

CITY OF MALDEN, MASSACHUSETTS



ANNUAL COMPREHENSIVE FINANCIAL REPORT JULY 1, 2024 - JUNE 30, 2025

On the cover: The “Jefferson at Malden Center”. The state of the art facility is a mixed-use building that houses an approximate 44,500 square foot unit as the new City Hall.



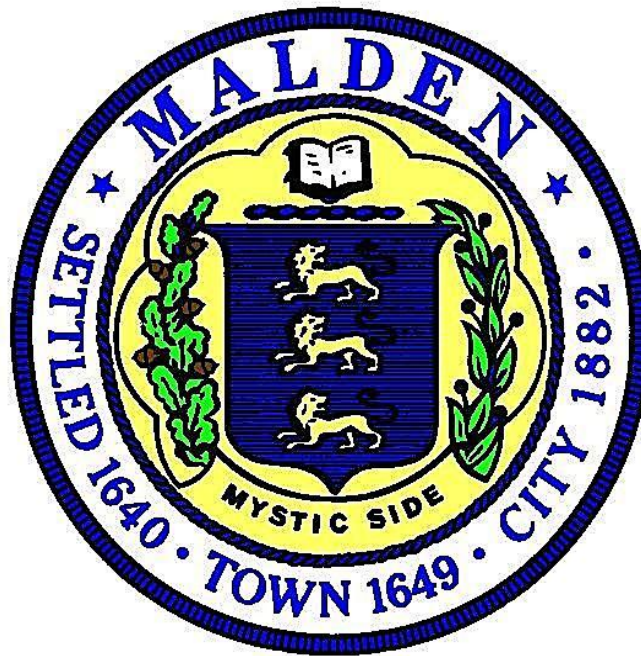
Above: The former Salvation Army site at 213 Main Street, soon to be home to 20 new rental units to address the local housing crisis. Construction starts in mid-2026.

CITY OF MALDEN, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

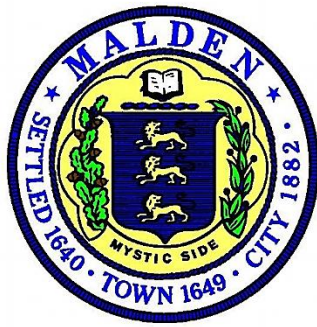
For the Fiscal Year Ended June 30, 2025

Gary Christenson, Mayor



Prepared by the City Controller's Office

Charles Ranaghan, City Controller



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**CITY OF MALDEN, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

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INTRODUCTORY SECTION



Malden Liberty Tree

On August 14, 1765, ordinary citizens of Boston gathered around a large elm tree near the Boston Common to protest the Stamp Act.

What started as a local protest against a single tax became a movement—and then a nation. On this Liberty Tree Day, August 14, 2025, we the people of Malden, Massachusetts, plant a new Liberty Tree, and recommit ourselves to the principles of liberty and justice for all, and the sacrifices required to achieve them.

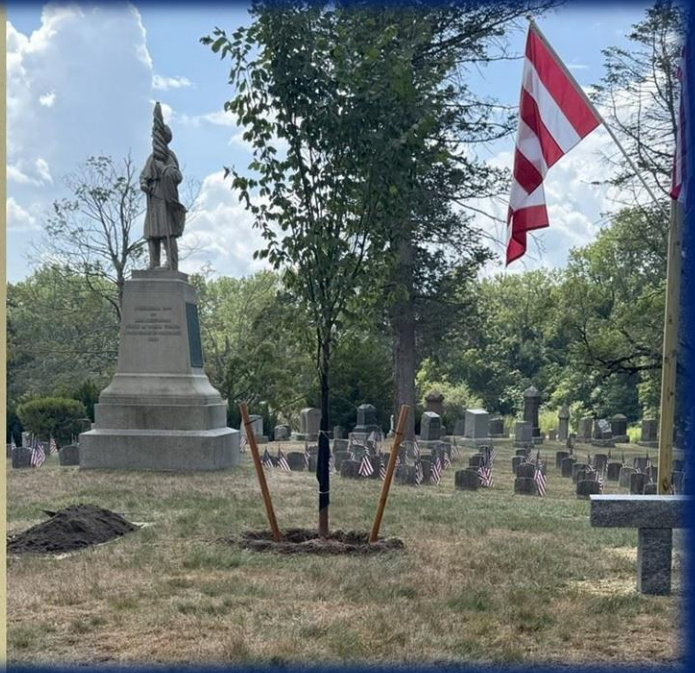
“To the last drop of their blood, and the last farthing of their treasure”



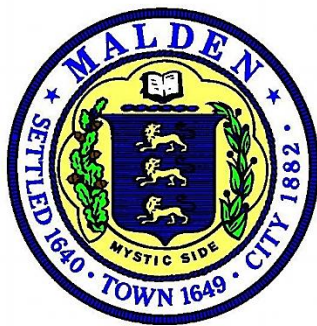
Christopher Rosa
Malden Tree Warden

Malden Historical
Society

Gary Christenson
Mayor of Malden



Malden planted a new Liberty Tree at Forest Dale Cemetery in honor of the upcoming 250th Anniversary of the American Revolution! The American Elm will serve as a living monument to the ideals of freedom and unity.



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www.cityofmalden.org

Gary Christenson, Mayor

Letter of Transmittal

December 22, 2025

Honorable City Council and Residents of the City of Malden, Massachusetts:

We are pleased to submit the *Annual Comprehensive Financial Report* (ACFR) of the City of Malden, Massachusetts “City” for the fiscal year ended June 30, 2025. This report was prepared by the City’s Controller’s Office and this is the fifteenth consecutive year that the ACFR has been completed and submitted.

The City is responsible for the accuracy, completeness and fairness of the data presented in the ACFR. This letter of transmittal and the management’s discussion and analysis, located in the financial section, provides a comprehensive financial overview of the City and ensures that the financial and general operations of City government remain transparent and accessible.

The ACFR represents a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the City.

The report is designed to be used by the City’s elected and appointed officials and others who are concerned with its management and progress, such as bond analysts, banking institutions and rating agencies as well as the residents and taxpayers of the City of Malden.

Since the report consists of management’s representations concerning the finances of the City, management assumes full responsibility for the completeness and reliability of all the information presented. In addition, management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Malden’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.

The City’s Basic Financial Statements present information about the City (the primary government) and its component units as required by the Government Accounting Standards Board (GASB). Component units are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City. The inclusion of component units in the City’s basic financial statements does not affect their separate legal standing.

The City's sole component unit consists of the legally separate City of Malden Contributory Retirement System (the System). Additional information on this legally separate entity can be found in the notes in the basic financial statements.

The City of Malden's financial statements have been audited by Roselli, Clark and Associates, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance, on an annual basis, that the City's financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Malden's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Malden's separately issued Single Audit Reports pursuant to Title 2 US "Code of Federal Regulations" (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement that analysis and should be read in conjunction with it. The City of Malden's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

Malden is located in eastern Massachusetts, approximately 5 miles northwest of Boston, and has a land area of approximately 5 square miles. It is situated within close proximity of Logan Airport and Interstates 93 and 128, with easy access to Routes 1, 16, 28 and 99. Malden has a population of approximately 66,000 and is considered one of the most diverse communities in Massachusetts.



The City is also home to two major subway stations that are part of the Massachusetts Bay Transportation Authority (MBTA), including the fifth busiest station on the Orange Line at Malden Center which serves 12,000 commuters daily. In addition, an above ground commuter rail service connects Malden with points as far north as Haverhill, and the regional bus service accommodates 7 communities. The proximity to Boston, access to the major roadways, public transportation and the airport make Malden an attractive option for residents, businesses and commuters.

The City offers a full range of traditional municipal services including: (1) police and fire protection, (2) education, (3) maintenance of streets and sidewalks, (4) solid waste collection, (5) health and human services, and (6) cultural and recreational services. The City is also a member community of the Massachusetts Water Resources Authority (MWRA) which provides water and sewer services for the residents and businesses.

There are approximately 30 park sites located throughout the City, including South Broadway Park which is a state-of-the-art facility renamed after two prominent Malden residents. The Park was named the Richard C. Howard Park after a former Mayor, and the baseball field was named after the late Robert "Bob" Rotondi, who was a legendary Babe Ruth baseball coach. Other sites include a 400-meter synthetic running track at Macdonald Stadium; the 56-acre Middlesex Fells Reservation; Fellsmere Pond; a swimming pool owned and operated by the State Department of Conservation and Recreation; a 30,000 square foot field house built under the school rebuilding plan; and Pine Banks Park, operated by a Board of Trustees with equal representation by the cities of Malden and Melrose.



Malden also prides itself on the quality of its educational system. Since 1996, Malden has opened five new K-8 schools and an early learning center for 400 pre-school aged children. The capstone of the school rebuilding effort is the \$77 million renovation of Malden High School, a multi-phased project substantially completed during fiscal year 2012. Total school construction costs were over \$200 million and were made possible through a partnership with the Commonwealth of Massachusetts who reimbursed the City 90% of eligible construction costs through the Massachusetts School Building Authority.





Forestdale School



Beebe School



Salemwood School



Ferryway School



Linden STEAM Academy



Early Learning Center

The Malden Public Library is another tremendous asset and a valuable resource. A \$6.5 million addition to the 100+ year old structure, dedicated in 1996, increased the facility's capacity to over 220,000 books and other materials. Services include a computerized database with many full-text magazine articles and Internet access for the public. The original building, designed by Henry Hobson Richardson, is listed on the National Register of Historic Places and offers access to local history, genealogy and other special book collections. The Ryder Art Gallery, housing an impressive collection of European and American art, is open upon request.



