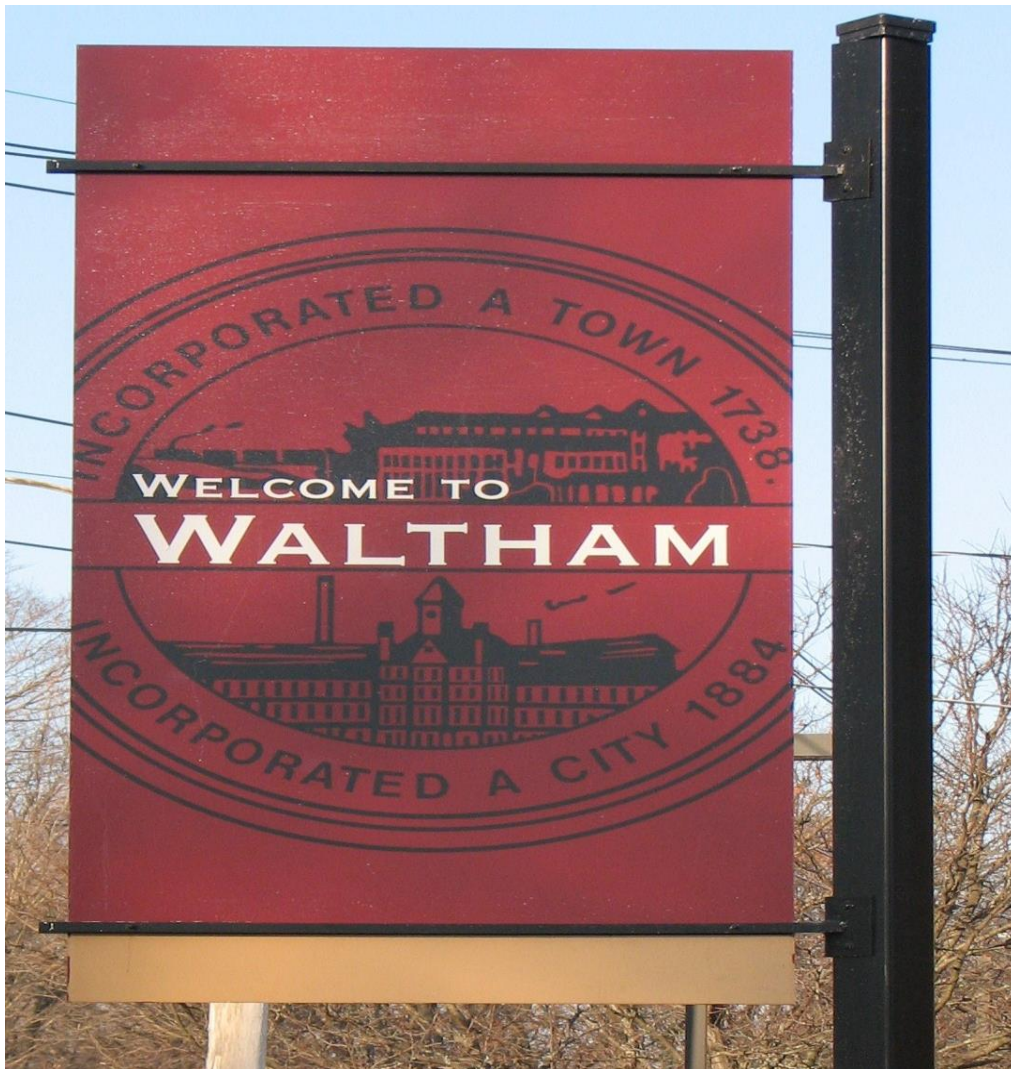


City of Waltham, Massachusetts

COMPREHENSIVE ANNUAL FINANCIAL REPORT

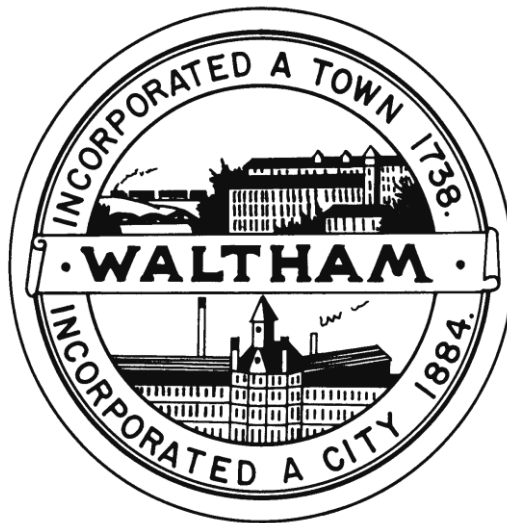
For the Fiscal Year Ended June 30, 2014



CITY OF WALTHAM, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014



Prepared by:

City Auditor's Office

CITY OF WALTHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

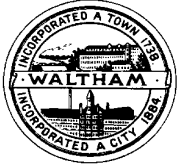
	Page
Introductory Section.....	1
Letter of Transmittal.....	2
Organizational Chart.....	7
Principal City Officials.....	8
Certificate of Achievement.....	9
Financial Section	10
Independent Auditors' Report.....	11
Management's Discussion and Analysis	14
Basic Financial Statements.....	25
Statement of Net Position	26
Statement of Activities	27
Governmental Funds – Balance Sheet.....	29
Reconciliation of the Governmental Funds Total Fund Balances to the Statement of Net Position	32
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds – Statement of Fund Net Position.....	36
Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Position	37
Proprietary Funds – Statement of Cash Flows.....	38
Fiduciary Funds – Statement of Fiduciary Net Position.....	39
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	40
Notes to Basic Financial Statements	41
Required Supplementary Information.....	76
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	77
Community Preservation Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	91
Pension Plan Schedules.....	93
Schedules of Funding Progress (System).....	93
Schedule of Employer Contributions (System).....	93
City Share of System ARC	93

Other Postemployment Benefits Schedules	94
Schedules of Funding Progress	94
Notes to Required Supplementary Information	95
Combining Statements	96
Nonmajor Governmental Funds	97
Narrative	97
Combining Balance Sheet	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103
Private Purpose Trust Funds	108
Narrative	108
Combining Statement of Fiduciary Net Position	109
Combining Statement of Changes in Fiduciary Net Position	110
Agency Funds	111
Narrative	111
Statement of Changes in Assets and Liabilities	112
Statistical Section	114
Table of Contents	115
Net Position by Component	116
Changes in Net Position	117
Fund Balances – Governmental Funds	119
Changes in Fund Balances – Governmental Funds	120
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates	121
Principal Taxpayers	122
Property Tax Levies and Collections	123
Ratios of Outstanding Debt and General Bonded Debt	124
Direct and Overlapping Governmental Activities Debt	125
Computation of Legal Debt Margin	126
Principal Employers (excluding City)	127
Demographic and Economic Statistics	128
Full-time Equivalent City Employees by Function	129
Operating Indicators by Function/Program	130
Capital Asset Statistics by Function/Program	131

Introductory Section



Veterans Circle of Remembrance



Paul G. Centofanti
City Auditor

CITY OF WALTHAM

Commonwealth of Massachusetts

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

Letter of Transmittal

January 29, 2015

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, 2014 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, 2014 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 was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2014 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, the affairs of the City are generally administered by a Mayor, who is elected for a four-year term on an at-large basis. As chief executive officer, the Mayor appoints, subject to approval by the City Council, all the other principal executive officers of the City other than the City Clerk. The Mayor is responsible for the administration of the fiscal and other affairs of the City with the exception of local school affairs which are administered by the School Committee.

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

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

The City provides general governmental services for the territory within its boundaries, including police and fire protection, 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, provision is made for preparation of a budget by the Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Water and sewer department expenditures are included in the budgets adopted by City Council.

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

Factors Affecting Economic Condition

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

The City is a mature industrial-residential community with significant industrial activity, a good part of which is in the communications, technology 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 2014, the combined assessed value of these properties represented 33.7% of the total City value. The residential values demonstrate the desirability of the City. The City's proximity to Boston and major highways, its quality of life, and dedication to public education underlies the community's popular reputation.

Quarterly tax billings and excellent collection rates have eliminated the need to borrow on a short term basis to maintain 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 slightly improving. It is anticipated that state aid will see modest 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 \$98.4 million in long and short-term debt. The long-term indebtedness consists of \$94.9 million of general obligation bonds; of which \$22.5 million is self-supporting through enterprise fund revenues and \$3.5 million of bond anticipation notes are expected to be renewed in June 2015. Under the school building assistance program, the City was eligible for a state grant representing 90% reimbursement of approved costs incurred in the building of eight new school facilities. The City received \$124.8 million of such assistance based on reimbursement of eligible construction costs. \$24.7 million was received in fiscal year 2005, \$44.4 million in fiscal year 2006, \$29.8 million in fiscal year 2007, \$24.6 million in fiscal year 2008 and the final payment of \$1.3 million was received in fiscal year 2010. The City has outstanding bonds that provided the remainder of the cost.

The City has authorized and unissued debt for school facilities, water/sewer infrastructure improvements, departmental equipment, land acquisition/development and other various projects totaling \$19.6 million as of June 30, 2014. The authorized and unissued debt includes \$8.0 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, 2013, the latest actuarial valuation date, the System had succeeded in funding 51% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over the remaining 22 years (as of January 1, 2013) 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 1,225 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, 2014, with a reported liability of \$601 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 \$8.4 million as of June 30, 2014.

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, 2013. This was the tenth 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.

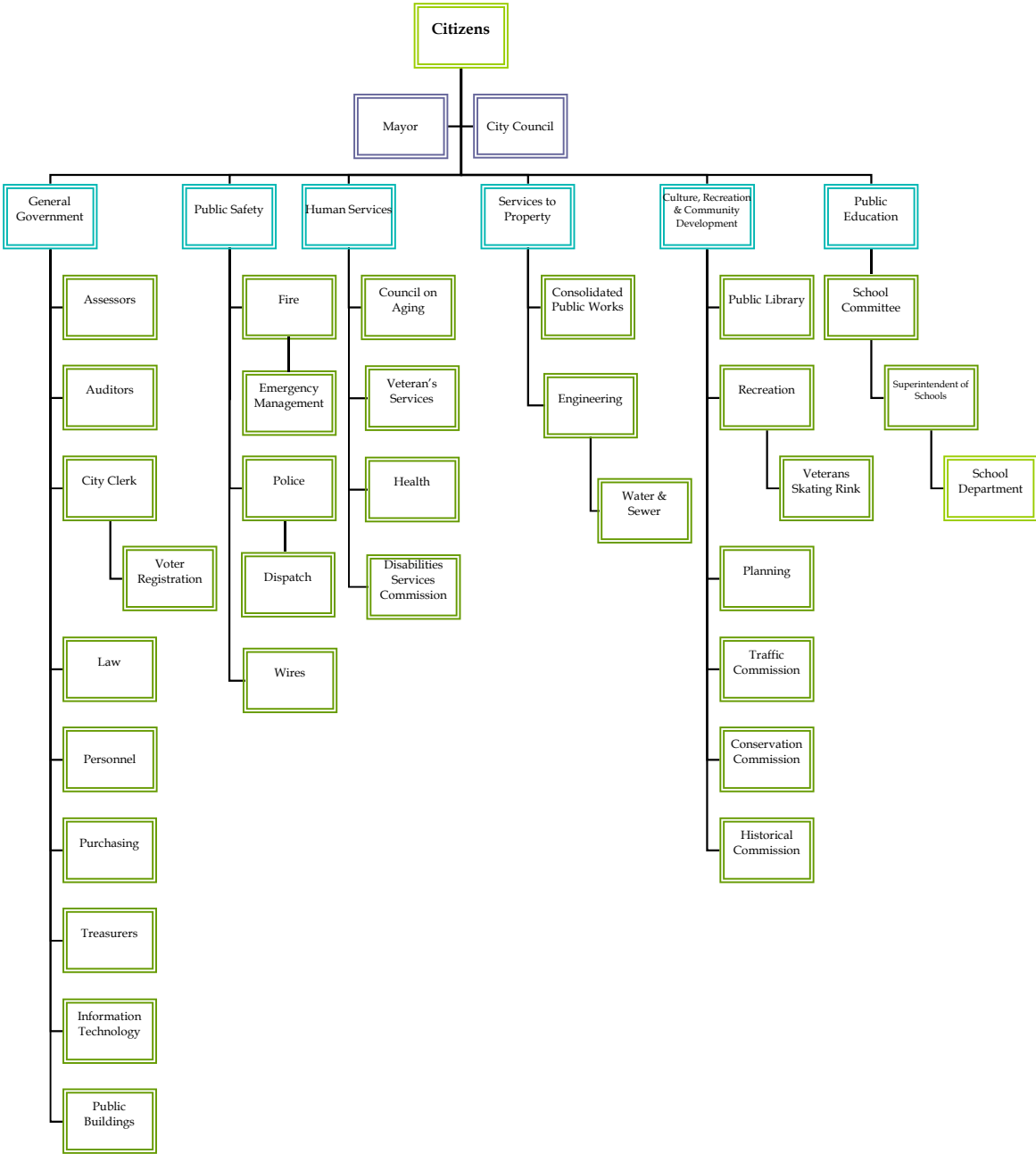
The preparation of this report would not have been possible without the dedication and commitment to excellence of the staff of the Auditing Department. We would like to express our appreciation to the members of all the departments who assisted and contributed to the preparation of this report. We would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

A handwritten signature in black ink, appearing to read "Paul G. Centofanti". The signature is fluid and cursive, with the first name "Paul" being the most prominent.

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

Councilors-at-Large

Paul J. Brasco

Joseph Vizard

Diane P. LeBlanc

Patrick J. O'Brien

Kathleen B. McMenimen

Thomas M. Stanley

Ward Councilors

Daniel P. Romard

William H. Fowler

George A. Darcy III

John J. McLaughlin

Gary J. Marchese, Council Vice President

Robert J. Waddick, Council President

Joseph M. Giordano Jr.

Stephen F. Rourke

Robert G. Logan

SCHOOL COMMITTEE

Jeannette A. McCarthy, Mayor, Chairperson

Kathleen Dowcett

John A. Frassica, II

Margaret Donnelly

John B. Graceffa, Vice Chairperson

Stephen Rando, Jr.

Edmund Tarallo

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, 2013

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive style.

Executive Director/CEO

Financial Section



Independent Auditors' Report

To the Honorable City Council and Mayor
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, 2014 (except for the Waltham Contributory Retirement System, which is as of and for the fiscal year ended December 31, 2013), 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, 2014 (except for the Waltham Contributory Retirement System, which is as of and for the fiscal year ended December 31, 2013), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 14 through 24) and general fund and community preservation fund budgetary comparisons and certain pension and other postemployment benefits information (located on pages 76 through 95) 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

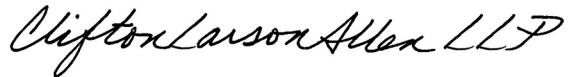
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waltham, Massachusetts' basic financial statements. The introductory section, combining statements, and statistical section are presented for purposes of additional analysis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

The combining 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 29, 2015, 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

January 29, 2015
Boston, Massachusetts

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, 2014.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$187,009,805 (net position). The City's governmental activities had negative unrestricted net position totaling (\$67,714,757) and \$27,383,479 in unrestricted net position for its business-type activities.
- The City's total net position decreased \$8,237,208.
- As of the close the fiscal year, the City's governmental funds reported combined ending fund balances totaling \$87,628,353, an increase of \$4,061,214 in comparison with the prior year. \$33,612,147 represents unassigned fund balance.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$34,984,665, or 16.6 percent of total general fund expenditures and transfers out.
- The City's total bonded debt decreased by \$5,322,721 (5.6%) during the fiscal year; \$5,082,218 of new debt was issued.

Overview of the Basic Financial Statements

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

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

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

Government-wide financial statements

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

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

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

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

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

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

Fund financial statements

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

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

Governmental Funds

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

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

The City maintains 24 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, highway projects (capital project), community development block grant (special revenue), community preservation (special revenue) and city capital projects (capital project) funds, each of which are considered to be major funds. Data from the other 19 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 99-106 of this report.

The basic governmental funds financial statements can be found on pages 29-35 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 36-38 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 109-110 and page 112 of this report.

The basic fiduciary funds financial statements can be found on pages 39-40 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 41-75 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 77-95 of this report, respectively.

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 \$187,009,805 at the close of the fiscal year and are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2014	2013	2014	2013	2014	2013
Assets						
Current assets.....	\$ 114,062,580	\$ 108,317,750	\$ 36,254,430	\$ 34,471,525	\$ 150,317,010	\$ 142,789,275
Noncurrent assets (excluding capital assets).....	2,756,718	2,941,176	-	-	2,756,718	2,941,176
Capital assets (net).....	236,604,415	237,442,079	27,493,298	27,046,788	264,097,713	264,488,867
Total assets.....	353,423,713	348,701,005	63,747,728	61,518,313	417,171,441	410,219,318
Liabilities and Deferred Inflows of Resources						
Current liabilities (excluding debt).....	20,198,312	17,662,459	656,892	1,028,005	20,855,204	18,690,464
Noncurrent liabilities (excluding debt).....	106,665,053	88,544,215	2,042,267	1,772,265	108,707,320	90,316,480
Current debt.....	11,261,507	11,372,407	2,190,908	2,434,445	13,452,415	13,806,852
Noncurrent debt.....	66,032,615	69,226,362	20,991,349	22,932,147	87,023,964	92,158,509
Deferred inflows of resources.....	122,733	-	-	-	122,733	-
Total liabilities and deferred inflows of resources.....	204,280,220	186,805,443	25,881,416	28,166,862	230,161,636	214,972,305
Net Position						
Net investment in capital assets.....	164,015,843	165,312,712	10,482,833	9,399,319	174,498,676	174,712,031
Restricted.....	52,842,407	46,282,436	-	-	52,842,407	46,282,436
Unrestricted.....	(67,714,757)	(49,699,586)	27,383,479	23,952,132	(40,331,278)	(25,747,454)
Total net position.....	\$ 149,143,493	\$ 161,895,562	\$ 37,866,312	\$ 33,351,451	\$ 187,009,805	\$ 195,247,013

The largest portion of the City's net position in the amount of \$174,498,676 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 in the amount of \$52,842,407 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of \$27,383,479 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 other post employment benefits liabilities.

Changes in Net Position

For the fiscal year ended June 30, 2014, the City's total net position decreased by \$8,237,208, compared to a decrease of \$5,301,297 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2014	2013	2014	2013	2014	2013
Revenues						
<i>Program Revenues:</i>						
Charges for services..... \$	13,227,505	\$ 11,906,437	\$ 34,475,513	\$ 34,844,115	\$ 47,703,018	\$ 46,750,552
Operating grants and contributions.....	36,885,652	33,044,593	43,857	124,881	36,929,509	33,169,474
Capital grants and contributions.....	1,955,479	2,820,119	22,901	-	1,978,380	2,820,119
<i>General Revenues:</i>						
Real estate and personal property taxes.....	159,052,033	153,272,077	-	-	159,052,033	153,272,077
Motor vehicle and other excise taxes.....	7,002,622	6,650,738	-	-	7,002,622	6,650,738
Hotel/motel taxes.....	3,535,326	3,298,311	-	-	3,535,326	3,298,311
Meals tax.....	1,195,490	1,167,324	-	-	1,195,490	1,167,324
Penalties and interest on taxes.....	705,407	702,090	-	-	705,407	702,090
Payments in lieu of taxes.....	43,151	54,812	-	-	43,151	54,812
Community preservation surcharges.....	2,535,235	2,475,978	-	-	2,535,235	2,475,978
Grants and contributions not restricted to specific programs.....	9,064,858	8,835,809	-	-	9,064,858	8,835,809
Unrestricted investment income.....	181,321	135,838	-	-	181,321	135,838
Gain on sale of capital assets.....	24,300	52,748	-	-	24,300	52,748
Total revenues.....	235,408,379	224,416,874	34,542,271	34,968,996	269,950,650	259,385,870
Expenses						
General government.....	14,141,084	14,431,751	-	-	14,141,084	14,431,751
Public safety.....	60,787,241	56,396,153	-	-	60,787,241	56,396,153
Education.....	133,882,547	127,632,730	-	-	133,882,547	127,632,730
Public works.....	21,990,015	19,107,437	-	-	21,990,015	19,107,437
Health and human services.....	4,198,865	4,332,865	-	-	4,198,865	4,332,865
Culture and recreation.....	6,532,446	6,327,318	-	-	6,532,446	6,327,318
Community development.....	3,902,190	4,042,802	-	-	3,902,190	4,042,802
Debt service - interest.....	2,550,610	2,581,037	-	-	2,550,610	2,581,037
Sewer.....	-	-	17,537,838	17,382,177	17,537,838	17,382,177
Water.....	-	-	12,161,192	11,995,289	12,161,192	11,995,289
Veterans Memorial Rink.....	-	-	503,830	457,608	503,830	457,608
Total expenses.....	247,984,998	234,852,093	30,202,860	29,835,074	278,187,858	264,687,167
Change in net position before transfers.....	(12,576,619)	(10,435,219)	4,339,411	5,133,922	(8,237,208)	(5,301,297)
Transfers, net.....	(175,450)	(125,405)	175,450	125,405	-	-
Change in net position.....	(12,752,069)	(10,560,624)	4,514,861	5,259,327	(8,237,208)	(5,301,297)
Net position - beginning of year.....	161,895,562	172,456,186	33,351,451	28,092,124	195,247,013	200,548,310
Net position - end of year..... \$	149,143,493	\$ 161,895,562	\$ 37,866,312	\$ 33,351,451	\$ 187,009,805	\$ 195,247,013

Governmental activities decreased the City's net position by \$12,752,069. In the prior year, governmental activities decreased the City's net position by \$10,560,624. The key elements of this change are as follows:

- Decrease in capital grants and contributions of approximately \$865,000.
- Accrual of unused police compensatory time of approximately \$988,000.

