

CITY OF EVERETT

MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended June 30, 2023

Carlo DeMaria, Jr., Mayor
Eric J. Demas, Chief Financial Officer/City Auditor

Prepared by the City of Everett Finance Department

On the cover – Painting of Broadway St., Everett, MA



City of Everett Skyline

CITY OF EVERETT, MASSACHUSETTS

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For the Year Ended June 30, 2023



Prepared by the Finance Department

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JUNE 30, 2023

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Introductory Section

Swan Street Park



Introductory Section

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City of Everett, Massachusetts

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Eric.Demas@ci.everett.ma.us

Letter of Transmittal

December 28, 2023

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

At the close of each year, state law requires the City of Everett to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 Annual Comprehensive Financial Report (ACFR) of the City of Everett, Massachusetts, for the year ending June 30, 2023 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 year ended June 30, 2023, are fairly presented in conformity with GAAP.

The City of Everett's financial statements have been audited by Powers & Sullivan, LLC, 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 year ended June 30, 2023, 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 year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City'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 Everett'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 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

The City of Everett is located in Middlesex County. It is bordered on the north by the City of Malden, on the east by the Cities of Revere and Chelsea, on the west by the Cities of Medford and Somerville, and on the south by the Mystic River and the City of Boston. Everett has a population of 49,075 (according to the 2020 Federal Census) and occupies a land area of 3.36 square miles. Modern transportation facilities are available to residents and commercial enterprises in the City of Everett. The City maintains a total of 56 miles of roads. Bus transportation within the City and throughout the local region is provided by the Massachusetts Bay Transportation Authority (MBTA). The MBTA maintains a major repair facility in the city.

Incorporated as a town in 1870, and as a city in 1892, Everett had been governed by a Mayor-Council-Alderman form of government, with a two-year Mayor, seven aldermen (elected at large), and eighteen councilors (3 elected from each ward). However, on January 1, 2014, the City's Council/Aldermen form of government converted to an elected 11-member City Council, and the Mayor's term converted to 4 years.

The Mayor is elected for four years in November of odd-numbered years. The Mayor is the administrative head of the City. The Mayor acts with the City Council to carry out City business. The Mayor appoints his office staff, the City Solicitor, and the Assistant City Solicitor without City Council confirmation. The appointments of most City department heads, and members of the various boards and commissions, however, require City Council confirmation. The Mayor has the right to veto any order, resolution, or ordinance passed by the Council. However, a veto may be overturned by a two-thirds vote of all councilors. After reviewing and revising estimates prepared by department heads, the Mayor submits the budget to the City Council for final action. The Mayor approves all municipal payrolls, vouchers, contracts and instruments; and recommends bond issues, legislations and orders to the City Council; and represents the City with other levels of government. As the general administrator of all City departments, the Mayor is consulted by department heads pertaining to the City's welfare.

The City Council is primarily the legislative branch of the city government. As the legislative body, the Council confirms appointments made by the Mayor and appropriates all monies necessary for City operation. It can approve, disapprove, or reduce the amount of appropriations, but not add to the appropriation. The Council receives orders of recommendation by the Mayor and petitions from the public, and acts on them after committee study. The City Council also has the power to enact the ordinances and other regulations. A majority of the City Council constitutes a quorum, and the affirmative vote of a majority of all the members of the Council is necessary for the adoption of any motion resolution, or ordinance. In some instances, adoption by a two-thirds vote of the members is required by statute.

The City provides general governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, street maintenance, and parks and recreational facilities. Water and sewer services are provided via connections to the Massachusetts Water Resources Authority. The entire area of the City is served by the municipal water and sewer system. Vocational technical education is provided at the high school level by the City.

The Everett Housing Authority is responsible for managing 671 units of State aided elderly and family housing units for the City. Of the 671 units, 279 are for elderly and 392 are designated for families. These units are owned and operated by the Authority. The Everett Housing Authority does not meet the criteria to be considered a component unit of the City.

In the City of Everett, 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 year beginning on the next July 1st. 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 2/3 vote in the case of a failure of the Mayor to recommend an appropriation for such purpose within seven days after request from the City Council. If the council fails to act on any item of the proposed budget within 45 days, that item takes effect.

The amount raised on the tax recapitulation sheet approved by the Department of Revenue for 2023 totaled approximately \$289.4 million, which includes real and personal property tax revenues, State revenues, local revenues, indirect costs from the water and sewer enterprise fund and the use of \$7 million of free cash to reduce the tax. These revenues cover general fund and enterprise fund budgeted expenses and a prior year snow and ice deficit. The 2023 tax recapitulation also includes the use of \$4.4 million of free cash that was used to fund 2022 appropriations.

The City includes the Everett Retirement System (the System) as a fiduciary component unit in its financial reporting since the City represents approximately 97% of the Systems' membership. The System was established to provide retirement benefits to its members, including employees and beneficiaries of the City of Everett and the Everett Housing Authority.

Factors Affecting Economic Condition

According to the Massachusetts Department of Unemployment Assistance, as of June 30, 2023, the City had a total labor force of 26,663 of which 26,010 were employed and 653 or 2.4% were unemployed as compared with 2.8% for the Commonwealth. Everett is a diverse City, a blue-collar community with many of its residents working in the trade, transportation, and utility fields. Closely behind are residents working in the education and health services industry.

Power Plant

The City of Everett is home to a power plant containing a multi-unit gas-fueled 1,968-megawatt (MW) steam turbine, electric power generating station. The site was originally developed by Boston Edison Company in the early 1940's with three coal-fired steam generators. The power plant increased development in the 1950's and 1960's; which lead to the construction of three additional units that were eventually converted to oil. A 578 MW unit was added in 1975 and an 8.6 MW jet-turbine generator was added in 1969 and upgraded in 1990 that was used as a "peaking" unit.

As a result of the Massachusetts Electric Utility Restructuring Act of 1997, Boston Edison sold Mystic Station along with its other generating assets for a reported \$536 million to Sithe Energies. Exelon Generation Company, LLC acquired Sithe New England in 2002. In 2003, Exelon completed the addition of two new Raytheon built combined-cycle generators to the site, with a generating capacity of 1,400 MG.

Currently, the plant's primary fuel source is a liquefied natural gas (LNG) terminal adjacent to the facility along the Mystic River, currently owned by Distrigas of Massachusetts, who relies on offshore supplies of LNG. The site also contains a substation, switchyards and transformers for supplying power to the electricity grid.

For 2023, the power plant's payment of \$7.5 million represented 7.1% of the total tax levy of \$106 million.

Wynn Everett

On September 15, 2014, the Massachusetts state gaming commission formally voted to award the eastern Massachusetts casino license to Wynn Resorts for its plan in Everett. Prior to the license being awarded to Wynn, the City and Wynn entered into a host agreement, which memorialized the economic and social commitments to the City of Everett. In summary, the City received \$30 million of advance payments for a Community Enhancement Fund that was paid during the construction period. Also, once the resort opened for business, which occurred on June 23, 2019, the City began receiving an additional \$25 million per year, which increases 2.5% per year for the life of the agreement. Furthermore, Wynn agreed to fund \$250,000 annually, increasing by 2.5% per year, to the Everett Citizens Foundation, which will support local groups, associations, and programs with important City initiatives.

These sum specific payments, as well as the conservatively estimated \$2.5 million per year in hotel and restaurant taxes paid by Wynn customers, will benefit the City and its residents for decades.

Financial Planning and Forecasting

As part of the City's budget process, the City has included a Five-Year Financial Forecast in its budget document. This is the fifth year that such a forecast has been completed. This forecast acts as a useful tool to the Mayor and Council to better identify "budget busters" on the expenditure side and to also determine whether forecasted revenue growth is adequate for future expenses. Also included in the budget was the City's Five-Year Capital Improvement Plan (CIP) for the purpose of planning and maintaining the City's capital and infrastructure. The CIP includes policies on debt service and capital improvement budgeting.

As part of the 2023 CIP, the City Council approved \$29.1 million in capital expenditures, of which \$27.5 million will be funded through the issuance of general obligation bonds. The remainder will be funded by federal and state grants totaling \$680,000, \$776,000 from stabilization funds and \$168,000 from revolving funds.

Financial Policy

The City has set a goal to fund the stabilization account in the amount of 10% of the City's current operating budget, or \$25.8 million. As of June 30, 2023, the balance in the City's general stabilization account was \$7.7 million. The stabilization account shall be funded by appropriations from free cash (available funds), operating budget appropriations when available, and other one-time non-recurring revenues that become available for appropriation per Massachusetts General Law.

In 2014, the City established a second stabilization account (capital improvement stabilization account) for the funding of capital items proposed as part of the comprehensive five-year Capital Improvement Program. The City has set a goal to fund the capital improvement stabilization account in the amount of 20% of any free cash available after funding a prior year drawdown of the stabilization account. As of June 30, 2023, the balance in the City's capital improvement stabilization account was \$6.8 million.

Also, in 2014, the City established a third stabilization account (employee leave buyback stabilization account) for the funding of retirement buyouts as well as other buybacks of accrued sick and vacation time as allowed by collective bargaining agreements. During FY16, the City experienced a number of unanticipated retirements and used the majority of this fund to meet the retirement obligations. The goal of the employee leave buyback stabilization account is to pay for any unanticipated retirements and buyouts from this fund instead of using general fund appropriations. This will allow the departments to backfill vacancies and pay attendance bonuses in a timely manner without having to request a supplemental appropriation by the Council.

In 2023, the City established a fourth stabilization account (opioid settlement stabilization account) for the funds received as part of the State's opioid settlement. As of June 30, 2023, the balance in this stabilization account was \$193,000.

In 2013, the City adopted Massachusetts General Law Chapter 32B, Section 20, establishing the "Other Postemployment Benefits (OPEB) Liability Trust Fund" as a local option. This fund gives communities a mechanism to reduce the unfunded actuarial liability of health care and other postemployment benefits. The City currently has \$12.2 million in the fund. Future appropriations will be made to this fund in accordance with financial policies of the Finance Department of the City.

As defined by the Massachusetts budgetary basis of accounting, free cash is the remaining unrestricted funds from operations of the previous year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax rate recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30th, which is submitted by the community's auditor, accountant, or comptroller. Free cash is not available for appropriation until certified by the Massachusetts Director of Accounts. Free cash is the term used for a community's funds that are available for appropriation. Once free cash is certified, it is available for appropriation by City Council. The June 30, 2023 balance for free cash was certified in the amount of \$25.1 million which is available for use in 2024.

Free cash may be used for any lawful municipal purpose and provides communities with flexibility to fund additional appropriations after the tax rate has been set. Free cash balances do not carry forward to the next year (July 1st). The certification expires on June 30th at the end of the year.

The City's policy is to use free cash for reserves, capital, and special uses in accordance with the policies set forth by the Mayor and Chief Financial Officer. Once free cash is certified by the Director of Accounts, any drawdown of the stabilization account from the prior year shall be replenished from the certified free cash if the free cash exceeds such drawdown. Once any drawdown of stabilization accounts are replenished, allocation of the remaining free cash shall be as follows:

- 15% of any free cash available after funding a prior year drawdown will also be allocated from free cash to the stabilization account up to the goal of the stabilization account equaling 10% of the current operating budget of the City.
- 20% of any free cash available after funding a prior year drawdown of the stabilization account will also be allocated to the capital improvement fund for funding capital.
- 15% of any free cash available after funding any drawdown will be allocated to the OPEB Liability Trust Fund.

Any free cash available after funding the above may be used to augment trust funds related to fringe benefits and unfunded liabilities related to employee benefits, including Workers' Compensation Fund, Unemployment Fund, and any health benefits payable through Police and Fire operating budgets (111f settlements). Free cash available may also be used to augment general fund appropriations for expenses that increased due to extraordinary and/or unforeseen events as detailed by the department head of the affected budget.

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 of Everett, Massachusetts for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the ninth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City had to

publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2022. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

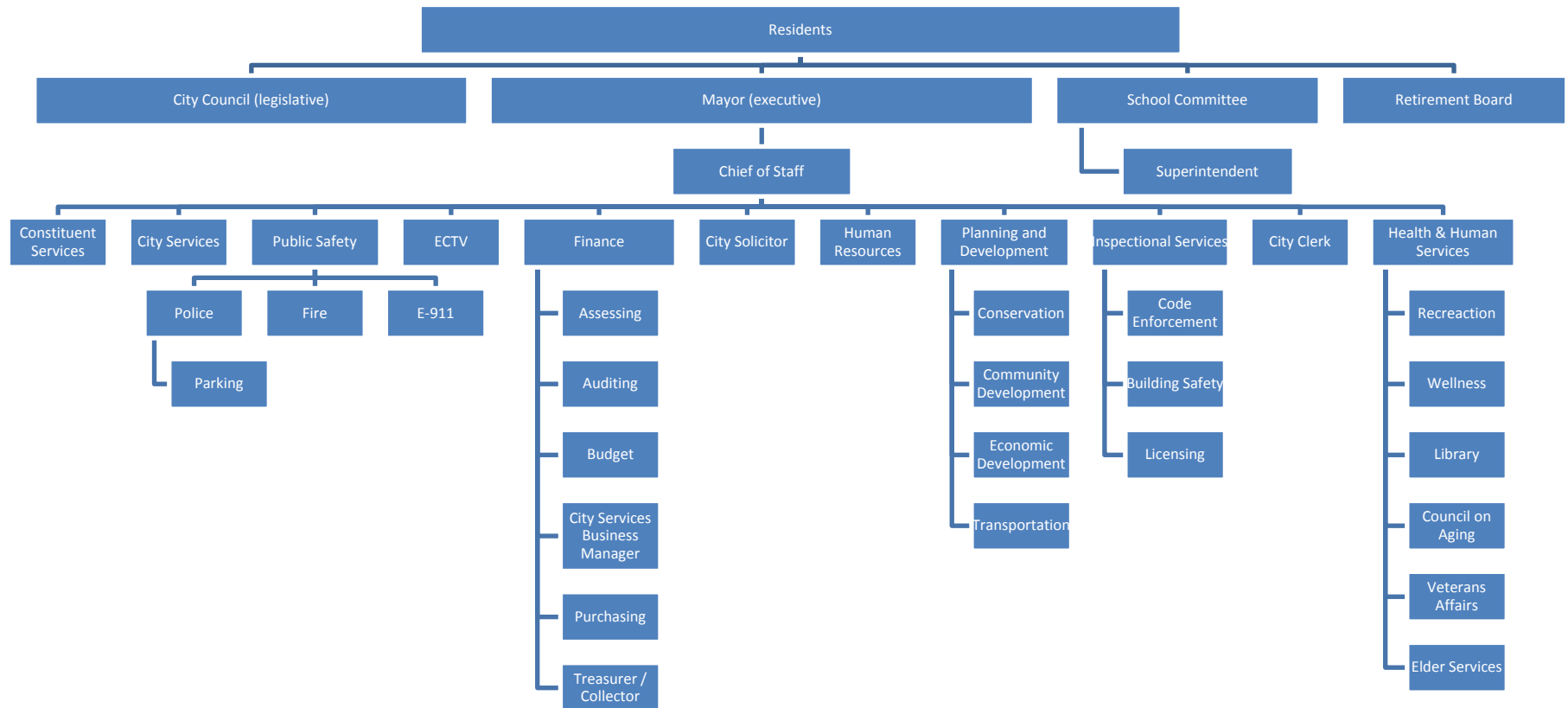
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Everett, Massachusetts' finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Eric J. Demas", with a stylized flourish at the end.

Eric J. Demas, CFE
Chief Financial Officer / City Auditor

Organizational Chart





Principal Executive Officers

As of June 30, 2023

TITLE	NAME	MANNER OF SELECTION	TERM EXPIRES
Mayor	Carlo DeMaria, Jr.	Elected	2025
Ward One, City Councilor	Wayne A. Matewsky	Elected	2023
Ward Two, City Councilor	Stephanie Martins	Elected	2023
Ward Three, City Councilor	Darren Costa	Elected	2023
Ward Four, City Councilor	Jimmy Tri Le	Elected	2023
Ward Five, City Councilor	Vivan Nguyen	Elected	2023
Ward Six, City Councilor	Alfred Lattanzi	Elected	2023
President, Councilor At Large	John F. Hanlon	Elected	2023
Councilor At Large	Irene Cardillo	Elected	2023
Councilor At Large	Michael Marchese	Elected	2023
Councilor At Large	Richard Dell Isola	Elected	2023
Councilor At Large	Stephanie Smith	Elected	2023
Chief Financial Officer/City Auditor	Eric J. Demas	Appointed	2025
Treasurer/Collector	Monica Ford	Appointed	2024
City Solicitor	Colleen Mejia	Appointed	2025
City Clerk	Sergio Cornelio	Appointed	2025



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Everett
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section

Bus Lane



Financial Section

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Independent Auditor's Report

To the Honorable City Council
City of Everett, Massachusetts

Report on the Audit of the Financial Statements

Opinions

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 Everett, Massachusetts, as of and for the year ended June 30, 2023 (except for the Everett Contributory Retirement System which is as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the City of Everett, Massachusetts' basic financial statements as listed in the table of contents.

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 Everett, Massachusetts, as of June 30, 2023 (except for the Everett Contributory Retirement System which is as of and for the year ended December 31, 2022), 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Everett, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Everett, Massachusetts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Everett, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Everett, Massachusetts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Everett, Massachusetts' basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the City of Everett, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Everett, Massachusetts' 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 Everett, Massachusetts' internal control over financial reporting and compliance.



December 28, 2023

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Everett (City), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023. The City complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB).

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

Financial Highlights

- The City has maintained its bond rating of AA+ by Standard & Poor's Investors Service.
- The City's liabilities and deferred inflows exceeded its assets and deferred outflows of resources at the close of the most recent year by \$126.4 million (net position).
- At the close of the current year, the City's general fund reported an ending fund balance of \$56.4 million, an increase of \$7.0 million in comparison with the prior year. Total fund balance represents 21% of total general fund expenditures.
- The City transferred \$1.8 million to the general stabilization account in 2023, and \$82,000 was used for the general fund operating budget. At year-end, the general stabilization account balance totaled \$7.7 million.
- The City transferred \$2.4 million to the capital improvement stabilization account and \$1.5 million was used to fund capital items. At year-end, the capital improvement stabilization account totaled \$6.8 million.
- The employee leave buy-back stabilization account did not have any activity in 2023 and the account balance totaled \$8,000 at year-end.
- During fiscal year 2023 the City adopted a new stabilization fund for the opioid settlement, and \$193,000 was transferred into the fund.
- The City appropriated \$7.0 million in free cash to reduce the 2023 tax rate.
- The City transferred \$1.8 million to the other postemployment benefits (OPEB) trust fund in 2023. At year-end, the net position of the OPEB trust fund totaled \$12.2 million.
- The net OPEB liability increased by \$16.1 million during the current year and the year-end balance totaled \$309.9 million.
- The City's net pension liability increased by \$35.8 million during the current year and the year-end balance totaled \$82.9 million.
- At year end the City reported \$38.5 million of American Rescue Plan Act (ARPA) funds which were not obligated and were recorded as unearned revenue within the City's federal and state grants fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Everett's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements focus on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City as a whole. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, city services and facilities, community development, human services, libraries and recreation, and interest. The business-type activities include the activities of the water and sewer fund and the Everett community television fund.

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing 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 year.

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

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

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

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

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to employees' health insurance, workers compensation insurance and other insurance.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for propriety funds. A legally separate public employee retirement system for which the City of Everett is financially accountable is a *component unit* and reported within the fiduciary fund statements. The City established the other postemployment benefits trust fund that is reported as a fiduciary fund.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$126.4 million at the close of 2023 (net position), an increase of \$13.0 million from the prior year.

Net position of \$174.7 million reflects its net investment in capital assets (e.g., land, land improvements, buildings and building improvements, machinery and equipment, vehicles and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the governmental net position, \$10.8 million, represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* has a year-end deficit of \$311.9 million. The primary reason for this deficit balance is the recognition of the net other postemployment benefits liability and the net pension liability totaling \$309.9 million and \$82.9 million, respectively.

Governmental Activities

The City's liabilities and deferred inflows exceeded assets and deferred outflows or resources for governmental activities by \$183.7 million at the close of 2023.

	2023	2022
Assets:		
Current assets.....	\$ 191,168,794	\$ 195,382,584
Capital assets, nondepreciable.....	10,755,597	10,755,597
Capital assets, net of accumulated depreciation....	182,491,781	177,755,205
Total assets.....	384,416,172	383,893,386
Deferred outflows of resources.....	74,470,040	60,720,563
Liabilities:		
Current liabilities (excluding debt).....	83,679,068	85,273,430
Noncurrent liabilities (excluding debt).....	397,436,654	344,270,444
Current debt.....	10,007,902	11,040,824
Noncurrent debt.....	80,704,226	90,712,129
Total liabilities.....	571,827,850	531,296,827
Deferred inflows of resources.....	70,749,074	104,087,223
Net position:		
Net investment in capital assets.....	120,342,630	114,503,355
Restricted.....	10,751,997	7,682,362
Unrestricted.....	(314,785,339)	(312,955,818)
Total net position.....	\$ (183,690,712)	\$ (190,770,101)

	2023	2022
Program Revenues:		
Charges for services.....	\$ 16,713,099	\$ 13,632,204
Operating grants and contributions.....	144,036,144	125,915,614
Capital grants and contributions.....	397,497	1,112,529
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	104,595,319	94,529,705
Tax liens.....	178,122	645,540
Motor vehicle excise taxes.....	5,026,718	4,129,602
Chapter 121A excise payments in lieu of taxes.....	21,537,813	21,012,500
Community impact fee.....	5,384,452	5,253,124
Hotel/motel tax.....	1,969,909	784,679
Meals tax.....	2,589,265	1,236,866
Penalties and interest on taxes.....	537,329	3,536,876
Payments in lieu of taxes.....	14,112	14,112
Grants and contributions not restricted to specific programs.....	8,428,662	8,078,038
Unrestricted investment income.....	4,576,361	783,626
Total revenues.....	315,984,802	280,665,015

	2023	2022
Expenses:		
General government.....	15,408,422	15,034,737
Public safety.....	55,946,704	54,898,821
Education.....	202,222,870	164,840,570
City services and facilities.....	18,862,459	19,327,923
Community development.....	1,761,729	1,776,477
Human services.....	9,368,642	9,016,209
Libraries and recreation.....	3,196,517	3,079,829
Interest.....	2,138,070	2,168,720
Total expenses.....	308,905,413	270,143,286
Change in net position.....	7,079,389	10,521,729
Net position, beginning of year.....	(190,770,101)	(201,291,830)
Net position, end of year.....	\$ (183,690,712)	\$ (190,770,101)

The governmental expenses totaled \$308.9 million of which \$161.1 million (52%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$154.8 million, primarily coming from property taxes, Chapter 121A excise payments in lieu taxes and non-restricted state aid.