Form of Government

The City operates under a Mayor/City Council form of government. The Mayor is elected to a four-year term and an eleven-member City Council is elected biennially. The City Council makes policy decisions, and the Mayor is responsible for carrying out those policies and for managing the day-to-day operations of the City.



An annual operating budget is submitted by the Mayor and approved by the City Council. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g. general government), department (e.g. finance) and category (e.g. personnel and non-personnel) allowing the department heads to allocate resources within the department for non-personnel costs and personnel costs. Transfers between departments, or between personnel and non-personnel, need approval from the City Council unless

specifically exempted by state statute.

An elected, nine-member School Committee appoints a School Superintendent who administers the public-school system of the City while carrying out policies and procedures adopted by the School Committee. The Mayor is the ex-officio School Committee Chairperson and other School Committee members are elected biennially.

In Massachusetts, cities and towns are required to follow the provisions of the Education Reform Act, which specifies, amongst other things, that communities provide a minimum net school spending amount in its annual education budget. A significant portion of this is subsidized by the Commonwealth of Massachusetts through a formula grant called Chapter 70.

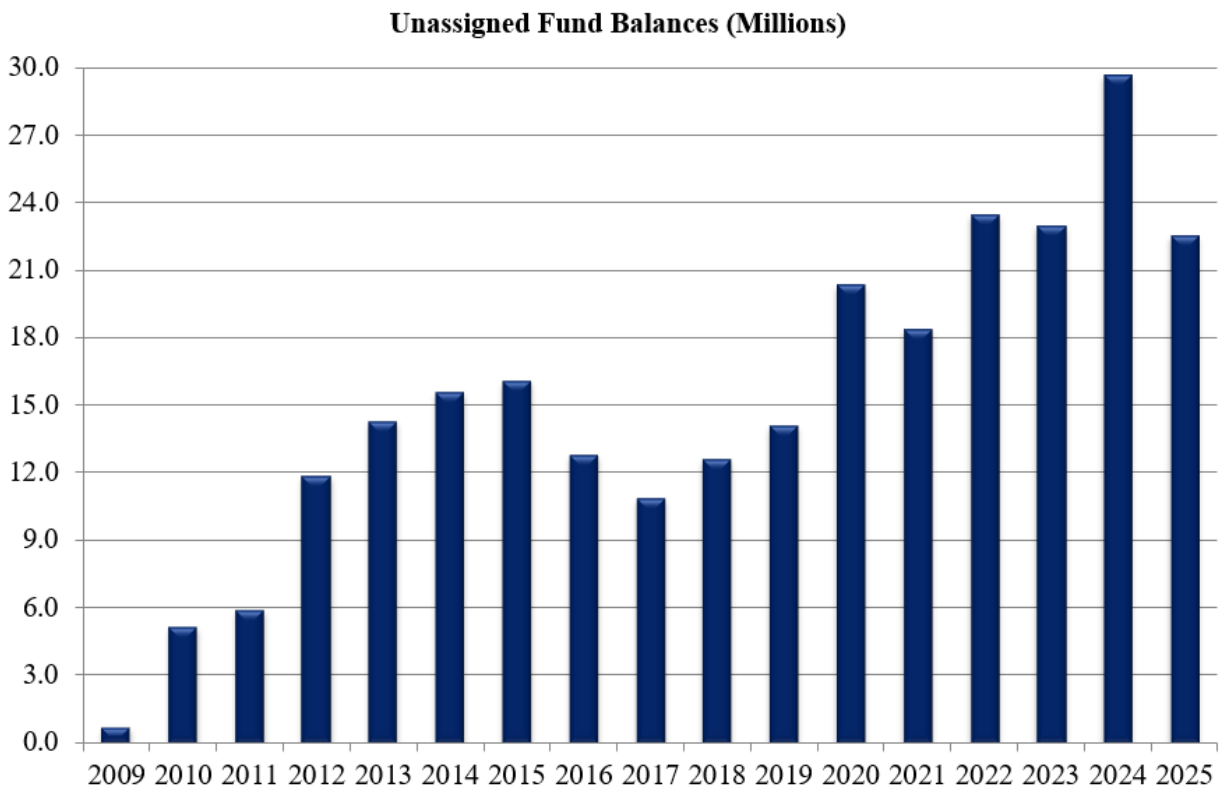


Factors Affecting Economic Conditions

Approximately 1,800 businesses are located in the City. The business base is quite diverse. Many manufacturers, service-oriented companies and financial institutions have made Malden their home. This has resulted in a commercial, industrial and personal tax base that in aggregate represents over 20% of the total tax base.

The growth of the City's main source of revenue, property taxes, is capped by Proposition 2 ½ and can only be overridden by the voters. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased substantially. The City has responded well to these challenges and continues to grow on an annual basis following multiple strategic changes implemented by the current administration over a decade ago.

Tax collection reform which resulted in a much lower delinquency rate, in addition to conservative revenue forecasting and a robust period of new growth, has resulted in a significant positive impact on the City's reserve fund balances. This in turn has led to a multiple point increase to the City's bond rating, thereby reducing the cost to finance the multiple projects the City has completed over the last decade. In addition, this has also enabled the City to appropriate from unassigned fund balance for necessary nonrecurring items such as the purchase of a building that housed a number of its departments while the new City Hall was under construction.



Revenue initiatives that began in fiscal 2015 are also continuing to return dividends and are expected to for multiple future fiscal years. These initiatives revolve around the gaming industry in Massachusetts. More specifically, on November 22, 2011, former Governor Deval Patrick signed Chapter 194 “An Act Establishing Expanded Gaming in the Commonwealth.”

Wynn Resort’s gaming license went into effect on November 5, 2014 and the \$2.5 billion resort opened in June 2019, under the name Encore Boston Harbor. The stimulus generated from this exciting event has been felt in all surrounding communities as property values have surged to historic highs throughout the Greater Boston area. In fact, Wynn Resorts has recently purchased the adjacent decommissioned portion of the Mystic Generating Station for further entertainment expansion.

Long-term Financial Planning

The City has a policy of preparing rolling five-year projections. We believe this will provide better insight when preparing annual budgets and will also alert us to any potential budgeting issues far ahead of when these situations become real.

The following represents the City’s five-year revenue projection:

	2026	2027	2028	2029	2030
Real Estate and Personal Property Taxes	\$ 117,298,971	\$ 121,326,406	\$ 125,384,566	\$ 129,544,180	\$ 133,807,784
New Growth	1,068,254	1,000,000	1,000,000	1,000,000	1,000,000
Intergovernmental Revenue - Local Aid	87,415,626	89,163,939	90,947,217	92,766,162	94,621,485
Local Receipts	20,849,707	21,058,204	21,268,786	21,481,474	21,696,289
Recurring transfers from special revenue	50,000	50,000	50,000	50,000	50,000
Indirect charges	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Total Revenues	<u>\$229,882,558</u>	<u>\$235,798,548</u>	<u>\$241,850,569</u>	<u>\$248,041,816</u>	<u>\$254,375,558</u>

Economic Development

The City’s economic development mission is well developed and comprehensive:

1. Promote projects that will create full-time, well-paying jobs.
2. Add and diversify the tax base.
3. Return vacant buildings to active use.
4. Ensure compatible and diversified land uses and users throughout the City.
5. Improve the appearance of properties.
6. Stimulate future investment in the community.

One of the methods of attaining these goals is through partnerships with the Federal Government and the Commonwealth of Massachusetts by successfully underwriting development grants that subsidize the City's economic initiatives. To that end, the City has qualified to receive the following designations:

1. Priority Development Area designation.
2. Gateway City designation.
3. Mini-Entitlement designation.
4. Economic Target Area designation.
5. Economic Opportunity Area designation.

In the past decade, through the former Malden Redevelopment Authority, the City has received an aggregate of nearly \$35.0 million in Federal and State grants as a result of these designations. This has stimulated economic growth in the City's business district and downtown. During fiscal 2022, in an effort to promote more efficiency in local operations, the former Malden Redevelopment Authority consolidated its operations into the City and became the Office of Strategic Planning and Community Development.

Downtown Revitalization

Numerous approved projects are currently under development, most of which directly impact the downtown district. It is expected that the approved projects, together with normalized growth are expected to derive millions annually in new taxes which began in fiscal year 2016. It is also expected that these projects will continue to provide stimulus to the downtown merchants and positively impact meals and motor vehicle excise.

The entire downtown has undergone a complete renaissance in the last decade. Numerous developments accommodating residential, commercial, office and retail interests have been completed, are in progress, or are being planned. Private investments downtown are on track to significantly exceed historic levels as they continue at an unprecedented pace. This has had a significant impact on tax growth in the City. In fact, in the most recent twelve years new tax growth approximates \$17 million which is about 14.5% of the entire fiscal year 2026 tax levy. Much of the infrastructure to accommodate this growth has been subsidized privately and through Federal and State earmarks, thus having little impact on the taxpayer.

Jefferson at Malden Center One of the crowning achievements of the downtown is the demolition of the former Malden Government Center and the redevelopment of the site into a mixed-use facility that currently houses the new City Hall.



Development, has received a Tax Increment Exemption Agreement from the City.