Business-type activities increased the City's net position by \$4,514,861. In the prior year, business-type activities increased the City's net position by \$5,259,327.

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 \$87,628,353, an increase of \$4,061,214 in comparison with the prior year. \$33,612,147 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable - \$2,150,692
- Restricted - \$45,994,460
- Committed - \$1,492,937
- Assigned - \$4,378,117

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 \$34,984,665, while total fund balance was \$49,207,641. 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 16.6% of total general fund expenditures and transfers out, while total fund balance represents 23.3% of that same amount.

The balance of the City's general fund increased \$5,396,863 during fiscal year 2014. The City recognized a budgetary surplus of \$15,187,206 (excluding encumbrances and continuing appropriations), and utilized reserves of approximately \$11,100,000 to fund fiscal year 2014 operations.

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

The fund balance of the highway projects fund (capital project) decreased \$670,665 during the current fiscal year. The fund recognized \$488,393 of intergovernmental revenues and incurred \$1,159,058 of expenditures.

The fund balance of the community development block grant fund (special revenue) decreased \$28,243 during the current fiscal year. The fund recognized \$624,018 of intergovernmental revenues, \$111,280 of departmental and other revenues and \$40 of investment income. Expenditures incurred totaled \$763,581.

The fund balance of the community preservation fund (special revenue) increased \$1,280,524 during the current fiscal year. The fund recognized \$2,534,651 of community preservation surcharges, \$5,157 of penalties and interest on taxes and \$41,507 of investment income. Expenditures incurred totaled \$1,300,791.

The fund balance of the city capital projects fund (capital project) decreased \$2,935,662 during the current fiscal year. The fund recognized \$4,232,760 of proceeds of bonds and notes. Expenditures incurred totaled \$7,168,422.

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 \$11,697,648, \$15,633,391 and \$52,440, respectively. The sewer and water enterprise funds had increases in net position for the year of \$1,913,564 and \$2,624,742, respectively. The Veterans Memorial Rink enterprise fund had a decrease in net position for the year of \$23,445. 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 Highlights

The original general fund budget of \$195,218,498 was increased by \$4,624,282 (2.4%) during the fiscal year. The following table summarizes the increase:

Purpose of Increase	Amount	Funding Source
Auto insurance.....	\$ 5,921	Stabilization fund
Environmental services.....	13,000	Stabilization fund
Land appraisal.....	5,000	Stabilization fund
Printing and contract labor.....	68,451	Unassigned fund balance
Law salaries part-time.....	4,500	Unassigned fund balance
Workers' compensation - medical.....	150,000	Unassigned fund balance
Snow overtime, trucks, salt and sand.....	1,185,000	Unassigned fund balance
Library.....	35,000	State grant
Snow overtime, trucks, salt and sand.....	500,000	Unassigned fund balance
Parks and improvements.....	23,900	Unassigned fund balance
Culvert repair.....	165,000	Unassigned fund balance
Land acquisition - Fernald.....	100,000	Unassigned fund balance
Workers' compensation - medical.....	35,000	Unassigned fund balance
Pond End Tot lot playground.....	200,000	Unassigned fund balance
School Department - salaries.....	1,283,760	Unassigned fund balance
School Department, City Council and Cemetery.....	818,750	Unassigned fund balance
Dispatchers - salaries.....	31,000	Unassigned fund balance
Total increase.....	\$ <u>4,624,282</u>	

During the year, general fund revenues and other financing sources exceeded budgetary estimates, and expenditures, encumbrances and continuing appropriations were less than appropriations, resulting in a positive overall budget to actual variance of approximately \$9,633,000.

Capital Asset and Debt Administration**Capital assets**

The City's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$264,097,713 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, infrastructure and library books. The total decrease in the investment in capital assets for the current fiscal year totaled 0.1%.

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

- Banks school (\$2,658,241)
- Sewer infrastructure (\$1,120,164)
- Fire engines (\$1,102,228)
- Falzone, Nipper Maher land improvements (\$949,964)
- School computer equipment (\$681,600)
- Trapelo Rd/Forest St Intersection Improvements (\$578,356)
- Met State parking lot land improvements (\$440,454)
- Water infrastructure (\$350,726)
- Main Street and River Street repairs (\$335,945)
- Bright School Vault & Archival Space (\$289,535)
- Waltham High School air conditioning system (\$239,000)
- Police station design/construction (\$238,468)
- Calvary Street paving (\$205,771)

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>	
	2014	2013	2014	2013	2014	2013
Land..... \$	20,273,587	\$ 20,096,087	\$ 38,550	\$ 38,550	\$ 20,312,137	\$ 20,134,637
Land improvements.....	12,374,920	11,693,001	-	-	12,374,920	11,693,001
Buildings and improvements.....	171,375,117	173,599,326	1,787,749	1,889,581	173,162,866	175,488,907
Machinery and equipment.....	8,378,838	6,598,989	935,193	860,679	9,314,031	7,459,668
Infrastructure.....	23,564,913	24,802,920	24,731,806	24,257,978	48,296,719	49,060,898
Library books.....	637,040	651,756	-	-	637,040	651,756
Total capital assets..... \$	<u>236,604,415</u>	<u>\$ 237,442,079</u>	<u>\$ 27,493,298</u>	<u>\$ 27,046,788</u>	<u>\$ 264,097,713</u>	<u>\$ 264,488,867</u>

Additional information on the City's capital assets can be found in Note 5 on pages 57-59 of this report.

Long-Term Debt

At the end of the current fiscal year, total bonded debt and unamortized premiums outstanding was \$96,976,379, 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>	
	2014	2013	2014	2013	2014	2013
General obligation bonds.....	\$ 73,794,122	\$ 77,098,769	\$ 16,578,247	\$ 17,727,499	\$ 90,372,369	\$ 94,826,268
MWRA notes.....	-	-	3,812,488	4,595,344	3,812,488	4,595,344
MWPAT notes.....	-	-	2,791,522	3,043,749	2,791,522	3,043,749
Total bonds and notes and unamortized premiums.....	\$ 73,794,122	\$ 77,098,769	\$ 23,182,257	\$ 25,366,592	\$ 96,976,379	\$ 102,465,361

The City's total bonded debt decreased \$5,488,983 (or 5.4%) during the fiscal year. The City issued \$5,082,218 in general obligation bonds and MWRA notes 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.

Additional information on the City's long-term debt can be found in Note 10 on pages 62-67 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 \$2.83 billion to \$2.93 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 2014, the estimated cost of construction resulting from the issuance of building permits totaled in excess of \$244 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 2015 operating budget totaling \$229.2 million during June 2014. This represents an \$8.7 million increase, or 4.1% from the fiscal year 2014 approved budget. Included in this budget is \$74.6 million for education, \$31.2 million for public safety, \$31.5 million for the water/sewer/rink enterprise funds, \$3.5 million for collective bargaining contingencies, \$52.5 million for employee and retiree health/pension benefits, \$10.4 million for debt service and \$200,000 towards funding the OPEB liability.

Of the \$229.2 million fiscal year 2015 operating budget, the revenues budgeted to balance it are property taxes - 70.0%, local receipts - 8.7%, state aid - 7.1% and the enterprise funds user charges - 13.8% and a one-time use of overlay surplus - 0.4%. The average owner-occupied single family home has an assessed value of \$391,300. After applying the residential exemption, the annual property tax bill for the average owner-occupied single family home is \$4,088. This represents an increase of slightly less than \$11 from fiscal year 2014.

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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents.....	\$ 48,919,065	\$ 24,305,060	\$ 73,224,125
Restricted cash and cash equivalents.....	53,169,513	6,190,809	59,360,322
Restricted investments.....	3,478,551	-	3,478,551
Receivables, net of allowance for uncollectible amounts:			
Real estate and personal property taxes.....	1,565,288	-	1,565,288
Tax liens.....	1,772,446	221,907	1,994,353
Motor vehicle and other excise taxes.....	718,560	-	718,560
Community preservation surcharges.....	68,462	-	68,462
Water.....	-	2,265,526	2,265,526
Sewer.....	-	3,271,128	3,271,128
Special assessments.....	54	-	54
Departmental and other.....	883,362	-	883,362
Intergovernmental.....	3,487,279	-	3,487,279
Total current assets.....	114,062,580	36,254,430	150,317,010
Noncurrent assets:			
Receivables, net of allowance for uncollectible amounts:			
Real estate tax deferrals.....	502,625	-	502,625
Special assessments.....	200,234	-	200,234
Loans.....	2,053,859	-	2,053,859
Capital assets not being depreciated.....	20,273,587	38,550	20,312,137
Capital assets, net of accumulated depreciation.....	216,330,828	27,454,748	243,785,576
Total noncurrent assets.....	239,361,133	27,493,298	266,854,431
Total assets.....	353,423,713	63,747,728	417,171,441
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities:			
Warrants payable.....	5,986,692	152,064	6,138,756
Accrued payroll.....	5,869,074	41,813	5,910,887
Tax refunds payable.....	125,000	-	125,000
Other liabilities.....	458,643	65,552	524,195
Accrued interest.....	864,791	225,268	1,090,059
Accrued health claims payable.....	3,294,832	-	3,294,832
Workers' compensation claims.....	287,887	33,331	321,218
Compensated absences.....	3,311,393	138,864	3,450,257
Short-term notes payable.....	3,500,000	-	3,500,000
Long-term bonds and notes payable.....	7,761,507	2,190,908	9,952,415
Total current liabilities.....	31,459,819	2,847,800	34,307,619
Noncurrent liabilities:			
Compensated absences.....	3,693,060	171,457	3,864,517
Net OPEB obligation.....	102,971,993	1,870,810	104,842,803
Long-term bonds and notes payable.....	66,032,615	20,991,349	87,023,964
Total noncurrent liabilities.....	172,697,668	23,033,616	195,731,284
Total liabilities.....	204,157,487	25,881,416	230,038,903
Deferred inflows of resources:			
Taxes collected in advance.....	122,733	-	122,733
Total liabilities and deferred inflows of resources.....	204,280,220	25,881,416	230,161,636
NET POSITION			
Net investment in capital assets.....	164,015,843	10,482,833	174,498,676
Restricted for:			
OPEB.....	8,351,922	-	8,351,922
Employee benefits.....	444,430	-	444,430
Loans.....	2,053,859	-	2,053,859
Community preservation.....	23,604,053	-	23,604,053
Permanent funds:			
Expendable.....	279,889	-	279,889
Nonexpendable.....	2,150,692	-	2,150,692
Revolving funds.....	3,709,513	-	3,709,513
Traffic impact.....	2,261,616	-	2,261,616
Parking meters.....	1,874,056	-	1,874,056
Sale of lots/graves.....	1,360,162	-	1,360,162
Other specific purposes.....	6,752,215	-	6,752,215
Unrestricted.....	(67,714,757)	27,383,479	(40,331,278)
Total net position.....	\$ 149,143,493	\$ 37,866,312	\$ 187,009,805

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

CITY OF WALTHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense)/Revenue	
Primary government:						
Governmental activities:						
General government.....	\$ 14,141,084	\$ 5,679,098	\$ 555,788	\$ -	\$ (7,906,198)	
Public safety.....	60,787,241	3,966,696	847,349	-	(55,973,196)	
Education.....	133,882,547	1,442,388	33,179,126	-	(99,261,033)	
Public works.....	21,990,015	318,133	544,059	1,159,057	(19,968,766)	
Health and human services.....	4,198,865	372,524	389,500	-	(3,436,841)	
Culture and recreation.....	6,532,446	442,556	69,898	-	(6,019,992)	
Community development.....	3,902,190	1,006,110	923,407	796,422	(1,176,251)	
Debt service - interest.....	2,550,610	-	376,525	-	(2,174,085)	
Total governmental activities.....	247,984,998	13,227,505	36,885,652	1,955,479	(195,916,362)	
Business-type activities:						
Sewer.....	17,537,836	19,389,533	16,675	4,192	1,872,564	
Water.....	12,161,194	14,687,995	27,182	18,709	2,572,692	
Veterans Memorial Rink.....	503,830	397,985	-	-	(105,845)	
Total business-type activities.....	30,202,860	34,475,513	43,857	22,901	4,339,411	
Total primary government.....	\$ 278,187,858	\$ 47,703,018	\$ 36,929,509	\$ 1,978,380	\$ (191,576,951)	

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

CITY OF WALTHAM, MASSACHUSETTS
STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense)/revenue (from previous page).....	\$ (195,916,362)	\$ 4,339,411	\$ (191,576,951)
<i>General revenues:</i>			
Real estate and personal property taxes.....	159,052,033	-	159,052,033
Motor vehicle and other excise taxes.....	7,002,622	-	7,002,622
Hotel/motel taxes.....	3,535,326	-	3,535,326
Meals taxes.....	1,195,490	-	1,195,490
Penalties and interest on taxes.....	705,407	-	705,407
Payments in lieu of taxes.....	43,151	-	43,151
Community preservation surcharges.....	2,535,235	-	2,535,235
Grants and contributions not restricted to specific programs.....	9,064,858	-	9,064,858
Unrestricted investment income.....	181,321	-	181,321
Gain on disposal of capital assets.....	24,300	-	24,300
<i>Transfers, net</i>	(175,450)	175,450	-
Total general revenues and transfers.....	183,164,293	175,450	183,339,743
Change in net position.....	(12,752,069)	4,514,861	(8,237,208)
Net position - beginning of year.....	161,895,562	33,351,451	195,247,013
Net position - end of year.....	\$ 149,143,493	\$ 37,866,312	\$ 187,009,805

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

CITY OF WALTHAM, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

ASSETS	General	Highway Projects	Community Development Block Grant	Community Preservation
Cash and cash equivalents.....	\$ 48,919,066	\$ -	\$ -	\$ -
Restricted cash and cash equivalents.....	6,823,053	-	-	22,755,291
Restricted investments.....	1,328,869	-	-	-
Receivables, net of allowance for uncollectible amounts:				
Real estate and personal property taxes.....	1,565,288	-	-	-
Real estate tax deferrals.....	502,625	-	-	-
Tax liens.....	1,772,446	-	-	-
Motor vehicle and other excise taxes.....	718,560	-	-	-
Community preservation surcharges.....	-	-	-	68,462
Special assessments.....	200,288	-	-	-
Departmental and other.....	327,130	-	-	-
Intergovernmental.....	575,724	980,833	45,803	796,422
Loans.....	-	-	2,053,859	-
Due from other funds.....	1,034,967	-	-	-
TOTAL ASSETS.....	\$ 63,768,016	\$ 980,833	\$ 2,099,662	\$ 23,620,175
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Warrants payable.....	\$ 3,124,791	\$ 676,120	\$ 52,826	\$ 13,472
Accrued payroll.....	5,810,699	-	-	808
Tax refunds payable.....	125,000	-	-	-
Due to other funds.....	-	304,740	23,030	-
Short-term notes payable.....	-	-	-	-
TOTAL LIABILITIES.....	9,060,490	980,860	75,856	14,280
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue.....	5,378,994	670,664	2,099,662	864,884
Taxes collected in advance.....	120,891	-	-	1,842
TOTAL DEFERRED INFLOWS OF RESOURCES.....	5,499,885	670,664	2,099,662	866,726
FUND BALANCES:				
Nonspendable.....	-	-	-	-
Restricted.....	8,351,922	-	-	22,739,169
Committed.....	1,492,937	-	-	-
Assigned.....	4,378,117	-	-	-
Unassigned.....	34,984,665	(670,691)	(75,856)	-
TOTAL FUND BALANCES.....	49,207,641	(670,691)	(75,856)	22,739,169
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 63,768,016	\$ 980,833	\$ 2,099,662	\$ 23,620,175

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

City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 48,919,066
4,407,742	14,526,701	48,512,787
-	2,149,682	3,478,551
-	-	1,565,288
-	-	502,625
-	-	1,772,446
-	-	718,560
-	-	68,462
-	-	200,288
-	375,337	702,467
-	1,088,497	3,487,279
-	-	2,053,859
-	-	1,034,967
<u>\$ 4,407,742</u>	<u>\$ 18,140,217</u>	<u>\$ 113,016,645</u>

\$ 1,038,620	\$ 441,151	\$ 5,346,980
-	57,564	5,869,071
-	-	125,000
-	707,197	1,034,967
<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>
<u>4,538,620</u>	<u>1,205,912</u>	<u>15,876,018</u>
-	375,337	9,389,541
-	-	122,733
<u>-</u>	<u>375,337</u>	<u>9,512,274</u>
-	2,150,692	2,150,692
-	14,903,369	45,994,460
-	-	1,492,937
-	-	4,378,117
<u>(130,878)</u>	<u>(495,093)</u>	<u>33,612,147</u>
<u>(130,878)</u>	<u>16,558,968</u>	<u>87,628,353</u>
<u>\$ 4,407,742</u>	<u>\$ 18,140,217</u>	<u>\$ 113,016,645</u>

This page left intentionally blank.

CITY OF WALTHAM, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total governmental fund balances (page 30).....	\$ 87,628,353
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	236,604,415
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....	9,389,541
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.....	(864,791)
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, net of unamortized premiums.....	(73,794,122)
Workers' compensation claims.....	(287,887)
Compensated absences.....	(7,004,453)
Net OPEB obligation.....	(102,971,993)
Internal service funds are used by management to account for health insurance and workers' compensation activities. The assets and liabilities of the internal service funds are reported as governmental activities in the statement of net position.....	444,430
Net position of governmental activities (page 26).....	\$ <u>149,143,493</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 BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	Highway Projects	Community Development Block Grant	Community Preservation
REVENUES				
Real estate and personal property taxes.....	\$ 158,221,522	\$ -	\$ -	\$ -
Motor vehicle and other excise taxes.....	7,127,054	-	-	-
Hotel/motel tax.....	3,535,326	-	-	-
Meals taxes.....	1,195,490	-	-	-
Tax liens.....	1,010,349	-	-	-
Payments in lieu of taxes.....	43,151	-	-	-
Community preservation surcharges.....	-	-	-	2,534,651
Charges for services.....	-	-	-	-
Intergovernmental	36,189,252	488,393	624,018	-
Special assessments.....	96,635	-	-	-
Penalties and interest on taxes.....	700,250	-	-	5,157
Licenses and permits.....	5,830,674	-	-	-
Fines and forfeitures.....	651,104	-	-	-
Departmental and other.....	1,176,233	-	111,280	-
Contributions.....	-	-	-	-
Investment income.....	142,632	-	40	41,507
TOTAL REVENUES.....	215,919,672	488,393	735,338	2,581,315
EXPENDITURES				
Current:				
General government.....	8,549,268	-	-	-
Public safety.....	31,279,059	-	-	-
Education.....	70,467,546	-	-	-
Public works.....	14,246,773	1,159,058	-	-
Health and human services.....	1,757,277	-	-	-
Culture and recreation.....	3,423,882	-	-	-
Community development.....	641,751	-	763,581	1,300,791
Pension benefits.....	31,040,342	-	-	-
Employee benefits.....	37,367,643	-	-	-
State and county charges.....	1,763,919	-	-	-
Debt service:				
Principal.....	7,745,398	-	-	-
Interest.....	2,603,692	-	-	-
TOTAL EXPENDITURES.....	210,886,550	1,159,058	763,581	1,300,791
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	5,033,122	(670,665)	(28,243)	1,280,524
OTHER FINANCING SOURCES (USES)				
Transfers in.....	162,666	-	-	-
Issuance of bonds and notes.....	-	-	-	-
Premium from issuance of bonds and notes.....	376,525	-	-	-
Sale of capital assets.....	-	-	-	-
Transfers out.....	(175,450)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	363,741	-	-	-
NET CHANGE IN FUND BALANCES.....	5,396,863	(670,665)	(28,243)	1,280,524
FUND BALANCES AT BEGINNING OF YEAR.....	43,810,778	(26)	(47,613)	21,458,645
FUND BALANCES AT END OF YEAR.....	\$ 49,207,641	\$ (670,691)	\$ (75,856)	\$ 22,739,169

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

City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 158,221,522
-	-	7,127,054
-	-	3,535,326
-	-	1,195,490
-	-	1,010,349
-	-	43,151
-	-	2,534,651
-	3,312,082	3,312,082
-	7,979,327	45,280,990
-	-	96,635
-	-	705,407
-	-	5,830,674
-	100,920	752,024
-	2,222,916	3,510,429
-	637,428	637,428
-	140,306	324,485
-	14,392,979	234,117,697
2,587,202	597,242	11,733,712
1,341,411	3,351,570	35,972,040
-	8,635,216	79,102,762
1,479,805	66,285	16,951,921
-	115,051	1,872,328
972,873	229,228	4,625,983
787,131	576,624	4,069,878
-	-	31,040,342
-	-	37,367,643
-	-	1,763,919
-	-	7,745,398
-	-	2,603,692
7,168,422	13,571,216	234,849,618
(7,168,422)	821,763	(731,921)
-	-	162,666
4,232,760	335,000	4,567,760
-	-	376,525
-	24,300	24,300
-	(162,666)	(338,116)
4,232,760	196,634	4,793,135
(2,935,662)	1,018,397	4,061,214
2,804,784	15,540,571	83,567,139
\$ (130,878)	\$ 16,558,968	\$ 87,628,353

CITY OF WALTHAM, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds (page 34)..... \$ 4,061,214

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.

Capital outlays.....	11,710,679
Depreciation.....	(12,548,344)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the statement of revenues, expenditures and changes in fund balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change.....

891,009

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

Bond proceeds.....	(4,567,760)
Bond maturities.....	7,745,398
Amortization of bond premiums.....	127,009

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.....

