

City of Newton, Massachusetts

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022



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Prepared by the Comptroller's Office

CITY OF NEWTON, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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COMPTROLLER'S OFFICE



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STEVE CURLEY
COMPTROLLER

December 29, 2022

Members of the City Council
Mayor Ruthanne Fuller
Citizens and Taxpayers of the City of Newton, MA

I am pleased to transmit to you the City of Newton's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This report has been prepared by the Comptroller's Office of the City in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

The 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 has established a comprehensive internal control framework that is designed both to protect the assets of the City 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 will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by CliftonLarsonAllen, LLP (CLA), a firm of licensed certified public accountants, who have been hired by and report to the Newton City Council. CLA will carry on as Newton's independent auditor for the contract period from fiscal year 2019 through fiscal year 2023. The independent auditors' unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2022 is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Reports on Internal Control Over Financial Reporting, Compliance and Federal Award Programs.

GAAP require 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 MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

History and Profile

The City of Newton was settled in 1639 and incorporated as a City in 1873. The City is located approximately seven miles from downtown Boston and is bordered by the West Roxbury section of Boston on the southeast, the Town of Needham on the southwest, the Towns of Wellesley and Weston on the west, the City of Waltham and Town of Weston on the north; and the Town of Brookline and the Allston-Brighton sections of Boston on the east.

The City has an estimated total population of 89,045 and occupies a land area of 18.15 square miles. The City is principally suburban-residential in character and consists of 13 distinct villages – Auburndale; Chestnut Hill; Newton Centre; Newton Corner; Newton Highlands; Newton Lower Falls; Newton Upper Falls; Newtonville; Nonantum; Oak Hill; Thompsonville; Waban; and West Newton. Open space comprises 19.0% of the City's total land area, of which 62% is publicly owned.

Newton has a diversified economic base with approximately 45,494 individuals employed in over 4,000 establishments within the boundaries of the City, with an estimated annual payroll of \$6.40 billion. Businesses are generally small and service-oriented with professional, business, education, and health services accounting for over 60% of all jobs.

Commercial uses occupy 4.5% of the City's land area. Over 34% of commercial land parcels are office uses; 12% are small retail uses; and 5% are storage or warehouse uses. Only 0.6% of the City's land area is industrial. Newton is a desirable community to live and work in due to its proximity to Boston; an excellent public school system; multiple transportation systems; attractive neighborhoods; high property values; and well managed local government. Newton has an award-winning public library and a City museum that was a stop on the Underground Railroad.

Organizational Structure

The City is governed under a home-rule charter, which vested executive authority and responsibility in an elected Mayor, who serves a four-year term. Legislative authority is vested in a 24-member City Council, of which eight members are elected from the City's eight wards and sixteen are elected at large. Members of the City Council are elected every two years. An eight member School Committee is elected every two years and is responsible for appointing the Superintendent of Schools, who has responsibility for the daily administration of the Newton Public Schools.

Services

The City provides a complete range of municipal services including education, public safety, public works, recreation, library, cultural and health and human services. The Massachusetts Water Resources Authority provides public water supply and sewerage treatment services.

Reporting Entity

The basic financial statements along with the combining statements and schedules included in this report relate to the activities under the direction and control of the Mayor, City Council and School Committee. The activities of the Newton Contributory Retirement System are included in this report as a blended component unit as prescribed by GAAP. The activities of the Newton Community Development Authority and Newton Commonwealth Foundation are discretely presented component units. The Newton Housing Authority is excluded from this report because it falls outside the direction and control of the Mayor and City Council.

Financial Management

The Mayor is responsible for the preparation of the City's capital improvement plan; a multi-year financial forecast; and annually recommended capital and operating budgets. The City Council is responsible for review and approval of all appropriations recommended by the Mayor. An eight member Finance Committee of the City Council oversees financial policy and a majority of the membership of the Finance Committee also serves on the Audit Subcommittee.

The City's senior financial and administrative management team consists of the Chief Financial Officer; the Chief Operating Officer; the Treasurer/Collector and Chief Assessor who are appointed by the Mayor and approved by the City Council; and the Comptroller who is appointed by the City Council.

The City's three-member Board of Assessors, appointed by the Mayor, is responsible for maintaining accurate real estate and personal property values. Property values are adjusted annually to capture changes in the local real estate market and to make certain the City's assessed valuations are fair and accurate.

The Treasurer/Collector is responsible for revenue collections, cash and debt management, and the administration of parking violations. Real estate and personal property taxes are billed quarterly, thereby eliminating the need to borrow in anticipation of revenue. On-line transactions and a lock-box system are used for the majority of real estate, personal property, motor vehicle and utility cash collections.

The Comptroller is responsible for maintaining the City's accounting records, and reporting the City's financial activity and position. Detailed quarterly revenue and expenditure information is provided on-line to operating departments. Quarterly comparative financial management reports are issued to the Mayor, City Council and public on the Comptroller's page of the City web site. Un-audited budgetary basis year-end financial reports are issued within 90 days of the close of the fiscal year, and audited financial statements are issued shortly before or after the end of the calendar year.

Financial Planning

The City is continuing to navigate the financial challenges of COVID-19 with conservative budgeting, including reduced expectations on revenue streams including hotel room occupancy tax, meals tax, parking violation fines and recreational fees. ARPA funding from the federal government has allowed the City the ability to take advantage of doing projects that have been, or would have been, delayed due to the COVID-19 pandemic.

Three on-going financial management challenges facing the City for the past several years have been the need to more aggressively fund the City's defined benefit pension plan; the need to formalize a plan for actuarially funding the City's Other Post-Employment Benefits (OPEB) liability; and the need to fund general purpose budget reserves.

The City is currently on track to fund its defined benefit pension obligations in full by fiscal year 2030. The Plan's Net Pension Liability decreased from \$293.1 million as of December 31, 2020, to \$246.9 million as of December 31, 2021. The funded ratio, or the ratio of the actuarial value of assets to the actuarial accrued liability increased from 57.37% to 61.05%. For fiscal year 2023 and later years, each year's appropriation increases 9.6%.

The OPEB trust ended fiscal year 2022 with assets of \$25.4 million, \$2.5 million or 11% greater than the funded balance on June 30 of the previous fiscal year. Although the City has yet to formally adopt a funding plan for its OPEB liabilities, the January 1, 2022 OPEB actuarial valuations include significant funding to begin in fiscal year 2031, after the defined benefit plan is scheduled to be actuarially funded. Eight years later, by fiscal year 2039, the City's OPEB obligations will reach full actuarial funding.

The City's Rainy Day Stabilization Fund ended fiscal year 2022 with a fund balance of \$24.0 million, \$880,000 more than the balance as of the start of the year and 5% of General Fund expenditures for the year.

Accounting System and Budgetary Control

The management of the City is responsible for establishing and maintaining adequate internal controls to:

- Properly safeguard assets.
- Provide reasonable assurance on the accuracy and reliability of the accounting records used in the preparation of the basic financial statements.
- Provide reasonable assurance relative to compliance with legal and contractual constraints on the custody and use of assets.

Departmental expenditure budgets are prepared and accounted for on a line-item basis. However, legally binding appropriations are made for Personal Services, Expenses, Fringe Benefits, Debt Service and Capital Outlay. Line-item transfers within an expenditure category may be made with the approval of the Department Head and Comptroller. Transfers between expenditure categories require the approval of the Mayor and City Council.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds to maintain budgetary control.

An analysis of all legally adopted operating and capital budgets are presented in the combining and individual fund statements and schedules section of this report.

The City's books on fiscal year 2022 were closed within 90 days of year end and on October 5, 2022 the Massachusetts Department of Revenue certified the City's July 1, 2022 free cash (General Fund balance available for appropriation) at \$28.9 million. All statutory filings have also been made with the Massachusetts Department of Revenue and the Department of Elementary and Secondary Education.

Cash Management

Quarterly billing of real estate and personal property taxes coupled with timely water and sewer utility billing has eliminated the need to borrow in anticipation of revenue. Idle cash is invested by the Treasurer/Collector and governed by the Municipal Finance Laws of the Commonwealth of Massachusetts.

Trust Fund, Permanent Fund and Internal Service Fund assets, which the City does not expect to liquidate for current operations, are invested in U.S. Government, fixed income and/or equity securities. Professional investment managers oversee the City's long-term investments.

The City's Retirement Board voted at its May 2007 meeting to transfer investment management responsibility for the system's investment portfolio to the Commonwealth of Massachusetts Pension Reserve Investment Trust effective July 1, 2007. The Retirement System's assets are segregated from other City assets and are managed by a variety of professional investment managers who have been selected by the Massachusetts Pension Reserve Investment Trust, to achieve the Board's asset allocation policy.

Risk Management

The City is self-insured for group health, workers' compensation, and general liability insurance. Individual Internal Service Funds are maintained for purposes of accumulating sufficient assets to meet fund liabilities.

The City purchases property insurance from a commercial insurance company. All other risk exposures are self-insured by the City.

In accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the City's June 30, 2022 actuarial valuation used the data, assumptions, and plan of benefits as of June 30, 2021 contained in the June 30, 2022 report. GASB 75 permits a measurement date as early as the end of the fiscal year prior to the reporting date. The City's Net OPEB Liability decreased from \$898.5 million as of June 30, 2021 to \$667.0 million as of June 30, 2022, and the Plan's Fiduciary Net Position as a percent of the Total OPEB Liability increased from 2.48% to 3.66%.

Newton, like most communities in Massachusetts and in New England, does not currently have a formally adopted plan for funding health benefits on a basis other than the historical pay as you go approach. Beginning on July 1 of 2012 the City began contributing 2.5% of compensation for all new health plan participants; the 2.5% contribution level was increased to 3% in 2014, and eventually to the current rate of 3.6%. Please refer to the notes to the financial statements and required supplementary information for more detailed information on the City's health benefit obligations.

Audit Committee

In order to strengthen the City's internal controls and financial reporting, the City Council established a permanent audit committee, consisting of both representatives of the City Council and Newton residents with financial management and audit education and experience. The Committee held a number of meetings with management and the City's independent auditors in fiscal year 2022.

Awards and Acknowledgments

The City currently maintains an Aaa credit rating with both Moody's Investor Service and S&P.

The Comptroller's Office succeeds because of the exceptional and professional commitment of the staff of the Comptroller's Office, including Stela Zaloshnja, Regina Zegarelli, Denise King, Michelle Tan, and Olivia Alves. Stephen Curley was chosen by the City Council and its search committee to become Comptroller upon the retirement of Susan Dzikowski in January 2022 after 5 years as Comptroller. I would also like to thank the Chair of the Finance Committee, City Councilor Rebecca Walker Grossman, for her able leadership during the transition of Comptrollers. Thank you to the public accounting firm of CliftonLarsonAllen, LLP for the successful completion of this year's audit and for all of their advice and assistance in the preparation of this report and over the course of the year.

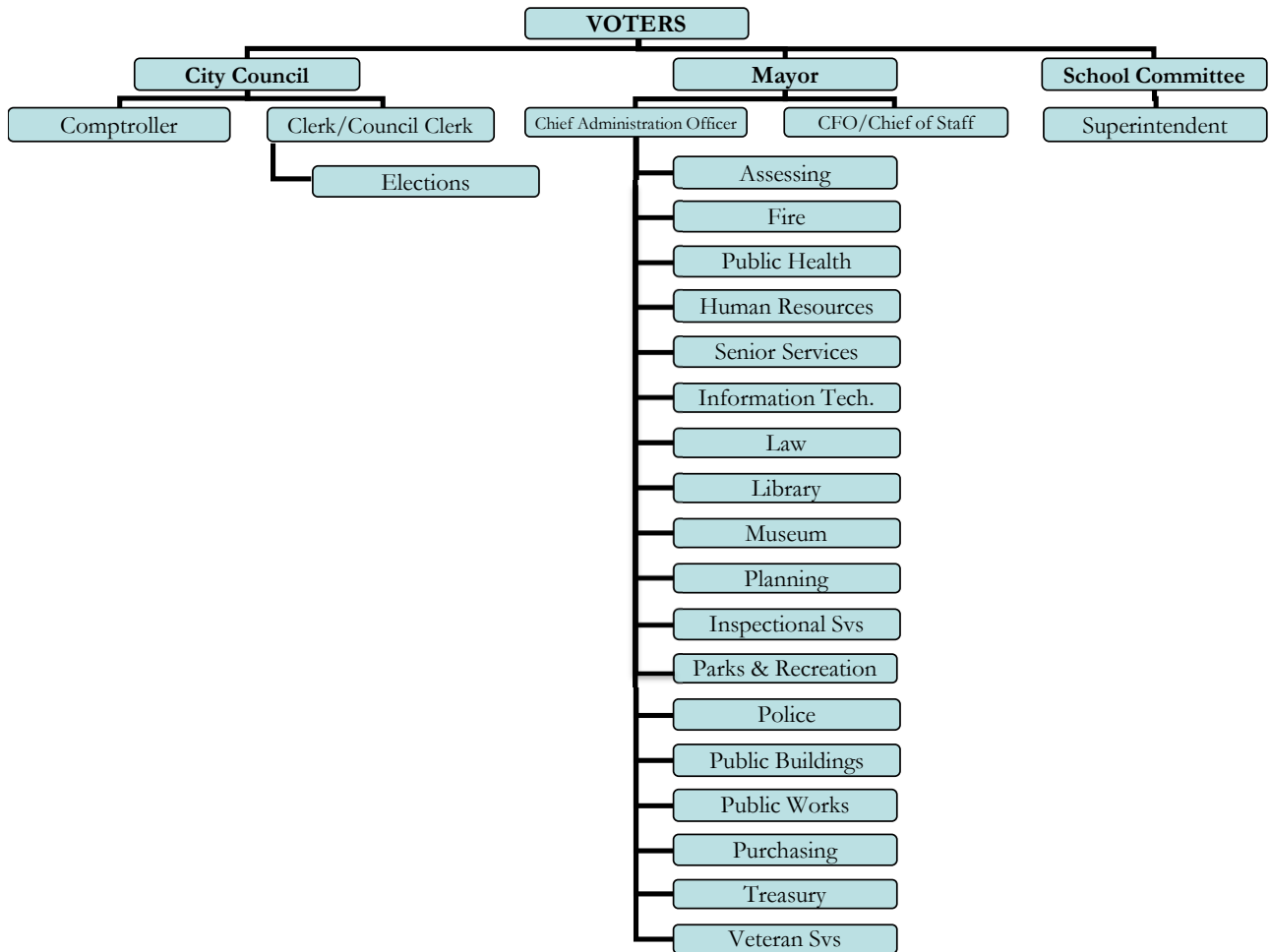
Respectfully,

A handwritten signature in black ink, appearing to read 'S Curley', is centered on the page. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen Curley
Comptroller, City of Newton

CITY OF NEWTON, MASSACHUSETTS

ORGANIZATIONAL CHART



CITY OF NEWTON, MASSACHUSETTS
ELECTED OFFICIALS AND DEPARTMENT HEADS
June 30, 2022

CITY COUNCIL

Susan Albright, President
Richard A. Lipof, Vice-President
R. Lisle Baker, President Emeritus
Rebecca Walker Grossman, Finance Committee Chair
David A. Kalis, Finance Vice Chair
Alicia Bowman
Alison M. Leary
Tarik J. Lucas
Andreae Downs
Andrea W. Kelley
Brenda Noel, Finance Committee
Christopher J. Markiewicz
Deborah Crossley
Emily Norton, Finance Committee
Holly Ryan
John Oliver, Finance Committee
Joshua Krintzman
Julia Malakie, Finance Committee
Leonard J. Gentile, Finance Committee
Marc C. Laredo
Maria Scibelli Greenberg
Pamela Wright
Victoria L. Danberg
William Humphrey, Finance Committee

SCHOOL COMMITTEE

Tamika Olszewski, Chair
Kathleen Shields, Vice-Chair
Rajeev Parlikar
Christopher Brezski
Anping Shen
Emily Prenner
Paul Levy
Cove Johnstone Davis
Mayor Ruthanne Fuller, Ex Officio Member
Dr. Kathleen Smith, Interim Superintendent of Schools
Liam Hurley, Assistant Superintendent/Chief Financial & Adm. Officer

EXECUTIVE

Mayor Ruthanne Fuller
Maureen Lemieux, Chief Financial Officer
Jonathan Yeo, Chief Operating Officer

DEPARTMENT HEADS

Accounting: Stephen Curley, Comptroller
Assessing: James Shaughnessy, Director and Chair, Board of Assessors
City Clerk/Clerk of Board: Carol Moore, City Clerk/Clerk of the Board
Elections: Carol Moore, City Clerk/Clerk of the Board
Fire: Gregory Gentile, Fire Chief
Health & Human Services: Linda Walsh, Commissioner
Human Resources: Michelle Pizzi O'Brien, Director
Financial Services: Maureen Lemieux, Chief Financial Officer
Information Technology: Joseph Mulvey, Chief Information Officer
Inspectional Services: John Lojek, Commissioner
Newton History Museum: Lisa Dady, Director
Law: Alissa Guiliani, City Solicitor
Library: Jill Mercurio, Director
Parks & Recreation: Nicole Banks, Commissioner
Planning & Development: Barney Heath, Director
Police: John Carmichael, Police Chief
Public Buildings: Josh Morse, Commissioner
Public Works: James McGonagle, Commissioner
Purchasing: Nicholas Read, Chief Procurement Officer
Senior Services: Jayne Colino, Director
Treasury: Ron Mendes, Treasurer & Collector
Veteran Services: Seth Bai, Veteran Services Officer

CONTRIBUTORY RETIREMENT BOARD

Thomas Lopez, Chair & Elected Member
Anthony T. Logalbo, Vice Chair & Mayoral Appointee
Lisa Maloney, Appointed Member
Paul Bianchi, Elected Member
Stephen Curley, Ex Officio Member
Barbara O'Brien, Retirement System Director

FINANCIAL SECTION



Independent Auditors' Report

To the Honorable City Council and Mayor
City of Newton, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Massachusetts (the City), as of and for the year ended June 30, 2022 (except for the Newton Contributory Retirement System and the Newton Commonwealth Foundation, Inc., a discretely presented component unit, which is as of and for the year ended December 31, 2021), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022 (except for the Newton Contributory Retirement System and the Newton Commonwealth Foundation Inc., a discretely presented component unit, which is as of and for the year ended December 31, 2021), 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.

We did not audit the financial statements of the Newton Commonwealth Foundation, Inc., a discretely presented component unit which statements reflect total assets and net position constituting 54% , 53% and 99%, respectively, of total assets, net position, and operating revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Newton Commonwealth Foundation, Inc., is based solely of the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions were not modified with respect to this matter.

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's 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 City's 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 City's 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, general fund and community preservation budgetary comparisons, and certain pension and other postemployment benefits information 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 GAAS, 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's basic financial statements. The combining and individual fund statements 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 GAAS. In our opinion, the combining and individual fund 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance



CliftonLarsonAllen LLP

Boston, MA
December 29, 2022

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Newton (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City (primary government) for the fiscal year ended June 30, 2022.

Financial Highlights:

- Total liabilities and deferred inflows of City resources exceeded total assets and deferred outflows of resources as of the close of the most recent fiscal year by \$444 million – an increase of \$52.3 million or 10.5% from June 30, 2021. The negative (\$444) million net position for June 30, 2022 consisted of (\$603.6) in negative net position in governmental activities and a positive \$159.5 million in the City's business type activities.
- At June 30, 2022, the City's governmental funds reported a combined fund balance of \$152.9 million. The combined governmental funds fund balance increased by \$20.6 million (15.6%) from the prior year's ending fund balance.
- The City's general fund reported total fund balance of \$104 million at the end of fiscal year 2022, a \$19 million (23%) increase from the total fund balance at June 30 of the prior fiscal year. The unassigned portion of the fund balance increased by \$12.1 million to \$72.9 million or 14.1% of total general fund revenues and other financing sources. The unassigned fund balance includes \$24.0 million that the City has set aside as a "Rainy Day Stabilization" fund.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) 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 the City's finances, in a manner similar to a private sector business. The *statement of net position* presents information on all of the City's non-fiduciary assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements summarize functions and programs of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions and programs that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The governmental activities of the City include the broad functions of general government; public safety; education; public works; health & human services; culture and recreation; debt service – interest, and the major services provided within each functional category. The business-type activities of the City include two enterprise activities: the water system and the sanitary sewer system. Trend information for the past 10 years can be found in the Statistical Section of this report.

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

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

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

The City maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the *general fund*, the *community preservation fund*, the *American Rescue Plan Act (ARPA) fund*, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation under the caption *non-major governmental funds*. A brief description and individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* in this report. The governmental funds financial statements can be found in the Basic Financial Statements of this report. Trend information may be found in the Statistical Section of this report.

Proprietary funds: The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, sanitary sewer and storm water activities. *Internal service funds* are an accounting device used to accumulate and allocate the costs internally among the City's various functions, including employee health benefits; workers' compensation; public building insurance; and general liability self-insurance activities. The services provided by these funds predominately benefit the governmental rather than the business-type functions. Accordingly, the internal service funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sanitary sewer and storm water activities. The water and sanitary sewer funds are considered major funds of the City. Conversely, all internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. A brief description of each fund and individual fund data for the internal service funds is provided in the form of *combining statements* in this report. The basic proprietary fund financial statements can be found in the Basic Financial Statements of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* included in the government-wide financial statements because the resources of the funds are *not* available to support the City's own functions and activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements provide combined information for the pension and other post-employment trust funds of the City. All other fiduciary funds are reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "custodial funds", respectively. A brief description of each fund and individual fund data for the private purpose trust funds is provided in the form of *combining statements* of this report. The fiduciary funds financial statements can be found in the Basic Financial Statements of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the Basic Financial Statements of this report. A brief description of fund balance terminology required by Governmental Accounting Standards Board Statement 54 for governmental funds is presented in the notes along with a detailed analysis of the major components of each fund balance account.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's progress in funding its obligation to provide pension and post-employment benefits to its employees. Such information is located after the Notes to the Basic Financial Statements of this report.

The combining statements previously referred to are presented immediately following the notes to the basic financial statements.

Government-wide Financial Analysis:

Net Position: The City's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources exceeded by \$444 million at June 30, 2022. This represents an increase of \$52.3 million or 10.5% in the total net position at June 30 of the prior year.

The following table presents current and prior year data regarding the City's net position:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets.....	\$ 280,848,845	\$ 255,532,122	\$ 88,987,981	\$ 89,754,114	\$ 369,836,826	\$ 345,286,236
Noncurrent assets (excluding capital assets).....	7,032,118	5,820,997	182,496	258,738	7,214,614	6,079,735
Capital assets (net).....	620,022,300	609,533,547	141,363,296	134,862,918	761,385,596	744,396,465
Total assets.....	<u>907,903,263</u>	<u>870,886,666</u>	<u>230,533,773</u>	<u>224,875,770</u>	<u>1,138,437,036</u>	<u>1,095,762,436</u>
Deferred Outflows of Resources	<u>86,942,900</u>	<u>105,512,506</u>	<u>2,283,471</u>	<u>2,595,848</u>	<u>89,226,371</u>	<u>108,108,354</u>
Liabilities						
Current liabilities (excluding debt).....	101,834,891	77,197,180	2,801,948	4,119,629	104,636,839	81,316,809
Noncurrent liabilities (excluding debt).....	903,515,973	1,173,066,178	23,739,755	30,366,103	927,255,728	1,203,432,281
Current debt.....	16,856,297	20,039,895	4,291,853	5,419,722	21,148,150	25,459,617
Noncurrent debt.....	289,957,549	292,435,447	35,158,664	33,182,832	325,116,213	325,618,279
Total liabilities.....	<u>1,312,164,710</u>	<u>1,562,738,700</u>	<u>65,992,220</u>	<u>73,088,286</u>	<u>1,378,156,930</u>	<u>1,635,826,986</u>
Deferred Inflows of Resources	<u>286,297,687</u>	<u>62,824,627</u>	<u>7,346,567</u>	<u>1,686,748</u>	<u>293,644,254</u>	<u>64,511,375</u>
Net Position						
Net investment in capital assets....	323,164,760	309,888,772	133,006,941	119,952,957	456,171,701	429,841,729
Restricted.....	39,478,139	45,150,711	-	-	39,478,139	45,150,711
Unrestricted.....	<u>(966,259,133)</u>	<u>(1,004,203,638)</u>	<u>26,471,516</u>	<u>32,743,627</u>	<u>(939,787,617)</u>	<u>(971,460,011)</u>
Total net position.....	<u>\$ (603,616,234)</u>	<u>\$ (649,164,155)</u>	<u>\$ 159,478,457</u>	<u>\$ 152,696,584</u>	<u>\$ (444,137,777)</u>	<u>\$ (496,467,571)</u>

The largest single components of the City's negative total net position are \$244 million in unfunded pension benefits (Net Pension Liabilities) and \$667 million in unfunded OPEB liabilities (Net OPEB Liabilities). The unfunded pension benefit total represents the difference between benefit obligations and assets that have been accumulated in the Pension Trust Fund. The funding schedule for the City's defined benefit retirement plan anticipates full actuarial funding in the fiscal year ending June 30, 2030. The unfunded OPEB total represents the difference between benefit obligations and assets that have been accumulated in the OPEB Trust Fund.

Although the City has yet to formally adopt a funding plan for its OPEB liabilities, a new OPEB actuary was engaged in 2017 to prepare a funding plan that provides for meaningful funding to begin in fiscal year 2031, after the defined benefit plan is scheduled to be actuarially funded. The plan projects full actuarial funding of OPEB obligations by fiscal year 2039.

The City's net investment in capital assets represents the investment in capital assets (e.g., land and land improvements, intangible assets, buildings and improvements, machinery and equipment, road network, water system, sewer system and construction in progress) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens therefore the assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay debt must be provided from other sources, since capital assets themselves, cannot be used to liquidate these liabilities. Please refer to the notes for a detailed calculation of the City's net investment in capital assets.

An additional portion of the City's net position represents resources that are subject to restrictions placed on how they may be used by parties external to the City. A summary of all major components of the restricted net position may be found on the face of the Statement of Net Position.

Changes in net position:

The following table presents current and prior year data regarding the City's changes in net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Revenues						
<i>Program Revenues:</i>						
Fees, fines and charges for services.....	\$ 32,291,832	\$ 22,272,175	\$ 62,874,448	\$ 67,148,742	\$ 95,166,280	\$ 89,420,917
Operating grants and contributions.....	110,210,080	122,100,314	476,860	486,926	110,686,940	122,587,240
Capital grants and contributions.....	9,985,525	4,751,688	56,819	24,265	10,042,344	4,775,953
<i>General Revenues:</i>						
Real estate and personal property taxes.....	384,990,632	376,547,753	-	-	384,990,632	376,547,753
Motor vehicle and other excise taxes.....	14,099,381	13,690,851	-	-	14,099,381	13,690,851
Hotel room occupancy taxes.....	1,164,749	314,597	-	-	1,164,749	314,597
Meals taxes.....	1,982,019	1,352,560	-	-	1,982,019	1,352,560
Cannabis state taxes.....	524,737	362,725	-	-	524,737	362,725
Penalties and interest on taxes.....	6,475,203	2,251,230	-	-	6,475,203	2,251,230
Payments in lieu of taxes.....	113,922	-	-	-	113,922	-
Community preservation surcharges.....	3,799,412	3,676,800	-	-	3,799,412	3,676,800
Grants and contributions not restricted to specific programs.....	7,140,815	7,676,004	-	-	7,140,815	7,676,004
Unrestricted investment income.....	877,523	462,472	-	-	877,523	462,472
Gain/(loss) on sales/disposals of capital assets.....	-	(496,476)	-	(236,007)	-	(732,483)
Other.....	3,031,108	2,902,230	-	-	3,031,108	2,902,230
Total revenues.....	576,686,938	557,864,923	63,408,127	67,423,926	640,095,065	625,288,849
Expenses						
General government.....	48,571,545	38,529,670	-	-	48,571,545	38,529,670
Public safety.....	76,304,626	84,057,523	-	-	76,304,626	84,057,523
Education.....	334,630,801	378,440,451	-	-	334,630,801	378,440,451
Public works.....	34,441,411	34,821,166	-	-	34,441,411	34,821,166
Health and human services.....	13,597,466	13,494,717	-	-	13,597,466	13,494,717
Culture and recreation.....	19,127,922	19,932,623	-	-	19,127,922	19,932,623
Debt service - interest.....	8,963,596	9,651,152	-	-	8,963,596	9,651,152
Water.....	-	-	21,574,951	20,629,851	21,574,951	20,629,851
Sewer.....	-	-	28,952,544	27,836,234	28,952,544	27,836,234
Stormwater.....	-	-	1,600,409	1,510,859	1,600,409	1,510,859
Total expenses.....	535,637,367	578,927,302	52,127,904	49,976,944	587,765,271	628,904,246
Change in net position before transfers.....	41,049,571	(21,062,379)	11,280,223	17,446,982	52,329,794	(3,615,397)
Transfers, net.....	4,498,350	4,310,000	(4,498,350)	(4,310,000)	-	-
Change in net position.....	45,547,921	(16,752,379)	6,781,873	13,136,982	52,329,794	(3,615,397)
Net position - beginning of year.....	(649,164,155)	(632,411,776)	152,696,584	139,559,602	(496,467,571)	(492,852,174)
Net position - end of year.....	\$ (603,616,234)	\$ (649,164,155)	\$ 159,478,457	\$ 152,696,584	\$ (444,137,777)	\$ (496,467,571)

Total revenue for the year ended June 30, 2022 amounted to \$640 million, an increase of \$15 million or 2.4% from the prior year. Real estate tax revenue, the City's largest revenue source, accounted for \$8 million or 57% of the revenue growth.

Total expenses decreased by \$41 million or 6.5% during the year.

Expenses in the Statement of Activities are reported by program and major function in order to provide the reader with an understanding of the full and net cost of providing the range of local services that the City provides.

Public education continues to be the function receiving the largest commitment of City resources. For the year ended June 30, 2022, total spending for education purposes was \$335 million or 57% of total spending and 62% of governmental activity spending.

Governmental activities – Governmental activities increased the City’s net position by \$46 million or 7% during fiscal 2022 primarily due to a decrease in the net pension liability. A summary of revenues and major functional expenses is included in the tables presented previously. In order to assist the reader in understanding more completely the full cost of the major services provided by the City within each of the broad functional classifications identified above, the Statement of Activities, provides a detailed accounting of all major service expenses, related revenues, and each service’s consumption of general revenues (principally property taxes).

Business-type activities – Business-type activities increased the City’s net position by \$7 million or 4% during fiscal year 2022.

Financial Analysis of Governmental 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 the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the City’s governmental funds reported a combined fund balance totaling \$153 million, a \$21 million or 16% increase from the prior year reported financial position.

The General fund is the primary operating fund of the City and at June 30, 2022 reported a total fund balance of \$104 million, \$20 million or 23% more than the total fund balance for the previous fiscal year. The unassigned portion of fund balance increased from \$60.8 million or 12.0% of total fund revenues and other financing sources at June 30, 2021 to \$72.9 million or 14.1% of fund revenues and other financing sources at June 30, 2022. The City’s Rainy Day (fiscal/economic stabilization) Fund accounts for \$24.0 million or approximately 33% of the current Unassigned Fund Balance. The Rainy Day fund balance represents 5% of General Fund expenditures for the year.

City of Newton, Massachusetts
General Fund
Fund Trends – Fiscal year 2022 and (5) previous fiscal years

	2022	2021	2020	2019	2018	2017
Total fund balance	\$ 103,752,236	\$ 84,140,115	\$ 73,025,039	\$ 71,020,024	\$ 66,621,935	\$ 67,050,624
Less: Fund balance restrictions for:						
Debt service.....	2,017,980	2,127,157	2,234,379	2,234,379	2,339,315	2,442,053
Capital.....	26,732	26,732	195,477	195,477	195,477	1,115,477
Less: Fund balance committed for:						
Subsequent year's expenditures.....	1,609,177	1,609,179	4,107,222	1,904,936	1,602,738	1,600,564
Capital.....	170,580	170,580	170,580	370,580	728,835	1,070,580
Continued appropriations.....	16,115,275	9,395,485	9,686,686	12,999,204	12,057,695	12,197,805
Less: Fund balance assigned for:						
Encumbrances.....	10,527,328	9,725,644	8,043,255	5,773,803	5,656,818	2,365,805
Capital.....	344,066	332,022	157,462	80,609	10,677	10,678
Unassigned fund balance.....	72,941,098	60,753,316	48,429,978	47,461,036	44,030,380	46,247,662
Total revenues & other financing sources.....	\$ 516,678,237	\$ 507,218,310	\$ 486,750,057	\$ 464,574,323	\$ 444,960,412	\$ 428,920,940
Total fund balance as % total revenues and ofs.....	20.1%	16.6%	15.0%	15.3%	15.0%	15.6%
Unassigned fund balance as % total revenues and ofs..	14.1%	12.0%	9.9%	10.2%	9.9%	10.8%

Total general fund revenues and other financing sources increased by \$9.5 million or 1.9%, during fiscal year 2022 principally as a result of real estate and personal property tax collections.

Property tax revenue growth of \$13.5 million accounted for 486% of all revenue growth for the year. The 3.6% increase in property tax revenue resulted from a combination of the normal increase authorized by Proposition 2 1/2 and new growth. A tax refund payable liability of \$10.2 million has been recorded at fiscal year-end for abatement applications that, in the opinion of the Board of Assessors, are likely to result in tax refunds.

A detailed schedule of inter-fund transfer activity is presented in the notes of this report.

Source	Amount	%	Increase/ (Decrease)	%
		of Total		Change
Real estate and personal property taxes.....	\$ 391,533,233	75.8%	\$ 13,512,028	3.6%
Motor vehicle excise taxes.....	14,308,074	2.8%	215,577	1.5%
Hotel room occupancy taxes.....	1,164,749	0.2%	850,152	270.2%
Meals taxes.....	1,982,019	0.4%	629,459	46.5%
Cannabis state tax.....	524,737	0.1%	162,012	N/A
Penalties and interest on taxes.....	6,475,203	1.3%	4,223,973	187.6%
Licenses and permits.....	12,974,117	2.5%	4,399,279	51.3%
Intergovernmental.....	67,722,442	13.1%	(24,470,002)	-26.5%
Charges for services.....	3,825,963	0.7%	925,251	31.9%
Fines and forfeitures.....	704,969	0.1%	466,218	195.3%
Investment income.....	852,546	0.2%	422,629	98.3%
Payments in lieu of taxes.....	2,333,423	0.5%	1,929,550	477.8%
Special assessments.....	30,499	0.0%	(13,912)	-31.3%
Other.....	209,295	0.0%	(471,701)	-69.3%
Total revenues.....	504,641,269	97.7%	2,780,513	0.6%
Transfers from other funds.....	12,036,968	2.3%	6,679,414	124.7%
Total revenues and other financing sources.....	\$ 516,678,237	100.0%	\$ 9,459,927	1.9%

Total general fund expenditures and transfers to other funds totaled \$498.2 million, an increase of \$2.1 million or 0.4% from the previous fiscal year.

	<u>Amount</u>	<u>% of Total</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
General government.....	\$ 22,753,867	4.6%	\$ 3,728,463	19.6%
Public safety.....	57,297,082	11.5%	6,431,812	12.6%
Education.....	284,541,817	57.1%	(16,816,521)	-5.6%
Public works.....	29,633,750	5.9%	(614,264)	-2.0%
Health and human services.....	5,787,593	1.2%	765,875	15.3%
Culture and recreation.....	13,493,224	2.7%	1,485,364	12.4%
Retirement benefits.....	47,772,419	9.6%	4,855,995	11.3%
Workers' compensation insurance.....	1,200,000	0.2%	-	0.0%
Property and liability insurance.....	667,239	0.1%	26,759	4.2%
Claims and judgements.....	1,858,593	0.4%	1,727,999	1323.2%
State assessments and charges.....	6,453,245	1.3%	(54,568)	-0.8%
Debt service				
Principal.....	14,559,667	2.9%	10,000	0.1%
Interest.....	<u>10,039,473</u>	<u>2.0%</u>	<u>(528,342)</u>	<u>-5.0%</u>
Total expenditures.....	496,057,969	99.5%	1,018,572	0.2%
Transfers to other funds.....	<u>2,109,807</u>	<u>0.4%</u>	<u>1,045,968</u>	<u>98.3%</u>
Total expenditures and transfers.....	<u>\$ 498,167,776</u>	<u>99.9%</u>	<u>\$ 2,064,540</u>	<u>0.4%</u>

The \$16.7 million or 5.6% decrease in education expenditures resulted from a decrease in the net pension liability of the MTRS, which resulted in a decrease in the related expenditure.

During the fiscal year ended June 30, 2022, the City realized \$5.7 million in CPA fund revenue, \$3.8 million (67%) of which came from the local property tax surcharge. State matching funds amounted to \$1.6 million. Fund expenditures totaled \$11.8 million for the year.

During the fiscal year ended June 30, 2022, the City realized \$20.6 million in ARPA grant revenue. Fund expenditures and transfers out totaled \$20.6 million for the year.

Proprietary funds - The City's proprietary funds provide the same information found in the government-wide statements, but in slightly more detail. Proprietary fund net position's net investment in capital assets represents principally the City's water supply and distribution system; the sanitary sewer collection system; and the storm water drainage system.

The financial position of the City's sewer fund increased by \$2.1 million to \$89.6 million at June 30, 2022. Unrestricted fund net position was \$14.5 million at June 30, 2022.

The financial position of the City's water fund increased during the last fiscal year from \$57.9 million at June 30, 2021 to \$60.9 million at June 30, 2022. Unrestricted fund net position was \$7.4 million.

The City's stormwater management fund ended the year with a net position of \$9.0 million – an increase of \$1.7 million from June 30, 2021. Unrestricted net position amounted to \$4.6 million.

The financial position of the City's Internal Service Funds decreased by \$9.7 million during the year ended June 30, 2022. Internal service funds are used to account for the City's self-insured group health insurance; workers compensation; and general liability risk exposures and to fund property insurance premiums for City buildings and contents. Detailed information on the self-insurance funds is presented in the Combining Statements section of this report.

The financial position of the City’s workers compensation self-insurance fund decreased by \$3.0 million during the year.

The financial position of the group health self-insurance fund decreased by \$6.6 million. The \$11.4 million year-end net position represents approximately 2 months of average paid claims. The City’s target financial position for the fund is 1.5 – 2.0 months of average paid claims.

Fiduciary funds – The net position of the City’s contributory retirement system increased by \$87 million (19.7%) to \$526 million during the system’s fiscal year that ended December 31, 2021, as a result of the fact that investment income for the year (net of investment management fees) was \$84 million. According to the Commonwealth of Massachusetts Public Employee Retirement Administration Commission’s 2021 Annual Report, the Newton Contributory Retirement System’s investment portfolio returned 19.7% for the year (compared to a long term return assumption of 6.9% for funding and financial reporting). The plan’s thirty-six year average annual return as of 12/31/21 was 9.06%.