The governmental net position increased by \$7.1 million during the current year. The primary elements of this increase include a general fund operating surplus of \$7.0 million related to better than anticipated budgetary results, a \$7.2 million increase from the change in the net pension liability and related deferred outflows and inflows of resources, a \$2.1 million surplus in the city federal and state grants fund, and \$4.5 million of capital assets that were funded in the operating budget. These increases were offset by a \$12.8 million decrease from the net change in the net OPEB liability and related deferred outflows and inflows of resources, and a \$3.9 million decrease in the internal service fund.

The City's charges for services increased \$3.1 million over the prior year which is, mainly due to building permits and police details.

Operating grants and contributions increased \$18.1 million over the prior year, which is primarily related to increased expenditures from the ARPA program and increased school grants. Capital grants and contributions decreased \$715,000 over the prior year which is mainly due to a decrease in activity related to the State's highway infrastructure program.

The hotel/motel and meals taxes reported a combined increase of \$2.5 million as a result of services and travel continuing to increase post COVID-19 pandemic.

Overall expenditures increased \$38.8 million, or 14.3% over the prior year. Education reported the largest increase of \$37.4 million which related to general fund budgetary increases, additional grant expenditures and the increase in the net OPEB liability and related deferrals.

Business-type Activities

For the City's business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$57.3 million at the close of 2023.

	2023	2022
Assets:		
Current assets.....	\$ 10,596,771	\$ 15,159,724
Capital assets, net of accumulated depreciation....	63,775,630	59,103,304
Total assets.....	74,372,401	74,263,028
Deferred outflows of resources.....	865,337	884,103
Liabilities:		
Current liabilities (excluding debt).....	235,358	2,508,442
Noncurrent liabilities (excluding debt).....	4,154,598	5,038,200
Current debt.....	2,036,046	2,080,857
Noncurrent debt.....	11,040,100	12,489,901
Total liabilities.....	17,466,102	22,117,400
Deferred inflows of resources.....	509,358	1,685,454
Net position:		
Net investment in capital assets.....	54,399,016	48,882,594
Unrestricted.....	2,863,262	2,461,683
Total net position.....	\$ 57,262,278	\$ 51,344,277
	2023	2022
Program Revenues:		
Charges for services.....	\$ 20,482,201	\$ 20,432,278
Capital grants and contributions.....	4,049,048	1,982,494
General Revenues:		
Unrestricted investment income.....	518,805	26,330
Total revenues.....	25,050,054	22,441,102
Expenses:		
Water and sewer.....	18,890,496	19,935,954
Everett community television.....	241,557	446,255
Total expenses.....	19,132,053	20,382,209
Change in net position.....	5,918,001	2,058,893
Net position, beginning of year.....	51,344,277	49,285,384
Net position, end of year.....	\$ 57,262,278	\$ 51,344,277

Business-type net position of \$54.4 million (95%) represents the net investment in capital assets while \$2.9 million (5%) was unrestricted. The City's business-type activities net position increased by \$5.9 million in the current year.

The \$5.7 million increase in water and sewer net position is primarily due to the \$4.0 million capital contributions for water and sewer upgrades and \$519,000 of interest income. Included in the capital contributions are \$2.3 million of ARPA funds.

The \$183,000 increase in the ECTV net position is primarily due current year revenues exceeding the budget.

Financial Analysis of the Government's Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$98.9 million; of which, \$56.4 million was the general fund, \$1.1 million was the City federal and state grants fund, and \$41.5 million was the nonmajor governmental funds. Cumulatively there was an increase of \$460,000 in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$46.2 million, while total fund balance was \$56.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. Unassigned fund balance represented 17% of the total general fund expenditures, while total fund balance represented 21% of that same amount. Fund balance of \$742,000 was committed for continuing appropriations and \$9.5 million of fund balance was assigned for encumbrances to be carried forward to the next year.

In 2023, the City's general fund increased by \$7.0 million. This increase is primarily due to a \$3.1 million budgetary basis operating surplus, a \$3.2 increase in the stabilization funds which are reported as a component of the general fund on the GAAP basis financial statements.

General fund revenues increased \$22.3 million over the prior year primarily due to real estate and personal property taxes increasing by \$5.0 million in accordance with State law that allows for the assessment to increase by 2.5%, plus new growth, which were reduced by a significant tax abatement settlement. The City saw a decrease of \$3.0 million in penalties and interest on taxes which was related to the prior year's significant increased collections of past due accounts. Additionally state aid increased by \$9.6 million with the primary purpose of the additional funds being education, while the teachers' retirement revenue, paid on behalf of the City by the State, increased \$1.9 million due to the special funding situation for teachers' pensions.

General fund expenditures increased by \$19.5 million over the prior year, primarily related to the education increase of \$10.7 million. Education expenditures were able to increase due to the associated state aid increase, as noted above. Further, public safety expenditures decreased \$2.2 million over the prior year, mainly related to salary increases from contract negotiations during fiscal year 2022.

The City federal and state grants fund is used to account for non-school related activity financed by grants. At the end of the current year fund balance totaled \$1.1 million, which represents a \$2.1 million increase from the prior year. This increase is primarily related to the recognition of additional grant revenue related to the COVID-19

pandemic, and interest earnings on unspent ARPA funds. The fund reported \$38.5 million of unearned revenue related to unobligated American Rescue Plan Act (ARPA) funds received from the State and Federal government.

The internal service fund experienced a decrease of \$3.9 million that is primarily due to an increase in claims experience. Ending net position was \$8.6 million at June 30, 2023.

General Fund Budgetary Highlights

The original 2023 budget authorized \$278.3 million of appropriations, other amounts to be raised, and amounts carried forward from the prior year. For fiscal year 2023, the City Council approved the use of \$7 million of free cash to reduce the tax rate and supplemental appropriations from free cash of \$7.3 million for contributions to the OPEB trust fund, contributions to the capital improvement and general stabilization funds, and additional funds for the operating budget.

Actual revenues exceeded budgeted revenues by \$3.9 million, while actual expenditures, including carry forwards, were less than budgeted amounts by \$9.4 million. For revenues, real estate and personal property taxes were under the budget by \$7.1 million due to the settlement of prior year abatements filed by the Power Plant. Licenses and permits exceeded the budget by \$4.0 million due to an increase in building permit revenue, while investment income exceeded the budget by \$2.7 million due to strong investment returns. For expenditures, the most significant turn backs relate to public safety and City services and facilities.

Capital Asset and Debt Administration

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

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounted to \$257.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, machinery and equipment, and infrastructure.

The total additions to the governmental activity's investment in capital assets for the current year were \$18.7 million. Major capital asset acquisitions during the current year included building improvements, infrastructure improvements, technology and other machinery and equipment purchases.

The \$6.4 million in additions to the business-type activities is mainly attributable to water and sewer main improvements and inflow infiltration projects.

Debt Administration. The City's bond rating was maintained at AA+ by Standard & Poor's Investors Service. The City continues to maintain strong market access for both note and bond sales.

Outstanding long-term debt for governmental activities, as of June 30, 2023, totaled \$90.7 million, of which \$6.1 million relates to unamortized debt premiums.

At year end, the water and sewer enterprise fund had \$13.1 million of outstanding long-term debt, which funded various water and sewer infrastructure projects and is fully supported by rates and does not rely on a general fund subsidy. The enterprise fund issued \$800,000 of long-term debt in 2023 through the Massachusetts Water Resource Authority (MWRA).

Please refer to notes 4, 6, and 7 to the basic financial statements for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the City of Everett's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer/City Auditor, City Hall, 484 Broadway, Everett, Massachusetts 02149.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 164,624,684	\$ 9,183,550	\$ 173,808,234
Investments.....	11,266,941	-	11,266,941
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,548,417	-	1,548,417
Tax liens.....	2,325,032	-	2,325,032
Motor vehicle excise taxes.....	1,193,947	-	1,193,947
User charges.....	-	1,413,221	1,413,221
Departmental and other.....	2,595,183	-	2,595,183
Intergovernmental.....	5,057,490	-	5,057,490
Working capital deposit.....	2,557,100	-	2,557,100
Total current assets.....	191,168,794	10,596,771	201,765,565
NONCURRENT:			
Capital assets, nondepreciable.....	10,755,597	-	10,755,597
Capital assets, net of accumulated depreciation.....	182,491,781	63,775,630	246,267,411
Total noncurrent assets.....	193,247,378	63,775,630	257,023,008
TOTAL ASSETS.....	384,416,172	74,372,401	458,788,573
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for refunding debt.....	44,831	-	44,831
Deferred outflows related to pensions.....	20,091,000	475,000	20,566,000
Deferred outflows related to other postemployment benefits.....	54,334,209	390,337	54,724,546
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	74,470,040	865,337	75,335,377
LIABILITIES			
CURRENT:			
Warrants payable.....	9,754,878	143,618	9,898,496
Accrued payroll.....	14,760,141	18,707	14,778,848
Health claims payable.....	2,951,000	-	2,951,000
Tax refunds payable.....	2,382,000	-	2,382,000
Accrued interest.....	762,566	35,898	798,464
Other liabilities.....	876,482	-	876,482
Unearned revenue.....	46,924,508	-	46,924,508
Compensated absences.....	5,232,193	36,735	5,268,928
Workers' compensation.....	35,300	400	35,700
Bonds payable.....	10,007,902	2,036,046	12,043,948
Total current liabilities.....	93,686,970	2,271,404	95,958,374
NONCURRENT:			
Compensated absences.....	8,440,072	24,936	8,465,008
Workers' compensation.....	318,200	3,500	321,700
Net pension liability.....	81,028,000	1,916,000	82,944,000
Net other postemployment benefits liability.....	307,650,382	2,210,162	309,860,544
Bonds payable.....	80,704,226	11,040,100	91,744,326
Total noncurrent liabilities.....	478,140,880	15,194,698	493,335,578
TOTAL LIABILITIES.....	571,827,850	17,466,102	589,293,952
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	24,859	-	24,859
Deferred inflows related to pensions.....	101,000	2,000	103,000
Deferred inflows related to other postemployment benefits.....	70,623,215	507,358	71,130,573
TOTAL DEFERRED INFLOWS OF RESOURCES.....	70,749,074	509,358	71,258,432
NET POSITION			
Net investment in capital assets.....	120,342,630	54,399,016	174,741,646
Restricted for:			
Permanent funds:			
Expendable.....	181,187	-	181,187
Nonexpendable.....	1,322,572	-	1,322,572
Gifts and grants.....	9,248,238	-	9,248,238
Unrestricted.....	(314,785,339)	2,863,262	(311,922,077)
TOTAL NET POSITION.....	\$ (183,690,712)	\$ 57,262,278	\$ (126,428,434)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 15,408,422	\$ 1,187,805	\$ 8,065,900	\$ -	\$ (6,154,717)	
Public safety.....	55,946,704	13,809,067	2,508,109	-	(39,629,528)	
Education.....	202,222,870	642,272	132,601,728	-	(68,978,870)	
City services and facilities.....	18,862,459	200,430	-	283,552	(18,378,477)	
Community development.....	1,761,729	-	12,298	-	(1,749,431)	
Human services.....	9,368,642	527,114	683,653	113,945	(8,043,930)	
Libraries and recreation.....	3,196,517	346,411	164,456	-	(2,685,650)	
Interest.....	2,138,070	-	-	-	(2,138,070)	
Total Governmental Activities.....	308,905,413	16,713,099	144,036,144	397,497	(147,758,673)	
<i>Business-Type Activities:</i>						
Water and sewer.....	18,890,496	20,057,922	-	4,049,048	5,216,474	
Everett community television.....	241,557	424,279	-	-	182,722	
Total Business-Type Activities.....	19,132,053	20,482,201	-	4,049,048	5,399,196	
Total Primary Government.....	\$ 328,037,466	\$ 37,195,300	\$ 144,036,144	\$ 4,446,545	\$ (142,359,477)	

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ <u>(147,758,673)</u>	\$ <u>5,399,196</u>	\$ <u>(142,359,477)</u>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	104,595,319	-	104,595,319
Tax liens.....	178,122	-	178,122
Motor vehicle excise taxes.....	5,026,718	-	5,026,718
Chapter 121A excise payments in lieu of taxes.....	21,537,813	-	21,537,813
Community impact fee.....	5,384,452	-	5,384,452
Hotel/motel tax.....	1,969,909	-	1,969,909
Meals tax.....	2,589,265	-	2,589,265
Penalties and interest on taxes.....	537,329	-	537,329
Payments in lieu of taxes.....	14,112	-	14,112
Grants and contributions not restricted to specific programs.....	8,428,662	-	8,428,662
Unrestricted investment income.....	4,576,361	518,805	5,095,166
Total general revenues.....	<u>154,838,062</u>	<u>518,805</u>	<u>155,356,867</u>
Change in net position.....	7,079,389	5,918,001	12,997,390
<i>Net position:</i>			
Beginning of year.....	<u>(190,770,101)</u>	<u>51,344,277</u>	<u>(139,425,824)</u>
End of year.....	\$ <u><u>(183,690,712)</u></u>	\$ <u><u>57,262,278</u></u>	\$ <u><u>(126,428,434)</u></u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2023

	General	City Federal & State Grants	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 77,150,017	\$ 40,283,156	\$ 41,322,920	\$ 158,756,093
Investments.....	7,513,909	-	583,531	8,097,440
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,548,417	-	-	1,548,417
Tax liens.....	2,325,032	-	-	2,325,032
Motor vehicle excise taxes.....	1,193,947	-	-	1,193,947
Departmental and other.....	12,601	-	2,582,582	2,595,183
Intergovernmental.....	5,986	259,266	4,792,238	5,057,490
Due from other funds.....	1,491,246	-	-	1,491,246
TOTAL ASSETS.....	\$ 91,241,155	\$ 40,542,422	\$ 49,281,271	\$ 181,064,848
LIABILITIES				
Warrants payable.....	\$ 5,371,083	\$ 954,115	\$ 3,425,092	\$ 9,750,290
Accrued payroll.....	14,760,141	-	-	14,760,141
Tax refunds payable.....	2,382,000	-	-	2,382,000
Due to other funds.....	-	-	1,491,246	1,491,246
Other liabilities.....	368,670	-	507,812	876,482
Unearned revenue.....	7,485,439	38,471,463	967,606	46,924,508
TOTAL LIABILITIES.....	30,367,333	39,425,578	6,391,756	76,184,667
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	24,859	-	-	24,859
Unavailable revenue.....	4,492,596	-	1,412,903	5,905,499
TOTAL DEFERRED INFLOWS OF RESOURCES.....	4,517,455	-	1,412,903	5,930,358
FUND BALANCES				
Nonspendable.....	-	-	1,322,572	1,322,572
Restricted.....	-	1,116,844	40,154,040	41,270,884
Committed.....	741,753	-	-	741,753
Assigned.....	9,462,127	-	-	9,462,127
Unassigned.....	46,152,487	-	-	46,152,487
TOTAL FUND BALANCES.....	56,356,367	1,116,844	41,476,612	98,949,823
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 91,241,155	\$ 40,542,422	\$ 49,281,271	\$ 181,064,848

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....	\$	98,949,823
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		193,247,378
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		5,905,499
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		3,745,825
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		8,639,604
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(762,566)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Long-term debt payable.....	(90,712,128)	
Net pension liability.....	(81,028,000)	
Net other postemployment benefits liability.....	(307,650,382)	
Workers' compensation.....	(353,500)	
Compensated absences.....	(13,672,265)	
Net effect of reporting long-term liabilities.....		(493,416,275)
Net position of governmental activities.....	\$	(183,690,712)

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	City Federal & State Grants	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 104,179,932	\$ -	\$ -	\$ 104,179,932
Tax liens.....	707,587	-	-	707,587
Motor vehicle excise taxes.....	4,502,864	-	-	4,502,864
Chapter 121A excise payments in lieu of taxes.....	21,537,813	-	-	21,537,813
Community impact fee.....	5,384,452	-	-	5,384,452
Hotel/motel tax.....	1,969,909	-	-	1,969,909
Meals tax.....	2,589,265	-	-	2,589,265
Charges for services.....	-	-	413,529	413,529
Penalties and interest on taxes.....	537,329	-	-	537,329
Payments in lieu of taxes.....	14,112	-	-	14,112
Licenses and permits.....	6,024,522	-	-	6,024,522
Fines and forfeitures.....	2,071,506	-	-	2,071,506
Intergovernmental - state aid.....	104,099,126	-	-	104,099,126
Intergovernmental - Teachers Retirement.....	15,351,930	-	-	15,351,930
Intergovernmental.....	-	9,629,803	22,160,666	31,790,469
Departmental and other.....	2,943,953	-	5,997,599	8,941,552
Contributions and donations.....	-	-	774,910	774,910
Investment income.....	3,383,071	526,540	435,855	4,345,466
TOTAL REVENUES.....	275,297,371	10,156,343	29,782,559	315,236,273
EXPENDITURES:				
Current:				
General government.....	10,016,146	53,658	505,872	10,575,676
Public safety.....	34,510,957	2,942,473	6,562,912	44,016,342
Education.....	110,741,122	-	20,180,079	130,921,201
City services and facilities.....	13,289,155	3,085	5,609,142	18,901,382
Community development.....	-	163,622	5,219,334	5,382,956
Human services.....	3,756,318	4,900,603	223,358	8,880,279
Libraries and recreation.....	1,438,687	47,316	493,246	1,979,249
Pension benefits.....	18,468,083	-	-	18,468,083
Pension benefits - Teachers Retirement.....	15,351,930	-	-	15,351,930
Property and liability insurance.....	3,232,609	-	-	3,232,609
Employee benefits.....	25,844,559	-	-	25,844,559
State and county charges.....	17,966,679	-	-	17,966,679
Debt service:				
Principal.....	9,853,416	-	-	9,853,416
Interest.....	3,401,617	-	-	3,401,617
TOTAL EXPENDITURES.....	267,871,278	8,110,757	38,793,943	314,775,978
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	7,426,093	2,045,586	(9,011,384)	460,295
OTHER FINANCING SOURCES (USES):				
Transfers in.....	1,078,620	82,737	3,452,534	4,613,891
Transfers out.....	(1,492,000)	-	(3,121,891)	(4,613,891)
TOTAL OTHER FINANCING SOURCES (USES).....	(413,380)	82,737	330,643	-
NET CHANGE IN FUND BALANCES.....	7,012,713	2,128,323	(8,680,741)	460,295
FUND BALANCES AT BEGINNING OF YEAR.....	49,343,654	(1,011,479)	50,157,353	98,489,528
FUND BALANCES AT END OF YEAR.....	\$ 56,356,367	\$ 1,116,844	\$ 41,476,612	\$ 98,949,823

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....	\$	460,295
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay.....	18,721,442	
Depreciation expense.....	<u>(13,984,866)</u>	
Net effect of reporting capital assets.....		4,736,576
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....		
		517,634
The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.		
Net amortization of premium from issuance of bonds.....	1,187,409	
Net change in deferred charge on refunding.....	(33,456)	
Debt service principal payments.....	<u>9,853,416</u>	
Net effect of reporting long-term debt.....		11,007,369
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in compensated absences accrual.....	(286,984)	
Net change in accrued interest on long-term debt.....	109,594	
Net change in deferred outflow/(inflow) of resources related to pensions.....	42,136,000	
Net change in net pension liability.....	(34,927,000)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits....	5,009,941	
Net change in net other postemployment benefits liability.....	(17,844,994)	
Net change in workers' compensation liability.....	<u>107,100</u>	
Net effect of recording long-term liabilities.....		(5,696,343)
The net activity of internal service funds is reported with Governmental Activities.....		<u>(3,946,142)</u>
Change in net position of governmental activities.....	\$	<u><u>7,079,389</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Everett Community Television	Total	
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 8,177,576	\$ 1,005,974	\$ 9,183,550	\$ 5,868,591
Investments.....	-	-	-	3,169,501
Receivables, net of allowance for uncollectibles:				
User charges.....	1,413,221	-	1,413,221	-
Working capital deposit.....	-	-	-	2,557,100
Total current assets.....	9,590,797	1,005,974	10,596,771	11,595,192
NONCURRENT:				
Capital assets, net of accumulated depreciation.....	63,775,630	-	63,775,630	-
TOTAL ASSETS.....	73,366,427	1,005,974	74,372,401	11,595,192
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	385,000	90,000	475,000	-
Deferred outflows related to other postemployment benefits.....	305,411	84,926	390,337	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	690,411	174,926	865,337	-
LIABILITIES				
CURRENT:				
Warrants payable.....	105,520	38,098	143,618	4,588
Accrued payroll.....	18,707	-	18,707	-
Health claims payable.....	-	-	-	2,951,000
Accrued interest.....	35,898	-	35,898	-
Compensated absences.....	36,735	-	36,735	-
Workers' compensation.....	400	-	400	-
Bonds payable.....	2,036,046	-	2,036,046	-
Total current liabilities.....	2,233,306	38,098	2,271,404	2,955,588
NONCURRENT:				
Compensated absences.....	24,936	-	24,936	-
Workers' compensation.....	3,500	-	3,500	-
Net pension liability.....	1,551,000	365,000	1,916,000	-
Net other postemployment benefits liability.....	1,729,296	480,866	2,210,162	-
Bonds payable.....	11,040,100	-	11,040,100	-
Total noncurrent liabilities.....	14,348,832	845,866	15,194,698	-
TOTAL LIABILITIES.....	16,582,138	883,964	17,466,102	2,955,588
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	2,000	-	2,000	-
Deferred inflows related to other postemployment benefits.....	396,972	110,386	507,358	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	398,972	110,386	509,358	-
NET POSITION				
Net investment in capital assets.....	54,399,016	-	54,399,016	-
Unrestricted.....	2,676,712	186,550	2,863,262	8,639,604
TOTAL NET POSITION.....	\$ 57,075,728	\$ 186,550	\$ 57,262,278	\$ 8,639,604