The effort is due in large part to the continued demand for housing in Malden, particularly because of its convenient access to public transportation. In addition, the continued interest and growth of smaller

New Growth	
fiscal year	amount
2026	\$ 1,349,436
2025	1,068,254
2024	1,393,087
2023	1,149,674
2022	927,045
2021	1,367,575
2020	2,049,368
2019	1,266,622
2018	1,742,485
2017	1,959,799
2016	1,281,120
2015	1,421,434
	<u>\$ 16,975,899</u>

"Jefferson at Malden Center" is a unique transit-oriented development that reconnects Malden's primary retail street, Pleasant Street, with the MBTA Station at Malden Center. This property, located in the Housing Development Incentive Program (HDIP) zone approved by the City and the Massachusetts Department of Housing and Community

service-oriented retail establishments in the downtown area was a main consideration as well as the development of the resort casino in nearby Everett as previously discussed. The opening of Pleasant Street is also bolstering the current resurgence of the burgeoning downtown restaurant presence as many diverse restaurants are discovering the City as their new home. The City's marketing campaign called "Dine in Malden, Taste the World" has had a positive impact with this trend.

A major aspect of this revitalization is the relocation of the Malden Police Station which was part of Government Center through fiscal year 2016. The new state of the art, 24,000 square foot facility was completed in October 2016. The Commonwealth provided \$9.85 million in MassWorks Infrastructure funds for this transformative development. The completion of the Police Station was followed by a private investment of \$130 million by JAG for the Pleasant Street redevelopment described above.

In that regard, construction was completed in the summer of 2020 and City Departments were moved in from their temporary locations during fiscal 2021.

Other Completed Projects

- **Pleasant Street Downtown Center Improvements Project** – \$3.5 million downtown streetscape project funded from Federal earmarks.
- **The Residences at Malden Square** – mixed-use development consisting of 195 residences and almost 10,000 square feet of retail space.
- **The Residences at Malden Station** – \$20 million residential development of 84 units.
- **100 and 150 Exchange Street** – mixed-use development consisting of 170 parking spaces and 2,000 square feet of retail space.
- **Overlook Ridge** – residential development in both Malden and Revere; consists of 1,771 units of which 1,041 are in Malden.
- **295 Canal Street** – 55,000 square foot office building with ground retail.
- **Forestdale Park Assisted Living** – 80 units of high-quality housing for assisted living which garnered \$28 million in private investments.
- **Exchange 200** – 300,000 square feet of office, retail and dining
- **Point 180** – Luxury one and two-bedroom apartments located on Eastern Avenue.
- **Ten Florence Street** – Luxury studio, one and two-bedroom apartments located.

Capital Improvements

The City maintains a comprehensive long-term capital improvement plan which is an important component of the City's philosophy to revitalize worn and outdated infrastructure, buildings, machinery, vehicles and equipment. In that regard, the City has completed numerous capital projects over the past 10 to 15 years.

In addition to the improvements to Schools, the Police Station, and new City Hall as previously discussed, the City continues to invest in accordance with its capital improvement plan in many other areas such as:

- Streets and sidewalks; funded through the Massachusetts Highway Department Chapter 90 program of about \$1 million annually.
- Beautification of parks, recreational facilities and athletic fields, funded through grants, donations and bond issuances.
- Significant infrastructure upgrades to the Water and Sewer distribution system. Amounts are expected to exceed \$30 million at completion. These costs have been and will continue to be funded from zero interest loans and grants from the Massachusetts Water Resources Authority (MWRA) and State subsidized Massachusetts Clean Water Trust (MCWT) loans, local user charges and federal grants. The result will be to tighten up the distribution system by eliminating leaks and reducing the annual assessments from the MWRA.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Malden for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the fourteenth consecutive year the City received this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

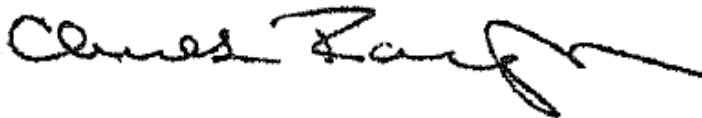
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The publication of this ACFR represents an important achievement in the ability of the City of Malden to provide enhanced financial information and accountability to its residents, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Controller's Office. Special thanks also go to the certified public accounting firm of Roselli, Clark and Associates for their advice and assistance in the preparation of this report.

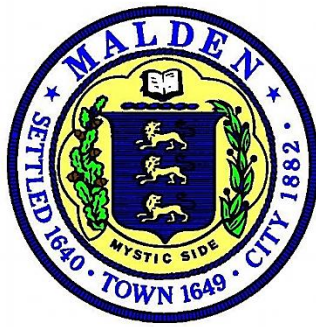
Respectfully submitted,



Gary Christenson
Mayor



Charles Ranaghan
Controller



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PRINCIPAL CITY OFFICIALS

Elected Officials

Mayor



Gary Christenson

Councillors-at-Large



Craig Spadafora



Karen Colon Hayes



Carey McDonald

Ward Councillors



Peg Crowe
Ward 1



Paul Condon
Ward 2



Amanda Linehan
Ward 3
Council President



Ryan O'Malley
Ward 4



Ari Taylor
Ward 5



Stephen Winslow
Ward 6



Chris Simonelli
Ward 7



Jadeane Sica
Ward 8

School Committee

Gary Christenson, Chairperson
Michael Drummey
Robert McCarthy Jr.
Jennifer Spadafora
Dawn Macklin
Elizabeth J. Hortie
Joseph Gray
Keith Bernard
Sharyn Rose-Zyberg

Principal Executive Officers

City Controller
Superintendent Of Schools
City Treasurer/Collector
City Clerk
City Solicitor
City Assessor

Charles Ranaghan
Dr. Timothy Sippel
Dan Grover
Carol Ann Desiderio
Alicia McNeil
Nathaniel Cramer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

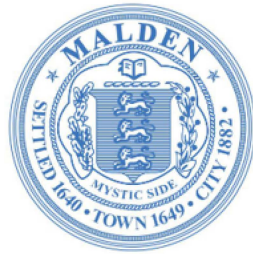
**City of Malden
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

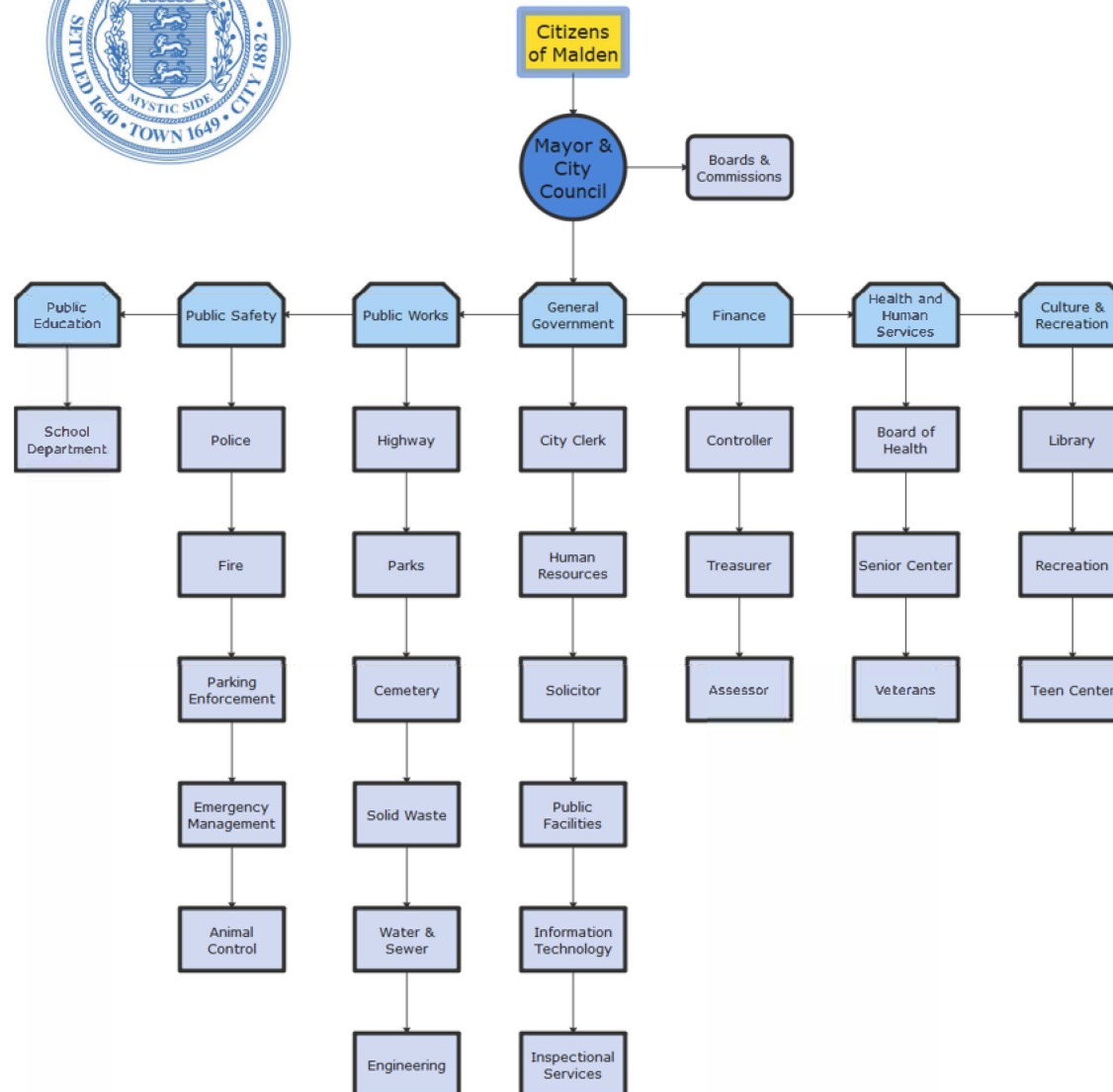
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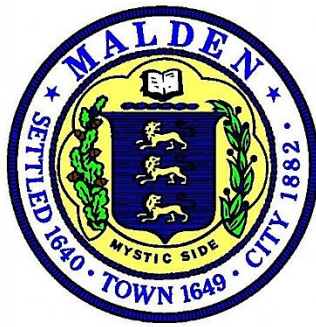
Christopher P. Morill