The funded status of the defined benefit retirement plan at January 1, 2022 on an actuarial funding basis was 61.05%. Based upon a new funding schedule that was formally adopted by the City, the plan is expected to be fully funded in the fiscal year ending June 30, 2030. The new funding schedule assumes a 9.6% annual increase in City appropriations to the defined benefit trust; average annual investment returns of 6.9%; and projected annual salary increases ranging from 3.5% to 8.0% per year. More specific information about the local retirement system may be found in the Notes to the Basic Financial Statements.

The net position of the City’s OPEB fund increased from \$22.9 million to \$25.3 million during fiscal year 2022, primarily as a result of contributions exceeding benefits. All OPEB assets are invested with the Commonwealth of Massachusetts State Employee Benefit Fund (under the management of the Pension Reserve Investment Management Board).

General Fund Budgetary Highlights:

The difference between the original General Fund budget of \$481.8 million (including prior year encumbrances and continuing appropriations) and the final amended budget of \$496.0 million amounts to 2.9% and can be summarized as follows:

Description	Amount
Interest on property tax refunds.....	\$ 4,632,500
Street Improvements.....	2,608,000
Capital outlay and improvements.....	1,873,769
Municipal salaries.....	1,625,000
Legal Claims.....	1,565,000
All other.....	1,869,913
Total supplemental appropriations.....	\$ 14,174,182

All but \$3.0 million (0.6%) of total appropriations were expended, encumbered, or continued into fiscal year 2023 for completion of the appropriated purposes at June 30, 2022. Please refer to the Schedule of Expenditures and Transfers Out – Budget to Actual – Legal Level of Control, for a complete accounting of budget to actual experience for all City departments.

Capital Assets and Debt Administration

Capital assets – The City’s total investment in capital assets for governmental and business-type activities as of June 30, 2022, amounts to \$761 million. The investment in capital assets includes land and land improvements, intangible assets, buildings and improvements, machinery and equipment, infrastructure and construction in progress.

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2022	2021	2022	2021	2022	2021
Land and improvements.....	\$ 54,491,052	\$ 46,400,152	\$ 284,785	\$ 284,785	\$ 54,775,837	\$ 46,684,937
Intangible assets.....	2,238,261	2,238,261	-	-	2,238,261	2,238,261
Buildings and improvements..	409,882,817	418,339,794	1,802,375	1,802,375	411,685,192	420,142,169
Machinery and equipment.....	28,418,655	30,753,002	6,330,354	7,386,898	34,749,009	38,139,900
Infrastructure.....	107,395,425	101,057,489	132,313,688	122,607,939	239,709,113	223,665,428
Construction in progress.....	17,596,090	10,744,849	632,094	2,780,921	18,228,184	13,525,770
Total capital assets.....	\$ <u>620,022,300</u>	\$ <u>609,533,547</u>	\$ <u>141,363,296</u>	\$ <u>134,862,918</u>	\$ <u>761,385,596</u>	\$ <u>744,396,465</u>

Total capital assets, net of accumulated depreciation, increased by \$17 million. Major capital asset events during 2022 included the following:

- Business-type activity net capital assets increased by \$7 million, due to water and sewer system improvements funded with Massachusetts Water Resources Authority grants and interest free loans, and locally funded sewer infiltration and inflow reduction, water main cleaning and relining programs, and stormwater drainage construction projects.
- Governmental activity capital assets (net) increased by \$10 million, principally as a result of school building and infrastructure improvements, primarily funded with the issuance of bonds and notes.

Additional information on the City's capital assets may be found in the Notes to the Basic Financial Statements of this report.

Debt outstanding – At June 30, 2022, the City had total long term debt outstanding (net of premiums) of \$331 million, \$293 million for governmental activities and \$38 million for business-type activities. At June 30, 2022, the City had no short-term debt outstanding. All debt is a general obligation of the City, although water, sewer and stormwater debt service payments are made from the resources of the enterprise funds.

City of Newton, Massachusetts General Obligation Bonds and Notes Outstanding – by Purpose

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2022	2021	2022	2021	2022	2021
Education Buildings.....	\$ 233,103,409	\$ 230,133,340	\$ -	\$ -	\$ 233,103,409	\$ 230,133,340
Municipal buildings.....	24,056,100	25,533,100	-	-	24,056,100	25,533,100
Departmental equipment...	5,000,654	5,472,740	-	-	5,000,654	5,472,740
Other.....	30,416,700	32,517,350	-	-	30,416,700	32,517,350
Water system.....	-	-	24,380,120	20,345,400	24,380,120	20,345,400
Sanitary sewer system.....	-	-	10,398,900	11,656,300	10,398,900	11,656,300
Stormwater system.....	-	-	3,467,800	3,722,800	3,467,800	3,722,800
Total bonds and notes.....	\$ <u>292,576,863</u>	\$ <u>293,656,530</u>	\$ <u>38,246,820</u>	\$ <u>35,724,500</u>	\$ <u>330,823,683</u>	\$ <u>329,381,030</u>

During the year just ended, the City added \$20 million in new bonds and notes and retired \$19 million in existing bonds and notes. General fund interest and principal payments amounted to \$25 million or 5% of fund revenues and other financing sources.

The City's bonds are rated Aaa by Moody's Investor Services Inc.

Additional information on the City's long-term debt can be found in the Notes to the Basic Financial Statements of this report. In addition, debt trend information is available in the Statistical Section of this report.

Economic Factors and Next Year's Budget and Rates

- According to the U.S. Census Bureau, the median household income for the City was \$164,607. This compares favorably with the Massachusetts median household income of \$89,026, and the U.S. median household income of \$70,784.
- According to Homefacts.com, the unemployment rate for the City as of June 30, 2022 was 2.6%, which compared favorably with the statewide unemployment rate of 3.5% and the national unemployment rate of 3.6%.
- The City of Newton's fiscal year 2023 general fund original operating budget amounts to \$480 million.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Comptroller, City of Newton, 1000 Commonwealth Avenue, Newton, Massachusetts 02459 or scurley@newtonma.gov.

Basic Financial Statements

CITY OF NEWTON
STATEMENT OF NET POSITION
June 30, 2022

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Current Assets:				
Cash and Cash Equivalents.....	\$ 137,917,041	\$ 39,282,399	\$ 177,199,440	\$ 2,714,545
Restricted Cash and Cash Equivalents.....	105,573,849	32,473,267	138,047,116	3
Restricted Investments.....	16,830,256	-	16,830,256	-
Interest and Dividends.....	17,689	-	17,689	423,529
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes.....	3,920,493	-	3,920,493	-
Tax and utility liens.....	8,185,791	268,617	8,454,408	-
Motor Vehicle and Other Excise Taxes.....	995,650	-	995,650	-
Community Preservation Surcharges.....	15,970	-	15,970	-
User Charges.....	-	16,919,830	16,919,830	-
Departmental and Other.....	647,038	-	647,038	9,417
Intergovernmental.....	4,683,744	2,072	4,685,816	-
Special Assessments.....	-	41,796	41,796	-
Leases.....	453,682	-	453,682	-
Loans.....	-	-	-	16,277
Other Assets.....	30,000	-	30,000	-
Due from Fiduciary Funds.....	475,204	-	475,204	-
Prepaid Expenses.....	351,983	-	351,983	-
Working Capital Deposit.....	750,455	-	750,455	-
Total Current Assets.....	280,848,845	88,987,981	369,836,826	3,163,771
Noncurrent Assets:				
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate Tax Deferrals.....	3,160,599	-	3,160,599	-
Intergovernmental.....	905,278	-	905,278	-
Special Assessments.....	318,255	182,496	500,751	-
Leases.....	2,647,986	-	2,647,986	-
Loans.....	-	-	-	3,232,694
Capital assets:				
Nondepreciable.....	74,325,403	916,879	75,242,282	-
Depreciable, net of accumulated depreciation.....	545,696,897	140,446,417	686,143,314	1,507,875
Total Noncurrent Assets.....	627,054,418	141,545,792	768,600,210	4,740,569
Total Assets.....	907,903,263	230,533,773	1,138,437,036	7,904,340
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB.....	65,693,769	1,606,562	67,300,331	-
Related to Pension.....	21,249,131	676,909	21,926,040	-
Total Deferred Outflows of Resources.....	86,942,900	2,283,471	89,226,371	-
LIABILITIES				
Current Liabilities:				
Warrants Payable.....	8,461,832	880,230	9,342,062	60,000
Accrued Liabilities.....	2,935,161	828,387	3,763,548	-
Accrued Payroll.....	22,207,827	58,196	22,266,023	-
Revenue Refunds Payable.....	10,196,627	-	10,196,627	-
Health Claims Payable.....	4,967,607	-	4,967,607	-
Other Liabilities.....	5,605,057	-	5,605,057	-
Accrued Interest.....	3,342,657	290,812	3,633,469	-
Abandoned Property.....	1,114,892	-	1,114,892	-
Unearned Revenue.....	34,433,088	-	34,433,088	-
Liabilities payable from restricted assets.....	1,084,789	708,889	1,793,678	-
Bonds Payable.....	16,856,297	4,291,853	21,148,150	-
Landfill Closure and Other Environmental Liabilities.....	44,797	-	44,797	-
Compensated Absences.....	5,119,525	30,354	5,149,879	-
Workers' Compensation Claims.....	1,900,000	-	1,900,000	-
Leases.....	421,032	5,080	426,112	-
Total Current Liabilities.....	118,691,188	7,093,801	125,784,989	60,000

CITY OF NEWTON, MASSACHUSETTS
STATEMENT OF NET POSITION (Continued)

June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent Liabilities:				
Bonds Payable.....	289,957,549	35,158,664	325,116,213	-
Landfill Closure and Other Environmental Liabilities.....	313,439	-	313,439	-
Compensated Absences.....	5,852,650	273,176	6,125,826	-
Net Pension Liability.....	236,639,740	7,538,356	244,178,096	-
Net OPEB Liability.....	651,076,257	15,922,280	666,998,537	-
Workers' Compensation Claims.....	8,953,259	-	8,953,259	-
Leases.....	680,628	5,943	686,571	-
Total Noncurrent Liabilities.....	1,193,473,522	58,898,419	1,252,371,941	-
Total Liabilities.....	1,312,164,710	65,992,220	1,378,156,930	60,000
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB.....	226,387,461	5,536,378	231,923,839	-
Related to Pension.....	56,824,407	1,810,189	58,634,596	-
Lease Related.....	3,085,819	-	3,085,819	-
Total Deferred Inflows of Resources.....	286,297,687	7,346,567	293,644,254	-
NET POSITION				
Net Investment in Capital Assets.....	323,164,760	133,006,941	456,171,701	1,507,875
Restricted for:				
Community preservation activities.....	15,715,730	-	15,715,730	-
Education activities.....	8,472,320	-	8,472,320	-
Receipts reserved.....	1,275,929	-	1,275,929	-
Community development block grant.....	34,322	-	34,322	-
Municipal state grants.....	1,329,489	-	1,329,489	-
Permanent Funds:				
Expendable.....	1,977,810	-	1,977,810	-
Nonexpendable.....	366,932	-	366,932	-
Other Specific Purposes.....	10,305,607	-	10,305,607	-
Unrestricted.....	(966,259,133)	26,471,516	(939,787,617)	6,336,465
Total Net Position.....	\$ (603,616,234)	\$ 159,478,457	\$ (444,137,777)	\$ 7,844,340

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government					
Legislative & executive.....	\$ 5,426,227	\$ 437,345	\$ 20,873,763	\$ -	\$ 15,884,881
Financial administration.....	6,751,028	201,713	651	-	(6,548,664)
Administrative support.....	7,654,494	270,649	4	-	(7,383,841)
Planning & development.....	19,863,727	(95,163)	4,231,435	5,640,900	(10,086,555)
Public building maintenance & operation.....	8,876,069	42,727	77,320	-	(8,756,022)
Public Safety					
Police.....	36,272,576	5,019,883	565,490	-	(30,687,203)
Fire.....	37,668,965	1,393,961	316,829	-	(35,958,175)
Inspectional services.....	2,363,085	11,697,367	-	-	9,334,282
Education	334,630,801	6,966,759	81,308,455	746,535	(245,609,052)
Public Works					
Streets & sidewalks.....	16,856,996	2,595,030	519,890	3,598,090	(10,143,986)
Control of snow & ice.....	5,245,078	-	-	-	(5,245,078)
Sanitation.....	10,252,359	205,387	68,000	-	(9,978,972)
Engineering.....	2,086,978	161,050	-	-	(1,925,928)
Health and Human Services					
Public health & human services.....	11,989,641	190,962	526,645	-	(11,272,034)
Senior services.....	1,330,570	10,329	541,196	-	(779,045)
Veteran services.....	277,255	-	60,878	-	(216,377)
Culture and Recreation					
Libraries.....	6,851,714	23,067	153,754	-	(6,674,893)
Parks & recreation.....	11,870,085	3,170,766	964,793	-	(7,734,526)
Newton History museum.....	406,123	-	977	-	(405,146)
Debt Service-Interest.....	8,963,596	-	-	-	(8,963,596)
Total Governmental Activities.....	535,637,367	32,291,832	110,210,080	9,985,525	(383,149,930)
Business-Type Activities:					
Water.....	21,574,951	26,641,474	255,627	21,800	5,343,950
Sewer.....	28,952,544	32,109,283	221,233	35,019	3,412,991
Stormwater.....	1,600,409	4,123,691	-	-	2,523,282
Total Business-Type Activities.....	52,127,904	62,874,448	476,860	56,819	11,280,223
Total Primary Government.....	\$ 587,765,271	\$ 95,166,280	\$ 110,686,940	\$ 10,042,344	\$ (371,869,707)
Component Units:					
Newton Commonwealth Foundation, Inc.....	\$ 321,718	\$ 753,282	\$ 6,811	\$ -	\$ 438,375
Newton Community Development Authority.....	63,994	-	8,338	-	(55,656)
Total Component Units.....	\$ 385,712	\$ 753,282	\$ 15,149	\$ -	\$ 382,719

CITY OF NEWTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
CHANGES IN NET POSITION				
Net (Expense) Revenue (From Previous Page).....	\$ (383,149,930)	\$ 11,280,223	\$ (371,869,707)	\$ 382,719
General Revenues:				
Real estate and personal property taxes, levied for general purposes.....	384,990,632	-	384,990,632	-
Real estate and personal property taxes, levied for community preservation purposes.....	3,799,412	-	3,799,412	-
Motor Vehicle and Other Excise Taxes.....	14,099,381	-	14,099,381	-
Hotel Room Occupancy Taxes.....	1,164,749	-	1,164,749	-
Meals Taxes.....	1,982,019	-	1,982,019	-
Cannabis State Taxes.....	524,737	-	524,737	-
Penalties and Interest on Taxes.....	6,475,203	-	6,475,203	-
Payments in Lieu of Taxes.....	113,922	-	113,922	-
Grants and Contributions not Restricted to Specific Programs.....	7,140,815	-	7,140,815	-
Unrestricted Investment Income.....	877,523	-	877,523	-
Other.....	3,031,108	-	3,031,108	-
Transfers, Net.....	4,498,350	(4,498,350)	-	-
Total General Revenues and Transfers.....	428,697,851	(4,498,350)	424,199,501	-
CHANGE IN NET POSITION	45,547,921	6,781,873	52,329,794	382,719
Net Position - Beginning of Year.....	(649,164,155)	152,696,584	(496,467,571)	7,461,621
NET POSITION - END OF YEAR.....	\$ (603,616,234)	\$ 159,478,457	\$ (444,137,777)	\$ 7,844,340

CITY OF NEWTON, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

ASSETS	General	Community Preservation	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents.....	\$ 134,596,149	\$ -	\$ -	\$ 3,320,892	\$ 137,917,041
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes.....	3,920,493	-	-	-	3,920,493
Real Estate Tax Deferrals.....	3,160,599	-	-	-	3,160,599
Tax Liens.....	8,185,791	-	-	-	8,185,791
Motor Vehicle and Other Excise Taxes.....	995,650	-	-	-	995,650
Community Preservation Surcharges.....	-	15,970	-	-	15,970
Departmental and Other.....	60,082	-	-	586,956	647,038
Intergovernmental.....	615,745	-	-	4,973,277	5,589,022
Special Assessments.....	115,706	-	-	202,549	318,255
Leases.....	3,101,668	-	-	-	3,101,668
Due from Other Funds.....	6,185,648	-	-	-	6,185,648
Other Assets.....	-	-	-	30,000	30,000
Prepaid Expenditures	5,100	-	-	-	5,100
Restricted Assets:					
Cash and Cash Equivalents.....	2,044,712	15,945,070	35,203,768	34,134,949	87,328,499
Investments.....	-	-	-	1,540,270	1,540,270
Total Assets.....	\$ 162,987,343	\$ 15,961,040	\$ 35,203,768	\$ 44,788,893	\$ 258,941,044
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Warrants Payable.....	\$ 5,692,131	\$ 226,227	\$ 701,173	\$ 1,770,413	\$ 8,389,944
Accrued Liabilities.....	2,593,647	-	69,000	202,686	2,865,333
Accrued Payroll.....	21,711,968	1,229	507	468,203	22,181,907
Revenue Refunds Payable.....	10,196,627	-	-	-	10,196,627
Other Liabilities.....	-	17,854	-	2,817,354	2,835,208
Abandoned Property.....	1,114,892	-	-	-	1,114,892
Liabilities Due Depositors.....	1,084,789	-	-	-	1,084,789
Due to Other Funds.....	-	-	-	5,710,444	5,710,444
Unearned Revenue.....	-	-	34,433,088	-	34,433,088
Total Liabilities.....	42,394,054	245,310	35,203,768	10,969,100	88,812,232
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue.....	13,755,234	11,947	-	414,590	14,181,771
Related to Leases.....	3,085,819	-	-	-	3,085,819
Total Deferred Inflows of Resources.....	16,841,053	11,947	-	414,590	17,267,590
FUND BALANCES					
Nonspendable.....	-	-	-	366,932	366,932
Restricted.....	2,044,712	15,703,783	-	31,274,546	49,023,041
Committed.....	17,895,032	-	-	3,320,892	21,215,924
Assigned.....	10,871,394	-	-	-	10,871,394
Unassigned.....	72,941,098	-	-	(1,557,167)	71,383,931
Total Fund Balances.....	103,752,236	15,703,783	-	33,405,203	152,861,222
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 162,987,343	\$ 15,961,040	\$ 35,203,768	\$ 44,788,893	\$ 258,941,044

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

June 30, 2022

Total Governmental Fund Balances	\$	152,861,222
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....		620,022,300
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.....		14,181,771
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.....		(3,342,657)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and Notes Payable.....		(306,813,846)
Leases.....		(1,101,660)
Landfill Post-Closure.....		(358,236)
Compensated Absences.....		(10,972,175)
Net OPEB Obligation.....		(651,076,257)
Net Pension Liability.....		(236,639,740)
In the statement of net position, deferred outflows of resources are reported for amounts related to pensions.....		21,249,131
In the statement of net position, deferred inflows of resources are reported for amounts related to pensions.....		(56,824,407)
In the statement of net position, deferred outflows of resources are reported for amounts related to OPEB.....		65,693,769
In the statement of net position, deferred inflows of resources are reported for amounts related to OPEB.....		(226,387,461)
Internal service funds are used by management to account for health insurance workers' compensation, building insurance and liability insurance activities. The assets and liabilities of the internal service funds are reported as governmental activities in the statement of net position.....		<u>15,892,012</u>
Net Position of Governmental Activities.....	\$	<u><u>(603,616,234)</u></u>

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Community Preservation	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real Estate and Personal Property Taxes.....	\$ 391,533,233	\$ -	\$ -	\$ -	\$ 391,533,233
Motor Vehicle and Other Excise Taxes.....	14,308,074	-	-	-	14,308,074
Hotel/Motel Tax.....	1,164,749	-	-	-	1,164,749
Meals Taxes.....	1,982,019	-	-	-	1,982,019
Cannabis State Tax.....	524,737	-	-	-	524,737
Payments in Lieu of Taxes.....	2,333,423	-	-	-	2,333,423
Community Preservation Surcharges.....	-	3,838,259	-	-	3,838,259
Charges for Services.....	3,825,963	-	-	14,900,715	18,726,678
Intergovernmental.....	67,722,442	1,610,207	20,569,726	32,522,429	122,424,804
Special Assessments.....	30,499	-	-	124,470	154,969
Penalties and Interest on Taxes.....	6,475,203	-	-	-	6,475,203
Licenses and Permits.....	12,974,117	-	-	964,579	13,938,696
Fines and Forfeitures.....	704,969	-	-	17,950	722,919
Contributions.....	-	-	-	1,384,755	1,384,755
Investment Income (loss).....	852,546	24,977	-	(136,202)	741,321
Other.....	209,295	227,257	-	331,037	767,589
Total Revenues.....	504,641,269	5,700,700	20,569,726	50,109,733	581,021,428
EXPENDITURES					
Current:					
General Government					
Legislative & Executive.....	3,526,673	-	1,094,420	125,658	4,746,751
Financial Administration.....	3,788,744	-	-	-	3,788,744
Administrative Support.....	6,504,887	-	-	16,983	6,521,870
Planning & Development.....	2,821,368	11,130,246	3,064,842	4,859,473	21,875,929
Public Building Maintenance & Operations.....	6,112,195	-	2,331,129	6,911,796	15,355,120
Public Safety					
Police.....	26,560,182	-	-	4,716,519	31,276,701
Fire.....	28,481,527	-	-	1,147,155	29,628,682
Inspectional Services.....	2,255,373	-	-	3,694	2,259,067
Education.....	284,541,817	-	6,249,098	29,363,837	320,154,752
Public Works					
Streets & Sidewalks.....	9,360,889	-	2,450,735	5,258,771	17,070,395
Control of Snow & Ice.....	4,916,620	-	-	-	4,916,620
Sanitation.....	9,970,098	-	-	22,965	9,993,063
Vehicle Maintenance.....	2,562,171	-	-	-	2,562,171
Engineering.....	1,649,428	-	25,756	128,316	1,803,500
Administration & Support.....	1,174,544	-	-	-	1,174,544
Health and Human Services					
Health and Human Services.....	4,729,312	-	117,600	457,197	5,304,109
Senior Services.....	840,840	-	-	421,473	1,262,313
Veteran Services.....	217,441	-	-	-	217,441
Culture and Recreation					
Libraries.....	5,795,412	-	-	941,150	6,736,562
Parks & Recreation.....	7,414,830	24,855	632,501	2,151,761	10,223,947
Newton History Museum.....	282,982	-	-	-	282,982
Retirement Benefits.....	47,772,419	-	-	-	47,772,419
Worker's Compensation Insurance.....	1,200,000	-	-	-	1,200,000
Property and Liability Insurance.....	667,239	-	-	-	667,239
Claims and Judgments.....	1,858,593	-	-	-	1,858,593
State and County Charges.....	6,453,245	-	-	-	6,453,245
Debt Service:					
Principal.....	14,559,667	275,000	-	-	14,834,667
Interest.....	10,039,473	418,103	-	-	10,457,576
Total Expenditures.....	496,057,969	11,848,204	15,966,081	56,526,748	580,399,002
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	8,583,300	(6,147,504)	4,603,645	(6,417,015)	622,426
OTHER FINANCING SOURCES (USES)					
Proceeds of Bonds and Notes.....	-	-	-	13,755,000	13,755,000
Proceeds from Leases.....	1,101,660	-	-	-	1,101,660
Premium from Issuance of Bonds and Notes.....	-	-	-	668,936	668,936
Transfers In.....	12,036,968	-	-	2,109,807	14,146,775
Transfers Out.....	(2,109,807)	-	(4,603,645)	(2,934,973)	(9,648,425)
Total Other Financing Sources (Uses).....	11,028,821	-	(4,603,645)	13,598,770	20,023,946
NET CHANGE IN FUND BALANCES.....	19,612,121	(6,147,504)	-	7,181,755	20,646,372
Fund Balances - Beginning of Year.....	84,140,115	21,851,287	-	26,223,448	132,214,850
FUND BALANCES - END OF YEAR.....	\$ 103,752,236	\$ 15,703,783	\$ -	\$ 33,405,203	\$ 152,861,222

See notes to basic financial statements.

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds.....	\$	20,646,372
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.</p>		
Capital Outlays.....		35,032,286
Depreciation.....		(24,338,533)
<p>In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed.....</p>		
		(205,000)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.....</p>		
		(9,975,390)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.</p>		
Proceeds of Bonds.....		(13,755,000)
Bond Maturities.....		14,834,667
Bond Premiums.....		(668,936)
Net Amortization of Bond Premiums.....		1,442,265
Proceeds of Leases.....		(1,101,660)
<p>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable.....</p>		
		51,715
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>		
Landfill closure and other environmental liabilities.....		58,399
Compensated Absences.....		1,309,867
Net OPEB Liability.....		226,362,417
Net Pension Liability.....		44,465,429
<p>In the statement of activities, deferred outflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows related to pensions.....</p>		
		12,871,320
<p>In the statement of activities, deferred inflows related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred inflows related to pensions.....</p>		
		(33,676,803)
<p>In the statement of activities, deferred outflows related to OPEB are amortized and recognized as pension expense. This amount represents the net change in deferred outflows related to OPEB.....</p>		
		(31,440,925)
<p>In the statement of activities, deferred inflows related to OPEB are amortized and recognized as pension expense. This amount represents the net change in deferred inflows related to OPEB.....</p>		
		(186,710,438)
<p>Internal service funds are used by management to account for health insurance, worker's compensation building insurance and liability insurance activities. The net activity of the internal service funds is reported with governmental activities.....</p>		
		(9,654,131)
Changes in Net Position of Governmental Activities.....	\$	<u>45,547,921</u>

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget Positive/ (Negative)
REVENUES				
Real estate and personal property taxes.....	\$ 388,631,112	387,547,722	\$ 400,635,026	\$ 13,087,304
Motor vehicle excise taxes.....	12,500,000	12,800,000	13,664,236	864,236
Hotel room occupancy taxes.....	450,000	575,000	1,164,749	589,749
Meals tax.....	1,550,000	1,550,000	1,982,019	432,019
Cannabis state tax.....	350,000	350,000	524,737	174,737
Penalties and interest on taxes.....	1,355,000	1,355,000	6,475,203	5,120,203
Licenses and permits.....	8,107,725	8,763,891	12,974,117	4,210,226
Intergovernmental.....	33,196,571	33,791,451	36,211,419	2,419,968
Charges for services.....	3,309,753	3,309,753	3,810,114	500,361
Fines and forfeitures.....	850,000	850,000	704,969	(145,031)
Investment income.....	300,000	300,000	771,959	471,959
Payments in lieu of taxes.....	335,000	335,000	2,333,423	1,998,423
Miscellaneous.....	221,506	221,506	147,444	(74,062)
Special assessments.....	37,000	37,000	30,499	(6,501)
TOTAL REVENUES.....	451,193,667	451,786,323	481,429,914	29,643,591
EXPENDITURES				
Current:				
General government:				
Legislative & executive.....	3,725,426	4,150,426	3,526,674	623,752
Financial administration.....	5,796,706	5,719,967	3,788,744	1,931,223
Administrative support.....	6,968,165	6,838,667	6,229,472	609,195
Planning & development.....	2,383,437	4,114,465	2,821,368	1,293,097
Public building maintenance & operations.....	6,044,832	6,971,946	6,112,195	859,751
Interest on property tax refunds.....	880,736	5,513,236	-	5,513,236
Public safety:				
Police.....	23,977,033	27,119,892	26,284,768	835,124
Fire.....	28,286,407	30,008,034	28,481,527	1,526,507
Inspectional services.....	2,806,632	3,284,157	2,255,373	1,028,784
Education.....	252,726,406	253,051,497	252,755,379	296,118
Public works:				
Streets & sidewalks.....	14,860,471	14,471,589	9,085,474	5,386,115
Control of snow & ice.....	3,250,000	4,955,957	4,916,620	39,337
Sanitation.....	11,302,818	10,546,284	9,970,098	576,186
Vehicle maintenance.....	2,963,521	3,465,510	2,562,171	903,339
Engineering.....	2,895,338	2,973,911	1,649,428	1,324,483
Administration & support.....	1,270,432	3,732,990	1,174,544	2,558,446
Health and human services:				
Health & human services.....	5,126,942	5,135,886	4,729,312	406,574
Senior services.....	801,598	855,923	840,840	15,083
Veteran services.....	242,496	242,496	217,441	25,055
Culture and recreation:				
Libraries.....	6,087,866	6,057,110	5,795,411	261,699
Parks & recreation.....	7,965,574	9,183,976	7,414,830	1,769,146
Newton History museum.....	314,270	318,223	282,981	35,242
Retirement benefits.....	48,152,428	48,152,428	47,772,419	380,009
Workers' compensation insurance.....	1,200,000	1,200,000	1,200,000	-
Property and liability insurance.....	681,000	700,196	667,239	32,957
Claims and judgments.....	100,000	1,902,673	1,858,593	44,080
Reserve fund.....	8,655,298	1,216,508	-	1,216,308
State assessments & charges.....	6,567,883	6,621,950	6,453,245	168,705
Debt service:				
Principal.....	14,559,667	14,559,667	14,559,667	-
Interest.....	10,012,286	10,039,486	10,039,473	13
TOTAL EXPENDITURES.....	480,605,668	493,104,850	463,445,286	29,659,564
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(29,412,001)	(41,318,527)	17,984,628	59,303,155
OTHER FINANCING SOURCES (USES)				
Transfers in.....	9,866,695	12,036,967	12,036,967	-
Transfers out.....	(1,185,000)	(2,860,000)	(2,860,000)	-
TOTAL OTHER FINANCING SOURCES (USES).....	8,681,695	9,176,967	9,176,967	-
NET CHANGE IN FUND BALANCE.....	(20,730,306)	(32,141,560)	27,161,595	59,303,155
FUND BALANCE AT BEGINNING OF YEAR.....	61,542,952	61,542,952	61,542,952	-
FUND BALANCE AT END OF YEAR.....	\$ 40,812,646	\$ 29,401,392	\$ 88,704,547	\$ 59,303,155

See notes to basic financial statements.

**CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND**
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget Positive/ (Negative)
REVENUES				
Community preservation surcharges.....	\$ 3,761,719	\$ 3,761,719	\$ 3,857,845	\$ 96,126
Intergovernmental	731,629	931,629	1,610,207	678,578
Investment income.....	-	-	24,977	24,977
Miscellaneous.....	295,422	95,422	227,257	131,835
TOTAL REVENUES.....	4,788,770	4,788,770	5,720,286	931,516
EXPENDITURES				
Current:				
General government:				
Planning & development.....	17,796,147	20,323,024	10,904,560	9,418,464
Culture and recreation:				
Parks & recreation.....	272,232	272,232	24,855	247,377
Reserve fund.....	4,393,634	-	-	-
Debt service:				
Principal.....	214,226	275,000	275,000	-
Interest.....	-	418,103	418,103	-
TOTAL EXPENDITURES.....	22,676,239	21,288,359	11,622,518	9,665,841
NET CHANGE IN FUND BALANCE.....	(17,887,469)	(16,499,589)	(5,902,232)	10,597,357
FUND BALANCE AT BEGINNING OF YEAR.....	21,786,126	21,786,126	21,786,126	-
FUND BALANCE AT END OF YEAR.....	\$ 3,898,657	\$ 5,286,537	\$ 15,883,894	\$ 10,597,357

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Stormwater	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents.....	\$ 17,401,269	\$ 17,023,008	\$ 4,858,122	\$ 39,282,399	\$ -
Restricted Cash and Cash Equivalents.....	19,034,980	11,982,188	1,456,099	32,473,267	18,245,350
Restricted Investments.....	-	-	-	-	15,289,986
Interest and Dividends.....	-	-	-	-	17,689
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges.....	9,308,485	6,528,965	1,082,380	16,919,830	-
Utility Liens.....	142,931	104,277	21,409	268,617	-
Special Assessments.....	-	41,796	-	41,796	-
Intergovernmental.....	2,072	-	-	2,072	-
Prepaid Expenses.....	-	-	-	-	346,883
Working Capital Deposit.....	-	-	-	-	750,455
Total Current Assets.....	45,889,737	35,680,234	7,418,010	88,987,981	34,650,363
Noncurrent Assets:					
Receivables, Net of Allowance for Uncollectible Amounts:					
Special Assessments.....	-	182,496	-	182,496	-
Capital Assets					
Nondepreciable.....	379,375	258,540	278,964	916,879	-
Depreciable, Net of Accumulated Depreciation.....	66,160,848	67,758,204	6,527,365	140,446,417	-
Total Noncurrent Assets.....	66,540,223	68,199,240	6,806,329	141,545,792	-
Total Assets.....	112,429,960	103,879,474	14,224,339	230,533,773	34,650,363
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB.....	714,289	868,927	23,346	1,606,562	-
Related to Pension.....	249,073	355,893	71,943	676,909	-
Total Deferred Outflows of Resources.....	963,362	1,224,820	95,289	2,283,471	-
LIABILITIES					
Current Liabilities:					
Warrants Payable.....	114,407	722,141	43,682	880,230	71,888
Accrued Liabilities.....	89,216	739,001	170	828,387	69,828
Accrued Payroll.....	28,496	18,788	10,912	58,196	25,920
Other Liabilities.....	-	-	-	-	2,769,849
Liabilities Payable from Restricted Assets.....	-	708,889	-	708,889	-
Accrued Interest.....	43,062	193,505	54,245	290,812	-
Accrued Health Claims Payable.....	-	-	-	-	4,967,607
Leases.....	5,080	-	-	5,080	-
Workers' Compensation Claims.....	-	-	-	-	1,900,000
Compensated Absences.....	9,045	11,154	10,155	30,354	-
Long-Term Bonds and Notes Payable.....	1,267,314	2,724,471	300,068	4,291,853	-
Total Current Liabilities.....	1,556,620	5,117,949	419,232	7,093,801	9,805,092
Noncurrent Liabilities:					
Leases.....	5,943	-	-	5,943	-
Workers' Compensation Claims.....	-	-	-	-	8,953,259
Compensated Absences.....	81,403	100,382	91,391	273,176	-
Net Pension Liability.....	2,773,787	3,963,379	801,190	7,538,356	-
Net OPEB Obligation.....	7,079,159	8,611,745	231,376	15,922,280	-
Long-Term Bonds and Notes Payable.....	9,187,496	22,485,472	3,485,696	35,158,664	-
Total Noncurrent Liabilities.....	19,127,788	35,160,978	4,609,653	58,898,419	8,953,259
Total Liabilities.....	20,684,408	40,278,927	5,028,885	65,992,220	18,758,351
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB.....	2,461,513	2,994,413	80,452	5,536,378	-
Related to Pension.....	666,071	951,728	192,390	1,810,189	-
Total Deferred Outflows of Resources.....	3,127,584	3,946,141	272,842	7,346,567	-
FUND NET POSITION					
Net Investment in Capital Assets.....	75,048,461	53,520,917	4,437,563	133,006,941	-
Unrestricted.....	14,532,869	7,358,309	4,580,338	26,471,516	15,892,012
Total Net Position.....	\$ 89,581,330	\$ 60,879,226	\$ 9,017,901	\$ 159,478,457	\$ 15,892,012

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Internal Service Funds
	Sewer	Water	Nonmajor Stormwater	Total	
OPERATING REVENUES					
Charges for Services.....	\$ 32,109,283	\$ 26,641,474	\$ 4,123,691	\$ 62,874,448	\$ -
Employer Contributions.....	-	-	-	-	58,824,436
Plan Member Contributions.....	-	-	-	-	14,949,464
Total Operating Revenues.....	32,109,283	26,641,474	4,123,691	62,874,448	73,773,900
OPERATING EXPENSES					
Salaries, Wages and Employee Benefits.....	2,675,969	3,472,403	751,552	6,899,924	-
Other Operating Expense.....	1,352,639	1,219,961	481,424	3,054,024	5,686,051
MWRA Assessment.....	22,344,621	13,721,108	-	36,065,729	-
Worker's Compensation.....	250,000	250,000	100,000	600,000	-
Self Insurance Claims.....	-	-	-	-	76,297,070
Depreciation.....	1,960,595	2,375,832	195,209	4,531,636	-
Total Operating Expenses.....	28,583,824	21,039,304	1,528,185	51,151,313	81,983,121
OPERATING INCOME (LOSS).....	3,525,459	5,602,170	2,595,506	11,723,135	(8,209,221)
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	221,233	255,627	-	476,860	-
Investment Income.....	35,019	21,800	-	56,819	(1,444,910)
Interest Expense.....	(368,720)	(535,647)	(72,224)	(976,591)	-
Total Nonoperating Revenues (Expenses), Net.....	(112,468)	(258,220)	(72,224)	(442,912)	(1,444,910)
INCOME (LOSS) BEFORE TRANSFERS.....	3,412,991	5,343,950	2,523,282	11,280,223	(9,654,131)
TRANSFERS					
Transfers In.....	643,834	-	-	643,834	-
Transfers Out.....	(1,992,375)	(2,333,989)	(815,820)	(5,142,184)	-
Total Transfers.....	(1,348,541)	(2,333,989)	(815,820)	(4,498,350)	-
CHANGE IN FUND NET POSITION.....	2,064,450	3,009,961	1,707,462	6,781,873	(9,654,131)
Fund Net Position - Beginning of Year.....	87,516,880	57,869,265	7,310,439	152,696,584	25,546,143
FUND NET POSITION - END OF YEAR.....	\$ 89,581,330	\$ 60,879,226	\$ 9,017,901	\$ 159,478,457	\$ 15,892,012