(73,925)

Some expenses reported in the statement activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:

Workers' compensation.....	(60,227)
Compensated absences.....	(1,125,660)
Net OPEB obligation.....	(17,073,083)

Internal service funds are used by management to account for health insurance.

The net activity of the internal service fund is reported with governmental activities.....	(1,838,379)
---	-------------

Changes in net position of governmental activities (page 28)..... \$ (12,752,069)

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

CITY OF WALTHAM, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
ASSETS					
Current assets:					
Cash and cash equivalents.....	\$ 9,352,905	\$ 14,698,709	\$ 253,446	\$ 24,305,060	\$ -
Restricted cash and cash equivalents.....	3,083,269	3,107,096	444	6,190,809	4,656,726
Receivables, net of allowance for uncollectible amounts:					
User charges.....	3,271,128	2,265,526	-	5,536,654	-
Utility liens.....	132,266	89,641	-	221,907	-
Departmental and other.....	-	-	-	-	180,896
Total current assets.....	15,839,568	20,160,972	253,890	36,254,430	4,837,622
Noncurrent assets:					
Capital assets not being depreciated.....	38,550	-	-	38,550	-
Capital assets, net of accumulated depreciation.....	18,150,722	9,200,850	103,176	27,454,748	-
Total noncurrent assets.....	18,189,272	9,200,850	103,176	27,493,298	-
Total assets.....	34,028,840	29,361,822	357,066	63,747,728	4,837,622
LIABILITIES					
Current liabilities:					
Warrants payable.....	111,787	37,389	2,888	152,064	639,717
Accrued payroll.....	9,530	28,964	3,319	41,813	-
Other liabilities.....	65,552	-	-	65,552	458,643
Accrued interest.....	162,658	62,610	-	225,268	-
Accrued health claims payable.....	-	-	-	-	3,294,832
Workers' compensation claims.....	11,424	21,215	692	33,331	-
Compensated absences.....	50,997	80,673	7,194	138,864	-
Long-term bonds and notes payable.....	1,402,765	763,107	25,036	2,190,908	-
Total current liabilities.....	1,814,713	993,958	39,129	2,847,800	4,393,192
Noncurrent liabilities:					
Compensated absences.....	85,720	72,408	13,329	171,457	-
Net OPEB obligation.....	576,549	1,120,677	173,584	1,870,810	-
Long-term bonds and notes payable.....	13,701,062	7,275,519	14,768	20,991,349	-
Total noncurrent liabilities.....	14,363,331	8,468,604	201,681	23,033,616	-
Total liabilities.....	16,178,044	9,462,562	240,810	25,881,416	4,393,192
FUND NET POSITION					
Net investment in capital assets.....	6,153,148	4,265,869	63,816	10,482,833	-
Unrestricted.....	11,697,648	15,633,391	52,440	27,383,479	444,430
Total fund net position.....	\$ 17,850,796	\$ 19,899,260	\$ 116,256	\$ 37,866,312	\$ 444,430

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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Veterans Memorial Rink	Total	
OPERATING REVENUES					
Charges for services.....	\$ 19,389,533	\$ 14,687,995	\$ 397,985	\$ 34,475,513	\$ -
Employer contributions.....	-	-	-	-	35,327,637
Employee contributions.....	-	-	-	-	4,679,089
TOTAL OPERATING REVENUES.....	19,389,533	14,687,995	397,985	34,475,513	40,006,726
OPERATING EXPENSES					
Cost of service and administration.....	2,941,958	2,430,252	375,591	5,747,801	-
MWRA assessment.....	12,759,248	7,809,194	-	20,568,442	-
Depreciation.....	785,831	513,801	17,042	1,316,674	-
Employee benefits.....	587,575	1,238,660	110,528	1,936,763	41,860,780
TOTAL OPERATING EXPENSES.....	17,074,612	11,991,907	503,161	29,569,680	41,860,780
OPERATING INCOME (LOSS).....	2,314,921	2,696,088	(105,176)	4,905,833	(1,854,054)
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental.....	1,875	-	-	1,875	-
Investment income.....	16,675	27,182	-	43,857	15,675
Premium from issuance of bonds and notes.....	1,188	18,709	-	19,897	-
Interest expense.....	(463,224)	(169,287)	(669)	(633,180)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(443,486)	(123,396)	(669)	(567,551)	15,675
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS....	1,871,435	2,572,692	(105,845)	4,338,282	(1,838,379)
Capital contributions.....	1,129	-	-	1,129	-
Transfers in.....	41,000	52,050	82,400	175,450	-
TOTAL CONTRIBUTIONS AND TRANSFERS.....	42,129	52,050	82,400	176,579	-
CHANGE IN FUND NET POSITION.....	1,913,564	2,624,742	(23,445)	4,514,861	(1,838,379)
FUND NET POSITION AT BEGINNING OF YEAR.....	15,937,232	17,274,518	139,701	33,351,451	2,282,809
FUND NET POSITION AT END OF YEAR.....	\$ 17,850,796	\$ 19,899,260	\$ 116,256	\$ 37,866,312	\$ 444,430

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

CITY OF WALTHAM, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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.....	\$ 19,598,633	\$ 14,731,157	\$ 397,985	\$ 34,727,775	\$ 4,679,089
Receipts from interfund services provided.....	-	-	-	-	35,419,005
Payments to vendors.....	(16,062,743)	(10,482,431)	(380,568)	(26,925,742)	-
Payments to employees.....	(457,557)	(895,695)	(98,920)	(1,452,172)	-
Payments for interfund services used.....	-	-	-	-	(40,791,576)
NET CASH FROM OPERATING ACTIVITIES.....	3,078,333	3,353,031	(81,503)	6,349,861	(693,482)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in.....	41,000	52,050	82,400	175,450	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the issuance of bonds and notes.....	278,218	236,240	-	514,458	-
Premium from issuance of bonds and notes.....	1,188	18,709	-	19,897	-
Intergovernmental capital grant.....	1,875	-	-	1,875	-
Capital contributions.....	1,129	-	-	1,129	-
Acquisition and construction of capital assets.....	(1,222,685)	(522,086)	(18,415)	(1,763,186)	-
Principal payments on bonds and notes.....	(1,826,745)	(809,296)	(23,500)	(2,659,541)	-
Interest paid.....	(481,212)	(165,218)	(2,203)	(648,633)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(3,248,232)	(1,241,651)	(44,118)	(4,534,001)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income.....	16,675	27,182	-	43,857	15,675
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(112,224)	2,190,612	(43,221)	2,035,167	(677,807)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Includes \$4,654,289, \$3,365,437 and \$444 reported as restricted in the Sewer, Water and Veterans Memorial Rink Enterprise Funds, respectively).....	12,548,398	15,615,193	297,111	28,460,702	5,334,533
CASH AND CASH EQUIVALENTS AT END OF YEAR (Includes \$3,083,269, \$3,107,096 and \$444 reported as restricted in the Sewer, Water and Veterans Memorial Rink Enterprise Funds, respectively).....	\$ 12,436,174	\$ 17,805,805	\$ 253,890	\$ 30,495,869	\$ 4,656,726
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss).....	\$ 2,314,921	\$ 2,696,088	\$ (105,176)	\$ 4,905,833	\$ (1,854,054)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Adjustments not requiring cash flows:					
Depreciation.....	785,831	513,801	17,042	1,316,674	-
Net OPEB obligation.....	89,772	170,845	20,123	280,740	-
Effect of changes in operating assets and liabilities:					
Utility liens.....	17,109	8,117	-	25,226	-
User charges.....	191,991	35,045	-	227,036	-
Departmental and other.....	-	-	-	-	91,368
Warrants payable.....	(252,229)	(59,286)	(448)	(311,963)	565,402
Accrued payroll.....	(1,958)	4,061	1,359	3,462	-
Other liabilities.....	(76,074)	-	-	(76,074)	(103,926)
Accrued health claims payable.....	-	-	-	-	607,728
Workers' compensation claims.....	1	(1)	(18,259)	(18,259)	-
Compensated absences.....	8,969	(15,639)	3,856	(2,814)	-
Total adjustments.....	763,412	656,943	23,673	1,444,028	1,160,572
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,078,333	\$ 3,353,031	\$ (81,503)	\$ 6,349,861	\$ (693,482)

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

CITY OF WALTHAM, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

ASSETS	Pension Trust Fund (As of 12/31/13)	Private Purpose Trust Funds	Agency Funds
Cash and cash equivalents.....	\$ 4,341,129	\$ 226,591	\$ 921,199
Investments:			
U.S. Treasuries and agencies.....	-	2,768,849	-
Pooled real estate funds.....	9,820,944	-	-
Pooled alternative investments.....	5,711,086	-	-
External investment pools (PRIT).....	169,426,472	-	-
Receivables, net of allowance for uncollectible amounts:			
Departmental and other.....	39,876	-	-
Total assets.....	<u>189,339,507</u>	<u>2,995,440</u>	<u>921,199</u>
LIABILITIES			
Warrants payable.....	12,938	-	33,020
Other liabilities.....	-	-	6,374
Liabilities due depositors.....	-	-	881,805
Total liabilities.....	<u>12,938</u>	<u>-</u>	<u>\$ 921,199</u>
NET POSITION			
Assets held in trust for pension benefits and other purposes.....	<u>\$ 189,326,569</u>	<u>\$ 2,995,440</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Pension Trust Fund (As of 12/31/13)	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer.....	\$ 14,735,293	\$ -
Plan members.....	5,240,859	-
Private donations.....	-	25,523
Total contributions.....	19,976,152	25,523
Net investment income:		
Net appreciation in fair value of investments.....	20,233,018	-
Interest.....	1,760	168,777
Dividends.....	5,509,484	-
Total investment income.....	25,744,262	168,777
Less investment expense.....	(1,174,179)	-
Net investment income.....	24,570,083	168,777
Intergovernmental.....	574,443	-
Transfers from other systems.....	643,414	-
TOTAL ADDITIONS.....	45,764,092	194,300
DEDUCTIONS		
Administration.....	466,890	-
Retirement benefits and refunds.....	22,568,761	-
Transfers to other systems.....	575,729	-
Scholarships awarded.....	-	125,443
Housing subsidies.....	-	6,631
TOTAL DEDUCTIONS.....	23,611,380	132,074
CHANGE IN NET POSITION.....	22,152,712	62,226
NET POSITION AT BEGINNING OF YEAR.....	167,173,857	2,933,214
NET POSITION AT END OF YEAR.....	\$ 189,326,569	\$ 2,995,440

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 ending June 30, 2014, the City implemented the following pronouncements issued by the GASB:

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*
- GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statement No. 10 and No. 62*
- GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

The implementation of GASB Statement No. 65 established financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB Statement No. 65 had no retrospective reporting impact for the City.

The implementation of GASB Statement No.'s 66 and 70 had no reporting impact for the City.

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

Government-Wide Financial Statements

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

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

Program revenues include the following:

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

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

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

The *Community Development Block Grant* fund is used to account for the federal community development block grant program.

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

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. Fair value is based on quotations from a national securities exchange except for pooled funds, for which fair value is based on unit value reported by the funds.

Alternative Investments

Alternative investments are recorded at fair value as determined in good faith by the general partners of the venture capital firms after consideration of pertinent information, including current financial position and operating results, price-earnings multiples and available market prices of similar companies' securities, the nature of securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated.

Real Estate

The fair value of real estate funds is based on independent third-party appraisals. The investment managers of the funds are responsible for the reported value of those investments. However, the structure, risk profile, return potential and marketability of those investments differ from traditional equity and fixed income investments. Determination of the value of these investments involves subjective judgment because the actual market value can be determined only by negotiation between the parties to a sales transaction. As a result, the estimated values may differ significantly from the values that would have been used had a ready market for the real estate existed, and the differences could be material.

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 Surcharges

Community preservation surcharges 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 surcharge 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 surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges 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 surcharges
- Water and sewer user charges and liens

➤ Special assessments

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, construction in progress, 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:

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

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

Governmental Funds Financial Statements

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

L. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

M. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

N. Deferred Outflows of Resources

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

The City does not have items that qualify for reporting in this category.

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 government has two 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 2015 levy.

P. Net Position and Fund Balances

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

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.

“Employee benefits” represents amounts restricted for health insurance benefits.

“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, 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.

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

“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 deferred and 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. 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.

U. 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.

V. 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 2014 approved budget for the general fund authorized \$195,218,498 in appropriations and other amounts to be raised. During fiscal year 2014, supplemental appropriations and transfers totaling \$4,624,282 were authorized. The original fiscal year 2014 approved budget for the community preservation fund authorized \$125,000 in appropriations. During fiscal year 2014, supplemental appropriations totaling \$3,424,250 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, 2014, the following governmental fund deficits exist:

<u>Fund</u>	<u>Amount</u>	<u>Funding Source</u>
Highway Projects Major Fund.....	\$ 670,691	State grant
Police and Fire Detail.....	487,366	User charges and available funds
City Capital Projects Major Fund....	130,878	Issuance of long-term debt
CDBG Block Grant Major Fund.....	75,856	Federal grant
Vocational School Reserve.....	6,103	User charges and available funds
City Federal Grants.....	<u>1,624</u>	Federal grant
Total.....	<u>\$ 1,372,518</u>	

C. Excess of Expenditures of Appropriations

For the fiscal year ended June 30, 2014, expenditures exceeded appropriations for state and county charges.

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 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 reported value of the pool is the same as the fair value of pool shares.

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, 2014, \$10,717,107 of the City's bank balance of \$133,211,992 was uninsured, uncollateralized and exposed to custodial credit risk.

Investments Summary

The City's investments at June 30, 2014 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 1,257,290	\$ -	\$ 742,489	\$ 514,801
U.S. Agencies.....	2,679,384	393,487	1,959,019	326,878
Corporate bonds.....	684,324	-	684,324	-
Municipal bonds.....	97,162	-	31,037	66,126
Money market mutual funds.....	7,079,034	7,079,034	-	-
External investment pools.....	3,415,209	3,415,209	-	-
Total investments.....	15,212,403	\$ 10,887,730	\$ 3,416,869	\$ 907,805
<u>Other Investments:</u>				
Equity securities.....	1,499,153			
Total investments.....	\$ 16,711,556			

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.

The City participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months. Although MMDT is not rated, credit ratings associated with the investments of the MMDT Cash Fund were either Tier 1 (approximately 97%) or Tier 2 (approximately 3%).

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, 2014, the City's investments were exposed to custodial credit risk as follows:

Investment Type	Fair Value	Held by Counterparty's Trust or Agent
U.S. Treasuries.....	\$ 1,257,290	\$ 1,257,290
U.S. Agencies.....	2,679,384	2,679,384
Corporate bonds.....	684,324	684,324
Municipal bonds.....	97,162	97,162
Total.....	\$ 4,718,160	\$ 4,718,160

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, 2014, the credit quality ratings of the City's debt securities are as follows:

Investment Type	Fair Value	Quality Ratings *				
		AAA	A	AA	BBA	Unrated
Corporate bonds.....	\$ 684,324	\$ -	\$ 335,746	\$ 145,744	\$ 202,834	\$ -
Municipal bonds.....	97,162	-	66,125	-	31,037	-
Money market mutual funds.....	7,079,034	-	-	-	-	7,079,034
External investment pools.....	3,415,209	-	-	-	-	3,415,209
Total.....	\$ 11,275,729	\$ -	\$ 401,871	\$ 145,744	\$ 233,871	\$ 10,494,243

* 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, 2014, the City was not exposed to concentration of credit risk.

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 reported value of the pool is the same as the fair value of the System's position in pool shares.

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, 2013, the System is not exposed to custodial credit risk.

Investments Summary

The System's investments at December 31, 2013 are presented below. All investments are presented by investment type with debt securities presented by maturity.

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1
<u>Debt Securities:</u>		
Money market mutual funds.....	\$ 4,341,129	\$ 4,341,129
External investment pools (PRIT).....	169,426,472	169,426,472
Total debt securities.....	173,767,601	\$ 173,767,601
<u>Other Investments:</u>		
Real estate investments.....	9,820,944	
Alternative investments.....	5,711,086	
Total other investments.....	15,532,030	
Total investments.....	\$ 189,299,631	

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, 2013, \$15,532,030 of the System's investments (real estate and alternative) were 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, 2013, 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 June 30, 2014, the System was not exposed to concentration of credit risk.

NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2014, 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....	\$ 1,565,288	\$ -	\$ 1,565,288
Real estate tax deferrals.....	502,625	-	502,625
Tax liens.....	1,772,446	-	1,772,446
Motor vehicle and other excise taxes.....	1,772,722	(1,054,162)	718,560
Community preservation surcharges.....	68,462	-	68,462
Special assessments.....	200,288	-	200,288
Departmental and other.....	1,278,365	(355,126)	923,239
Intergovernmental.....	3,487,279	-	3,487,279
Loans.....	2,053,859	-	2,053,859
	<u>\$ 12,701,334</u>	<u>\$ (1,409,288)</u>	<u>\$ 11,292,046</u>

At June 30, 2014, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User charges.....	\$ 5,536,654	\$ -	\$ 5,536,654
Water and Sewer liens.....	221,907	-	221,907
	<u>\$ 5,758,561</u>	<u>\$ -</u>	<u>\$ 5,758,561</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 20,096,087	\$ 177,500	\$ -	\$ 20,273,587
<u>Capital assets being depreciated:</u>				
Land improvements.....	19,965,526	1,695,195	-	21,660,721
Buildings and improvements.....	243,293,150	4,316,878	-	247,610,028
Equipment.....	24,847,324	3,318,047	(668,573)	27,496,798
Infrastructure.....	53,595,716	1,954,839	-	55,550,555
Library books.....	1,335,427	248,220	(289,706)	1,293,941
Total capital assets being depreciated.....	343,037,143	11,533,179	(958,279)	353,612,043
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(8,272,525)	(1,013,276)	-	(9,285,801)
Buildings and improvements.....	(69,693,824)	(6,541,087)	-	(76,234,911)
Equipment.....	(18,248,335)	(1,538,198)	668,573	(19,117,960)
Infrastructure.....	(28,792,796)	(3,192,846)	-	(31,985,642)
Library books.....	(683,671)	(262,937)	289,706	(656,902)
Total accumulated depreciation.....	(125,691,151)	(12,548,344)	958,279	(137,281,216)
Total capital assets being depreciated, net.....	217,345,992	(1,015,165)	-	216,330,828
Total governmental activities capital assets, net.....	\$ 237,442,079	\$ (1,015,165)	\$ -	\$ 236,604,415
Sewer Enterprise Fund:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 38,550	\$ -	\$ -	\$ 38,550
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	3,185,587	-	-	3,185,587
Equipment.....	1,008,989	102,521	-	1,111,510
Infrastructure.....	37,139,029	1,120,164	-	38,259,193
Total capital assets being depreciated.....	41,333,605	1,222,685	-	42,556,290
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,491,565)	(86,973)	-	(1,578,538)
Equipment.....	(832,131)	(54,985)	-	(887,116)
Infrastructure.....	(21,296,041)	(643,873)	-	(21,939,914)
Total accumulated depreciation.....	(23,619,737)	(785,831)	-	(24,405,568)
Total capital assets being depreciated, net.....	17,713,868	436,854	-	18,150,722
Total sewer enterprise capital assets, net.....	\$ 17,752,418	\$ 436,854	\$ -	\$ 18,189,272

	Beginning Balance	Increases	Decreases	Ending Balance
Water Enterprise Fund:				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 1,104,422	\$ -	\$ -	\$ 1,104,422
Equipment.....	2,032,556	171,361	-	2,203,917
Infrastructure.....	20,446,276	350,725	-	20,797,001
Total capital assets being depreciated.....	23,583,254	522,086	-	24,105,340
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(980,176)	(27,609)	-	(1,007,785)
Equipment.....	(1,379,226)	(133,005)	-	(1,512,231)
Infrastructure.....	(12,031,287)	(353,187)	-	(12,384,474)
Total accumulated depreciation.....	(14,390,689)	(513,801)	-	(14,904,490)
Total water enterprise capital assets, net.....	\$ 9,192,565	\$ 8,285	\$ -	\$ 9,200,850
	Beginning Balance	Increases	Decreases	Ending Balance
Veterans Memorial Rink Enterprise Fund:				
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	\$ 83,940	\$ 18,415	\$ -	\$ 102,355
Equipment.....	113,789	-	-	113,789
Total capital assets being depreciated.....	197,729	18,415	-	216,144
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(12,628)	(5,664)	-	(18,292)
Equipment.....	(83,297)	(11,378)	-	(94,675)
Total accumulated depreciation.....	(95,925)	(17,042)	-	(112,967)
Total Veterans Memorial Rink enterprise capital assets, net.....	\$ 101,804	\$ 1,373	\$ -	\$ 103,176
Total business-type activities capital assets, net.....	\$ 27,046,787	\$ 446,512	\$ -	\$ 27,493,298

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

Governmental Activities:

General government.....	\$ 313,651
Public safety.....	979,028
Education.....	5,391,059
Public works.....	3,800,073
Health and human services.....	33,551
Culture and recreation.....	1,166,234
Community development.....	864,748
	<u> </u>

Total depreciation expense - governmental activities.....	\$ <u>12,548,344</u>
---	----------------------

Business-Type Activities:

Sewer.....	\$ 785,831
Water.....	513,801
Veterans Memorial Rink.....	17,042
	<u> </u>

Total depreciation expense - business-type activities.....	\$ <u>1,316,674</u>
--	---------------------

NOTE 6 - NET INVESTMENT IN CAPITAL ASSETS

The City's net investment in capital assets at June 30, 2014 are summarized as follows:

Governmental Activities

Capital assets.....	\$ 373,885,630
Less accumulated depreciation.....	(137,281,216)
Less outstanding bonds and notes payable.....	(77,294,122)
Add unspent proceeds of capital related debt.....	4,705,551
	<u> </u>
Net investment in capital assets.....	\$ <u>164,015,843</u>

Business-Type Activities

Capital assets.....	\$ 66,916,323
Less accumulated depreciation.....	(39,423,025)
Less outstanding bonds and notes payable.....	(23,182,257)
Add unspent proceeds of capital related debt.....	6,171,792
	<u> </u>
Net investment in capital assets.....	\$ <u>10,482,833</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Receivables and payables between funds at June 30, 2014, are summarized as follows:

Receivable Fund	Payable Fund	Amount
General Fund.....	Police and fire detail nonmajor fund.....	\$ 434,591 (1)
General Fund.....	Highway projects major fund.....	304,740 (1)
General Fund.....	School federal grants nonmajor fund.....	271,852 (1)
General Fund.....	Community development major fund.....	23,030 (1)
General Fund.....	Vocational school reserve nonmajor fund....	501 (1)
General Fund.....	City federal grants nonmajor fund.....	253 (1)
		<u>\$ 1,034,967</u>

(1) Represents funding of cash deficits in the respective funds.