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Everett Community Television	Total	
OPERATING REVENUES:				
Employee contributions.....	\$ -	\$ -	\$ -	\$ 4,935,629
Employer contributions.....	-	-	-	22,505,054
Charges for services - water.....	5,730,642	-	5,730,642	-
Charges for services - sewer.....	13,799,766	-	13,799,766	-
Charges for services - ECTV.....	-	424,279	424,279	-
Liens - charges for services.....	527,514	-	527,514	-
TOTAL OPERATING REVENUES	20,057,922	424,279	20,482,201	27,440,683
OPERATING EXPENSES:				
Cost of services and administration.....	544,353	241,557	785,910	-
MWRA assessment - water.....	6,422,774	-	6,422,774	-
MWRA assessment - sewer.....	10,050,691	-	10,050,691	-
Depreciation.....	1,753,786	-	1,753,786	-
Employee benefits.....	-	-	-	31,617,720
TOTAL OPERATING EXPENSES.....	18,771,604	241,557	19,013,161	31,617,720
OPERATING INCOME (LOSS).....	1,286,318	182,722	1,469,040	(4,177,037)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss).....	518,805	-	518,805	230,895
Interest expense.....	(118,892)	-	(118,892)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	399,913	-	399,913	230,895
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS.....	1,686,231	182,722	1,868,953	(3,946,142)
CAPITAL CONTRIBUTIONS.....	4,049,048	-	4,049,048	-
CHANGE IN NET POSITION.....	5,735,279	182,722	5,918,001	(3,946,142)
NET POSITION AT BEGINNING OF YEAR.....	51,340,449	3,828	51,344,277	12,585,746
NET POSITION AT END OF YEAR.....	\$ 57,075,728	\$ 186,550	\$ 57,262,278	\$ 8,639,604

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer	Everett Community Television	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 20,334,651	\$ 424,279	\$ 20,758,930	\$ -
Receipts from interfund services provided.....	-	-	-	27,440,683
Payments to vendors.....	(17,972,928)	(201,277)	(18,174,205)	-
Payments to employees.....	(1,098,210)	(229,443)	(1,327,653)	-
Payments for interfund services used.....	-	-	-	(30,368,888)
NET CASH FROM OPERATING ACTIVITIES.....	1,263,513	(6,441)	1,257,072	(2,928,205)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the issuance of bonds.....	800,000	-	800,000	-
Capital contributions.....	4,049,048	-	4,049,048	-
Acquisition and construction of capital assets.....	(8,472,551)	-	(8,472,551)	-
Principal payments on bonds and notes.....	(2,285,555)	-	(2,285,555)	-
Interest expense.....	(135,530)	-	(135,530)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(6,044,588)	-	(6,044,588)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Sales and (purchases) of investments, net.....	-	-	-	2,036,357
Investment income (loss).....	518,805	-	518,805	230,895
NET CASH FROM INVESTING ACTIVITIES.....	518,805	-	518,805	2,267,252
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(4,262,270)	(6,441)	(4,268,711)	(660,953)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	12,439,846	1,012,415	13,452,261	6,529,544
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 8,177,576	\$ 1,005,974	\$ 9,183,550	\$ 5,868,591
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH				
FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ 1,286,318	\$ 182,722	\$ 1,469,040	\$ (4,177,037)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation.....	1,753,786	-	1,753,786	-
Deferred (outflows)/inflows related to pensions.....	(741,000)	(246,000)	(987,000)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(158,803)	(11,527)	(170,330)	-
Changes in assets and liabilities:				
User charges.....	276,729	-	276,729	-
Working capital deposit.....	-	-	-	(248,100)
Other assets.....	-	17,513	17,513	-
Warrants payable.....	(237,049)	33,242	(203,807)	932
Accrued payroll.....	2,413	-	2,413	-
Health claims payable.....	-	-	-	1,496,000
Compensated absences.....	(15,784)	-	(15,784)	-
Workers' compensation.....	(31,800)	-	(31,800)	-
Net pension liability.....	806,000	40,000	846,000	-
Net other postemployment benefits liability.....	(1,677,297)	(22,391)	(1,699,688)	-
Total adjustments.....	(22,805)	(189,163)	(211,968)	1,248,832
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,263,513	\$ (6,441)	\$ 1,257,072	\$ (2,928,205)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Acquisition of capital assets on account.....	\$ 2,046,439	\$ -	\$ 2,046,439	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds (1)
ASSETS	
Cash and cash equivalents.....	\$ 654,203
Investments:	
Investments in Pension Reserve Investment Trust.....	242,163,586
Government sponsored enterprises.....	595,834
Corporate bonds.....	6,549,066
U.S. Government securities.....	1,419,269
Equity securities.....	1,383,162
Bond mutual funds.....	1,894,148
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	57,540
TOTAL ASSETS.....	254,716,808
NET POSITION	
Restricted for pensions.....	242,550,705
Restricted for other postemployment benefits.....	12,166,103
TOTAL NET POSITION.....	\$ 254,716,808

(1) The Pension Trust Fund is as of December 31, 2022.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds (1)
ADDITIONS:	
Contributions:	
Employer contributions.....	\$ 20,825,466
Employer contributions for other postemployment benefit payments.....	9,256,329
Member contributions.....	5,621,981
Transfers from other systems.....	719,417
Retirement benefits - 3(8)c contributions from other systems.....	407,688
Workers compensation settlements.....	27,120
Interest not refunded.....	9,291
Retirement benefits - Intergovernmental.....	177,520
	<u>37,044,812</u>
Total contributions.....	
Net investment income (loss):	
Investment income (loss).....	(27,842,760)
Less: investment expense.....	(1,243,014)
	<u>(29,085,774)</u>
Net investment income (loss).....	
	<u>(29,085,774)</u>
TOTAL ADDITIONS.....	<u>7,959,038</u>
DEDUCTIONS:	
Administration.....	295,708
Transfers to other systems.....	731,492
Retirement benefits - 3(8)c transfer to other systems.....	522,356
Retirement benefits and refunds.....	17,516,387
Other postemployment benefit payments.....	9,256,329
	<u>28,322,272</u>
TOTAL DEDUCTIONS.....	
	<u>28,322,272</u>
NET INCREASE (DECREASE) IN NET POSITION.....	(20,363,234)
NET POSITION AT BEGINNING OF YEAR.....	<u>275,080,042</u>
NET POSITION AT END OF YEAR.....	<u>\$ 254,716,808</u>

(1) The Pension Trust Fund is as of December 31, 2022.

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Everett, Massachusetts (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The City is a municipal corporation that is governed by an elected Mayor and an elected City Council.

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the City (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the City and the component unit.

The Everett Contributory Retirement System (System) was established to provide retirement benefits to City employees, the City 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 Board members. The System is presented using the accrual basis of accounting and is reported as a pension and other employee benefit trust fund in the fiduciary fund 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 484 Broadway, Everett, MA 02149.

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

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

Fund Financial Statements

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

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows or resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

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

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

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

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *City federal and state grants fund* is used to account for non-school related activity specifically financed by federal and state grants which are designated for specific programs.

The *nonmajor governmental funds* consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements.

The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is 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 of the governmental funds.

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

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principle 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 *water and sewer enterprise fund* is used to account for water and sewer activities.

The *Everett community television enterprise fund* is used to account for the community television operations.

Additionally, the following proprietary fund type is reported:

The *internal service funds* are used to account for the financing of services provided by one department to other departments or governmental units. These funds are used to account for risk financing activities related to employees' health insurance, workers' compensation claims, and property and liability insurance.

Fiduciary fund 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 governmental programs.

The following fiduciary fund type is reported:

The *pension and other employee benefit 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 and to accumulate resources to provide funding for future OPEB liabilities.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Fair Value Measurements

The City reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the City to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the City's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes 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 Assessors for 100% of the estimated fair 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 and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed during the fourth quarter of every year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Water and Sewer User Charges

User charges are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user charges are estimated at year-end and are recorded

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

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

Departmental and Other

Departmental and other receivables consist primarily of police details, various penalties, fees and fines and are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

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

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

G. Inventories and Prepaid Items

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of the prepaid item is recorded as expenditures/expenses when consumed, rather than when purchased.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	5 - 40
Machinery and equipment.....	5 - 10
Infrastructure.....	10 - 40

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has reported deferred charges on refunding and deferred outflows of resources related to pensions and OPEB in this category.

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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has reported taxes paid in advance, deferred inflows of resources related to pensions and OPEB in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The City has reported taxes paid in advance and unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net 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 and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Balance*Government-Wide Financial Statements (Net Position)*

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

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

Net position has been “restricted for” the following:

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

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

“Gifts and grants” represents assets that have restrictions placed on them from outside parties.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority. The passage of a City Council Order is the highest level of decision-making authority that can commit funds for a specific purpose. Once passed, the limitation imposed by the order remains in place until the funds are used for their intended purpose or a Council Order is passed to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. The City Council has by resolution authorized the City Auditor to assign fund balance. Funds are assigned when the City has an obligation to purchase goods or services from the current years’ appropriation. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Sometimes the City will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is

the City's policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

N. Pensions

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

O. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

P. 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 earned by proprietary funds is retained by those funds.

Q. 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 only if they have matured.

R. 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 year. Actual results could vary from estimates that were used.

S. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

The City Treasurer is the custodian of funds held in the OPEB trust fund. As of June 30, 2023, \$12,166,103 from the OPEB trust fund is included within the City's cash and investments balances in the following disclosures.

The System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board (PRIM), which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy allows unlimited deposits in bank accounts or CD's (up to one-year maturity) that are fully collateralized through a third-party agreement and up to the coverage limit for insured accounts. For unsecured

bank deposits and CD's, these deposits are limited to no more than 25% of the City's cash. This percentage may be increased for not more than 30 days during times of heavy collection or in anticipation of large payments that will be made by the City in the near future. Their credit worthiness will be tracked by Veribanc, or other bank credit worthiness reporting systems. They will be diversified as much as possible. The City's policy also allows unlimited investments in money market mutual funds that are registered with the Securities and Exchange Commission that have received the highest possible rating from at least one nationally recognized statistical rating organization and as otherwise referenced in the Massachusetts General Law Chapter 44, Section 55.

At year-end, the carrying amount of deposits totaled \$113,729,048 and the bank balance totaled \$120,928,299. Of the bank balance, \$1,750,000 was covered by Federal Depository Insurance, \$30,864,626 was covered by the Depository Insurance Fund, \$1,094,085 was collateralized, and \$87,219,588 was uncollateralized.

At December 31, 2022, the carrying amount of deposits for the System totaled \$329,579 and the bank balance of \$351,425 was covered by Federal Depository Insurance. The System does not have a deposit policy for custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City will manage interest rate risk by managing the duration in the account. The System follows PRIM policies for interest rate risk.

The City participates in MMDT, which maintains a cash portfolio with a weighted average maturity of 33 days.

As of June 30, 2023, the City had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. Government securities.....	\$ 4,709,171	\$ 768,731	\$ 3,760,541	\$ 179,899
Government sponsored enterprises.....	890,681	49,743	693,525	147,413
Corporate bonds.....	6,852,472	1,722,386	4,925,839	204,247
Bond mutual funds.....	2,059,700	494,865	1,564,835	-
Total debt securities.....	14,512,024	\$ 3,035,725	\$ 10,944,740	\$ 531,559
Other investments:				
Equity securities.....	8,596,396			
Money market mutual funds.....	483,088			
Total other investments.....	9,079,484			
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	59,920,722			
Total investments.....	\$ 83,512,230			

The System participates in PRIT. As of December 31, 2022, the Retirement System had investments in PRIT totaling \$242,163,586. The effective weighted duration rate for PRIT investments ranged from 1.98 to 14.64 years.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the City will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The City will review the financial institution's financial statements and the background of the Advisor. The intent of this qualification is to limit the City's exposure to only those institutions with a proven financial strength, Capital adequacy of the firm, and overall affirmative reputation in the municipal industry. Further, all securities not held directly by the City, will be held in the City's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

The City's investments in U.S. government securities, government sponsored enterprises, corporate bonds and equity securities are subject to custodial credit; however, the custodial credit risk has been minimized through the City's investment policy as previously stated.

At December 31, 2022, the System did not have investments that were subject to custodial credit risk. The System follows PRIM policies for custodial credit risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. The City will manage credit risk several ways. There will be no limit to the amount of United States Treasury and United States Government Custodial obligations. In regard to other investments, the City will only purchase investment grade securities with a high concentration in securities rated A or better. The City may invest in the Massachusetts Municipal Depository Trust (MMDT) with no limit to the amount of funds placed in the fund. The City's investments are rated as follows by Standard & Poor's Investors Service:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds	Bond Mutual Funds
AAA.....	\$ -	\$ 527,740	\$ -
AA+.....	890,681	72,019	411,724
AA.....	-	87,313	245,036
AA-.....	-	379,725	-
A+.....	-	1,511,575	-
A.....	-	492,163	163,787
A-.....	-	1,581,553	251,014
BBB+.....	-	833,914	-
BBB.....	-	1,326,539	-
BB+.....	-	-	164,494
B+.....	-	-	573,035
Not Rated.....	-	39,931	250,610
Total.....	\$ <u>890,681</u>	\$ <u>6,852,472</u>	\$ <u>2,059,700</u>

The City's investments in MMDT were unrated. The System's investments of \$242,163,586 in PRIT shares were also unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City will minimize concentration of credit risk by diversifying the investment portfolio so that the impact

of potential losses from any one type of security or issuer will be minimized. The City did not have any investments in anyone issuer exceeding 5 percent of the total investments.

The System follows PRIM policies for concentration of credit risk. The System did not have any investments that were subject to concentration of credit risk.

Fair Value of Investments

The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City chooses a tabular format for disclosing the levels within the fair value hierarchy.

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

The City has the following recurring fair value measurements as of June 30, 2023:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. Government securities.....	\$ 4,709,171	\$ 4,709,171	\$ -	\$ -
Government sponsored enterprises.....	890,681	890,681	-	-
Corporate Bonds.....	6,852,472	-	6,852,472	-
Bond mutual funds.....	2,059,700	2,059,700	-	-
Total debt securities.....	14,512,024	7,659,552	6,852,472	-
<u>Other investments:</u>				
Equity securities.....	8,596,396	8,596,396	-	-
Money market mutual funds.....	483,088	483,088	-	-
Total other investments.....	9,079,484	9,079,484	-	-
Total investments measured at fair value.....	23,591,508	\$ 16,739,036	\$ 6,852,472	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	59,920,722			
Total investments.....	\$ 83,512,230			

U.S. government securities, government sponsored enterprises, bond mutual funds, equity securities and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active

markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

At December 31, 2022, the System's investments in PRIT totaled \$242,163,586, and are valued using the net asset value (NAV) method. The fair value of the positions in each investment Pool are the same as the value of each Pool's shares.

NOTE 3 – RECEIVABLES

At June 30, 2023, receivables for the individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.... \$	2,098,717	\$ (550,300)	\$ 1,548,417
Tax liens.....	2,325,032	-	2,325,032
Motor vehicle excise taxes.....	2,820,647	(1,626,700)	1,193,947
Departmental and other.....	2,595,183	-	2,595,183
Intergovernmental.....	5,057,490	-	5,057,490
Total.....	<u>\$ 14,897,069</u>	<u>\$ (2,177,000)</u>	<u>\$ 12,720,069</u>

At June 30, 2023, the water and sewer enterprise fund reported \$1,413,221 of user charges receivable.

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes..... \$	961,016	\$ -	\$ 961,016
Tax liens.....	2,325,032	-	2,325,032
Motor vehicle excise taxes.....	1,193,947	-	1,193,947
Departmental and other.....	12,601	-	12,601
Intergovernmental - highway improvements....	-	1,412,903	1,412,903
Total.....	<u>\$ 4,492,596</u>	<u>\$ 1,412,903</u>	<u>\$ 5,905,499</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 10,755,597	\$ -	\$ -	\$ 10,755,597
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	154,364,453	2,161,985	(50,116)	156,476,322
Machinery and equipment.....	32,138,952	8,045,045	(2,275,866)	37,908,131
Infrastructure.....	132,117,814	8,514,412	-	140,632,226
Total capital assets being depreciated.....	318,621,219	18,721,442	(2,325,982)	335,016,679
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(79,606,654)	(4,954,404)	50,116	(84,510,942)
Machinery and equipment.....	(15,184,709)	(4,495,036)	2,275,866	(17,403,879)
Infrastructure.....	(46,074,651)	(4,535,426)	-	(50,610,077)
Total accumulated depreciation.....	(140,866,014)	(13,984,866)	2,325,982	(152,524,898)
Total capital assets being depreciated, net.....	177,755,205	4,736,576	-	182,491,781
Total governmental activities capital assets, net.....	\$ 188,510,802	\$ 4,736,576	\$ -	\$ 193,247,378
Water and Sewer Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	\$ 723,030	\$ 270,412	\$ (102,375)	\$ 891,067
Infrastructure.....	85,190,253	6,155,700	-	91,345,953
Total capital assets being depreciated.....	85,913,283	6,426,112	(102,375)	92,237,020
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(393,132)	(101,280)	102,375	(392,037)
Infrastructure.....	(26,416,847)	(1,652,506)	-	(28,069,353)
Total accumulated depreciation.....	(26,809,979)	(1,753,786)	102,375	(28,461,390)
Total water and sewer activities capital assets, net....	\$ 59,103,304	\$ 4,672,326	\$ -	\$ 63,775,630

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

Governmental Activities:	
General government.....	\$ 309,483
Public safety.....	1,020,095
Education.....	6,556,282
City services and facilities.....	4,284,247
Community development.....	707,436
Libraries and recreation.....	1,107,323
Total depreciation expense - governmental activities.....	\$ 13,984,866
Business-Type Activities:	
Water and sewer.....	\$ 1,753,786

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables totaled \$1,491,246 and represents funding by the general fund for a temporary cash deficit in the other special revenue fund.

Transfers Out:	Transfers In:				Total
	General fund	City Federal & State Grants	Nonmajor governmental funds		
General fund.....	\$ -	\$ -	\$ 1,492,000	\$	1,492,000 (1)
Nonmajor governmental funds.....	1,078,620	82,737	1,960,534		3,121,891 (2)
Total.....	\$ 1,078,620	\$ 82,737	\$ 3,452,534	\$	4,613,891

(1) Represents budgeted transfers from the general fund to the City and School capital project funds.

(2) Represents budgeted transfers from receipts reserved for appropriation and surplus balances in the school capital projects fund to the general fund. The transfer into the City grants fund represents a reallocation of resources while the transfers between nonmajor funds represents transfers from receipts reserved for appropriation into capital funds related to the capital improvement program.

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and each applicable enterprise fund.

The City had no outstanding short-term debt activity for the year ended June 30, 2023.