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Nonmajor Stormwater	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users.....	\$ 31,717,791	\$ 26,894,407	\$ 3,995,186	\$ 62,607,384	\$ 14,949,464
Receipts from Interfund Services Provided.....	-	-	-	-	58,824,436
Payments to Vendors/Providers.....	(25,850,265)	(17,438,773)	(994,707)	(44,283,745)	(81,395,133)
Payments to Employees.....	(1,915,781)	(1,874,978)	(558,495)	(4,349,254)	-
Net Cash Provided (Used) by Operating Activities.....	3,951,745	7,580,656	2,441,984	13,974,385	(7,621,233)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In.....	643,834	-	-	643,834	-
Transfers Out.....	(1,992,375)	(2,333,989)	(815,820)	(5,142,184)	-
Net Cash Provided (Used) by Noncapital Financing Activities.....	(1,348,541)	(2,333,989)	(815,820)	(4,498,350)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the Issuance of Bonds and Notes.....	-	6,333,900	-	6,333,900	-
Premium from the Issuance of Bonds and Notes.....	-	110,000	-	110,000	-
Acquisition and Construction of Capital Assets.....	(2,187,741)	(8,469,263)	(352,973)	(11,009,977)	-
Principal Payments on Bonds and Notes.....	(1,257,400)	(3,799,180)	(255,000)	(5,311,580)	-
Interest Expense.....	(137,143)	(457,428)	(159,040)	(753,611)	-
Leases.....	(11,023)	-	-	(11,023)	-
Net Cash Used by Capital and Related Financing Activities.....	(3,593,307)	(6,281,971)	(767,013)	(10,642,291)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments.....	-	-	-	-	(911,593)
Sale of Investments.....	-	-	-	-	3,929,436
Investment Income.....	35,019	21,800	-	56,819	(1,445,386)
Net Cash Provided by Investing Activities.....	35,019	21,800	-	56,819	1,572,457
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(955,084)	(1,013,504)	859,151	(1,109,437)	(6,048,776)
Cash and Cash Equivalents - Beginning of Year (Includes \$14,137,406, \$11,334,567 and \$1,375,791 Reported as Restricted in the Sewer, Water, and Stormwater Enterprise Funds, Respectively).....	37,391,333	30,018,700	5,455,070	72,865,103	24,294,126
CASH AND CASH EQUIVALENTS AT END OF YEAR (Includes \$19,034,980, \$11,982,188 and \$1,456,099 Reported as Restricted in the Sewer, Water, and Stormwater Enterprise Funds, Respectively).....	\$ 36,436,249	\$ 29,005,196	\$ 6,314,221	\$ 71,755,666	\$ 18,245,350
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating Income (Loss).....	\$ 3,525,459	\$ 5,602,170	\$ 2,595,506	\$ 11,723,135	\$ (8,209,221)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Changes in Assets and Liabilities not Requiring Current Cash Flows:					
Depreciation.....	1,960,595	2,375,832	195,209	4,531,636	-
Net Pension Liability.....	(563,616)	(668,678)	(156,246)	(1,388,540)	-
Deferred Outflows Related to Pension.....	(149,608)	(217,843)	(43,408)	(410,859)	-
Deferred Inflows Related to Pension.....	391,253	570,301	113,550	1,075,104	-
Net OPEB Liability.....	(2,221,388)	(2,640,953)	(260,952)	(5,123,293)	-
Deferred Outflows Related to OPEB.....	315,305	376,775	31,156	723,236	-
Deferred Inflows Related to OPEB.....	2,040,950	2,485,576	58,189	4,584,715	-
Effect of Changes in Operating Assets and Liabilities:					
Utility Liens.....	305,336	224,679	6,194	536,209	-
User Charges.....	(720,454)	(24,631)	(134,699)	(879,784)	-
Special Assessments.....	21,695	52,885	-	74,580	-
Intergovernmental.....	1,931	-	-	1,931	-
Prepaid Expenses.....	-	-	-	-	(346,883)
Working Capital Deposit.....	-	-	-	-	(375)
Warrants Payable.....	(787,745)	(684,485)	43,484	(1,428,746)	(82,790)
Accrued Liabilities.....	(99,888)	516,951	(46,258)	370,805	26,628
Accrued Payroll.....	6,472	(11,244)	1,685	(3,087)	18,781
Other Liabilities.....	(2,711)	(1,921)	(161)	(4,793)	(19,668)
Liabilities payable from restricted assets.....	-	(274,024)	-	(274,024)	-
Accrued Health Claims Payable.....	-	-	-	-	996,723
Workers' Compensation Claims.....	-	-	-	-	(4,428)
Compensated Absences.....	(71,841)	(100,734)	38,735	(133,840)	-
Total Adjustments.....	426,286	1,978,486	(153,522)	2,251,250	587,988
Net Cash Provided by Operating Activities.....	\$ 3,951,745	\$ 7,580,656	\$ 2,441,984	\$ 13,974,385	\$ (7,621,233)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Intergovernmental Debt Subsidies (MCWT).....	\$ 223,164	\$ 255,627	\$ -	\$ 478,791	\$ -
Capital-Related Accounts Payable.....	60,909	559,183	39,102	659,194	-

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2022*

ASSETS	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
Cash and Cash Equivalents.....	\$ 24,735,490	\$ 1,388,164	\$ 1,719,078
Investments:			
Fixed Income	-	3,941,475	-
Equities.....	-	7,259,914	-
External Investment Pool.....	526,951,505	-	-
Receivables, Net of Allowance for Uncollectible Amounts:			
Departmental and Other		15,000	-
Intergovernmental.....	23,948	-	-
Other Assets		-	3,400
Prepaid Expenses.....	6,747	-	-
	<u>551,717,690</u>	<u>12,604,553</u>	<u>1,722,478</u>
Total Assets.....			
	<u>551,717,690</u>	<u>12,604,553</u>	<u>1,722,478</u>
LIABILITIES			
Warrants Payable.....	14,658	2,750	-
Other Liabilities.....	-	-	1,722,478
Due to Other Funds.....	-	475,204	-
	<u>14,658</u>	<u>477,954</u>	<u>1,722,478</u>
Total Liabilities.....			
	<u>14,658</u>	<u>477,954</u>	<u>1,722,478</u>
NET POSITION			
Restricted for Pensions, Other Post Employment Benefits and Other Purposes.....	\$ <u>551,703,032</u>	\$ <u>12,126,599</u>	\$ <u>-</u>

* Except for the Pension Trust Fund (December 31, 2021)

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022*

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions:			
Employer.....	\$ 64,259,689	\$ -	\$ -
Plan Members.....	11,357,250	-	-
Private Donations.....	-	152,124	-
Total Contributions.....	<u>75,616,939</u>	<u>152,124</u>	<u>-</u>
Net Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments.....	74,050,411	(1,719,555)	-
Interest and Dividends.....	<u>10,836,757</u>	<u>-</u>	<u>-</u>
Total Investment Income.....	84,887,168	(1,719,555)	-
Less: Investment Expense.....	<u>(2,295,400)</u>	<u>-</u>	<u>-</u>
Net Investment Income.....	<u>82,591,768</u>	<u>(1,719,555)</u>	<u>-</u>
Other.....	<u>3,410,623</u>	<u>-</u>	<u>408,027</u>
Total Additions.....	<u>161,619,330</u>	<u>(1,567,431)</u>	<u>408,027</u>
DEDUCTIONS			
Administration.....	255,503	213	-
Retirement Benefits and Refunds.....	68,799,992	-	-
Transfers to Other Systems.....	3,410,623	-	-
Scholarships Awarded.....	-	454,300	-
Other.....	<u>-</u>	<u>-</u>	<u>408,027</u>
Total Deductions.....	<u>72,466,118</u>	<u>454,513</u>	<u>408,027</u>
CHANGE IN NET POSITION.....	89,153,212	(2,021,944)	-
Net Position - Beginning of Year.....	<u>462,549,820</u>	<u>14,148,543</u>	<u>-</u>
NET POSITION - END OF YEAR.....	\$ <u>551,703,032</u>	\$ <u>12,126,599</u>	\$ <u>-</u>

* Except for the Pension Trust Fund (for the fiscal year ended December 31, 2021)

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
COMPONENT UNITS
COMBINING STATEMENT OF FUND NET POSITION

June 30, 2022

	Component Units		
	Newton Commonwealth Foundation, Inc. (As of 12/31/21)	Newton Community Development Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents.....	\$ 2,714,545	\$ -	\$ 2,714,545
Restricted cash and cash equivalents.....	-	3	3
Interest and dividends.....	-	423,529	423,529
Receivables, net of allowance for uncollectible:			
Departmental and other.....	9,417	-	9,417
Loans.....	-	16,277	16,277
Total current assets.....	<u>2,723,962</u>	<u>439,809</u>	<u>3,163,771</u>
Noncurrent assets:			
Receivables, net of allowance for uncollectible amounts:			
Loans.....	-	3,232,694	3,232,694
Capital assets:			
Depreciable, net of accumulated depreciation.....	<u>1,507,875</u>	<u>-</u>	<u>1,507,875</u>
Total noncurrent assets.....	<u>1,507,875</u>	<u>3,232,694</u>	<u>4,740,569</u>
Total assets.....	<u>4,231,837</u>	<u>3,672,503</u>	<u>7,904,340</u>
LIABILITIES			
Current liabilities:			
Warrants payable.....	<u>60,000</u>	<u>-</u>	<u>60,000</u>
FUND NET POSITION			
Net investment in capital assets.....	1,507,875	-	1,507,875
Unrestricted.....	<u>2,663,962</u>	<u>3,672,503</u>	<u>6,336,465</u>
Total fund net position.....	<u>\$ 4,171,837</u>	<u>\$ 3,672,503</u>	<u>\$ 7,844,340</u>

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS
COMPONENT UNITS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Component Units		
	Newton Commonwealth Foundation, Inc. (As of 12/31/21)	Newton Community Development Authority	Total
OPERATING REVENUES			
Charges for services.....	\$ 753,282	\$ -	\$ 753,282
Other.....	-	8,338	8,338
TOTAL OPERATING REVENUES.....	753,282	8,338	761,620
OPERATING EXPENSES			
Salaries, wages and employee benefits.....	13,210	-	13,210
Other operating expenses.....	104,158	63,994	168,152
Depreciation.....	204,350	-	204,350
TOTAL OPERATING EXPENSES.....	321,718	63,994	385,712
OPERATING INCOME (LOSS).....	431,564	(55,656)	375,908
NONOPERATING REVENUES (EXPENSES)			
Investment/interest income.....	6,811	-	6,811
CHANGE IN FUND NET POSITION.....	438,375	(55,656)	382,719
FUND NET POSITION AT BEGINNING OF YEAR.....	3,733,462	3,728,159	7,461,621
FUND NET POSITION AT END OF YEAR.....	\$ 4,171,837	\$ 3,672,503	\$ 7,844,340

See notes to basic financial statements.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Newton, Massachusetts (the City) is a municipal corporation governed by an elected Mayor, who serves a four - year term, and a twenty-four member City Council, who serve two-year terms. Sixteen of the members of the City Council are elected at large, and eight members are elected from one of the City's eight wards. The current city charter was approved by the voters of the City on November 2, 1971, and became effective January 1972.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

The accompanying financial statements present the activities of the City and its component units, legally separate organizations for which the City is financially accountable or integrated.

Fiduciary Component Unit

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 Newton Contributory Retirement System (the System) was established to provide retirement benefits to City employees, Newton Housing Authority employees and their respective beneficiaries. The System is governed by a five member board comprised of the City Comptroller (ex officio); an appointee of the Mayor; two members elected by the active and retired members of the System, and one member appointed by the other four members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary funds financial statements.

The System does 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' Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 1000 Commonwealth Avenue, Newton, Massachusetts 02459.

Discretely Presented Component Units

The following component units are discretely presented in the government-wide financial statements because of the nature and/or significance of their relationships with the City. Each of the component units described below are considered major component units.

The Newton Commonwealth Foundation, Inc. (the Foundation) was established for the management of the Newton Commonwealth Golf Course on the site formerly known as the Chestnut Hill Country Club. The Foundation is governed by a fifteen member board appointed by the Mayor and are subject to confirmation approval by a majority of the City Council. The annual operating budget of the Foundation is subject to approval by the Mayor. Complete audited financial statements may be obtained by writing to the Foundation Chairman at Newton City Hall, 1000 Commonwealth Avenue, Newton, Massachusetts 02469.

The Newton Community Development Authority (the Authority) was established in 1975 pursuant to Chapter 705 of the Massachusetts General Laws to develop housing programs for low and moderate income families, the elderly and handicapped residents of the City. The Authority is governed solely by the City's Director of Planning and Development, who is appointed by the Mayor, subject to confirmation approval by a majority of the City Council. The Authority does not issue a separate audited financial statement.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

B. Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) including its aggregate discretely presented component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each major function/service program of the City's governmental activities. Direct expenses are those that are specifically associated with a program and, therefore, are clearly identifiable to a particular service. Vehicle maintenance; retirement benefits; workers' compensation; property and liability insurance; health insurance subsidies; claims and judgments; other; and state assessments and charges costs have been allocated to major functions/programs in order to present a more accurate and complete picture of the cost of City services. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the major programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column in their respective governmental funds and proprietary funds financial statements. All remaining governmental funds are aggregated and reported in a separate column.

Internal service funds of the City (which provide services primarily to other funds of the City) are presented, in summary form, as part of the proprietary funds financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of the internal service funds are presented in the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate function/program (general government, public safety, education, public works, health and human services, and culture and recreation) in the statement of activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from exchange transactions (charges for services) associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. All revenues and expenses not meeting this definition, such as intergovernmental subsidies and investment earnings, are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

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

Community Preservation Fund: This fund accounts for the 1% local property tax surcharge that the voters of the City approved in November of 2001 for open space, historic resource and affordable housing purposes. The Commonwealth of Massachusetts currently matches (in the subsequent fiscal year) local surcharge revenue on a percentage basis that can change annually.

The City Council has appropriation authority over all community preservation funds; however, all appropriation recommendations must originate with the nine member community preservation committee.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

American Rescue Plan Act (ARPA) Fund: This fund is a special revenue fund used to account for financial resources related to federal ARPA funds.

The non-major governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

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

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

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

The City also reports the following enterprise funds:

Sewer Fund: This major fund accounts for the operation and maintenance of the City's sanitary sewer collection and disposal system. The City is charged an annual assessment by the Massachusetts Water Resources Authority (MWRA) for disposal of sanitary sewerage.

Water Fund: This major fund accounts for the operation and maintenance of the City's water supply and distribution system. The City is charged an annual assessment by the Massachusetts Water Resources Authority (MWRA) for water supply.

Stormwater Fund: This fund accounts for the operation and maintenance of the City's storm water drainage activities. These activities were previously accounted for within a special revenue fund.

The City also reports the following fund types:

Internal Service Funds: These funds account for group health, workers' compensation, building and general liability insurance protection to City departments on a cost reimbursement basis.

Pension Trust Fund: This fund is used to account for the activities of the System, which accumulates resources for defined benefit pension benefit payments to qualified employees and retirees and their survivors. This fund is excluded from the City's government-wide financial statements.

Other Postemployment Benefits (OPEB) Trust Fund: This fund is an irrevocable trust fund established for other postemployment benefits, which accumulates resources to reduce the unfunded actuarial liability of health care and other postemployment benefits.

Private Purpose Trust Funds: These funds are used to account for resources legally held in trust for the benefit of persons and organizations other than the City. Since such funds cannot be used for purposes of providing City services, they are excluded from the City's government-wide financial statements.

Custodial Fund: This fund is used to account for monies held in a custodial capacity. This fund is excluded from the City's government-wide financial statements.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Funds Financial Statements: The government-wide, proprietary, and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time that liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property, motor excise and hotel room occupancy taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Derived tax revenues, such as hotel room occupancy taxes, that result from assessments imposed by the City on exchange transactions are recognized when the underlying exchange occurs. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Funds Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers revenues reported in the governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days after year-end. Property taxes, motor excise taxes, charges for service, investment income, and in lieu of tax payments are considered to be susceptible to accrual. Revenue from grants, entitlements, and donations is recognized when all eligibility requirements have been satisfied and they are measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, compensated absences, landfill post closure monitoring costs (and other environmental liabilities) and claims and judgments, which are recognized as expenditures only to the extent that they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under capital leases are reported as other financing sources.

C. Implementation of New Accounting Principles

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

The City has also reclassified certain major governmental funds to nonmajor governmental funds. The effect of the change in accounting principle and reclassifications are that nonmajor governmental funds fund balance is restated from \$27,083,240 to \$26,223,448 and the Cabot and Angier major funds fund balance has been restated from (\$867,875) and \$8,083 to zero and zero, respectively.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

D. Assets, Liabilities and Equity

Cash and Cash Equivalents and Investments

The City's 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; with the exception of money market mutual funds and external investment pools which are carried at amortized cost.

Restricted Cash and Cash Equivalents and Investments

Permanent fund cash and cash equivalents and investments and cash and cash equivalents associated with certain development and water and sewer utility deposits are classified as restricted. Other assets are classified as restricted when their use is restricted by third-party covenants.

Receivables

All trade and property tax receivables are shown net of an allowance for doubtful collections. Outstanding personal property taxes, motor excise taxes and parking violations that are three or more years old have been classified as uncollectible for financial reporting purposes.

Based upon an analysis of water and sewer receivable activity over the past three years, 1% of outstanding water, sewer, and storm water user charges receivable have been assigned to an allowance for doubtful collections. Real estate taxes receivable are secured by tax liens, and therefore are considered 100% collectible. Intergovernmental and lease receivables are considered 100% collectible.

Property taxes: The City is responsible for assessment and collection of all property taxes. The Board of Assessors determine the estimated fair value of all real and personal property, subject to the property tax, each January 1. Taxes are then levied on each property based upon the budget that is adopted by the Mayor and City Council net of the amount of state aid and other revenues. Property taxes are due in quarterly installments - August 1, November 1, February 1 and May 1, and subject to penalties and 14% interest if not paid by the due date. Taxes due on August 1 and November 1 are estimated based upon the prior year tax bill since the tax rate is generally not finalized until late November or December. The February 1 and May 1 tax bills are adjusted to reflect the actual tax levy. It is the City's policy to perfect tax liens on delinquent properties within one year of the date that the tax is levied.

Motor vehicle excise taxes: Motor vehicle excise taxes are assessed annually for each vehicle registered in the City and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

Community preservation surcharges: Community preservation surcharges are levied annually and at a rate of 1% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. The surcharge is due with the real estate tax 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. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Water, Sewer, and Storm Water User Charges: Water and sewer user fees are billed quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Storm water charges are billed quarterly based upon an authorized flat fee and are subject to penalties and interest if they are not paid by the respective due date. Water, sewer, and storm water liens are processed in December of every year and are included as a lien on the property owner's tax bill. Water, sewer, and storm water charges and related liens are recorded as receivables in the fiscal year of the levy. Unbilled amounts are estimated based upon actual billing amounts subsequent to year-end.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

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

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

Leases: The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

Capital Assets

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' useful lives are not capitalized.

Capital assets are defined by the City as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than a single year. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	7-20 years
Buildings and improvements	20-50 years
Machinery and equipment	3-20 years
Infrastructure	20-50 years

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Inter-fund Transactions

Inter-fund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination in the government-wide statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers and are reported “gross” in the fund financial statements. Transfers between governmental funds are eliminated in the conversion to the government-wide financial statements, while transfers between governmental and proprietary funds are reported “net”.

Deferred Outflows of Resources

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

The government has the following items that qualify for reporting in this category. They are as follows:

- Deferred outflows related to pensions are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 68.
- Deferred outflows related to OPEB are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 75.

Deferred Inflows of Resources

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

The government has the following items that qualify for reporting in this category. They are as follows:

- Deferred inflows related to pensions are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 68
- Deferred inflows related to OPEB are reported in the government-wide and proprietary funds financial statements in accordance with GASB Statement No. 75
- Unavailable revenue is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.
- Deferred inflows related to leases are reported in the governmental funds and government-wide financial statements in accordance with GASB Statement No. 87.

Net Position and Fund Balances

Government – wide and Proprietary Funds Financial Statements (Net Position) – Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Net position has been reported as restricted for the following purposes:

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

- Community preservation activities represent amounts restricted by state statute for open space; historic preservation, and affordable housing under the Community Preservation program.
- Education activities represent amounts received from the U.S. Department of Education, the Commonwealth of Massachusetts' Department of Education, and various private donors for public education services.
- Receipts reserved represent amounts for a variety of local revenues whose use is legally restricted by state law.
- Community development block grant represents amounts restricted for federal community development block grant funds.
- Municipal state grants represent amounts restricted for state grant funds other than school-related funds.
- Permanent funds – expendable represents amounts held in trust for which the expenditures are restricted by various trust agreements.
- Permanent funds – non-expendable represents amounts held in trust for which only investment earnings may be expended.
- Other specific purposes represent restrictions placed on assets by other outside parties.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and unspent bond proceeds reduced by outstanding borrowings attributable to those assets.

Unrestricted net position is the difference between total net position and net investment in capital assets and restricted net position.

Governmental Funds Statements (Fund Balances)

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

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

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

Committed — represents amounts that can be used only for specific purposes imposed by a formal action of the City Council, which is the highest level of decision-making authority for the City. Committed amounts may be established, modified, or rescinded only through actions approved by the City Council.

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

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

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

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

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

Long term debt

Government-wide and Proprietary Funds Financial Statements – Long term debt is reported as a liability in the government wide and proprietary funds statements of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

Governmental Funds Financial Statements – The face amount of governmental funds long term debt is reported as other financing sources in the Governmental Fund Financial Statements. 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, are reported as General Government (financial administration) expenditures.

Lease Payable

The City determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

Investment Income

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the General Fund, unless otherwise directed by legal or contractual provisions.

Investment income from enterprise operating funds is voluntarily assigned to the general fund. Investment income from internal service funds is retained in the funds.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Compensated Absences

Employees are granted vacation leave, special leave (sick, religious observance, personal leave), and enhanced longevity benefits based upon collective bargaining agreements and city ordinance. These benefit costs are accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if the benefit had been earned at June 30 as a result of a retirement, resignation, or termination, and the benefit is expected to be paid immediately after the start of the new fiscal year. Vacation pay is classified as a current liability, while special leave and school enhanced longevity benefits are classified as non-current liabilities.

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 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. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the System are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value.

Post Retirement Benefits

In addition to providing pension benefits and as more fully described in Note 12, the City provides health and life insurance coverage for current and future retirees and their spouses. 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 City's OPEB trust fund and additions to/deductions from the fiduciary net position of the City's OPEB trust fund have been determined on the same basis as they are reported by the City's OPEB trust fund. For this purpose, the City's OPEB trust fund 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 that have a maturity at the time of purchase of one year or less, which are reported at cost.

Use of Estimates

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 of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Total Column

Government-wide financial statements – The total column presented in the government-wide financial statements represents government-wide financial information.

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

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 2 - Stewardship, Compliance, and Accountability

A. Budget Information

The municipal finance laws of the Commonwealth of Massachusetts require that the Mayor and City Council adopt a balanced budget each fiscal year. The City Charter requires that the Mayor submit a recommended budget to the City Council and that the Council adopt the budget, with or without amendments, within forty-five days following the day the budget is received. The City Council may approve, reduce or reject any budget recommendation of the Mayor by majority vote, but may not increase an appropriation without the concurrence of the Mayor. Annual appropriations are recommended and approved for the General Fund and Community Preservation Fund for personal services (salaries and wages), expenses (supplies and services), debt service and capital outlay/improvements, and fringe benefits. A single bottom-line appropriation budget is recommended and voted for the Newton Public Schools.

Amendments to the original budget; transfers between municipal departments; and transfers between departmental appropriation units require prior approval of the Mayor and City Council, and in the case of a transfer from one department to another, the approval of the head of the department from which funds are being transferred is also required.

The Comptroller's Office has responsibility for making certain that the budget is executed in accordance with the plan approved by the Mayor and City Council, and monthly appropriation status reports are provided to the Mayor and Council. Budgetary control is exercised on a line item basis for all municipal departments and transfers between line items within departmental appropriation units require advance approval of the Comptroller. Encumbrance accounting is used as an additional control measure. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities since goods and services have not been received.

Although unobligated annual appropriation balances generally lapse at year-end, it is the City's policy to continue certain appropriations into the following year under certain limited circumstances. These are limited to amounts voted as special (multi-year) appropriations (generally capital outlay and improvements), capital maintenance funds, property tax revaluation program appropriations and funds included in the annual budget for settlement of collective bargaining contracts that have not been settled at year-end.

An annual budget is adopted in conformity with the guidelines described above. The original fiscal year 2022 General Fund and Community Preservation Fund budgets authorized \$481,790,668 and \$22,676,239 (including prior year encumbrances and continuing appropriations), respectively, in appropriations and other amounts to be raised. During the fiscal year, the Mayor and City Council authorized supplemental appropriations for the General Fund and Community Preservation Fund totaling \$14,174,182, and (\$1,387,880), respectively, for total budgets of \$495,964,850 and \$21,288,359 respectively.

Total General Fund expenditures and transfers to other funds totaled \$466,305,286, and \$26,642,603 in appropriation balances were carried forward into fiscal year 2023 to support encumbrances and continuing appropriations.

Total Community Preservation Fund expenditures and transfers to other funds were \$11,622,518 and \$9,616,230 in appropriation balances were carried forward into fiscal year 2023 to support encumbrances and continuing appropriations.

B. Deficit Net Position/Fund Balance

At June 30, 2022, the net position of governmental activities and the primary government have a deficit balance of \$603,616,234 and \$444,137,777 respectively. The primary causes of the deficits are the net pension liability and net OPEB liability. At June 30, 2022, these liabilities total \$887,715,997 and \$911,176,633 for governmental activities and the primary government, respectively.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

At June 30, 2022, the following temporary governmental fund deficits exist:

Description	Amount	Funding Source
Municipal Federal Grant.....	\$ 1,557,167	Federal Grants

C. Budget to GAAP Reconciliation

Accounting principles followed for purposes of preparing the financial statements on a budgetary basis differ from those used to present financial statements in accordance with GAAP. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund and Community Preservation Fund for the fiscal year ended June 30, 2022 are presented below:

	General Fund		
	Revenues	Expenditures	Other Financing Sources (Uses)
Budgetary basis as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 481,429,914	\$ 463,445,286	\$ 9,176,967
<u>Reclassifications</u>			
Activity of stabilization fund recorded in the general fund for GAAP purposes	80,587	-	750,194
<u>Adjustments</u>			
Net change in recording 60-day receipts.....	(145,878)	-	-
Net change in recording tax refunds payable.....	(8,312,077)	-	-
To record leases.....	15,849	1,101,660	1,101,660
To record activity of MTRS on-behalf payments.....	31,511,023	31,511,023	-
Net change in recording other revenues.....	61,851	-	-
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances:	<u>\$ 504,641,269</u>	<u>\$ 496,057,969</u>	<u>\$ 11,028,821</u>

	CPA Fund	
	Revenues	Expenditures
Budgetary basis as reported on the statement of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 5,720,286	11,622,518
<u>Adjustment</u>		
Net change in recording 60-day receipts.....	(19,586)	-
Net change in recording expenditure accruals.....	-	225,686
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances:	<u>\$ 5,700,700</u>	<u>11,848,204</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 3 - Deposits and Investments

A. Summary of Deposit and Investment Balances

City (Excluding the Pension Trust Fund)

The municipal finance laws of the Commonwealth authorize the City to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

The municipal finance laws allow the City to invest private purpose trust funds in securities other than mortgages or collateral loans that are legal for the investment of funds of savings banks under the laws of the Commonwealth of Massachusetts.

Investments for the City are reported at fair value.

The City maintains a cash and short term investment pool that is available for use by all funds with unrestricted cash and investments. The deposits and investments of private purpose and pensions trust funds are held separately from other City funds.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City does not have a policy for custodial credit risk of deposits. As of June 30, 2022, \$48,587,397 of the City's bank balance of \$111,119,629 was uninsured and uncollateralized.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Investments Summary

The City's investments at June 30, 2022 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 969,450	\$ -	\$ 330,142	\$ 639,308
U.S. Agencies.....	151,775	24,985	126,790	-
Corporate bonds.....	303,839	29,827	245,691	28,321
Money market mutual funds.....	848,816	848,816	-	-
Mutual bond funds.....	6,262,107	6,262,107	-	-
External investment pools.....	238,417,083	238,417,083	-	-
Total debt securities.....	<u>246,953,070</u>	<u>\$ 245,582,818</u>	<u>\$ 702,623</u>	<u>\$ 667,629</u>
<u>Other Investments:</u>				
Equity mutual funds.....	5,132,231			
Equity securities.....	10,270,765			
International equities.....	<u>4,941,478</u>			
Total other investments.....	<u>20,344,474</u>			
Total investments.....	<u>\$ 267,297,544</u>			

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The City does not have a policy for interest rate risk of debt securities.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Investments – Fair Value Measurements

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 market 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, 2022:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 969,450	\$ 969,450	\$ -	\$ -
U.S. Agencies.....	151,775	151,775	-	-
Corporate bonds.....	303,839	303,839	-	-
Mutual bond funds.....	6,262,107	6,262,107	-	-
Total Debt Securities.....	<u>7,687,171</u>	<u>7,687,171</u>	<u>-</u>	<u>-</u>
<u>Equity Securities:</u>				
Equity mutual funds.....	5,132,231	5,132,231	-	-
Equity securities.....	10,270,765	10,270,765	-	-
International equities.....	4,941,478	4,941,478	-	-
Total Equity Securities.....	<u>20,344,474</u>	<u>20,344,474</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>28,031,645</u>	<u>\$ 28,031,645</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Investments measured at the net asset value (NAV)</u>				
PRIT Fund.....	<u>25,002,928</u>			
Total Investments measured at Fair Value ...	<u>\$ 53,034,573</u>			

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

Investments Measured at the NAV

The City owns units, or shares in the State Retiree Benefits Trust Fund reported in the City’s OPEB Trust Fund. By law, such investments are required to be invested in the Pension Reserves Investment Trust (“PRIT”) Fund. The investments are irrevocable and invested for the sole purpose to provide funding for the City’s post-employment benefits for the exclusive benefit of the City’s retired employees and their eligible dependents; and for defraying the reasonable expenses of the Trust in accordance with the Trust agreement. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the City’s ownership of the fund.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Pension Trust Fund (The System)

PRIT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee and provides regulatory oversight. The reported value of the pool is the same as the fair value of the City's position in pool shares.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the System's deposits may not be recovered. The System does not have a policy for custodial credit risk of deposits. As of December 31, 2021, the System is not exposed to custodial credit risk.

Investments Summary

The System's investments at December 31, 2021 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

<u>Investment Type</u>	<u>Total Amount</u>	<u>Investment Maturities (in Years) Less Than 1</u>
<u>External Investment Pools:</u>		
Pension Reserve Investment Trust.....	\$ 502,148,587	\$ 502,148,587
Massachusetts Municipal Depository Trust..	<u>24,164,324</u>	<u>24,164,324</u>
 Total investments.....	 <u><u>\$ 526,312,911</u></u>	 <u><u>\$ 526,312,911</u></u>

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The System's policy is that at least 15%, but no more than 30% of the portfolio must be invested in fixed income securities.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System does not have a policy for custodial credit risk of investments. The custodial arrangements are reflective of the fact that System assets are invested in pooled funds as opposed to individual securities. As of December 31, 2021, the System's investments were not exposed to custodial credit risk.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The System's policy is that for underlying investments in external investment pools, bonds shall have a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 5% of the total investment portfolio may be invested in bonds with a minimum quality rating of CCC as rated by Standard & Poor's Corporate and Municipal Rating Service. As of December 31, 2021, the System's debt security investments were in external investment pools unrated by national credit rating organizations.

Investments – Fair Value Measurements – System

The System is a participating retirement system in the PRIT fund. The System owns units, or shares in the PRIT fund, which is a pooled investment trust. The investments made by the System are governed by Chapter 32 of the MGL. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership in the pool.

Note 4 - Receivables

At June 30, 2022, receivables for the individual major governmental funds and non-major governmental, internal service and fiduciary funds in the aggregate, including applicable allowances for amounts estimated to be uncollectible, are as follows:

	Gross	Allowance	Net
	Amount	for	Amount
	<u>Amount</u>	<u>Uncollectibles</u>	<u>Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 4,135,017	\$ (214,524)	\$ 3,920,493
Real estate tax deferrals.....	3,160,599	-	3,160,599
Tax liens.....	8,185,791	-	8,185,791
Motor vehicle and other excise taxes.....	2,595,237	(1,599,587)	995,650
Community preservation surcharges.....	15,970	-	15,970
Departmental and other.....	7,508,735	(6,846,697)	662,038
Intergovernmental.....	5,612,970	-	5,612,970
Special assessments.....	318,255	-	318,255
Leases.....	3,101,668	-	3,101,668
	<u>\$ 34,634,242</u>	<u>\$ (8,660,808)</u>	<u>\$ 25,973,434</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

At June 30, 2022, receivables for the Enterprise Funds consist of the following:

	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>
	<u>Amount</u>	<u>for</u>	<u>Amount</u>
		<u>Uncollectibles</u>	
Receivables:			
Charges for services.....	\$ 17,090,606	\$ (170,776)	\$ 16,919,830
Utility liens.....	268,617	-	268,617
Special assessments.....	224,292	-	224,292
Intergovernmental.....	<u>2,072</u>	<u>-</u>	<u>2,072</u>
	<u>\$ 17,585,587</u>	<u>\$ (170,776)</u>	<u>\$ 17,414,811</u>

Note 5 – Capital Assets

Capital asset activity for governmental activities for the fiscal year ended June 30, 2022 was as follows:

	July 1, 2021			June 30, 2022	
	<u>Balance</u>	<u>Increases</u>		<u>Decreases</u>	<u>Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land.....	\$ 46,400,152	\$ 8,090,900	\$ -	\$ -	\$ 54,491,052
Intangible assets.....	2,238,261	-	-	-	2,238,261
Construction in progress.....	<u>10,744,849</u>	<u>10,652,184</u>	<u>(3,800,943)</u>		<u>17,596,090</u>
Sub-total	<u>59,383,262</u>	<u>18,743,084</u>	<u>(3,800,943)</u>		<u>74,325,403</u>
Capital assets being depreciated:					
Buildings and improvements.....	641,292,644	6,279,765	-		647,572,409
Equipment and machinery.....	102,172,356	4,315,381	(7,589,503)		98,898,234
Road network.....	<u>145,076,923</u>	<u>9,494,999</u>	<u>-</u>		<u>154,571,922</u>
Sub-total.....	<u>888,541,923</u>	<u>20,090,145</u>	<u>(7,589,503)</u>		<u>901,042,565</u>
Less: accumulated depreciation:					
Buildings and improvements.....	(222,952,850)	(14,736,742)	-		(237,689,592)
Equipment and machinery.....	(71,419,354)	(6,444,728)	7,384,503		(70,479,579)
Road network.....	<u>(44,019,434)</u>	<u>(3,157,063)</u>	<u>-</u>		<u>(47,176,497)</u>
Sub-total.....	<u>(338,391,638)</u>	<u>(24,338,533)</u>	<u>7,384,503</u>		<u>(355,345,668)</u>
Capital assets being depreciated, net.....	<u>550,150,285</u>	<u>(4,248,388)</u>	<u>(205,000)</u>		<u>545,696,897</u>
Governmental capital assets, net.....	<u>\$ 609,533,547</u>	<u>\$ 14,494,696</u>	<u>\$ (4,005,943)</u>		<u>\$ 620,022,300</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Depreciation was charged to governmental fund programs in the Statement of Activities as follows:

Legislative & executive	\$ 18,404
Administrative support	241,070
Planning & development	253,607
Public building maintenance and operations	446,307
Police	664,720
Fire	1,645,718
Education	14,706,864
Streets and sidewalks	4,043,494
Control of snow and ice	114,544
Solid waste	998
Health & human services	2,822
Senior services	5,404
Libraries	1,158,143
Parks and recreation	1,000,297
Newton history museum	36,141
Total	<u>\$ 24,338,533</u>

Capital asset activity for individual enterprise funds for the fiscal year ended June 30, 2022 is as follows:

	July 1, 2021			June 30, 2022
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Water system:				
Capital assets not being depreciated:				
Land.....	\$ 258,540	\$ -	\$ -	\$ 258,540
Construction in progress.....	1,444,725	247,238	(1,691,963)	-
Sub-total	<u>1,703,265</u>	<u>247,238</u>	<u>(1,691,963)</u>	<u>258,540</u>
Capital assets being depreciated:				
Buildings and improvements.....	2,455,492	-	-	2,455,492
Equipment and machinery.....	11,181,503	-	-	11,181,503
Water system.....	75,436,433	9,913,987	-	85,350,420
Sub-total.....	<u>89,073,428</u>	<u>9,913,987</u>	<u>-</u>	<u>98,987,415</u>
Less: accumulated depreciation:				
Buildings and improvements.....	(1,480,455)	-	-	(1,480,455)
Equipment and machinery.....	(6,939,530)	(735,701)	-	(7,675,231)
Water system.....	<u>(20,433,394)</u>	<u>(1,640,131)</u>	<u>-</u>	<u>(22,073,525)</u>
Sub-total.....	<u>(28,853,379)</u>	<u>(2,375,832)</u>	<u>-</u>	<u>(31,229,211)</u>
Capital assets being depreciated, net.....	<u>60,220,049</u>	<u>7,538,155</u>	<u>-</u>	<u>67,758,204</u>
Water system capital assets, net.....	<u>\$ 61,923,314</u>	<u>\$ 7,785,393</u>	<u>\$ (1,691,963)</u>	<u>\$ 68,016,744</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

	July 1, 2021			June 30, 2022
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Sewer system				
Capital assets not being depreciated:				
Land.....	\$ 26,245	\$ -	\$ -	\$ 26,245
Construction in progress.....	<u>1,336,196</u>	<u>353,130</u>	<u>(1,336,196)</u>	<u>353,130</u>
Sub-total.....	<u>1,362,441</u>	<u>353,130</u>	<u>(1,336,196)</u>	<u>379,375</u>
Capital assets being depreciated:				
Buildings and improvements.....	1,887,602	-	-	1,887,602
Equipment and machinery.....	5,526,072	11,019	(136,345)	5,400,746
Sanitary sewer system.....	<u>89,006,202</u>	<u>3,181,826</u>	<u>-</u>	<u>92,188,028</u>
Sub-total.....	<u>96,419,876</u>	<u>3,192,845</u>	<u>(136,345)</u>	<u>99,476,376</u>
Less: accumulated depreciation:				
Buildings and improvements.....	(1,060,264)	-	-	(1,060,264)
Equipment and machinery.....	(2,381,147)	(331,862)	136,345	(2,576,664)
Sanitary sewer system.....	<u>(28,049,867)</u>	<u>(1,628,733)</u>	<u>-</u>	<u>(29,678,600)</u>
Sub-total.....	<u>(31,491,278)</u>	<u>(1,960,595)</u>	<u>136,345</u>	<u>(33,315,528)</u>
Capital assets being depreciated, net.....	<u>64,928,598</u>	<u>1,232,250</u>	<u>-</u>	<u>66,160,848</u>
Sewer system capital assets, net.....	<u>\$ 66,291,039</u>	<u>\$ 1,585,380</u>	<u>\$ (1,336,196)</u>	<u>\$ 66,540,223</u>
	July 1, 2021			June 30, 2022
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Stormwater system				
Capital assets not being depreciated:				
Construction in progress.....	\$ -	\$ 278,964	\$ -	\$ 278,964
Capital assets being depreciated:				
Storm drainage system.....	<u>8,678,322</u>	<u>74,009</u>	<u>-</u>	<u>8,752,331</u>
Less: accumulated depreciation				
Storm drainage system.....	<u>(2,029,757)</u>	<u>(195,209)</u>	<u>-</u>	<u>(2,224,966)</u>
Capital assets being depreciated, net.....	<u>6,648,565</u>	<u>(121,200)</u>	<u>-</u>	<u>6,527,365</u>
Stormwater system capital assets, net.....	<u>\$ 6,648,565</u>	<u>\$ 157,764</u>	<u>\$ -</u>	<u>\$ 6,806,329</u>