Executive Director/CEO



Organizational Chart - Malden, MA



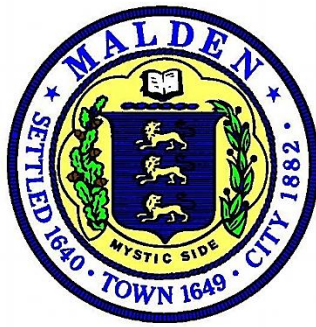


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FINANCIAL SECTION



Pictured (from left): Former Mayor Richard Howard, current Mayor Gary Christenson and former Mayor Ed Lucey were honored at the Chevrus Catholic Schools 9th Annual Gala for their distinguished service shaping the City of Malden for the last 40 years



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Honorable Members of the City Council
City of Malden, Massachusetts

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Malden, Massachusetts, (the "City") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, (except for the Malden Contributory Retirement System, (the "System" or "Retirement System") which is as of December 31, 2024).

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City as of June 30, 2025, (except for the System which is as of December 31, 2024) and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

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.

Emphasis of Matter

As described in Note IV to the financial statements, during the fiscal year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which resulted in a restatement of the July 1, 2024 net position of the governmental activities. Our opinion is not modified with respect to this matter.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 the 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 the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial 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 in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

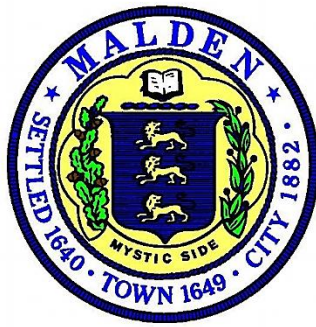
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 22, 2025 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, contract, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Roselli, Clark & Associates

Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts 01801
December 22, 2025



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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the City, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the City and its component unit for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by nearly \$30.4 million.
- The government's total net position increased by over \$26.6 million. This was made up of an increase in governmental activities of over \$18.1 million combined with an increase in business-type activities of almost \$8.5 million.
- The City reported over \$32.3 million in its General Fund balance; approximately \$14.9 million in its Capital Projects fund balance, nearly \$3.4 million in its American Rescue Plan Act, (ARPA Grant Fund), nearly \$42.0 million in its HOME grant fund and over \$42.8 million in its Combined Nonmajor fund balances. Total fund balances increased by over \$1.8 million.
- The City's total debt including premiums decreased by approximately \$6.4 million. Detail of this decrease may be reviewed in the debt administration section of this Management Discussion and Analysis.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements consist of three classifications; (1) those whose activities are principally supported by taxes and intergovernmental revenue (*governmental activities*); (2) those whose activities are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*), and (3) a *component unit*.

The governmental activities of the City include general government, public safety, public works, education, community development, interest expense, fringe benefits and culture and recreation. The business-type activities of the City are comprised completely of the water and sewer enterprise fund.

Fund Financial Statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted — amounts constrained by external parties, constitutional provision, or enabling legislation
- Committed — amounts constrained by a government using its highest level of decision-making authority
- Assigned — amounts a government intends to use for a particular purpose
- Unassigned — amounts that are not constrained at all will be reported in the general fund or in other major funds if negative

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *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 evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, ARPA Grant Fund and HOME Grant Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements.

The City adopts an annual appropriated budget for its general fund and its enterprise fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget and is included in this report as required supplementary information.

Proprietary funds – The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer enterprise.

Internal service funds are used to report activities that service all other City Departments. The City uses internal service funds to account for self-insured health insurance claims.

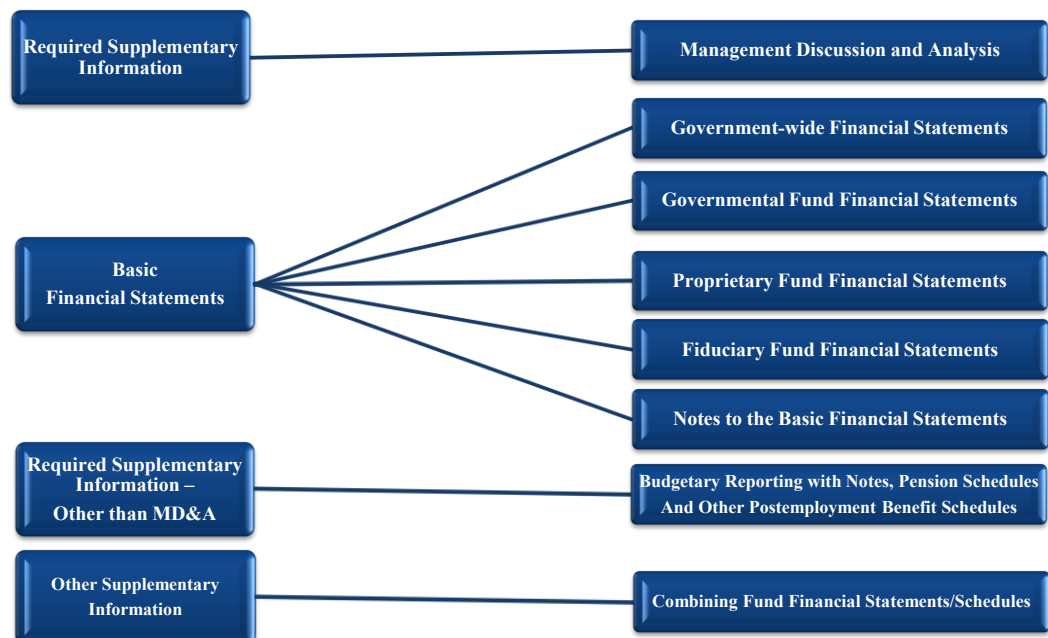
Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The System is a Pension Trust that is a legally separate entity reported as a blended fiduciary fund. Because the System services almost entirely to the City, it is presented as if it were part of the primary government as a fiduciary fund due to the significance of its operations.

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.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s proportionate share of net pension liability, contributions to pension plan, the Commonwealth's collective share of net pension liability to the Massachusetts Teachers' Retirement System, as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

The layout and relationship of the financial statements described and supplementary information above is visually displayed in the illustration to the right.



Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, the assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by nearly \$30.4 million resulting in a total overall deficit in net position. Data related to condensed net position is presented as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
			June 30			
	2025	2024	2025	2024	2025	2024
<u>Assets</u>						
Current and other assets	\$ 166,247,809	\$ 173,362,955	\$ 24,963,358	\$ 21,189,259	\$ 191,211,167	\$ 194,552,214
Capital assets, net	240,646,097	231,405,709	65,010,711	60,415,888	305,656,808	291,821,597
Total Assets	406,893,906	404,768,664	89,974,069	81,605,147	496,867,975	486,373,811
Deferred outflows of resources	3,049,097	31,980,918	35,972	378,894	3,085,069	32,359,812
<u>Liabilities</u>						
Current liabilities	21,069,301	28,644,073	101,240	393,732	21,170,541	29,037,805
Long-term liabilities	390,766,956	415,392,023	32,863,493	32,906,197	423,630,449	448,298,220
Total Liabilities	411,836,257	444,036,096	32,964,733	33,299,929	444,800,990	477,336,025
Deferred inflows of resources	24,496,869	35,169,777	296,326	430,180	24,793,195	35,599,957
<u>Net Position</u>						
Net investment in capital assets	202,972,393	188,557,738	43,285,313	37,601,183	246,257,706	226,158,921
Restricted	75,915,800	73,253,048	-	-	75,915,800	73,253,048
Unrestricted	(305,278,316)	(304,267,077)	13,463,669	10,652,749	(291,814,647)	(293,614,328)
Total Net Position	\$ (26,390,123)	\$ (42,456,291)	\$ 56,748,982	\$ 48,253,932	\$ 30,358,859	\$ 5,797,641

By far, the largest portion (nearly \$246.3 million) of the City's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, (over \$75.9 million), of the City's net position represents resources that are subject to external restrictions on how they may be used. *Unrestricted net position* is reported as a deficit, of over \$291.8 million. This is due to the implementation of GASB 68 and GASB 75 which resulted in the requirement to record significant liabilities associated with pension and other postemployment benefits in the financial statements. The impact of these non-cash obligations was felt more heavily on the governmental activities which carried a deficit balance of nearly \$305.3 million as opposed to a positive balance of nearly \$13.5 million in the business-type activities unrestricted net position.