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

Long-Term Debt Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
General Obligation Bonds of 2008.....	2033	\$ 11,235,383	1.99	\$ 4,494,154
General Obligation Bonds of 2014.....	2034	7,636,000	2.00-3.00	2,310,000
General Obligation Bonds of 2014.....	2029	5,325,000	3.00-3.50	1,590,000
General Obligation Refunding Bonds of 2015.....	2026	6,190,000	2.00-4.00	2,035,000
General Obligation Bonds of 2015.....	2035	6,025,000	2.00-4.00	2,635,000
General Obligation Bonds of 2016.....	2036	17,857,000	2.00-4.00	7,560,000
General Obligation Bonds of 2017.....	2037	12,417,000	3.00-5.00	7,240,000
General Obligation Bonds of 2018.....	2038	13,525,450	3.00-5.00	6,475,000
General Obligation Bonds of 2019.....	2039	17,613,000	3.00-5.00	10,305,000
General Obligation Bonds of 2020.....	2041	17,136,000	2.00-5.00	15,035,000
General Obligation Refunding Bonds of 2020.....	2030	759,000	5.00	595,000
General Obligation Energy Improvement Bonds.....	2031	1,570,000	5.00	1,250,000
General Obligation Municipal Loan of 2022.....	2042	13,450,000	2.00-5.00	12,555,000
General Obligation Property Acquisition Bonds of 2022.....	2042	10,455,000	2.00-3.00	10,050,000
Subtotal General Obligation Bonds Payable.....				<u>84,129,154</u>
Direct Borrowings Payable:				
Section 108 HUD Loan.....	2028	1,000,000	0.00	<u>489,000</u>
Add: Unamortized premium on bonds.....				<u>6,093,974</u>
Total Bonds Payable, net.....				<u>\$ 90,712,128</u>

Debt service requirements for principal and interest for governmental general obligation bonds and direct borrowings payable in future years are as follows:

Year	General Obligation Bonds Payable:		
	Principal	Interest	Total
2024.....	\$ 8,874,415	\$ 3,009,661	\$ 11,884,076
2025.....	7,489,415	2,630,193	10,119,608
2026.....	7,389,415	2,307,771	9,697,186
2027.....	6,589,415	2,003,985	8,593,400
2028.....	6,454,415	1,720,538	8,174,953
2029.....	6,279,415	1,467,442	7,746,857
2030.....	5,994,415	1,221,988	7,216,403
2031.....	5,654,415	994,297	6,648,712
2032.....	4,899,415	792,079	5,691,494
2033.....	4,669,419	633,864	5,303,283
2034.....	4,025,000	495,537	4,520,537
2035.....	3,605,000	396,907	4,001,907
2036.....	3,240,000	311,828	3,551,828
2037.....	2,795,000	233,309	3,028,309
2038.....	1,725,000	160,102	1,885,102
2039.....	1,455,000	112,720	1,567,720
2040.....	1,110,000	74,297	1,184,297
2041.....	1,130,000	45,856	1,175,856
2042.....	750,000	21,050	771,050
Total.....	\$ 84,129,154	\$ 18,633,424	\$ 102,762,578

Year	Direct Borrowings Payable:		
	Principal	Interest	Total
2024.....	\$ 88,000	\$ -	\$ 88,000
2025.....	93,000	-	93,000
2026.....	97,000	-	97,000
2027.....	102,000	-	102,000
2028.....	109,000	-	109,000
Total.....	\$ 489,000	\$ -	\$ 489,000

Long-Term Debt Payable Schedule – Water and Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
General Obligation Bonds of 2014.....	2024	\$ 1,930,000	3.00	\$ 90,000
General Obligation Bonds of 2014.....	2029	3,050,000	3.00	770,000
General Obligation Bonds of 2016.....	2026	325,000	4.00	90,000
General Obligation Bonds of 2019.....	2029	397,000	3.00-5.00	240,000
Subtotal General Obligation Bonds Payable.....				<u>1,190,000</u>
Direct Borrowings Payable:				
MWRA Loans.....	2033	15,468,563	0.00	9,346,585
MCWT Loans.....	2037	4,615,501	2.00	2,517,829
Subtotal Direct Borrowings Payable.....				<u>11,864,414</u>
Add: Unamortized premium on bonds.....				<u>21,732</u>
Total Bonds Payable, net.....				<u><u>\$ 13,076,146</u></u>

Debt service requirements for principal and interest for enterprise general obligation bonds and direct borrowings payable in future years are as follows:

Year	General Obligation Bonds Payable:		
	Principal	Interest	Total
2024.....	\$ 430,000	\$ 40,526	\$ 470,526
2025.....	170,000	27,876	197,876
2026.....	170,000	21,676	191,676
2027.....	140,000	15,476	155,476
2028.....	140,000	10,350	150,350
2029.....	140,000	5,100	145,100
Total.....	<u>\$ 1,190,000</u>	<u>\$ 121,004</u>	<u>\$ 1,311,004</u>

Year	Direct Borrowings Payable:		
	Principal	Interest	Total
2024.....	\$ 1,599,680	\$ 48,790	\$ 1,648,470
2025.....	1,574,247	44,668	1,618,915
2026.....	1,478,912	40,460	1,519,372
2027.....	1,483,678	36,158	1,519,836
2028.....	1,353,021	31,766	1,384,787
2029.....	1,263,897	27,274	1,291,171
2030.....	1,168,977	22,693	1,191,670
2031.....	897,232	18,004	915,236
2032.....	527,910	13,420	541,330
2033.....	319,244	8,739	327,983
2034.....	67,962	3,952	71,914
2035.....	69,439	2,593	72,032
2036.....	29,784	1,204	30,988
2037.....	30,431	613	31,044
Total.....	\$ <u>11,864,414</u>	\$ <u>300,334</u>	\$ <u>12,164,748</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, 2023, the City had the following authorized and unissued debt:

Purpose	Amount
Water main replacements.....	\$ 8,158,800
School improvements.....	4,918,000
Sewer system inflow and infiltration.....	3,483,386
Public works.....	3,000,000
Park construction.....	472,909
City hall improvements.....	450,000
Shute library construction.....	223,650
Public safety.....	76,000
Snow-ops software.....	40,000
Total.....	\$ <u>20,822,745</u>

Changes in Long-term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Long-term Debt Issued	Long-term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable.. \$	93,898,570	\$ -	\$ (9,769,416)	\$ -	\$ -	\$ 84,129,154	\$ 8,874,415
Long-term direct borrowing payable.....	573,000	-	(84,000)	-	-	489,000	88,000
Add: Unamortized premium on bonds.....	7,281,383	-	(1,187,409)	-	-	6,093,974	1,045,487
Total long-term debt payable.....	101,752,953	-	(11,040,825)	-	-	90,712,128	10,007,902
Compensated absences.....	13,385,281	-	-	5,722,709	(5,435,725)	13,672,265	5,232,193
Workers' compensation.....	460,600	-	-	739,244	(846,344)	353,500	35,300
Net pension liability.....	46,101,000	-	-	40,094,000	(5,167,000)	81,028,000	-
Net OPEB liability.....	289,805,388	-	-	22,340,815	(4,495,821)	307,650,382	-
Total governmental activity long-term liabilities.....	\$ 451,505,222	\$ -	\$ (11,040,825)	\$ 68,896,768	\$ (15,944,890)	\$ 493,416,275	\$ 15,275,395
Business-Type Activities:							
Long-term general obligation bonds payable.. \$	1,795,000	\$ -	\$ (605,000)	\$ -	\$ -	\$ 1,190,000	\$ 430,000
Long-term direct borrowing payable.....	12,744,969	800,000	(1,680,555)	-	-	11,864,414	1,599,680
Add: Unamortized premium on bonds.....	30,789	-	(9,057)	-	-	21,732	6,366
Total long-term debt payable.....	14,570,758	800,000	(2,294,612)	-	-	13,076,146	2,036,046
Compensated absences.....	77,455	-	-	35,421	(51,205)	61,671	36,735
Workers' compensation.....	35,700	-	-	8,156	(39,956)	3,900	400
Net pension liability.....	1,070,000	-	-	968,000	(122,000)	1,916,000	-
Net OPEB liability.....	3,909,850	-	-	160,497	(1,860,185)	2,210,162	-
Total business-type activity long-term liabilities.....	\$ 19,663,763	\$ 800,000	\$ (2,294,612)	\$ 1,172,074	\$ (2,073,346)	\$ 17,267,879	\$ 2,073,181

The long-term liabilities will be liquidated in the future by the general fund and enterprise funds.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the City from its highest level of decision-making authority, City Council Order.
- Assigned: fund balances that contain self-imposed constraints of the City to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The City's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization accounts for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

At year-end, the balances of the general, capital improvement, employee leave buyback, and opioid settlement stabilization accounts totaled \$7,709,132, \$6,808,338, \$7,874, and \$193,152, respectively and are reported as unassigned fund balance within the general fund.

The City has classified its fund balances with the following hierarchy:

	General	City Federal & State Grants	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 1,322,572	\$ 1,322,572
Restricted for:				
City federal and state grants.....	-	1,116,844	-	1,116,844
Other City grants and gifts.....	-	-	1,540,739	1,540,739
School federal and state grants.....	-	-	4,676,571	4,676,571
Other school grants and gifts.....	-	-	458,774	458,774
Revolving fund.....	-	-	5,826,995	5,826,995
School lunch.....	-	-	5,678,535	5,678,535
Receipts reserved for appropriation.....	-	-	1,328,150	1,328,150
Community development.....	-	-	1,455,310	1,455,310
Other special revenue.....	-	-	578,507	578,507
City capital projects.....	-	-	16,361,004	16,361,004
School capital projects.....	-	-	1,401,545	1,401,545
Highway improvements.....	-	-	666,723	666,723
Permanent trust fund.....	-	-	181,187	181,187
Committed to:				
Articles and continuing appropriations:				
General government.....	130,132	-	-	130,132
Public safety.....	202,497	-	-	202,497
City services and facilities.....	215,544	-	-	215,544
Human services.....	182,645	-	-	182,645
Libraries and recreation.....	10,935	-	-	10,935
Assigned to:				
General government.....	1,815,957	-	-	1,815,957
Public safety.....	1,262,286	-	-	1,262,286
Education.....	4,073,539	-	-	4,073,539
City services and facilities.....	1,412,324	-	-	1,412,324
Human services.....	534,578	-	-	534,578
Libraries and recreation.....	65,390	-	-	65,390
Property and liability insurance.....	150,864	-	-	150,864
Employee benefits.....	147,189	-	-	147,189
Unassigned.....	46,152,487	-	-	46,152,487
Total Fund Balances.....	\$ 56,356,367	\$ 1,116,844	\$ 41,476,612	\$ 98,949,823

The details for the committed and assigned amounts in the preceding table are provided on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual in the *Required Supplementary Information* section of this report. The amounts are listed under the column titled Amounts Carried Forward to Next Year. The restricted amounts in the preceding table are for funds that are subject to externally imposed constraints relating to grants, contributions, or laws and regulations by other governments.

NOTE 9 – HOST COMMUNITY AGREEMENT

The City entered into a Host Community Agreement (Agreement) with Wynn MA, LLC (Wynn) a subsidiary of Wynn Resorts, Limited on April 19, 2013 for the development of a luxury hotel and a destination resort casino (the Project), which opened for business in June 2019. Under the agreement, the City is entitled to an annual community impact fee and an annual excise payment in lieu of taxes.

Annual Community Impact Fee Payment – Wynn shall pay an annual community impact fee to Everett in the sum of \$5,000,000. The annual community impact fee shall continue for as long as Wynn (or any parent, subsidiary or related entities) owns, controls or operates a commercial gaming facility at the Project site and shall increase by 2.5% per annum. The impact fee is based on the Project substantially as proposed, containing approximately 1.32 million square feet of building area. If total square footage of the Project building area exceeds 1.75 million square feet, then the parties shall renegotiate the impact fee in good faith based on the actual impacts resulting from such additional square footage. However, if, after Wynn commences operations, Wynn undertakes any substantial new construction on property which is not a part of the Project site as of the date Wynn commences operations then the parties shall renegotiate the impact fee or negotiate a separate impact fee in good faith based on the actual impacts resulting from such substantial new construction on such New Property. For the year ended June 30, 2023, the City recognized \$5,384,452 of community impact fee revenue.

Annual Excise Payment In lieu of Taxes - Chapter 121A – Wynn shall make an annual payment in lieu of taxes of \$20,000,000 to Everett. Massachusetts General law Chapter 121A authorizes the creation of single-purpose, project-specific, for-profit companies for undertaking commercial projects in areas which are considered to be decadent, substandard, or blighted. Chapter 121A sets forth the procedures for negotiating an alternative tax payment which benefits a municipality by: (1) creating agreed upon tax payments for a period of years, (2) eliminating the uncertainty and expense associated with the property tax assessment process, (3) allowing the municipality to use the full amount of tax prepayments without regard to possible abatement claims, and (4) allowing the municipality to receive advance payments on dates certain during the development and construction of the project. The annual payment shall continue for as long as Wynn (or any parent, subsidiary or related entity) owns, controls or operates a commercial gaming facility at the Project site and shall increase by 2.5% per annum. The payment is based on the Project substantially as proposed, containing approximately 1.32 million square feet of building area. If total square footage of the Project building area exceeds 1.75 million square feet, then the parties shall renegotiate the payment in good faith based on the full amount of additional space above the currently proposed 1.32 million square feet. However, if, after Wynn commences operations, Wynn undertakes any substantial new construction on property which is not a part of the Project site as of the date Wynn commences operations, then the parties shall renegotiate the payment or negotiate a separate real estate tax arrangement in good faith based on such substantial new construction on such New Property. For the year ended June 30, 2023, the City recognized \$21,537,813 of revenue for the payment in lieu of taxes.

NOTE 10 – 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 years.

The City is self-insured for its workers' compensation and its health insurance activities. The health insurance activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred, and the workers' compensation activities are accounted for in the general fund and the internal service fund.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors. The estimate of the claims liability also includes amounts for non-incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims.

Health Insurance – The estimate of IBNR claims is based on a historical trend analysis and recent trends. The City purchases individual stop loss insurance for claims in excess of \$110,000. Settled claims have not exceeded this third-party insurance coverage in any of the previous past three years. Changes in the reported liability since July 1, 2021 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2022.....	\$ 2,764,000	\$ 25,383,000	\$ (26,692,000)	\$ 1,455,000
2023.....	1,455,000	33,114,000	(31,618,000)	2,951,000

Workers' Compensation – Workers' compensation claims are administered by the City's Personnel Department and is funded on a pay-as-you-go basis from annual appropriations. The estimated future workers' compensation liability is based on history and injury type. Changes in the reported liability since July 1, 2021, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2022.....	\$ 1,134,400	\$ 257,800	\$ (895,900)	\$ 496,300	\$ 49,700
2023.....	496,300	747,400	(886,300)	357,400	35,700

NOTE 11 – PENSION PLAN

The City is a member of the Everett Contributory Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension and other employee benefit trust fund in the fiduciary fund financial statements. The System does not issue a publicly available financial report.

The City is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is

responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://mtrs.state.ma.us/service/financial-reports/>.

Special Funding Situation – The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2022. The City's portion of the collective pension expense, contributed by the Commonwealth, of \$15,351,930 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the City is \$186,627,469 as of the measurement date.

Benefits Provided – Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

At December 31, 2022, the System's membership consists of the following:

Active members.....	773
Inactive members.....	290
Retirees and beneficiaries currently receiving benefits.....	<u>524</u>
Total.....	<u><u>1,587</u></u>

Contributions – Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2022, was \$19,051,000, or, 36.87% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with

an additional amount to finance any unfunded accrued liability. The City's proportionate share of the required contribution was \$18,468,000, which equaled its actual contribution.

Pension Liabilities – The components of the net pension liability of the participating member units at June 30, 2023, were as follows:

Total pension liability.....	\$	328,122,000
Less: pension plan's fiduciary net position.....		<u>(242,551,000)</u>
Total net pension liability.....	\$	<u>85,571,000</u>
The pension plan's fiduciary net position as		
a percentage of the total pension liability.....		73.92%

At June 30, 2023, the City reported a liability of \$82,944,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, procedures were used to roll forward the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2022, the City's proportion was 96.93%, which decreased from its proportion measured at December 31, 2021, of 97.00%.

Pension Expense – For the year ended June 30, 2023, the City recognized pension expense of \$11,118,000. At June 30, 2023, the City reported deferred outflows of resources related to pensions of \$20,566,000 and deferred inflows of resources related to pensions of \$103,000.

The balances of deferred outflows and inflows of resources at June 30, 2023, consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,686,000	\$ -	\$ 1,686,000
Difference between projected and actual earnings, net.....	16,253,000	-	16,253,000
Changes of assumptions.....	2,538,000	-	2,538,000
Changes in proportion and proportionate share of contributions...	<u>89,000</u>	<u>(103,000)</u>	<u>(14,000)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>20,566,000</u>	\$ <u>(103,000)</u>	\$ <u>20,463,000</u>

The City's deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024.....	\$ 1,800,000
2025.....	3,622,000
2026.....	5,273,000
2027.....	<u>9,768,000</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>20,463,000</u>

Actuarial Assumptions – The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2022:

Valuation date.....	January 1, 2022
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Amortization method.....	Total payments increase 5.00% per year until FY27 with a final amortization payment in FY28.
Remaining amortization period.....	5 years from July 1, 2023.
Asset valuation method.....	Fair value.
Inflation rate.....	2.50% per year.
Investment rate of return/Discount rate.....	7.25% net of pension plan investment expense, including inflation.
Projected salary increases.....	Select and ultimate by job group; ultimate rates of 4.25% for Group 1, and 4.75% for Group 4.
Cost of living adjustments.....	3.0% for the first \$14,000 of retirement income.
Mortality rates.....	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020, gender distinct. Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020, gender distinct. For disabled retirees, rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with Scale MP-2020, gender distinct.

Investment Policy – The System’s policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	21.20%	7.10%
International equities.....	12.20%	6.90%
Emerging market equity.....	4.70%	9.60%
Core fixed income.....	13.80%	4.23%
Value-added fixed income.....	7.00%	7.80%
Private equity.....	17.70%	10.20%
Real estate.....	11.20%	5.70%
Timberland.....	3.20%	7.00%
Hedge funds PCS.....	8.60%	6.60%
Portfolio completion.....	0.40%	6.50%
Total.....	<u>100.00%</u>	

Rate of Return – For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.13%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of December 31, 2022, and December 31, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
December 31, 2022 Measurement Date			
The City's proportionate share of the net pension liability.....	\$ 119,127,000	\$ 82,944,000	\$ 52,342,000
ECRS total net pension liability.....	\$ 122,900,000	\$ 85,571,000	\$ 54,000,000

Changes of Assumptions – None.

Changes in Plan Provisions – None.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The City of Everett administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the City and the unions representing City employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Funding Policy – Contribution requirements are also negotiated between the City and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The City contributes 85 percent of the cost of current-year medical premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 15 percent of their premium costs. The City contributes 85 to 90 percent of the cost of current-year medical premiums for eligible retired teachers and their spouses. Plan members receiving benefits contribute the remaining 10 to 15 percent of their premium costs. For life insurance, the City contributes 85 percent of the cost of current year premiums and plan members contribute the remaining 15 percent, except for teachers who retired prior to July 1, 1990 where the City contributes 90 percent of premiums and the retirees contribute the remaining 10 percent. Retirees contribute 100% of the premium cost for dental coverage. For the year ended June 30, 2023, the City's average contribution rate was 9.93% of covered-employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish a postemployment benefit trust fund and to enable the City to begin pre-funding its other postemployment benefit (OPEB) liabilities. During 2023, the City pre-funded future OPEB liabilities totaling \$1,774,428 by contributing funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. These funds are reported within the fiduciary funds' financial statements. As of June 30, 2023, the balance of this fund totaled \$12,166,103.

Investment Policy – The City's policy in regard to the allocation of invested assets is established and may be amended by the City Council by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the City's investment policy.

Employees Covered by Benefit Terms – The following table represents the Plan's membership as of July 1, 2022:

Active members.....	1,778
Inactive members currently receiving benefits.....	<u>917</u>
Total.....	<u><u>2,695</u></u>

Components of Net OPEB Liability – The following table represents the components of the Plan's OPEB liability as of the June 30, 2023 measurement date:

Total OPEB liability.....	\$ 322,026,647
Less: OPEB plan's fiduciary net position.....	<u>(12,166,103)</u>
Net OPEB liability.....	<u><u>\$ 309,860,544</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	3.78%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2022, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2023:

Valuation date.....	July 1, 2022
Actuarial cost method.....	Individual Entry Age.
Asset valuation method.....	Fair value of assets as of the measurement date, June 30, 2023.
Investment rate of return.....	5.15%, net of OPEB plan investment expense, including inflation. Previously 5.47%.
Municipal bond rate.....	4.13% as of June 30, 2023 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG). Previously 4.09%.

Single equivalent discount rate..	4.50%, net of OPEB plan investment expense, including inflation. Previously 4.61%.
Healthcare cost trend rate.....	Based on amounts according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 9.00% increase in fiscal year 2023 and an ultimate trend rate of 3.63% in fiscal year 2060.
General inflation rate.....	2.50% as of June 30, 2023, and for future periods.
Annual salary increases.....	3.00% annually as of June 30, 2023, and for future periods.
Pre-Retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post- Retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Rate of Return – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 8.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 2.90% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 5.40%, less investment expense of 0.25% produces the net investment return of 5.15%.

Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Cap.....	34.00%	4.10%
Domestic Equity - Small/Mid Cap.....	4.50%	4.55%
International Equity - Developed Market....	4.50%	4.64%
International Equity - Emerging Market....	2.25%	5.45%
Domestic Fixed Income.....	40.75%	1.05%
International Fixed Income.....	2.75%	0.96%
Alternatives.....	6.50%	5.95%
Real Estate.....	2.00%	6.25%
Cash.....	2.75%	0.00%
Total.....	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability decreased to 4.50% as of June 30, 2023, from 4.61% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan assets was applied to the projected benefit payments which the Plan fiduciary net position is expected to be sufficient to cover and the municipal bond rate was applied thereafter. The municipal bond rate was based on the S&P Municipal Bond 20 – Year High Grade Index (SAPIHG), which was 4.13% as of June 30, 2023. The S&P Municipal Bond 20 – Year High Grade Index is the index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability, calculated using the discount rate of 4.50%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Net OPEB liability..... \$	\$ 366,716,607	\$ 309,860,544	\$ 265,091,097

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate – The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate based upon amounts according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease	Current Trend	1% Increase
Net OPEB liability..... \$	\$ 260,110,027	\$ 309,860,544	\$ 374,683,100

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022.....	\$ 303,206,608	\$ 9,491,370	\$ 293,715,238
Changes for the year:			
Service cost.....	9,778,731	-	9,778,731
Interest.....	14,217,670	-	14,217,670
Differences between expected and actual experience.....	(11,470,555)	-	(11,470,555)
Changes in assumptions and other inputs.....	15,550,522	-	15,550,522
Employer contributions.....	-	11,030,757	(11,030,757)
Net investment income/(loss).....	-	900,305	(900,305)
Benefit payments.....	(9,256,329)	(9,256,329)	-
Net change.....	18,820,039	2,674,733	16,145,306
Balances at June 30, 2023.....	\$ <u>322,026,647</u>	\$ <u>12,166,103</u>	\$ <u>309,860,544</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB expense of \$21,995,792. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (21,838,340)	\$ (21,838,340)
Difference between projected and actual earnings, net.....	73,648	-	73,648
Changes in assumptions.....	54,650,898	(49,292,233)	5,358,665
Total deferred outflows/(inflows) of resources.....	\$ <u>54,724,546</u>	\$ <u>(71,130,573)</u>	\$ <u>(16,406,027)</u>

The City's deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024.....	\$ (1,413,891)
2025.....	(1,831,592)
2026.....	(2,126,277)
2027.....	(2,341,521)
2028.....	(9,275,596)
Thereafter.....	582,850
Total deferred outflows/(inflows) of resources....	\$ <u>(16,406,027)</u>

Changes of Assumptions

- The single equivalent discount rate was decreased from 4.61% to 4.50%.
- Based on actuarial research, the assumption for future healthcare cost increases was modified.

Changes in Plan Provisions – None.