Capital asset activity for the Newton Commonwealth Foundation for the fiscal year ended December 31, 2021 is as follows:

	Beginning			Ending
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Golf course:				
Capital assets being depreciated:				
Land improvements.....	\$ 4,054,232	\$ 28,395	\$ -	\$ 4,082,627
Buildings and improvements.....	184,992	45,200	-	230,192
Equipment and machinery.....	<u>135,273</u>	<u>-</u>	<u>-</u>	<u>135,273</u>
Sub-total.....	<u>4,374,497</u>	<u>73,595</u>	<u>-</u>	<u>4,448,092</u>
Less: accumulated depreciation:				
Land improvements.....	(2,559,444)	(187,560)	-	(2,747,004)
Buildings and improvements.....	(84,899)	(10,575)	-	(95,474)
Equipment and machinery.....	<u>(91,524)</u>	<u>(6,215)</u>	<u>-</u>	<u>(97,739)</u>
Sub-total.....	<u>(2,735,867)</u>	<u>(204,350)</u>	<u>-</u>	<u>(2,940,217)</u>
Golf course, net.....	<u>\$ 1,638,630</u>	<u>\$ (130,755)</u>	<u>\$ -</u>	<u>\$ 1,507,875</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 6 – Net Investment in Capital Assets

Net investment in capital assets at June 30, 2022 is summarized as follows:

Governmental Activities

Capital assets, net of accumulated depreciation.....	\$	620,022,300
Less: total long-term debt outstanding.....		(306,813,846)
Less: lease liability.....		(1,101,660)
Add: unspent BAN/bond proceeds.....		<u>11,057,966</u>
Net investment in capital assets.....	\$	<u><u>323,164,760</u></u>

Business-Type Activities

	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	Total Enterprise Funds/ Business-Type Activities
Capital assets, net of accumulated depreciation.....	\$ 68,016,744	\$ 66,540,223	\$ 6,806,329	\$ 141,363,296
Less: capital-related accounts payable.....	(559,183)	(60,909)	(39,102)	(659,194)
Less: total long-term debt outstanding.....	(25,209,943)	(10,454,810)	(3,785,764)	(39,450,517)
Less: lease liability outstanding.....	-	(11,023)	-	(11,023)
Add: unspent BAN/bond proceeds.....	<u>11,273,299</u>	<u>19,034,980</u>	<u>1,456,100</u>	<u>31,764,379</u>
Net investment in capital assets.....	\$ <u><u>53,520,917</u></u>	\$ <u><u>75,048,461</u></u>	\$ <u><u>4,437,563</u></u>	\$ <u><u>133,006,941</u></u>

Note 7 – Inter-fund Receivables, Payables and Transfers

Receivables and payables between funds at June 30, 2022, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds (Municipal Federal Grant Fund)	\$ 2,133,984
General Fund	Nonmajor Governmental Funds (School Federal Grant Fund)	1,863,611
General Fund	Nonmajor Governmental Funds (School State Grant Fund)	523,088
General Fund	Nonmajor Governmental Funds (Municipal State Grant Fund)	482,155
General Fund	Nonmajor Governmental Funds (Revolving Funds)	415,726
General Fund	Nonmajor Governmental Funds (Street Improvements Fund)	291,880
General Fund	Fiduciary Funds (Private Purpose Trust Funds)	<u>475,204</u>
	Total	\$ <u><u>6,185,648</u></u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Inter-fund transfer activity for the fiscal year ended June 30, 2022 consisted of the following:

	General Fund	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Stormwater Enterprise Fund	Total All Funds
Solid Waste Program receipts reserved - FY 2022 operating budget	\$ 226,200	\$ -	\$ (226,200)	\$ -	\$ -	\$ -	\$ -
Parking meter revenue - FY 2022 operating budget	43,397	-	(43,397)	-	-	-	-
Sale of Recycling Materials receipts reserved - FY 2022 operating budget	87,603	-	(87,603)	-	-	-	-
CATV licensing fees receipts reserved - FY 2022 operating budget	430,000	-	(430,000)	-	-	-	-
NCGF golf day receipts reserved - FY 2022 operating budget	15,000	-	(15,000)	-	-	-	-
Sewer fund admin overhead support - FY 2022 operating budget	1,992,375	-	-	-	(1,992,375)	-	-
Water fund admin overhead support - FY 2022 operating budget	1,690,155	-	-	(1,690,155)	-	-	-
Stormwater fund admin overhead support - FY 2022 operating budget	778,320	-	-	-	-	(778,320)	-
ARPA Fund support - FY 2022 operating budget	4,603,645	(4,603,645)	-	-	-	-	-
Water fund indirect cost reimbursement to Sewer fund - FY 2022 operating budget	-	-	-	(643,834)	643,834	-	-
NewTV Operating subsidy for PEG TV	200,000	-	(200,000)	-	-	-	-
Library Design Lot Engineering Services	37,500	-	-	-	-	(37,500)	-
Crystal Lake Swim chair	2,262	-	(2,262)	-	-	-	-
NHA Affordable Housing	643,216	-	(643,216)	-	-	-	-
NECP LED Lighting Green Communities Grant Program	(29,807)	-	29,807	-	-	-	-
Washington St Fence	30,500	-	(30,500)	-	-	-	-
Fire Prevention Training	2,600	-	(2,600)	-	-	-	-
COD Flashing Beacons	18,000	-	(18,000)	-	-	-	-
Burr School Playground	1,538	-	(1,538)	-	-	-	-
Angino Farm Solar Project (from Cap Stab)	(20,000)	-	20,000	-	-	-	-
Washington St Redesign Pilot	(500,000)	-	500,000	-	-	-	-
NewTV FY23 Operating subsidy for PEG TV	200,000	-	(200,000)	-	-	-	-
West Newton Armory	890,000	-	(890,000)	-	-	-	-
Bond Premiums to pay Debt Service	144,657	-	(144,657)	-	-	-	-
Newton Public Schools Athletic Revolving Fund Subsidy	(1,560,000)	-	1,560,000	-	-	-	-
	<u>\$ 12,036,968</u>	<u>\$ -</u>	<u>\$ 2,109,807</u>	<u>\$ -</u>	<u>\$ 643,834</u>	<u>\$ -</u>	<u>\$ 14,790,609</u>
Transfers from other funds	\$ 12,036,968	\$ -	\$ 2,109,807	\$ -	\$ 643,834	\$ -	\$ 14,790,609
	<u>\$ (2,109,807)</u>	<u>\$ (4,603,645)</u>	<u>\$ (2,934,973)</u>	<u>\$ (2,333,989)</u>	<u>\$ (1,992,375)</u>	<u>\$ (815,820)</u>	<u>\$ (14,790,609)</u>
Transfers to other funds	\$ (2,109,807)	\$ (4,603,645)	\$ (2,934,973)	\$ (2,333,989)	\$ (1,992,375)	\$ (815,820)	\$ (14,790,609)

Note 8 – Leases (Lessor)

The City leases certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2039.

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 420,954	\$ 32,729	\$ 453,683
2024	260,895	43,728	304,623
2025	276,678	39,861	316,539
2026	293,187	35,741	328,928
2027	310,451	31,356	341,807
2028-2032	270,540	84,655	355,195
2033 and thereafter	1,268,963	23,702	1,292,665
Total minimum lease payments	<u>\$ 3,101,668</u>	<u>\$ 291,772</u>	<u>\$ 3,393,440</u>

Note 9 - Short-Term Debt

Short term debt may be authorized and issued to fund current operating costs prior to the collection of revenues through the issuance of revenue (RAN's) or tax anticipation notes (TAN's), or to finance capital project expenditures prior to the issuance of permanent long-term debt, through the issuance of bond (BAN's) or grant anticipation notes (GAN's).

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Short term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures for short term borrowing are accounted for in the general fund. Details related to the short term debt activity for the fiscal year ended June 30, 2022, is as follows:

Notes Payable – Governmental Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
BAN	Cabot Elementary School	06/29/21	02/25/22	1.50%	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ -
BAN	Oak Hill School	06/29/21	02/25/22	1.50%	2,808,500	-	(2,808,500)	-
					<u>\$ 3,808,500</u>	<u>\$ -</u>	<u>\$ (3,808,500)</u>	<u>\$ -</u>

Notes Payable – Enterprise Funds

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
BAN	Water Main Improvements	06/29/21	02/25/22	1.50%	\$ 1,500,000	\$ -	\$ (1,500,000)	\$ -

Note 10 - Long-Term Obligations

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion
Governmental Activities:					
Bonds and notes payable.....\$	308,666,842	\$ 14,423,936	\$ (16,276,932)	\$ 306,813,846	\$ 16,856,297
Landfill closure and other environmental	416,633	-	(58,397)	358,236	44,797
Workers' compensation.....	10,857,687	1,882,152	(1,886,580)	10,853,259	1,900,000
Compensated absences.....	12,282,042	194,576	(1,504,443)	10,972,175	5,119,525
Leases.....	-	1,101,660	-	1,101,660	421,032
Total.....\$	<u>332,223,204</u>	<u>\$ 17,602,324</u>	<u>\$ (19,726,352)</u>	<u>\$ 330,099,176</u>	<u>\$ 24,341,651</u>
Business-type Activities:					
Bonds and notes payable.....\$	21,208,834	\$ 3,000,000	\$ (1,591,357)	\$ 22,617,477	\$ 1,578,903
Direct borrowings.....	15,893,720	3,443,900	(2,504,580)	16,833,040	2,712,950
Compensated absences.....	437,370	38,735	(172,575)	303,530	30,354
Leases.....	-	11,023	-	11,023	5,080
Total.....\$	<u>37,539,924</u>	<u>\$ 6,493,658</u>	<u>\$ (4,268,512)</u>	<u>\$ 39,765,070</u>	<u>\$ 4,327,287</u>

Internal service funds predominantly serve the governmental funds. Accordingly, the internal service fund's long-term liabilities are included as part of the governmental activities totals above. At fiscal year-end, \$10,853,259 of the internal service funds accrued liabilities (workers' compensation claims) is included above.

Except for the amounts related to the internal service funds and community preservation fund, the governmental activities long term liabilities are generally liquidated by the general fund.

For direct borrowings, there are no terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 11 - Long-Term Debt

Information on the City's long term debt at June 30, 2022, along with future year debt service requirements, is presented as follows.

Bonds Payable – Governmental Funds

	Date of Issue	Interest Rate (%)	Outstanding June 30, 2021	Issued	Redeemed	Outstanding June 30, 2022
School new construction.....	3/30/2011	2.00%	\$ 7,333,330	\$ -	\$ (366,667)	\$ 6,966,663
Elementary modular classrooms.....	4/12/2012	2.0 - 3.0%	360,000	-	(60,000)	300,000
Elementary modular classrooms.....	4/12/2012	2.0 - 3.0%	30,000	-	(5,000)	25,000
Elementary sprinkler design.....	4/12/2012	2.0 - 3.0%	30,000	-	(5,000)	25,000
Elementary sprinkler systems.....	4/12/2012	2.0 - 3.0%	570,000	-	(95,000)	475,000
School accessibility upgrades.....	4/12/2012	2.0 - 3.0%	120,000	-	(20,000)	100,000
School electrical system upgrades.....	4/12/2012	2.0 - 3.0%	65,000	-	(15,000)	50,000
School generator replacement.....	4/12/2012	2.0 - 3.0%	120,000	-	(20,000)	100,000
School heating system improvements.....	4/12/2012	2.0 - 3.0%	180,000	-	(30,000)	150,000
Public works equipment.....	4/12/2012	2.0 - 3.0%	35,000	-	(35,000)	-
Gath Pool improvements.....	4/12/2012	2.0 - 3.0%	10,000	-	(10,000)	-
Braceland Park improvements.....	4/12/2012	2.0 - 3.0%	60,000	-	(10,000)	50,000
Fire engine replacement.....	4/12/2012	2.0 - 3.0%	60,000	-	(60,000)	-
School advance refunding.....	4/12/2013	2.0 - 4.0%	1,900,000	-	(475,000)	1,425,000
School renovations.....	4/12/2013	2.0 - 4.0%	5,425,000	-	(255,000)	5,170,000
Public works equipment.....	4/12/2013	2.0 - 4.0%	30,000	-	(15,000)	15,000
Gath Pool improvements.....	4/12/2013	2.0 - 4.0%	30,000	-	(15,000)	15,000
City Hall improvements.....	4/12/2013	2.0 - 4.0%	320,000	-	(35,000)	285,000
Crafts St DPW garage improvements.....	4/12/2013	2.0 - 4.0%	40,000	-	(20,000)	20,000
Fire equipment.....	4/12/2013	2.0 - 4.0%	455,000	-	(65,000)	390,000
Elementary modular classrooms.....	3/06/2014	2.75% - 5.0%	1,280,000	-	(160,000)	1,120,000
Mason Rice School sprinklers.....	3/06/2014	2.75% - 5.0%	240,000	-	(30,000)	210,000
Carr School renovations.....	3/06/2014	2.75% - 5.0%	10,095,000	-	(285,000)	9,810,000
Angier demolition & construction.....	3/06/2014	2.75% - 5.0%	4,295,000	-	(120,000)	4,175,000
Community Ctr renovations.....	3/06/2014	2.75% - 5.0%	135,000	-	(20,000)	115,000
DPW equipment.....	3/06/2014	2.75% - 5.0%	75,000	-	(25,000)	50,000
Snow melting equipment.....	3/06/2014	2.75% - 5.0%	75,000	-	(25,000)	50,000
Salt shed & garage.....	3/06/2014	2.75% - 5.0%	325,000	-	(25,000)	300,000
School renovation adv refunding.....	1/29/2015	2.0-3.0%	2,332,000	-	(480,000)	1,852,000
School renovation adv refunding.....	1/29/2015	2.0-3.0%	2,048,000	-	(435,000)	1,613,000
Fire station adv refunding.....	1/29/2015	2.0-3.0%	20,000	-	(20,000)	-
DPW equip adv refunding.....	1/29/2015	2.0-3.0%	40,000	-	(40,000)	-
Fire station adv refunding.....	1/29/2015	2.0-3.0%	50,000	-	(30,000)	20,000
School construction adv refunding.....	1/29/2015	2.0-3.0%	6,500,000	-	(980,000)	5,520,000
Bigelow staircase.....	1/29/2015	2.0-5.0%	180,000	-	(45,000)	135,000
Angier construction.....	1/29/2015	2.0-5.0%	13,195,000	-	(350,000)	12,845,000
Fire station #10 renovations.....	1/29/2015	2.0-5.0%	4,270,000	-	(305,000)	3,965,000
Publ Bldg Energy Conservation.....	1/29/2015	2.0-5.0%	1,820,000	-	(130,000)	1,690,000
DPW equipment.....	1/29/2015	2.0-5.0%	130,000	-	(35,000)	95,000
North High School adv refunding.....	1/28/2016	3.0 -5.0%	16,557,630	-	(637,040)	15,920,590
Brown Windows adv refunding.....	1/28/2016	3.0 -5.0%	688,030	-	(98,290)	589,740
Fire Pumper adv refunding.....	1/28/2016	3.0 -5.0%	55,420	-	(27,710)	27,710
DPW Equipment adv refunding.....	1/28/2016	3.0 -5.0%	73,920	-	(36,960)	36,960
Zervas Elementary construction.....	1/28/2016	3.0 -5.0%	18,090,000	-	(435,000)	17,655,000
Angier Elementary construction.....	1/28/2016	3.0 -5.0%	4,485,000	-	(105,000)	4,380,000
Aquinas Acquisition.....	1/28/2016	3.0 -5.0%	15,700,000	-	(375,000)	15,325,000
FA Day Hot Water Heater.....	1/28/2016	3.0 -5.0%	80,000	-	(15,000)	65,000
NNHS Baseball Backstop.....	1/28/2016	3.0 -5.0%	260,000	-	(20,000)	240,000
Fire Station #3 Improvements.....	1/28/2016	3.0 -5.0%	3,305,000	-	(80,000)	3,225,000

(continued)

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Bonds Payable – Governmental Funds (Continued)

	Date of Issue	Interest Rate (%)	Outstanding June 30, 2021	Issued	Redeemed	Outstanding June 30, 2022
Senior Center HVAC.....	1/28/2016	3.0 -5.0%	80,000	-	(15,000)	65,000
City Hall War Memorial Elevator.....	1/28/2016	3.0 -5.0%	935,000	-	(45,000)	890,000
Manet Rd Communications Building.....	1/28/2016	3.0 -5.0%	690,000	-	(15,000)	675,000
Main Library Improvements.....	1/28/2016	3.0 -5.0%	140,000	-	(25,000)	115,000
City Hall Roof Trace Wiring.....	1/28/2016	3.0 -5.0%	50,000	-	(10,000)	40,000
DPW Snowblower.....	1/28/2016	3.0 -5.0%	80,000	-	(15,000)	65,000
Library Automated Circulation Eqmt.....	1/28/2016	3.0 -5.0%	110,000	-	(20,000)	90,000
Fire Pumper.....	1/28/2016	3.0 -5.0%	485,000	-	(40,000)	445,000
Fire SCBA Equipment.....	1/28/2016	3.0 -5.0%	280,000	-	(50,000)	230,000
Fire Bucket Truck.....	1/28/2016	3.0 -5.0%	125,000	-	(25,000)	100,000
NSHS Tennis Courts.....	1/28/2016	3.0 -5.0%	555,000	-	(45,000)	510,000
Traffic Signal Improvements.....	1/28/2016	3.0 -5.0%	445,000	-	(80,000)	365,000
Auburndale Sq Traffic Improvements.....	1/28/2016	3.0 -5.0%	670,000	-	(120,000)	550,000
Eliot St Bridge Replacement.....	1/28/2016	3.0 -5.0%	1,655,000	-	(80,000)	1,575,000
North High School Construction.....	7/28/2016	3.0 -4.0%	57,785,000	-	(2,230,000)	55,555,000
FA Day HVAC.....	7/28/2016	3.0 -4.0%	757,500	-	(95,000)	662,500
Underwood Boiler.....	7/28/2016	3.0 -4.0%	70,000	-	(10,000)	60,000
Brown Windows.....	7/28/2016	3.0 -4.0%	277,500	-	(40,000)	237,500
NSHS Athletic Fields.....	7/28/2016	3.0 -4.0%	605,500	-	(205,000)	400,500
Fire Station #4 Renovations.....	7/28/2016	3.0 -4.0%	456,500	-	(155,000)	301,500
City Hall Boiler.....	7/28/2016	3.0 -4.0%	75,000	-	(10,000)	65,000
Fire Ladder Truck.....	7/28/2016	3.0 -4.0%	140,000	-	(50,000)	90,000
Parks Vehicles.....	7/28/2016	3.0 -4.0%	15,000	-	(5,000)	10,000
DPW Equipment.....	7/28/2016	3.0 -4.0%	113,000	-	(40,000)	73,000
Zervas Elementary Construction.....	1/25/2017	3.0 -4.0%	11,695,000	-	(270,000)	11,425,000
Cabot Land Acquisition.....	1/25/2017	3.0 -5.0%	905,000	-	(20,000)	885,000
Cabot Design.....	1/25/2017	3.0 -4.0%	365,000	-	(10,000)	355,000
Cabot Construction.....	1/25/2017	3.0 -5.0%	5,480,000	-	(125,000)	5,355,000
Fire Station #3 Improvements.....	1/25/2017	3.0 -4.0%	3,055,000	-	(70,000)	2,985,000
Fire Station #3 Improvements.....	1/25/2017	3.0 -5.0%	9,034,600	-	(415,000)	8,619,600
DPW Construction Vehicle.....	1/25/2017	3.0 -4.0%	150,000	-	(25,000)	125,000
Fire Pumper.....	1/25/2017	3.0 -4.0%	385,800	-	(60,000)	325,800
Police Dispatch Consoles.....	1/25/2017	3.0 -5.0%	411,800	-	(60,000)	351,800
2010 School Qualified Bonds.....	12/12/2017	3.0 -5.0%	6,840,000	-	(360,000)	6,480,000
2010 Modular Classrooms.....	12/12/2017	3.0 -5.0%	328,000	-	(82,000)	246,000
2010 Burr School Windows.....	12/12/2017	3.0 -5.0%	235,000	-	(27,000)	208,000
2010 Fire Station 4 Renovations.....	12/12/2017	3.0 -5.0%	39,000	-	(5,000)	34,000
2010 Fire Station 7 Renovations.....	12/12/2017	3.0 -5.0%	1,728,000	-	(192,000)	1,536,000
2010 Energy Conservation.....	12/12/2017	3.0 -5.0%	888,000	-	(222,000)	666,000
2011 School Roof Repairs.....	12/12/2017	3.0 -5.0%	353,000	-	(36,000)	317,000
2011 School Masonry Repairs.....	12/12/2017	3.0 -5.0%	190,000	-	(19,000)	171,000
2011 School Boiler Replacement.....	12/12/2017	3.0 -5.0%	145,650	-	(15,650)	130,000
2011 H. Mann School Windows/Doors.....	12/12/2017	3.0 -5.0%	221,000	-	(23,000)	198,000
2017 Zervas School Construction.....	12/12/2017	3.0 -5.0%	1,660,700	-	(65,000)	1,595,700
2017 South High Track.....	12/12/2017	3.0 -5.0%	240,000	-	(20,000)	220,000
2017 Cabot School Construction.....	12/12/2017	3.0 -5.0%	18,136,000	-	(362,700)	17,773,300
2017 Fire Station 3/HQ Construction.....	12/12/2017	3.0 -5.0%	1,505,000	-	(90,000)	1,415,000
2017 Traffic Signal Improvements.....	12/12/2017	3.0 -5.0%	960,000	-	(80,000)	880,000
2017 Intersection Improvements.....	12/12/2017	3.0 -5.0%	303,650	-	(28,650)	275,000
Fire Ladder #2 Replacement.....	2/27/2019	3.0 -5.0%	930,000	-	(135,000)	795,000
DPW Gradall Truck.....	2/27/2019	3.0 -5.0%	240,000	-	(20,000)	220,000
Parks Department Bucket Truck.....	2/27/2019	3.0 -5.0%	165,000	-	(25,000)	140,000
McGrath Park Tennis Courts.....	2/27/2019	3.0 -5.0%	180,000	-	(15,000)	165,000
Parks Department Trash Trucks.....	2/27/2019	3.0 -5.0%	160,000	-	(15,000)	145,000

(continued)

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Bonds Payable – Governmental Funds (Continued)

	Date of Issue	Interest Rate (%)	Outstanding June 30, 2021	Issued	Redeemed	Outstanding June 30, 2022
DPW Backhoe.....	2/27/2019	3.0 -5.0%	115,000	-	(15,000)	100,000
Front End Loader.....	2/27/2019	3.0 -5.0%	80,000	-	(10,000)	70,000
Carr School AC Installation.....	2/27/2019	3.0 -5.0%	260,000	-	(20,000)	240,000
Crafts Street Garage Roof.....	2/27/2019	3.0 -5.0%	275,000	-	(20,000)	255,000
Newton Library Interior Improvements.....	2/27/2019	3.0 -5.0%	430,000	-	(35,000)	395,000
Cabot Elementary School.....	2/27/2019	3.0 -5.0%	4,660,000	-	(170,000)	4,490,000
Bigelow Boiler Replacement.....	2/27/2020	2.0-5.0%	930,000	-	(70,000)	860,000
West Newton Square Improvements.....	2/27/2020	2.0-5.0%	5,225,000	-	(375,000)	4,850,000
Lincoln-Eliot Window Replace & Acc. Impro	2/27/2020	2.0-5.0%	1,260,000	-	(90,000)	1,170,000
F.A. Day Boiler Replacement.....	2/27/2020	2.0-5.0%	700,000	-	(50,000)	650,000
Early Childhood Program Renovation.....	2/27/2020	2.0-5.0%	3,925,000	-	(75,000)	3,850,000
City Parking Meter Heads & Kiosks.....	2/27/2020	2.0-5.0%	835,000	-	(60,000)	775,000
Walnut St & Austin St Rehabilitation Project.	2/27/2020	2.0-5.0%	3,780,000	-	(270,000)	3,510,000
Webster Woods Land Acquisition.....	2/27/2020	2.0-5.0%	14,083,000	-	(275,000)	13,808,000
Early Childhood Program Renovation.....	2/10/2022	2.0-5.0%	-	8,330,600	-	8,330,600
Oak Hill Middle School.....	2/10/2022	2.0-5.0%	-	2,808,500	-	2,808,500
Swap Loader Truck.....	2/10/2022	2.0-5.0%	-	537,584	-	537,584
Cabot Elementary.....	2/10/2022	2.0-5.0%	-	950,000	-	950,000
Cabot Elementary II	2/10/2022	2.0-5.0%	-	1,128,316	-	1,128,316
			<u>293,656,530</u>	<u>13,755,000</u>	<u>(14,834,667)</u>	<u>292,576,863</u>
Unamortized Premiums.....			<u>15,010,312</u>	<u>668,936</u>	<u>(1,442,265)</u>	<u>14,236,983</u>
Total Governmental Funds.....			<u>\$ 308,666,842</u>	<u>\$ 14,423,936</u>	<u>\$ (16,276,932)</u>	<u>\$ 306,813,846</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Debt service requirements for principal and interest for Governmental bonds payable for future years is as follows:

Fiscal Year Ending	Principal	Interest	Total
2023	\$ 15,439,667	\$ 10,190,752	\$ 25,630,419
2024	15,634,667	9,560,184	25,194,851
2025	15,509,667	8,882,552	24,392,219
2026	14,746,867	8,279,091	23,025,958
2027	14,104,667	7,679,770	21,784,437
2028	13,794,667	7,111,437	20,906,104
2029	13,074,667	6,549,828	19,624,495
2030	13,085,667	6,017,077	19,102,744
2031	13,231,667	5,541,106	18,772,773
2032	13,326,667	5,089,654	18,416,321
2033	13,639,667	4,615,872	18,255,539
2034	13,771,667	4,181,973	17,953,640
2035	14,051,667	3,755,690	17,807,357
2036	13,071,667	3,340,032	16,411,699
2037	13,216,667	2,941,774	16,158,441
2038	12,841,667	2,538,077	15,379,744
2039	11,356,667	2,156,713	13,513,380
2040	7,331,667	1,806,098	9,137,765
2041	7,156,657	1,580,130	8,736,787
2042	6,990,000	1,352,920	8,342,920
2043	7,210,000	1,124,819	8,334,819
2044	7,425,000	890,550	8,315,550
2045	6,700,000	648,250	7,348,250
2046	6,020,000	449,450	6,469,450
2047	3,700,000	260,188	3,960,188
2048	2,540,000	146,569	2,686,569
2049	1,480,000	91,906	1,571,906
2050	1,335,000	53,738	1,388,738
2051	465,000	20,869	485,869
2052	325,000	8,663	333,663
Total	\$ 292,576,863	\$ 106,865,733	\$ 399,442,596

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Bonds Payable – Water Enterprise Fund

	Date of Issue	Interest Rate (%)	Outstanding July 1, 2021	Issued	Redeemed	Outstanding June 30, 2022
MWRA Water*	5/14/2012	0.00	\$ 136,020	\$ -	\$ (136,020)	\$ -
MWRA Water*	8/20/2012	0.00	272,040	-	(136,020)	136,020
Water Mains	4/12/2013	2.0-4.0	1,620,000	-	(135,000)	1,485,000
Water Garage	4/12/2013	2.0-4.0	32,500	-	(5,000)	27,500
MWRA Water*	8/15/2013	0.00	408,060	-	(136,020)	272,040
MWRA Water*	11/17/2014	0.00	544,080	-	(136,020)	408,060
MWRA Water*	11/19/2015	0.00	680,100	-	(136,020)	544,080
MWRA Water*	11/19/2016	0.00	816,120	-	(136,020)	680,100
Water Main Improvements	1/25/2017	3.0-4.0	2,430,000	-	(55,000)	2,375,000
MWRA Lead*	5/15/2017	0.00	2,400,000	-	(400,000)	2,000,000
MWRA Water*	5/24/2018	0.00	952,140	-	(136,020)	816,120
Water Main	2/15/2019	3.0-5.0	2,080,000	-	(160,000)	1,920,000
Water Main	2/15/2019	3.0-5.0	2,860,000	-	(220,000)	2,640,000
MWRA Water*	12/24/2018	0.00	1,088,160	-	(136,020)	952,140
MWRA Water*	12/2/2019	0.00	1,224,180	-	(136,020)	1,088,160
Water Main Improvements	2/27/2020	2.0-5.0	2,802,000	-	(100,000)	2,702,000
MWRA Water*	8/9/2021	0.00	-	1,360,200	-	1,360,200
MWRA Water*	12/9/2021	0.00	-	2,083,700	-	2,083,700
Water Main Improvements	2/10/2022	2.0-5.0	-	2,890,000	-	2,890,000
Subtotal			\$ 20,345,400	\$ 6,333,900	\$ (2,299,180)	\$ 24,380,120
Unamortized Premium			888,254	110,000	(168,431)	829,823
Total Water			\$ <u>21,233,654</u>	\$ <u>6,443,900</u>	\$ <u>(2,467,611)</u>	\$ <u>25,209,943</u>

* Notes from direct borrowings

The Massachusetts Water Resources Authority (MWRA) offers water system rehabilitation and sanitary sewer infiltration and inflow reduction financial assistance programs to member communities in order to assist with the on-going maintenance of water and sewer system infrastructure. During the fiscal year ended June 30, 2022, the City was the recipient of \$3,443,900 in MWRA loans.

At June 30, 2022, the City had \$10,340,620 in MWRA water rehabilitation loans outstanding. Interest subsidies on these loans for the year ended June 30, 2022 totaled \$255,627.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Debt service requirements for future year principal and interest for water enterprise fund debt is as follows:

Fiscal Year Ending	Bonded Debt		Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 780,000	\$ 513,061	\$ 1,832,550	\$ -	\$ 2,612,550	\$ 513,061
2024	790,000	478,304	1,696,530	-	2,486,530	478,304
2025	800,000	440,803	1,560,510	-	2,360,510	440,803
2026	805,000	405,304	1,424,490	-	2,229,490	405,304
2027	815,000	370,504	1,288,470	-	2,103,470	370,504
2028	817,500	335,254	752,450	-	1,569,950	335,254
2029	830,000	297,829	616,430	-	1,446,430	297,829
2030	835,000	259,779	480,410	-	1,315,410	259,779
2031	840,000	226,729	344,390	-	1,184,390	226,729
2032	850,000	193,529	344,390	-	1,194,390	193,529
2033	857,000	164,679	-	-	857,000	164,679
2034	730,000	137,950	-	-	730,000	137,950
2035	355,000	116,775	-	-	355,000	116,775
2036	365,000	108,550	-	-	365,000	108,550
2037	375,000	99,944	-	-	375,000	99,944
2038	380,000	90,944	-	-	380,000	90,944
2039	385,000	81,725	-	-	385,000	81,725
2040	395,000	71,456	-	-	395,000	71,456
2041	210,000	60,881	-	-	210,000	60,881
2042	215,000	54,144	-	-	215,000	54,144
2043	220,000	47,206	-	-	220,000	47,206
2044	225,000	40,575	-	-	225,000	40,575
2045	225,000	33,650	-	-	225,000	33,650
2046	230,000	26,725	-	-	230,000	26,725
2047	235,000	19,625	-	-	235,000	19,625
2048	95,000	12,350	-	-	95,000	12,350
2049	95,000	9,975	-	-	95,000	9,975
2050	95,000	7,481	-	-	95,000	7,481
2051	95,000	4,988	-	-	95,000	4,988
2052	95,000	2,494	-	-	95,000	2,494
Total	\$ 14,039,500	\$ 4,713,213	\$ 10,340,620	\$ -	\$ 24,380,120	\$ 4,713,213

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Bonds Payable – Sewer Enterprise Fund

	Date of Issue	Interest Rate (%)	Outstanding July 1, 2021	Issued	Redeemed	Outstanding June 30, 2022
MCWT Sewer*	7/03/2002	-	\$ 20,000	\$ -	\$ (10,000)	\$ 10,000
Sewer system improvements	4/3/2012	2.0-3.0%	1,240,000	-	(115,000)	1,125,000
Sewer I& I removal	4/12/2013	2.0-4.0%	2,520,000	-	(210,000)	2,310,000
Water Garage	4/12/2013	2.0-4.0%	32,500	-	(5,000)	27,500
MWRA Sewer*	12/15/2014	-	366,800	-	(91,700)	275,100
Sewer vehicle	11/19/2015	4.0 -5.0%	295,000	-	(25,000)	270,000
MWRA Sewer*	1/20/2016	-	458,500	-	(91,700)	366,800
Sewer system improvements	12/12/2017	3.0 -5.0%	197,000	-	(22,000)	175,000
MWRA Sewer*	11/29/2018	-	916,000	-	(114,500)	801,500
MWRA Sewer*	8/19/2019	-	1,030,500	-	(114,500)	916,000
MWRA Sewer*	12/17/2020	-	4,580,000	-	(458,000)	4,122,000
Subtotal			\$ 11,656,300	\$ -	\$ (1,257,400)	\$ 10,398,900
Unamortized Premium			70,353	-	(14,443)	55,910
Total Sewer			\$ 11,726,653	\$ -	\$ (1,271,843)	\$ 10,454,810

* Notes from direct borrowings

The MWRA’s sanitary sewer infiltration/inflow reduction financial assistance program provides financial assistance for eligible projects in the form of a combination of grants and five-year interest-free loans. At June 30, 2022, the City had \$6,481,400 in MWRA sewer infiltration/inflow reduction loans outstanding. Interest subsidies on these loans for the year ended June 30, 2022 totaled \$220,554.

The City has also entered into (3) ten-year subsidized loan agreements with the Massachusetts Clean Water Trust (MCWT) for additional sanitary sewer system infiltration and inflow reduction projects. At June 30, 2022, the City had \$10,000 in loans outstanding under this project. Interest and principal subsidies on these loans for the year ended June 30, 2022 were \$679 and \$1,931, respectively.

Debt service requirements for future year principal and interest for sewer enterprise fund debt is as follows:

Ending	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 377,000	\$ 123,325	\$ 880,400	\$ -	\$ 1,257,400	\$ 123,325
2024	377,000	110,326	870,400	-	1,247,400	110,326
2025	377,000	96,498	870,400	-	1,247,400	96,498
2026	382,000	86,687	778,700	-	1,160,700	86,687
2027	382,000	74,762	687,000	-	1,069,000	74,762
2028	374,500	62,837	687,000	-	1,061,500	62,837
2029	377,000	50,837	687,000	-	1,064,000	50,837
2030	376,000	38,687	572,500	-	948,500	38,687
2031	355,000	27,162	458,000	-	813,000	27,162
2032	320,000	16,162	-	-	320,000	16,162
2033	210,000	6,562	-	-	210,000	6,562
Total	\$ 3,907,500	\$ 693,845	\$ 6,491,400	\$ -	\$ 10,398,900	\$ 693,845

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Bonds Payable – Stormwater Enterprise Fund

	Date of Issue	Interest Rate (%)	Outstanding July 1, 2021	Issued	Redeemed	Outstanding June 30, 2022
Dedham St Drainage.....	1/20/2016	3.0 -5.0%	\$ 600,000	\$ -	\$ (30,000)	\$ 570,000
DPW Streetsweeper.....	1/25/2017	3.0 -5.0%	127,800	-	(20,000)	107,800
2017 Laundry Brook Drainage.....	12/12/2017	3.0 -5.0%	1,955,000	-	(115,000)	1,840,000
Forest Grove Pump Station.....	2/27/2019	3.0 -5.0%	285,000	-	(25,000)	260,000
Elgin Pelican Street Sweeper.....	2/27/2019	3.0 -5.0%	65,000	-	(10,000)	55,000
Hammond Brook Culvert Replacement.....	2/27/2019	3.0 -5.0%	260,000	-	(20,000)	240,000
Crafts Street Garage Interior Support Syster	2/27/2019	3.0 -5.0%	430,000	-	(35,000)	395,000
Subtotal.....			<u>3,722,800</u>	<u>-</u>	<u>(255,000)</u>	<u>3,467,800</u>
Unamortized Premium.....			419,447	-	(101,483)	317,964
Total Stormwater.....			\$ <u>4,142,247</u>	\$ <u>-</u>	\$ <u>(356,483)</u>	\$ <u>3,785,764</u>

Debt service requirements for future year principal and interest for stormwater enterprise fund debt is as follows:

Fiscal Year Ending	Principal	Interest	Total
2023	\$ 255,000	\$ 146,487	\$ 401,487
2024	255,000	134,237	389,237
2025	260,000	121,687	381,687
2026	262,800	109,237	372,037
2027	255,000	96,325	351,325
2028	235,000	83,825	318,825
2029	235,000	72,075	307,075
2030	225,000	60,325	285,325
2031	230,000	50,750	280,750
2032	230,000	41,550	271,550
2033	230,000	33,050	263,050
2034	235,000	25,000	260,000
2035	165,000	16,800	181,800
2036	165,000	10,700	175,700
2037	115,000	5,175	120,175
2038	115,000	1,725	116,725
Total	\$ <u>3,467,800</u>	\$ <u>1,008,948</u>	\$ <u>4,476,748</u>

Water, sewer, and stormwater debt is expected to be funded from water, sewer, and stormwater enterprise fund revenue.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Authorized and Unissued Debt

At June 30, 2022 the City had a total of \$86,858,550 in authorized (by the City Council) and unissued debt, which is summarized as follows:

	Authorized and Unissued Debt			
	Beginning of Year	Increases	Decreases	End of Year
School improvements.....	\$ 4,289,686	\$ -	\$ (2,166,105)	\$ 2,123,581
Water main rehabilitation - MWRA....	1,360,200	-	(1,360,200)	-
Water main improvement.....	7,000,000	24,037,000	(9,083,700)	21,953,300
Newton Early Childhood Program.....	8,334,366	-	(8,330,600)	3,766
Countryside Feasibility Study.....	1,250,000	-	-	1,250,000
Oak Hill Addition.....	2,808,500	-	(2,808,500)	-
Volvo Front End Loader.....	-	325,900	(325,900)	-
Two 1-Wheel Swap Loader.....	-	725,000	(725,000)	-
Library Parking Lot.....	-	2,227,903	-	2,227,903
Meter System Replacement - Sewer.....	-	1,687,500	-	1,687,500
Meter System Replacement - Water....	-	8,312,500	-	8,312,500
Lincoln-Eliot School.....	-	49,300,000	-	49,300,000
Total.....	\$ 25,042,752	\$ 86,615,803	\$ (24,800,005)	\$ 86,858,550

Note 12 – Leases (Lessee)

The City leases certain vehicles, equipment, and infrastructure for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028.