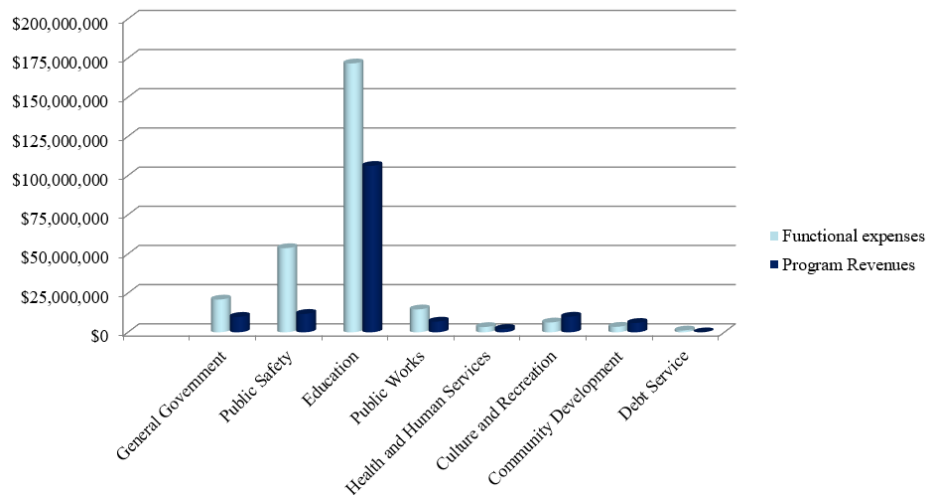
Condensed changes in net position data is presented as follows:

	Governmental Activities		Business-Type Activities		Total	
	June 30		June 30		June 30	
	2025	2024	2025	2024	2025	2024
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 17,808,404	\$ 20,762,490	\$ 35,847,687	\$ 33,105,940	\$ 53,656,091	\$ 53,868,430
Operating grants and contributions	115,277,798	130,962,669	-	-	115,277,798	130,962,669
Capital grants and contributions	19,763,589	10,794,005	3,495,950	988,951	23,259,539	11,782,956
General revenues:						
Property taxes	112,275,559	109,531,879	-	-	112,275,559	109,531,879
Excise and other taxes	8,462,512	8,355,757	-	-	8,462,512	8,355,757
Other	22,728,957	22,696,128	273,019	586,946	23,001,976	23,283,074
Total Revenues	296,316,819	303,102,928	39,616,656	34,681,837	335,933,475	337,784,765
<u>Expenses</u>						
General government	20,910,240	20,480,950	-	-	20,910,240	20,480,950
Public safety	53,710,108	55,616,638	-	-	53,710,108	55,616,638
Education	171,593,804	173,300,544	-	-	171,593,804	173,300,544
Public works	14,629,438	15,278,396	-	-	14,629,438	15,278,396
Health and human services	3,374,104	4,430,681	-	-	3,374,104	4,430,681
Culture and recreation	6,306,959	5,951,475	-	-	6,306,959	5,951,475
Community development	3,533,595	5,651,654	-	-	3,533,595	5,651,654
Interest expense	1,166,430	1,422,918	-	-	1,166,430	1,422,918
Water and sewer	-	-	34,080,087	31,422,193	34,080,087	31,422,193
Total Expenses	275,224,678	282,133,256	34,080,087	31,422,193	309,304,765	313,555,449
Increase (decrease) in net position before transfers	21,092,141	20,969,672	5,536,569	3,259,644	26,628,710	24,229,316
Transfers	(2,958,481)	(1,626,558)	2,958,481	1,626,558	-	-
Increase (decrease) in net position	18,133,660	19,343,114	8,495,050	4,886,202	26,628,710	24,229,316
Net position, beginning of year	(42,456,291)	(61,799,405)	48,253,932	43,367,730	5,797,641	(18,431,675)
Restatement for GASB 101	(2,067,492)	-	-	-	(2,067,492)	-
Net position, beginning of year, as restated	(44,523,783)	(61,799,405)	48,253,932	43,367,730	3,730,149	(18,431,675)
Net position, end of year	<u>\$ (26,390,123)</u>	<u>\$ (42,456,291)</u>	<u>\$ 56,748,982</u>	<u>\$ 48,253,932</u>	<u>\$ 30,358,859</u>	<u>\$ 5,797,641</u>

Governmental Activities –

Governmental activities increased net position by over \$18.1 million. This was primarily a result of the continued recognition of ARPA Grant revenues as operating grants and a large increase in Chapter 70 funding from the Commonwealth. Overall revenues were \$6.8 million less than the prior year, however overall expenses were down as well, by approximately \$6.9 million. This caused results to be consistent with the prior year.

Fiscal Year 2025 Expenses and Program Revenues – governmental activities are graphically presented as follows:



Major revenue sources of governmental activities consist of revenue from:

(1) Operating grants which comprised approximately 39% of the total governmental activity revenues were approximately \$15.7 million less than the previous year. This revenue is made up primarily of Chapter 70 educational assistance, special funding relative to teacher retirement charges, and other intergovernmental grants.

In fiscal year 2025 the

City received

approximately \$13.8

million as part of the

retirement special funding

situation. This amount

was about \$15.8 million in

the prior year. In

addition, the City received

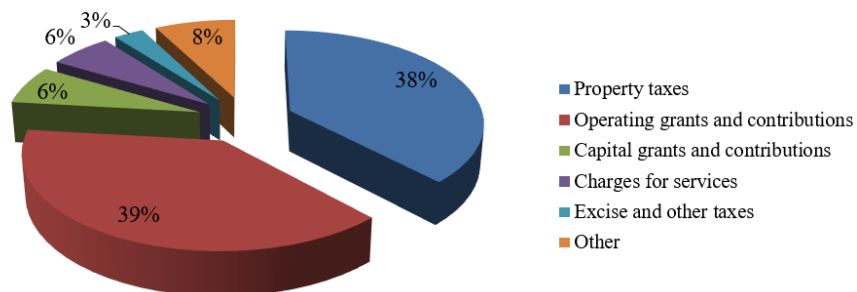
an additional \$2.0 million

in Chapter 70 funding due

to the City eligibility

status changing. Lastly, the City recognized previously unearned revenue from the ARPA Grant Fund as revenue in the current year, at approximately \$9.8 million versus \$17.3 million in the prior year.

Revenues



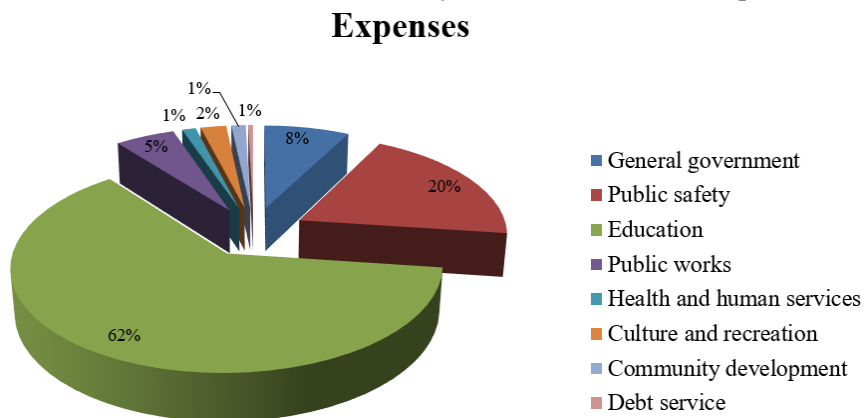
(2) Property taxes which represented 38% of total revenues experienced an increase of over \$2.8 million over the prior year; under Massachusetts General Laws, communities are allowed to assess taxes at 2 ½% of the prior year (added \$2.5 million) plus any new growth (added \$1.0 million). The difference is the decrease due to the decrease in the collection of delinquent taxes from the prior year. Therefore, this increase met expectations from year to year. Robust economic activity continued to support free flow of cash from property taxes as delinquencies were near historic lows.

All other revenue categories were either consistent with the prior year, their fluctuation was not material, or the overall amount was not significant.

Major expense outlays are summarized as follows:

The City's total expenses decreased by nearly \$6.9 million. One of the causes of this was the recognition of benefits expense associated with the actuarial valuations of the City's Pension, OPEB and Special Funding activities. The remainder of the decrease was primarily related to disbursements associated with the ARPA grant fund which were about \$5.5 million lower than the prior year, as the City begins to wind down these activities.

Specific major functions are as follows:



Education costs represent the City's largest expense category as education continues to be an area in which the City devotes substantial resources. Approximately 62.0% of total expenses related to education; in dollar terms, this represented a decrease of over \$1.8 million over the prior year. Since Education is the largest functional expense, and the most benefit intensive, a significant amount of the activity discussed above related to Education. Specifically, the special funding situation was about \$2.0M less than the prior year.

Public safety represented 20% of the total expenses. The decrease of approximately \$1.9 million is related to the same circumstances discussed above, but to a lesser extent.

Other functional expenses that were all under 10% of total expenses were either consistent with the prior year or their fluctuation was related to general cost of living increases in addition to expenses associated with benefits as discussed above.

Business-type Activities – Net position of the business-type activities increased by about \$5.5 million over the prior year balances as revenues exceeded expenses plus other financing uses. A rate increase while expenses remained stagnant was primarily responsible for this increase, in addition to capital grants associated with infrastructure.

The City's water and sewer system provides these services to the majority of the City's residents and businesses.

Expenses incurred by the City general fund on behalf of the water and sewer enterprise fund such as administrative and other indirect costs in the amount of \$3.2 million are charged directly to the General Fund as an expense.

Fund-wide Financial Analysis of the Government's Funds

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

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

The City maintains five governmental funds; (1) its general fund, (2) a capital projects fund, (3) ARPA Grant Fund (4) HOME Grant Fund and (5) the aggregate remaining funds combined into a nonmajor category.