Interfund transfers for the fiscal year ended June 30, 2014, are summarized as follows:

Transfers In:					
Transfers Out:	General Fund	Sewer Enterprise Funds	Water Enterprise Fund	Veterans Memorial Rink Enterprise Fund	Total
General Fund.....	\$ -	\$ 41,000	\$ 52,050	\$ 82,400	\$ 175,450 (1)
Nonmajor Governmental Funds....	162,666	-	-	-	162,666 (2)
	<u>\$ 162,666</u>	<u>\$ 41,000</u>	<u>\$ 52,050</u>	<u>\$ 82,400</u>	<u>\$ 338,116</u>

(1) Represents budgeted transfers to sewer enterprise fund (\$41,100), water enterprise fund (\$52,050) and Veterans Memorial Rink enterprise fund (\$82,400) to fund compensation increases.

(2) Represents budgeted transfers from the library state aid (\$35,000) and insurance recovery (\$16,967) special revenue funds to the general fund. Also represents close out of various special revenue funds to the general fund.

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, 2014, is as follows:

Notes Payable - Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2013	Increases	Decreases	Balance at June 30, 2014
BAN	Building Renovations (Banks School).....	6/27/13	6/27/14	1.00%	\$ 3,500,000	\$ -	\$ (3,500,000)	\$ -
BAN	Building Renovations (Banks School).....	6/27/14	6/24/15	1.00%	-	3,500,000	-	3,500,000
Total.....					\$ 3,500,000	\$ 3,500,000	\$ (3,500,000)	\$ 3,500,000

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, 2014:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion
Governmental Activities:					
Bonds and notes payable.....	\$ 75,600,266	\$ 4,567,760	\$ (7,745,398)	\$ 72,422,628	\$ 7,634,498
Unamortized deferred premium....	1,498,503	-	(127,009)	1,371,494	127,009
Bonds and notes payable, gross..	77,098,769	4,567,760	(7,872,407)	73,794,122	7,761,507
Workers' compensation claims.....	227,660	643,007	(582,780)	287,887	287,887
Net OPEB obligation.....	85,898,910	34,902,463	(17,829,380)	102,971,993	-
Compensated absences.....	5,878,793	1,125,660	-	7,004,453	3,311,393
Total.....	\$ 169,104,132	\$ 41,238,890	\$ (26,284,567)	\$ 184,058,455	\$ 11,360,787
Business-type Activities:					
Bonds and notes payable.....	\$ 24,665,033	\$ 514,458	\$ (2,659,541)	\$ 22,519,950	\$ 2,151,657
Unamortized deferred premium....	701,559	-	(39,252)	662,307	39,251
Bonds and notes payable, gross..	25,366,592	514,458	(2,698,793)	23,182,257	2,190,908
Workers' compensation claims.....	51,590	49,214	(67,473)	33,331	33,331
Net OPEB obligation.....	1,590,071	573,915	(293,176)	1,870,810	-
Compensated absences.....	313,135	-	(2,814)	310,321	138,864
Total.....	\$ 27,321,388	\$ 1,137,587	\$ (3,062,256)	\$ 25,396,719	\$ 2,363,103

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, 2014, and the debt service requirements are as follows:

Bonds and Notes Payable – Governmental Funds

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Building Renovations.....	9/17/27	2.00 - 5.00%	\$ 1,637,000	\$ -	\$ (216,000)	\$ 1,421,000
School Construction.....	9/15/28	2.00 - 5.00%	39,834,206	-	(2,967,638)	36,866,568
Land Development.....	9/15/23	2.00 - 5.00%	3,802,000	-	(722,000)	3,080,000
Land Acquisition.....	9/15/27	2.00 - 5.00%	5,260,000	-	(525,000)	4,735,000
City Equipment.....	9/15/18	2.00 - 5.00%	1,298,000	-	(225,000)	1,073,000
City Technology.....	4/1/14	2.00 - 5.00%	70,000	-	(70,000)	-
Signals and Communications.....	9/15/17	2.00 - 5.00%	290,000	-	(127,000)	163,000
Pond Preservation.....	4/1/14	2.00 - 5.00%	35,000	-	(35,000)	-
Streets.....	9/15/28	3.00 - 5.00%	760,000	-	(65,000)	695,000
Drainage.....	9/15/28	3.00 - 5.00%	203,000	-	(21,000)	182,000
Land Acquisition.....	2/1/32	3.00 - 5.00%	3,040,000	-	(160,000)	2,880,000
Building Renovations.....	2/1/32	3.00 - 5.00%	2,500,400	-	(158,600)	2,341,800
City Equipment.....	2/1/21	3.00 - 5.00%	1,988,000	-	(422,500)	1,565,500
Streets.....	2/1/17	3.00 - 5.00%	1,363,000	-	(356,000)	1,007,000
Land Development.....	2/1/27	3.00 - 5.00%	1,442,000	-	(114,000)	1,328,000
Removal of Incinerator Facility.....	2/1/27	3.00 - 5.00%	985,000	-	(85,000)	900,000
Yard Structures.....	2/1/27	3.00 - 5.00%	504,000	-	(37,000)	467,000
Design/Engineering.....	2/1/25	3.00 - 5.00%	332,000	-	(98,000)	234,000
City Technology.....	2/1/19	3.00 - 5.00%	38,000	-	(7,000)	31,000
School Building Renovations.....	2/1/33	2.00 - 4.25%	450,025	-	(30,025)	420,000
School Equipment.....	2/1/22	2.00 - 4.00%	578,750	-	(78,750)	500,000
City Building Renovations.....	2/1/28	2.00 - 4.00%	1,226,000	-	(166,000)	1,060,000
Equipment.....	2/1/22	2.00 - 4.00%	1,910,222	-	(455,222)	1,455,000
Land Development.....	2/1/27	2.00 - 4.00%	1,348,000	-	(103,000)	1,245,000
Streets.....	2/1/28	2.00 - 4.00%	1,849,463	-	(174,463)	1,675,000
Technology.....	2/1/22	2.00 - 4.00%	266,000	-	(61,000)	205,000
Land Acquisition.....	2/1/33	2.00 - 4.25%	975,000	-	(50,000)	925,000
Land Acquisition Refunding.....	2/1/22	2.00 - 4.00%	1,615,200	-	(215,200)	1,400,000
School Architectural Services.....	5/1/34	2.50 - 5.00%	-	163,000	-	163,000
Building Renovations Feasibility Study.....	5/1/30	2.50 - 5.00%	-	82,000	-	82,000
Building Renovations.....	5/1/24	3.00 - 5.00%	-	49,000	-	49,000
Computer Equipment.....	5/1/19	4.00 - 5.00%	-	90,000	-	90,000
Street Resurfacing & Sidewalks.....	5/1/24	3.00 - 5.00%	-	2,129,000	-	2,129,000
Road Reconstruction & Resurfacing.....	5/1/18	4.00 - 5.00%	-	21,000	-	21,000
Sidewalk Improvements.....	5/1/19	4.00 - 5.00%	-	24,000	-	24,000
Traffic Signal Improvements.....	5/1/24	3.00 - 5.00%	-	77,000	-	77,000
Equipment - Fire Truck.....	5/1/19	4.00 - 5.00%	-	222,000	-	222,000
Playground Design.....	5/1/19	4.00 - 5.00%	-	150,000	-	150,000
Equipment - Pick-Up Truck.....	5/1/19	4.00 - 5.00%	-	34,000	-	34,000
Police Cruisers.....	5/1/19	4.00 - 5.00%	-	282,000	-	282,000
Assessor Revaluation.....	5/1/24	3.00 - 5.00%	-	144,200	-	144,200
Equipment - Trackless Tractors.....	5/1/19	4.00 - 5.00%	-	300,000	-	300,000
Equipment - Truck Lift.....	5/1/19	4.00 - 5.00%	-	47,000	-	47,000
Parking Lot Reconstruction.....	5/1/24	3.00 - 5.00%	-	247,000	-	247,000
Equipment - Bucket Truck.....	5/1/19	4.00 - 5.00%	-	106,560	-	106,560
Land Acquisition.....	5/1/34	2.50 - 5.00%	-	400,000	-	400,000
Sub-total.....			75,600,266	4,567,760	(7,745,398)	72,422,628
Add: unamortized premium.....			1,498,503	-	(127,009)	1,371,494
Total governmental funds.....			\$ 77,098,769	\$ 4,567,760	\$ (7,872,407)	\$ 73,794,122

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>
2015.....	\$ 7,634,498	\$ 2,693,723	\$ 10,328,221
2016.....	7,425,238	2,410,315	9,835,553
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	875	25,875
Total.....	\$ <u>72,422,628</u>	\$ <u>16,092,441</u>	\$ <u>88,515,069</u>

The City issued \$4,567,760 of general obligation bonds on June 24, 2014 for building renovations, street repairs, land acquisition and other equipment.

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

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Sewer Projects.....	11/15/26	2.00 - 5.00%	\$ 2,900,000	\$ -	\$ (335,000)	\$ 2,565,000
Sewer Improvements.....	9/15/28	4.00%	578,000	-	(39,000)	539,000
Sewer Equipment.....	9/15/28	2.00 - 5.00%	573,000	-	(78,000)	495,000
MWPAT.....	7/8/30	2.00%	2,659,556	-	(222,797)	2,436,759
MWRA.....	11/15/15	0.00%	1,065,680	-	(395,560)	670,120
Sewer Projects.....	2/1/32	3.00 - 5.00%	2,528,450	-	(133,550)	2,394,900
Sewer Improvements.....	2/1/32	3.00 - 5.00%	3,674,250	-	(193,750)	3,480,500
MWPAT.....	1/15/33	2.00%	384,193	-	(292,648)	91,545
Traffic & Signal Improvements.....	2/1/22	3.00 - 5.00%	338,000	-	(42,000)	296,000
Sewer Improvements.....	2/1/33	2.00 - 4.25%	1,439,440	-	(94,440)	1,345,000
Drainage Improvements.....	5/1/17	4.00 - 5.00%	-	15,000	-	15,000
MWPAT.....	7/15/32	2.00%	-	263,218	-	263,218
Sub-total.....			16,140,569	278,218	(1,826,745)	14,592,042
Add: unamortized premium.....			541,030	-	(29,245)	511,785
Total sewer enterprise.....			\$ 16,681,599	\$ 278,218	\$ (1,855,990)	\$ 15,103,827

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

Fiscal Year	Principal	Interest	Total
2015.....	\$ 1,373,520	\$ 515,816	\$ 1,889,337
2016.....	1,369,732	474,043	1,843,775
2017.....	1,036,991	431,247	1,468,238
2018.....	1,042,419	385,902	1,428,321
2019.....	1,044,956	341,102	1,386,058
2020.....	852,977	299,397	1,152,374
2021.....	855,994	268,926	1,124,920
2022.....	829,068	238,463	1,067,532
2023.....	826,208	202,174	1,028,382
2024.....	829,412	173,233	1,002,645
2025.....	842,680	143,946	986,626
2026.....	785,013	115,325	900,339
2027.....	608,415	91,105	699,520
2028.....	477,963	72,841	550,804
2029.....	472,697	56,874	529,571
2030.....	427,448	42,776	470,224
2031.....	428,212	29,072	457,285
2032.....	406,640	15,786	422,426
2033.....	81,695	2,932	84,627
Total.....	\$ 14,592,042	\$ 3,900,960	\$ 18,493,002

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. At June 30, 2014, the outstanding principal amount of MWRA loans in the sewer enterprise fund totaled \$670,120.

During fiscal year 2014, The City issued \$263,218 of MWPAT bonds and \$15,000 of general obligation bonds for sewer improvement projects.

Water Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Water Mains.....	9/15/28	4.10 - 5.00%	\$ 215,000	\$ -	\$ (15,000)	\$ 200,000
Water Improvements.....	9/15/28	4.00%	1,516,000	-	(121,000)	1,395,000
Water Tower.....	4/1/14	2.00 - 4.00%	40,000	-	(40,000)	-
Water Projects.....	9/15/18	3.00 - 5.00%	137,000	-	(67,000)	70,000
MWRA.....	11/15/15	0.00%	1,373,214	-	(171,651)	1,201,563
Water Mains.....	2/1/32	3.00 - 5.00%	378,100	-	(19,900)	358,200
Water Improvements.....	2/1/32	3.00 - 5.00%	1,090,900	-	(59,100)	1,031,800
Water Projects.....	2/1/32	3.00 - 5.00%	476,900	-	(25,100)	451,800
MWRA.....	5/15/18	0.00%	2,156,450	-	(215,645)	1,940,805
Water Improvements.....	2/1/33	2.00 - 4.25%	1,079,900	-	(74,900)	1,005,000
Water Improvements.....	5/1/21	4.00 - 5.00%	-	36,100	-	36,100
Water.....	5/1/34	2.50 - 5.00%	-	200,140	-	200,140
Sub-total.....			8,463,464	236,240	(809,296)	7,890,408
Add: unamortized premium.....			156,689	-	(8,471)	148,218
Total water enterprise.....			\$ 8,620,153	\$ 236,240	\$ (817,767)	\$ 8,038,626

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015.....	\$ 754,637	\$ 176,719	\$ 931,356
2016.....	713,397	163,601	876,998
2017.....	713,396	150,643	864,039
2018.....	688,397	137,632	826,029
2019.....	682,397	124,557	806,954
2020.....	675,397	111,059	786,456
2021.....	660,397	100,026	760,423
2022.....	483,745	90,123	573,868
2023.....	478,745	78,478	557,223
2024.....	263,100	69,425	332,525
2025.....	258,100	60,516	318,616
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	350	10,350
Total.....	\$ <u>7,890,408</u>	\$ <u>1,456,818</u>	\$ <u>9,337,226</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. At June 30, 2014, the outstanding principal amount of MWRA loans in the water enterprise fund totaled \$3,142,368.

During fiscal year 2014, The City issued \$236,240 of general obligation bonds for water improvement projects.

Veterans Memorial Rink Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Equipment.....	2/1/2016	3.00 - 5.00%	\$ 61,000	\$ -	\$ (23,500)	\$ 37,500
Add: unamortized premium.....			3,840	-	(1,536)	2,304
Total Veterans Memorial Rink.....			<u>\$ 64,840</u>	<u>\$ -</u>	<u>\$ (25,036)</u>	<u>\$ 39,804</u>

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

Fiscal Year	Principal	Interest	Total
2015.....	\$ 23,500	\$ 1,500	\$ 25,000
2016.....	<u>14,000</u>	<u>560</u>	<u>14,560</u>
Total.....	<u>\$ 37,500</u>	<u>\$ 2,060</u>	<u>\$ 39,560</u>

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2014, the City had the following authorized and unissued debt:

Purpose	Amount
Sewer.....	\$ 5,954,940
Street & traffic improvements.....	4,647,095
School design/construction.....	3,908,274
Water.....	1,896,342
Building renovations.....	2,113,905
Planning.....	943,000
Technology.....	79,000
Land development.....	51,000
Police communication system....	<u>45,220</u>
Total.....	<u>\$ 19,638,776</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 number of participants as of June 30, 2014, the latest actuarial valuation, is as follows:

Active employees.....	1,435
Retirees and Survivors....	<u>1,247</u>
Total.....	<u><u>2,682</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% and 12.5% and 99% and 87.5%, 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:

	Amount
Annual required contribution.....	\$ 34,893,118
Interest on net OPEB obligation.....	3,499,559
Adjustment to annual required contribution.....	<u>(2,916,299)</u>
Annual OPEB cost.....	35,476,378
Contributions made.....	<u>(18,122,556)</u>
Increase in net OPEB obligation.....	17,353,822
Net OPEB obligation at beginning of year.....	<u>87,488,981</u>
Net OPEB obligation at end of year.....	<u><u>\$ 104,842,803</u></u>

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

Fiscal Year Ending	Annual OPEB Cost (AOPEBC)	Percentage of AOPEBC Contributed	Net OPEB Obligation
June 30, 2012.....	\$ 39,383,555	54.9%	\$ 69,457,340
June 30, 2013.....	40,971,815	56.0%	87,488,981
June 30, 2014.....	35,476,378	51.1%	104,842,803

Funded Status and Funding Progress – The funded status of the Plan at June 30, 2014, the most recent actuarial valuation, was as follows:

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)
06/30/14	\$ -	\$ 600,635,042	\$ 600,635,042	0%	\$ 89,853,532	668%

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, 2014
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 trend rate:	7.0% decreasing a half percent annually for 5 years to an ultimate level of 4.5% per year
Projected salary increases:	4.0%

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

Governmental Activities:

General government.....	\$ 2,119,313
Public safety.....	10,697,021
Education.....	19,139,312
Public works.....	1,196,461
Health and human services.....	414,173
Culture and recreation.....	848,228
Community development.....	<u>487,955</u>
Total AOPEBC - governmental activities.....	<u>34,902,463</u>

Business-Type Activities:

Sewer.....	183,520
Water.....	349,258
Veterans Memorial Rink.....	<u>41,137</u>
Total AOPEBC - business-type activities.....	<u>573,915</u>
Total.....	<u>\$ 35,476,378</u>

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, 2014, the amount of the liability for health insurance claims totaled \$3,294,832. Changes in the reported liability since July 1, 2012, 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 2013.....	\$ 3,496,119	\$ 37,236,047	\$ (38,045,062)	\$ 2,687,104
Fiscal year 2014.....	2,687,104	42,056,752	(41,449,024)	3,294,832

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, 2014, totaled \$321,218. Changes in the reported liability since July 1, 2012, 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 2013.....	\$ 330,793	\$ 635,715	\$ (687,258)	\$ 279,250
Fiscal year 2014.....	279,250	692,221	(650,253)	321,218

NOTE 13 - FUND BALANCES

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

	General	Highway Projects	Community Development	Community Preservation	City Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ -	2,150,692	2,150,692
Restricted:							
Community preservation.....	-	-	-	22,739,169	-	-	22,739,169
Other postemployment benefits.....	8,351,922	-	-	-	-	-	8,351,922
Other special revenue.....	-	-	-	-	-	3,709,513	3,709,513
School federal grants.....	-	-	-	-	-	(32,036)	(32,036)
City state grants.....	-	-	-	-	-	196,952	196,952
School state grants.....	-	-	-	-	-	47,568	47,568
Insurance recovery.....	-	-	-	-	-	1,390	1,390
Gifts.....	-	-	-	-	-	684,346	684,346
Sale of lots/graves.....	-	-	-	-	-	1,360,162	1,360,162
Revenue reserve.....	-	-	-	-	-	1,615,501	1,615,501
School lunch.....	-	-	-	-	-	872,639	872,639
Parking meters.....	-	-	-	-	-	1,874,056	1,874,056
UDAG nova biomedical.....	-	-	-	-	-	37,618	37,618
Public safety trust funds.....	-	-	-	-	-	1,281,002	1,281,002
Traffic impact fund.....	-	-	-	-	-	2,261,616	2,261,616
School capital projects.....	-	-	-	-	-	713,152	713,152
Cemetery trust funds.....	-	-	-	-	-	22,572	22,572
Other permanent funds.....	-	-	-	-	-	257,318	257,318
Sub-total - Restricted.....	8,351,922	-	-	22,739,169	-	14,903,369	45,994,460
Committed:							
Subsequent year's expenditures.....	316,379	-	-	-	-	-	316,379
General government.....	262,000	-	-	-	-	-	262,000
Community development.....	594,176	-	-	-	-	-	594,176
Other.....	320,382	-	-	-	-	-	320,382
Sub-total - Committed.....	1,492,937	-	-	-	-	-	1,492,937
Assigned:							
General government.....	1,010,052	-	-	-	-	-	1,010,052
Public safety.....	1,160,616	-	-	-	-	-	1,160,616
Education.....	1,499,920	-	-	-	-	-	1,499,920
Public works.....	533,349	-	-	-	-	-	533,349
Community development.....	109,627	-	-	-	-	-	109,627
Other.....	64,553	-	-	-	-	-	64,553
Sub-total - Assigned.....	4,378,117	-	-	-	-	-	4,378,117
Unassigned.....	34,984,665	(670,691)	(75,856)	-	(130,878)	(495,093)	33,612,147
	\$ 49,207,641	\$ (670,691)	\$ (75,856)	\$ 22,739,169	\$ (130,878)	\$ 16,558,968	\$ 87,628,353

NOTE 14 - STABILIZATION FUNDS

The City maintains a general stabilization fund that was established under MGL Chapter 40, Section 5B. Appropriations in and out of the stabilization fund require majority City Council approval. Investment income is retained by the fund.

The balance of the general stabilization fund at June 30, 2014 totals \$1,560,819 and is reported in the general fund as unassigned fund balance.