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 415,015	\$ 6,017	\$ 4,965	\$ 115	\$ 426,112
2024	360,251	3,737	2,763	98	366,849
2025	187,403	1,747	2,819	41	192,010
2026	117,262	656	476	1	118,395
2027	20,434	138	-	-	20,572
2028	1,295	3	-	-	1,298
Total minimum lease payments	\$ 1,101,660	\$ 12,298	\$ 11,023	\$ 255	\$ 1,125,236

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 13 – Landfill Closure and Post-closure Care Costs

State and federal laws and regulations mandated that the City close its old landfill site when it ceases accepting waste and to perform certain maintenance and monitoring activities at the site after closure. On June 28, 1996 the City signed a consent agreement with the Commonwealth of Massachusetts’ Department of Environmental Protection that established a schedule for closure of the Rumford Avenue landfill. This landfill ceased operations in 1976 and was capped during 1998, which was in compliance with the consent agreement. The City has recorded a liability of \$358,236 at June 30, 2022 for future year landfill site monitoring and maintenance. Estimated costs per year total approximately \$45,000. The current estimate is based upon current costs and may require modification in future years due to price inflation, changes in technology or changes in state/federal law and regulations.

Note 14 – Other Post Employment Benefits (OPEB)

A - General Information about the OPEB Plan

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

The number of participants as of June 30, 2021, the latest actuarial valuation, is as follows:

Inactive plan members and beneficiaries currently receiving benefit payments.....	3,016
Active plan members.....	<u>2,503</u>
Total.....	<u><u>5,519</u></u>

B – Benefits Provided

The City provides health and life insurance coverage for its retirees and their survivors. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions.

C – Contributions

The contribution requirements of Plan members and the City are established and may be amended by the City. The required health insurance contribution rates of Plan members and the City are 25%/30% and 75%/70%, respectively. In addition, the City reimburses retirees and their spouses \$925 each per year for Medicare Part B premiums. The Plan members and City each contribute 50% towards a \$5,000 term life insurance premium. In addition to the City contributing money to the Plan to satisfy current obligations on a pay-as-you-go basis, the City contributed 3% of compensation for all employees enrolling in the City health plan on or after July 1, 2012. The costs of administering the Plan are paid by the City.

For the fiscal year ended June 30, 2022, employer contributions totaled \$26,990,322. The OPEB Trust Fund did not receive contributions from any other sources.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

D – OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB,

The components of the net OPEB liability of the Plan as of June 30, 2022 were as follows:

Total OPEB liability.....	\$	692,372,620
Fiduciary Net Position.....		<u>(25,374,083)</u>
Net OPEB Liability.....	\$	<u>666,998,537</u>
Fiduciary net position as a percentage of the total OPEB liability		3.66%

The OPEB trust fund reported in the fiduciary funds financial statements is reported using the flow of economic resources measurement focus and uses the accrual basis of accounting. Contributions are recognized as additions in the period when they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments and refunds are recognized as deductions when incurred.

At June 30, 2022, the City reported a liability of \$666,998,537 for its net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was also determined by an actuarial valuation as of June 30, 2021 rolled forward to the measurement date.

The changes in the net OPEB liability for the measurement period are as follows:

	Amounts (in thousands)		
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2021.....	\$ 921,373	22,889	898,484
Changes for the year:			
Service Cost.....	36,528	-	36,528
Interest of Liability and Service Cost	20,439	-	20,439
Differences between expected and actual experience..	(57,983)		(57,983)
Changes of assumptions.....	(204,566)	-	(204,566)
Employer Contributions.....	-	26,990	(26,990)
Net Investment Income.....	-	(1,087)	1,087
Benefit Payments.....	<u>(23,418)</u>	<u>(23,418)</u>	<u>-</u>
Net Changes.....	<u>(229,000)</u>	<u>2,485</u>	<u>(231,485)</u>
Balance at June 30, 2022.....	\$ <u>692,373</u>	<u>25,374</u>	<u>666,999</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

For the year ended June 30, 2022, the City recognized \$18,963,926 of OPEB expense associated with the Plan. At June 30, 2022, the City reported deferred outflows of resources related to OPEB of \$231,923,839 and deferred inflows of resources related to OPEB of \$67,300,331 from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.....	\$ 24,773,870	\$ 46,938,593
Changes of assumptions.....	42,036,418	184,985,246
Net difference between projected and actual earnings on Plan investments..	<u>490,043</u>	<u>-</u>
	<u>\$ 67,300,331</u>	<u>\$ 231,923,839</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2023	\$ (36,194,096)
2024	(25,353,937)
2025	(51,141,012)
2026	(51,934,463)

Methods and Assumptions – Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations, are based upon the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the calculations.

The significant methods and assumptions used to measure the total OPEB liability as of the latest actuarial valuation are as follows:

Valuation date:	June 30, 2021
Inflation rate:	2.75%
Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll
Remaining amortization period:	26 years from July 1, 2021
Salary increases:	7.00% decreasing to an ultimate level of 3.5% based on service-related increases for Group 1 (excluding Teachers) 8.00% decreasing to an ultimate level of 4.00% based on service-related increases for group 4 7.5% decreasing to an ultimate level of 4.00% based on service-related increases for Teachers
Interest discount rate:	3.54%
Investment rate of return:	6.90%
Healthcare/Medical cost trend rates:	Non-Medicare: 7.5% decreasing by 0.25% for 12 years to an ultimate level of 4.5% Medicare Supplement: 6.5% decreasing by 0.25% for 8 years to an ultimate level of 4.5% Medicare Advantage: 4.5% Administrative expenses: 3.0%
Contributions:	Non-Medicare: 7.5% decreasing by 0.25% for 12 years to an ultimate level of 4.50% per year Medicare Supplement: 6.5% decreasing by 0.25% for 8 years to an ultimate level of 4.5% per year. Medicare Advantage: 4.5%
Mortality:	Pre-Retirement (Non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using scale MP-2021 Healthy Retiree (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Mortality: Disabled Retiree (Non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2021

Pre-Retirement Retiree (Teachers): Pub-2010 Teacher Employee Mortality Table, Headcount Weighted, projected generationally with Scale MP-2020

Healthy Retiree (Teachers): Pub-2010 Teacher Healthy Retiree Mortality Table, Headcount Weighted, projected generationally with Scale MP-2020

Disabled Retiree (Teachers): Pub-2010 Teacher Healthy Retiree Mortality Table, Headcount Weighted, projected generationally with Scale MP-2020

Investment Policies and Rates of Return – The OPEB trust fund investments are in PRIT, an external investment pool that operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

For the fiscal year ended June 30, 2022, the money-weighted rate of return on the Trust Fund’s investments, net of investment expense, was -4.43%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for 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 rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns 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 and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity.....	22.0%	6.11%
International Equity - Developed Markets.	11.5%	6.49%
International Equity - Emerging Markets...	4.5%	8.12%
Core Fixed Income.....	15.0%	0.38%
High-Yield Fixed Income.....	8.0%	2.48%
Real Estate.....	10.0%	3.72%
Timber.....	4.0%	3.44%
Hedge Funds.....	10.0%	2.63%
Private Equity.....	15.0%	9.93%
	<u>100.0%</u>	

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Discount Rate – The discount rate used to measure the total OPEB liability as of June 30, 2022 was 3.54%; compared to a discount rate of 2.16% to measure the total OPEB liability as of June 30, 2021. The discount rate is equal to the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher reported on the Bond Buyer’s 20 bond index. Based on the current assets in the OPEB Trust, there are insufficient assets to cover projected benefit payments. Accordingly, the Bond Buyer’s 20 bond index rates were applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Plan and City calculated using the current discount rate of 3.54 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	(2.54%)	(3.54%)	(4.54%)
Net OPEB Liability.....	\$ 773,382,009	\$ 666,998,537	\$ 580,847,231

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the Plan and City calculated using the current healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
		Rate	
Net OPEB Liability.....	\$ 569,965,073	\$ 666,998,537	\$ 791,379,536

Note 15 – Risk Financing

The City is exposed to various risks of loss related to general liability, property and casualty, workers’ compensation, unemployment, and employee health insurance claims. The City is self-insured for general liability risks, however, Chapter 258 of the Massachusetts General Laws limits the liability to a maximum of \$100,000 per claim in all matters except actions relating to federal civil rights, eminent domain, and breach of contract. The City is also self-insured for workers’ compensation and unemployment claims.

The City has medical plans with Tufts and Harvard-Pilgrim, under which it makes actual claims payments. The medical plan providers act as claims processors and a transfer of risk does not occur. City employees currently contribute between 20% and 30% of the cost of health care, and retirees contribute between 25% and 30% of their health care costs, and the remainder is funded by the City. The City purchased stop loss insurance for individual claims in excess of \$250,000 per year, which are incurred during the fiscal year and paid within eighteen months after June 30.

During the fiscal year ended June 30, 2012 the City implemented several changes in health care plan design for active employees and their dependents through the collective bargaining process. The changes include introduction of annual deductibles; increased co-payments, and an increase in health premium contributions for new employees from 20% to either 25% or 30%, depending upon bargaining unit.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

At June 30, 2022, the City's health claims liability totaled \$4,967,607 and is based on approximately one month claims paid average. Changes in the reported liability since July 1, 2020 are as follows:

	Balance at	Current Year		Balance at
	Beginning of	Claims and		Fiscal
	<u>Fiscal Year</u>	<u>Changes in</u>	<u>Claims</u>	<u>Year-end</u>
		Estimate	Payments	
Fiscal year 2021.....	\$ 2,957,759	66,311,261	(65,298,136)	\$ 3,970,884
Fiscal year 2022.....	3,970,884	75,392,983	(74,396,260)	4,967,607

Workers' compensation claims are administered by the City's Personnel Department. The City contracts for an annual actuarial valuation of the program, and based on this study, has recorded a liability of \$10,853,259 at June 30, 2022, of which \$1,900,000 has been recorded as a current liability based upon the City's expectation that this amount will be paid within the fiscal year ending June 30, 2023. The liability includes an estimate of the IBNR claims.

The June 30, 2022 plan valuation is based upon the use of a combination of the paid loss development method and the Bornhuetter-Ferguson Paid Loss method. US Life Tables 2018 Vital Statistics for Males and Females have been used to determine annuity values for long term claims, using a 5.0% annual rate of interest.

Changes in the reported liability since July 1, 2020 are as follows:

	Balance at	Current Year		Balance at
	Beginning of	Claims and		Fiscal
	<u>Fiscal Year</u>	<u>Changes in</u>	<u>Claims</u>	<u>Year-end</u>
		Estimate	Payments	
Fiscal year 2021.....	\$ 8,306,203	7,015,337	(4,463,853)	\$ 10,857,687
Fiscal year 2022.....	10,857,687	1,882,152	(1,886,580)	10,853,259

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 16 – Fund Balances

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

	<u>General</u>	<u>Community Preservation</u>	<u>American Rescue Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 366,932	\$ 366,932
Restricted:					
Debt service.....	2,017,980	-	-	-	2,017,980
Capital.....	26,732	-	-	-	26,732
Community preservation.....	-	5,965,931	-	-	5,965,931
CPA- community housing.....	-	5,400,932	-	-	5,400,932
CPA- historic resources.....	-	1,333,455	-	-	1,333,455
CPA- community recreation.....	-	3,003,465	-	-	3,003,465
School lunch.....	-	-	-	1,240,578	1,240,578
Revolving.....	-	-	-	9,631,920	9,631,920
Receipts reserved.....	-	-	-	1,275,929	1,275,929
Community Development Block Grant....	-	-	-	34,322	34,322
Municipal state grant.....	-	-	-	1,329,489	1,329,489
School state grant.....	-	-	-	4,063,820	4,063,820
School federal grant.....	-	-	-	543,586	543,586
Gift.....	-	-	-	1,119,710	1,119,710
Public building improvements.....	-	-	-	5,543,183	5,543,183
School building improvements.....	-	-	-	2,121,481	2,121,481
Street improvements.....	-	-	-	1,605,632	1,605,632
Municipal equipment replacement.....	-	-	-	787,087	787,087
Municipal permanent funds.....	-	-	-	185,809	185,809
Library Common permanent funds.....	-	-	-	1,792,000	1,792,000
Sub-total -	<u>2,044,712</u>	<u>15,703,783</u>	<u>-</u>	<u>31,274,546</u>	<u>49,023,041</u>
Committed:					
Subsequent year's expenditures.....	1,609,177	-	-	-	1,609,177
Capital.....	170,580	-	-	-	170,580
Continuing appropriations.....	16,115,275	-	-	-	16,115,275
Receipts reserved.....	-	-	-	3,320,892	3,320,892
Sub-total -	<u>17,895,032</u>	<u>-</u>	<u>-</u>	<u>3,320,892</u>	<u>21,215,924</u>
Assigned:					
Encumbrances.....	10,527,328	-	-	-	10,527,328
Capital.....	344,066	-	-	-	344,066
Sub-total -	<u>10,871,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,871,394</u>
Unassigned.....	<u>72,941,098</u>	<u>-</u>	<u>-</u>	<u>(1,557,167)</u>	<u>71,383,931</u>
Total.....	<u>\$ 103,752,236</u>	<u>\$ 15,703,783</u>	<u>\$ -</u>	<u>\$ 33,405,203</u>	<u>\$ 152,861,222</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 17 – Stabilization Funds

The City maintains capital and rainy day stabilization funds. Appropriations in and out of the stabilization funds require approval of the Mayor and City Council. Investment income is retained by the funds.

The balance of the capital and rainy day stabilization funds at June 30, 2022 total \$541,378 and \$24,043,254 respectively, and are reported in the general fund as restricted (\$26,732), committed (\$170,580), assigned (\$344,066) and unassigned (\$24,043,254).

Note 18 - Donor Restricted Endowments

Permanent Fund and Private Purpose Trust Fund donors have placed restrictions on the expenditure of certain Permanent Fund and Private Purpose Trust Fund endowments. Local policy prohibits the expenditure of unrealized gains and, as a result, only realized gains and investment income on all such funds is available for expenditure. Furthermore, the expenditure of investment income is restricted by individual donor trust agreements.

Amounts available for expenditure related to Permanent Funds are reported as expendable perpetual funds in the Statement of Net position and restricted fund balance in the Governmental Funds Balance Sheet. Amounts available for expenditure related to Private Purpose Trust Funds are reported as held in trust for other purposes in the Fiduciary Funds Statement of Fiduciary Net Position.

Note 19 – Pension Plan (System)

A – Plan Description

The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan administered by the Newton Contributory Retirement Board (NCRB). Substantially all employees of the City are members of the System, except for public school teachers and certain school administrative personnel who are members of the MTRS. The System also covers eligible employees of the Newton Housing Authority.

At December 31, 2021, the System’s membership consisted of the following:

Active members.....	1,555
Inactive - entitled to or receiving benefits.....	49
Inactive - not entitled to or not receiving benefits.....	526
Retirees and beneficiaries currently receiving benefits.....	<u>1,334</u>
Total members.....	<u><u>3,464</u></u>
Number of participating employers.....	<u><u>2</u></u>

The System is governed by a five member board comprised of the City Comptroller (ex officio); an appointee of the Mayor; two members elected by the active and retired members of the System, and one member appointed by the other four members.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

B – Benefits Provided

The System provides retirement, disability and death benefits to plan members and beneficiaries, pursuant to Massachusetts General Law Chapter 32, up to a maximum of 80% of the average of a member’s three or five highest consecutive years’ regular compensation. In addition to regular compensation, benefits are based upon a member’s age, length of creditable service and group classification. Members become vested after ten years of creditable service. A normal retirement allowance may be received after the completion of 20 years of service or upon reaching age 55 or 60, with 10 years of service. Normal retirement for most employees occurs at age 65 or 67, except for certain hazardous duty and public safety employees who attain normal retirement at age 55 or 57. City employees with World War II military veteran status, at least 30 years of service to the City, and who began work prior to July 1, 1939, are entitled to a non-contributory pension benefit equal to 72% of their highest annual rate of regular compensation. Non contributory retirees are eligible for an annual cost of living adjustment of not more than 3% on the first \$12,000 of their annual retirement benefit.

A retirement allowance consists of two parts, an annuity and a pension. A member’s accumulated total retirement deductions, plus interest, constitutes the annuity. The difference between the total retirement benefit and the annuity is the pension.

C - Contributions

Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the System. In 1984 the City began funding the System on an actuarial reserve basis. This funding includes both current year service and the amortization of past service liability. It is the policy of the NCRB to contract for an annual actuarial valuation of the System to determine whether the contributions are sufficient to meet accruing liabilities and to demonstrate what adjustments, if any, are necessary on the basis of actual experience. Active member contribution rates are based upon date of hire: Prior to January 1, 1975 - 5% of regular compensation; January 1, 1975-December 31, 1984 - 7% of regular compensation; January 1, 1985-June 30, 1996 - 8% of regular compensation and July 1, 1996 to date - 9% of regular compensation. Members hired on or after January 1, 1979 contribute an additional 2% of annual regular compensation in excess of \$30,000.

For the year ended December 31, 2021, active member contributions totaled \$11,357,250 and employer contributions totaled \$37,269,367. Contributions to the System from the City were \$36,859,726.

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

The components of the net pension liability of the System at December 31, 2021, were as follows:

Total pension liability	\$ 773,220,721
Plan fiduciary net position	<u>(526,328,949)</u>
Net pension liability	\$ <u>246,891,772</u>
Plan fiduciary net position as a percentage of the total pension liability	68.07%

At June 30, 2022, the City reported a liability of \$244,178,096 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, rolled back to the measurement date. The City’s proportion of the net pension liability is the proportionate share of employer contributions to the System for the year ended December 31, 2021, actuarially determined. At December 31, 2021, the City’s proportion was 98.900864 percent; compared to a proportion of 98.937366 percent at December 31, 2020.

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

For the year ended June 30, 2022, the City recognized pension expense of \$12,475,484 associated with the System. At June 30, 2022, the City reported deferred outflows of resources related to pensions of \$21,926,040, and deferred inflows of resources of \$58,634,596 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 5,295,802	\$ 2,791,224
Changes of assumptions.....	16,629,374	-
Net difference between projected and actual earnings on System investments.....	-	55,658,212
Changes in proportion and differences between employer contributions and proportionate share of contributions.....	864	185,160
	<u>\$ 21,926,040</u>	<u>\$ 58,634,596</u>

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

<u>Year Ended June 30:</u>	<u>Amount</u>
2023	\$ (7,483,089)
2024	(13,828,669)
2025	(8,624,917)
2026	(6,771,881)

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:

Actuarial cost method:	Entry Age Normal
Amortization method:	Increasing payments 9.60% per year
Remaining amortization period:	8 years (closed)
Asset valuation method:	Sum of actuarial value at beginning of year, contributions and investment earnings based on actuarial interest assumption less benefit payments plus 25% of the market value at the end of the year in excess of that sum, plus additional adjustment toward market value as necessary so that final actuarial value is within 20% of market value
Investment rate of return:	6.90%, net of pension plan investment expense, including inflation
Inflation rate:	2.75% per year
Salary increases:	Ranging from 3.50% to 8.00% based upon years of service
Cost of living adjustment:	3.0% on the first \$12,000 in benefits

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Mortality rates:

Pre-Retirement - RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021

Healthy Retiree - RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021

Disabled Retiree - RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021

Investment Policies and Rates of Return - Deposits and investments made by the System are governed by Chapter 32 of the MGL. The NCRB is responsible for the adoption of a formal asset allocation policy, the selection of professional investment managers to execute the investment policies, and the appointment of an investment consultant to assist with the evaluation of investment manager performance. All investment activities of the NCRB are subject to oversight by the Commonwealth of Massachusetts' Public Employee Retirement Administration Commission (PERAC).

For the year ended December 31, 2021, the annual money-weighted rate of return on System investments, net of investment expense, was 19.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The System's current funding schedule is based upon a 6.9% assumed rate of return.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.00%	6.11%
International Equity - Developed Markets	11.50%	6.49%
International Equity - Emerging Markets	4.50%	8.12%
Core Fixed Income	15.00%	0.38%
High-Yield Fixed Income	8.00%	2.48%
Real Estate	10.00%	3.72%
Commodities	4.00%	3.44%
Hedge Funds	10.00%	2.63%
Private Equity	15.00%	9.93%
	<u>100.00%</u>	

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Discount Rate - The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the System calculated using the discount rate of 6.90 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
System's net pension liability	\$ 333,015,705	\$ 246,891,772	\$ 174,350,786

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$ 329,355,410	\$ 244,178,096	\$ 172,434,434

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 20 – Fiduciary Fund Financial Statements

The City’s Pension Trust Fund and OPEB Trust Fund statements of fiduciary net position are as follows:

	Pension Trust Fund <u>(As of 12/31/21)</u>	OPEB Trust Fund	<u>Total</u>
ASSETS			
Cash and Cash Equivalents.....	\$ 24,364,335	\$ 371,155	\$ 24,735,490
Investments:			
External Investment Pool.....	501,948,577	25,002,928	526,951,505
Receivables, Net of Allowance for Uncollectible Amounts:			
Intergovernmental.....	23,948	-	23,948
Prepaid Expenses.....	<u>6,747</u>	<u>-</u>	<u>6,747</u>
 Total Assets.....	 <u>526,343,607</u>	 <u>25,374,083</u>	 <u>551,717,690</u>
LIABILITIES			
Warrants Payable.....	<u>14,658</u>	<u>-</u>	<u>14,658</u>
NET POSITION			
Restricted for Pensions and Other Post Employment Benefits. \$	<u>526,328,949</u>	\$ <u>25,374,083</u>	\$ <u>551,703,032</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

The City's Pension Trust Fund and OPEB Trust Fund statements of changes in fiduciary net position are as follows:

	Pension Trust Fund <u>(As of 12/31/21)</u>	OPEB Trust Fund	<u>Total</u>
ADDITIONS			
Contributions:			
Employer.....	\$ 37,269,367	\$ 26,990,322	\$ 64,259,689
Plan Members.....	<u>11,357,250</u>	<u>-</u>	<u>11,357,250</u>
Total Contributions.....	<u>48,626,617</u>	<u>26,990,322</u>	<u>75,616,939</u>
Net Investment Income:			
Net Appreciation in Fair Value of Investments.....	75,137,540	(1,087,129)	74,050,411
Interest and Dividends.....	<u>10,836,757</u>	<u>-</u>	<u>10,836,757</u>
Total Investment Income.....	85,974,297	(1,087,129)	84,887,168
Less: Investment Expense.....	<u>(2,295,400)</u>	<u>-</u>	<u>(2,295,400)</u>
Net Investment Income.....	<u>83,678,897</u>	<u>(1,087,129)</u>	<u>82,591,768</u>
Other.....	<u>3,410,623</u>	<u>-</u>	<u>3,410,623</u>
Total Additions.....	<u>135,716,137</u>	<u>25,903,193</u>	<u>161,619,330</u>
DEDUCTIONS			
Administration.....	255,503	-	255,503
Retirement Benefits and Refunds.....	45,382,030	23,417,962	68,799,992
Transfers to Other Systems.....	<u>3,410,623</u>	<u>-</u>	<u>3,410,623</u>
Total Deductions.....	<u>49,048,156</u>	<u>23,417,962</u>	<u>72,466,118</u>
CHANGE IN NET POSITION.....	86,667,981	2,485,231	89,153,212
Net Position - Beginning of Year.....	<u>439,660,968</u>	<u>22,888,852</u>	<u>462,549,820</u>
NET POSITION - END OF YEAR.....	<u>\$ 526,328,949</u>	<u>\$ 25,374,083</u>	<u>\$ 551,703,032</u>

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 21 – Pension Plan (Massachusetts Teachers Retirement System)

A - General Information about the Pension Plan

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

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

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

Contributions - The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5-11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

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

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

Since the City does not contribute directly to MTRS, the City does not report a proportionate share of the net pension liability of the MTRS at June 30, 2022. The Commonwealth's net pension liability associated with the City was \$392,681,102.

The MTRS' net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of \$31,511,023 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

Actuarial assumptions - The MTRS' total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021. This valuation used the following assumptions:

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Investment rate of return:	7.00%
Salary increases:	Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service
Mortality Rates:	Pre-retirement - reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct) Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct) Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct)
Other:	3.50% interest rate credited to the annuity savings fund 3.00% cost of living increase per year

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	39.00%	4.80%
Core Fixed Income	15.00%	0.30%
Private Equity	13.00%	7.80%
Portfolio Completion Strategies	11.00%	2.90%
Real Estate	10.00%	3.70%
Value Added Fixed Income	8.00%	3.90%
Timber/Natural Resources	4.00%	4.30%
Totals	100.00%	

Discount rate - The discount rate used to measure the MTRS’ total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

CITY OF NEWTON, MASSACHUSETTS

Notes to the Basic Financial Statements

Fiscal Year Ended June 30, 2022

Note 22 – Commitments and Contingencies

Significant commitments include the continuing appropriations and encumbrances outstanding for the general fund and CPA fund, for which outstanding balances at June 30, 2022, totaled \$26,642,603 and \$9,616,230, respectively.

The City participates in a number of state and federal award programs. These programs are still subject to separate 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, will be immaterial.

Various additional 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, 2022 cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the City at June 30, 2022.

Required Supplementary Information

CITY OF NEWTON, MASSACHUSETTS

Required Supplementary Information

Fiscal Year Ended June 30, 2022

PENSION PLAN SCHEDULES

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

	2021	2020	2019	2018	2017
<u>Total pension liability</u>					
Service cost	\$ 15,606,428	\$ 15,121,201	\$ 14,914,124	\$ 14,270,532	\$ 14,020,532
Interest	52,614,956	50,505,012	48,859,873	47,371,930	46,282,670
Differences between expected and actual experience	(3,416,505)	7,695,347	1,843,627	(445,198)	(3,594,215)
Changes of assumptions	20,989,758	37,295	-	-	7,169,261
Benefit payments, including refunds of member contributions	<u>(45,382,030)</u>	<u>(44,100,796)</u>	<u>(42,165,467)</u>	<u>(40,469,534)</u>	<u>(40,367,473)</u>
Net change in total pension liability	40,412,607	29,258,059	23,452,157	20,727,730	23,510,775
Total pension liability - beginning	<u>732,808,114</u>	<u>703,550,055</u>	<u>680,097,898</u>	<u>659,370,168</u>	<u>635,859,393</u>
Total pension liability - ending (a)	\$ <u>773,220,721</u>	\$ <u>732,808,114</u>	\$ <u>703,550,055</u>	\$ <u>680,097,898</u>	\$ <u>659,370,168</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 37,269,367	\$ 32,515,631	\$ 31,793,327	\$ 28,628,399	\$ 25,829,131
Contributions - member	11,357,250	11,415,653	10,671,799	10,065,686	9,457,254
Net investment income	83,678,897	45,564,922	52,933,716	(7,235,473)	50,390,107
Benefit payments, including refunds of member contributions	(45,382,030)	(44,100,796)	(42,165,467)	(40,469,536)	(40,367,473)
Administrative expense	(255,503)	(410,977)	(399,933)	(325,392)	-
Other	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	86,667,981	44,984,433	52,833,440	(9,336,316)	45,309,019
Plan fiduciary net position - beginning	<u>439,660,968</u>	<u>394,676,535</u>	<u>341,843,095</u>	<u>351,179,411</u>	<u>305,870,392</u>
Plan fiduciary net position - ending (b)	\$ <u>526,328,949</u>	\$ <u>439,660,968</u>	\$ <u>394,676,535</u>	\$ <u>341,843,095</u>	\$ <u>351,179,411</u>
Net pension liability - ending (a) - (b)	\$ <u>246,891,772</u>	\$ <u>293,147,146</u>	\$ <u>308,873,520</u>	\$ <u>338,254,803</u>	\$ <u>308,190,757</u>
Plan fiduciary net position as a percentage of the total pension liability	68.07%	60.00%	56.10%	50.26%	53.26%
Covered payroll	\$ 111,990,380	\$ 107,216,124	\$ 102,912,637	\$ 100,614,192	\$ 96,567,809
Net pension liability as a percentage of covered payroll	220.46%	273.42%	300.13%	336.19%	319.14%

(A) - Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS

Required Supplementary Information

Fiscal Year Ended June 30, 2022

PENSION PLAN SCHEDULES (CONTINUED)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total pension liability</u>			
Service cost	\$ 12,238,508	\$ 11,948,894	\$ 10,445,973
Interest	44,357,326	43,307,330	41,588,936
Differences between expected and actual experience	6,942,661	(3,992,229)	2,350,371
Changes of assumptions	-	-	25,943,483
Benefit payments, including refunds of member contributions	<u>(37,883,262)</u>	<u>(36,652,624)</u>	<u>(35,872,446)</u>
Net change in total pension liability	25,655,233	14,611,371	44,456,317
Total pension liability - beginning	<u>610,204,160</u>	<u>595,592,789</u>	<u>551,136,472</u>
Total pension liability - ending (a)	<u>\$ 635,859,393</u>	<u>\$ 610,204,160</u>	<u>\$ 595,592,789</u>
<u>Plan fiduciary net position</u>			
Contributions - employer	\$ 23,566,725	\$ 21,670,552	\$ 19,972,859
Contributions - member	9,282,992	8,842,379	8,661,238
Net investment income	20,972,368	2,146,925	20,748,803
Benefit payments, including refunds of member contributions	(37,883,262)	(36,652,624)	(35,872,446)
Administrative expense	-	-	-
Other	-	-	-
Net change in plan fiduciary net position	15,938,823	(3,992,768)	13,510,454
Plan fiduciary net position - beginning	<u>289,931,569</u>	<u>293,924,337</u>	<u>280,413,883</u>
Plan fiduciary net position - ending (b)	<u>\$ 305,870,392</u>	<u>\$ 289,931,569</u>	<u>\$ 293,924,337</u>
Net pension liability - ending (a) - (b)	<u>\$ 329,989,001</u>	<u>\$ 320,272,591</u>	<u>\$ 301,668,452</u>
Plan fiduciary net position as a percentage of the total pension liability	48.10%	47.51%	49.35%
Covered payroll	\$ 94,881,278	\$ 92,136,867	\$ 86,807,549
Net pension liability as a percentage of covered payroll	347.79%	347.61%	347.51%

(A) - Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS

Required Supplementary Information

Fiscal Year Ended June 30, 2022

PENSION PLAN SCHEDULES (CONTINUED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 37,269,367	32,515,631	31,026,365	28,628,399	25,829,131
Contributions in relation to the actuarially determined contribution	<u>37,269,367</u>	<u>32,515,631</u>	<u>31,793,327</u>	<u>28,628,399</u>	<u>25,829,131</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>(766,962)</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 111,990,380	107,216,124	102,912,637	100,614,192	96,567,809
Contributions as a percentage of covered payroll	33.28%	30.33%	30.89%	28.45%	26.75%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 23,566,725	21,670,552	19,972,859	18,363,516	16,343,094
Contributions in relation to the actuarially determined contribution	<u>23,566,725</u>	<u>21,670,552</u>	<u>19,972,859</u>	<u>18,363,516</u>	<u>16,343,094</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 94,881,278	92,136,867	86,807,549	86,807,549	82,970,000
Contributions as a percentage of covered payroll	24.84%	23.52%	23.01%	21.15%	19.70%

SCHEDULE OF INVESTMENT RETURNS (SYSTEM) (A)

<u>Year-Ended</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2021	19.1%
2020	11.6%
2019	15.56%
2018	-2.07%
2017	16.13%
2016	6.77%
2015	0.74%
2014	7.51%

(A) - Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS

Required Supplementary Information

Fiscal Year Ended June 30, 2022

PENSION PLAN SCHEDULES (CONTINUED)

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SYSTEM) (A)

	2022*	2021*	2020*	2019*	2018*
City's proportion of the net pension liability	98.900864%	98.937366%	98.977308%	98.979073%	99.008917%
City's proportionate share of the net pension liability	244,178,096	290,032,065	305,714,695	334,801,480	305,136,331
City's covered payroll	109,932,633	105,251,144	101,261,817	98,995,159	95,190,276
City's proportionate share of net pension liability as percentage of covered payroll	222.12%	275.56%	301.91%	338.20%	320.55%
Plan fiduciary net position as a percentage of the total pension liability	68.07%	60.00%	56.10%	50.26%	53.26%
	2017*	2016*	2015*		
City's proportion of the net pension liability	98.993848%	99.000556%	99.026264%		
City's proportionate share of the net pension liability	326,668,811	317,071,646	298,730,998		
City's covered payroll	93,926,628	90,939,864	85,643,310		
City's proportionate share of net pension liability as percentage of covered payroll	347.79%	348.66%	348.81%		
Plan fiduciary net position as a percentage of the total pension liability	48.10%	47.51%	49.35%		

*The amounts presented were determined as of December 31 of the previous calendar year.

SCHEDULE OF CITY'S CONTRIBUTIONS (SYSTEM) (A)

	2022*	2021*	2020*	2019*	2018*
Actuarially Required Contribution	\$ 36,859,726	\$ 32,170,109	\$ 30,709,061	\$ 28,336,124	\$ 25,573,143
Contributions in Relation to the Actuarially Required Contribution	36,859,726	32,170,109	31,476,023	28,336,124	25,573,143
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (766,962)	\$ -	\$ -
City's Covered Payroll	\$ 109,932,633	\$ 105,251,144	\$ 101,261,817	\$ 98,995,159	\$ 93,926,628
Contributions as a Percentage of Covered Payroll	33.53%	30.57%	31.08%	28.62%	27.23%
	2017*	2016*	2015*		
Actuarially Required Contribution	\$ 23,329,608	\$ 21,453,967	\$ 19,778,376		
Contributions in Relation to the Actuarially Required Contribution	23,329,608	21,453,967	19,778,376		
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -		
City's Covered Payroll	\$ 90,939,864	\$ 85,643,310	\$ 85,643,310		
Contributions as a Percentage of Covered Payroll	25.65%	25.05%	23.09%		

*The amounts presented were determined as of December 31 of the previous calendar year.

(A) – Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS

Required Supplementary Information

Fiscal Year Ended June 30, 2022

PENSION PLAN SCHEDULES (CONTINUED)

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (MTRS) (A)

	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth's proportionate share of the net pension liability associated with the City	<u>392,681,102</u>	<u>480,181,789</u>	<u>422,172,622</u>	<u>395,023,946</u>	<u>383,939,326</u>
Total	<u>\$392,681,102</u>	<u>\$480,181,789</u>	<u>\$422,172,622</u>	<u>\$ 395,023,946</u>	<u>\$ 383,939,326</u>
City's covered payroll	134,128,101	127,456,450	121,845,437	\$ 116,999,122	\$ 113,921,033
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	62.03%	50.67%	53.95%	54.84%	52.73%
	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>		
City's proportion of the net pension liability	0.00%	0.00%	0.00%		
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -		
Commonwealth's proportionate share of the net pension liability associated with the City	<u>375,785,250</u>	<u>337,530,133</u>	<u>260,194,376</u>		
Total	<u>\$375,785,250</u>	<u>\$337,530,133</u>	<u>\$260,194,376</u>		
City's covered payroll	110,555,252	104,421,833	100,361,397		
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A		
Plan fiduciary net position as a percentage of the total pension liability	52.73%	55.38%	61.64%		

*The amounts presented were determined as of June 30 of the previous calendar year.

SCHEDULE OF CITY'S CONTRIBUTIONS (MTRS) (A)

	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 134,128,101	\$ 127,456,450	\$ 121,845,437	\$ 116,999,122	\$ 113,921,033
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>		
Contractually required contribution	\$ -	\$ -	\$ -		
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
City's covered payroll	\$ 110,555,252	\$ 104,421,833	\$ 100,361,397		
Contributions as a percentage of covered payroll	N/A	N/A	N/A		

*The amounts presented were determined as of June 30 of the previous calendar year.

(A) - Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS
Required Supplementary Information
Fiscal Year Ended June 30, 2022

OTHER POSTEMPLOYMENT BENEFITS SCHEDULES

The following schedule provides information related to the City's other postemployment benefits plan:

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (PLAN) (A)

	2022	2021	2020	2019	2018	2017
<u>Total OPEB liability</u>						
Service cost	\$ 36,526,789	\$ 34,943,621	\$ 27,510,636	\$ 23,978,991	\$ 25,272,995	\$ 30,190,353
Interest	20,439,075	20,038,679	25,052,440	25,376,516	23,594,722	20,240,435
Differences between expected and actual experience	(57,982,759)	-	61,934,673	(1,415,423)	-	-
Changes of assumptions	(204,565,623)	7,509,389	93,826,961	28,081,870	(28,013,342)	(76,049,934)
Plan Amendments	-	-	-	4,486,261	-	-
Benefit payments	(23,417,962)	(25,664,824)	(24,103,703)	(23,631,538)	(22,211,248)	(19,017,966)
Net change in total OPEB liability	(229,000,480)	36,826,865	184,221,007	56,876,677	(1,356,873)	(44,637,112)
Total OPEB liability - beginning	<u>921,373,100</u>	<u>884,546,235</u>	<u>700,325,228</u>	<u>643,448,551</u>	<u>644,805,424</u>	<u>689,442,536</u>
Total OPEB liability - ending (a)	<u>\$ 692,372,620</u>	<u>\$ 921,373,100</u>	<u>\$ 884,546,235</u>	<u>\$ 700,325,228</u>	<u>\$ 643,448,551</u>	<u>\$ 644,805,424</u>
<u>Plan fiduciary net position</u>						
Contributions - employer	\$ 26,990,322	\$ 28,884,619	\$ 26,979,660	\$ 26,148,831	\$ 24,328,980	\$ 20,872,070
Net investment income	(1,087,129)	4,741,129	235,100	598,414	604,735	554,860
Benefit payments	(23,417,962)	(25,664,824)	(24,103,703)	(23,631,539)	(22,211,248)	(19,017,966)
Net change in plan fiduciary net position	2,485,231	7,960,924	3,111,057	3,115,706	2,722,467	2,408,964
Plan fiduciary net position - beginning	<u>22,888,852</u>	<u>14,927,928</u>	<u>11,816,871</u>	<u>8,701,165</u>	<u>5,978,698</u>	<u>3,569,734</u>
Plan fiduciary net position - ending (b)	<u>\$ 25,374,083</u>	<u>\$ 22,888,852</u>	<u>\$ 14,927,928</u>	<u>\$ 11,816,871</u>	<u>\$ 8,701,165</u>	<u>\$ 5,978,698</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 666,998,537</u>	<u>\$ 898,484,248</u>	<u>\$ 869,618,307</u>	<u>\$ 688,508,357</u>	<u>\$ 634,747,386</u>	<u>\$ 638,826,726</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.66%	2.48%	1.69%	1.69%	1.35%	0.93%
Covered payroll	\$ 333,630,353	\$ 309,003,427	\$ 286,194,338	\$ 265,068,902	\$ 245,502,840	\$ 227,381,047
Net OPEB liability as a percentage of covered payroll	199.92%	290.77%	303.86%	259.75%	258.55%	280.95%

(A) – Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS

Required Supplementary Information

Fiscal Year Ended June 30, 2022

OTHER POSTEMPLOYMENT BENEFITS SCHEDULES (CONTINUED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS (PLAN) (A)

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Required Contribution	\$ 37,797,960	\$ 37,545,986	\$ 35,930,738	\$ 35,614,447	\$ 33,900,292	\$ 55,094,130
Contributions in Relation to the Actuarially Required Contribution	<u>26,990,322</u>	<u>28,884,619</u>	<u>26,979,660</u>	<u>26,148,831</u>	<u>24,328,980</u>	<u>20,872,070</u>
Contribution Deficiency (Excess)	<u>\$ 10,807,638</u>	<u>\$ 8,661,367</u>	<u>\$ 8,951,078</u>	<u>\$ 9,465,616</u>	<u>\$ 9,571,312</u>	<u>\$ 34,222,060</u>
City's Covered Payroll	\$ 333,630,353	\$ 309,003,427	\$ 286,194,338	\$ 265,068,902	\$ 227,381,047	\$ 227,381,047
Contributions as a Percentage of Covered Payroll	8.09%	9.35%	9.43%	9.86%	10.70%	9.18%

SCHEDULE OF INVESTMENT RETURNS (PLAN) (A)

<u>Year-Ended</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2022	-4.43%
2021	29.0%
2020	1.79%
2019	6.14%
2018	9.00%
2017	15.93%

(A) – Data is accumulating annually to present 10 years of the reported information.