General Fund – The general fund closed the year with a total fund balance of over \$32.3 million. Unassigned fund balance at nearly \$22.5 million made up the largest portion. These were 14.0% and 9.7% of total general fund expenditures and represented a decrease of over \$4.5 million in overall general fund balance as compared to the prior year.

The City continued to see positive revenues bolstered by a very strong economy. Property taxes were up \$2.8 million as new growth exceeded \$1.3 million. This was offset by transfers of over \$7.0 million to fund capital projects from accumulated surplus. This was the primary reason for the reduction.

Capital Projects Fund – The City's Capital Projects Fund increased over \$2.4 million. This was due to the transfers discussed above exceeding expenditures. This fund fluctuates typically as a result of the timing of sources and expenditures.

ARPA Grant Funds – Activities for the ARPA Grant Fund were mostly related to the receipt of funds offset by grant projects, the residual of which have been recorded as unearned revenue. The restricted fund balance of nearly \$3.4 million is directly related to accumulated investment income.

Home Grant Funds – Activities of the HOME Grant Fund increased by nearly \$0.8 million as compared to the prior year due to a larger portion of accumulated grant revenue and current year receipts being disbursed as loans thus setting up a receivable instead of expenditure.

Nonmajor Funds – Except for permanent funds, which typically increase based on contributions and investment earnings, the nature of Nonmajor Funds is to record revenue, (user charges, grants or donations) that will be used specifically against expenditures they were raised or intended for. Therefore, any fluctuations in these funds are mainly due to the timing of receipts and expenditures. During fiscal 2025, the City's nonmajor funds increased by \$2.5 million as revenues exceeded expenditures and net transfers out.

Nonmajor funds include a restricted balance of nearly \$35.7 million and a nonspendable fund balance due to the corpus of endowment of over \$7.6 million. Unassigned fund balance was recorded at a deficit nearly \$0.5 million due to individual funds maintaining negative balances.

Proprietary funds – The City's proprietary funds are made up of (1) the Water and Sewer Enterprise Fund which provides the same type of information found in the government-wide financial statements under business-type activities, but in more detail; and (2) the City's Internal Service Fund which accounts for the City's Health Claims Fund.

The Health Claims Fund has a Net Position of over \$5.3 million as expenses exceeded claims by over \$1.3 million due to some unanticipated events.

Fiduciary Fund – The City's fiduciary fund is comprised primarily of the City's Retirement System whose net position is nearly \$372.5 million. These assets are used strictly to pay retiree pensions and annuities and may not be used for City operating purposes.

For the year ended December 31, 2024 the net position increased by over \$45.5 million due primarily to robust market conditions related to investments held by the System during calendar year 2024.

General Fund Budgetary Highlights

The original budget and the final amended budget changes were minor and well below 1%. Major budget to actual differences on the revenue side were primarily experienced through investment income which exceeded budget by \$2.0 million. Many minor budget to actual differences on the expenditure side were experienced across the board, which approximated \$2.7 million spread evenly across nine functional categories.

Further details of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to this report.

Capital Asset and Debt Administration

Capital Assets – The City’s investment in capital assets for its governmental and business type activities amounts to about \$305.7 million (net of accumulated depreciation) an increase of about \$13.9 million over the prior year as additions exceeded depreciation.

In the current year, the City’s capital additions related mostly to its new road and sidewalk work which is ongoing. Additional information on the City’s capital assets can be found in Note II subsection D.

Long-term Debt – State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0% of its total assessed valuation. The current debt limitation for the City is approximately \$5 million, which is significantly in excess of the City’s outstanding general obligation debt classified as inside the debt limit. The City’s most recent credit evaluation resulted in maintaining an “AA” rating – positive outlook from Standard and Poor’s Investment Services for general obligation debt.

At the end of the current fiscal year, the City had total debt outstanding of approximately \$71.6 million including unamortized bond premium of about \$2.1 million. The entire amount comprises debt backed by the full faith and credit of the government. The City also holds a proportionate share of debt of other governmental units that provide services within the City’s boundaries. The debt service from such arrangements is assessed annually to the City.

The City’s total debt decreased by over \$6.4 million which can be detailed as follows:.

Additions:	
Governmental Activities	\$ -
Business-Type Activities	3,381,743
Regular Scheduled Maturities:	
Governmental Activities	(6,023,199)
Business-Type Activities	(3,131,735)
Amortization of Bond Premium	
Governmental Activities	(564,039)
Business-Type Activities	(62,322)
	<u>\$ (6,399,552)</u>

Additional information on the City's short-term and long-term debt can be found in Note II under subsections E and F.

Economic Factors and Next Year's Budget and Rates

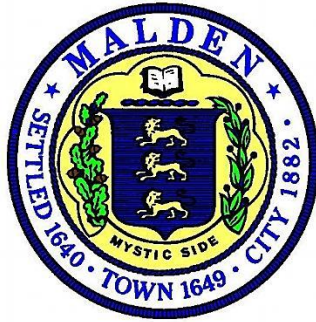
- Unemployment rates across the Commonwealth are near historic lows after the significant spikes due to the pandemic in 2020.
- The City's real estate tax base is made up predominantly of residential taxes, which comprise over 80% of the City's real estate tax base. The City also relies heavily on its commercial and industrial real estate tax base, which in aggregate comprise 15% of the City's real estate tax base. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the City's ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The City's housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Actions by the Federal Open Market Committee to soften the economy due to inflation have mortgage rates to spike, which are now stabilizing. Such trends may have an adverse effect on the housing market, and the City is monitoring this.
- While inflation is beginning to stabilize, there are still challenges with respect rising costs in wages, energy, construction, goods and services. The City has been able to balance its annual budget, but the City continues to monitor this situation.
- Investment yields have spiked considerably near 25-year highs. The City's significant cash position has allowed the City to utilize this as a revenue producing asset which has had a positive impact on operations and is expected to continue to have the same effect.

All of the above items were considered when the City developed its budget for fiscal year 2026. The budget was adopted in June of 2025 and the City's tax rate was certified in November 2025.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Controller, Malden City Hall, 215 Pleasant Street, Room 230, Malden, Massachusetts, 02148.

Complete stand-alone financial statements of the Retirement System can be obtained from the Retirement Office, 215 Pleasant Street, Room 520, Malden, Massachusetts 02148.



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Basic Financial Statements

CITY OF MALDEN, MASSACHUSETTS

**STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government		
	Governmental	Business-Type	
	Activities	Activity	Total
Assets			
Cash and cash equivalents	\$ 101,251,414	\$ 16,099,624	\$ 117,351,038
Investments	7,538,448	-	7,538,448
Deposits held by third parties	396,080	-	396,080
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes	1,894,361	-	1,894,361
User fees	-	8,709,570	8,709,570
Tax title	1,608,363	154,164	1,762,527
Departmental and other	1,753,144	-	1,753,144
Leases	1,070,446	-	1,070,446
Loans	46,865,491	-	46,865,491
Intergovernmental	3,539,366	-	3,539,366
Prepaid items	330,696	-	330,696
Capital assets not being depreciated	13,586,531	-	13,586,531
Capital assets, net of accumulated depreciation	227,059,566	65,010,711	292,070,277
Total Assets	406,893,906	89,974,069	496,867,975
Deferred Outflows of Resources			
Related to net pension liability	3,049,097	35,972	3,085,069
Total Deferred Outflows of Resources	3,049,097	35,972	3,085,069
Liabilities			
Warrants and accounts payable	5,670,923	101,240	5,772,163
Accrued payroll and withholdings payable	7,004,416	-	7,004,416
Accrued interest expense	280,012	-	280,012
Health claims incurred but not reported	2,100,000	-	2,100,000
Other liabilities	175,115	-	175,115
Unearned revenue	5,838,835	-	5,838,835
Noncurrent liabilities:			
Due in one year or less	14,427,122	3,692,335	18,119,457
Due in more than one year	376,339,834	29,171,158	405,510,992
Total Liabilities	411,836,257	32,964,733	444,800,990
Deferred Inflows of Resources			
Related to leases	1,070,446	-	1,070,446
Related to total other post-employment liability	21,766,064	276,738	22,042,802
Related to net pension liability	1,660,359	19,588	1,679,947
Total Deferred Inflows of Resources	24,496,869	296,326	24,793,195
Net Position			
Net investment in capital assets	202,972,393	43,285,313	246,257,706
Restricted:			
Nonexpendable permanent funds	7,647,293	-	7,647,293
Expendable permanent funds	474,661	-	474,661
Federal and State grants	12,849,277	-	12,849,277
Community preservation	3,367,763	-	3,367,763
Loans	45,745,491	-	45,745,491
Gifts and donations	4,283,688	-	4,283,688
Affordable housing	1,547,627	-	1,547,627
Unrestricted	(305,278,316)	13,463,669	(291,814,647)
Total Net Position	\$ (26,390,123)	\$ 56,748,982	\$ 30,358,859