NOTE 13 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Employee Benefit Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Employee Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 329,579	\$ 324,624	\$ 654,203
Investments:			
Investments in Pension Reserve Investment Trust.....	242,163,586	-	242,163,586
Government sponsored enterprises.....	-	595,834	595,834
Corporate bonds.....	-	6,549,066	6,549,066
U.S. Government securities.....	-	1,419,269	1,419,269
Equity securities.....	-	1,383,162	1,383,162
Bond mutual funds.....	-	1,894,148	1,894,148
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	57,540	-	57,540
TOTAL ASSETS.....	242,550,705	12,166,103	254,716,808
NET POSITION			
Restricted for pensions.....	242,550,705	-	242,550,705
Restricted for other postemployment benefits.....	-	12,166,103	12,166,103
TOTAL NET POSITION.....	\$ 242,550,705	\$ 12,166,103	\$ 254,716,808

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 19,051,038	\$ 1,774,428	\$ 20,825,466
Employer contributions for other postemployment benefit payments.....	-	9,256,329	9,256,329
Member contributions.....	5,621,981	-	5,621,981
Transfers from other systems.....	719,417	-	719,417
Retirement benefits - 3(8)c contributions from other systems.....	407,688	-	407,688
Workers compensation settlements.....	27,120	-	27,120
Interest not refunded.....	9,291	-	9,291
Retirement benefits - Intergovernmental.....	177,520	-	177,520
Total contributions.....	26,014,055	11,030,757	37,044,812
Net investment income (loss):			
Investment income (loss).....	(28,743,065)	900,305	(27,842,760)
Less: investment expense.....	(1,243,014)	-	(1,243,014)
Net investment income (loss).....	(29,986,079)	900,305	(29,085,774)
TOTAL ADDITIONS.....	(3,972,024)	11,931,062	7,959,038
DEDUCTIONS:			
Administration.....	295,708	-	295,708
Transfers to other systems.....	731,492	-	731,492
Retirement benefits - 3(8)c transfer to other systems.....	522,356	-	522,356
Retirement benefits and refunds.....	17,516,387	-	17,516,387
Other postemployment benefit payments.....	-	9,256,329	9,256,329
TOTAL DEDUCTIONS.....	19,065,943	9,256,329	28,322,272
NET INCREASE (DECREASE) IN NET POSITION.....	(23,037,967)	2,674,733	(20,363,234)
NET POSITION AT BEGINNING OF YEAR.....	265,588,672	9,491,370	275,080,042
NET POSITION AT END OF YEAR.....	\$ 242,550,705	\$ 12,166,103	\$ 254,716,808

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial. Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

The City has entered into, or is planning to enter into, contracts totaling approximately: \$11.6 million for water and sewer infrastructure improvements, \$4.9 million for schools, and \$4.3 million for other various City-wide projects.

The general fund has various commitments for goods and services related to encumbrances and articles of \$23.6 million.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 28, 2023, which is the date the financial statements were available to be issued.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 106,229,160	\$ 106,229,160	\$ 99,172,325	\$ -	\$ (7,056,835)
Tax liens.....	-	-	707,587	-	707,587
Motor vehicle excise taxes.....	4,300,000	4,300,000	4,502,864	-	202,864
Chapter 121A excise payments in lieu of taxes.....	21,537,813	21,537,813	21,537,813	-	-
Community impact fee.....	5,384,452	5,384,452	5,384,452	-	-
Hotel/motel tax.....	780,000	780,000	1,969,909	-	1,189,909
Meals tax.....	1,200,000	1,200,000	2,589,265	-	1,389,265
Penalties and interest on taxes.....	500,000	500,000	537,329	-	37,329
Payments in lieu of taxes.....	14,112	14,112	14,112	-	-
Licenses and permits.....	2,000,000	2,000,000	6,024,522	-	4,024,522
Fines and forfeitures.....	1,500,000	1,500,000	2,071,506	-	571,506
Intergovernmental - state aid.....	104,866,177	104,866,177	104,099,126	-	(767,051)
Departmental and other.....	2,057,000	2,057,000	2,943,953	-	886,953
Investment income.....	300,000	300,000	2,974,047	-	2,674,047
TOTAL REVENUES.....	250,668,714	250,668,714	254,528,810	-	3,860,096
EXPENDITURES:					
Current:					
General government					
City Council:					
Personnel services.....	475,097	475,097	438,140	-	36,957
General expenditures.....	98,309	98,309	37,801	23,638	36,870
Total.....	573,406	573,406	475,941	23,638	73,827
Mayor:					
Personnel services.....	580,805	580,805	524,330	-	56,475
General expenditures.....	540,464	540,465	316,867	189,596	34,002
Capital articles.....	68,185	68,185	-	68,185	-
Total.....	1,189,454	1,189,455	841,197	257,781	90,477
Diversity, equity and inclusion:					
Personnel services.....	207,874	207,874	136,061	-	71,813
General expenditures.....	328,500	328,500	304,016	12,315	12,169
Total.....	536,374	536,374	440,077	12,315	83,982
311-Constituents services:					
Personnel services.....	423,468	423,468	314,407	-	109,061
General expenditures.....	10,000	10,000	637	1,701	7,662
Total.....	433,468	433,468	315,044	1,701	116,723
City Auditor:					
Personnel services.....	490,493	490,493	488,794	-	1,699
General expenditures.....	383,247	383,247	285,725	52,499	45,023
Capital articles.....	6,269	6,269	295	5,974	-
Total.....	880,009	880,009	774,814	58,473	46,722
Purchasing:					
Personnel services.....	112,046	67,046	41,665	9,000	16,381
General expenditures.....	20,500	20,500	15,632	4,341	527
Total.....	132,546	87,546	57,297	13,341	16,908

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Assessors:					
Personnel services.....	329,028	329,028	319,121	-	9,907
General expenditures.....	673,916	673,916	342,216	201,778	129,922
Capital articles.....	1,300	1,300	-	1,300	-
Total.....	1,004,244	1,004,244	661,337	203,078	139,829
Treasurer/Collector:					
Personnel services.....	1,006,183	1,006,183	960,048	-	46,135
General expenditures.....	519,490	601,491	544,497	9,270	47,724
Total.....	1,525,673	1,607,674	1,504,545	9,270	93,859
City Solicitor:					
Personnel services.....	482,794	392,794	390,830	-	1,964
General expenditures.....	242,751	1,092,751	1,059,573	25,696	7,482
Total.....	725,545	1,485,545	1,450,403	25,696	9,446
Human resources:					
Personnel services.....	1,600,055	1,520,055	1,152,580	-	367,475
General expenditures.....	339,521	339,521	206,108	100,844	32,569
Total.....	1,939,576	1,859,576	1,358,688	100,844	400,044
Information technology:					
Personnel services.....	244,473	244,473	230,873	-	13,600
General expenditures.....	2,092,558	2,092,558	845,305	1,073,856	173,397
Capital articles.....	84,618	84,618	23,971	60,647	-
Total.....	2,421,649	2,421,649	1,100,149	1,134,503	186,997
City Clerk:					
Personnel services.....	352,653	352,653	348,839	-	3,814
General expenditures.....	88,056	213,056	108,709	103,229	1,118
Capital articles.....	53,642	53,642	53,642	-	-
Total.....	494,351	619,351	511,190	103,229	4,932
Election commissions:					
Personnel services.....	389,044	389,044	340,985	-	48,059
General expenditures.....	142,000	142,000	138,314	1,617	2,069
Total.....	531,044	531,044	479,299	1,617	50,128
Licensing:					
Personnel services.....	7,200	7,200	6,600	-	600
General expenditures.....	500	500	499	-	1
Total.....	7,700	7,700	7,099	-	601
Conservation commission:					
Personnel services.....	15,400	15,400	12,558	-	2,842
General expenditures.....	885	885	685	200	-
Total.....	16,285	16,285	13,243	200	2,842
Planning Board:					
Personnel services.....	14,201	14,200	12,866	-	1,334
General expenditures.....	199	200	72	-	128
Total.....	14,400	14,400	12,938	-	1,462

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Zoning Board of Appeals:					
Personnel services.....	14,600	14,600	12,716	-	1,884
General expenditures.....	596	596	169	403	24
Total.....	15,196	15,196	12,885	403	1,908
Total General Government.....	12,440,920	13,282,922	10,016,146	1,946,089	1,320,687
Public safety:					
Police:					
Personnel services.....	17,724,517	17,724,517	15,825,560	531,735	1,367,222
General expenditures.....	546,820	546,820	398,727	23,015	125,078
Capital articles.....	456,895	456,895	254,398	202,497	-
Total.....	18,728,232	18,728,232	16,478,685	757,247	1,492,300
Fire:					
Personnel services.....	12,682,048	13,207,048	12,087,716	380,461	738,871
General expenditures.....	437,123	437,123	401,778	3,685	31,660
Capital articles.....	487	487	487	-	-
Total.....	13,119,658	13,644,658	12,489,981	384,146	770,531
Inspectional services:					
Personnel services.....	2,079,964	2,079,964	1,775,931	-	304,033
General expenditures.....	2,970,580	2,970,580	2,618,201	273,628	78,751
Total.....	5,050,544	5,050,544	4,394,132	273,628	382,784
Emergency communications center:					
Personnel services.....	1,256,056	1,256,056	1,096,802	-	159,254
General expenditures.....	133,157	133,157	51,357	49,762	32,038
Total.....	1,389,213	1,389,213	1,148,159	49,762	191,292
Total Public Safety.....	38,287,647	38,812,647	34,510,957	1,464,783	2,836,907
Education.....	123,223,790	124,016,221	106,510,904	17,505,317	-
City services and facilities:					
Executive division:					
Personnel services.....	1,064,142	1,064,142	1,000,915	-	63,227
General expenditures.....	1,734,395	1,734,395	1,020,868	239,511	474,016
Capital articles.....	153,595	153,595	7,650	145,945	-
Total.....	2,952,132	2,952,132	2,029,433	385,456	537,243
Facilities/maintenance:					
Personnel services.....	1,721,052	1,721,052	1,535,443	-	185,609
General expenditures.....	1,097,989	1,097,989	684,576	310,780	102,633
Capital articles.....	19,415	19,415	-	19,415	-
Total.....	2,838,456	2,838,456	2,220,019	330,195	288,242
Engineering:					
Personnel services.....	434,581	434,581	370,031	-	64,550
General expenditures.....	854,477	854,476	460,739	227,873	165,864
Capital articles.....	50,184	50,184	-	50,184	-
Total.....	1,339,242	1,339,241	830,770	278,057	230,414
Parks and cemeteries:					
Personnel services.....	1,494,765	1,494,765	1,067,994	-	426,771
General expenditures.....	1,137,253	1,137,253	777,073	250,981	109,199
Total.....	2,632,018	2,632,018	1,845,067	250,981	535,970

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Stadium:					
General expenditures.....	42,660	42,660	23,855	1,010	17,795
Highway:					
Personnel services.....	1,345,795	1,345,795	1,216,965	-	128,830
General expenditures.....	725,952	725,952	366,588	133,107	226,257
Total.....	2,071,747	2,071,747	1,583,553	133,107	355,087
Snow and ice:					
Personnel services.....	70,000	70,000	146,653	-	(76,653)
General expenditures.....	325,000	325,000	477,179	-	(152,179)
Total.....	395,000	395,000	623,832	-	(228,832)
Solid waste:					
General expenditures.....	4,821,264	4,821,264	4,132,626	249,062	439,576
Total City Services and Facilities.....	17,092,519	17,092,518	13,289,155	1,627,868	2,175,495
Human services:					
Health inspection services:					
Personnel services.....	1,720,392	1,720,392	1,568,804	103,223	48,365
General expenditures.....	95,881	95,881	62,790	2,158	30,933
Total.....	1,816,273	1,816,273	1,631,594	105,381	79,298
Planning and development:					
Personnel services.....	350,062	350,062	270,349	43,000	36,713
General expenditures.....	728,564	728,564	561,031	167,043	490
Capital articles.....	118,720	118,720	9,584	109,136	-
Total.....	1,197,346	1,197,346	840,964	319,179	37,203
Transportation:					
Personnel services.....	188,403	188,403	183,303	-	5,100
General expenditures.....	514,884	514,884	242,490	189,811	82,583
Total.....	703,287	703,287	425,793	189,811	87,683
Council on aging:					
General expenditures.....	52,896	52,896	39,770	896	12,230
Veterans' services:					
Personnel services.....	116,186	116,186	105,725	-	10,461
General expenditures.....	508,105	508,105	283,320	9,396	215,389
Total.....	624,291	624,291	389,045	9,396	225,850
Commission on disability:					
Personnel services.....	10,700	10,700	7,808	-	2,892
General expenditures.....	250	250	-	-	250
Total.....	10,950	10,950	7,808	-	3,142
Mayor's office of human services:					
Personnel services.....	468,552	468,552	300,327	-	168,225
General expenditures.....	168,913	168,913	121,017	19,051	28,845
Capital articles.....	73,509	73,509	-	73,509	-
Total.....	710,974	710,974	421,344	92,560	197,070
Total Human Services.....	5,116,017	5,116,017	3,756,318	717,223	642,476

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	to Next Year	Budget
Libraries and recreation:					
Library - Parlin and Shute:					
Personnel services.....	1,058,326	1,058,326	900,963	-	157,363
General expenditures.....	361,269	361,269	257,988	60,104	43,177
Total.....	1,419,595	1,419,595	1,158,951	60,104	200,540
Recreation:					
Personnel services.....	351,128	261,128	215,222	-	45,906
General expenditures.....	331,611	331,611	64,514	5,286	261,811
Capital articles.....	10,935	10,935	-	10,935	-
Total.....	693,674	603,674	279,736	16,221	307,717
Total Libraries and Recreation.....	2,113,269	2,023,269	1,438,687	76,325	508,257
Pension Benefits.....	19,051,038	19,051,038	18,468,083	-	582,955
Property and liability insurance:					
Employee injuries.....	1,231,692	1,231,692	1,051,253	118,020	62,419
Property/liability insurance.....	2,272,040	2,272,040	2,181,356	32,844	57,840
Total Property and Liability Insurance.....	3,503,732	3,503,732	3,232,609	150,864	120,259
Employee benefits:					
Unemployment compensation.....	392,095	347,094	229,925	117,169	-
Employee insurance:					
Life insurance.....	88,000	88,000	80,754	-	7,246
Health insurance.....	22,654,987	24,443,343	24,413,323	30,020	-
AD&D insurance.....	28,000	28,000	26,083	-	1,917
Medicare tax.....	2,323,214	2,323,214	1,917,919	-	405,295
Total Employee Benefits.....	25,486,296	27,229,651	26,668,004	147,189	414,458
State and county charges.....	18,726,480	18,726,480	17,966,679	-	759,801
Debt service:					
Principal.....	9,839,416	9,839,416	9,839,416	-	-
Interest.....	3,414,425	3,414,425	3,415,617	-	(1,192)
Total Debt Service.....	13,253,841	13,253,841	13,255,033	-	(1,192)
TOTAL EXPENDITURES.....	278,295,549	282,108,336	249,112,575	23,635,658	9,360,103
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(27,626,835)	(31,439,622)	5,416,235	(23,635,658)	13,220,199
OTHER FINANCING SOURCES (USES):					
Transfers in.....	823,445	1,678,940	1,984,065	-	305,125
Transfers out.....	-	(4,333,484)	(4,333,484)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	823,445	(2,654,544)	(2,349,419)	-	305,125
NET CHANGE IN FUND BALANCE.....	(26,803,390)	(34,094,166)	3,066,816	(23,635,658)	13,525,324
BUDGETARY FUND BALANCE, Beginning of year.....	53,797,438	53,797,438	53,797,438	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 26,994,048	\$ 19,703,272	\$ 56,864,254	\$ (23,635,658)	\$ 13,525,324

See notes to required supplementary information.

(Concluded)

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability and Related Ratios presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
EVERETT CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability:				
Service cost.....	\$ 5,511,000	\$ 5,759,000	\$ 6,346,000	\$ 6,632,000
Interest.....	16,044,000	16,750,000	17,243,000	18,331,000
Differences between expected and actual experience.....	-	-	(4,252,000)	(7,871,000)
Changes of assumptions.....	-	-	8,000,000	6,850,000
Benefit payments.....	(12,592,000)	(12,789,000)	(13,406,000)	(13,304,000)
Net change in total pension liability.....	8,963,000	9,720,000	13,931,000	10,638,000
Total pension liability - beginning.....	207,807,000	216,770,000	226,490,000	240,421,000
Total pension liability - ending (a).....	<u>\$ 216,770,000</u>	<u>\$ 226,490,000</u>	<u>\$ 240,421,000</u>	<u>\$ 251,059,000</u>
Plan fiduciary net position:				
Employer contributions.....	\$ 13,011,000	\$ 13,596,000	\$ 14,208,000	\$ 14,919,000
Member contributions.....	3,642,000	3,277,000	4,358,000	4,740,000
Net investment income (loss).....	7,053,000	551,000	8,492,000	21,664,000
Administrative expenses.....	(219,000)	(208,000)	(226,000)	(233,000)
Retirement benefits and refunds.....	(12,592,000)	(12,789,000)	(13,406,000)	(13,304,000)
Other receipts.....	19,000	13,000	1,000	5,000
Net increase (decrease) in fiduciary net position.....	10,914,000	4,440,000	13,427,000	27,791,000
Fiduciary net position - beginning of year.....	94,899,000	105,813,000	110,253,000	123,680,000
Fiduciary net position - end of year (b).....	<u>\$ 105,813,000</u>	<u>\$ 110,253,000</u>	<u>\$ 123,680,000</u>	<u>\$ 151,471,000</u>
Net pension liability - ending (a)-(b).....	<u>\$ 110,957,000</u>	<u>\$ 116,237,000</u>	<u>\$ 116,741,000</u>	<u>\$ 99,588,000</u>
Plan fiduciary net position as a percentage of the total pension liability.....	48.81%	48.68%	51.44%	60.33%
Covered payroll.....	\$ 36,167,000	\$ 36,981,000	\$ 39,973,000	\$ 45,131,000
Net pension liability as a percentage of covered payroll.....	306.79%	314.32%	292.05%	220.66%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
\$ 7,484,000	\$ 7,821,000	\$ 7,936,000	\$ 8,294,000	\$ 8,585,000
18,885,000	19,838,000	20,866,000	21,826,000	22,771,000
-	1,268,000	-	2,320,000	-
-	4,400,000	-	2,500,000	-
(13,479,000)	(14,538,000)	(15,501,000)	(16,760,000)	(17,453,000)
12,890,000	18,789,000	13,301,000	18,180,000	13,903,000
251,059,000	263,949,000	282,738,000	296,039,000	314,219,000
\$ 263,949,000	\$ 282,738,000	\$ 296,039,000	\$ 314,219,000	\$ 328,122,000
\$ 15,667,000	\$ 16,452,000	\$ 17,277,000	\$ 18,142,000	\$ 19,051,000
4,638,000	4,551,000	4,749,000	5,539,000	5,610,000
(3,772,000)	25,127,000	23,875,000	43,124,000	(29,986,000)
(249,000)	(283,000)	(260,000)	(264,000)	(296,000)
(13,479,000)	(14,538,000)	(15,501,000)	(16,760,000)	(17,453,000)
1,000	1,000	16,000	65,000	36,000
2,806,000	31,310,000	30,156,000	49,846,000	(23,038,000)
151,471,000	154,277,000	185,587,000	215,743,000	265,589,000
\$ 154,277,000	\$ 185,587,000	\$ 215,743,000	\$ 265,589,000	\$ 242,551,000
\$ 109,672,000	\$ 97,151,000	\$ 80,296,000	\$ 48,630,000	\$ 85,571,000
58.45%	65.64%	72.88%	84.52%	73.92%
\$ 46,034,000	\$ 47,725,000	\$ 48,202,000	\$ 51,163,000	\$ 51,675,000
238.24%	203.56%	166.58%	95.05%	165.59%

SCHEDULE OF CONTRIBUTIONS
EVERETT CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2022.....	\$ 19,051,000	\$ (19,051,000)	\$ -	\$ 51,675,000	36.87%
December 31, 2021.....	18,142,000	(18,142,000)	-	51,163,000	35.46%
December 31, 2020.....	17,277,000	(17,277,000)	-	48,202,000	35.84%
December 31, 2019.....	16,452,000	(16,452,000)	-	47,725,000	34.47%
December 31, 2018.....	15,667,000	(15,667,000)	-	46,034,000	34.03%
December 31, 2017.....	14,919,000	(14,919,000)	-	45,131,000	33.06%
December 31, 2016.....	14,208,000	(14,208,000)	-	39,973,000	35.54%
December 31, 2015.....	13,596,000	(13,596,000)	-	36,981,000	36.76%
December 31, 2014.....	13,011,000	(13,011,000)	-	36,167,000	35.97%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
EVERETT CONTRIBUTORY RETIREMENT SYSTEM

Year	Annual money-weighted rate of return, net of investment expense
December 31, 2022.....	-11.13%
December 31, 2021.....	19.70%
December 31, 2020.....	12.65%
December 31, 2019.....	16.00%
December 31, 2018.....	-2.44%
December 31, 2017.....	17.16%
December 31, 2016.....	7.55%
December 31, 2015.....	0.51%
December 31, 2014.....	7.31%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules – City

The Schedule of the City's Proportionate Share of the Net Pension Liability presents multi-year trend information on the City's net pension liability and related ratios.