CITY OF NEWTON, MASSACHUSETTS

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2022

Note A – Methods and Assumptions Used in Calculations of Actuarially Determined Contributions (Pension Plan)

The actuarially determined contribution rates in the schedules of contributions are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in those schedules:

Actuarial cost method (2012-2021):	Entry Age Normal
Amortization method (2012):	Payment increases 3.75% per year
Amortization method (2013):	Payment increases 8.50% per year
Amortization method (2014):	Payment increases 8.75% per year
Amortization method (2015-2021)	Payment increases 9.60% per year
Remaining amortization period (2012):	24 years
Remaining amortization period (2013):	15 years
Remaining amortization period (2014):	14 years
Remaining amortization period (2015-2016):	13 years
Remaining amortization period (2017):	12 years
Remaining amortization period (2018):	11 years
Remaining amortization period (2019):	10 years
Remaining amortization period (2020):	9 years
Remaining amortization period (2021):	8 years
Asset valuation method (2012-2021):	Sum of actuarial value at beginning of year, contributions and investment earnings based on actuarial interest assumption less benefit payments plus 25% of the market value at the end of the year in excess of that sum, plus additional adjustment toward market value as necessary so that final actuarial value is within 20% of market value
Inflation (2012):	3.0%
Inflation (2013):	2.0 – 2.5%
Inflation (2014-2017):	2.5%
Inflation (2018-2021):	2.75%
Salary increases (2012):	2.5 – 3.5%
Salary increases (2013):	3.0 – 3.5%
Salary increases (2014-2016):	3.5%
Salary increases (2017-2021):	3.5 – 8.0%
Investment rate of return (2012):	7.75%
Investment rate of return (2013-2015):	7.35%
Investment rate of return (2016):	7.50%
Investment rate of return (2017-2020):	7.25%
Investment rate of return (2021):	6.90%

CITY OF NEWTON, MASSACHUSETTS

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2022

Note B – Methods and Assumptions Used in Calculations of Actuarially Determined Contributions (OPEB Plan)

The actuarially determined contribution rates in the schedules of contributions are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in those schedules:

Actuarial cost method (2017-2022):	Entry Age Normal
Amortization method (2017-2019):	Level dollar
Amortization method (2020-2022):	Level percentage of payroll
Remaining amortization period (2017-2019):	30 years
Remaining amortization period (2020):	28 years
Remaining amortization period (2021):	27 years
Remaining amortization period (2022):	26 years
Interest discount rate (2017-2018):	2.06%
Interest discount rate (2019):	3.50%
Interest discount rate (2020):	2.21%
Interest discount rate (2021):	2.16%
Interest discount rate (2022):	3.54%
Healthcare/Medical cost trend rate (2017-2018):	8.39% in 2016 graded down to 6.08% in 2021 and thereafter.
Healthcare/Medical cost trend rate (2019):	7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50%
Healthcare/Medical cost trend rate (2020-2022):	7.50% decreasing by 0.25% for 12 years to an ultimate level of 4.50%

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

School Lunch Fund:

This fund is used to account for the operations of the Newton Public School Department's student lunch program. Revenues are generated from the sale of lunches, state and federal reimbursement grants, and investment income. A formal budget is not adopted for this fund; however, expenditures cannot exceed revenues plus the beginning fund balance. Any difference between fund revenues and expenditures is financed with a transfer from the School Department's general fund operating budget. It is the policy of the Newton Public school department to subsidize all fund employee benefit costs.

Revolving Fund

The Revolving Fund is used to account for a variety of municipal functions that are expected to be self-supporting, such as departmental private duty details. All revolving funds, except for damage recoveries of less than \$20,000; private duty details and assignments; wetlands protection and development review activities; and police asset forfeitures are authorized annually by vote of the City Council under Massachusetts General Law Chapter 44, Section 53E 1/2. Fund expenditures are limited to the lesser of actual available resources or the annual spending limit authorized by the City Council.

Receipts Reserved Fund

This fund is used to account for a variety of local revenues whose use is either legally restricted by state law, or has been restricted by vote of the City's City Council, for specific purposes and can only be spent with the prior appropriation of the City Council. The fund is used to account for proceeds from the sale of surplus real estate, parking meter receipts, development mitigation funds, and revenues generated from cable television license agreements and the sale of recyclable materials. No expenditures can be made directly from the fund; rather, resources are appropriated and transferred to the City's general fund for expenditure.

Community Development Block Grant Fund

This fund is used to account for activities undertaken with federal Community Development Block Grant funds. The Mayor and City Council approve each year's grant budget. This is a reimbursement grant.

Municipal Federal Grant Fund

This fund is used to account for a variety of categorical municipal federal grants. The City Council approve annual grant budgets and grant budget obligations are generally limited to the lesser of actual available resources or the annual spending limit authorized by the Council.

Municipal State Grant Fund

This fund is used to account for municipal state grants. The City Council approve annual grant budgets and grant budget obligations are limited to the lesser of actual available resources or the annual spending limit authorized by the Council.

School State Grant Fund

This fund is used to account for all categorical public education state grants. The School Committee approves annual grant budgets and grant budgets are recorded upon receipt of approved grant agreements.

School Federal Grant Fund

This fund is used to account for all public education federal grants. The School Committee approves annual grant budgets and grant budgets are recorded upon receipt of approved grant agreements.

Gift Fund

This fund is used to account for private gifts and donations that are unrelated to any other fund. Expenditures are limited to the lesser of actual available resources or the annual spending limit authorized by the City Council and School Committee.

Capital Projects Funds

Public Building Improvements Fund

This fund is used to account for the acquisition, construction, reconstruction, and/or major renovation of buildings (and related fields and facilities) other than school-related projects. Financing is generally derived from the issuance of bonds or notes. City Council appropriations are for the term of the projects. The Public Building Commissioner is responsible for all projects accounted for in this fund. A separate sub-fund is maintained within the fund for each major capital project.

School Building Improvements Fund

This fund is used to account for the acquisition, construction, reconstruction, and/or major renovation of school-related buildings (and related fields and facilities). Financing is generally derived from the issuance of bonds or notes. City Council appropriations are for the term of the project. The Public Building Commissioner is responsible for all projects accounted for in this fund. A separate sub-fund is maintained within the fund for each major capital project.

Street Improvements Fund

This fund is used to account for the revenues and expenditures of the Commonwealth of Massachusetts Chapter 90 highway construction grant funds and state construction grant for certain road and intersection improvements. Grant budgets are recorded based upon annual grant awards from the Commonwealth, City Council authorization of annual spending authority, and approval of specific construction projects by the Massachusetts Highway Department. Chapter 90 highway construction grants are paid to the City on a reimbursement basis. The City finances grant expenditures internally until reimbursements are received from the Commonwealth. Grant revenue is recognized when approved expenditures are incurred and submitted to the Commonwealth for reimbursement.

Municipal Equipment Replacement Fund

This fund is used to account for the acquisition of public safety and public works motor equipment, financed with the issuance of debt.

Permanent Funds

Municipal Fund

This fund is used to account for a variety of municipal purposes. A detailed report may be obtained from the Comptroller's Office.

Library Common Fund

This fund is used to account for the purchase of library supplies and materials and the enhancement of public library services in Newton. The Newton Library Board of Trustees maintains custody of fund assets.

CITY OF NEWTON, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2021

Special Revenue Funds

ASSETS	School Lunch	Revolving	Receipts Reserved	Community Development Block Grant	Municipal Federal Grant
Cash and cash equivalents.....	\$ -	\$ -	\$ 3,320,892	\$ -	\$ -
Restricted cash and cash equivalents.....	1,504,715	12,676,854	1,275,929	44,049	305,650
Restricted investments.....	-	-	-	-	-
Receivables, net of allowance for uncollectible amounts:					
Special assessments.....	-	202,549	-	-	-
Departmental and other.....	-	586,956	-	-	-
Intergovernmental.....	347,786	-	-	-	281,169
Other assets.....	-	-	-	-	-
TOTAL ASSETS.....	\$ 1,852,501	\$ 13,466,359	\$ 4,596,821	\$ 44,049	\$ 586,819
LIABILITIES					
Warrants payable.....	\$ 350,685	\$ 232,802	\$ -	\$ 2,208	\$ -
Accrued liabilities.....	-	31,796	-	804	668
Accrued payroll.....	-	192,772	-	6,686	-
Other liabilities.....	261,238	2,546,753	-	29	9,334
Due to other funds.....	-	415,726	-	-	2,133,984
TOTAL LIABILITIES.....	611,923	3,419,849	-	9,727	2,143,986
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	414,590	-	-	-
FUND BALANCES					
Nonspendable.....	-	-	-	-	-
Restricted.....	1,240,578	9,631,920	1,275,929	34,322	-
Committed.....	-	-	3,320,892	-	-
Unassigned.....	-	-	-	-	(1,557,167)
TOTAL FUND BALANCES.....	1,240,578	9,631,920	4,596,821	34,322	(1,557,167)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 1,852,501	\$ 13,466,359	\$ 4,596,821	\$ 44,049	\$ 586,819

Special Revenue Funds

Municipal State Grant	School State Grant	School Federal Grant	Gift	Sub-total
\$ -	\$ -	\$ -	\$ -	\$ 3,320,892
1,296,514	4,057,287	8,064	1,133,449	22,302,511
-	-	-	-	-
-	-	-	-	202,549
-	-	-	-	586,956
578,058	767,100	2,557,357	-	4,531,470
-	-	-	-	-
<u>\$ 1,874,572</u>	<u>\$ 4,824,387</u>	<u>\$ 2,565,421</u>	<u>\$ 1,133,449</u>	<u>\$ 30,944,378</u>
\$ 17,526	\$ 114,664	\$ 29,269	\$ 8,981	\$ 756,135
25,800	3,000	1,559	2,826	66,453
19,602	119,815	127,396	1,932	468,203
-	-	-	-	2,817,354
482,155	523,088	1,863,611	-	5,418,564
-	-	-	-	-
545,083	760,567	2,021,835	13,739	9,526,709
-	-	-	-	414,590
-	-	-	-	-
1,329,489	4,063,820	543,586	1,119,710	19,239,354
-	-	-	-	3,320,892
-	-	-	-	(1,557,167)
1,329,489	4,063,820	543,586	1,119,710	21,003,079
<u>\$ 1,874,572</u>	<u>\$ 4,824,387</u>	<u>\$ 2,565,421</u>	<u>\$ 1,133,449</u>	<u>\$ 30,944,378</u>

CITY OF NEWTON, MASSACHUSETTS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2021

Capital Projects Funds

ASSETS	Public Building Improvements	School Building Improvements	Street Improvements	Municipal Equipment Replacement	Sub-total
Cash and cash equivalents.....	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents.....	6,514,290	2,242,729	1,513,784	787,164	11,057,967
Restricted investments.....	-	-	-	-	-
Receivables, net of allowance for uncollectible amounts:					
Special assessments.....	-	-	-	-	-
Departmental and other.....	-	-	-	-	-
Intergovernmental.....	-	-	441,807	-	441,807
Other assets.....	-	-	-	-	-
TOTAL ASSETS.....	\$ 6,514,290	\$ 2,242,729	\$ 1,955,591	\$ 787,164	\$ 11,499,774
LIABILITIES					
Warrants payable.....	\$ 971,107	\$ 35,808	\$ 7,286	\$ 77	\$ 1,014,278
Accrued liabilities.....	-	85,440	50,793	-	136,233
Accrued payroll.....	-	-	-	-	-
Other liabilities.....	-	-	-	-	-
Due to other funds.....	-	-	291,880	-	291,880
TOTAL LIABILITIES.....	971,107	121,248	349,959	77	1,442,391
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	-	-	-	-
FUND BALANCES:					
Nonspendable.....	-	-	-	-	-
Restricted.....	5,543,183	2,121,481	1,605,632	787,087	10,057,383
Committed.....	-	-	-	-	-
Unassigned.....	-	-	-	-	-
TOTAL FUND BALANCES.....	5,543,183	2,121,481	1,605,632	787,087	10,057,383
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 6,514,290	\$ 2,242,729	\$ 1,955,591	\$ 787,164	\$ 11,499,774

Permanent Funds

Municipal	Library Common	Sub-total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 3,320,892
522,741	251,730	774,471	34,134,949
-	1,540,270	1,540,270	1,540,270
-	-	-	202,549
-	-	-	586,956
-	-	-	4,973,277
<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
<u>\$ 552,741</u>	<u>\$ 1,792,000</u>	<u>\$ 2,344,741</u>	<u>\$ 44,788,893</u>
\$ -	\$ -	\$ -	\$ 1,770,413
-	-	-	202,686
-	-	-	468,203
-	-	-	2,817,354
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,710,444</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,969,100</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>414,590</u>
366,932	-	366,932	366,932
185,809	1,792,000	1,977,809	31,274,546
-	-	-	3,320,892
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,557,167)</u>
<u>552,741</u>	<u>1,792,000</u>	<u>2,344,741</u>	<u>33,405,203</u>
<u>\$ 552,741</u>	<u>\$ 1,792,000</u>	<u>\$ 2,344,741</u>	<u>\$ 44,788,893</u>

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Special Revenue Funds

	School Lunch	Revolving	Receipts Reserved	Community Development Block Grant	Municipal Federal Grant
REVENUES					
Licenses and permits.....	\$ -	\$ -	\$ 964,579	\$ -	\$ -
Intergovernmental	4,690,480	464,908	55,497	1,658,763	2,365,240
Charges for services.....	(106,453)	14,908,496	-	-	-
Fines and forfeitures.....	-	-	17,950	-	-
Investment income	1,199	94,489	40	-	-
Contributions and donations.....	-	198,175	292,400	-	-
Miscellaneous.....	-	192,792	138,245	-	-
Special assessments.....	-	124,470	-	-	-
TOTAL REVENUES.....	4,585,226	15,983,330	1,468,711	1,658,763	2,365,240
EXPENDITURES					
Current:					
General government:					
Legislative & executive.....	-	998	-	-	90,969
Administrative support.....	-	-	-	-	16,983
Planning & development.....	-	207,138	-	1,632,796	2,452,523
Public building maintenance & operations.....	-	28,166	-	-	(66,337)
Public safety:					
Police.....	-	4,127,145	-	-	27,506
Fire.....	-	798,640	-	-	193,762
Inspectional services.....	-	3,694	-	-	-
Education.....	3,528,537	8,353,791	-	-	240,782
Public works:					
Streets & sidewalks.....	-	82,491	-	-	-
Sanitation.....	-	-	-	-	-
Engineering.....	-	128,316	-	-	-
Health and human services:					
Health & human services.....	-	120	-	-	53,301
Senior services.....	-	30,099	-	-	-
Culture and recreation:					
Libraries.....	-	126,496	-	-	-
Parks & recreation.....	-	1,980,685	-	-	-
TOTAL EXPENDITURES.....	3,528,537	15,867,779	-	1,632,796	3,009,489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,056,689	115,551	1,468,711	25,967	(644,249)
OTHER FINANCING SOURCES (USES)					
Transfers in.....	-	1,560,000	-	-	-
Issuance of general obligation bonds.....	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	105,620	-	-
Transfers out.....	-	-	(2,934,973)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	1,560,000	(2,829,353)	-	-
NET CHANGE IN FUND BALANCES.....	1,056,689	1,675,551	(1,360,642)	25,967	(644,249)
FUND BALANCES AT BEGINNING OF YEAR.....	183,889	7,956,369	5,957,463	8,355	(912,918)
FUND BALANCES AT END OF YEAR.....	\$ 1,240,578	\$ 9,631,920	\$ 4,596,821	\$ 34,322	\$ (1,557,167)

Special Revenue Funds

Municipal State Grant	School State Grant	School Federal Grant	Gift	Sub-total
\$ -	\$ -	\$ -	\$ -	\$ 964,579
2,515,937	9,422,101	7,004,878	-	28,177,804
-	-	-	98,672	14,900,715
-	-	-	-	17,950
16	-	-	81	95,825
-	-	-	519,843	1,010,418
-	-	-	-	331,037
-	-	-	-	124,470
<u>2,515,953</u>	<u>9,422,101</u>	<u>7,004,878</u>	<u>618,596</u>	<u>45,622,798</u>
32,446	-	-	1,245	125,658
-	-	-	-	16,983
567,016	-	-	-	4,859,473
120,312	-	-	-	82,141
559,729	-	-	2,139	4,716,519
101,288	-	-	-	1,093,690
-	-	-	-	3,694
-	8,946,069	6,622,664	232,824	27,924,667
-	-	-	-	82,491
9,267	-	-	13,698	22,965
-	-	-	-	128,316
397,414	-	-	6,362	457,197
391,374	-	-	-	421,473
113,024	-	-	4,873	244,393
48,828	-	-	122,248	2,151,761
<u>2,340,698</u>	<u>8,946,069</u>	<u>6,622,664</u>	<u>383,389</u>	<u>42,331,421</u>
175,255	476,032	382,214	235,207	3,291,377
29,807	-	-	-	1,589,807
-	-	-	-	-
-	-	-	-	105,620
-	-	-	-	(2,934,973)
<u>29,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,239,546)</u>
205,062	476,032	382,214	235,207	2,051,831
1,124,427	3,587,788	161,372	884,503	18,951,248
<u>\$ 1,329,489</u>	<u>\$ 4,063,820</u>	<u>\$ 543,586</u>	<u>\$ 1,119,710</u>	<u>\$ 21,003,079</u>

(Continued)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Capital Projects Funds

	Public Building Improvements	School Building Improvements	Street Improvements	Municipal Equipment Replacement	Sub-total
REVENUES					
Licenses and permits.....	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	746,535	3,598,090	-	4,344,625
Charges for services.....	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-
Investment income (loss).....	-	-	-	-	-
Contributions and donations.....	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-
Special assessments.....	-	-	-	-	-
TOTAL REVENUES.....	-	746,535	3,598,090	-	4,344,625
EXPENDITURES					
Current:					
General government:					
Legislative & executive.....	-	-	-	-	-
Administrative support.....	-	-	-	-	-
Planning & development.....	-	-	-	-	-
Public building maintenance & operations.....	6,829,029	-	-	-	6,829,029
Public safety:					
Police.....	-	-	-	-	-
Fire.....	-	-	-	53,465	53,465
Inspectional services.....	-	-	-	-	-
Education.....	-	1,439,170	-	-	1,439,170
Public works:					
Streets & sidewalks.....	-	-	4,688,345	487,935	5,176,280
Sanitation.....	-	-	-	-	-
Engineering.....	-	-	-	-	-
Health and human services:					
Health & human services.....	-	-	-	-	-
Senior services.....	-	-	-	-	-
Culture and recreation:					
Libraries.....	-	-	-	-	-
Parks & recreation.....	-	-	-	-	-
TOTAL EXPENDITURES.....	6,829,029	1,439,170	4,688,345	541,400	13,497,944
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(6,829,029)	(692,635)	(1,090,255)	(541,400)	(9,153,319)
OTHER FINANCING SOURCES (USES)					
Transfers in.....	20,000	-	500,000	-	520,000
Issuance of general obligation bonds.....	8,330,600	4,886,816	-	537,584	13,755,000
Premium from issuance of bonds and notes.....	-	50,000	-	513,316	563,316
Transfers out.....	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	8,350,600	4,936,816	500,000	1,050,900	14,838,316
NET CHANGE IN FUND BALANCES.....	1,521,571	4,244,181	(590,255)	509,500	5,684,997
FUND BALANCES AT BEGINNING OF YEAR.....	4,021,612	(2,122,700)	2,195,887	277,587	4,372,386
FUND BALANCES AT END OF YEAR.....	\$ 5,543,183	\$ 2,121,481	\$ 1,605,632	\$ 787,087	\$ 10,057,383

Permanent Funds

Municipal	Library Common	Sub-total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 964,579
-	-	-	32,522,429
-	-	-	14,900,715
-	-	-	17,950
323	(232,350)	(232,027)	(136,202)
-	374,337	374,337	1,384,755
-	-	-	331,037
-	-	-	124,470
<u>323</u>	<u>141,987</u>	<u>142,310</u>	<u>50,109,733</u>
-	-	-	125,658
-	-	-	16,983
-	-	-	4,859,473
626	-	626	6,911,796
-	-	-	4,716,519
-	-	-	1,147,155
-	-	-	3,694
-	-	-	29,363,837
-	-	-	5,258,771
-	-	-	22,965
-	-	-	128,316
-	-	-	457,197
-	-	-	421,473
-	696,757	696,757	941,150
-	-	-	2,151,761
<u>626</u>	<u>696,757</u>	<u>697,383</u>	<u>56,526,748</u>
<u>(303)</u>	<u>(554,770)</u>	<u>(555,073)</u>	<u>(6,417,015)</u>
-	-	-	2,109,807
-	-	-	13,755,000
-	-	-	668,936
-	-	-	(2,934,973)
-	-	-	13,598,770
<u>(303)</u>	<u>(554,770)</u>	<u>(555,073)</u>	<u>7,181,755</u>
<u>553,044</u>	<u>2,346,770</u>	<u>2,899,814</u>	<u>26,223,448</u>
<u>\$ 552,741</u>	<u>\$ 1,792,000</u>	<u>\$ 2,344,741</u>	<u>\$ 33,405,203</u>

(Concluded)

Internal Service Funds

Health Insurance Fund

This fund is used to account for group health benefits for active and retired employees of the City. The City funds 70%/75% of group health benefits, and employees contribute 25%/30% of the cost through payroll deductions. The City maintains separate sub-funds for plans administered by Tufts Associated Health Plan and Harvard-Pilgrim Health.

Workers' Compensation Insurance Fund

This fund is used to account for workers' compensation benefits, replacement wages and medical benefits for qualified employees. The fund is also used to account for the cost of providing medical benefits to public safety employees who are injured in the line of duty. Replacement wages for public safety employees are accounted for in the General Fund operating budgets of the police and fire departments.

Liability Insurance Fund

This fund is used to accumulate resources to pay liability claims in excess of \$50,000. Liability claims of \$15,000 or more are financed from a judgment and settlement appropriation in the City's Solicitor's General Fund annual appropriation. Claims greater than \$5,000, but less than \$50,000 are financed with a transfer from the Reserve Fund annual appropriation in the General Fund.

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET POSITION

June 30, 2022

ASSETS	Health Insurance	Workers' Compensation Insurance	Liability Insurance	Total
Current assets:				
Cash and cash equivalents.....	\$ 18,094,319	\$ 146,392	\$ 4,639	\$ 18,245,350
Investments.....	-	15,289,986	-	15,289,986
Interest and dividends.....	-	17,689	-	17,689
Working capital deposit.....	750,455	-	-	750,455
Total current assets.....	<u>19,191,657</u>	<u>15,454,067</u>	<u>4,639</u>	<u>34,650,363</u>
LIABILITIES				
Current liabilities:				
Warrants payable.....	37,190	34,698	-	71,888
Accrued liabilities.....	-	69,828	-	69,828
Accrued payroll.....	-	25,920	-	25,920
Other liabilities.....	2,769,849	-	-	2,769,849
Accrued health claims payable.....	4,967,607	-	-	4,967,607
Workers' compensation claims.....	-	1,900,000	-	1,900,000
Total current liabilities.....	<u>7,774,646</u>	<u>2,030,446</u>	<u>-</u>	<u>9,805,092</u>
Noncurrent liabilities:				
Workers' compensation claims.....	-	8,953,259	-	8,953,259
Total liabilities.....	<u>7,774,646</u>	<u>10,983,705</u>	<u>-</u>	<u>18,758,351</u>
FUND NET POSITION				
Unrestricted.....	<u>11,417,011</u>	<u>4,470,362</u>	<u>4,639</u>	<u>15,892,012</u>
Total net position.....	<u>\$ 11,417,011</u>	<u>\$ 4,470,362</u>	<u>\$ 4,639</u>	<u>\$ 15,892,012</u>

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Health Insurance	Workers' Compensation Insurance	Liability Insurance	Total
OPERATING REVENUES				
Employer contributions.....	\$ 57,024,436	\$ 1,800,000	\$ -	\$ 58,824,436
Plan member contributions.....	14,949,464	-	-	14,949,464
TOTAL OPERATING REVENUES.....	<u>71,973,900</u>	<u>1,800,000</u>	<u>-</u>	<u>73,773,900</u>
OPERATING EXPENSES				
Self insurance claims.....	74,396,260	1,900,810	-	76,297,070
Administrative expenses.....	5,455,678	230,373	-	5,686,051
TOTAL OPERATING EXPENSES.....	<u>79,851,938</u>	<u>2,131,183</u>	<u>-</u>	<u>81,983,121</u>
OPERATING INCOME (LOSS).....	<u>(7,878,038)</u>	<u>(331,183)</u>	<u>-</u>	<u>(8,209,221)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income.....	1,259,104	(2,704,020)	6	(1,444,910)
CHANGE IN FUND NET POSITION.....	(6,618,934)	(3,035,203)	6	(9,654,131)
FUND NET POSITION AT BEGINNING OF YEAR.....	18,035,945	7,505,565	4,633	25,546,143
FUND NET POSITION AT END OF YEAR.....	<u>\$ 11,417,011</u>	<u>\$ 4,470,362</u>	<u>\$ 4,639</u>	<u>\$ 15,892,012</u>

CITY OF NEWTON, MASSACHUSETTS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Health Insurance	Workers' Compensation Insurance	Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users.....	\$ 14,949,464	\$ -	\$ -	\$ 14,949,464
Receipts from interfund services provided.....	57,024,436	1,800,000	-	58,824,436
Payments to vendors/providers.....	(79,266,723)	(2,128,410)	-	(81,395,133)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	<u>(7,292,823)</u>	<u>(328,410)</u>	<u>-</u>	<u>(7,621,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments.....	-	(911,593)	-	(911,593)
Sales of investments.....	-	3,929,436	-	3,929,436
Investment income.....	1,259,104	(2,704,496)	6	(1,445,386)
NET CASH PROVIDED BY INVESTING ACTIVITIES.....	<u>1,259,104</u>	<u>313,347</u>	<u>6</u>	<u>1,572,457</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(6,033,719)	(15,063)	6	(6,048,776)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	24,128,038	161,455	4,633	24,294,126
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 18,094,319</u>	<u>\$ 146,392</u>	<u>\$ 4,639</u>	<u>\$ 18,245,350</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss).....	\$ (7,878,038)	\$ (331,183)	\$ -	\$ (8,209,221)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Changes in assets and liabilities:				
Working capital deposit.....	(375)	-	-	(375)
Warrants payable.....	(44,582)	(38,208)	-	(82,790)
Accrued payroll.....	-	18,781	-	18,781
Other liabilities.....	(19,668)	-	-	(19,668)
Accrued liabilities.....	-	26,628	-	26,628
Accrued health claims payable.....	996,723	-	-	996,723
Workers' compensation.....	-	(4,428)	-	(4,428)
Total adjustments.....	<u>585,215</u>	<u>2,773</u>	<u>-</u>	<u>587,988</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	<u>\$ (7,292,823)</u>	<u>\$ (328,410)</u>	<u>\$ -</u>	<u>\$ (7,621,233)</u>

Private Purpose Trust Funds

Chaffin Education Fund

This fund is used to account for higher education loans and grants issued to Newton high school graduates who are unable to afford the cost of college education. Revenues consist primarily of investment income on fund cash and investments.

Scovell Education Fund

This fund is used to account for prizes and awards to students for distinguished scholarships awarded at Newton high schools. The prizes are subject to approval of the School Committee. Revenues consist primarily of investment income on fund cash and investments.

Cousens Welfare Fund

This fund is used to account for loans and or grants to Newton residents who qualify as poor. At least 90% of the annual income of the fund is to be distributed to the deserving poor and not more than 20% of this sum may be loaned to individuals who are temporarily in financial need. Revenues consist primarily of investment income on fund cash and investments.

Newton North High School Scholarship Fund

This fund is used to account for Newton North High School scholarship funds. Detailed fund information is available from the City Comptroller's Office.

Kendrick Welfare Fund

This fund is used to account for distributions to needy industrious poor of Newton, especially widows and orphans.

Read Charity Fund

This fund is used to account for the perpetual maintenance of the donor's grave site, an annual sleigh ride or picnic for the children of the Newton Corner section of Newton, free lectures on scientific subjects in Newton Corner, library book purchases, and assistance to poor widows of the City. Revenues consist primarily of investment income on fund cash and investments.

Spear Infirmary Fund

The terms of the gift of this fund calls for the income to be used to "...provide cheer for the inmates of the City farm." The fund has been inactive for a number of years.

Mabel Riley Senior Fund

The terms of the gift of this fund calls for the income to be used for "...special treats for residents of nursing homes and homes for the elderly on holidays and for comforts for the sick throughout the year."

Elderly Tax Relief Fund

The City has accepted Massachusetts General Law Chapter 60, Section 3D, which authorizes the implementation of a voluntary tax check-off program for purposes of defraying real estate taxes for elderly and disabled Newton taxpayers with low incomes. This fund is used to account for the receipt of voluntary donations and awards voted by the Taxation Aid Committee.

Marjorie Moerschner Fund

The terms of the gift of this fund calls for the income to be used for "...the purpose of providing aid to the poor and needy inhabitants of the City of Newton as its Mayor shall from time to time determine."

CITY OF NEWTON, MASSACHUSETTS
PRIVATE PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2022

	Chaffin Education	Scovell Education	Cousens Welfare	Newton North High School Scholarship
ASSETS				
Cash and cash equivalents.....	\$ 209,644	\$ 60,388	\$ 21,867	\$ 975,102
Investments:				
Fixed Income.....	1,641,965	707,145	1,134,750	417,628
Equities.....	4,363,100	887,205	1,420,131	538,849
Receivables, net of allowance for uncollectible:				
Departmental and other.....	-	-	-	15,000
Total assets.....	<u>6,214,709</u>	<u>1,654,738</u>	<u>2,576,748</u>	<u>1,946,579</u>
LIABILITIES				
Warrants payable.....	-	-	2,350	400
Due to other funds.....	78,572	29,000	25,128	342,504
Total liabilities.....	<u>78,572</u>	<u>29,000</u>	<u>27,478</u>	<u>342,904</u>
NET POSITION				
Assets held in trust for other purposes.....	<u>\$ 6,136,137</u>	<u>\$ 1,625,738</u>	<u>\$ 2,549,270</u>	<u>\$ 1,603,675</u>

	<u>Kendrick Welfare</u>	<u>Read Charity</u>	<u>Spear Infirmary</u>	<u>Mabel Riley Senior</u>	<u>Elderly Tax Relief</u>	<u>Marjorie Moerschner Fund</u>	<u>Total</u>
\$	3,323	\$ 46,162	\$ 4,984	\$ 40,655	\$ 23,468	\$ 2,571	\$ 1,388,164
	-	-	-	-	-	39,987	3,941,475
	-	-	-	-	-	50,629	7,259,914
	-	-	-	-	-	-	15,000
	<u>3,323</u>	<u>46,162</u>	<u>4,984</u>	<u>40,655</u>	<u>23,468</u>	<u>93,187</u>	<u>12,604,553</u>
	-	-	-	-	-	-	2,750
	-	-	-	-	-	-	475,204
	-	-	-	-	-	-	477,954
\$	<u><u>3,323</u></u>	<u><u>46,162</u></u>	<u><u>4,984</u></u>	<u><u>40,655</u></u>	<u><u>23,468</u></u>	<u><u>93,187</u></u>	<u><u>12,126,599</u></u>

CITY OF NEWTON, MASSACHUSETTS
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Chaffin Education</u>	<u>Scovell Education</u>	<u>Cousens Welfare</u>	<u>Newton North High School Scholarship</u>
ADDITIONS				
Contributions:				
Private donations.....	\$ -	\$ -	\$ -	\$ 148,604
Net investment income:				
Net appreciation (depreciation) in fair value of investments.....	(1,134,090)	(240,935)	(189,411)	(145,288)
TOTAL ADDITIONS.....	<u>(1,134,090)</u>	<u>(240,935)</u>	<u>(189,411)</u>	<u>3,316</u>
DEDUCTIONS				
Administration expense.....	-	-	213	-
Educational scholarships & awards.....	243,072	28,000	80,527	102,701
TOTAL DEDUCTIONS.....	<u>243,072</u>	<u>28,000</u>	<u>80,740</u>	<u>102,701</u>
CHANGE IN NET POSITION.....	(1,377,162)	(268,935)	(270,151)	(99,385)
NET POSITION AT BEGINNING OF YEAR.....	<u>7,513,299</u>	<u>1,894,673</u>	<u>2,819,421</u>	<u>1,703,060</u>
NET POSITION AT END OF YEAR.....	<u>\$ 6,136,137</u>	<u>\$ 1,625,738</u>	<u>\$ 2,549,270</u>	<u>\$ 1,603,675</u>

<u>Kendrick Welfare</u>	<u>Read Charity</u>	<u>Spear Infirmary</u>	<u>Mabel Riley Senior</u>	<u>Elderly Tax Relief</u>	<u>Marjorie Moerschner Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,520	\$ -	\$ 152,124
<u>5</u>	<u>63</u>	<u>7</u>	<u>56</u>	<u>31</u>	<u>(9,993)</u>	<u>(1,719,555)</u>
<u>5</u>	<u>63</u>	<u>7</u>	<u>56</u>	<u>3,551</u>	<u>(9,993)</u>	<u>(1,567,431)</u>
-	-	-	-	-	-	213
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,300</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,513</u>
<u>5</u>	<u>63</u>	<u>7</u>	<u>56</u>	<u>3,551</u>	<u>(9,993)</u>	<u>(2,021,944)</u>
<u>3,318</u>	<u>46,099</u>	<u>4,977</u>	<u>40,599</u>	<u>19,917</u>	<u>103,180</u>	<u>14,148,543</u>
<u>\$ 3,323</u>	<u>\$ 46,162</u>	<u>\$ 4,984</u>	<u>\$ 40,655</u>	<u>\$ 23,468</u>	<u>\$ 93,187</u>	<u>\$ 12,126,599</u>

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Encumbrances/ Continued Appropriations	FY 2022 Original Budget	FY 2022 Budget Revisions
City Clerk/Clerk of the Board			
Personal Services	\$ -	\$ 1,559,438	\$ (25,000)
Expenses	6,511	182,075	50,000
Capital Outlay	5,000	5,000	-
Fringe Benefits	-	387,658	-
Total City Clerk/Clerk of the Board	<u>11,511</u>	<u>2,134,171</u>	<u>25,000</u>
Executive			
Personal Services	-	958,844	-
Expenses	120,418	350,100	400,000
Fringe Benefits	-	117,952	-
Total Mayor's Office	<u>120,418</u>	<u>1,426,896</u>	<u>400,000</u>
Comptroller's Office/Property Insurance/Audit			
Personal Services	-	587,803	-
Expenses	131,065	815,200	-
Fringe Benefits	-	76,493	-
Total Comptroller's Office/Property Insurance	<u>131,065</u>	<u>1,479,496</u>	<u>-</u>
Purchasing/General Services			
Personal Services	-	398,963	45,000
Expenses	2,095	61,000	-
Fringe Benefits	-	87,056	-
Total Purchasing/General Services	<u>2,095</u>	<u>547,019</u>	<u>45,000</u>
Assessing Department			
Personal Services	-	1,099,135	40,000
Expenses	4,000	63,500	-
Fringe Benefits	-	151,523	-
Total Assessing Department	<u>4,000</u>	<u>1,314,158</u>	<u>40,000</u>
Treasury & Collection Department			
Personal Services	-	739,865	65,000
Expenses	38,192	401,050	117,457
Fringe Benefits	-	167,742	-
Total Treasury & Collection Department	<u>38,192</u>	<u>1,308,657</u>	<u>182,457</u>
City Solicitor/Judgments & Settlements			
Personal Services	-	1,535,945	(161,502)
Expenses	195,647	272,175	1,694,677
Fringe Benefits	-	217,088	-
Total City Solicitor's Office/Settlements	<u>195,647</u>	<u>2,025,208</u>	<u>1,533,175</u>

FY 2022 Budget As Amended	Total Revised FY 2022 Budget	Expenditures and Transfers	Encumbrances/ Continued Appropriations	Closed to Fund Balance
\$ 1,534,438	\$ 1,534,438	\$ 1,388,746	\$ -	\$ 145,692
232,075	238,586	219,487	16,649	2,450
5,000	10,000	557	9,443	-
387,658	387,658	366,856	-	20,802
<u>2,159,171</u>	<u>2,170,682</u>	<u>1,975,646</u>	<u>26,092</u>	<u>168,944</u>
958,844	958,844	953,640	-	5,204
750,100	870,518	456,044	408,939	5,535
117,952	117,952	116,937	-	1,015
<u>1,826,896</u>	<u>1,947,314</u>	<u>1,526,621</u>	<u>408,939</u>	<u>11,754</u>
587,803	587,803	566,897	-	20,906
815,200	946,265	783,985	158,743	3,537
76,493	76,493	72,417	-	4,076
<u>1,479,496</u>	<u>1,610,561</u>	<u>1,423,299</u>	<u>158,743</u>	<u>28,519</u>
443,963	443,963	437,801	-	6,162
61,000	63,095	57,096	2,000	3,999
87,056	87,056	84,250	-	2,806
<u>592,019</u>	<u>594,114</u>	<u>579,147</u>	<u>2,000</u>	<u>12,967</u>
1,139,135	1,139,135	1,042,029	-	97,106
63,500	67,500	35,580	4,034	27,886
151,523	151,523	120,754	-	30,769
<u>1,354,158</u>	<u>1,358,158</u>	<u>1,198,363</u>	<u>4,034</u>	<u>155,761</u>
804,865	804,865	766,222	-	38,643
518,507	556,699	436,819	97,769	22,111
167,742	167,742	154,014	-	13,728
<u>1,491,114</u>	<u>1,529,306</u>	<u>1,357,055</u>	<u>97,769</u>	<u>74,482</u>
1,374,443	1,374,443	1,374,321	-	122
1,966,852	2,162,499	1,979,421	169,650	13,428
217,088	217,088	192,192	-	24,896
<u>3,558,383</u>	<u>3,754,030</u>	<u>3,545,934</u>	<u>169,650</u>	<u>38,446</u>