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total
<u>Primary Government:</u>							
<i>Governmental Activities:</i>							
General government	\$ 20,910,240	\$ 783,867	\$ 8,839,126	\$ 262,544	\$ (11,024,703)	\$ -	\$ (11,024,703)
Public safety	53,710,108	8,556,254	2,937,408	287,144	(41,929,302)	-	(41,929,302)
Education	171,593,804	3,724,698	95,587,105	6,911,844	(65,370,157)	-	(65,370,157)
Public works	14,629,438	2,768,012	371,534	3,714,341	(7,775,551)	-	(7,775,551)
Health and human services	3,374,104	243,380	1,893,426	-	(1,237,298)	-	(1,237,298)
Culture and recreation	6,306,959	762,261	623,372	8,587,716	3,666,390	-	3,666,390
Community development	3,533,595	969,932	5,025,827	-	2,462,164	-	2,462,164
Interest expense	1,166,430	-	-	-	(1,166,430)	-	(1,166,430)
Total Governmental Activities	<u>275,224,678</u>	<u>17,808,404</u>	<u>115,277,798</u>	<u>19,763,589</u>	<u>(122,374,887)</u>	<u>-</u>	<u>(122,374,887)</u>
<i>Business-Type Activity:</i>							
Water and sewer services	<u>34,080,087</u>	<u>35,847,687</u>	<u>-</u>	<u>3,495,950</u>	<u>-</u>	<u>5,263,550</u>	<u>5,263,550</u>
Total Business Type Activity	<u>34,080,087</u>	<u>35,847,687</u>	<u>-</u>	<u>3,495,950</u>	<u>-</u>	<u>5,263,550</u>	<u>5,263,550</u>
Total Primary Government	<u>\$ 309,304,765</u>	<u>\$ 53,656,091</u>	<u>\$ 115,277,798</u>	<u>\$ 23,259,539</u>	<u>(122,374,887)</u>	<u>5,263,550</u>	<u>(117,111,337)</u>
<u>General Revenues:</u>							
Real and personal property taxes					111,782,245	-	111,782,245
Tax title					493,314	-	493,314
Motor vehicle and other excise					8,462,512	-	8,462,512
Penalties and interest on taxes					862,861	-	862,861
Grants and contributions not restricted to specific programs					15,448,168	-	15,448,168
Unrestricted investment income					5,441,375	273,019	5,714,394
Other					976,553	-	976,553
Transfers (net)					<u>(2,958,481)</u>	<u>2,958,481</u>	<u>-</u>
Total General Revenues and Transfers					<u>140,508,547</u>	<u>3,231,500</u>	<u>143,740,047</u>
Change in Net Position					18,133,660	8,495,050	26,628,710
<u>Net Position:</u>							
Beginning of year, as previously reported					(42,456,291)	48,253,932	5,797,641
Change in accounting principle					<u>(2,067,492)</u>		<u>(2,067,492)</u>
Beginning of year, as restated (see Note IV)					(44,523,783)	48,253,932	3,730,149
End of year					<u>\$ (26,390,123)</u>	<u>\$ 56,748,982</u>	<u>\$ 30,358,859</u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Capital Projects	ARPA Grant Fund	HOME Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and short-term investments	\$ 41,642,427	\$ 15,693,609	\$ 9,206,990	\$ 1,096,672	\$ 28,360,088	\$ 95,999,786
Investments	-	-	-	-	7,538,448	7,538,448
Receivables, net of allowance for uncollectibles:						
Real estate and personal property taxes	1,873,066	-	-	-	21,295	1,894,361
Tax title	1,608,363	-	-	-	-	1,608,363
Departmental and other	1,753,144	-	-	-	-	1,753,144
Leases	1,070,446	-	-	-	-	1,070,446
Loans	-	-	-	40,891,460	5,974,031	46,865,491
Intergovernmental	308,000	-	-	-	3,231,366	3,539,366
Due from other funds	293,805	-	-	-	-	293,805
Total Assets	<u>48,549,251</u>	<u>15,693,609</u>	<u>9,206,990</u>	<u>41,988,132</u>	<u>45,125,228</u>	<u>160,563,210</u>
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 48,549,251</u>	<u>\$ 15,693,609</u>	<u>\$ 9,206,990</u>	<u>\$ 41,988,132</u>	<u>\$ 45,125,228</u>	<u>\$ 160,563,210</u>
Liabilities:						
Warrants and accounts payable	\$ 2,729,752	\$ 787,347	\$ -	\$ -	\$ 1,958,896	\$ 5,475,995
Accrued payroll and withholdings payable	7,004,416	-	-	-	-	7,004,416
Unearned revenue	-	-	5,838,835	-	-	5,838,835
Other liabilities	173,770	-	-	-	1,345	175,115
Due to other funds	-	-	-	-	293,805	293,805
Total Liabilities	<u>9,907,938</u>	<u>787,347</u>	<u>5,838,835</u>	<u>-</u>	<u>2,254,046</u>	<u>18,788,166</u>
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	3,481,429	-	-	-	21,295	3,502,724
Unavailable revenues - leases	1,070,446	-	-	-	-	1,070,446
Unavailable revenues - other	1,753,144	-	-	-	-	1,753,144
Total Deferred Inflows of Resources	<u>6,305,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,295</u>	<u>6,326,314</u>
Fund Balances:						
Nonspendable	-	-	-	-	7,647,293	7,647,293
Restricted	-	14,906,262	3,368,155	41,988,132	35,655,492	95,918,041
Assigned	9,869,122	-	-	-	-	9,869,122
Unassigned	22,467,172	-	-	-	(452,898)	22,014,274
Total Fund Balances	<u>32,336,294</u>	<u>14,906,262</u>	<u>3,368,155</u>	<u>41,988,132</u>	<u>42,849,887</u>	<u>135,448,730</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,549,251</u>	<u>\$ 15,693,609</u>	<u>\$ 9,206,990</u>	<u>\$ 41,988,132</u>	<u>\$ 45,125,228</u>	<u>\$ 160,563,210</u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Total</u>
Total Governmental Fund Balances	\$ 135,448,730
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	240,646,097
Assets and liabilities of the City's internal service funds are included in the Statement of Net Position, but are not reported in the governmental funds.	3,683,476
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	6,326,314
Deferred outflows and inflows of resources to be recognized in future years' are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net pension liability	3,049,097
Deferred inflows related to leases	(1,070,446)
Deferred inflows related to total other post-employment liability	(21,766,064)
Deferred inflows related to net pension liability	<u>(1,660,359)</u>
Net effect of reporting deferred outflows and inflows	(21,447,772)
In the Statement of Net Position, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(280,012)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the government funds:	
Bonds and notes payable	(40,882,315)
Unamortized bond premiums	(2,138,313)
Compensated absences	(6,976,440)
Workers' compensation liability	(1,240,314)
Net pension liability	(72,748,671)
Total other post-employment liability	<u>(266,780,903)</u>
Net effect of reporting long-term liabilities	<u>(390,766,956)</u>
Net Position of Governmental Activities	<u>\$ (26,390,123)</u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2025**