The Schedule of the City's Contributions presents multi-year trend information on the City's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the City along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
EVERETT CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2022.....	96.93%	\$ 82,944,000	\$ 50,089,000	165.59%	73.92%
December 31, 2021.....	97.00%	47,171,000	49,628,000	95.05%	84.52%
December 31, 2020.....	96.90%	77,807,000	46,785,000	166.31%	72.88%
December 31, 2019.....	97.06%	94,295,000	46,322,000	203.56%	65.64%
December 31, 2018.....	96.89%	106,261,000	44,602,000	238.24%	58.45%
December 31, 2017.....	96.36%	95,963,000	43,488,000	220.67%	60.33%
December 31, 2016.....	96.41%	112,550,000	38,538,000	292.05%	51.44%
December 31, 2015.....	96.38%	112,029,000	35,642,000	314.32%	48.68%
December 31, 2014.....	96.38%	106,940,000	34,858,000	306.79%	48.81%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE CITY'S CONTRIBUTIONS
EVERETT CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2023.....	\$ 18,468,000	\$ (18,468,000)	\$ -	\$ 51,341,225	35.97%
June 30, 2022.....	17,599,000	(17,599,000)	-	50,868,700	34.60%
June 30, 2021.....	16,744,000	(16,744,000)	-	47,954,625	34.92%
June 30, 2020.....	15,970,000	(15,970,000)	-	47,480,050	33.64%
June 30, 2019.....	15,183,000	(15,183,000)	-	45,717,050	33.21%
June 30, 2018.....	14,381,000	(14,381,000)	-	44,575,200	32.26%
June 30, 2017.....	13,703,000	(13,703,000)	-	39,501,450	34.69%
June 30, 2016.....	13,109,000	(13,109,000)	-	36,533,050	35.88%
June 30, 2015.....	12,526,000	(12,526,000)	-	35,729,450	35.06%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2023.....	\$ 186,627,469	\$ 15,351,930	57.75%
2022.....	167,399,158	13,433,085	62.03%
2021.....	211,761,561	26,155,587	50.67%
2020.....	177,653,405	21,543,559	53.95%
2019.....	177,867,088	18,024,254	54.84%
2018.....	167,397,590	17,471,774	54.25%
2017.....	174,774,212	17,828,115	52.73%
2016.....	149,836,518	12,153,075	55.38%
2015.....	108,435,522	7,533,536	61.64%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the City's Contributions presents multi-year trend information on the City's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
CITY'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability							
Service cost.....	\$ 9,824,677	\$ 11,048,063	\$ 9,493,779	\$ 10,142,202	\$ 13,319,286	\$ 14,027,197	\$ 9,778,731
Interest.....	9,068,465	9,551,582	9,977,532	10,640,472	11,216,753	11,855,536	14,217,670
Differences between expected and actual experience.....	(1,651)	-	(21,935,653)	(164,021)	(11,770,244)	-	(11,470,555)
Changes of assumptions.....	-	-	27,725,897	-	60,774,915	(69,009,125)	15,550,522
Benefit payments.....	<u>(7,065,440)</u>	<u>(7,401,157)</u>	<u>(7,977,564)</u>	<u>(8,490,326)</u>	<u>(8,364,989)</u>	<u>(8,780,853)</u>	<u>(9,256,329)</u>
Net change in total OPEB liability.....	11,826,051	13,198,488	17,283,991	12,128,327	65,175,721	(51,907,245)	18,820,039
Total OPEB liability - beginning.....	235,501,275	247,327,326	260,525,814	277,809,805	289,938,132	355,113,853	303,206,608
Total OPEB liability - ending (a).....	<u>\$ 247,327,326</u>	<u>\$ 260,525,814</u>	<u>\$ 277,809,805</u>	<u>\$ 289,938,132</u>	<u>\$ 355,113,853</u>	<u>\$ 303,206,608</u>	<u>\$ 322,026,647</u>
Plan fiduciary net position							
Employer contributions.....	\$ 1,005,784	\$ 986,484	\$ 899,295	\$ 1,096,904	\$ 545,554	\$ 714,144	\$ 1,774,428
Employer contributions for OPEB payments.....	7,065,440	7,401,157	7,977,564	8,490,326	8,364,989	8,780,853	9,256,329
Net investment income.....	108,337	160,822	403,699	260,244	1,407,450	(558,298)	900,305
Benefit payments.....	<u>(7,065,440)</u>	<u>(7,401,157)</u>	<u>(7,977,564)</u>	<u>(8,490,326)</u>	<u>(8,364,989)</u>	<u>(8,780,853)</u>	<u>(9,256,329)</u>
Net change in plan fiduciary net position.....	1,114,121	1,147,306	1,302,994	1,357,148	1,953,004	155,846	2,674,733
Plan fiduciary net position - beginning of year.....	2,460,951	3,575,072	4,722,378	6,025,372	7,382,520	9,335,524	9,491,370
Plan fiduciary net position - end of year (b).....	<u>\$ 3,575,072</u>	<u>\$ 4,722,378</u>	<u>\$ 6,025,372</u>	<u>\$ 7,382,520</u>	<u>\$ 9,335,524</u>	<u>\$ 9,491,370</u>	<u>\$ 12,166,103</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 243,752,254</u>	<u>\$ 255,803,436</u>	<u>\$ 271,784,433</u>	<u>\$ 282,555,612</u>	<u>\$ 345,778,329</u>	<u>\$ 293,715,238</u>	<u>\$ 309,860,544</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	1.45%	1.81%	2.17%	2.55%	2.63%	3.13%	3.78%
Covered-employee payroll.....	\$ 101,415,481	\$ 104,457,946	\$ 106,547,105	\$ 97,075,106	\$ 88,712,664	\$ 91,374,044	\$ 111,059,349
Net OPEB liability as a percentage of covered-employee payroll.....	240.35%	244.89%	255.08%	291.07%	389.77%	321.44%	279.00%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2023.....	\$ 22,417,252	\$ (11,030,757)	\$ 11,386,495	\$ 111,059,349	9.93%
June 30, 2022.....	26,177,034	(9,494,997)	16,682,037	91,374,044	10.39%
June 30, 2021.....	25,254,962	(8,910,543)	16,344,419	88,712,664	10.04%
June 30, 2020.....	25,417,260	(9,587,230)	15,830,030	97,075,106	9.88%
June 30, 2019.....	24,186,543	(8,876,859)	15,309,684	106,547,105	8.33%
June 30, 2018.....	24,225,398	(8,387,641)	15,837,757	104,457,946	8.03%
June 30, 2017.....	22,422,832	(8,071,224)	14,351,608	101,415,481	7.96%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	8.82%
June 30, 2022.....	-5.94%
June 30, 2021.....	19.06%
June 30, 2020.....	4.32%
June 30, 2019.....	8.05%
June 30, 2018.....	4.21%
June 30, 2017.....	3.77%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTINGBudgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by the Mayor and the City Council (the Council). The Mayor presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Expenditures are budgeted by categories that are broken down by personnel services, general expenditures, debt service and capital outlay, which are mandated by Municipal Law. The Council, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between departments subsequent to the approval of the annual budget, requires majority Council approval via a supplemental appropriation or Council order.

The majority of the City's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the City Auditor has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized (functional level). However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Council.

The City adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2023 budget authorized \$278.3 million in appropriations and other amounts to be raised, which includes \$20.2 million of amounts carried forward from the prior year. During 2023, the Council also approved supplemental appropriations totaling \$8.1 million for legal costs, fire department salaries, education, contributions to the OPEB trust fund, and contributions to the capital improvement, opioid settlement, and general stabilization accounts. The Office of the City Auditor has the responsibility to ensure that budgetary control is maintained on an individual line-item appropriation basis. Budgetary control is exercised through the City's accounting system.

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is presented below:

Net change in fund balance - budgetary basis.....	\$ 3,066,816
<u>Perspective differences:</u>	
Activity of the stabilization funds recorded in the general fund for GAAP.....	3,168,508
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	4,697,000
Net change in recording 60 day receipts.....	310,608
Net change in recording accrued payroll.....	(4,230,219)
Recognition of revenue for on-behalf payments.....	15,351,930
Recognition of expenditures for on-behalf payments....	(15,351,930)
Net change in fund balance - GAAP basis.....	\$ <u>7,012,713</u>

Appropriation Deficits

During 2023, actual expenditures and encumbrances exceeded budgeted appropriations for snow and ice and debt service interest. These over-expenditures will be funded by the subsequent years' tax levy.

NOTE B – PENSION PLAN***Pension Plan Schedules – Retirement System***Schedule of Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation." The pension fund appropriations are allocated amongst employers based on covered payroll.

Schedule of Investment Returns

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules – CitySchedule of the City's Proportionate Share of the Net Pension Liability

The Schedule of the City's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of the City's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The City may choose to pay the entire appropriation in July at a discounted

rate. Accordingly, actual contributions may be less than the “total appropriation”. The pension fund appropriation is allocated to the City based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the City; the portion of the collective pension expense as both revenue and pension expense recognized by the City; and the Plan's fiduciary net position as a percentage of the total liability.

Changes of Assumptions – None.

Changes in Plan Provisions – None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single employer defined benefit healthcare plan (Plan). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the City's health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

Schedule of the City's Contributions

The Schedule of the City's Contributions includes the City's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The City is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2022
Actuarial cost method.....	Individual Entry Age.
Asset valuation method.....	Fair value of assets as of the measurement date, June 30, 2023.
Investment rate of return.....	5.15%, net of OPEB plan investment expense, including inflation. Previously 5.47%.
Municipal bond rate.....	4.13% as of June 30, 2023 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG). Previously 4.09%.
Single equivalent discount rate..	4.50%, net of OPEB plan investment expense, including inflation. Previously 4.61%.
Healthcare cost trend rate.....	Based on amounts according to the Getzen Model of Long-Run Medical Cost Trends for Active and Medicare supplement plans, which includes an assumed 9.00% increase in fiscal year 2023 and an ultimate trend rate of 3.63% in fiscal year 2060.
General inflation rate.....	2.50% as of June 30, 2023, and for future periods.
Annual salary increases.....	3.00% annually as of June 30, 2023, and for future periods.
Pre-Retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-Retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

Changes of Assumptions

- The single equivalent discount rate was decreased from 4.61% to 4.50%.
- Based on actuarial research, the assumption for future healthcare cost increases was modified.

Changes in Provisions – None.

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Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

Other City Grants & Gifts Fund – This fund is used to account for non-school related activity specifically financed by other grants and gifts which are designated for specific programs.

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

Other School Grants & Gifts Fund – This fund is used to account for the educational programs specifically financed by other grants and gifts which are designated for specific programs.

Revolving Fund – This fund is used to account for revolving funds specifically allowed by the laws of the Commonwealth of Massachusetts. These funds are expended for purposes specified by the enabling statutes.

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

Receipts Reserved Fund – This fund is used to account for receipts reserved for appropriation.

Community Development Fund – This fund is used to account for community development activity specifically financed by federal, state, and other grants which are designated for specific programs.

Other Special Revenue – This fund accounts for all other legally established special revenues where the funds are spent on governmental purposes.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

City Capital Projects Fund – The City capital projects fund is used to account for financial activities associated with City Capital acquisitions and improvements that have been authorized and approved by City Council. These projects will be funded through the issuance of long-term bonds and notes, state grants and available funds.

School Capital Projects Fund – The school capital projects fund is used to account for school capital projects as identified in the City's capital plan, which includes yearly expenditures for infrastructure and other project activities.

Highway Improvements Fund – This fund is used to account for construction, reconstruction and improvements to roadways, streets and sidewalks. Funding is provided primarily by grants.

Permanent Funds

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

Trust Fund – This fund is used to account for various contributions associated with educational, cemetery and library operations.

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	Other City Grants & Gifts	School Federal & State Grants	Other School Grants & Gifts	Revolving Fund	School Lunch	Receipts Reserved
ASSETS						
Cash and cash equivalents.....	\$ 1,562,436	\$ 4,609,095	\$ 458,774	\$ 5,317,669	\$ 5,260,017	\$ 1,328,150
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	-	-	-
Intergovernmental.....	-	1,638,088	-	561,922	650,782	-
TOTAL ASSETS.....	\$ 1,562,436	\$ 6,247,183	\$ 458,774	\$ 5,879,591	\$ 5,910,799	\$ 1,328,150
LIABILITIES						
Warrants payable.....	\$ 21,697	\$ 603,006	\$ -	\$ 52,596	\$ 232,264	\$ -
Due to other funds.....	-	-	-	-	-	-
Other liabilities.....	-	-	-	-	-	-
Unearned revenue.....	-	967,606	-	-	-	-
TOTAL LIABILITIES.....	21,697	1,570,612	-	52,596	232,264	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	-	-	-	-
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	1,540,739	4,676,571	458,774	5,826,995	5,678,535	1,328,150
TOTAL FUND BALANCES.....	1,540,739	4,676,571	458,774	5,826,995	5,678,535	1,328,150
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 1,562,436	\$ 6,247,183	\$ 458,774	\$ 5,879,591	\$ 5,910,799	\$ 1,328,150

Special Revenue Funds			Capital Project Funds				Permanent Funds	Total Nonmajor Governmental Funds
Community Development	Other Special Revenue	Subtotal	City Capital Projects	School Capital Projects	Highway Improvements	Subtotal	Trust Fund	
\$ 1,115,159	\$ -	\$ 19,651,300	\$ 17,939,996	\$ 2,144,673	\$ 666,723	\$ 20,751,392	\$ 920,228	\$ 41,322,920
-	-	-	-	-	-	-	583,531	583,531
-	2,582,582	2,582,582	-	-	-	-	-	2,582,582
528,543	-	3,379,335	-	-	1,412,903	1,412,903	-	4,792,238
<u>\$ 1,643,702</u>	<u>\$ 2,582,582</u>	<u>\$ 25,613,217</u>	<u>\$ 17,939,996</u>	<u>\$ 2,144,673</u>	<u>\$ 2,079,626</u>	<u>\$ 22,164,295</u>	<u>\$ 1,503,759</u>	<u>\$ 49,281,271</u>
\$ 188,392	\$ 5,017	\$ 1,102,972	\$ 1,578,992	\$ 743,128	\$ -	\$ 2,322,120	\$ -	\$ 3,425,092
-	1,491,246	1,491,246	-	-	-	-	-	1,491,246
-	507,812	507,812	-	-	-	-	-	507,812
-	-	967,606	-	-	-	-	-	967,606
188,392	2,004,075	4,069,636	1,578,992	743,128	-	2,322,120	-	6,391,756
-	-	-	-	-	1,412,903	1,412,903	-	1,412,903
-	-	-	-	-	-	-	1,322,572	1,322,572
1,455,310	578,507	21,543,581	16,361,004	1,401,545	666,723	18,429,272	181,187	40,154,040
1,455,310	578,507	21,543,581	16,361,004	1,401,545	666,723	18,429,272	1,503,759	41,476,612
<u>\$ 1,643,702</u>	<u>\$ 2,582,582</u>	<u>\$ 25,613,217</u>	<u>\$ 17,939,996</u>	<u>\$ 2,144,673</u>	<u>\$ 2,079,626</u>	<u>\$ 22,164,295</u>	<u>\$ 1,503,759</u>	<u>\$ 49,281,271</u>

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	Other City Grants & Gifts	School Federal & State Grants	Other School Grants & Gifts	Revolving Fund	School Lunch	Receipts Reserved
REVENUES:						
Charges for services.....	\$ -	\$ -	\$ -	\$ 367,954	\$ -	\$ 45,575
Intergovernmental.....	-	14,649,144	-	713,668	5,493,513	-
Departmental and other.....	-	-	-	1,190,205	-	-
Contributions and donations.....	449,944	-	210,643	-	-	-
Investment income.....	-	-	-	-	-	-
TOTAL REVENUES.....	449,944	14,649,144	210,643	2,271,827	5,493,513	45,575
EXPENDITURES:						
Current:						
General government.....	256,111	-	-	223,746	-	15,065
Public safety.....	53,297	-	-	164,303	-	-
Education.....	-	14,011,851	132,983	43,147	4,783,047	-
City services and facilities.....	-	-	-	64,540	-	-
Community development.....	-	-	-	-	-	-
Human services.....	6,914	-	-	216,444	-	-
Library and recreation.....	43,121	-	-	437,281	-	-
TOTAL EXPENDITURES.....	359,443	14,011,851	132,983	1,149,461	4,783,047	15,065
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	90,501	637,293	77,660	1,122,366	710,466	30,510
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	-	(387,862)	-	-	-	(1,960,534)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(387,862)	-	-	-	(1,960,534)
NET CHANGE IN FUND BALANCES.....	90,501	249,431	77,660	1,122,366	710,466	(1,930,024)
FUND BALANCES AT BEGINNING OF YEAR.....	1,450,238	4,427,140	381,114	4,704,629	4,968,069	3,258,174
FUND BALANCES AT END OF YEAR.....	\$ 1,540,739	\$ 4,676,571	\$ 458,774	\$ 5,826,995	\$ 5,678,535	\$ 1,328,150

Special Revenue Funds			Capital Project Funds				Permanent Funds	Total Nonmajor Governmental Funds
Community Development	Other Special Revenue	Subtotal	City Capital Projects	School Capital Projects	Highway Improvements	Subtotal	Trust Fund	
\$ -	\$ -	\$ 413,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,529
708,709	-	21,565,034	-	-	595,632	595,632	-	22,160,666
-	4,807,394	5,997,599	-	-	-	-	-	5,997,599
-	-	660,587	-	-	-	-	114,323	774,910
422,808	-	422,808	6	-	-	6	13,041	435,855
1,131,517	4,807,394	29,059,557	6	-	595,632	595,638	127,364	29,782,559
-	-	494,922	10,950	-	-	10,950	-	505,872
-	4,968,715	5,186,315	1,376,597	-	-	1,376,597	-	6,562,912
-	54,502	19,025,530	-	1,141,249	-	1,141,249	13,300	20,180,079
-	-	64,540	5,544,602	-	-	5,544,602	-	5,609,142
721,861	-	721,861	4,497,473	-	-	4,497,473	-	5,219,334
-	-	223,358	-	-	-	-	-	223,358
-	-	480,402	12,844	-	-	12,844	-	493,246
721,861	5,023,217	26,196,928	11,442,466	1,141,249	-	12,583,715	13,300	38,793,943
409,656	(215,823)	2,862,629	(11,442,460)	(1,141,249)	595,632	(11,988,077)	114,064	(9,011,384)
-	-	-	1,613,900	1,838,634	-	3,452,534	-	3,452,534
-	-	(2,348,396)	-	(773,495)	-	(773,495)	-	(3,121,891)
-	-	(2,348,396)	1,613,900	1,065,139	-	2,679,039	-	330,643
409,656	(215,823)	514,233	(9,828,560)	(76,110)	595,632	(9,309,038)	114,064	(8,680,741)
1,045,654	794,330	21,029,348	26,189,564	1,477,655	71,091	27,738,310	1,389,695	50,157,353
\$ 1,455,310	\$ 578,507	\$ 21,543,581	\$ 16,361,004	\$ 1,401,545	\$ 666,723	\$ 18,429,272	\$ 1,503,759	\$ 41,476,612

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or custodial to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Insurance Fund – This fund is used to account for the accumulation of costs, and employer and employee contributions associated with health insurance.

Workers' Compensation & Other Insurance Fund – This fund is used to account for the accumulation of costs, and employer contributions associated with worker's compensation and property and liability insurance.