(Continued)

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Encumbrances/ Continued Appropriations	FY 2022 Original Budget	FY 2022 Budget Revisions
Human Resources Department			
Personal Services	-	713,455	(125,000)
Expenses	-	224,750	50,000
Fringe Benefits	-	204,983	-
Total Human Resources Department	<u>-</u>	<u>1,143,188</u>	<u>(75,000)</u>
Information Technology Department			
Personal Services	-	1,239,168	(80,000)
Expenses	97,444	684,008	-
Capital Outlay	198,314	106,000	-
Fringe Benefits	-	225,307	-
Total Information Technology Department	<u>295,758</u>	<u>2,254,483</u>	<u>(80,000)</u>
Financial Information Systems			
Personal Services	-	689,518	(280,000)
Expenses	38,405	66,513	-
Fringe Benefits	-	115,392	-
Total Financial Information Systems	<u>38,405</u>	<u>871,423</u>	<u>(280,000)</u>
Planning & Development Department			
Personal Services	-	1,743,850	150,000
Expenses	69,655	314,300	-
Capital Outlay	31,501	25,000	-
Fringe Benefits	-	161,051	47,812
Total Planning & Development Department	<u>101,156</u>	<u>2,244,201</u>	<u>197,812</u>
Public Building Department			
Personal Services	-	2,690,832	356,350
Expenses	22,356	2,242,865	50,000
Capital Outlay	18,000	250,000	(24,000)
Fringe Benefits	-	512,475	18,764
Total Public Building Department	<u>40,356</u>	<u>5,696,172</u>	<u>401,114</u>
<hr/>			
GENERAL GOVERNMENT TOTAL	<u>978,603</u>	<u>22,445,072</u>	<u>2,389,558</u>
<hr/>			
Police Department			
Personal Services	-	18,917,535	3,100,000
Expenses	110,671	894,445	-
Capital Outlay	2,059	404,000	-
Fringe Benefits	-	3,205,688	(32,141)
Total Police Department	<u>112,730</u>	<u>23,421,668</u>	<u>3,067,859</u>

<u>FY 2022 Budget As Amended</u>	<u>Total Revised FY 2022 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
588,455	588,455	570,489	-	17,966
274,750	274,750	274,040	-	710
204,983	204,983	117,312	-	87,671
<u>1,068,188</u>	<u>1,068,188</u>	<u>961,841</u>	<u>-</u>	<u>106,347</u>
1,159,168	1,159,168	1,125,224	-	33,944
684,008	781,452	752,385	27,772	1,295
106,000	304,314	203,883	96,485	3,946
225,307	225,307	189,919	-	35,388
<u>2,174,483</u>	<u>2,470,241</u>	<u>2,271,411</u>	<u>124,257</u>	<u>74,573</u>
409,518	409,518	384,512	-	25,006
66,513	104,918	19,155	78,226	7,537
115,392	115,392	52,511	-	62,881
<u>591,423</u>	<u>629,828</u>	<u>456,178</u>	<u>78,226</u>	<u>95,424</u>
1,893,850	1,893,850	1,745,426	-	148,424
314,300	383,955	223,023	160,932	-
25,000	56,501	840	55,661	-
208,863	208,863	208,863	-	-
<u>2,442,013</u>	<u>2,543,169</u>	<u>2,178,152</u>	<u>216,593</u>	<u>148,424</u>
3,047,182	3,047,182	3,047,151	-	31
2,292,865	2,315,221	2,282,762	32,335	124
226,000	244,000	188,169	55,831	-
531,239	531,239	531,239	-	-
<u>6,097,286</u>	<u>6,137,642</u>	<u>6,049,321</u>	<u>88,166</u>	<u>155</u>
<u>24,834,630</u>	<u>25,813,233</u>	<u>23,522,968</u>	<u>1,374,469</u>	<u>915,796</u>
22,017,535	22,017,535	21,972,526	-	45,009
894,445	1,005,116	907,925	77,213	19,978
404,000	406,059	330,265	74,526	1,268
3,173,547	3,173,547	2,995,136	-	178,411
<u>26,489,527</u>	<u>26,602,257</u>	<u>26,205,852</u>	<u>151,739</u>	<u>244,666</u>

(Continued)

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Encumbrances/ Continued Appropriations	FY 2022 Original Budget	FY 2022 Budget Revisions
Fire Department			
Personal Services	-	21,955,302	1,675,000
Expenses	89,803	1,099,975	-
Capital Outlay	186,612	90,000	-
Fringe Benefits	-	3,435,743	44,027
Total Fire Department	<u>276,415</u>	<u>26,581,020</u>	<u>1,719,027</u>
Inspectional Services Department			
Personal Services	-	1,543,935	250,000
Expenses	358	53,960	-
Fringe Benefits	-	227,455	7,525
Total Inspectional Services Department	<u>358</u>	<u>1,825,350</u>	<u>257,525</u>
PUBLIC SAFETY TOTAL	<u>389,503</u>	<u>51,828,038</u>	<u>5,044,411</u>
NEWTON PUBLIC SCHOOLS	<u>1,057,884</u>	<u>251,622,930</u>	<u>163,589</u>
Public Works Department			
Personal Services	-	10,006,779	(473,997)
Expenses	2,684,178	18,202,706	1,525,000
Capital Outlay	151,567	420,000	-
Fringe Benefits	-	1,984,303	(33,342)
Total Public Works Department	<u>2,835,745</u>	<u>30,613,788</u>	<u>1,017,661</u>
PUBLIC WORKS TOTAL	<u>2,835,745</u>	<u>30,613,788</u>	<u>1,017,661</u>

<u>FY 2022 Budget As Amended</u>	<u>Total Revised FY 2022 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
23,630,302	23,630,302	23,365,196	-	265,106
1,099,975	1,189,778	1,088,781	75,405	25,592
90,000	276,612	114,304	162,308	-
3,479,770	3,479,770	3,479,770	-	-
<u>28,300,047</u>	<u>28,576,462</u>	<u>28,048,051</u>	<u>237,713</u>	<u>290,698</u>
1,793,935	1,793,935	1,684,528	-	109,407
53,960	54,318	42,653	-	11,665
234,980	234,980	234,441	-	539
<u>2,082,875</u>	<u>2,083,233</u>	<u>1,961,622</u>	<u>-</u>	<u>121,611</u>
<u>56,872,449</u>	<u>57,261,952</u>	<u>56,215,525</u>	<u>389,452</u>	<u>656,975</u>
<u>251,786,519</u>	<u>252,844,403</u>	<u>252,548,285</u>	<u>295,998</u>	<u>120</u>
9,532,782	9,532,782	9,402,346	-	130,436
19,727,706	22,411,884	16,863,029	5,548,855	-
420,000	571,567	39,975	531,592	-
1,950,961	1,950,961	1,662,443	-	288,518
<u>31,631,449</u>	<u>34,467,194</u>	<u>27,967,793</u>	<u>6,080,447</u>	<u>418,954</u>
<u>31,631,449</u>	<u>34,467,194</u>	<u>27,967,793</u>	<u>6,080,447</u>	<u>418,954</u>

(Continued)

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Encumbrances/ Continued Appropriations	FY 2022 Original Budget	FY 2022 Budget Revisions
Health & Human Services Department			
Personal Services	-	3,574,499	10,000
Expenses	29,931	850,350	-
Fringe Benefits	-	661,238	(1,056)
Total Public Health Department	<u>29,931</u>	<u>5,086,087</u>	<u>8,944</u>
Senior Services Department			
Personal Services	-	297,611	52,500
Expenses	-	422,700	-
Fringe Benefits	-	81,287	1,825
Total Human Services Department	<u>-</u>	<u>801,598</u>	<u>54,325</u>
Veteran Services Department			
Personal Services	-	83,928	-
Expenses	25,953	128,500	-
Fringe Benefits	-	1,217	-
Total Veteran Services Department	<u>25,953</u>	<u>213,645</u>	<u>-</u>
<hr/>			
HEALTH & HUMAN SERVICES TOTAL	<u>55,884</u>	<u>6,101,330</u>	<u>63,269</u>
<hr/>			
Newton Public Library			
Personal Services	-	4,104,746	30,000
Expenses	7,760	1,275,472	-
Fringe Benefits	-	699,888	(60,756)
Total Newton Public Library	<u>7,760</u>	<u>6,080,106</u>	<u>(30,756)</u>
Parks & Recreation Department			
Personal Services	-	3,429,247	291,970
Expenses	294,952	3,043,866	80,000
Capital Outlay	61,515	225,000	165,000
Fringe Benefits	-	681,950	8,389
Total Parks & Recreation Department	<u>356,467</u>	<u>7,380,063</u>	<u>545,359</u>
Newton History Museum			
Personal Services	-	248,845	5,000
Expenses	-	26,620	-
Fringe Benefits	-	33,983	(1,047)
Total Newton History Museum	<u>-</u>	<u>309,448</u>	<u>3,953</u>
<hr/>			
CULTURE & RECREATION TOTAL	<u>364,227</u>	<u>13,769,617</u>	<u>518,556</u>

<u>FY 2022 Budget As Amended</u>	<u>Total Revised FY 2022 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
3,584,499	3,584,499	3,577,924	-	6,575
850,350	880,281	547,587	329,952	2,742
660,182	660,182	603,801	-	56,381
<u>5,095,031</u>	<u>5,124,962</u>	<u>4,729,312</u>	<u>329,952</u>	<u>65,698</u>
350,111	350,111	335,121	-	14,990
422,700	422,700	422,607	-	93
83,112	83,112	83,112	-	-
<u>855,923</u>	<u>855,923</u>	<u>840,840</u>	<u>-</u>	<u>15,083</u>
83,928	83,928	83,928	-	-
128,500	154,453	132,301	21,771	381
1,217	1,217	1,212	-	5
<u>213,645</u>	<u>239,598</u>	<u>217,441</u>	<u>21,771</u>	<u>386</u>
<u>6,164,599</u>	<u>6,220,483</u>	<u>5,787,593</u>	<u>351,723</u>	<u>81,167</u>
4,134,746	4,134,746	3,942,931	-	191,815
1,275,472	1,283,232	1,232,285	5,491	45,456
639,132	639,132	620,196	-	18,936
<u>6,049,350</u>	<u>6,057,110</u>	<u>5,795,412</u>	<u>5,491</u>	<u>256,207</u>
3,721,217	3,721,217	3,653,580	-	67,637
3,123,866	3,418,818	2,950,753	440,616	27,449
390,000	451,515	65,182	386,333	-
690,339	690,339	690,339	-	-
<u>7,925,422</u>	<u>8,281,889</u>	<u>7,359,854</u>	<u>826,949</u>	<u>95,086</u>
253,845	253,845	231,596	-	22,249
26,620	26,620	25,539	-	1,081
32,936	32,936	25,846	-	7,090
<u>313,401</u>	<u>313,401</u>	<u>282,981</u>	<u>-</u>	<u>30,420</u>
<u>14,288,173</u>	<u>14,652,400</u>	<u>13,438,247</u>	<u>832,440</u>	<u>381,713</u>

(Continued)

CITY OF NEWTON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Encumbrances/ Continued Appropriations	FY 2022 Original Budget	FY 2022 Budget Revisions
DEBT SERVICE (PRINCIPAL & INTEREST)			
Debt Service	-	24,571,953	27,200
Total Debt & Interest	-	24,571,953	27,200
RETIREMENT			
Fringe Benefits	-	48,152,428	-
Total Retirement	-	48,152,428	-
APPROPRIATED RESERVES			
Wage & Salary Reserve	4,043,798	2,636,500	(5,477,500)
Reserve Fund (Budget Reserve)	-	475,000	(461,490)
Reserve Fund (Snow & Ice)	-	1,500,000	(1,500,000)
Total Budgetary Reserves	4,043,798	4,611,500	(7,438,990)
STATE & COUNTY ASSESSMENTS	-	6,567,883	54,067
SPECIAL APPROPRIATIONS	9,395,485	-	10,659,861
TOTAL EXPENDITURES	19,121,129	460,284,539	12,499,182
TRANSFERS TO OTHER FUNDS:			
Workers Comp Self Insurance Fund - Muni	-	800,000	-
Workers Comp Self Insurance Fund - School	-	400,000	-
Rainy Day Stabilization Fund	-	-	800,000
School Athletic Revolving Fund - School	-	1,150,000	410,000
School Lunch Fund	-	35,000	(35,000)
Trash Compactors- Rumford Ave	-	-	500,000
Total Transfers to Other Funds	-	2,385,000	1,675,000
TOTAL EXPENDITURES AND TRANSFERS	\$ 19,121,129	\$ 462,669,539	\$ 14,174,182

<u>FY 2022 Budget As Amended</u>	<u>Total Revised FY 2022 Budget</u>	<u>Expenditures and Transfers</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
24,599,153	24,599,153	24,599,140	-	13
24,599,153	24,599,153	24,599,140	-	13
48,152,428	48,152,428	47,772,419	-	380,009
48,152,428	48,152,428	47,772,419	-	380,009
(2,841,000)	1,202,798	-	1,202,798	-
13,510	13,510	-	-	13,510
-	-	-	-	-
<u>(2,827,490)</u>	<u>1,216,308</u>	<u>-</u>	<u>1,202,798</u>	<u>13,510</u>
6,621,950	6,621,950	6,453,245	-	168,705
10,659,861	20,055,346	3,940,071	16,115,275	-
472,783,721	491,904,850	462,245,285	26,642,603	3,016,962
800,000	800,000	800,000	-	-
400,000	400,000	400,000	-	-
800,000	800,000	800,000	-	-
1,560,000	1,560,000	1,560,000	-	-
-	-	-	-	-
500,000	500,000	500,000	-	-
4,060,000	4,060,000	4,060,000	-	-
<u>476,843,721</u>	<u>495,964,850</u>	<u>466,305,285</u>	<u>26,642,603</u>	<u>3,016,962</u>

(Concluded)

Community Preservation Fund

This fund accounts for the 1% local property tax surcharge that the voters of the City approved in November of 2001 for open space, historic resource and affordable housing purposes. The Commonwealth of Massachusetts currently matches local surcharge revenue on a dollar for dollar basis.

The City Council has appropriation authority over all community preservation funds; however, all appropriation recommendations must originate with the nine member community preservation committee.

**CITY OF NEWTON, MASSACHUSETTS
COMMUNITY PRESERVATION FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL - LEGAL LEVEL OF CONTROL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Encumbrances/ Continued Appropriations	Current Year Appropriations	Original Budget	Budget Revisions
Administration & operations:				
Planning	\$ -	\$ 180,910	\$ 180,910	\$ -
Transfers to various reserves	-	1,650,857	1,650,857	4,756,930
Total - Administration & operations	-	1,831,767	1,831,767	4,756,930
CPA appropriation reserve	-	2,957,003	2,957,003	(2,957,003)
Open space:				
Open space reserve	-	478,877	478,877	(478,877)
Webster Woods Land Acquisition	-	214,226	214,226	478,877
300 Hammond Pond Parkway/Webster Woods	112	-	112	-
Webster Woods Legal Services	613,603	-	613,603	-
Webster Woods- Newton Conservators	15,000	-	15,000	-
Kessler Woods- Newton Conservators	15,000	-	15,000	-
Levingston Cove Construction	-	-	-	288,069
Total - Open space projects	643,715	693,103	1,336,818	288,069
Historic resources:				
Historic preservation reserve	-	478,877	478,877	(478,877)
Historical burial grounds restoration	2,048	-	2,048	-
Historical burial grounds restoration Phase Iia	2,349	-	2,349	-
East Parish Burial Ground Restoration	71,711	-	71,711	-
Whipple-Beal Fence Project (Newton Cemetery)	6,000	-	6,000	-
Jackson Homestead Fence	28,990	-	28,990	-
Grace Church Tower Restoration	991,245	-	991,245	441,755
Newton Architectural Survey	-	-	-	17,500
Church of the Open Word Study	-	-	-	94,600
Newton Community Farm Rehab	-	-	-	88,554
Total - Historic preservation	1,102,343	478,877	1,581,220	163,532
Community housing:				
Community Housing Reserve	-	478,877	478,877	(478,877)
Crescent Street Design - Housing	4,412	-	4,412	-
Haywood House Jackson Rd	2,577,900	-	2,577,900	-
Scanton Ave/Golda Meir Expansion	4,494,857	-	4,494,857	-
COVID-19 Emergency Housing Assistance	485,632	-	485,632	(475,876)
Newton Homebuyer's Preservation	761,523	-	761,523	-
Coleman House Senior Housing	4,214,622	-	4,214,622	-
West Newton Armory Housing	-	3,000,000	3,000,000	-
Nonantum Senior Housing Preservation	-	-	-	500,000
Total - community housing	12,538,946	3,478,877	16,017,823	(454,753)
Community recreation:				
Crescent Street Design - playground	167,134	-	167,134	-
Pigeon Hill Trail	46,262	-	46,262	-
Commonwealth Ave Carriageway	329,069	-	329,069	-
Gath Pool Feasibility Study	60,000	-	60,000	-
Levingston Cove Construction	-	-	-	1,152,275
Athletic Fields CIP Design	-	-	-	420,000
Total - community recreation	602,465	-	602,465	1,572,275
TOTAL CPA FUND	\$ 14,887,469	\$ 7,788,770	\$ 22,676,239	\$ (1,387,880)

Final Budget	Expended	Encumbrances/ Continued Appropriations	Closed to Fund Balance
\$ 180,910	\$ 131,299	\$ -	\$ 49,611
6,407,787	6,407,787	-	-
<u>6,588,697</u>	<u>6,539,086</u>	<u>-</u>	<u>49,611</u>
-	-	-	-
-	-	-	-
693,103	693,103	-	-
112	-	112	-
613,603	42,898	570,705	-
15,000	-	15,000	-
15,000	-	15,000	-
288,069	-	288,069	-
<u>1,624,887</u>	<u>736,001</u>	<u>888,886</u>	<u>-</u>
-	-	-	-
2,048	-	2,048	-
2,349	-	2,349	-
71,711	24,855	46,856	-
6,000	-	6,000	-
28,990	-	28,990	-
1,433,000	386,442	1,046,558	-
17,500	-	17,500	-
94,600	-	94,600	-
88,554	-	88,554	-
<u>1,744,752</u>	<u>411,297</u>	<u>1,333,455</u>	<u>-</u>
-	-	-	-
4,412	-	4,412	-
2,577,900	2,261,181	316,719	-
4,494,857	4,045,371	449,486	-
9,756	9,756	-	-
761,523	137,431	624,092	-
4,214,622	3,708,399	506,223	-
3,000,000	-	3,000,000	-
500,000	-	500,000	-
<u>15,563,070</u>	<u>10,162,138</u>	<u>5,400,932</u>	<u>-</u>
167,134	-	167,134	-
46,262	-	46,262	-
329,069	132,783	196,286	-
60,000	49,000	11,000	-
1,152,275	-	1,152,275	-
420,000	-	420,000	-
<u>2,174,740</u>	<u>181,783</u>	<u>1,992,957</u>	<u>-</u>
<u>\$ 27,696,146</u>	<u>\$ 18,030,305</u>	<u>\$ 9,616,230</u>	<u>\$ 49,611</u>

Additional Information

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Continued Appropriations	FY 2022 Appropriations	Transfers
School Building Improvement Fund:			
Carr Elementary Evaluation/Design - 2012	\$ 1,674	\$ -	\$ -
Carr Elementary Renovations - 2013	17,977	-	-
Horace Mann Elevator	34,550	-	-
Lincoln Eliot & NECP Feas Study	326,725	-	-
Lincoln Eliot HVAC System	105,381	-	-
Bigelow Boiler Repl-2019	152,333	-	-
FA Day Boilers- 2020	326,417	-	-
Horace Mann Improvements	35,007	-	-
Oak Hill Addition-2021	398,184	-	-
Total School Building Improvement Fund	<u>1,398,248</u>	<u>-</u>	<u>-</u>
Angier School Improvement Fund			
Angier Elementary School Construction - 2014	<u>8,083</u>	<u>-</u>	<u>-</u>
Zervas School Improvement Fund			
Zervas Elementary Renovation - 2014	<u>1,821,460</u>	<u>-</u>	<u>-</u>
Cabot School Improvement Fund			
Cabot Construction 1/2017	1,600,484	-	-
23 Parkview Ave Land Taking - 2016	10,228	-	-
Total Cabot School Improvement Fund	<u>1,610,712</u>	<u>-</u>	<u>-</u>
Lincoln-Eliot School Improvement Fund			
Lincoln-Eliot Construction	-	49,300,000	-
Countryside School Improvement Fund			
Countryside Feasibility Study-2021	<u>1,250,000</u>	<u>-</u>	<u>-</u>
Municipal Building Improvement Fund			
Fire Station #3/HQ - 2015	90,074	-	-
Fire Station#3/HQ - 2016	51,317	-	-
City Hall Window Replacement/Repairs - 2011	85,594	-	-
Senior Center HVAC improvements - 2015	14,630	-	-
Energy Conservation Improvements - 2016	12,403	-	-
City Hall Roof Heat Trace Wiring - 2016	58,926	-	-
Crafts Street Garage Roof-2019	30,552	-	-
Senior Ctr Construction- Feas 2019	42,961	-	-
NEWCAL- Feas, Design, Site 2019	130,260	-	-
Police HQ- Boiler Repl 2020	4,136	-	-
Newton Early Childhood Prog 2020	11,911,861	-	-
687 Washington St Site Remediation 2020	58,654	-	-
2020 Energy Efficiency Projects	11,610	-	-
Angino Farm Solar Project	-	-	20,000
Total Municipal Building Improvement Fund	<u>12,502,978</u>	<u>-</u>	<u>20,000</u>

<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
\$ -	\$ 1,674	\$ -
-	5,427	12,550
-	-	34,550
141,251	185,474	-
13,255	-	92,126
-	-	152,333
-	-	326,417
-	-	35,007
360,796	-	37,388
<u>515,302</u>	<u>192,575</u>	<u>690,371</u>
-	-	8,083
<u>215,402</u>	<u>-</u>	<u>1,606,058</u>
770,435	205,248	624,801
-	-	10,228
<u>770,435</u>	<u>205,248</u>	<u>635,029</u>
85,440	-	49,214,560
<u>-</u>	<u>-</u>	<u>1,250,000</u>
-	-	90,074
-	-	51,317
-	85,594	-
-	-	14,630
-	-	12,403
-	-	58,926
-	-	30,552
-	-	42,961
114,499	11	15,750
-	-	4,136
6,692,089	4,142,978	1,076,794
15,066	-	43,588
-	-	11,610
7,375	-	12,625
<u>6,829,029</u>	<u>4,228,583</u>	<u>1,465,366</u>

(Continued)

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Continued Appropriations	FY 2022 Appropriations	Transfers
CH 90 Highway Improvement Fund:			
Unallocated	1,831,781	(1,831,781)	-
Approved projects	2,549,933	1,831,781	-
Total CH 90 Highway Improvement Fund	4,381,714	-	-
Massworks Road Improvement Fund:			
2016 Grant Award	211,743	-	-
Municipal Equipment Replacement Fund:			
Police Dispatch Console Replacement - 2017	45,000	-	-
Fire SCBA Replacement - 2016	7,457	-	-
Sewer Cleaner Equipment - 2016	40,410	-	-
Parks Two trash trucks - 2018	2,520	-	-
Backhoe truck - 2018	12,669	-	-
Fire Engine #2 repl - 2019	141,635	-	-
Two trash Compactors- Rumford Ave-2020	803	-	-
Parking Meters and Kiosks- 2020	355,094	-	-
Front End Loader- 2022	-	325,900	-
Two 10-Wheel Swap Loader Trucks- 2022	-	725,000	-
Total Municipal Equipment Replacement Fund	677,587	1,050,900	-
Street Improvement Fund			
Dedham/Nahanton/Brk Intersection Improv	44,897	-	-
Ded/Nah/Brk Intersection Improvement	94,274	-	-
West Newton Sq Improv	931,204	-	-
Comm Ave Greening Improvements	4,530	-	-
Walnut/Austin St Rehab	988,375	-	-
Rapid Flashing Beacons (3 locations)	-	-	49,320
Newton Centre RRFB	-	-	14,000
Library Parking Lot	-	1,453,298	-
Washington St Redesign Pilot	-	500,000	-
Total Street Improvement Fund	2,063,280	1,953,298	63,320
Water System Improvement Fund:			
MWRA - Water System - Accumulated Interest Income	365,306	21,800	-
MWRA - Water System Improvements - Loan of 2016	65,112	-	-
MWRA - Water System Improvements - Loan of 2017	150,599	-	-
MWRA - Water System Improvements - Loan of 2018	1,360,200	-	-
2017 MWRA Lead Replacement	353,303	-	-
MWRA - Water System Improvements - Loan of 2019	1,360,200	-	-
MWRA - Water System Improvements - Loan of 2020	471,146	-	-
MWRA - Water System Improvements - Loan of 2022	-	1,360,200	-
MWRA - Water System Main Improv - Loan of 2023	-	2,083,700	-
Water Main Cleaning & Relining - 2014	1,551	-	-
Water Main Improvements - 2015	200,072	-	-
Water Main Improvements - 2017/18	421,041	-	-
Water Main Improvements - 2018/19	95,472	-	-
Waban Hill Reservoir Improvements - 2001/2003	250,467	-	-
Water Meter Replacement - 2009	42,298	-	-
Water Main Improvements- 2020	2,741,388	-	-
Water Main Improvements-2021	7,000,000	-	-
Waban Hill Reservoir Rehab-Engineering	900,000	-	-
Meter System Replacement- 2022	-	8,312,500	-
Water Main Improvements- 2022	-	3,200,000	-
Total Water System Improvement Fund	15,778,155	14,978,200	-

<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
-	-	-
3,500,844	333,331	547,539
<u>3,500,844</u>	<u>333,331</u>	<u>547,539</u>
<u>97,245</u>	<u>77,998</u>	<u>36,500</u>
-	-	45,000
5,037	-	2,420
-	-	40,410
-	-	2,520
-	-	12,669
48,428	-	93,207
-	-	803
162,034	187,105	5,955
325,900	-	-
-	725,000	-
<u>541,399</u>	<u>912,105</u>	<u>274,983</u>
-	19,042	25,855
-	-	94,274
353,034	460,186	117,984
-	-	4,530
682,462	20,023	285,890
-	-	49,320
14,000	-	-
40,760	1,329,330	83,208
-	-	500,000
<u>1,090,256</u>	<u>1,828,581</u>	<u>1,161,061</u>
-	-	387,106
65,112	-	-
150,599	-	-
860,554	499,646	-
-	-	353,303
-	1,360,200	-
324,419	93,534	53,193
21,971	23,201	1,315,028
-	-	2,083,700
673	878	-
63,282	136,790	-
421,041	-	-
85,004	10,468	-
247,237	3,230	-
42,298	-	-
988,616	224,649	1,528,123
5,913,696	-	1,086,304
100,000	800,000	-
-	-	8,312,500
-	-	3,200,000
<u>9,284,502</u>	<u>3,152,596</u>	<u>18,319,257</u>

(Continued)

CITY OF NEWTON, MASSACHUSETTS
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Continued Appropriations	FY 2022 Appropriations	Transfers
Sanitary Sewer Improvement Fund:			
MWRA - Sewer I&I - Accumulated Interest Income	417,148	35,020	-
Sewer I&I - 2016	133,621	-	-
Sewer I&I- 2018	698,450	-	-
Project Area III/IV/V - 2015	42,418	-	-
Sewer I&I- 2019	296,779	-	-
Staniford St Sewer Extension- 2019	45,858	-	-
Rumford Ave Transfer Station-2019	1,299	-	-
Vactor Combination Cleaner Truck-2020	1,730	-	-
2021 Design Pump Station	447,000	-	-
Islington Road Pump Station	-	330,000	-
Sewer System I&I Proj 8- 2022	-	1,146,500	-
Meter System Replacement- 2022	-	8,312,500	-
MWRA - Infiltration/Inflow - 2014 (Project Area II)	626	-	-
MWRA Infiltration/Inflow - 2016 (Projects III & IV)	326,096	-	-
MWRA Infiltration/Inflow - 2017 Proj	38,046	-	-
MWRA Infiltration/Inflow - 2018 (Proj 6)	70,645	-	-
MWRA Sewer Improvements Grant 2019	1,730,875	-	-
MWRA Sewer Improvements Grant 2020	4,580,000	-	-
MWRA Infiltration/Inflow - 2021 (Proj 9)	4,580,000	-	-
Total Sanitary Sewer Improvement Fund	<u>13,410,591</u>	<u>9,824,020</u>	<u>-</u>
Storm Drainage Improvement Fund			
Dedham Street Storm Drainage Improvements	12,677	-	(130,257)
Laundry Brook Culvert Construction	143,449	-	(147,482)
Forest Grove Pump Station	147,482	-	-
Franklin Storm Water Project	43,532	-	-
Hammond Brook Culvert Repl- 2018	5,240	-	-
Crafts Street Wash Bay -2019	498,635	-	-
S. Meadow Brook Drain Basin- 2019	5,535	-	-
Vacuum Street Sweeper- 2020	19,240	-	-
City Hall Pond & Culverts Dredging-2020	500,000	-	-
Cheesecake Brook Bridge- 2022	-	181,550	-
Bulloughs Pond Dam Rehab- 2022	-	138,620	-
Chestnut St betw Beacon and Comm- 2022	-	-	277,739
Library Parking Lot- Stormwater	-	774,605	-
Total Storm Drainage Improvement Fund	<u>1,375,790</u>	<u>1,094,775</u>	<u>-</u>
Capital Stabilization Fund:			
Designated for Fire Station Renovations	16,395	-	-
Designated for Energy Conservation Projects	332,022	61,851	(49,807)
Designated for 2013 Override Capital Projects	154,185	-	-
Designated for Ordinary Capital Appropriations	26,732	-	-
Total Capital Stabilization Fund	<u>529,334</u>	<u>61,851</u>	<u>(49,807)</u>
Total Capital Projects Funds	<u>\$ 57,019,675</u>	<u>\$ 78,263,044</u>	<u>\$ 33,513</u>

<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
-	-	452,168
121,718	11,903	-
551,235	147,215	-
-	42,418	-
136,636	160,143	-
-	45,858	-
-	1,299	-
-	-	1,730
353,130	93,870	-
-	237,300	92,700
-	1,146,500	-
-	190,000	8,122,500
-	-	626
53,670	269,280	3,146
-	38,046	-
69,472	1,173	-
1,688,164	32,354	10,357
153,197	4,373,493	53,310
-	2,128,695	2,451,305
<u>3,127,222</u>	<u>8,919,547</u>	<u>11,187,842</u>
-	12,677	(130,257)
-	-	(4,033)
28,180	-	119,302
-	9,320	34,212
38,851	5,240	(38,851)
-	-	498,635
-	-	5,535
-	-	19,240
172,830	-	327,170
18,103	-	163,447
-	120,497	18,123
21,000	-	256,739
-	511,813	262,792
<u>278,964</u>	<u>659,547</u>	<u>1,532,054</u>
-	-	16,395
-	-	344,066
-	-	154,185
-	-	26,732
<u>-</u>	<u>-</u>	<u>541,378</u>
<u>\$ 26,336,040</u>	<u>\$ 20,510,111</u>	<u>\$ 88,470,081</u>

(Concluded)

CITY OF NEWTON, MASSACHUSETTS
SEWER ENTERPRISE FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Continued <u>Appropriations</u>	FY 2022 <u>Original Budget</u>	FY 2022 <u>Budget Revisions</u>
Sewer Maintenance & Operation			
Personal Services	\$ -	\$ 2,203,092	\$ 151,106
Expenses	511,453	1,382,550	-
Capital Outlay	353,454	630,000	-
Fringe Benefits	-	535,371	-
Total	<u>864,907</u>	<u>4,751,013</u>	<u>151,106</u>
MWRA Sewer Assessment			
Intergovernmental	-	22,492,759	-
Legal settlements	<u>98,831</u>	<u>50,000</u>	<u>23,894</u>
Debt Maturities & Interest	-	1,395,301	-
Retirement	-	609,505	32,225
Operating Reserve	-	125,000	(32,225)
Transfer - Workers Compensation Fund	-	250,000	-
Transfer - Sewer Capital Project Fund	-	-	8,101,500
Transfer - General Fund	-	1,992,375	-
Total Sewer Enterprise Fund	<u>\$ 963,738</u>	<u>\$ 31,665,953</u>	<u>\$ 8,276,500</u>

FY 2022 Budget As Amended	Total Revised FY 2022 Budget	Expended	Encumbrances/ Continued Appropriations	Closed to Fund Balance
\$ 2,354,198	\$ 2,354,198	\$ 1,850,412	\$ -	\$ 503,786
1,382,550	1,894,003	991,531	605,885	296,587
630,000	983,454	63,277	913,723	6,454
535,371	535,371	423,807	-	111,564
<u>4,902,119</u>	<u>5,767,026</u>	<u>3,329,027</u>	<u>1,519,608</u>	<u>918,391</u>
<u>22,492,759</u>	<u>22,492,759</u>	<u>22,344,621</u>	<u>-</u>	<u>148,138</u>
<u>73,894</u>	<u>172,725</u>	<u>23,894</u>	<u>148,831</u>	<u>-</u>
<u>1,395,301</u>	<u>1,395,301</u>	<u>1,392,619</u>	<u>-</u>	<u>2,682</u>
<u>641,730</u>	<u>641,730</u>	<u>628,051</u>	<u>-</u>	<u>13,679</u>
<u>92,775</u>	<u>92,775</u>	<u>-</u>	<u>-</u>	<u>92,775</u>
<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
<u>8,101,500</u>	<u>8,101,500</u>	<u>8,101,500</u>	<u>-</u>	<u>-</u>
<u>1,992,375</u>	<u>1,992,375</u>	<u>1,992,375</u>	<u>-</u>	<u>-</u>
<u>\$ 39,942,453</u>	<u>\$ 40,906,191</u>	<u>\$ 38,062,087</u>	<u>\$ 1,668,439</u>	<u>\$ 1,175,665</u>

CITY OF NEWTON, MASSACHUSETTS
WATER ENTERPRISE FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Continued Appropriations	FY 2022 Original Budget	FY 2022 Budget Revisions
Water Maintenance & Operation			
Personal Services	\$ -	\$ 1,966,045	\$ 130,199
Expenses	2,004,544	1,783,000	-
Capital Outlay	1,072,204	550,000	-
Fringe Benefits	-	501,401	-
Total	<u>3,076,748</u>	<u>4,800,446</u>	<u>130,199</u>
			-
Debt Maturities & Interest	<u>-</u>	<u>2,892,630</u>	<u>-</u>
Retirement	<u>-</u>	<u>871,184</u>	<u>69,095</u>
MWRA/DEP Assessments & Charges	<u>-</u>	<u>13,812,627</u>	<u>-</u>
Legal Settlements	<u>-</u>	<u>50,000</u>	<u>44,801</u>
Operating Reserve	<u>-</u>	<u>100,000</u>	<u>(69,095)</u>
Transfer - Sewer Fund	<u>-</u>	<u>643,834</u>	<u>-</u>
Transfer - General Fund	<u>-</u>	<u>1,690,155</u>	<u>-</u>
Transfer - Water Capital Project Fund	<u>-</u>	<u>-</u>	<u>4,000,000</u>
Transfer - Workers Compensation Fund	<u>-</u>	<u>250,000</u>	<u>-</u>
Total Water Enterprise Fund	<u>\$ 3,076,748</u>	<u>\$ 25,110,876</u>	<u>\$ 4,175,000</u>

<u>FY 2022 Budget As Amended</u>	<u>Total Revised FY 2022 Budget</u>	<u>Expended</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
\$ 2,096,244	\$ 2,096,244	\$ 1,763,825	\$ -	\$ 332,419
1,783,000	3,787,544	2,044,450	1,472,910	270,184
550,000	1,622,204	177,708	1,444,496	-
501,401	501,401	389,656	-	111,745
<u>4,930,645</u>	<u>8,007,393</u>	<u>4,375,639</u>	<u>2,917,406</u>	<u>714,348</u>
<u>2,892,630</u>	<u>2,892,630</u>	<u>2,756,609</u>	<u>-</u>	<u>136,021</u>
<u>940,279</u>	<u>940,279</u>	<u>919,546</u>	<u>-</u>	<u>20,733</u>
<u>13,812,627</u>	<u>13,812,627</u>	<u>13,750,862</u>	<u>-</u>	<u>61,765</u>
<u>94,801</u>	<u>94,801</u>	<u>44,801</u>	<u>-</u>	<u>50,000</u>
<u>30,905</u>	<u>30,905</u>	<u>-</u>	<u>-</u>	<u>30,905</u>
<u>643,834</u>	<u>643,834</u>	<u>643,834</u>	<u>-</u>	<u>-</u>
<u>1,690,155</u>	<u>1,690,155</u>	<u>1,690,155</u>	<u>-</u>	<u>-</u>
<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>
<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
<u>\$ 29,285,876</u>	<u>\$ 32,362,624</u>	<u>\$ 28,431,446</u>	<u>\$ 2,917,406</u>	<u>\$ 1,013,772</u>

CITY OF NEWTON, MASSACHUSETTS
STORMWATER ENTERPRISE FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET TO ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Continued <u>Appropriations</u>	FY 2022 <u>Original Budget</u>	FY 2022 <u>Budget Revisions</u>
Stormwater Maintenance & Operation			
Personal Services	\$ -	\$ 821,330	\$ 59,736
Expenses	949,745	852,950	(37,500)
Capital Outlay	222,484	75,000	-
Fringe Benefits	-	112,031	-
Total	<u>1,172,229</u>	<u>1,861,311</u>	<u>22,236</u>
Retirement	<u>-</u>	<u>115,756</u>	<u>5,200</u>
Legal Settlements	<u>-</u>	<u>-</u>	<u>20,264</u>
Debt Maturities and Interest	<u>-</u>	<u>414,037</u>	<u>-</u>
Budget Reserve	<u>-</u>	<u>525,576</u>	<u>(325,370)</u>
Transfer - Stormwater Capital Fund	<u>-</u>	<u>-</u>	<u>320,170</u>
Transfer - General Fund	<u>-</u>	<u>778,320</u>	<u>37,500</u>
Transfer - Workers Compensation Fund	<u>-</u>	<u>100,000</u>	<u>-</u>
Total Stormwater Enterprise Fund	<u><u>\$ 1,172,229</u></u>	<u><u>\$ 3,795,000</u></u>	<u><u>\$ 80,000</u></u>