NOTE 15 - 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 System. 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.

Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System provides retirement, disability and death benefits to plan members and beneficiaries. Cost-of-living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be authorized by the Waltham Contributory Retirement System and are borne by the System. The System 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 610 Main Street, Waltham, Massachusetts 02452.

Plan Membership - At December 31, 2013, the System's membership consists of the following:

Active members.....	886
Inactive members.....	126
Retirees and beneficiaries currently receiving benefits	<u>757</u>
Total.....	<u><u>1,769</u></u>

Funding Policy – 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. 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.

Contributions are recognized as additions in the period when they become due pursuant to formal commitments, statutory or contractual requirements. Benefits and refunds are recognized as deductions when incurred and administrative expenses are funded through investment earnings.

Annual Pension Cost – The City's contributions to the System for the fiscal years ended June 30, 2014, 2013, and 2012 were \$14,303,117, \$13,857,860 and \$13,738,814, respectively, which equaled its annual required contribution. The current and two preceding fiscal years apportionment of the annual pension cost between the two employers required the City to contribute approximately 97% of the total. At June 30, 2014, the City did not have a net pension obligation.

Funded Status and Funding Progress – The funded status of the plan at January 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/13	\$ 165,040,789	\$ 324,109,193	\$ 159,068,404	50.9%	\$ 50,696,522	313.8%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AAL for benefits.

Additional information as of the latest actuarial valuation is as follows:

Valuation date:	January 1, 2013
Actuarial cost method:	Entry age normal
Amortization method:	Increasing payments 4.00%
Remaining amortization period:	22 years (open)
Asset valuation method:	Actuarial value, 5-year smoothing

Actuarial assumptions:

Investment rate of return:	8.25%
Projected salary increases:	3.50%
Inflation rate:	3.50%
Cost of living adjustments:	3.00% of the first \$14,000 of retirement income

Legally Required Reserve Accounts - The balance in the System's legally required reserves as of December 31, 2013 are as follows:

Description	Amount	Purpose
Annuity Savings Fund.....	\$ 58,440,654	Active members' contribution balance
Annuity Reserve Fund.....	16,635,274	Retired members' contribution account
Military Service Fund.....	2,228	Military leave of absence contribution balance
Pension Reserve Fund.....	96,120,374	Amounts appropriated to fund future retirement
Pension Fund.....	18,128,039	Remaining net assets
Total.....	<u>\$ 189,326,569</u>	

NOTE 16 - MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

Public school teachers and certain administrators are members of the Massachusetts Teachers Retirement System, to which the City does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled \$16,732,290 for the fiscal year ended June 30, 2014, and accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

NOTE 17 - COMMITMENTS

The City has entered into, or is planning to enter into, contracts totaling approximately \$40,000,000 for equipment, street and sidewalks, buildings and facilities and water/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 \$5,554,675 at June 30, 2014.

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, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2014.

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2014, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 19 - FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, which is required to be implemented (in the City's financial statements) during fiscal year 2015. The implementation of this Statement, among other things, expands note disclosures and required supplementary information related to the Pension Trust Fund.
- Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which is required to be implemented during fiscal year 2015. The implementation of this Statement will represent a significant change in the accounting and reporting of pension expense and the related liability. For the first time, the City will be required to recognize its long-term obligation for pension benefits as a liability and to more comprehensively measure the annual costs of pension benefits. The implementation of this Statement also expands pension related note disclosures and required supplementary information.

- Statement No. 69, Government Combinations and Disposals of Government Operations, which is required to be implemented during fiscal year 2015. Management does not believe the implementation of this Statement will impact the basic financial statements.
- Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, which is required to be implemented during fiscal year 2015. The implementation of this Statement will require the City, in the transition year of Statement No. 68, to recognize contributions to defined benefit pension plans between the measurement date of the reported net pension liability and the end of the government's reporting period as a deferred outflow of resources.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Real estate and personal property taxes.....	\$ -	\$ 155,925,625	\$ -	\$ 155,925,625
Motor vehicle and other excise taxes.....	-	6,100,000	-	6,100,000
Hotel/motel tax.....	-	3,725,000	-	3,725,000
Meals taxes.....	-	1,200,000	-	1,200,000
Tax liens.....	-	-	-	-
Payments in lieu of taxes.....	-	43,000	-	43,000
Intergovernmental	-	17,481,128	-	17,481,128
Special assessments.....	-	125,000	-	125,000
Penalties and interest on taxes.....	-	558,000	-	558,000
Licenses and permits.....	-	2,700,000	-	2,700,000
Fines and forfeitures.....	-	700,000	-	700,000
Departmental and other.....	-	2,274,000	-	2,274,000
Investment income.....	-	105,000	-	105,000
TOTAL REVENUES.....	-	190,936,753	-	190,936,753
EXPENDITURES				
GENERAL GOVERNMENT				
City Council				
Personnel.....	-	285,416	-	285,416
General.....	1,800	63,692	-	65,492
Equipment/Unusual.....	20,325	110,000	-	130,325
Capital Improvement.....	982	-	23,750	24,732
Total.....	23,107	459,108	23,750	505,965
Mayor's Office				
Personnel.....	-	289,762	-	289,762
General.....	-	25,000	(820)	24,180
Equipment/Unusual.....	1,338,597	2,144,950	(2,757,775)	725,772
Capital Improvement.....	2,200	-	100,820	103,020
Total.....	1,340,797	2,459,712	(2,657,775)	1,142,734
Auditors				
Personnel.....	-	504,026	-	504,026
General.....	1,063	7,235	-	8,298
Equipment/Unusual.....	-	-	-	-
Capital Improvement.....	12,804	-	-	12,804
Total.....	13,867	511,261	-	525,128
Treasurer and Collector				
Personnel.....	-	846,441	-	846,441
General.....	12,866	293,600	-	306,466
Equipment/Unusual.....	-	5,000	-	5,000
Capital Improvement.....	30,500	-	-	30,500
Total.....	43,366	1,145,041	-	1,188,407
Assessors				
Personnel.....	-	400,762	-	400,762
General.....	155	87,045	-	87,200
Capital Improvement.....	6,450	-	-	6,450
Total.....	6,605	487,807	-	494,412
Certification and Interest on Refunds*.....	75,491	135,000	(25,000)	185,491

* 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)
\$	156,943,871	\$ -	\$ 156,943,871	\$ 1,018,246
	7,127,054	-	7,127,054	1,027,054
	3,535,326	-	3,535,326	(189,674)
	1,195,490	-	1,195,490	(4,510)
	1,010,349	-	1,010,349	1,010,349
	43,151	-	43,151	151
	19,628,167	-	19,628,167	2,147,039
	96,635	-	96,635	(28,365)
	700,250	-	700,250	142,250
	5,830,674	-	5,830,674	3,130,674
	651,104	-	651,104	(48,896)
	1,157,539	-	1,157,539	(1,116,461)
	114,787	-	114,787	9,787
	<u>198,034,397</u>	<u>-</u>	<u>198,034,397</u>	<u>7,097,644</u>
	277,037	-	277,037	8,379
	62,887	-	62,887	2,605
	-	-	-	130,325
	449	24,283	24,732	-
	<u>340,373</u>	<u>24,283</u>	<u>364,656</u>	<u>141,309</u>
	269,751	-	269,751	20,011
	23,149	-	23,149	1,031
	153,954	525,750	679,704	46,068
	800	102,200	103,000	20
	<u>447,654</u>	<u>627,950</u>	<u>1,075,604</u>	<u>67,130</u>
	489,625	-	489,625	14,401
	7,013	-	7,013	1,285
	-	-	-	-
	6,560	2,221	8,781	4,023
	<u>503,198</u>	<u>2,221</u>	<u>505,419</u>	<u>19,709</u>
	824,577	-	824,577	21,864
	286,152	8,409	294,561	11,905
	5,000	-	5,000	-
	10,963	19,537	30,500	-
	<u>1,126,692</u>	<u>27,946</u>	<u>1,154,638</u>	<u>33,769</u>
	364,925	-	364,925	35,837
	85,477	-	85,477	1,723
	6,440	-	6,440	10
	<u>456,842</u>	<u>-</u>	<u>456,842</u>	<u>37,570</u>
	<u>93,177</u>	<u>77,455</u>	<u>170,632</u>	<u>14,859</u>

(continued)

CITY OF WALTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Purchasing				
Personnel.....	-	217,349	-	217,349
General.....	(4,745)	7,173	-	2,428
Special.....	-	238,878	5,921	244,799
Capital Improvement.....	12,461	-	-	12,461
Total.....	7,716	463,400	5,921	477,037
Trust Funds				
Personnel.....	-	4,000	-	4,000
Law Department				
Personnel.....	-	781,688	4,500	786,188
General.....	3,963	72,950	-	76,913
Equipment/Unusual.....	101,500	26,000	-	127,500
Capital Improvement.....	26,086	-	-	26,086
Total.....	131,549	880,638	4,500	1,016,687
Building General Support and Maintenance				
Personnel.....	10,000	1,425,277	41,995	1,477,272
General.....	10,239	280,950	500	291,689
Equipment/Unusual.....	63,356	-	-	63,356
Capital Improvement.....	60,369	-	-	60,369
Total.....	143,964	1,706,227	42,495	1,892,686
Utilities				
General.....	79,260	1,258,100	-	1,337,360
Central Telephone Service				
Personnel.....	-	27,707	-	27,707
General.....	810	180,000	-	180,810
Total.....	810	207,707	-	208,517
Personnel				
Personnel.....	-	258,783	-	258,783
General.....	-	6,550	-	6,550
Equipment/Unusual.....	145	23,000	-	23,145
Total.....	145	288,333	-	288,478
Work Study				
General.....	-	6,000	-	6,000
City Clerk				
Personnel.....	-	352,446	-	352,446
General.....	3,086	90,200	-	93,286
Capital Improvement.....	35,130	-	-	35,130
Total.....	38,216	442,646	-	480,862
Information Technology				
Personnel.....	-	985,080	-	985,080
General.....	7,681	299,975	-	307,656
Equipment/Unusual.....	-	10,000	-	10,000
Capital Improvement.....	163,369	-	-	163,369
Total.....	171,050	1,295,055	-	1,466,105

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
216,975	-	216,975	374
6,438	(4,050)	2,388	40
232,786	-	232,786	12,013
12,433	-	12,433	28
468,632	(4,050)	464,582	12,455
3,000	-	3,000	1,000
782,151	-	782,151	4,037
63,447	4,023	67,470	9,443
10,683	101,332	112,015	15,485
6,664	19,422	26,086	-
862,945	124,777	987,722	28,965
1,305,352	51,995	1,357,347	119,925
259,808	28,492	288,300	3,389
57,866	4,210	62,076	1,280
35,779	24,419	60,198	171
1,658,805	109,116	1,767,921	124,765
1,147,186	190,174	1,337,360	-
25,303	-	25,303	2,404
173,533	7,274	180,807	3
198,836	7,274	206,110	2,407
252,869	-	252,869	5,914
5,898	-	5,898	652
18,642	-	18,642	4,503
277,409	-	277,409	11,069
1,800	-	1,800	4,200
335,859	-	335,859	16,587
87,775	4,721	92,496	790
69	35,061	35,130	-
423,703	39,782	463,485	17,377
964,118	500	964,618	20,462
297,921	9,593	307,514	142
9,036	-	9,036	964
138,232	24,856	163,088	281
1,409,307	34,949	1,444,256	21,849

(continued)

CITY OF WALTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Voter Registration				
Personnel.....	-	226,230	-	226,230
General.....	10,562	135,500	68,451	214,513
Capital Improvement.....	10,000	-	-	10,000
Total.....	20,562	361,730	68,451	450,743
TOTAL GENERAL GOVERNMENT.....	2,096,505	12,111,765	(2,537,658)	11,670,612
PUBLIC SAFETY				
Police and Animal Control				
Personnel.....	75,000	13,132,480	-	13,207,480
General.....	33,789	382,785	-	416,574
Equipment/Unusual.....	12,276	194,868	-	207,144
Special.....	3,566	152,225	-	155,791
Capital Improvement.....	131,695	-	16,967	148,662
Total.....	256,326	13,862,358	16,967	14,135,651
Dispatch				
Personnel.....	-	1,390,796	204,302	1,595,098
General.....	-	43,295	-	43,295
Special.....	-	7,290	2,940	10,230
Total.....	-	1,441,381	207,242	1,648,623
Fire				
Personnel.....	609,000	12,978,999	2,096,153	15,684,152
General.....	73,108	358,878	-	431,986
Equipment/Unusual.....	24,301	63,700	-	88,001
Special.....	61,229	170,425	-	231,654
Capital Improvement.....	55,000	-	-	55,000
Total.....	822,638	13,572,002	2,096,153	16,490,793
Emergency Management				
Personnel.....	-	69,063	-	69,063
General.....	867	400	-	1,267
Equipment/Unusual.....	13,000	3,100	-	16,100
Capital Improvement.....	27,000	-	-	27,000
Total.....	40,867	72,563	-	113,430
Wires General Support and Inspection				
Personnel.....	-	559,249	17,900	577,149
General.....	24,676	235,350	300	260,326
Equipment/Unusual.....	983	8,000	-	8,983
Capital Improvement.....	10,000	-	-	10,000
Total.....	35,659	802,599	18,200	856,458
Licensing				
Personnel.....	-	12,600	-	12,600
General.....	-	3,900	-	3,900
Total.....	-	16,500	-	16,500
TOTAL PUBLIC SAFETY.....	1,155,490	29,767,403	2,338,562	33,261,455

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
226,230	-	226,230	-
189,301	175	189,476	25,037
-	10,000	10,000	-
415,531	10,175	425,706	25,037
9,835,090	1,272,052	11,107,142	563,470
12,793,185	103,744	12,896,929	310,551
328,541	9,227	337,768	78,806
172,844	19,878	192,722	14,422
137,477	9,942	147,419	8,372
80,813	67,028	147,841	821
13,512,860	209,819	13,722,679	412,972
1,353,796	204,866	1,558,662	36,436
31,774	-	31,774	11,521
6,133	2,940	9,073	1,157
1,391,703	207,806	1,599,509	49,114
14,890,026	635,000	15,525,026	159,126
326,936	70,135	397,071	34,915
56,156	23,781	79,937	8,064
167,948	38,920	206,868	24,786
24,173	30,827	55,000	-
15,465,239	798,663	16,263,902	226,891
69,062	-	69,062	1
884	379	1,263	4
15,762	113	15,875	225
-	27,000	27,000	-
85,708	27,492	113,200	230
558,923	17,900	576,823	326
235,166	21,898	257,064	3,262
4,204	1,893	6,097	2,886
9,000	-	9,000	1,000
807,293	41,691	848,984	7,474
12,542	-	12,542	58
3,712	-	3,712	188
16,254	-	16,254	246
31,279,057	1,285,471	32,564,528	696,927

(continued)

CITY OF WALTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
EDUCATION				
Personnel.....		53,827,812	-	53,827,812
General.....	1,059,485	13,795,464	2,023,313	16,878,262
Professional Development.....	-	348,160	-	348,160
Capital Improvement.....	128,268	784,964	-	913,232
TOTAL EDUCATION.....	1,187,753	68,756,400	2,023,313	71,967,466
PUBLIC WORKS				
Consolidated Public Works Administration				
Personnel.....	25,000	3,791,667	121,125	3,937,792
General.....	12,459	1,135,800	89,575	1,237,834
Equipment/Unusual.....	370,291	170,700	23,900	564,891
Capital Improvement.....	231,546	-	215,000	446,546
Total.....	639,296	5,098,167	449,600	6,187,063
Snow and Ice Removal				
Personnel.....	-	100,000	164,800	264,800
General.....	13,255	1,272,076	1,530,000	2,815,331
Total.....	13,255	1,372,076	1,694,800	3,080,131
Street Lighting				
General.....	14,841	530,000	-	544,841
Collection and Disposal of Rubbish				
Equipment/Unusual.....	449,392	5,265,000	-	5,714,392
Cemetery Commission				
Personnel.....	-	3,000	-	3,000
TOTAL PUBLIC WORKS.....	1,116,784	12,268,243	2,144,400	15,529,427
COMMUNITY DEVELOPMENT				
Planning				
Personnel.....	-	193,035	-	193,035
General.....	-	2,650	-	2,650
Capital Improvement.....	373,131	-	200,000	573,131
Total.....	373,131	195,685	200,000	768,816
Housing				
Personnel.....	-	160,637	-	160,637
General.....	-	1,550	-	1,550
Total.....	-	162,187	-	162,187
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.....	-	17,600	-	17,600
General.....	431	21,500	-	21,931
Capital Improvement.....	2,400	-	-	2,400
Total.....	2,831	39,100	-	41,931

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
53,711,097	28,977	53,740,074	87,738
15,855,839	1,470,943	17,326,782	(448,520)
360,577	-	360,577	(12,417)
540,033	-	540,033	373,199
70,467,546	1,499,920	71,967,466	-
3,358,173	201,125	3,559,298	378,494
1,205,625	13,551	1,219,176	18,658
234,466	147,252	381,718	183,173
324,305	121,901	446,206	340
5,122,569	483,829	5,606,398	580,665
253,333	9,800	263,133	1,667
2,815,250		2,815,250	81
3,068,583	9,800	3,078,383	1,748
504,165	39,414	543,579	1,262
5,664,879	306	5,665,185	49,207
2,500	-	2,500	500
14,362,696	533,349	14,896,045	633,382
182,305	-	182,305	10,730
2,536	114	2,650	-
38,513	534,617	573,130	1
223,354	534,731	758,085	10,731
159,416	-	159,416	1,221
1,523	27	1,550	-
160,939	27	160,966	1,221
15,700	-	15,700	1,300
3,626	-	3,626	1,474
19,326	-	19,326	2,774
12,200	-	12,200	5,400
19,002	-	19,002	2,929
586	1,814	2,400	-
31,788	1,814	33,602	8,329

(continued)

CITY OF WALTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Traffic Engineering				
Personnel.....	-	316,711	7,150	323,861
General.....	13	47,490	100	47,603
Equipment/Unusual.....	50,000	50,000	-	100,000
Capital Improvement.....	8,000	-	-	8,000
Total.....	58,013	414,201	7,250	479,464
Conservation Commission				
Personnel.....	-	41,680	-	41,680
General.....	-	2,900	-	2,900
Capital Improvement.....	53,915	-	-	53,915
Total.....	53,915	44,580	-	98,495
Historical Commission				
Personnel.....	-	30,500	-	30,500
General.....	148	3,875	-	4,023
Equipment/Unusual.....	1,045	6,000	-	7,045
Total.....	1,193	40,375	-	41,568
Paine Estate				
Personnel.....	-	171,942	-	171,942
General.....	384	32,600	-	32,984
Capital Improvement.....	3,830	-	-	3,830
Total.....	4,214	204,542	-	208,756
Engineering				
Personnel.....	-	370,300	-	370,300
General.....	109	8,450	-	8,559
Total.....	109	378,750	-	378,859
TOTAL COMMUNITY DEVELOPMENT	493,406	1,501,520	207,250	2,202,176
HEALTH AND HUMAN SERVICES				
Health				
Personnel.....	-	761,707	-	761,707
General.....	21	44,550	-	44,571
Equipment/Unusual.....	-	600	-	600
Capital Improvement.....	10,000	-	-	10,000
Total.....	10,021	806,857	-	816,878
Veterans				
Personnel.....	-	164,463	-	164,463
General.....	-	250,275	-	250,275
Total.....	-	414,738	-	414,738
Council on Aging				
Personnel.....	-	356,119	3,445	359,564
General.....	9,144	152,784	50	161,978
Capital Improvement.....	75,500	-	-	75,500
Total.....	84,644	508,903	3,495	597,042
Celebration of Holidays				
General.....	10,000	11,100	-	21,100

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
316,444	7,150	323,594	267
46,636	283	46,919	684
-	100,000	100,000	-
7,893	-	7,893	107
370,973	107,433	478,406	1,058
31,662	-	31,662	10,018
748	-	748	2,152
-	53,915	53,915	-
32,410	53,915	86,325	12,170
22,525	-	22,525	7,975
3,299	225	3,524	499
5,770	1,275	7,045	-
31,594	1,500	33,094	8,474
171,940	-	171,940	2
25,255	500	25,755	7,229
-	3,830	3,830	-
197,195	4,330	201,525	7,231
332,725	-	332,725	37,575
8,266	53	8,319	240
340,991	53	341,044	37,815
1,408,570	703,803	2,112,373	89,803
733,237	-	733,237	28,470
39,460	335	39,795	4,776
537	63	600	-
9,963	-	9,963	37
783,197	398	783,595	33,283
158,905	-	158,905	5,558
232,230	-	232,230	18,045
391,135	-	391,135	23,603
352,800	3,445	356,245	3,319
155,857	6,121	161,978	-
57,065	18,435	75,500	-
565,722	28,001	593,723	3,319
11,000	10,000	21,000	100

(continued)