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

JUNE 30, 2023

	Health Insurance	Workers' Compensation & Other Insurance	Total Internal Service Funds
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 5,474,675	\$ 393,916	\$ 5,868,591
Investments.....	3,169,501	-	3,169,501
Working capital deposit.....	2,557,100	-	2,557,100
TOTAL ASSETS.....	11,201,276	393,916	11,595,192
LIABILITIES			
CURRENT:			
Warrants payable.....	4,588	-	4,588
Health claims payable.....	2,951,000	-	2,951,000
TOTAL LIABILITIES.....	2,955,588	-	2,955,588
NET POSITION			
Unrestricted.....	\$ 8,245,688	\$ 393,916	\$ 8,639,604

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

	Health Insurance	Workers' Compensation & Other Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Employee contributions.....	\$ 4,935,629	\$ -	\$ 4,935,629
Employer contributions.....	22,505,054	-	22,505,054
TOTAL OPERATING REVENUES	27,440,683	-	27,440,683
OPERATING EXPENSES:			
Employee benefits.....	31,617,720	-	31,617,720
OPERATING INCOME.....	(4,177,037)	-	(4,177,037)
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss).....	230,420	475	230,895
CHANGE IN NET POSITION.....	(3,946,617)	475	(3,946,142)
NET POSITION AT BEGINNING OF YEAR.....	12,192,305	393,441	12,585,746
NET POSITION AT END OF YEAR.....	\$ 8,245,688	\$ 393,916	\$ 8,639,604

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

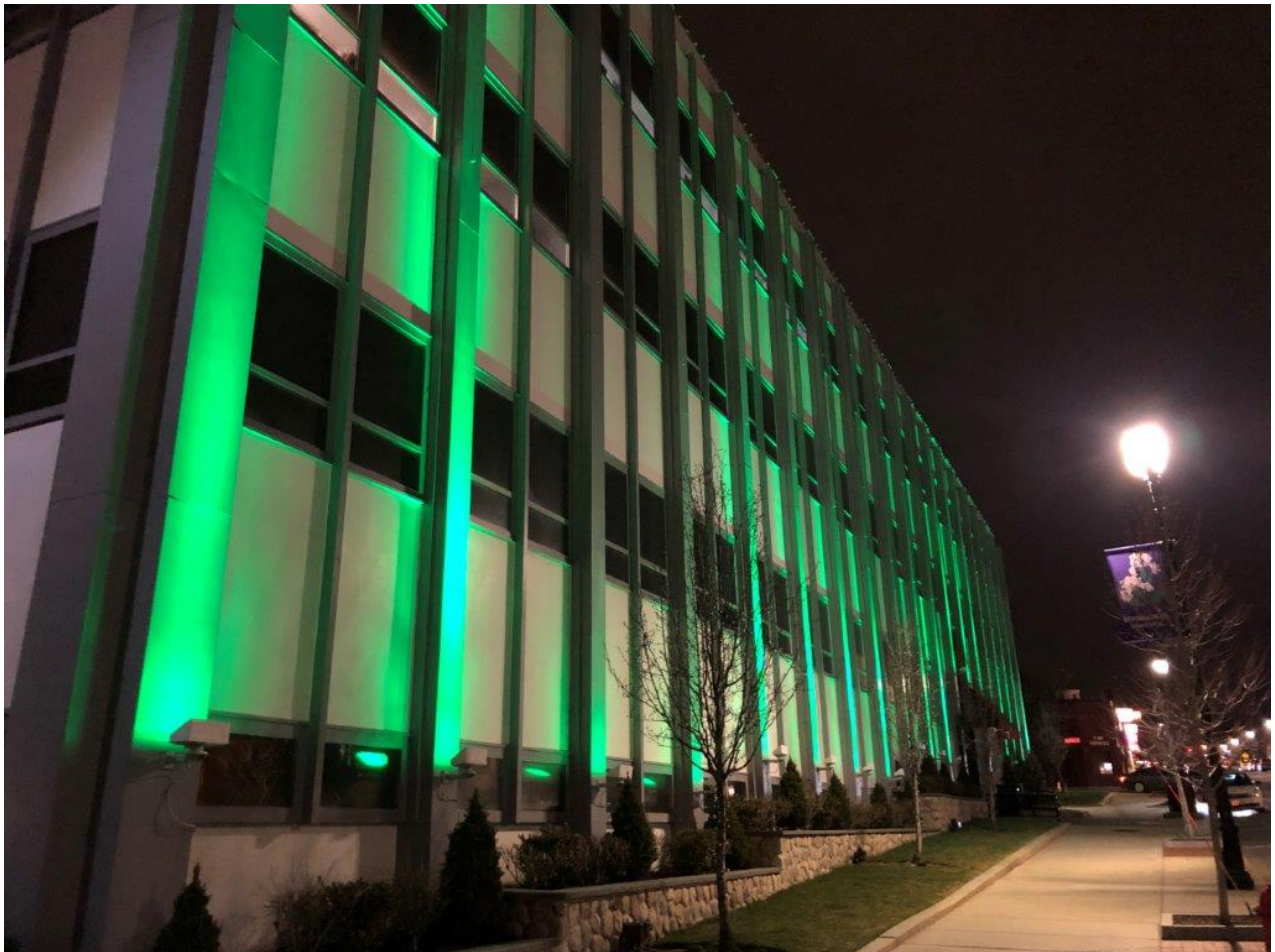
YEAR ENDED JUNE 30, 2023

	Health Insurance	Workers' Compensation & Other Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from interfund services provided.....	\$ 27,440,683	\$ -	\$ 27,440,683
Payments for interfund services used.....	(30,368,888)	-	(30,368,888)
NET CASH FROM OPERATING ACTIVITIES.....	(2,928,205)	-	(2,928,205)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sales and (purchases) of investments, net.....	2,036,357	-	2,036,357
Investment income (loss).....	230,420	475	230,895
NET CASH FROM INVESTING ACTIVITIES.....	2,266,777	475	2,267,252
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(661,428)	475	(660,953)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	6,136,103	393,441	6,529,544
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 5,474,675	\$ 393,916	\$ 5,868,591
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH			
FROM OPERATING ACTIVITIES:			
Operating income (loss).....	\$ (4,177,037)	\$ -	\$ (4,177,037)
Adjustments to reconcile operating income to net cash from operating activities:			
Changes in assets and liabilities:			
Working capital deposit.....	(248,100)	-	(248,100)
Warrants payable.....	932	-	932
Health claims payable.....	1,496,000	-	1,496,000
Total adjustments.....	1,248,832	-	1,248,832
NET CASH FROM OPERATING ACTIVITIES.....	\$ (2,928,205)	\$ -	\$ (2,928,205)

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Statistical Section

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Statistical Section

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Net Position By Component

	Last Ten Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets.....	\$ 94,083,135	\$ 93,957,633	\$ 93,319,037	\$ 96,180,570	\$ 98,422,592	\$ 106,096,350	\$ 105,053,162	\$ 111,708,092	\$ 114,503,355	\$ 120,342,630
Restricted.....	9,824,106	7,318,742	8,705,756	8,536,461	6,467,283	6,609,591	8,208,875	8,197,497	7,682,362	10,751,997
Unrestricted.....	<u>(129,678,355)</u>	<u>(141,164,221)</u>	<u>(121,066,940)</u>	<u>(261,991,447)</u>	<u>(295,012,309)</u>	<u>(314,042,435)</u>	<u>(312,431,865)</u>	<u>(321,197,419)</u>	<u>(312,955,818)</u>	<u>(314,785,339)</u>
Total governmental activities net position.....	<u>\$ (25,771,114)</u>	<u>\$ (39,887,846)</u>	<u>\$ (19,042,147)</u>	<u>\$ (157,274,416)</u>	<u>\$ (190,122,434)</u>	<u>\$ (201,336,494)</u>	<u>\$ (199,169,828)</u>	<u>\$ (201,291,830)</u>	<u>\$ (190,770,101)</u>	<u>\$ (183,690,712)</u>
Business-type activities										
Net investment in capital assets.....	\$ 42,882,536	\$ 42,966,905	\$ 43,996,186	\$ 45,184,999	\$ 44,188,170	\$ 44,519,111	\$ 44,363,296	\$ 46,810,710	\$ 48,882,594	\$ 54,399,016
Unrestricted.....	<u>2,542,195</u>	<u>3,598,139</u>	<u>5,636,636</u>	<u>4,987,008</u>	<u>6,150,560</u>	<u>4,753,147</u>	<u>5,218,566</u>	<u>2,474,674</u>	<u>2,461,683</u>	<u>2,863,262</u>
Total business-type activities net position.....	<u>\$ 45,424,731</u>	<u>\$ 46,565,044</u>	<u>\$ 49,632,822</u>	<u>\$ 50,172,007</u>	<u>\$ 50,338,730</u>	<u>\$ 49,272,258</u>	<u>\$ 49,581,862</u>	<u>\$ 49,285,384</u>	<u>\$ 51,344,277</u>	<u>\$ 57,262,278</u>
Primary government										
Net investment in capital assets.....	\$ 136,965,671	\$ 136,924,538	\$ 137,315,223	\$ 141,365,569	\$ 142,610,762	\$ 150,615,461	\$ 149,416,458	\$ 158,518,802	\$ 163,385,949	\$ 174,741,646
Restricted.....	9,824,106	7,318,742	8,705,756	8,536,461	6,467,283	6,609,591	8,208,875	8,197,497	7,682,362	10,751,997
Unrestricted.....	<u>(127,136,160)</u>	<u>(137,566,082)</u>	<u>(115,430,304)</u>	<u>(257,004,439)</u>	<u>(268,995,316)</u>	<u>(309,289,288)</u>	<u>(307,213,299)</u>	<u>(318,722,745)</u>	<u>(310,494,135)</u>	<u>(311,922,077)</u>
Total primary government net position.....	<u>\$ 19,653,617</u>	<u>\$ 6,677,198</u>	<u>\$ 30,590,675</u>	<u>\$ (107,102,409)</u>	<u>\$ (119,917,271)</u>	<u>\$ (152,064,236)</u>	<u>\$ (149,587,966)</u>	<u>\$ (152,006,446)</u>	<u>\$ (139,425,824)</u>	<u>\$ (126,428,434)</u>
	(A)			(B)		(C)	(D)			

(A) 2014 and subsequent years reflect the implementation of GASB 68.

(B) 2017 and subsequent years reflect the implementation of GASB 75.

(C) 2019 and subsequent years reflect Everett Community Television as an enterprise fund, which was previously accounted for as a governmental fund.

(D) 2020 and subsequent years reflect the implementation of GASB 84.

Changes in Net Position

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government.....	\$ 11,400,759	\$ 12,158,409	\$ 13,394,332	\$ 13,853,866	\$ 14,971,314	\$ 15,445,120	\$ 15,084,350	\$ 14,052,730	\$ 15,034,737	\$ 15,408,422
Public safety.....	40,549,515	41,111,224	44,666,520	46,775,869	49,730,241	54,265,497	48,490,141	55,780,910	54,898,821	55,946,704
Education.....	119,938,769	125,762,937	136,204,795	144,909,659	147,363,580	149,917,677	157,602,324	165,564,038	164,840,570	202,222,870
City services and facilities.....	14,296,582	17,490,503	14,639,253	16,120,304	18,197,426	19,954,147	20,342,165	19,738,412	19,327,923	18,862,459
Community development.....	1,006,713	945,813	57,625	405,349	338,165	1,381,422	593,893	642,411	1,776,477	1,761,729
Human services.....	3,096,636	3,972,247	4,354,088	4,590,737	5,904,607	5,318,314	7,156,255	12,323,126	9,016,209	9,368,642
Libraries and recreation.....	2,634,069	3,143,406	3,080,763	3,993,699	4,189,986	3,696,343	3,859,677	2,804,070	3,079,829	3,196,517
Interest.....	2,306,058	2,129,397	1,916,451	1,747,562	1,842,456	1,918,885	2,154,330	2,287,686	2,168,720	2,138,070
Total government activities expenses.....	195,229,101	206,713,936	218,313,827	232,397,045	242,537,775	251,897,405	255,283,135	273,193,383	270,143,286	308,905,413
Business-type activities:										
Water & Sewer.....	13,150,909	15,656,873	15,920,781	16,922,887	17,671,575	18,264,477	19,995,720	22,871,038	19,935,954	18,890,496
Everett community television (A).....	-	-	-	-	-	-	479,675	306,937	446,255	241,557
Total business type activities expenses.....	13,150,909	15,656,873	15,920,781	16,922,887	17,671,575	18,264,477	20,475,395	23,177,975	20,382,209	19,132,053
Total primary government expenses.....	\$ 208,380,010	\$ 222,370,809	\$ 234,234,608	\$ 249,319,932	\$ 260,209,350	\$ 270,161,882	\$ 275,758,530	\$ 296,371,358	\$ 290,525,495	\$ 328,037,466
Program Revenues										
Governmental activities:										
Charges for services - general government.....	\$ 1,131,393	\$ 1,163,599	\$ 1,530,370	\$ 1,563,901	\$ 1,123,439	\$ 1,348,962	\$ 747,805	\$ 982,258	\$ 930,741	\$ 1,187,805
Charges for services - public safety.....	2,353,477	2,548,196	4,111,774	5,488,823	6,844,705	7,272,142	4,679,811	10,135,326	10,688,865	13,809,067
Charges for services - education.....	1,207,084	777,691	820,905	1,212,679	841,973	1,360,397	953,862	183,974	1,304,820	642,272
Charges for services - other.....	404,817	444,615	704,944	793,374	1,137,413	1,066,886	723,044	406,276	707,778	1,073,955
Operating grants and contributions - public safety.....	1,372,560	2,249,481	987,308	1,557,869	1,538,943	983,974	1,913,275	1,875,580	1,785,249	2,508,109
Operating grants and contributions - education.....	82,317,733	81,510,620	90,903,891	97,934,307	98,925,306	102,756,728	109,576,987	115,036,461	120,375,751	132,601,728
Operating grants and contributions - other.....	3,004,878	2,171,627	2,737,636	2,396,099	2,159,414	2,596,932	3,096,048	8,971,594	3,754,614	8,926,307
Capital grants and contributions - city services and facilities.....	832,729	420,987	1,014,442	1,323,158	978,476	2,494,563	1,278,505	1,012,545	946,852	283,552
Capital grants and contributions - other.....	1,346,296	256,910	333,540	747,557	567,889	-	486,469	58,814	165,677	113,945
Total government activities program revenues.....	93,970,967	91,543,726	103,144,810	113,017,767	114,117,558	119,880,584	123,455,806	138,662,828	140,660,347	161,146,740
Business-type activities:										
Charges for services - Water & Sewer.....	13,946,348	16,767,337	18,005,313	17,579,874	17,496,741	17,199,879	18,369,190	20,039,434	20,044,228	20,057,922
Charges for services - Everett community television (A)...	-	-	-	-	-	-	600,353	435,199	388,050	424,279
Capital grants and contributions - Water & Sewer.....	-	-	939,600	1,065,750	-	-	-	2,338,260	1,982,494	4,049,048
Total business-type activities program revenues.....	13,946,348	16,767,337	18,944,913	18,645,624	17,496,741	17,199,879	18,969,543	22,812,893	22,441,102	24,531,249
Total primary government program revenues.....	\$ 107,917,315	\$ 108,311,063	\$ 122,089,723	\$ 131,663,391	\$ 131,614,299	\$ 137,080,463	\$ 142,425,349	\$ 161,475,721	\$ 163,101,449	\$ 185,677,989
Net (Expense)/Revenue										
Governmental activities.....	\$ (101,258,134)	\$ (115,170,210)	\$ (115,169,017)	\$ (119,379,278)	\$ (128,420,217)	\$ (132,016,821)	\$ (131,827,329)	\$ (134,530,555)	\$ (129,482,939)	\$ (147,758,673)
Business-type activities.....	795,439	1,110,464	3,024,132	1,722,737	(174,834)	(1,064,598)	(1,505,852)	(365,082)	2,058,893	5,399,196
Total primary government net expense.....	\$ (100,462,695)	\$ (114,059,746)	\$ (112,144,885)	\$ (117,656,541)	\$ (128,595,051)	\$ (133,081,419)	\$ (133,333,181)	\$ (134,895,637)	\$ (127,424,046)	\$ (142,359,477)

(Continued)

Changes in Net Position

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable (B).....	\$ 82,487,277	\$ 89,490,142	\$ 92,942,432	\$ 95,349,960	\$ 101,613,763	\$ 105,329,207	\$ 90,680,955	\$ 92,546,236	\$ 94,529,705	\$ 104,595,319
Tax liens.....	1,217,971	676,286	779,186	197,134	613,280	220,384	788,037	249,441	645,540	178,122
Motor vehicle excise taxes.....	3,180,085	3,724,538	4,205,358	4,382,417	4,587,473	4,520,275	4,686,984	4,389,002	4,129,602	5,026,718
Chapter 121A excise payments in lieu of taxes (B).....	-	-	-	-	-	438,356	20,000,000	20,500,000	21,012,500	21,537,813
Community impact fee (B).....	-	-	-	-	-	109,589	5,000,000	5,125,000	5,253,124	5,384,452
Hotel/motel tax.....	-	-	-	-	-	237,109	3,295,972	24,363	784,679	1,969,909
Meals tax.....	488,112	501,327	550,625	545,969	622,963	712,076	1,090,679	669,333	1,236,866	2,589,265
Penalties and interest on taxes.....	878,084	582,610	513,731	351,992	389,436	410,658	367,259	637,495	3,536,876	537,329
Payments in lieu of taxes.....	-	-	-	-	-	14,112	14,112	14,112	14,112	14,112
Grants and contributions not restricted to specific programs.....	6,505,939	5,882,015	6,752,028	6,760,390	7,234,348	7,551,355	8,479,582	7,951,587	8,078,038	8,428,662
Unrestricted investment income.....	118,278	109,028	223,517	216,416	348,974	1,072,733	806,559	359,584	783,626	4,576,361
Miscellaneous.....	22,449	87,532	47,839	173,572	227,717	-	-	-	-	-
Transfers, net.....	-	-	-	-	-	-	-	(57,600)	-	-
Capital transfers, net.....	-	-	-	-	-	-	(1,758,572)	-	-	-
Special item.....	-	-	30,000,000	-	-	-	-	-	-	-
Total governmental activities.....	94,898,195	101,053,478	136,014,716	107,977,850	115,637,954	120,615,854	133,451,567	132,408,553	140,004,668	154,838,062
Business-type activities:										
Unrestricted investment income.....	21,018	29,849	43,646	90,731	142,235	185,033	56,884	11,004	26,330	518,805
Transfers, net.....	-	-	-	-	-	-	-	57,600	-	-
Capital transfers, net.....	-	-	-	-	-	-	1,758,572	-	-	-
Total business-type activities.....	21,018	29,849	43,646	90,731	142,235	185,033	1,815,456	68,604	26,330	518,805
Total primary government.....	\$ 94,919,213	\$ 101,083,327	\$ 136,058,362	\$ 108,068,581	\$ 115,780,189	\$ 120,800,887	\$ 135,267,023	\$ 132,477,157	\$ 140,004,668	\$ 155,356,867
Changes in Net Position										
Governmental activities.....	\$ (6,359,939)	\$ (14,116,732)	\$ 20,845,699	\$ (11,401,428)	\$ (12,782,263)	\$ (11,400,967)	\$ 1,624,238	\$ (2,122,002)	\$ 10,521,729	\$ 7,079,389
Business-type activities.....	816,457	1,140,313	3,067,778	1,813,468	(32,599)	(879,565)	309,604	(296,478)	2,085,223	5,918,001
Total primary government.....	\$ (5,543,482)	\$ (12,976,419)	\$ 23,913,477	\$ (9,587,960)	\$ (12,814,862)	\$ (12,280,532)	\$ 1,933,842	\$ (2,418,480)	\$ 12,580,622	\$ 12,997,390

(A) 2020 and subsequent years reflect Everett Community Television as an enterprise fund, which was previously accounted for as a governmental fund.

(B) 2020 reflects a decrease in real estate and personal property taxes and an increase in Chapter 121A excise payments in lieu of taxes and community impact fees due to the new casino.

(Concluded)

Fund Balances, Governmental Funds

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,599,547	\$ -	\$ -
Committed.....	2,397,168	2,750,852	2,792,988	1,376,311	1,506,076	1,299,067	1,282,728	952,573	1,097,754	741,753
Assigned.....	7,577,487	1,121,815	2,307,963	5,262,019	6,103,838	8,416,361	9,790,334	12,008,455	16,873,021	9,462,127
Unassigned.....	17,324,226	21,595,795	29,069,013	36,217,588	37,286,163	26,329,053	28,320,183	15,498,108	31,372,879	46,152,487
Total general fund.....	\$ 27,298,881	\$ 25,468,462	\$ 34,169,964	\$ 42,855,918	\$ 44,896,077	\$ 36,044,481	\$ 39,393,245	\$ 46,058,683	\$ 49,343,654	\$ 56,356,367
All Other Governmental Funds										
Nonspendable.....	\$ 1,232,351	\$ 1,228,489	\$ 1,228,569	\$ 1,228,999	\$ 1,048,919	\$ 1,048,919	\$ 1,049,074	\$ 1,048,919	\$ 1,048,919	\$ 1,322,572
Restricted.....	14,321,721	10,412,616	20,528,449	26,666,806	31,412,478	44,832,001	22,297,429	31,036,732	51,636,856	41,270,884
Unassigned.....	-	-	-	-	-	-	-	-	(3,539,901)	-
Total all other governmental funds.....	\$ 15,554,072	\$ 11,641,105	\$ 21,757,018	\$ 27,895,805	\$ 32,461,397	\$ 45,880,920	\$ 23,346,503	\$ 32,085,651	\$ 49,145,874	\$ 42,593,456

* Prior to 2020 Everett Community Television activities were accounted for in governmental funds.

* 2020 and subsequent years reflect the implementation of GASB 84.

* In 2021, the City reported a \$17.6 million prepaid expenditure; which was required to be reported as nonspendable fund balance.