<u>FY 2022 Budget As Amended</u>	<u>Total Revised FY 2022 Budget</u>	<u>Expended</u>	<u>Encumbrances/ Continued Appropriations</u>	<u>Closed to Fund Balance</u>
\$ 881,066	\$ 881,066	\$ 731,787	\$ -	\$ 149,279
815,450	1,765,195	541,903	945,005	278,287
75,000	297,484	29,355	268,129	-
112,031	112,031	81,710	-	30,321
<u>1,883,547</u>	<u>3,055,776</u>	<u>1,384,755</u>	<u>1,213,134</u>	<u>457,887</u>
<u>120,956</u>	<u>120,956</u>	<u>120,943</u>	<u>-</u>	<u>13</u>
<u>20,264</u>	<u>20,264</u>	<u>20,264</u>	<u>-</u>	<u>-</u>
<u>414,037</u>	<u>414,037</u>	<u>414,037</u>	<u>-</u>	<u>-</u>
<u>200,206</u>	<u>200,206</u>	<u>-</u>	<u>-</u>	<u>200,206</u>
<u>320,170</u>	<u>320,170</u>	<u>320,170</u>	<u>-</u>	<u>-</u>
<u>815,820</u>	<u>815,820</u>	<u>815,820</u>	<u>-</u>	<u>-</u>
<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
<u>\$ 3,875,000</u>	<u>\$ 5,047,229</u>	<u>\$ 3,175,989</u>	<u>\$ 1,213,134</u>	<u>\$ 658,106</u>

STATISTICAL SECTION

This part of the City of Newton's 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 contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

This schedule offers 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
(ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities				
Net investment in capital assets.....	\$ 238,374,247	\$ 248,739,230	\$ 258,490,143	\$ 260,763,492
Restricted.....	27,981,384	29,816,361	32,723,876	34,250,976
Unrestricted.....	<u>(122,355,108)</u>	<u>(138,654,442)</u>	<u>(436,919,140)</u>	<u>(455,531,782)</u>
Total governmental activities net position.....	<u>\$ 144,000,523</u>	<u>\$ 139,901,149</u>	<u>\$ (145,705,121)</u>	<u>\$ (160,517,314)</u>
Business-Type Activities				
Net investment in capital assets.....	\$ 56,271,350	\$ 66,943,719	\$ 83,521,987	\$ 89,426,102
Unrestricted.....	<u>26,098,363</u>	<u>23,050,090</u>	<u>12,101,552</u>	<u>20,314,782</u>
Total business-type activities net position.....	<u>\$ 82,369,713</u>	<u>\$ 89,993,809</u>	<u>\$ 95,623,539</u>	<u>\$ 109,740,884</u>
Primary Government				
Net investment in capital assets.....	\$ 294,645,597	\$ 315,682,949	\$ 342,012,130	\$ 350,189,594
Restricted.....	27,981,384	29,816,361	32,723,876	34,250,976
Unrestricted.....	<u>(96,256,745)</u>	<u>(115,604,352)</u>	<u>(424,817,588)</u>	<u>(435,217,000)</u>
Total primary government net position.....	<u>\$ 226,370,236</u>	<u>\$ 229,894,958</u>	<u>\$ (50,081,582)</u>	<u>\$ (50,776,430)</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	271,665,564	\$ 278,142,332	\$ 289,288,369	\$ 299,446,858	\$ 309,888,772	\$ 323,164,760
	33,507,464	39,481,750	43,753,181	44,698,129	45,150,711	39,478,139
	<u>(853,427,299)</u>	<u>(880,169,294)</u>	<u>(885,881,588)</u>	<u>(977,457,362)</u>	<u>(1,004,203,638)</u>	<u>(966,259,133)</u>
\$	<u><u>(548,254,271)</u></u>	<u><u>(562,545,212)</u></u>	<u><u>(552,840,038)</u></u>	<u><u>(633,312,375)</u></u>	<u><u>(649,164,155)</u></u>	<u><u>(603,616,234)</u></u>
\$	94,552,211	\$ 101,217,609	\$ 111,179,650	\$ 117,784,284	\$ 119,952,957	\$ 133,006,941
	<u>17,913,166</u>	<u>18,708,882</u>	<u>20,677,223</u>	<u>21,775,318</u>	<u>32,743,627</u>	<u>26,471,516</u>
\$	<u><u>112,465,377</u></u>	<u><u>119,926,491</u></u>	<u><u>131,856,873</u></u>	<u><u>139,559,602</u></u>	<u><u>152,696,584</u></u>	<u><u>159,478,457</u></u>
\$	366,217,775	\$ 379,359,941	\$ 400,468,019	\$ 417,231,142	\$ 429,841,729	\$ 456,171,701
	33,507,464	39,481,750	43,753,181	44,698,129	45,150,711	39,478,139
	<u>(835,514,133)</u>	<u>(861,460,412)</u>	<u>(865,204,365)</u>	<u>(955,682,044)</u>	<u>(971,460,011)</u>	<u>(939,787,617)</u>
\$	<u><u>(435,788,894)</u></u>	<u><u>(442,618,721)</u></u>	<u><u>(420,983,165)</u></u>	<u><u>(493,752,773)</u></u>	<u><u>(496,467,571)</u></u>	<u><u>(444,137,777)</u></u>

GOVERNMENTAL ACTIVITIES
CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2013	2014	2015	2016
Expenses				
General government.....	\$ 22,997,802	\$ 22,716,559	\$ 26,440,640	\$ 28,489,575
Public safety.....	56,962,698	61,290,201	68,685,178	74,526,967
Education.....	264,655,220	272,447,586	273,738,170	287,559,898
Public works.....	28,194,390	29,223,056	33,419,187	29,698,488
Health and human services.....	11,323,484	11,328,446	11,625,318	12,319,296
Culture and recreation.....	16,177,118	15,164,811	17,759,803	20,385,376
Debt service - interest.....	7,989,634	7,714,546	9,906,400	10,945,881
Total expenses.....	<u>408,300,346</u>	<u>419,885,205</u>	<u>441,574,696</u>	<u>463,925,481</u>
Program Revenues				
Charges for services.....	28,970,340	28,321,486	28,572,429	32,651,120
Operating grants and contributions.....	69,319,711	74,285,730	64,031,611	67,774,244
Capital grants and contributions.....	5,975,327	5,053,677	3,703,180	4,232,242
Total program revenues.....	<u>104,265,378</u>	<u>107,660,893</u>	<u>96,307,220</u>	<u>104,657,606</u>
Net (expense)/revenue.....	<u>(304,034,968)</u>	<u>(312,224,312)</u>	<u>(345,267,476)</u>	<u>(359,267,875)</u>
General Revenues and Other Changes in Net Position				
Real estate and personal property taxes.....	258,590,398	278,426,655	289,075,613	309,686,267
Motor vehicle and other excise taxes.....	11,404,708	11,953,727	12,670,852	13,061,883
Hotel/motel taxes.....	2,051,414	2,218,759	2,330,724	2,444,007
Meal taxes.....	1,407,803	1,557,737	1,786,617	1,880,428
Cannabis state taxes.....	-	-	-	-
Penalties and interest on taxes.....	1,011,590	1,160,092	1,509,583	1,282,596
Payments in lieu of taxes.....	524,906	557,065	476,899	461,586
Community preservation surcharges.....	2,501,875	2,697,187	2,818,748	2,945,936
Grants and contributions not restricted to specific programs.....	6,276,114	5,716,482	5,968,282	6,309,128
Unrestricted investment income.....	202,473	230,699	265,809	483,866
Gain (Loss) on sale of capital assets.....	-	-	-	-
Other.....	1,492,956	1,622,541	2,304,964	3,305,255
Transfers, net.....	<u>1,640,260</u>	<u>1,983,994</u>	<u>2,088,882</u>	<u>2,594,730</u>
Total general revenues and other changes in net position.....	<u>287,104,497</u>	<u>308,124,938</u>	<u>321,296,973</u>	<u>344,455,682</u>
Change in net position.....	<u>\$ (16,930,471)</u>	<u>\$ (4,099,374)</u>	<u>\$ (23,970,503)</u>	<u>\$ (14,812,193)</u>

	2017	2018	2019	2020	2021	2022
\$	30,363,602	\$ 30,081,504	\$ 31,005,249	\$ 36,091,937	\$ 38,529,670	\$ 48,571,545
	77,684,860	78,526,981	80,638,692	100,638,858	84,057,523	76,304,626
	309,135,770	315,908,244	318,140,994	397,128,915	378,440,451	334,630,801
	32,690,317	37,206,974	34,337,618	37,447,196	34,821,166	34,441,411
	12,650,838	12,812,793	12,881,214	15,079,778	13,494,717	13,597,466
	20,368,611	21,312,457	20,216,213	21,451,308	19,932,623	19,127,922
	10,725,817	14,416,456	12,394,788	9,292,945	9,651,152	8,963,596
	<u>493,619,815</u>	<u>510,265,409</u>	<u>509,614,768</u>	<u>617,130,937</u>	<u>578,927,302</u>	<u>535,637,367</u>
	32,016,871	34,118,209	35,745,286	33,454,980	22,272,175	32,291,832
	83,577,037	87,258,085	86,589,421	99,194,694	122,100,314	110,210,080
	2,616,320	4,264,589	11,176,779	3,727,020	4,751,688	9,985,525
	<u>118,210,228</u>	<u>125,640,883</u>	<u>133,511,486</u>	<u>136,376,694</u>	<u>149,124,177</u>	<u>152,487,437</u>
	<u>(375,409,587)</u>	<u>(384,624,526)</u>	<u>(376,103,282)</u>	<u>(480,754,243)</u>	<u>(429,803,125)</u>	<u>(383,149,930)</u>
	321,041,250	331,364,668	346,757,156	359,616,332	376,547,753	384,990,632
	13,392,891	13,649,251	13,857,190	14,331,513	13,690,851	14,099,381
	2,263,279	2,440,667	2,411,164	2,158,604	314,597	1,164,749
	1,938,182	1,902,662	2,026,232	1,838,810	1,352,560	1,982,019
	-	-	-	269,805	362,725	524,737
	1,409,030	2,198,862	1,456,045	1,263,507	2,251,230	6,475,203
	443,150	1,229,355	620,405	659,283	-	113,922
	3,085,259	3,254,161	3,385,398	3,527,894	3,676,800	3,799,412
	6,160,868	6,321,899	6,710,460	7,281,872	7,676,004	7,140,815
	909,764	1,986,190	3,856,837	2,851,265	462,472	877,523
	119,489	92,435	-	-	(496,476)	-
	1,966,066	2,157,648	898,387	2,385,716	2,902,230	3,031,108
	3,099,125	3,735,787	3,829,182	4,097,305	4,310,000	4,498,350
	<u>355,828,353</u>	<u>370,333,585</u>	<u>385,808,456</u>	<u>400,281,906</u>	<u>413,050,746</u>	<u>428,697,851</u>
\$	<u>(19,581,234)</u>	<u>(14,290,941)</u>	<u>9,705,174</u>	<u>(80,472,337)</u>	<u>(16,752,379)</u>	<u>45,547,921</u>

BUSINESS-TYPE ACTIVITIES
CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2013	2014	2015	2016
Expenses				
Sewer.....	\$ 25,359,689	\$ 25,557,836	\$ 26,254,561	\$ 24,958,975
Water.....	15,896,034	16,702,263	17,503,699	19,439,528
Stormwater.....	-	-	1,118,476	1,295,988
Total expenses.....	<u>41,255,723</u>	<u>42,260,099</u>	<u>44,876,736</u>	<u>45,694,491</u>
Program Revenues				
Charges for services.....	47,175,932	51,347,815	54,741,671	59,064,372
Operating grants and contributions.....	1,059,085	514,894	506,547	545,793
Capital grants and contributions.....	<u>9,808</u>	<u>5,480</u>	<u>3,797,829</u>	<u>2,796,401</u>
Total program revenues.....	<u>48,244,825</u>	<u>51,868,189</u>	<u>59,046,047</u>	<u>62,406,566</u>
Net (expense)/revenue.....	<u>6,989,102</u>	<u>9,608,090</u>	<u>14,169,311</u>	<u>16,712,075</u>
General Revenues and Transfers				
Gain (loss) on sale of capital asset.....	-	-	-	-
Transfers, net.....	<u>(1,640,260)</u>	<u>(1,983,994)</u>	<u>(2,088,882)</u>	<u>(2,594,730)</u>
Change in net position.....	<u>\$ 5,348,842</u>	<u>\$ 7,624,096</u>	<u>\$ 12,080,429</u>	<u>\$ 14,117,345</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	26,159,136	\$ 26,252,621	\$ 28,066,143	\$ 29,156,347	\$ 27,836,234	\$ 28,952,544
	20,212,470	20,424,302	19,845,729	21,402,813	20,629,851	21,574,951
	<u>925,695</u>	<u>2,785,074</u>	<u>1,630,752</u>	<u>1,801,572</u>	<u>1,510,859</u>	<u>1,600,409</u>
	<u>47,297,301</u>	<u>49,461,997</u>	<u>49,542,624</u>	<u>52,360,732</u>	<u>49,976,944</u>	<u>52,127,904</u>
	61,488,035	59,362,817	60,059,988	60,011,504	67,148,742	62,874,448
	464,271	348,089	1,182,080	471,521	486,926	476,860
	<u>91,567</u>	<u>947,992</u>	<u>4,118,366</u>	<u>3,649,886</u>	<u>24,265</u>	<u>56,819</u>
	<u>62,043,873</u>	<u>60,658,898</u>	<u>65,360,434</u>	<u>64,132,911</u>	<u>67,659,933</u>	<u>63,408,127</u>
	<u>14,746,572</u>	<u>11,196,901</u>	<u>15,817,810</u>	<u>11,772,179</u>	<u>17,682,989</u>	<u>11,280,223</u>
	(55,259)	-	(58,246)	27,855	(236,007)	-
	<u>(3,099,125)</u>	<u>(3,735,787)</u>	<u>(3,829,182)</u>	<u>(4,097,305)</u>	<u>(4,310,000)</u>	<u>(4,498,350)</u>
\$	<u><u>11,592,188</u></u>	<u><u>7,461,114</u></u>	<u><u>11,930,382</u></u>	<u><u>7,702,729</u></u>	<u><u>13,136,982</u></u>	<u><u>6,781,873</u></u>

PRIMARY GOVERNMENT
 CHANGES IN NET POSITION (ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total expenses.....	\$ 449,556,069	\$ 462,145,304	\$ 486,451,432	\$ 509,619,972
Total program revenues.....	<u>152,510,203</u>	<u>159,529,082</u>	<u>155,353,267</u>	<u>167,064,172</u>
Net (expense)/revenue.....	(297,045,866)	(302,616,222)	(331,098,165)	(342,555,800)
Total general revenues, transfers and other changes in net position.....	<u>285,464,237</u>	<u>306,140,944</u>	<u>319,208,091</u>	<u>341,860,952</u>
Change in net position.....	<u><u>\$ (11,581,629)</u></u>	<u><u>\$ 3,524,722</u></u>	<u><u>\$ (11,890,074)</u></u>	<u><u>\$ (694,848)</u></u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	540,917,116	\$ 559,727,406	\$ 559,157,392	\$ 669,491,669	\$ 628,904,246	\$ 587,765,271
	<u>180,254,101</u>	<u>186,299,781</u>	<u>198,871,920</u>	<u>200,509,605</u>	<u>216,784,110</u>	<u>215,895,564</u>
	(360,663,015)	(373,427,625)	(360,285,472)	(468,982,064)	(412,120,136)	(371,869,707)
	<u>352,673,969</u>	<u>366,597,798</u>	<u>381,921,028</u>	<u>396,212,456</u>	<u>408,504,739</u>	<u>424,199,501</u>
\$	<u><u>(7,989,046)</u></u>	<u><u>(6,829,827)</u></u>	<u><u>21,635,556</u></u>	<u><u>(72,769,608)</u></u>	<u><u>(3,615,397)</u></u>	<u><u>52,329,794</u></u>

GOVERNMENTAL FUNDS
 FUND BALANCES (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Restricted.....	\$ 3,164,616	\$ 2,849,507	\$ 3,006,074	\$ 2,814,268
Committed.....	5,348,800	4,889,216	5,308,421	8,851,803
Assigned.....	3,110,521	2,677,990	2,451,384	2,176,104
Unassigned.....	<u>21,091,447</u>	<u>26,259,064</u>	<u>27,757,785</u>	<u>43,616,522</u>
Total general fund.....	<u>\$ 32,715,384</u>	<u>\$ 36,675,777</u>	<u>\$ 38,523,664</u>	<u>\$ 57,458,697</u>
All Other Governmental Funds				
Nonspendable.....	\$ 447,206	\$ 397,250	\$ 397,170	\$ 397,049
Restricted.....	26,869,665	30,289,935	38,421,915	50,313,321
Committed.....	1,718,332	1,736,249	1,281,577	1,554,522
Unassigned.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds.....	<u>\$ 29,035,203</u>	<u>\$ 32,423,434</u>	<u>\$ 40,100,662</u>	<u>\$ 52,264,892</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	3,557,530	\$ 2,534,792	\$ 2,429,856	\$ 2,429,856	\$ 2,153,889	\$ 2,044,712
	14,868,949	14,389,268	15,274,720	13,964,488	11,175,244	17,895,032
	2,376,483	5,667,495	5,854,412	8,200,717	10,057,666	10,871,394
	<u>46,247,662</u>	<u>44,030,380</u>	<u>47,461,036</u>	<u>48,429,978</u>	<u>60,753,316</u>	<u>72,941,098</u>
\$	<u><u>67,050,624</u></u>	<u><u>66,621,935</u></u>	<u><u>71,020,024</u></u>	<u><u>73,025,039</u></u>	<u><u>84,140,115</u></u>	<u><u>103,752,236</u></u>
\$	396,932	\$ 397,064	\$ 399,125	\$ 366,932	\$ 366,932	\$ 366,932
	39,994,517	54,303,913	44,186,541	57,123,913	46,662,028	46,978,329
	1,679,111	3,440,236	4,211,733	3,872,330	4,260,043	3,320,892
	<u>-</u>	<u>(482,998)</u>	<u>-</u>	<u>(492,759)</u>	<u>(3,214,268)</u>	<u>(1,557,167)</u>
\$	<u><u>42,070,560</u></u>	<u><u>57,658,215</u></u>	<u><u>48,797,399</u></u>	<u><u>60,870,416</u></u>	<u><u>48,074,735</u></u>	<u><u>49,108,986</u></u>

GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018
REVENUES						
Real estate and personal property taxes.....	\$ 257,225,856	\$ 277,636,527	\$ 288,700,477	\$ 308,965,868	\$ 319,976,273	\$ 331,697,183
Motor vehicle and other excise taxes.....	11,351,368	12,057,191	12,486,356	13,122,277	13,486,831	13,482,711
Hotel/motel tax.....	2,051,414	2,218,759	2,330,724	2,444,007	2,263,279	2,440,667
Meals tax.....	1,407,803	1,557,737	1,786,617	1,880,428	1,938,182	1,902,662
Cannabis State Tax.....	-	-	-	-	-	-
Payments in lieu of taxes.....	521,643	475,741	465,822	476,083	415,835	1,304,593
Community preservation surcharges.....	2,508,969	2,689,198	2,814,155	2,946,847	3,074,706	3,255,316
Charges for services.....	17,702,424	19,090,133	19,628,195	20,126,506	20,403,479	21,772,655
Intergovernmental.....	81,971,057	83,629,746	53,128,480	60,527,637	91,204,897	95,618,448
Special assessments.....	224,503	189,547	190,603	169,588	193,238	255,536
Penalties and interest on taxes.....	1,011,591	1,160,091	1,508,259	1,282,596	1,409,030	2,198,862
Licenses and permits.....	9,291,263	7,538,284	7,621,990	10,483,024	10,084,619	11,226,292
Fines and forfeitures.....	2,029,860	1,889,935	1,808,854	2,046,389	1,762,093	1,703,654
Contributions.....	833,888	1,112,823	1,016,439	1,446,969	1,336,660	1,395,073
Investment income.....	257,726	328,015	270,552	490,874	1,036,413	2,102,896
Miscellaneous/other.....	593,712	737,709	1,606,532	1,127,899	837,319	904,088
	<u>388,983,077</u>	<u>412,311,436</u>	<u>395,364,055</u>	<u>427,536,992</u>	<u>469,422,854</u>	<u>491,260,636</u>
EXPENDITURES						
Current:						
General government.....	18,961,966	22,784,656	27,381,322	30,839,020	38,944,088	30,635,662
Public safety.....	40,232,455	42,177,396	43,368,473	46,354,662	51,881,011	52,080,273
Education.....	210,372,992	230,391,740	236,571,691	273,044,983	300,304,073	295,108,157
Public works.....	28,939,827	31,082,397	33,411,422	29,034,856	33,766,661	38,029,703
Health and human services.....	4,358,995	4,656,637	4,545,590	4,924,260	5,172,086	5,335,432
Culture and recreation.....	13,634,682	12,443,344	13,867,205	16,256,351	18,098,831	18,719,503
Retirement benefits.....	57,813,067	60,134,090	29,199,509	31,235,486	33,521,494	35,651,800
Insurance.....	1,722,006	1,778,619	2,000,027	1,618,006	1,931,586	1,706,172
Claims and judgments.....	128,950	171,221	232,282	244,752	157,075	116,369
State and county charges.....	5,722,550	5,783,939	5,875,034	6,113,282	6,143,354	6,050,954
Debt service:						
Principal.....	9,596,167	10,367,425	9,824,367	10,747,967	12,247,667	12,840,967
Interest.....	7,568,326	7,411,724	8,009,057	8,177,639	8,325,141	9,814,380
	<u>399,051,983</u>	<u>429,183,188</u>	<u>414,285,979</u>	<u>458,591,264</u>	<u>510,493,067</u>	<u>506,089,372</u>
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES.....	(10,068,906)	(16,871,752)	(18,921,924)	(31,054,272)	(41,070,213)	(14,828,736)
OTHER FINANCING SOURCES (USES)						
Transfers in.....	7,732,178	10,802,542	9,399,205	10,001,522	9,103,803	7,259,431
Proceeds of bonds and notes.....	10,812,558	20,936,000	25,505,000	55,340,000	35,528,500	24,542,000
Premium from issuance of bonds and notes.....	590,740	749,963	1,197,352	3,955,263	1,479,298	1,880,482
Proceeds of refunding bonds.....	-	-	19,635,000	19,610,000	65,775,000	11,859,000
Premium from issuance of refunding bonds.....	-	-	1,759,523	2,430,245	5,535,226	1,673,284
Sale of capital assets/leases.....	55,325	27,419	13,300	129,179	115,194	92,435
Transfers out.....	(6,091,919)	(8,295,548)	(7,264,297)	(7,272,429)	(6,004,678)	(3,523,644)
Payments to refunding bond escrow agent.....	-	-	(21,798,044)	(22,040,245)	(71,064,535)	(13,795,286)
	<u>13,098,882</u>	<u>24,220,376</u>	<u>28,447,039</u>	<u>62,153,535</u>	<u>40,467,808</u>	<u>29,987,702</u>
NET CHANGE IN FUND BALANCES.....	<u>\$ 3,029,976</u>	<u>\$ 7,348,624</u>	<u>\$ 9,525,115</u>	<u>\$ 31,099,263</u>	<u>\$ (602,405)</u>	<u>\$ 15,158,966</u>
DEBT SERVICE EXPENDITURES AS A PERCENTAGE						
OF NONCAPITAL EXPENDITURES.....	4.3%	4.1%	4.3%	4.1%	4.0%	4.5%

	2019	2020	2021	2022
\$	345,311,921	\$ 357,254,573	\$ 378,021,205	\$ 391,533,233
	13,734,610	13,682,730	14,092,497	14,308,074
	2,411,164	2,158,604	314,597	1,164,749
	2,026,232	1,838,810	1,352,560	1,982,019
	-	269,805	362,725	524,737
	618,720	712,629	403,873	2,333,423
	3,372,765	3,490,319	3,704,447	3,838,259
	22,531,156	18,844,265	14,134,622	18,726,678
	102,923,784	109,212,374	133,643,602	122,424,804
	196,479	303,789	200,149	154,969
	1,456,045	1,263,507	2,251,230	6,475,203
	13,165,275	14,154,952	9,332,750	13,938,696
	1,573,549	1,235,061	260,431	722,919
	947,105	1,247,572	782,961	1,384,755
	3,970,778	2,969,762	821,357	741,321
	613,662	534,397	756,414	767,589
	<u>514,853,245</u>	<u>529,173,149</u>	<u>560,435,420</u>	<u>581,021,428</u>
	26,456,370	43,389,873	32,490,168	52,288,414
	55,766,763	57,552,339	57,238,867	63,164,450
	318,471,378	318,228,515	336,854,738	320,154,752
	36,456,127	38,953,081	44,011,232	37,520,293
	5,525,265	6,020,763	5,870,712	6,783,863
	17,824,959	16,047,376	13,698,005	17,243,491
	39,410,176	41,058,809	42,916,424	47,772,419
	1,717,261	1,786,233	1,840,480	1,867,239
	368,203	470,867	126,534	1,858,593
	6,351,888	6,483,982	6,507,813	6,453,245
	13,162,267	14,026,667	14,829,667	14,834,667
	10,919,960	10,432,503	10,985,514	10,457,576
	<u>532,430,617</u>	<u>554,451,008</u>	<u>567,370,154</u>	<u>580,399,002</u>
	<u>(17,577,372)</u>	<u>(25,277,859)</u>	<u>(6,934,734)</u>	<u>622,426</u>
	9,126,677	9,685,211	6,421,393	14,146,775
	8,480,000	32,008,000	-	13,755,000
	805,463	3,250,586	43,530	668,936
	-	-	-	-
	-	-	-	-
	-	-	-	1,101,660
	(5,297,495)	(5,587,906)	(2,111,393)	(9,648,425)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>13,114,645</u>	<u>39,355,891</u>	<u>4,353,530</u>	<u>20,023,946</u>
\$	<u>(4,462,727)</u>	\$ <u>14,078,032</u>	\$ <u>(2,581,204)</u>	\$ <u>20,646,372</u>
	5.0%	4.8%	4.9%	4.6%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (2)			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Real Property	Commercial and Industrial Real Property	Personal Property				
2013	18,445,998,977	1,847,689,523	351,617,700	20,645,306,200	12.43	22,506,213,100	91.73%
2014	18,687,096,235	1,906,786,065	368,307,500	20,962,189,800	13.13	22,305,253,800	93.98%
2015	19,995,837,989	2,270,794,311	398,472,900	22,665,105,200	12.65	22,305,253,800	101.61%
2016	21,618,642,652	2,285,453,048	417,722,300	24,321,818,000	12.31	26,223,773,800	92.75%
2017	23,453,469,746	2,287,653,254	401,743,300	26,142,866,300	11.98	26,223,773,800	99.69%
2018	25,270,096,630	2,400,479,370	434,148,500	28,104,724,500	11.64	30,006,442,400	93.66%
2019	27,369,325,232	2,596,372,968	459,149,400	30,424,847,600	11.24	30,006,442,400	101.39%
2020	28,565,605,020	2,499,190,780	472,007,200	31,536,803,000	11.30	33,734,313,300	93.49%
2021	28,953,587,172	2,756,282,428	483,291,200	32,193,160,800	11.53	33,734,313,300	95.43%
2022	31,078,907,345	2,791,292,155	484,176,000	34,354,375,500	11.28	35,764,453,000	96.06%

Source: City of Newton Annual Tax Recap Sheet

(1) Does not include valuation affected by residential exemption

(2) As of January 1st

(3) Estimated actual value is based on equalized valuations determined biennially by the Commissioner of Revenue

DIRECT PROPERTY TAX RATES (1) (2)

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential Real Property</u>	<u>Commercial and Industrial Real Property</u>	<u>Personal Property</u>	<u>Total Direct (3)</u>
2013	11.49	21.93	21.93	12.43
2014	12.12	23.18	23.18	13.13
2015	11.61	22.38	22.38	12.65
2016	11.38	21.94	21.94	12.31
2017	11.12	21.27	21.27	11.98
2018	10.82	20.62	20.62	11.64
2019	10.45	19.94	19.94	11.24
2020	10.44	19.92	19.92	11.30
2021	10.76	20.12	20.12	11.53
2022	10.52	19.95	19.95	11.28

Source: City of Newton Tax Recap Sheets

(1) Rates are applicable to each \$1,000 of assessed value

(2) Per the initiatives of Proposition 2 1/2 adopted by the Commonwealth of Massachusetts, the City cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property. The City's levy is also limited in that it cannot increase more than 2.5 percent from the prior year, with certain exceptions for new growth or through overrides and exclusions adopted by City voters.

(3) Calculated by dividing the net tax levy by total assessed value divided by 1,000

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2022			2012		
	Tax Levy	Rank	Percentage of Total Tax Levy	Tax Levy	Rank	Percentage of Total Tax Levy
Are-Ma Region No 76 LLC	\$ 3,510,819	1	0.89%	\$ N/A	N/A	N/A
NStar Electric/Eversource	3,402,488	2	0.87%	2,188,905	1	0.88%
Chestnut Hill Shopping Center LLC	2,776,523	3	0.71%	N/A	N/A	N/A
Boston Gas/National Grid	2,584,538	4	0.66%	1,002,582	7	0.41%
Mall at Chestnut Hill LLC	2,400,508	5	0.61%	N/A	N/A	N/A
CHS Commercial Owner LLC	2,336,127	6	0.60%	N/A	N/A	N/A
CHSP Newton LLC	1,776,753	7	0.45%	1,277,300	3	0.52%
Atrium Wellness Center II LLC	1,500,222	8	0.38%	N/A	N/A	N/A
Ag-Jcm Wells Ave Prop Owner LLC	1,482,235	9	0.38%	N/A	N/A	N/A
Avalon Upper Falls LLC	992,603	10	0.25%	N/A	N/A	N/A
Riverside Project, LLC	N/A	N/A	N/A	1,855,548	2	0.75%
Mayflower Atrium, LLC	N/A	N/A	N/A	1,275,414	4	0.52%
Julian Cohen & Daniel Rothenberg Trust	N/A	N/A	N/A	1,241,383	5	0.50%
Verizon, New England Inc.	N/A	N/A	N/A	1,086,250	6	0.44%
Thomas White Trust	N/A	N/A	N/A	897,958	8	0.36%
Daniel Rothenberg	N/A	N/A	N/A	887,540	9	0.36%
NS Wells Acquisition LLC	N/A	N/A	N/A	834,263	10	0.34%
Total	\$ 22,762,816		5.80%	\$ 12,547,143		5.08%

Source: City of Newton Board of Assessors.

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Net Tax Levy	Collected within the Fiscal Year of the Levy		Actual Subsequent Collections	Total Collections to Date	
		Current Tax Collections	Percent of Net Levy Collected		Total Tax Collections	Total Collections as a % of Net Levy (1)
2013	256,559,763	255,584,775	99.62%	2,577,287	258,162,062	100.62%
2014	275,166,240	274,820,049	99.87%	2,907,752	277,727,801	100.93%
2015	286,813,970	286,945,789	100.05%	3,278,528	290,224,317	101.19%
2016	299,404,279	300,308,851	100.30%	3,227,035	303,535,886	101.38%
2017	313,076,020	312,929,603	99.95%	5,456,252	318,385,855	101.70%
2018	327,216,395	324,044,849	99.03%	3,817,866	327,862,715	100.20%
2019	341,869,514	341,193,965	99.80%	4,748,717	345,942,682	101.19%
2020	356,245,085	352,098,630	98.84%	6,941,048	359,039,678	100.78%
2021	371,081,604	370,944,604	99.96%	1,865,491	372,810,095	100.47%
2022	387,547,722	387,685,067	100.04%	-	387,685,067	100.04%

Source: Annual Tax Recap Sheet and General Ledger records

(1) Total collections can exceed 100% due to the City's conservative statutory reserve for abatements, which reduces the net tax levy.

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds	MWRA/ MCWT Loans		
2013	189,297,824	15,671,442	17,643,162	222,612,428	2,579
2014	199,866,399	14,265,000	15,726,829	229,858,228	2,663
2015	215,267,032	16,364,817	12,863,980	244,495,829	2,769
2016	265,560,962	12,753,651	15,539,608	293,854,221	3,309
2017	297,129,294	11,363,684	20,434,763	328,927,741	3,694
2018	309,971,105	12,669,055	18,453,577	341,093,737	3,833
2019	304,886,963	18,797,987	17,448,871	341,133,821	3,837
2020	324,893,237	18,682,996	18,285,646	361,861,879	4,093
2021	308,666,842	21,208,834	15,893,720	345,769,396	3,911
2022	306,813,846	22,617,477	16,833,040	346,264,363	3,959

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the "Demographic and Economic Statistics" schedule located in the Statistical Section for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	Net General Bonded Debt Outstanding		Total Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Percentage of Estimated Personal Income (2)
	General Obligation Bonds	Less: Resources Restricted for Debt Principal			
2013	189,297,824	(2,946,430)	186,351,394	0.83%	3.51%
2014	199,866,399	(2,896,430)	196,969,969	0.88%	3.71%
2015	215,267,032	(2,835,755)	212,431,277	0.95%	3.77%
2016	265,560,962	(2,992,322)	262,568,640	1.00%	4.59%
2017	297,129,294	(2,803,983)	294,325,311	1.12%	5.25%
2018	309,971,105	(2,442,053)	307,529,052	1.02%	5.23%
2019	304,886,963	(2,339,315)	302,547,648	1.01%	4.99%
2020	324,893,237	(2,234,379)	322,658,858	0.96%	5.22%
2021	308,666,842	(2,234,379)	306,432,463	0.91%	4.74%
2022	306,813,846	(2,017,980)	304,795,866	0.85%	4.75%

(1) See the "Assessed Value and Estimated Actual Value of Taxable Property" schedule located in the Statistical Section for property value data.

(2) See the "Demographic and Economic Statistics" schedule located in the Statistical Section for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

DIRECT AND OVERLAPPING DEBT

JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Massachusetts Water Resources Authority.....	\$ 4,828,951,000	3.18%	\$ <u>153,416,816</u>
City direct debt.....			<u>346,264,363</u>
Total direct and overlapping debt.....			<u>\$ <u>499,681,179</u></u>

Sources: MWRA

LEGAL DEBT MARGIN INFORMATION

LAST FIVE FISCAL YEARS

	2022	2021	2020	2019	2018
Equalized valuation.....	\$ 35,764,453,000	\$ 33,734,313,300	\$ 33,734,313,300	\$ 30,006,442,400	\$ 30,006,442,400
Normal debt limit (5% of equalized valuation).....	1,788,222,650	1,686,715,665	1,686,715,665	1,500,322,120	1,500,322,120
Debt applicable to limit:					
Total bonded debt.....	346,264,363	345,769,396	361,861,879	341,133,821	341,093,737
Less: General obligation bonds exempted by authority of state legislature.....	<u>(24,352,620)</u>	<u>(20,312,900)</u>	<u>(23,100,445)</u>	<u>(21,624,211)</u>	<u>(16,399,757)</u>
Total net debt applicable to limit.....	<u>321,911,743</u>	<u>325,456,496</u>	<u>338,761,434</u>	<u>319,509,610</u>	<u>324,693,980</u>
Legal debt margin.....	\$ <u>1,466,310,907</u>	\$ <u>1,361,259,169</u>	\$ <u>1,347,954,231</u>	\$ <u>1,180,812,510</u>	\$ <u>1,175,628,140</u>
Total net debt applicable to the limit as a percentage of normal debt limit.....	<u>18.0%</u>	<u>19.3%</u>	<u>20.1%</u>	<u>21.3%</u>	<u>21.6%</u>

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

Year	Population	Median Age	Per Capita Income	Estimated Personal Income	Median Family Income	Public School Enrollment	Unemployment Rate (%)
2012	86,307	40.2	61,530	5,310,469,710	113,416	12,170	4.3%
2013	86,307	40.2	61,530	5,310,469,710	113,416	12,441	4.2%
2014	88,287	40.1	63,872	5,639,067,264	119,148	12,503	3.4%
2015	88,817	41.9	64,475	5,726,476,075	118,639	12,508	3.1%
2016	89,045	42.3	62,983	5,608,321,235	122,080	12,657	2.5%
2017	88,994	40.5	66,047	5,877,786,718	127,402	12,750	2.4%
2018	88,904	40.5	68,155	6,059,252,120	133,853	12,685	1.8%
2019	88,414	40.5	69,859	6,176,513,626	139,696	12,611	1.5%
2020	88,414	40.5	73,101	6,463,151,814	151,068	11,910	5.5%
2021	87,453	40.5	73,398	6,418,875,294	154,398	11,810	3.8%

Sources: Population from City census

Per capita income, median age, and median family income is from various U.S. Census reports

Unemployment rates from Massachusetts Division of Unemployment Assistance for September of each year.

School enrollment represents October 1 total enrollment per Newton Public Schools.

EMPLOYEES BY FUNCTION/PROGRAM

LAST FIVE FISCAL YEARS

Employees as of June 30					
Function/Program	2022	2021	2020	2019	2018
General government.....	155	146	149	148	141
Public safety.....	410	389	389	411	412
Education.....	2,066	1,424	1,424	1,424	1,413
Public works	107	92	111	103	107
Health and human services.....	46	53	50	48	49
Culture and recreation.....	98	92	92	95	98
Water.....	19	21	21	24	23
Sewer.....	24	25	26	24	26
Stormwater.....	8	8	8	6	8
Total.....	2,933	2,250	2,270	2,283	2,277

Source: City of Newton payroll

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST FIVE FISCAL YEARS

Function/Program	Fiscal Year				
	2022	2021	2020	2019	2018
Public safety					
Police					
Stations.....	1	1	1	1	1
Vehicles.....	69	69	69	69	69
Fire					
Stations.....	6	6	6	6	6
Firefighting Vehicles.....	9	9	9	9	9
Education					
Public school buildings.....	22	22	22	22	22
Public works					
Streets (miles).....	310	310	310	310	310
Streetlights.....	8,595	8,595	8,595	8,595	8,595
Traffic signals.....	98	98	98	98	98
Parking meters.....	1,671	1,671	1,671	1,671	1,671
Culture and recreation					
Public libraries					
Main library.....	1	1	1	1	1
Park & playground Acreage.....	595	595	595	595	595
Outdoor swimming facilities.....	2	2	2	2	2
Indoor swimming facilities.....	1	1	1	1	1
Public street trees	30,000	30,000	30,000	30,000	30,000
Water					
Water mains (miles).....	300	300	300	300	300
Fire hydrants.....	2,400	2,400	2,400	2,400	2,400
Storage capacity (thousands of gallons).....	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Sewer					
Sanitary sewers (miles).....	300	300	300	300	300
Sewer pump stations.....	10	10	10	10	10
Stormwater					
Stormdrains (miles).....	324	324	324	324	324

Sources: Various departments of the City of Newton