CITY OF WALTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	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.....	104,665	1,748,798	3,495	1,856,958
CULTURE AND RECREATION				
Library				
Personnel.....	-	1,965,391	108,250	2,073,641
General.....	4,965	260,600	35,050	300,615
Equipment/Unusual.....	-	61,000	-	61,000
Capital Improvement.....	101,000	-	-	101,000
Total.....	105,965	2,286,991	143,300	2,536,256
Recreation				
Personnel.....	-	521,087	2,665	523,752
General.....	-	15,950	25	15,975
Equipment/Unusual.....	-	102,000	-	102,000
Capital Improvement.....	64,399	-	-	64,399
Total.....	64,399	639,037	2,690	706,126
Playgrounds				
Personnel.....	-	61,950	-	61,950
General.....	36,800	305,500	-	342,300
Equipment/Unusual.....	-	3,000	-	3,000
Total.....	36,800	370,450	-	407,250
Summer Fun				
Personnel.....	-	67,300	-	67,300
General.....	259	13,800	-	14,059
Total.....	259	81,100	-	81,359
Support of Recreation Activities				
General.....	10,050	105,000	-	115,050
Equipment/Unusual.....	1,500	8,000	-	9,500
Total.....	11,550	113,000	-	124,550
TOTAL CULTURE AND RECREATION.....	218,973	3,490,578	145,990	3,855,541
PENSION BENEFITS				
Contributory Retirement System.....	-	14,303,117	-	14,303,117
Non-Contributory Pension Benefits.....	-	31,000	(11,520)	19,480
TOTAL PENSION BENEFITS.....	-	14,334,117	(11,520)	14,322,597
EMPLOYEE BENEFITS				
Worker's Compensation.....	2,029	478,000	185,000	665,029
Optional Medical Extension.....	-	2,000,000	-	2,000,000
Hospital and Medical Insurance.....	8,400	36,186,000	-	36,194,400
Group Life Insurance.....	6,271	85,000	-	91,271
Social Security.....	-	30,000	-	30,000
Unemployment.....	23,137	40,000	-	63,137
TOTAL EMPLOYEE BENEFITS.....	39,837	38,819,000	185,000	39,043,837

Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
6,100	-	6,100	900
123	-	123	77
6,223	-	6,223	977
1,757,277	38,399	1,795,676	61,282
1,901,840	6,850	1,908,690	164,951
292,982	7,633	300,615	-
60,701	-	60,701	299
66,808	34,192	101,000	-
2,322,331	48,675	2,371,006	165,250
503,976	2,665	506,641	17,111
15,253	440	15,693	282
31,479	70,509	101,988	12
43,182	21,000	64,182	217
593,890	94,614	688,504	17,622
54,158	-	54,158	7,792
280,235	57,956	338,191	4,109
2,307	-	2,307	693
336,700	57,956	394,656	12,594
67,300	-	67,300	-
10,798	334	11,132	2,927
78,098	334	78,432	2,927
86,132	7,003	93,135	21,915
6,733	-	6,733	2,767
92,865	7,003	99,868	24,682
3,423,884	208,582	3,632,466	223,075
14,303,117	-	14,303,117	-
4,935	-	4,935	14,545
14,308,052	-	14,308,052	14,545
664,361	668	665,029	-
2,000,000	-	2,000,000	-
36,181,275	8,956	36,190,231	4,169
80,994	-	80,994	10,277
30,000	-	30,000	-
43,148	3,475	46,623	16,514
38,999,778	13,099	39,012,877	30,960

(continued)

CITY OF WALTHAM, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
STATE AND COUNTY CHARGES.....	-	1,634,674	-	1,634,674
DEBT SERVICE				
Principal.....	-	7,770,000	-	7,770,000
Interest.....	-	2,741,000	25,000	2,766,000
TOTAL DEBT SERVICE.....	-	10,511,000	25,000	10,536,000
TOTAL EXPENDITURES.....	6,413,413	194,943,498	4,523,832	205,880,743
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(6,413,413)	(4,006,745)	(4,523,832)	(14,943,990)
OTHER FINANCING SOURCES (USES):				
Premium from issuance of bonds.....	-	-	-	-
Transfers in.....	-	4,200,000	23,921	4,223,921
Transfers out.....	-	(275,000)	(100,450)	(375,450)
Total other financing sources (uses).....	-	3,925,000	(76,529)	3,848,471
NET CHANGE IN FUND BALANCE.....	(6,413,413)	(81,745)	(4,600,361)	(11,095,519)
FUND BALANCE AT BEGINNING OF YEAR.....	35,045,148	35,045,148	35,045,148	35,045,148
FUND BALANCE AT END OF YEAR.....	\$ 28,631,735	\$ 34,963,403	\$ 30,444,787	\$ 23,949,629

See accompanying notes to required supplementary information.

<u>Actual</u>	<u>Encumbrances and Continuing Appropriations</u>	<u>Actual and Encumbrances and Continuing Appropriations</u>	<u>Variance Positive/ (Negative)</u>
<u>1,763,919</u>	<u>-</u>	<u>1,763,919</u>	<u>(129,245)</u>
<u>7,768,898</u>	<u>-</u>	<u>7,768,898</u>	<u>1,102</u>
<u>2,605,897</u>	<u>-</u>	<u>2,605,897</u>	<u>160,103</u>
<u>10,374,795</u>	<u>-</u>	<u>10,374,795</u>	<u>161,205</u>
<u>197,980,664</u>	<u>5,554,675</u>	<u>203,535,339</u>	<u>2,345,404</u>
<u>53,733</u>	<u>(5,554,675)</u>	<u>(5,500,942)</u>	<u>9,443,048</u>
<u>376,525</u>	<u>-</u>	<u>376,525</u>	<u>376,525</u>
<u>4,036,879</u>	<u>-</u>	<u>4,036,879</u>	<u>(187,042)</u>
<u>(375,450)</u>	<u>-</u>	<u>(375,450)</u>	<u>-</u>
<u>4,037,954</u>	<u>-</u>	<u>4,037,954</u>	<u>189,483</u>
<u>4,091,687</u>	<u>(5,554,675)</u>	<u>(1,462,988)</u>	<u>9,632,531</u>
<u>35,045,148</u>	<u>-</u>	<u>35,045,148</u>	<u>-</u>
<u>\$ 39,136,835</u>	<u>\$ (5,554,675)</u>	<u>\$ 33,582,160</u>	<u>\$ 9,632,531</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Community preservation surcharges.....	\$ -	\$ 2,250,000	\$ -	\$ 2,250,000
Intergovernmental	-	1,288,644	-	1,288,644
Penalties and interest on taxes.....	-	-	-	-
Investment income.....	-	30,000	-	30,000
TOTAL REVENUES.....	-	3,568,644	-	3,568,644
EXPENDITURES				
Personnel.....	-	39,650	-	39,650
General.....	136	15,650	-	15,786
Equipment/Unusual.....	-	69,700	-	69,700
Capital Improvement.....	2,395,991	-	3,424,250	5,820,241
TOTAL EXPENDITURES.....	2,396,127	125,000	3,424,250	5,945,377
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,396,127)	3,443,644	(3,424,250)	(2,376,733)
FUND BALANCE AT BEGINNING OF YEAR.....	20,368,098	20,368,098	20,368,098	20,368,098
FUND BALANCE AT END OF YEAR.....	\$ 17,971,971	\$ 23,811,742	\$ 16,943,848	\$ 17,991,365

See accompanying notes to required supplementary information.

	Actual	Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$	2,534,651	\$ -	\$ 2,534,651	\$ 284,651
	1,288,644	-	1,288,644	-
	5,157	-	5,157	5,157
	41,512	-	41,512	11,512
	<u>3,869,964</u>	<u>-</u>	<u>3,869,964</u>	<u>301,320</u>
	34,618	-	34,618	5,032
	11,713	-	11,713	4,073
	6,509	-	6,509	63,191
	<u>1,446,049</u>	<u>4,374,192</u>	<u>5,820,241</u>	<u>-</u>
	<u>1,498,889</u>	<u>4,374,192</u>	<u>5,873,081</u>	<u>72,296</u>
	<u>2,371,075</u>	<u>(4,374,192)</u>	<u>(2,003,117)</u>	<u>373,616</u>
	<u>20,368,098</u>	<u>-</u>	<u>20,368,098</u>	<u>-</u>
\$	<u><u>22,739,173</u></u>	<u><u>(4,374,192)</u></u>	<u><u>18,364,981</u></u>	<u><u>373,616</u></u>

PENSION PLAN SCHEDULES

The following schedules provide information related to the System as a whole, for which the City is one participating employer:

SCHEDULES OF FUNDING PROGRESS (SYSTEM)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/13	\$ 165,040,789	\$ 324,109,193	\$ 159,068,404	50.9%	\$ 50,696,522	313.8%
01/01/11	168,017,364	301,356,797	133,339,433	55.8%	48,493,764	275.0%
01/01/10	160,564,692	279,108,340	118,543,648	57.5%	47,443,385	249.9%
01/01/08	161,934,253	251,353,888	89,419,635	64.4%	45,151,147	198.0%
01/01/06	136,645,912	267,164,850	130,518,938	51.1%	43,804,722	298.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM)

Year Ended December 31	Annually Required Contributions (ARC)	Percentage of ARC Contributed (%)
2008	\$ 13,192,164	100
2009	13,752,867	100
2010	14,106,542	100
2011	14,133,617	100
2012	14,289,286	100
2013	14,735,293	100

The following schedule provides information related to the City's portion of the System's ARC:

CITY SHARE OF SYSTEM ARC

Fiscal Year Ended	ARC	Percentage of ARC Contributed (%)	City ARC as a Percentage of System ARC (%)
2009	\$ 12,878,477	100	97.6%
2010	13,427,327	100	97.6%
2011	13,720,343	100	97.3%
2012	13,738,814	100	97.2%
2013	13,857,860	100	97.0%
2014	14,303,117	100	97.1%

OTHER POSTEMPLOYMENT BENEFITS SCHEDULES

The following schedules provide information related to the City's other postemployment benefits plan:

SCHEDULES 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)
06/30/14	\$ -	\$ 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%
07/01/09	-	675,785,889	675,785,889	0%	74,891,604	902%
07/01/06	-	517,127,027	517,127,027	0%	81,699,545	633%

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, 2014, 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.....	\$ 198,034,397	\$ 203,535,339	\$ 4,037,954	\$ 33,582,160
<u>Adjustments and Reclassifications</u>				
Net change in recording 60-day receipts.....	(90,248)	-	-	283,065
Net change in recording tax refunds payable.....	1,370,571	-	-	(125,000)
Net change in recording other revenues.....	(171,205)	-	-	-
To record MTRS on-behalf payments.....	16,732,290	16,732,290	-	-
To allocate indirect costs to functional line items.....	-	(3,850,292)	(3,850,292)	-
To record encumbrances and continuing appropriations.....	-	(5,554,675)	-	5,554,675
To reclassify the stabilization fund to the general fund.....	2,824	-	(23,921)	1,560,819
To reclassify the other postemployment benefit fund to the general fund.....	41,043	23,888	200,000	8,351,922
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 215,919,672</u>	<u>\$ 210,886,550</u>	<u>\$ 363,741</u>	<u>\$ 49,207,641</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.....	\$ 3,869,964	\$ 5,873,081	\$ 18,364,981
<u>Adjustments</u>			
Net change in recording revenues.....	(1,288,649)	-	-
Net change in recording other expenditures.....	-	(198,098)	(4)
To record encumbrances and continuing appropriations.....	-	(4,374,192)	4,374,192
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 2,581,315</u>	<u>\$ 1,300,791</u>	<u>\$ 22,739,169</u>

Combining 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.

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.

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, 2014

	<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.....	\$ 3,725,051	\$ -	\$ -	\$ 97,941	\$ 64,545	\$ 1,390	\$ 686,651
Restricted investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	307	-	-	-	-	-	-
Intergovernmental.....	-	-	501,451	114,527	-	-	-
TOTAL ASSETS.....	\$ 3,725,358	\$ -	\$ 501,451	\$ 212,468	\$ 64,545	\$ 1,390	\$ 686,651
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES:							
Warrants payable.....	\$ 14,067	\$ 1,371	\$ 261,635	\$ 15,516	\$ 16,977	\$ -	\$ 2,305
Accrued payroll.....	1,471	-	-	-	-	-	-
Due to other funds.....	-	253	271,852	-	-	-	-
TOTAL LIABILITIES.....	15,538	1,624	533,487	15,516	16,977	-	2,305
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue.....	307	-	-	-	-	-	-
FUND BALANCES:							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	3,709,513	-	(32,036)	196,952	47,568	1,390	684,346
Committed.....	-	-	-	-	-	-	-
Assigned.....	-	-	-	-	-	-	-
Unassigned.....	-	(1,624)	-	-	-	-	-
TOTAL FUND BALANCES.....	3,709,513	(1,624)	(32,036)	196,952	47,568	1,390	684,346
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 3,725,358	\$ -	\$ 501,451	\$ 212,468	\$ 64,545	\$ 1,390	\$ 686,651

<i>Special Revenue Funds</i>					
Sale of Lots/Graves	Revenue Reserve	School Lunch	Parking Meters	UDAG Nova Biomedical	Vocational School Reserve
\$ 1,360,162	\$ 1,145,959	\$ 886,941	\$ 1,882,236	\$ 37,618	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	472,519	-	-	-	-
<u>\$ 1,360,162</u>	<u>\$ 1,618,478</u>	<u>\$ 886,941</u>	<u>\$ 1,882,236</u>	<u>\$ 37,618</u>	<u>\$ -</u>
\$ -	\$ 2,977	\$ 14,302	\$ 4,862	\$ -	\$ 5,602
-	-	-	3,318	-	-
-	-	-	-	-	501
-	2,977	14,302	8,180	-	6,103
-	-	-	-	-	-
-	-	-	-	-	-
1,360,162	1,615,501	872,639	1,874,056	37,618	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(6,103)
<u>1,360,162</u>	<u>1,615,501</u>	<u>872,639</u>	<u>1,874,056</u>	<u>37,618</u>	<u>(6,103)</u>
<u>\$ 1,360,162</u>	<u>\$ 1,618,478</u>	<u>\$ 886,941</u>	<u>\$ 1,882,236</u>	<u>\$ 37,618</u>	<u>\$ -</u>

(continued)

CITY OF WALTHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	<i>Special Revenue Funds</i>				<i>Capital Projects</i>
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Sub-total	School Capital Projects
ASSETS					
Restricted cash and cash equivalents.....	\$ 1,360,014	\$ 2,261,616	\$ -	\$ 13,510,124	\$ 735,677
Restricted investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	375,030	375,337	-
Intergovernmental.....	-	-	-	1,088,497	-
TOTAL ASSETS.....	\$ 1,360,014	\$ 2,261,616	\$ 375,030	\$ 14,973,958	\$ 735,677
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Warrants payable.....	\$ 79,012	\$ -	\$ -	\$ 418,626	\$ 22,525
Accrued payroll.....	-	-	52,775	57,564	-
Due to other funds.....	-	-	434,591	707,197	-
TOTAL LIABILITIES.....	79,012	-	487,366	1,183,387	22,525
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue.....	-	-	375,030	375,337	-
FUND BALANCES:					
Nonspendable.....	-	-	-	-	-
Restricted.....	1,281,002	2,261,616	-	13,910,327	713,152
Committed.....	-	-	-	-	-
Assigned.....	-	-	-	-	-
Unassigned.....	-	-	(487,366)	(495,093)	-
TOTAL FUND BALANCES.....	1,281,002	2,261,616	(487,366)	13,415,234	713,152
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 1,360,014	\$ 2,261,616	\$ 375,030	\$ 14,973,958	\$ 735,677

<i>Permanent Funds</i>			Total
Cemetery Trust Funds	Other Permanent Funds	Sub-total	Nonmajor Governmental Funds
\$ 143,966	\$ 136,934	\$ 280,900	\$ 14,526,701
1,779,800	369,882	2,149,682	2,149,682
-	-	-	375,337
-	-	-	1,088,497
<u>\$ 1,923,766</u>	<u>\$ 506,816</u>	<u>\$ 2,430,582</u>	<u>\$ 18,140,217</u>
\$ -	\$ -	\$ -	\$ 441,151
-	-	-	57,564
-	-	-	707,197
-	-	-	1,205,912
-	-	-	375,337
1,901,194	249,498	2,150,692	2,150,692
22,572	257,318	279,890	14,903,369
-	-	-	-
-	-	-	-
-	-	-	(495,093)
<u>1,923,766</u>	<u>506,816</u>	<u>2,430,582</u>	<u>16,558,968</u>
<u>\$ 1,923,766</u>	<u>\$ 506,816</u>	<u>\$ 2,430,582</u>	<u>\$ 18,140,217</u>

(concluded)

CITY OF WALTHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<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.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	55,820	371,876	3,204,422	720,465	274,547	-	-
Fines and forfeitures.....	-	-	-	-	-	-	-
Departmental and other.....	454,843	-	-	-	-	83,449	-
Contributions.....	403,853	-	-	-	-	-	120,163
Investment income.....	-	-	-	25	-	-	93
TOTAL REVENUES.....	914,516	371,876	3,204,422	720,490	274,547	83,449	120,256
EXPENDITURES							
Current:							
General government.....	243,498	-	-	292,405	-	3,391	55,643
Public safety.....	-	373,476	-	380,584	-	1,545	10,643
Education.....	1,294	-	3,317,999	-	235,920	-	-
Public works.....	-	-	-	-	-	29,057	8,274
Health and human services.....	89,861	-	-	(200)	-	-	25,390
Culture and recreation.....	223,647	4,168	-	57	-	-	566
Community development.....	-	-	-	-	-	-	31,067
TOTAL EXPENDITURES.....	558,300	377,644	3,317,999	672,846	235,920	33,993	131,583
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	356,216	(5,768)	(113,577)	47,644	38,627	49,456	(11,327)
OTHER FINANCING SOURCES (USES)							
Issuance of bonds and notes.....	-	-	-	-	-	-	-
Sale of capital assets.....	24,300	-	-	-	-	-	-
Transfers out.....	(35,000)	-	-	-	-	(127,666)	-
TOTAL OTHER FINANCING SOURCES (USES)....	(10,700)	-	-	-	-	(127,666)	-
NET CHANGE IN FUND BALANCES.....	345,516	(5,768)	(113,577)	47,644	38,627	(78,210)	(11,327)
FUND BALANCES AT BEGINNING OF YEAR.....	3,363,997	4,144	81,541	149,308	8,941	79,600	695,673
FUND BALANCES AT END OF YEAR.....	\$ 3,709,513	\$ (1,624)	\$ (32,036)	\$ 196,952	\$ 47,568	\$ 1,390	\$ 684,346

Special Revenue Funds

Sale of Lots/Graves	Revenue Reserve	School Lunch	Parking Meters	UDAG Nova Biomedical	Vocational School Reserve
\$ -	\$ 181,151	\$ 802,825	\$ -	\$ -	\$ -
-	1,891,467	1,460,730	-	-	-
-	-	-	100,920	-	-
49,850	367,427	-	494,572	-	73,722
-	92,712	-	-	-	-
-	157	252	-	187	-
<u>49,850</u>	<u>2,532,914</u>	<u>2,263,807</u>	<u>595,492</u>	<u>187</u>	<u>73,722</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	2,018,727	1,879,267	-	-	75,697
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	451,057	51,763	-
<u>-</u>	<u>2,018,727</u>	<u>1,879,267</u>	<u>451,057</u>	<u>51,763</u>	<u>75,697</u>
<u>49,850</u>	<u>514,187</u>	<u>384,540</u>	<u>144,435</u>	<u>(51,576)</u>	<u>(1,975)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
49,850	514,187	384,540	144,435	(51,576)	(1,975)
<u>1,310,312</u>	<u>1,101,314</u>	<u>488,099</u>	<u>1,729,621</u>	<u>89,194</u>	<u>(4,128)</u>
<u>\$ 1,360,162</u>	<u>\$ 1,615,501</u>	<u>\$ 872,639</u>	<u>\$ 1,874,056</u>	<u>\$ 37,618</u>	<u>\$ (6,103)</u>

(continued)

CITY OF WALTHAM, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<i>Special Revenue Funds</i>				<i>Capital Projects</i>
	Public Safety	Traffic Impact Fund	Police and Fire Detail	Sub-total	School Capital Projects
REVENUES					
Charges for services.....	\$ -	\$ -	\$ 2,328,106	\$ 3,312,082	\$ -
Intergovernmental	-	-	-	7,979,327	-
Fines and forfeitures.....	-	-	-	100,920	-
Departmental and other.....	520,608	178,445	-	2,222,916	-
Contributions.....	-	-	-	616,728	-
Investment income.....	2,512	2,154	-	5,380	-
TOTAL REVENUES.....	523,120	180,599	2,328,106	14,237,353	-
EXPENDITURES					
Current:					
General government.....	-	-	-	594,937	-
Public safety.....	261,757	-	2,323,565	3,351,570	-
Education.....	-	-	-	7,528,904	1,106,312
Public works.....	-	-	-	37,331	-
Health and human services.....	-	-	-	115,051	-
Culture and recreation.....	-	-	-	228,438	-
Community development.....	-	42,737	-	576,624	-
TOTAL EXPENDITURES.....	261,757	42,737	2,323,565	12,432,855	1,106,312
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	261,363	137,862	4,541	1,804,498	(1,106,312)
OTHER FINANCING SOURCES (USES)					
Issuance of bonds and notes.....	-	-	-	-	335,000
Sale of capital assets.....	-	-	-	24,300	-
Transfers out.....	-	-	-	(162,666)	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	(138,366)	335,000
NET CHANGE IN FUND BALANCES.....	261,363	137,862	4,541	1,666,132	(771,312)
FUND BALANCES AT BEGINNING OF YEAR.....	1,019,639	2,123,754	(491,907)	11,749,102	1,484,464
FUND BALANCES AT END OF YEAR.....	\$ 1,281,002	\$ 2,261,616	\$ (487,366)	\$ 13,415,234	\$ 713,152

<i>Permanent Funds</i>			Total
Cemetery Trust Funds	Other Permanent Funds	Sub-total	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 3,312,082
-	-	-	7,979,327
-	-	-	100,920
-	-	-	2,222,916
20,700	-	20,700	637,428
111,634	23,292	134,926	140,306
<u>132,334</u>	<u>23,292</u>	<u>155,626</u>	<u>14,392,979</u>
-	2,305	2,305	597,242
-	-	-	3,351,570
-	-	-	8,635,216
28,954	-	28,954	66,285
-	-	-	115,051
-	790	790	229,228
-	-	-	576,624
<u>28,954</u>	<u>3,095</u>	<u>32,049</u>	<u>13,571,216</u>
<u>103,380</u>	<u>20,197</u>	<u>123,577</u>	<u>821,763</u>
-	-	-	335,000
-	-	-	24,300
-	-	-	(162,666)
-	-	-	196,634
103,380	20,197	123,577	1,018,397
<u>1,820,386</u>	<u>486,619</u>	<u>2,307,005</u>	<u>15,540,571</u>
<u>\$ 1,923,766</u>	<u>\$ 506,816</u>	<u>\$ 2,430,582</u>	<u>\$ 16,558,968</u>

(concluded)

This page left intentionally blank.