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Real estate and personal property taxes, net of tax refunds (C).....	\$ 86,690,275	\$ 88,644,890	\$ 92,604,668	\$ 94,687,299	\$ 102,010,368	\$ 102,815,956	\$ 91,230,752	\$ 92,067,808	\$ 99,163,532	\$ 104,179,932
Tax liens.....	1,217,971	676,286	670,234	329,151	533,003	315,595	446,224	414,853	179,443	707,587
Motor vehicle excise taxes.....	3,397,069	3,556,578	4,013,283	4,352,191	4,529,689	4,441,258	4,248,629	4,693,384	4,662,553	4,502,864
Chapter 121A excise payments in lieu of taxes (C).....	-	-	-	-	-	438,356	20,000,000	20,500,000	21,012,500	21,537,813
Community impact fee (C).....	-	-	-	-	-	109,589	5,000,000	5,125,000	5,253,124	5,384,452
Hotel/motel tax (B).....	-	-	-	-	-	237,109	3,295,972	24,363	784,679	1,969,909
Meals tax.....	488,112	501,327	550,625	545,969	622,963	712,076	1,090,679	669,333	1,236,866	2,589,265
Charges for services.....	2,519,813	1,156,783	1,106,605	1,079,426	983,777	1,477,614	465,192	398,642	697,625	413,529
Penalties and interest on taxes.....	878,084	582,610	513,731	351,992	389,436	424,770	367,259	637,495	3,536,876	537,329
Payments in lieu of taxes.....	-	-	-	-	-	14,112	14,112	14,112	14,112	14,112
Licenses and permits.....	1,030,195	1,112,065	1,212,658	1,337,627	1,897,721	1,810,445	1,866,483	3,010,071	4,034,315	6,024,522
Fines and forfeitures.....	880,428	1,232,782	1,666,292	1,697,985	1,412,090	1,472,863	1,211,590	1,353,414	1,780,496	2,071,506
Intergovernmental.....	94,679,962	94,055,129	103,168,643	111,436,766	111,487,686	115,965,283	124,261,597	133,158,641	132,576,128	151,241,525
Departmental and other.....	1,204,203	1,359,930	2,919,528	4,817,578	5,327,744	8,071,478	5,300,341	8,292,834	8,247,302	8,941,552
Contributions and donations.....	692,386	592,185	856,519	1,211,266	1,542,796	1,136,571	928,383	484,565	789,555	774,910
Investment income.....	119,077	110,716	231,004	217,212	358,925	890,554	705,616	277,354	554,254	4,345,466
Other.....	22,449	87,532	47,839	173,572	227,717	-	-	-	-	-
Total Revenue.....	193,820,024	193,668,813	209,561,629	222,238,034	231,323,915	240,333,629	260,432,829	271,121,869	284,523,360	315,236,273
Expenditures:										
General government (A).....	5,996,564	6,174,501	6,787,720	7,115,698	8,330,929	8,625,168	7,969,097	7,471,979	9,277,483	10,355,203
Public safety.....	24,348,018	23,872,516	26,789,543	29,019,813	31,568,496	33,665,616	31,453,461	36,255,576	42,465,022	41,932,462
Education.....	79,314,365	85,539,733	86,202,875	87,439,945	93,081,107	91,305,307	95,949,699	92,113,441	108,866,443	124,426,426
City services and facilities.....	10,365,574	12,199,957	9,234,697	10,462,577	12,251,705	14,010,989	13,036,086	13,325,162	12,930,484	13,531,729
Community development.....	1,006,713	840,934	50,171	450,076	274,621	1,110,215	401,008	221,683	1,130,128	1,058,191
Human services.....	2,157,424	2,767,966	2,932,500	3,066,086	4,323,053	3,629,780	5,436,032	10,832,601	8,090,209	8,790,834
Libraries and recreation.....	1,336,851	1,653,802	1,670,395	2,294,619	2,415,950	2,067,490	1,975,796	1,060,258	1,639,727	1,840,798
Pension benefits.....	22,973,735	20,093,090	25,272,172	31,555,542	31,878,906	33,206,827	37,513,845	42,898,910	31,032,632	33,820,013
Property and liability insurance.....	1,996,230	2,043,298	1,924,506	2,176,093	2,331,885	2,990,592	2,948,925	3,129,546	3,216,109	3,232,609
Employee benefits.....	19,452,261	20,544,717	21,218,548	22,630,843	23,146,974	23,714,096	23,993,817	23,144,643	23,863,006	25,844,559
Claims and judgments.....	-	-	-	251,692	14,465	-	-	-	-	-
State and county charges.....	10,418,587	11,194,008	11,599,413	13,511,625	14,222,816	15,170,707	14,214,449	14,117,639	16,097,533	17,966,679
Capital outlay.....	8,565,559	10,328,505	12,862,827	12,598,174	15,489,547	11,260,115	26,296,454	21,253,510	18,876,118	18,721,442
Debt service:										
Principal.....	5,414,415	6,445,416	7,159,415	8,544,416	10,062,416	11,618,866	13,185,415	8,610,414	8,934,417	9,853,416
Interest.....	2,186,221	2,176,841	1,736,113	2,285,758	2,491,194	2,755,934	3,087,997	2,859,616	3,497,555	3,401,617
Total Expenditures.....	195,532,517	205,875,284	215,440,895	233,402,957	251,884,064	255,131,702	277,462,081	277,294,978	289,916,866	314,775,978
Excess of revenues over (under) expenditures.....	(1,712,493)	(12,206,471)	(5,879,266)	(11,164,923)	(20,560,149)	(14,798,073)	(17,029,252)	(6,173,109)	(5,393,506)	460,295

(Continued)

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses):										
Issuance of bonds.....	8,591,000	6,025,000	17,857,000	12,417,000	13,525,450	17,613,000	-	18,706,000	23,905,000	-
Issuance of refunding bonds.....	-	6,190,000	13,805,000	-	-	-	-	759,000	-	-
Premium from issuance of bonds and notes.....	641,248	342,114	1,719,490	1,072,664	1,140,450	1,753,000	92,466	2,932,079	1,833,700	-
Premium from issuance of refunding bonds.....	-	716,132	938,681	-	-	-	-	138,216	-	-
Payments to refunded bond escrow agent.....	-	(6,810,161)	(14,623,490)	-	-	-	-	900,000	-	-
Transfers in.....	1,178,544	650,000	740,100	881,761	1,040,605	-	-	(57,600)	1,323,699	4,613,891
Transfers out.....	(1,178,544)	(650,000)	(740,100)	(881,761)	(1,040,605)	-	(1,758,572)	-	(1,323,699)	(4,613,891)
Total other financing sources (uses).....	9,232,248	6,463,085	19,696,681	13,489,664	14,665,900	19,366,000	(1,666,106)	23,377,695	25,738,700	-
Net change in fund balance before special item.....	7,519,755	(5,743,386)	13,817,415	2,324,741	(5,894,249)	4,567,927	(18,695,358)	17,204,586	20,345,194	460,295
Special Item.....	-	-	5,000,000	12,500,000	12,500,000	-	-	-	-	-
Net change in fund balance..... \$	7,519,755	(5,743,386)	18,817,415	14,824,741	6,605,751	4,567,927	(18,695,358)	17,204,586	20,345,194	460,295
Debt service as a percentage of noncapital expenditures.....	4.07%	4.41%	4.39%	4.90%	4.89%	5.89%	6.48%	4.48%	4.59%	4.48%

(A) Prior to 2020, Everett Community Television activities were accounted for as general government expenditures in the governmental funds.

(B) Prior to 2019, hotel/motel tax were combined with meals tax.

(C) 2020 reflects a decrease in real estate and personal property taxes and an increase in Chapter 121A excise payments in lieu of taxes and community impact fees due to the new casino.

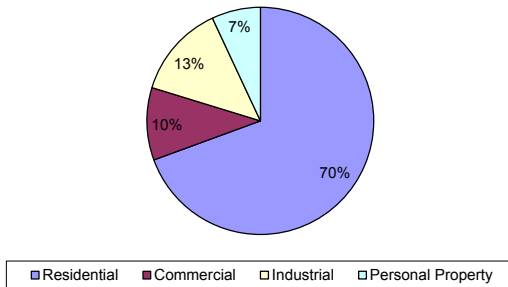
(Concluded)

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

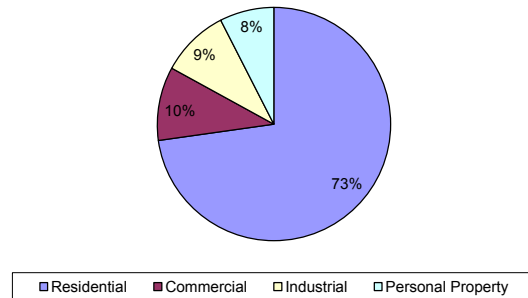
Last Ten Years

Year	Assessed and Actual Values and Tax Rates									Total City Value
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate (1)		
2014	\$ 2,309,644,676	\$ 15.04	\$ 409,935,794	\$ 616,975,000	\$ 278,875,000	\$ 1,305,785,794	\$ 40.95	\$ 24.40	\$ 3,615,430,470	
2015	2,584,829,341	14.61	418,981,469	644,761,387	360,687,000	1,424,429,856	39.45	23.44	4,009,259,197	
2016	2,811,506,692	14.45	485,609,578	672,925,060	344,726,450	1,503,261,088	37.98	22.65	4,314,767,780	
2017	3,162,161,321	14.44	503,718,289	723,295,700	363,009,200	1,590,023,189	35.69	21.55	4,752,184,510	
2018	3,560,495,901	13.78	543,308,499	771,961,270	409,072,700	1,724,342,469	33.74	20.29	5,284,838,370	
2019	4,055,191,542	12.38	641,746,948	793,306,865	424,125,900	1,859,179,713	35.27	19.58	5,914,371,255	
2020	4,554,332,521	10.64	629,929,429	1,016,425,467	391,592,700	2,037,947,596	24.72	14.99	6,592,280,117	
2021	4,764,415,799	9.87	726,729,191	1,025,699,462	419,604,100	2,172,032,753	23.20	14.04	6,936,448,552	
2022	5,054,546,645	10.36	753,235,855	969,160,550	506,075,700	2,228,472,105	24.04	14.55	7,283,018,750	
2023	5,471,993,242	11.78	766,921,381	715,209,600	565,598,700	2,047,729,681	25.36	15.48	7,519,722,923	

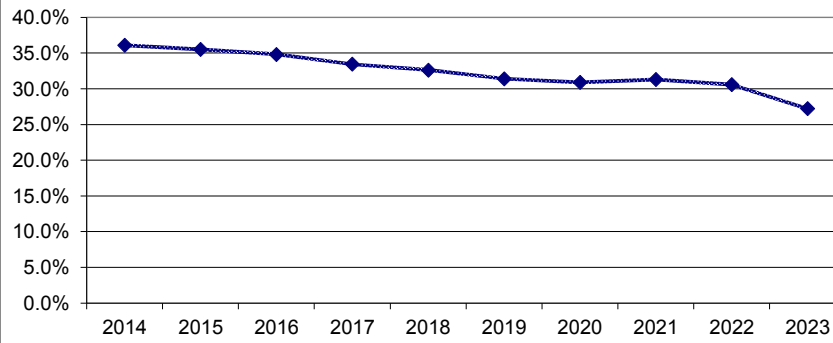
Total Assessed Value by Classification Year Ended June 30, 2022



Total Assessed Value by Classification Year Ended June 30, 2023



Commercial Value as % of Total Value



(1) The direct rate is the weighted average of the residential and commercial tax rates.
Source: Assessor's Department
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.

Principal Taxpayers
Current Year and Nine Years Ago

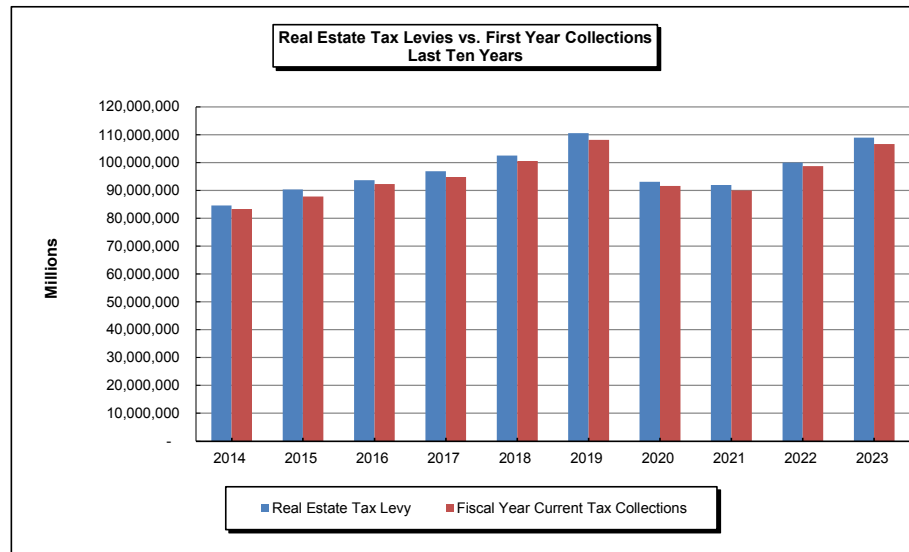
Name	Nature of Business	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Constellation Mystic Power LLC (Exelon)	Power Plant	\$ 297,341,000	1	4.0%	\$ 364,285,500	1	10.1%
NSTAR Electric Company	Utility	209,705,400	2	2.8%	47,376,100	4	1.3%
MFRREVF II - Batch Yard LLC	Class A Apartments	125,957,400	3	1.7%	-	-	-
Distrigas of Massachusetts Corp. (Exelon)	LNG Terminal (Personal)	121,600,000	4	1.6%	166,307,000	2	4.6%
Pioneer Owner LLC	Office Building	120,993,700	5	1.6%	-	-	-
DDRC Gateway LLC	Gateway Mall	117,159,300	6	1.6%	73,554,100	3	2.0%
Massachusetts Electric Company	Utility	107,467,600	7	1.4%	32,596,700	5	0.9%
Boston Gas Co./DBA National Grid	Utility	106,444,400	8	1.4%	19,031,300	8	0.5%
Exxon/Mobil Corporation	Fuel Distribution	71,350,700	9	0.9%	25,219,200	7	0.7%
Encore Boston Harbor & Affiliates	Casino Resort	70,763,700	10	0.9%	-	-	-
GP Portland Investment Company	Invesment	-	-	-	26,878,600	6	0.7%
Prolerized New England Company	Scrap Exporter	-	-	-	15,838,000	10	0.4%
Totals		<u>\$ 1,348,783,200</u>		<u>17.9%</u>	<u>\$ 771,086,500</u>		<u>21.3%</u>

Source: Official Statement

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2014	\$ 84,594,327	\$ 512,673	\$ 84,081,654	\$ 83,311,626	99.1%	\$ 770,028	\$ 84,081,654	100.0%
2015	90,369,956	2,052,689	88,317,267	87,778,714	99.4%	538,553	88,317,267	100.0%
2016	93,653,216	1,065,864	92,587,352	92,246,027	99.6%	251,493	92,497,520	99.9%
2017	96,907,071	875,121	96,031,950	94,871,830	98.8%	1,160,120	96,031,950	100.0%
2018	102,566,340	1,745,836	100,820,504	100,569,895	99.8%	19,383	100,589,278	99.8%
2019	110,566,340	1,490,664	109,075,676	108,086,682	99.1%	988,994	109,075,676	100.0%
2020	93,125,938	68,497	93,057,441	91,575,396	98.4%	1,482,045	93,057,441	100.0%
2021	91,966,655	576,754	91,389,901	89,959,328	98.4%	1,430,573	91,389,901	100.0%
2022	100,040,824	1,259,653	98,781,171	98,781,171	100.0%	-	98,781,171	100.0%
2023	108,958,844	2,043,669	106,915,175	106,705,541	99.8%	-	106,705,541	99.8%



Source: Massachusetts Department of Revenue; Board of Assessors

* 2020 reflects a decrease in real estate and personal property taxes and an increase in Chapter 121A excise payments in lieu of taxes and community impact fees due to the new casino.

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowings	General Obligation Bonds (1)	Direct Borrowings				
2014	\$ 60,503,144	\$ -	\$ 4,980,000	\$ 6,885,834	\$ 72,368,978	7.06%	\$ 42,935	\$ 1,686
2015	60,900,676	-	4,530,000	7,200,626	72,631,302	6.95%	42,935	1,692
2016	72,190,859	1,000,000	4,395,000	7,595,693	85,181,552	7.45%	46,050	1,850
2017	76,435,565	937,000	4,015,000	8,575,657	89,963,222	7.97%	46,340	1,941
2018	80,315,570	871,000	3,881,053	8,417,005	93,484,628	8.12%	46,340	2,017
2019	87,313,495	802,000	3,740,189	8,249,626	100,105,310	8.43%	46,880	2,135
2020	73,287,120	729,000	3,098,920	9,848,593	86,963,633	7.18%	46,880	1,855
2021	85,431,332	653,000	2,463,144	12,087,685	100,635,161	6.49%	49,075	2,051
2022	101,179,953	573,000	1,825,789	12,744,969	116,323,711	7.35%	49,075	2,370
2023	90,223,128	489,000	1,211,732	11,864,414	103,788,274	6.40%	49,350	2,103

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year		General Obligation Bonds (1)	Percentage of Estimated Actual Taxable Value of Property		Per Capita
2014	\$	65,483,144	2.00%	\$	1,525
2015		65,430,676	1.81%		1,524
2016		76,585,859	1.97%		1,663
2017		80,450,565	1.89%		1,736
2018		84,196,623	1.59%		1,817
2019		91,053,684	1.54%		1,942
2020		76,386,040	1.16%		1,629
2021		87,894,476	1.27%		1,791
2022		103,005,742	1.41%		2,099
2023		91,434,860	1.22%		1,853

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Massachusetts Bay Transportation Authority.....	\$ 5,896,383,000	1.795%	\$ <u>105,840,075</u>
City debt:			
General obligations bonds payable.....			90,223,128
Direct borrowings payable.....			<u>489,000</u>
City total direct debt.....			<u>90,712,128</u>
Total direct and overlapping debt.....			\$ <u><u>196,552,203</u></u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of the overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage applicable for the Massachusetts Bay Transportation Authority (MBTA) is based on a weighted percentage of the cities and towns in the MBTA.

Source: Official Statement for Sale of Bonds

Computation of Legal Debt Margin

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation.....	\$ 3,794,616,400	\$ 3,794,616,400	\$ 4,584,699,100	\$ 4,584,699,100	\$ 5,767,100,400	\$ 5,767,100,400	\$ 7,029,819,300	\$ 7,029,819,300	\$ 9,500,450,600	\$ 9,500,450,600
Debt Limit - 5% of Equalized Valuation.....	\$ 189,730,820	\$ 189,730,820	\$ 229,234,955	\$ 229,234,955	\$ 288,355,020	\$ 288,355,020	\$ 351,490,965	\$ 351,490,965	\$ 475,022,530	\$ 475,022,530
Less:										
Outstanding debt applicable to limit.....	28,562,042	32,887,556	49,163,015	58,246,371	66,003,112	76,000,825	66,977,778	77,532,388	92,614,246	82,867,090
Authorized and unissued debt.....	4,066,597	23,941,150	7,985,750	8,625,786	10,831,036	12,676,886	39,307,636	24,385,903	13,056,336	20,822,745
Legal debt margin.....	\$ 157,102,181	\$ 132,902,114	\$ 172,086,190	\$ 162,362,798	\$ 211,520,872	\$ 199,677,309	\$ 245,205,551	\$ 249,572,674	\$ 369,351,948	\$ 371,332,695
Total debt applicable to the limit as a percentage of debt limit.....	17.20%	29.95%	24.93%	29.17%	26.65%	30.75%	30.24%	29.00%	22.25%	21.83%

Source: Audited Financial Statements; Statement of Indebtedness; and the Massachusetts Department of Revenue, Bureau of Local Assessment.

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	42,935	\$ 1,025,210,517	\$ 23,878	35.6	7,008	5.2%
2015	42,935	1,045,714,727	24,356	35.6	7,071	4.4%
2016	46,050	1,121,582,932	24,356	35.6	7,125	4.1%
2017	46,340	1,128,657,040	24,356	35.6	7,078	3.9%
2018	46,340	1,151,230,181	24,843	34.9	7,068	2.8%
2019	46,880	1,187,938,375	25,340	34.9	7,107	2.8%
2020	46,880	1,211,697,142	25,847	34.9	7,057	23.0%
2021	49,075	1,550,720,925	31,599	35.9	6,883	5.7%
2022	49,075	1,581,735,344	32,231	35.9	6,813	3.2%
2023	49,350	1,622,410,840	32,876	35.9	7,285	2.4%

Note: Per Capita Personal Income based on 2020 U.S Census

Source: Massachusetts Department of Revenue, Division of Local Services; U.S. Census Bureau

Principal Employers (excluding City)

Current Year and Nine Years Ago

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wynn MA LLC	Resort Casino	4,000	1	47.0%	-	-	-
Mellon Bank	Banking/Financial Institution	1,200	2	14.1%	1,286	1	32.0%
Cambridge Health Alliance	Hospital	800	3	9.4%	825	2	20.5%
MBTA	Transportation	600	4	7.1%	600	3	14.9%
Boston Coach	Transportation	300	5	3.5%	299	4	7.4%
Target	Retail	200	6	2.4%	235	5	5.8%
Alliance Detection	Security	200	7	2.4%	150	9	3.7%
Everett Nursing and Rehab Center	Health Care/Long Term & Rehabilitation	150	8	1.8%	165	7	4.1%
Home Depot	Retail	150	9	1.8%	150	8	3.7%
COSTCO	Wholesale	100	10	1.2%	-	-	-
Distrigas GDF/SUEZ	LNG Terminal	-	-	-	170	6	4.2%
Schnitzer Northeaster	Metal Recycling	-	-	-	139	10	3.5%
		<u>7,700</u>		<u>90.5%</u>	<u>4,019</u>		<u>100.0%</u>

Source: Official Statement

Full-time Equivalent City Employees by Function

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General government.....	46	49	58	75	55	66	49	56	52	59
Public safety.....	253	256	282	309	292	288	276	298	275	297
Education.....	700	730	813	832	1,020	1,066	843	889	1,353	1,031
City services and facilities.....	47	52	59	58	60	63	61	62	66	67
Human services.....	28	32	33	37	40	38	32	26	26	40
Libraries and recreation.....	16	19	20	23	20	19	18	5	11	20
Total	<u>1,090</u>	<u>1,138</u>	<u>1,265</u>	<u>1,334</u>	<u>1,487</u>	<u>1,540</u>	<u>1,279</u>	<u>1,336</u>	<u>1,783</u>	<u>1,514</u>

Source: Various City Departments

Operating Indicators by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government										
Marriage recordings.....	332	303	395	463	673	536	404	339	440	480
Birth recordings.....	592	478	473	684	608	621	500	446	515	630
Death recordings.....	398	386	438	388	431	430	518	283	453	411
Police										
Physical arrests.....	810	922	801	722	809	784	886	587	684	756
Motor vehicle violations.....	3,889	3,307	2,881	2,516	3,190	3,383	1,987	1,388	1,501	2,575
Police personnel and officers.....	100	106	119	134	141	138	127	138	147	159
Fire										
Inspections.....	2,650	3,198	1,625	3,840	3,500	3,369	3,682	3,972	2,602	3,469
Emergency responses.....	5,259	5,752	5,728	5,521	5,599	6,019	6,440	6,279	5,057	8,804
Fire personnel and officers.....	95	103	105	109	110	98	106	117	98	113
Education										
Number of students.....	7,008	7,071	7,125	7,078	7,068	7,107	7,057	6,883	6,813	7,285
Number of graduates.....	404	490	430	461	492	487	430	415	466	445
Number of teachers.....	485	522	690	659	650	617	565	562	550	718
Health and human services										
Number of persons using										
COA transportation.....	218	217	200	182	151	148	137	91	104	131

Source: Various City Departments; Massachusetts Department of Education

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government										
Number of buildings.....	3	3	3	3	3	3	3	3	3	4
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Education										
Number of elementary schools.....	6	6	6	6	6	6	6	6	6	6
Number of middle schools.....	5	5	5	5	5	5	5	5	5	5
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Cemeteries.....	3	3	3	3	3	3	3	3	3	3

Source: Various City Departments, Manual of the City Government

Free Cash and Stabilization Account Balances

Last Ten Years

<u>Year</u>	<u>Free Cash</u>	<u>Stabilization Accounts</u>
2023.....	\$ 25,105,861	\$ 14,718,496
2022.....	18,829,520	11,549,989
2021.....	11,760,957	10,908,236
2020.....	10,637,026	9,570,397
2019.....	14,312,691	7,145,138
2018.....	9,995,301	17,585,661
2017.....	6,576,560	21,185,739
2016.....	6,705,227	15,378,002
2015.....	5,194,938	12,221,997
2014.....	5,435,464	11,354,748

Source: City Records & Annual Report from Hilltop Securities