Electronics			587	8
Verizon	Communications			520	9
Parexel International Corporation	R&D Consultant			500	10

Source: Massachusetts Department of Employment and Training

Source: Exec Office Labor & Workforce Development (EOLWD) 2016 Largest Employers

**CITY OF WALTHAM, MASSACHUSETTS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2007	59,352	1,760,786,000	\$29,667	34.2	4,836	3.6%
2008	60,325	1,819,410,000	\$30,160	34.2	4,725	4.2%
2009	60,236	1,819,410,000	\$30,205	34.2	4,751	6.8%
2010	60,605	1,819,410,000	\$30,021	34.2	4,763	6.7%
2011	60,605	1,819,410,000	\$30,021	34.2	4,796	5.7%
2012	60,632	1,819,410,000	\$30,007	34.2	4,997	5.2%
2013	60,632	1,650,776,000	\$27,226	33.9	5,183	5.0%
2014	61,918	1,823,593,000	\$29,452	33.9	5,271	5.0%
2015	62,227	1,904,528,000	\$30,606	34.0	5,281	3.6%
2016	63,378	2,228,433,858	\$35,161	34.2	5,380	2.9%

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

Median age is based on most recent census data

2007 to 2016 population/personal income obtained from the Division of Local Services

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function:										
General Government.....	107	107	106	102	96	93	94	94	99	99
Public Safety.....	369	370	359	358	355	350	354	355	376	380
Education.....	913	906	918	911	927	932	896	904	930	941
Consolidated Public Works.....	71	71	67	63	60	61	61	61	62	64
Community Development.....	28	30	27	26	25	23	22	22	22	24
Health and Human Services.....	20	20	19	18	18	16	15	16	17	17
Culture and Recreation.....	25	26	25	24	25	26	37	38	56	59
Water/Sewer.....	32	32	27	27	27	28	28	28	33	33
Total	<u>1,565</u>	<u>1,562</u>	<u>1,548</u>	<u>1,529</u>	<u>1,533</u>	<u>1,529</u>	<u>1,507</u>	<u>1,518</u>	<u>1,595</u>	<u>1,617</u>

Source: City records.

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Cash flow (millions).....	500	520	540	550	580	600	620	640	660	680
Accounts payable invoices processed.....	37,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Payroll checks processed.....	73,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	73,000	73,500
Police										
Arrests.....	1,137	1,194	1,006	1,181	1,097	1,049	928	912	800	828
Traffic citations.....	14,569	13,914	11,140	10,363	11,260	8,067	8,698	7,243	6,000	11,750
Parking violations.....	5,181	4,939	5,150	5,247	4,546	4,947	3,837	3,500	2,800	3,538
Service calls.....	34,494	34,694	35,000	35,000	35,000	35,000	35,000	35,000	35,500	36,000
Major investigations.....	1,721	1,826	1,880	1,880	1,607	1,607	1,495	1,450	1,850	1,750
Fire										
Inspections - schools/nursing homes/hospitals.....	100	100	100	100	100	100	100	100	110	110
Inspections - commercial/industrial.....	525	520	550	550	550	550	550	550	550	600
Emergency responses - box alarms.....	1,200	1,200	1,200	1,360	1,800	1,900	1,900	1,900	2,000	2,000
Emergency responses - still alarms.....	5,650	5,500	6,000	5,990	6,500	6,300	6,300	6,600	6,700	6,500
Emergency responses - false alarms.....	160	170	190	150	200	150	150	150	150	170
Water										
Consumption in gallons (billions/year).....	3	3	3	2.8	2.8	3	3	2.4	2.5	3.1
Leak detection (miles).....	151	165	165	165	165	165	150	340	256	340
Service repairs.....	225	150	155	91	100	100	115	121	107	140
Sewer										
Service repairs.....	45	43	40	26	30	29	29	54	40	38
Stoppages - mains.....	150	125	100	79	72	92	124	120	159	69
Stoppages - services.....	275	249	300	238	175	253	281	270	343	222
Health and Human Services										
Permits - public health.....	760	746	885	853	850	831	780	772	920	957
Senior citizen programs.....	26	26	26	26	26	26	26	27	29	29
Senior citizen programs - participants.....	2,500	2,351	2,200	2,613	2,615	2,650	2,822	2,653	2,735	2,863
Recreation activities.....	230	195	200	220	230	230	227	230	325	325
Recreation activities - participants.....	15,050	13,000	14,000	13,982	14,225	19,670	26,249	27,275	22,050	24,942
Veterans cases.....	850	950	1,050	1,050	1,050	1,065	1,065	1,080	1,080	2,000
Cemetery burials.....	215	168	100	200	200	210	200	210	214	215
Libraries										
Items circulated.....	640,000	578,192	575,000	527,956	507,500	513,041	463,251	425,000	424,500	430,000
Registered borrowers.....	32,500	30,268	32,000	28,991	28,900	28,223	27,418	27,000	27,500	27,500

Source: Various City Departments

**CITY OF WALTHAM, MASSACHUSETTS
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Number of Buildings.....	59	59	59	59	59	59	59	59	59	58
Police										
Number of Stations.....	3	3	3	3	3	3	3	3	3	3
Fire										
Number of Stations.....	6	6	6	6	6	6	6	6	6	6
Education										
Number of elementary schools.....	7	6	6	6	6	6	6	6	6	6
Number of middle schools.....	2	2	2	2	2	2	2	2	2	2
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	159	159	159	159	159	159	159	159	159	159
Fire hydrants.....	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
Sanitary sewers (miles).....	160	160	160	160	160	160	160	160	160	160
Storm sewers (miles).....	121	121	121	121	121	121	121	121	121	121
Culture and Recreation										
Parks and playgrounds.....	13	13	13	13	13	13	13	13	13	13
Fields (baseball).....	11	11	11	11	11	11	11	11	11	11
Fields (softball).....	7	7	7	7	7	7	7	7	7	7
Fields (soccer/multi-purpose).....	8	8	8	8	8	8	8	8	8	8
Wading pools/spray parks.....	5	5	5	5	5	5	5	5	5	5
Basketball courts.....	18	18	18	18	18	18	18	18	18	18
Tennis courts.....	9	9	9	9	9	9	9	9	9	9

Source: Various City Departments