Private Purpose Trust Funds

Narrative

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

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

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

CITY OF WALTHAM, MASSACHUSETTS
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Scholarship Trust Funds	Housing Trust Funds	Total
ASSETS			
Cash and cash equivalents.....	\$ 42,029	\$ 184,562	\$ 226,591
Investments:			
U.S. Treasuries and agencies.....	<u>2,768,849</u>	<u>-</u>	<u>2,768,849</u>
Total assets.....	<u>2,810,878</u>	<u>184,562</u>	<u>2,995,440</u>
NET POSITION			
Held in trust for other purposes.....	<u>\$ 2,810,878</u>	<u>\$ 184,562</u>	<u>\$ 2,995,440</u>

CITY OF WALTHAM, MASSACHUSETTS
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Scholarship Trust Funds	Housing Trust Funds	Total
ADDITIONS			
Contributions:			
Private donations.....	\$ 25,523	\$ -	\$ 25,523
Net investment income:			
Interest.....	168,443	334	168,777
TOTAL ADDITIONS.....	193,966	334	194,300
DEDUCTIONS			
Educational scholarships & awards.....	125,443	-	125,443
Housing subsidies.....	-	6,631	6,631
TOTAL DEDUCTIONS.....	125,443	6,631	132,074
CHANGE IN NET POSITION.....	68,523	(6,297)	62,226
NET POSITION AT BEGINNING OF YEAR.....	2,742,355	190,859	2,933,214
NET POSITION AT END OF YEAR.....	\$ 2,810,878	\$ 184,562	\$ 2,995,440

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 FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
ASSETS				
Cash and cash equivalents.....	\$ 827,861	\$ 1,495,465	\$ (1,402,127)	\$ 921,199
LIABILITIES				
Warrants payable.....	7,063	33,020	(7,063)	33,020
Other liabilities.....	6,317	6,374	(6,317)	6,374
Liabilities due depositors.....	814,481	1,300,355	(1,233,031)	881,805
TOTAL LIABILITIES.....	\$ 827,861	\$ 1,339,749	\$ (1,246,411)	\$ 921,199

This page left intentionally blank.

Statistical Section



Civil War Soldier's Monument

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 116 – 120)

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 121 – 123)

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

Debt Capacity (pages 124 – 126)

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 127 – 128)

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 129 – 131)

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets.....\$	124,736,372	\$ 152,292,512	\$ 151,715,584	\$ 167,046,725	\$ 166,859,105	\$ 169,360,245	\$ 169,551,297	\$ 167,006,050	\$ 165,312,712	\$ 164,015,843
Restricted.....	8,662,081	6,684,687	6,772,208	8,155,442	8,967,296	7,547,471	30,065,242	40,566,045	46,282,436	52,842,407
Unrestricted.....	44,046,989	48,221,543	54,748,751	38,856,595	22,706,711	12,459,498	(10,932,512)	(35,115,909)	(49,699,586)	(67,714,757)
Total governmental activities net position.....\$	<u>177,445,442</u>	<u>\$ 207,198,742</u>	<u>\$ 213,236,543</u>	<u>\$ 214,058,762</u>	<u>\$ 198,533,112</u>	<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>
Business-type activities										
Net investment in capital assets.....\$	13,963,633	\$ 18,461,108	\$ 13,954,222	\$ 15,605,526	\$ 14,475,464	\$ 11,605,346	\$ 12,188,286	\$ 11,726,473	\$ 9,399,319	\$ 10,482,833
Unrestricted.....	13,806,301	9,336,814	14,469,972	16,754,344	16,923,713	13,507,266	17,253,879	16,365,651	23,952,132	27,383,479
Total business-type activities net position.....\$	<u>27,769,934</u>	<u>\$ 27,797,922</u>	<u>\$ 28,424,194</u>	<u>\$ 32,359,870</u>	<u>\$ 31,399,177</u>	<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>
Primary government										
Net investment in capital assets.....\$	138,700,005	\$ 170,753,620	\$ 165,669,806	\$ 187,511,336	\$ 181,334,569	\$ 180,965,591	\$ 181,739,583	\$ 178,732,523	\$ 174,712,031	\$ 174,498,676
Restricted.....	8,662,081	6,684,687	6,772,208	8,155,442	8,967,296	7,547,471	30,065,242	40,566,045	46,282,436	52,842,407
Unrestricted.....	57,853,290	57,558,357	69,218,723	50,751,854	39,630,424	25,966,764	6,321,367	(18,750,258)	(25,747,454)	(40,331,278)
Total primary government net position.....\$	<u>205,215,376</u>	<u>\$ 234,996,664</u>	<u>\$ 241,660,737</u>	<u>\$ 246,418,632</u>	<u>\$ 229,932,289</u>	<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>

City of Waltham, Massachusetts
Changes in Position
Last Ten Fiscal Years

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Expenses						
Governmental activities:						
General government.....	\$ 11,297,905	\$ 11,977,216	\$ 10,808,307	\$ 12,828,297	\$ 12,936,686	\$ 12,548,346
Public safety.....	42,668,631	46,731,199	49,652,433	57,670,691	56,145,799	57,363,358
Education.....	79,312,823	89,112,944	95,343,997	109,656,513	113,953,264	112,799,898
Public works.....	14,239,159	14,542,384	15,607,027	17,408,819	18,303,644	17,436,688
Health and human services.....	2,084,853	2,190,954	2,373,030	2,717,555	2,696,784	2,818,957
Culture and recreation.....	5,228,564	4,254,812	4,227,546	4,705,448	4,230,997	5,028,081
Community development.....	3,922,508	5,313,135	4,922,180	5,796,409	5,810,281	5,034,910
Interest.....	2,884,943	3,236,060	2,709,385	2,596,363	2,448,936	3,054,071
Total government activities expenses.....	161,639,386	177,358,704	185,643,905	213,380,095	216,526,391	216,084,309
Business-type activities:						
Sewer.....	11,790,299	11,965,061	13,777,149	14,657,691	15,512,343	17,385,085
Water.....	8,550,968	9,393,920	10,217,450	10,077,596	11,198,348	11,129,805
Veterans Memorial Rink.....	-	333,078	347,630	419,504	434,579	384,013
Total business-type activities expenses.....	20,341,267	21,692,059	24,342,229	25,154,791	27,145,270	28,898,903
Total primary government expenses.....	\$ 181,980,653	\$ 199,050,763	\$ 209,986,134	\$ 238,534,886	\$ 243,671,661	\$ 244,983,212
Program Revenues						
Governmental activities:						
General government charges for services.....	\$ 3,987,652	\$ 5,558,844	\$ 4,646,711	\$ 5,228,939	\$ 5,163,594	\$ 1,969,326
Public Safety charges for services.....	2,133,941	2,291,049	2,438,923	2,552,702	2,857,635	3,443,664
Education charges for services.....	2,272,649	2,747,252	2,834,459	2,961,479	3,700,154	3,908,483
Public works charges for services.....	57,709	382,803	622,572	975,061	415,032	666,730
Other charges for services.....	1,416,363	1,459,806	1,510,571	1,674,251	1,723,028	1,721,146
Operating grants and contributions.....	26,985,474	28,774,027	30,656,882	31,048,318	33,649,763	33,503,809
Capital grants and contributions.....	31,578,071	10,409,121	6,498,738	24,884,028	1,915,581	2,246,744
Total government activities program revenues.....	68,431,859	51,622,902	49,208,856	69,324,778	49,424,787	47,459,902
Business-type activities:						
Sewer charges for services.....	11,850,305	11,953,817	13,764,259	16,311,578	14,557,425	14,029,718
Water charges for services.....	8,880,173	9,313,013	10,456,605	12,353,427	10,869,955	10,089,418
Veterans Memorial Rink charges for services.....	-	277,761	345,096	351,698	355,196	379,428
Operating grants and contributions.....	-	-	-	-	-	-
Capital grants and contributions.....	-	-	270,000	-	247,500	-
Total business-type activities program revenues.....	20,730,478	21,544,591	24,835,960	29,016,703	26,030,076	24,498,564
Total primary government program revenues.....	\$ 89,162,337	\$ 73,167,493	\$ 74,044,816	\$ 98,341,481	\$ 75,454,863	\$ 71,958,466
Net (Expense)/Revenue						
Governmental activities.....	\$ (93,207,527)	\$ (120,276,934)	\$ (136,435,049)	\$ (138,596,449)	\$ (162,808,858)	\$ (168,624,407)
Business-type activities.....	389,211	(147,468)	493,731	3,861,912	(1,115,194)	(4,400,339)
Total primary government net expense.....	\$ (92,818,316)	\$ (120,424,402)	\$ (135,941,318)	\$ (134,734,537)	\$ (163,924,052)	\$ (173,024,746)
General Revenues and other Changes in Net Position						
Governmental activities:						
Real estate and personal property taxes, net of tax refunds payable.....	\$ 109,011,284	\$ 111,968,375	\$ 115,203,646	\$ 117,562,447	\$ 128,225,929	\$ 137,055,385
Motor vehicle and other excise taxes.....	6,414,380	6,405,194	6,223,714	6,585,465	6,039,430	6,013,280
Hotel/motel tax.....	1,577,119	1,791,211	1,983,506	2,177,556	1,916,727	1,974,863
Meals tax.....	-	-	-	-	-	-
Penalties and interest on taxes.....	457,007	404,635	449,572	449,873	440,482	510,939
Payments in lieu of taxes.....	45,000	95,301	33,200	9,600	45,834	33,586
Community preservation tax.....	-	1,835,071	2,126,162	2,215,987	2,088,829	2,217,436
Grants and contributions not restricted to specific programs.....	10,807,226	11,050,883	13,152,486	13,611,256	11,841,812	9,319,430
Unrestricted investment income.....	1,726,423	2,846,099	3,359,616	2,265,352	976,911	388,780
Gain on disposal of capital assets.....	-	-	-	-	-	-
Transfers, net.....	277,404	(100,000)	(59,052)	-	-	1,944,810
Total governmental activities.....	130,315,843	136,296,769	142,472,850	144,877,536	151,575,954	159,458,509
Business-type activities:						
Unrestricted investment income.....	61,438	75,456	73,489	73,764	154,501	58,584
Transfers, net.....	40,938	100,000	59,052	-	-	(1,944,810)
Total business-type activities.....	102,376	175,456	132,541	73,764	154,501	(1,886,226)
Total primary government.....	\$ 130,418,219	\$ 136,472,225	\$ 142,605,391	\$ 144,951,300	\$ 151,730,455	\$ 157,572,283
Changes in Net Position						
Governmental activities.....	\$ 37,108,316	\$ 16,019,835	\$ 6,037,801	\$ 6,281,087	\$ (11,232,904)	\$ (9,165,898)
Business-type activities.....	491,587	27,988	626,272	3,935,676	(960,693)	(6,286,565)
Total primary government.....	\$ 37,599,903	\$ 16,047,823	\$ 6,664,073	\$ 10,216,763	\$ (12,193,597)	\$ (15,452,463)

Fiscal Year			
2011	2012	2013	2014
\$ 12,803,207	\$ 12,839,887	\$ 14,431,751	\$ 14,141,084
56,774,590	54,892,255	56,396,153	60,787,241
117,168,957	125,803,368	127,632,730	133,882,547
18,582,134	17,620,280	19,107,437	21,990,015
2,817,765	4,043,942	4,332,865	4,198,865
5,655,542	6,019,224	6,327,318	6,532,446
5,463,838	3,921,262	4,042,802	3,902,190
2,523,696	2,631,033	2,581,037	2,550,610
221,789,729	227,771,251	234,852,093	247,984,998
16,806,067	17,381,941	17,382,177	17,537,836
11,431,049	11,796,251	11,995,289	12,161,194
402,304	397,385	457,608	503,830
28,639,420	29,575,577	29,835,074	30,202,860
\$ 250,429,149	\$ 257,346,828	\$ 264,687,167	\$ 278,187,858
\$ 3,934,076	\$ 2,450,923	\$ 4,225,256	\$ 5,679,098
3,493,485	4,071,301	3,910,093	3,966,696
4,567,355	1,434,279	1,217,100	1,442,388
714,008	333,956	448,072	318,133
1,678,380	1,757,353	2,105,916	1,821,190
37,611,357	33,232,551	33,044,593	36,885,652
(1,684,833)	(2,404,439)	2,820,119	1,955,479
50,313,828	40,875,924	47,771,149	52,068,636
18,222,159	15,854,586	19,582,834	19,389,533
13,175,501	11,864,008	14,875,449	14,687,995
381,936	398,769	385,832	397,985
-	33,173	124,881	43,857
1,370,700	-	-	22,901
33,150,296	28,150,536	34,968,996	34,542,271
\$ 83,464,124	\$ 69,026,460	\$ 82,740,145	\$ 86,610,907
\$ (171,475,901)	\$ (186,895,327)	\$ (187,080,944)	\$ (195,916,362)
4,510,876	(1,425,041)	5,133,922	4,339,411
\$ (166,965,025)	\$ (188,320,368)	\$ (181,947,022)	\$ (191,576,951)
\$ 144,687,551	\$ 147,941,835	\$ 153,272,077	\$ 159,052,033
6,233,152	6,372,776	6,650,738	7,002,622
2,665,704	3,061,233	3,298,311	3,535,326
862,461	1,128,180	1,167,324	1,195,490
481,134	518,982	702,090	705,407
46,350	53,905	54,812	43,151
2,319,559	2,393,595	2,475,978	2,535,235
8,357,186	9,147,352	8,835,809	9,064,858
277,404	124,628	135,838	181,321
-	-	52,748	24,300
(116,154)	(75,000)	(125,405)	(175,450)
165,814,347	170,667,486	176,520,320	183,164,293
40,938	-	-	-
116,154	75,000	125,405	175,450
157,092	75,000	125,405	175,450
\$ 165,971,439	\$ 170,742,486	\$ 176,645,725	\$ 183,339,743
\$ (813,086)	\$ (16,227,841)	\$ (10,560,624)	\$ (12,752,069)
4,329,553	(1,350,041)	5,259,327	4,514,861
\$ 3,516,467	\$ (17,577,882)	\$ (5,301,297)	\$ (8,237,208)

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved.....	\$ 11,538,490	\$ 13,343,295	\$ 10,491,290	\$ 10,889,750	\$ 9,203,972	\$ 10,558,086	\$ -	\$ -	\$ -	\$ -
Unreserved.....	18,059,088	18,951,797	21,677,383	17,315,054	16,381,705	13,377,626	-	-	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	-	-	-	-	135,799	8,132,094	8,351,922
Committed.....	-	-	-	-	-	-	-	3,198,284	4,804,214	1,492,937
Assigned.....	-	-	-	-	-	-	6,852,796	850,771	1,677,650	4,378,117
Unassigned.....	-	-	-	-	-	-	18,459,773	30,818,389	29,196,820	34,984,665
Total general fund.....	\$ 29,597,578	\$ 32,295,092	\$ 32,168,673	\$ 28,204,804	\$ 25,585,677	\$ 23,935,712	\$ 25,312,569	\$ 35,003,243	\$ 43,810,778	\$ 49,207,641
All Other Governmental Funds										
Reserved.....	\$ 1,529,871	\$ 1,664,119	\$ 1,697,219	\$ 1,719,969	\$ 1,751,907	\$ 1,770,206	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	17,596,831	18,455,420	22,165,402	24,975,115	24,272,725	23,780,763	-	-	-	-
Capital projects funds.....	(58,937,147)	(38,767,997)	(1,254,426)	6,907,731	349,087	(1,760,707)	-	-	-	-
Permanent funds.....	291,743	320,541	318,782	353,057	340,878	332,261	-	-	-	-
Nonspendable.....	-	-	-	-	-	-	1,797,623	2,034,590	2,047,898	2,150,692
Restricted.....	-	-	-	-	-	-	28,267,619	32,807,347	38,252,137	37,642,538
Unassigned.....	-	-	-	-	-	-	(8,951,524)	(963,267)	(543,674)	(1,372,518)
Total all other governmental funds.....	\$ (39,518,702)	\$ (18,327,917)	\$ 22,926,977	\$ 33,955,872	\$ 26,714,597	\$ 24,122,523	\$ 21,113,718	\$ 33,878,670	\$ 39,756,361	\$ 38,420,712

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

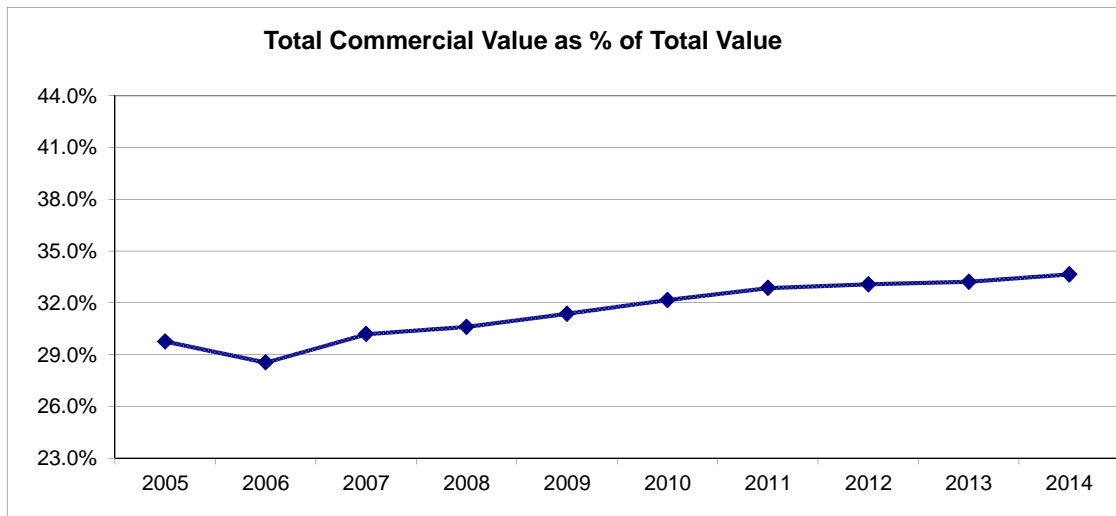
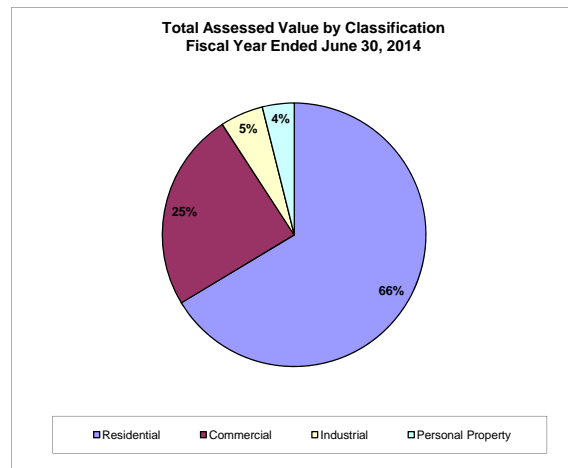
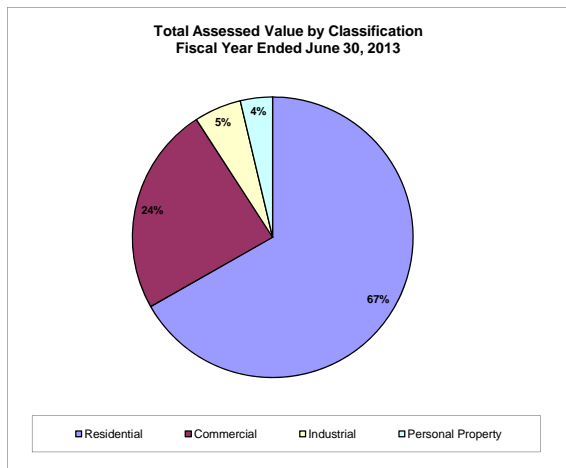
	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 108,293,615	\$ 111,573,036	\$ 114,743,267	\$ 116,937,707	\$ 126,844,968	\$ 136,176,138	\$ 143,866,481	\$ 146,798,161	\$ 152,293,138	\$ 158,221,522
Motor vehicle and other excise taxes.....	6,524,925	6,360,950	5,989,376	6,826,127	6,149,014	5,822,906	6,295,833	6,233,321	6,567,957	7,127,054
Hotel/motel tax.....	1,577,119	1,791,211	1,983,506	2,177,556	1,916,727	1,974,863	2,665,704	3,061,233	3,298,311	3,535,326
Meals tax.....	-	-	-	-	-	-	862,461	1,128,180	1,167,324	1,195,490
Tax liens.....	568,874	388,786	271,339	249,893	509,178	685,462	760,070	645,263	1,203,258	1,010,349
Payment in lieu of taxes.....	45,000	95,301	33,200	9,600	45,834	33,586	46,350	53,905	54,812	43,151
Community preservation tax.....	-	1,797,283	2,126,162	2,215,987	2,088,829	2,217,436	2,319,559	2,386,680	2,469,122	2,534,651
Charges for services.....	362,048	350,460	342,937	436,355	469,206	498,741	496,126	3,244,260	3,036,615	3,312,082
Intergovernmental (C).....	59,213,246	84,495,059	72,937,451	70,472,597	43,890,085	43,542,464	43,814,540	44,625,132	43,539,794	45,280,990
Special assessments.....	191,038	121,514	118,998	106,883	98,438	282,434	150,294	124,392	130,820	96,635
Penalties and interest on taxes.....	457,007	404,635	449,572	449,873	440,482	510,939	481,134	518,981	702,090	705,407
Fees and rentals (A).....	428,481	405,660	501,438	536,719	450,611	2,032,365	2,036,252	-	-	-
Licenses and permits.....	3,299,548	3,535,083	4,355,487	4,946,886	4,219,961	2,165,567	4,082,752	2,546,547	4,259,773	5,830,674
Fines and forfeitures.....	522,629	482,128	544,149	585,032	640,202	1,045,306	900,391	845,065	828,483	752,024
Departmental and other.....	2,715,559	4,073,952	2,157,758	2,307,716	3,085,503	1,215,368	1,427,206	3,245,342	3,666,098	3,510,429
Contributions.....	333,040	539,784	155,691	260,074	281,259	314,517	667,361	689,869	652,141	637,428
Investment income.....	1,501,818	2,497,639	2,921,715	1,979,159	889,116	350,319	244,587	228,116	132,533	324,485
Miscellaneous (B).....	1,440,595	2,006,458	2,448,795	3,075,317	2,127,933	2,222,469	2,479,952	-	-	-
Total Revenue.....	187,474,542	220,918,939	212,080,841	213,573,481	194,147,346	201,090,880	213,597,053	216,374,447	224,002,269	234,117,697
Expenditures:										
General government.....	8,586,286	8,447,755	8,414,315	8,806,897	9,409,274	9,082,529	9,929,386	8,722,040	9,202,807	11,733,712
Public safety.....	26,888,370	28,279,739	30,092,856	30,177,858	30,867,119	31,106,507	33,719,409	32,018,623	32,623,739	35,972,040
Education.....	66,497,101	68,856,050	73,644,435	75,244,100	81,547,267	81,477,625	84,383,623	76,313,058	73,395,683	79,102,762
Public works.....	10,724,718	11,944,107	10,393,362	11,582,087	11,424,619	11,414,663	14,344,728	12,889,605	13,786,096	16,951,921
Health and human services.....	1,446,547	1,525,335	1,571,631	1,569,112	1,591,448	1,751,057	1,747,913	1,982,168	1,900,486	1,872,328
Culture and recreation.....	3,446,171	2,896,147	2,856,531	3,050,634	3,211,970	3,149,481	3,553,233	3,879,349	5,326,138	4,625,983
Community development.....	3,438,692	4,490,448	3,452,090	5,186,866	5,996,538	4,177,061	5,742,353	3,345,993	4,617,505	4,069,878
Pension benefits.....	9,665,038	10,116,370	10,556,442	12,081,677	12,282,098	12,747,613	13,152,472	29,490,180	30,328,370	31,040,342
Employee benefits.....	25,304,094	26,429,630	28,246,033	33,074,839	32,072,199	34,768,726	37,191,542	35,823,260	35,055,370	37,367,643
State and county charges.....	1,362,478	1,325,343	1,419,642	1,438,294	1,556,523	1,507,037	1,560,299	1,524,202	1,597,185	1,763,919
Capital outlay.....	46,214,191	14,582,399	10,815,801	46,058,616	11,598,644	5,348,663	-	-	-	-
Debt service.....										
Principal.....	4,120,000	25,055,000	5,520,000	5,270,000	5,115,000	7,556,538	7,128,638	6,623,638	9,346,738	7,745,398
Interest.....	3,254,358	3,432,451	3,000,128	2,638,497	2,901,122	3,225,848	2,885,832	2,542,952	2,772,464	2,603,692
Total Expenditures.....	210,948,044	207,380,774	189,983,266	236,179,477	209,573,821	207,313,348	215,339,428	215,155,068	219,952,581	234,849,618
Excess of revenues over (under) expenditures.....	(23,473,502)	13,538,165	22,097,575	(22,605,996)	(15,426,475)	(6,222,468)	(1,742,375)	1,219,379	4,049,688	(731,921)
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	19,885,000	10,355,000	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.....	403,197	95,134	619,952	37,364	526,073	35,619	226,581	1,413,931	362,232	376,525
Proceeds of refunding bonds.....	-	-	-	-	-	-	-	-	1,615,200	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	127,303	-
Sale of capital assets.....	-	-	-	-	-	-	-	-	52,748	24,300
Transfers in.....	2,604,231	1,813,554	1,700,597	1,903,390	2,864,687	5,317,960	248,365	252,236	88,406	162,666
Transfers out.....	(2,604,231)	(1,913,554)	(1,759,649)	(1,903,390)	(2,864,687)	(3,373,150)	(364,519)	(327,236)	(213,811)	(338,116)
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses).....	20,288,197	10,350,134	19,030,900	29,671,022	5,566,073	1,980,429	110,427	14,977,431	10,635,538	4,793,135
Net change in fund balance.....	\$ (3,185,305)	\$ 23,888,299	\$ 41,128,475	\$ 7,065,026	\$ (9,860,402)	\$ (4,242,039)	\$ (1,631,948)	\$ 16,196,810	\$ 14,685,226	\$ 4,061,214
Debt service as a percentage of noncapital expenditures.....	4.61%	4.47%	4.76%	4.22%	4.11%	5.43%	4.85%	4.44%	5.71%	4.64%

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

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

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

Fiscal Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	Total City Value
2005	\$5,487,525,201	\$9.89	\$1,550,274,117	\$487,910,338	\$285,014,010	\$ 2,323,198,465	\$27.87	\$ 15.24	\$7,810,723,666
2006	\$5,943,352,380	\$10.33	\$1,592,360,048	\$500,429,864	\$280,132,600	\$ 2,372,922,512	\$25.77	\$ 14.74	\$8,316,274,892
2007 (1)	\$6,313,415,259	\$9.97	\$1,904,693,049	\$556,350,782	\$268,794,020	\$ 2,729,837,851	\$22.97	\$ 13.89	\$9,043,253,110
2008	\$6,252,981,375	\$10.55	\$1,976,938,538	\$522,963,697	\$256,840,580	\$ 2,756,742,815	\$23.21	\$ 14.42	\$9,009,724,190
2009	\$6,122,890,011	\$11.30	\$2,008,953,904	\$526,041,471	\$263,231,090	\$ 2,798,226,465	\$25.31	\$ 15.69	\$8,921,116,476
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	\$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



(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.

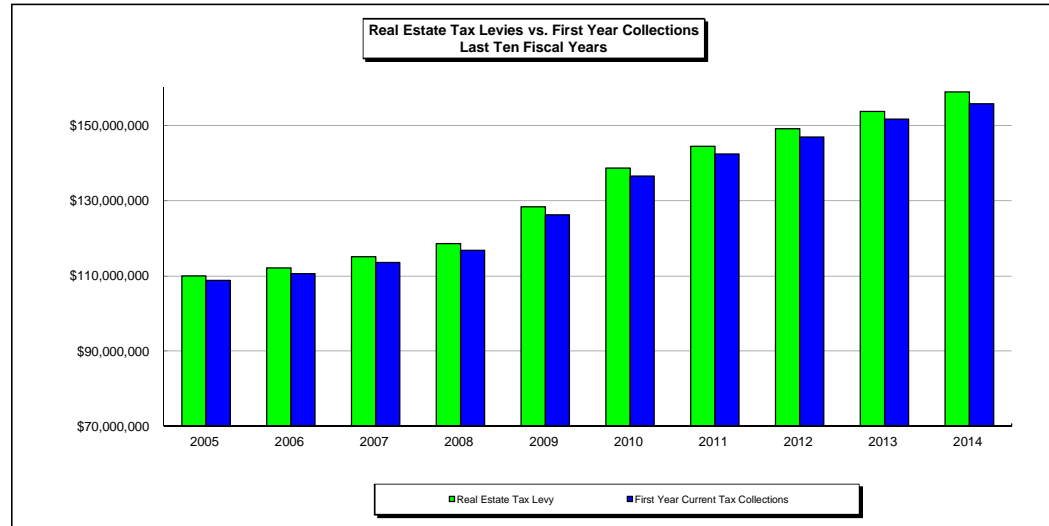
City of Waltham, Massachusetts
Principal Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2014			2005		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
BCCC Property LLC	Office Building	\$139,416,500	1	1.63%	\$128,846,700	1	1.65%
Astra	Office Building	\$97,095,280	2	1.14%	\$82,149,500	3	1.05%
NSTAR	Utility	\$94,119,160	3	1.10%	\$65,424,300	5	0.84%
BP Reservoir Place, LLC	Office Building	\$75,959,700	4	0.89%	\$116,021,100	2	1.49%
DMP RE II LLC	Office Building	\$65,838,200	5	0.77%	-		0.00%
PD Winter Street Trust	Office Building	\$63,857,400	6	0.75%	-		0.00%
Windsor Village	Apartments	\$60,731,040	7	0.71%	\$68,768,900	4	0.88%
Gardencrest Apartments	Apartments	\$56,342,500	8	0.66%	\$60,097,500	7	0.77%
ASN-Massachusetts Holding Inc	Apartments	\$56,241,300	9	0.66%	\$62,793,200	6	0.80%
Longview Place, LLC, Hope Ave	Apartments	\$53,961,700	10	0.63%	-		0.00%
404 Wyman St.	Office Building	\$53,416,670	11	0.63%	\$50,916,900	10	0.65%
MMS Lot & MMS Winter St LLC	Office Building	\$51,826,830	12	0.61%	\$58,891,400	8	0.75%
830 Winter Street	Office Building	\$50,882,900	13	0.60%	\$27,052,000	21	0.35%
175 Wyman LLC	Office Building	\$50,621,700	14	0.59%	\$40,889,900	13	0.52%
Totals		<u>\$970,310,880</u>		<u>11.37%</u>	<u>\$761,851,400</u>		<u>9.74%</u>

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	Percent of Total Tax Collections to Net Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Tax to Net Tax Levy
2005	\$ 110,522,720	\$ 526,233	\$ 109,996,487	99.52%	\$ 108,786,615	98.90%	\$ 802,867	\$ 109,589,482	99.63%	\$ 407,005	0.37%
2006	\$ 112,831,612	\$ 729,197	\$ 112,102,415	99.35%	\$ 110,628,939	98.69%	\$ 339,428	\$ 110,968,367	98.99%	\$ 1,134,048	1.01%
2007 (1)	\$ 115,760,050	\$ 650,404	\$ 115,109,646	99.44%	\$ 113,547,290	98.64%	\$ 1,190,823	\$ 114,738,113	99.68%	\$ 371,533	0.32%
2008	\$ 119,538,305	\$ 918,871	\$ 118,619,434	99.23%	\$ 116,826,578	98.49%	\$ 890,609	\$ 117,717,187	99.24%	\$ 902,247	0.76%
2009	\$ 129,065,767	\$ 674,763	\$ 128,391,004	99.48%	\$ 126,252,280	98.33%	\$ 1,432,313	\$ 127,684,593	99.45%	\$ 706,411	0.55%
2010 (1)	\$ 139,964,888	\$ 1,264,748	\$ 138,700,140	99.10%	\$ 136,591,479	98.48%	\$ 264,574	\$ 136,856,053	98.67%	\$ 1,844,087	1.33%
2011	\$ 145,976,141	\$ 1,467,306	\$ 144,508,835	98.99%	\$ 142,459,955	98.58%	\$ 1,458,173	\$ 143,918,129	99.59%	\$ 590,706	0.41%
2012	\$ 150,870,993	\$ 1,728,254	\$ 149,142,739	98.85%	\$ 146,918,672	98.51%	\$ 1,353,980	\$ 148,272,652	99.42%	\$ 870,087	0.58%
2013	\$ 154,887,838	\$ 1,098,748	\$ 153,789,090	99.29%	\$ 151,681,456	98.63%	\$ 1,948,314	\$ 153,629,770	99.90%	\$ 159,320	0.10%
2014	\$ 158,922,344	\$ 1,454,831	\$ 157,467,513	99.08%	\$ 155,789,875	98.93%	\$ 2,058,441	\$ 157,848,316	100.24%	\$ (380,803)	-0.24%



(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	Equalized Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Equalized Value
2005	59,232	\$1,523,362,000	\$8,289,720,700	\$59,860,000	\$0	\$1,011	3.93%	0.72%
2006	59,556	\$1,641,764,000	\$9,264,421,800	\$45,160,000	\$0	\$758	2.75%	0.49%
2007	59,352	\$1,760,786,000	\$9,264,421,800	\$58,110,000	\$0	\$979	3.30%	0.63%
2008	60,325	\$1,819,410,000	\$9,934,066,400	\$82,473,658	\$0	\$1,367	4.53%	0.83%
2009	60,236	\$1,819,410,000	\$9,934,066,400	\$82,398,658	\$0	\$1,368	4.53%	0.83%
2010	60,605	\$1,819,410,000	\$9,212,986,100	\$74,842,120	\$0	\$1,235	4.11%	0.81%
2011	60,605	\$1,819,410,000	\$9,212,986,100	\$67,718,482	\$0	\$1,117	3.72%	0.74%
2012	60,632	\$1,819,410,000	\$9,279,182,000	\$74,728,344	\$0	\$1,232	4.11%	0.81%
2013	60,632	\$1,650,776,000	\$9,279,182,000	\$77,098,769	\$0	\$1,272	4.67%	0.83%
2014	61,918	\$1,823,593,000	\$9,286,495,800	\$73,794,122	\$0	\$1,192	4.05%	0.79%

Fiscal Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Equalized Value
2005	\$5,474,582	\$0	\$65,334,582	\$1,103	4.29%	0.79%
2006	\$4,322,291	\$0	\$49,482,291	\$831	3.01%	0.53%
2007	\$10,717,569	\$0	\$68,827,569	\$1,160	3.91%	0.74%
2008	\$11,719,771	\$0	\$94,193,429	\$1,561	5.18%	0.95%
2009	\$13,540,855	\$0	\$95,939,513	\$1,593	5.27%	0.97%
2010	\$12,517,344	\$0	\$87,359,464	\$1,441	4.80%	0.95%
2011	\$14,511,230	\$0	\$82,229,712	\$1,357	4.52%	0.89%
2012	\$22,114,746	\$0	\$96,843,090	\$1,597	5.32%	1.04%
2013	\$25,366,592	\$0	\$102,465,361	\$1,690	6.21%	1.10%
2014	\$23,182,257	\$0	\$96,976,379	\$1,566	5.32%	1.04%

(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, 2014

<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.....	\$ 2,116,827,000	3.843%	\$ 81,349,662	\$ 7,809,194
MWRA Sewer.....	4,033,856,000	2.978%	120,128,232	12,759,248
MBTA.....	5,561,383,476	0.023%	<u>1,279,118</u>	<u>1,295,074</u>
Subtotal.....			202,757,011	<u><u>\$ 21,863,516</u></u>
City direct debt.....			<u>73,794,122</u>	
Total direct and overlapping debt.....			<u><u>\$ 276,551,133</u></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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalized Valuation.....	\$ 8,289,720,700	\$ 9,255,808,700	\$ 9,264,421,800	\$ 9,934,066,400	\$ 9,934,066,400	\$ 9,205,804,000	\$ 9,212,986,100	\$ 9,279,182,000	\$ 9,729,182,000	\$ 9,286,495,800
Debt Limit -5% of Equalized Valuation.....	414,486,035	462,790,435	463,221,090	496,703,320	496,703,320	460,290,200	460,649,305	463,959,100	486,459,100	464,324,790
Less:										
Outstanding debt applicable to limit.....	43,309,582	47,902,291	66,632,569	73,510,840	92,277,513	83,760,995	77,849,194	89,831,227	91,143,839	104,094,203
Authorized and unissued debt.....	139,279,402	84,412,854	70,903,551	39,822,677	16,099,973	29,314,022	30,413,485	14,962,927	19,086,016	19,638,776
Legal debt margin.....	<u>\$ 231,897,051</u>	<u>\$ 330,475,290</u>	<u>\$ 325,684,970</u>	<u>\$ 383,369,803</u>	<u>\$ 388,325,834</u>	<u>\$ 347,215,183</u>	<u>\$ 352,386,626</u>	<u>\$ 359,164,946</u>	<u>\$ 376,229,245</u>	<u>\$ 340,591,811</u>
Total debt applicable to the limit as a percentage of debt limit.....	44.05%	28.59%	29.69%	22.82%	21.82%	24.57%	23.50%	22.59%	22.66%	26.65%

Source: City Auditor's Office, City of Waltham

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

Employer	Nature of Business	2014		2005	
		Employees	Rank	Employees	Rank
Brandeis University	Higher Education	1,000-4,999	1	1,512	2
Bentley University	Higher Education	1,000-4,999	2	1,037	4
National Grid	Utility	1,000-4,999	3	-	-
Novell Inc	Pharmaceuticals	1,000-4,999	4	-	-
Automatic Data Processing	Financial Services	500-999	5	420	13
AM-FM Cleaning Corporation	Janitorial Contracting	500-999	6	600	9
Education Development Cntr	Educational Software	500-999	7	-	-
Fresenius Medical Care	Pharmaceuticals	500-999	8	-	-
Glaxosmithkline	Pharmaceuticals	500-999	9	-	-
Multi Plan Inc	Health Insurance	500-999	10	-	-
Nova Biomedical Corporation	BioTech Research	500-999	11	600	7
ACI Worldwide	Software	250-499	12	-	-
Adobe Systems	Software	250-499	13	-	-
		~28,000		4,169	

Source: Massachusetts Department of Employment and Training

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
2005	59,232	1,523,362,000	\$25,719	34.2	4,669	4.0%
2006	59,556	1,641,764,000	\$27,567	34.2	4,718	4.0%
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	\$29,692	33.9	5,271	5.0%

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

Median age is based on most recent census data

2004 to 2013 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function:										
General government.....	122	110	107	107	106	102	96	93	94	94
Public safety.....	377	374	369	370	359	358	355	350	354	355
Education.....	872	869	913	906	918	911	927	932	896	904
Consolidated public works.....	58	72	71	71	67	63	60	61	61	61
Community development.....	26	31	28	30	27	26	25	23	22	22
Health and human services.....	20	20	20	20	19	18	18	16	15	16
Culture and recreation.....	29	23	25	26	25	24	25	26	37	38
Water/sewer.....	31	33	32	32	27	27	27	28	28	28
Total	<u>1,535</u>	<u>1,532</u>	<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>

Source: City records.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Cash flow (millions).....	460	480	500	520	540	550	580	600	620	640
Accounts payable invoices processed.....	37,000	37,000	37,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Payroll checks processed.....	73,000	73,000	73,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Police										
Arrests.....	1,074	1,193	1,137	1,194	1,006	1,181	1,097	1,049	928	912
Traffic citations.....	15,406	16,496	14,569	13,914	11,140	10,363	11,260	8,067	8,698	7,243
Parking violations.....	5,311	5,170	5,181	4,939	5,150	5,247	4,546	4,947	3,837	3,500
Service calls.....	38,563	35,119	34,494	34,694	35,000	35,000	35,000	35,000	35,000	35,000
Major investigations.....	1,542	1,607	1,721	1,826	1,880	1,880	1,607	1,607	1,495	1,450
Fire										
Inspections - schools/nursing homes/hospitals.....	220	200	100	100	100	100	100	100	100	100
Inspections - commercial/industrial.....	270	260	525	520	550	550	550	550	550	550
Emergency responses - box alarms.....	1,082	1,150	1,200	1,200	1,200	1,360	1,800	1,900	1,900	1,900
Emergency responses - still alarms.....	5,588	5,800	5,650	5,500	6,000	5,990	6,500	6,300	6,300	6,600
Emergency responses - false alarms.....	200	150	160	170	190	150	200	150	150	150
Water										
Consumption in gallons (billions/year).....	2.7	3	3	3	3	2.8	2.8	3	3	2.4
Leak detection (miles).....	155	160	151	165	165	165	165	165	150	340
Service repairs.....	208	183	225	150	155	91	100	100	115	121
Sewer										
Service repairs.....	25	30	45	43	40	26	30	29	29	54
Stoppages - mains.....	98	18	150	125	100	79	72	92	124	120
Stoppages - services.....	290	41	275	249	300	238	175	253	281	270
Health and Human Services										
Permits - public health.....	797	771	760	746	885	853	850	831	780	772
Senior citizen programs.....	26	26	26	26	26	26	26	26	26	27
Senior citizen programs - participants.....	2,400	2,400	2,500	2,351	2,200	2,613	2,615	2,650	2,822	2,653
Recreation activities.....	166	170	230	195	200	220	230	230	227	230
Recreation activities - participants.....	17,080	17,125	15,050	13,000	14,000	13,982	14,225	19,670	26,249	27,275
Veterans cases.....	640	750	850	950	1,050	1,050	1,050	1,065	1,065	1,080
Cemetery burials.....	230	230	215	168	100	200	200	210	200	210
Libraries										
Items circulated.....	641,497	645,000	640,000	578,192	575,000	527,956	507,500	513,041	463,251	425,000
Registered borrowers.....	31,744	32,500	32,500	30,268	32,000	28,991	28,900	28,223	27,418	27,000

Source: Various City Departments

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Number of Buildings.....	59	59	59	59	59	59	59	59	59	59
Police										
Number of Stations.....	3	3	3	3	3	3	3	3	3	3
Fire										
Number of Stations.....	6	6	6	6	6	6	6	6	6	6
Education										
Number of elementary schools.....	7	7	7	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