	General	Capital Projects	ARPA Grant Fund	HOME Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Real estate and personal property taxes, net	\$ 110,893,911	\$ -	\$ -	\$ -	\$ 927,054	\$ 111,820,965
Intergovernmental	95,127,196	-	9,138,185	2,585,666	34,192,305	141,043,352
Tax title	493,314	-	-	-	-	493,314
Motor vehicle and other excise	8,447,972	-	-	-	-	8,447,972
Licenses and permits	1,925,983	-	-	-	-	1,925,983
Departmental and other	7,696,599	-	-	276,516	8,975,108	16,948,223
Penalties and interest on taxes	862,861	-	-	-	-	862,861
Interest and investment income	3,725,617	-	643,750	-	906,449	5,275,816
Contributions and donations	-	-	-	-	840,259	840,259
Total Revenues	229,173,453	-	9,781,935	2,862,182	45,841,175	287,658,745
Expenditures:						
Current:						
General government	9,757,815	99,856	675,841	-	826,510	11,360,022
Public safety	29,975,378	-	252,145	-	6,017,621	36,245,144
Education	96,666,679	-	-	-	25,352,252	122,018,931
Public works	9,877,141	4,019,443	674,122	-	3,520,142	18,090,848
Health and human services	1,440,487	-	-	-	931,011	2,371,498
Culture and recreation	3,027,951	477,488	782,297	-	4,314,384	8,602,120
Community development	-	-	-	2,106,366	1,427,229	3,533,595
Pension and fringe benefits	56,720,168	-	-	-	-	56,720,168
State and county tax assessments	16,004,987	-	-	-	-	16,004,987
Debt service:						
Principal	5,566,199	-	-	-	457,000	6,023,199
Interest expense	1,710,193	-	-	-	192,855	1,903,048
Total Expenditures	230,746,998	4,596,787	2,384,405	2,106,366	43,039,004	282,873,560
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,573,545)	(4,596,787)	7,397,530	755,816	2,802,171	4,785,185
Other Financing Sources (Uses):						
Transfers in	4,300,000	7,043,924	-	-	349,167	11,693,091
Transfers out	(7,248,625)	-	(6,753,780)	-	(649,167)	(14,651,572)
Total Other Financing Sources (Uses)	(2,948,625)	7,043,924	(6,753,780)	-	(300,000)	(2,958,481)
Net Change in Fund Balance	(4,522,170)	2,447,137	643,750	755,816	2,502,171	1,826,704
Fund Balances - Beginning	36,858,464	12,459,125	2,724,405	41,232,316	40,347,716	133,622,026
Fund Balances - Ending	<u>\$ 32,336,294</u>	<u>\$ 14,906,262</u>	<u>\$ 3,368,155</u>	<u>\$ 41,988,132</u>	<u>\$ 42,849,887</u>	<u>\$ 135,448,730</u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Total</u>
Net Change in Fund Balances - Total Governmental Fund Balances	\$ 1,826,704
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. The net amounts are reflected here as reconciling items:	
Capital outlays	\$ 19,965,031
Depreciation expense	<u>(10,724,643)</u>
Net effect of reporting capital assets	9,240,388
In the Statement of Activities, Internal Service Funds established to administer the City's health insurance costs are included within the activity; whereas, these activities are not presented in the Statement of Revenues, Expenditures and Changes in Fund Balances.	
	(1,457,769)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are amortized in the Statement of Activities. The net amount presented here as a reconciling item represents the following differences:	
Amortization of bond premiums	564,039
Repayments of debt	<u>6,023,199</u>
Net effect of reporting long-term debt	6,587,238
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	(24,180)
In the Statement of Activities, interest is accrued on outstanding long-term debt; whereas in governmental funds interest is not reported until due. The net amount presented here as a reconciling item represents the difference in accruals between this year and the prior year.	
	172,579
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Compensated absences	(346,735)
Other post-employment benefits	(590,401)
Pension benefits	2,443,526
Workers' compensation	<u>282,310</u>
Net effect of reporting long-term liabilities	<u>1,788,700</u>
Change in Net Position of Governmental Activities	<u>\$ 18,133,660</u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activity Water and Sewer Enterprise Fund	Governmental Activity Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 16,099,624	\$ 5,251,628
Deposits held by third parties	-	396,080
User fees, net of allowance for uncollectibles	8,709,570	-
Intergovernmental	-	-
Prepaid items	-	330,696
Total current assets	<u>24,809,194</u>	<u>5,978,404</u>
Noncurrent assets:		
Utility liens	154,164	-
Capital assets, net of depreciation	65,010,711	-
Total noncurrent assets	<u>65,164,875</u>	<u>-</u>
Total Assets	<u>89,974,069</u>	<u>5,978,404</u>
Deferred Outflows of Resources		
Related to total other post-employment liability	-	-
Related to net pension liability	35,972	-
Total Deferred Outflows of Resources	<u>35,972</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Warrants and accounts payable	101,240	194,928
Health claims incurred but not reported	-	2,100,000
Current portion of debt	3,608,364	-
Current portion of total other post-employment liability	83,971	-
Total current liabilities	<u>3,793,575</u>	<u>2,294,928</u>
Noncurrent liabilities:		
Total other post-employment liability	3,307,940	-
Net pension liability	858,257	-
Noncurrent portion of debt	25,004,961	-
Total noncurrent liabilities	<u>29,171,158</u>	<u>-</u>
Total Liabilities	<u>32,964,733</u>	<u>2,294,928</u>
Deferred Inflows of Resources		
Related to total other post-employment liability	276,738	-
Related to net pension liability	19,588	-
Total Deferred Inflows of Resources	<u>296,326</u>	<u>-</u>
Net Position:		
Net investment in capital assets	43,285,313	-
Unrestricted	13,463,669	3,683,476
Total Net Position	<u>\$ 56,748,982</u>	<u>\$ 3,683,476</u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Business-Type Activity</u> Water and Sewer Enterprise Fund	<u>Governmental Activities</u> Internal Service Fund
Operating Revenues:		
Charges for services	\$ 35,847,687	\$ -
Employee contributions	-	7,450,349
Employer contributions	-	25,789,312
Reinsurance settlements	-	1,066,346
Total Operating Revenues	<u>35,847,687</u>	<u>34,306,007</u>
Operating Expenses:		
Operating costs	7,543,146	-
Water and sewer assessment	24,073,641	-
Health claims	-	35,929,335
Depreciation	2,097,817	-
Total Operating Expenses	<u>33,714,604</u>	<u>35,929,335</u>
Operating Income	<u>2,133,083</u>	<u>(1,623,328)</u>
Nonoperating Revenues (Expenses):		
Interest income	273,019	165,559
Interest expense	(365,483)	-
Total Nonoperating Revenues (Expenses)	<u>(92,464)</u>	<u>165,559</u>
Income Before Capital Contributions and Transfers	2,040,619	(1,457,769)
Capital contributions	3,495,950	-
Transfers in	3,202,405	-
Transfers out	<u>(243,924)</u>	<u>-</u>
Change in Net Position	<u>8,495,050</u>	<u>(1,457,769)</u>
Total Net Position - Beginning	48,253,932	5,141,245
Total Net Position - Ending	<u><u>\$ 56,748,982</u></u>	<u><u>\$ 3,683,476</u></u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activity	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from users	\$ 34,736,624	\$ -
Employee contributions	-	7,450,349
Employer contributions	-	25,789,312
Reinsurance settlements	-	1,066,346
Payments to vendors	(30,753,185)	-
Payments to employees	(1,177,416)	-
Payments for interfund services used	-	(35,788,526)
Net Cash Provided by (Used for) Operating Activities	2,806,023	(1,482,519)
Cash Flows from Noncapital Financing Activities:		
Transfers in	3,202,405	-
Transfers out	(243,924)	-
Net Cash Used for Noncapital Financing Activities	2,958,481	-
Cash Flows from Capital and Related Financing Activities:		
Proceeds from issuance of bonds and notes	3,381,743	-
Proceeds from capital grants	3,495,950	-
Acquisition and construction of capital assets	(6,692,640)	-
Principal payments on bonds and notes	(3,131,735)	-
Interest expense	(427,805)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,374,487)	-
Cash Flows from Investing Activities:		
Interest income	273,019	165,559
Net Cash Provided by Investing Activities	273,019	165,559
Net Change in Cash and Cash Equivalents	2,663,036	(1,316,960)
Cash and Cash Equivalents:		
Beginning of year	13,436,588	6,568,588
End of year	\$ 16,099,624	\$ 5,251,628
Reconciliation of Operating Income to Net Cash Provided By (Used for) Operating Activities:		
Operating income	\$ 2,133,083	\$ (1,623,328)
Depreciation	2,097,817	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Receivables	(1,111,063)	-
Prepaid items	-	(165,639)
Deferred outflows of resources	342,922	-
Accounts payable and retainage	(292,492)	131,448
Total other post-employment liability	104,916	-
Net pension liability	(335,306)	-
Deferred inflows of resources	(133,854)	-
Health claims incurred but not reported	-	175,000
Net Cash Provided by (Used for) Operating Activities	\$ 2,806,023	\$ (1,482,519)
Noncash investing capital and financing activities:		
Amortization of bond premium	\$ 62,322	\$ -

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

	Malden Contributory Retirement (as of December 31, 2023)
Assets:	
Cash and cash equivalents	<u>\$ 15,185,276</u>
Investments at fair value:	
Fixed income securities	94,178,264
Equity securities	262,545,630
Total Investments	<u>356,723,894</u>
Receivables:	
Dividends and interest	740,220
Other	1,284
Total Receivables	<u>741,504</u>
Prepaid item	<u>32,870</u>
Total Assets	<u>372,683,544</u>
Liabilities:	
Accounts payable and other liabilities	<u>203,568</u>
Total Liabilities	<u>203,568</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 372,479,976</u></u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED JUNE 30, 2025**

	Malden Contributory Retirement (as of December 31, 2024)
Additions:	
Contributions:	
Employer	\$ 17,127,694
Plan members	5,922,525
Other contributions	1,125,182
Total contributions	<u>24,175,401</u>
Other income	3,756
Investment earnings:	
Interest and dividends	5,399,009
Net appreciation in fair value of investments	43,932,286
Less - management fees	<u>(976,353)</u>
 Total Additions	 <u>72,534,099</u>
Deductions:	
Benefits and Refunds to Plan Members:	
Benefit payments to retirees and survivors	24,815,807
Refunds to members	194,152
Transfers and reimbursements to other systems	1,576,770
Administrative Expenses:	
Payroll expenses of the System	274,463
Other administrative expenses	<u>146,083</u>
 Total Deductions	 <u>27,007,275</u>
 Change in Net Position	 45,526,824
 Net Position - Beginning of Year	 <u>326,953,152</u>
 Net Position - End of Year	 <u><u>\$ 372,479,976</u></u>

See accompanying notes to basic financial statements.

CITY OF MALDEN, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2025

I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the City:

A. Reporting Entity

The City is located in Middlesex County, five miles northwest of Boston. It was first established as a Town in 1649 and incorporated as a City in 1882. An elected Mayor who serves a four-year term and an eleven-member City Council who are elected biennially govern the City. The City provides governmental services for the territory within its boundaries, including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, water and sewer services, street maintenance, parks and recreational facilities. The water and sewer services are provided via connections to the Massachusetts Water Resources Authority. These services are funded almost entirely with user charges. The entities discussed below are included in the City's reporting entity because of the significance of their operations or financial relationships with the City.

Malden Contributory Retirement System – The System was established to provide retirement benefits to City employees, the Malden Redevelopment Authority employees, the Malden Housing Authority employees and their beneficiaries. While legally separate, the System provides services almost entirely to the City and is reported as a pension trust fund in the fiduciary fund financial statements.

Complete audited financial statements of the System as of December 31, 2024 were issued and are available at the Retirement Office, 215 Pleasant Street, Room 520, Malden, Massachusetts.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation as elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds

are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least ten percent of the corresponding element (assets and deferred outflows, liabilities and deferred inflows, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding element for all governmental and enterprise funds combined.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

The City considers property tax revenues to be available if they are collected within 60 days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major Governmental Funds:

General Fund – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Capital Projects Fund – is used to account for all financial resources relating to the City’s capital construction activities and other capital purchases.

ARPA Grant Fund – is used to account for activities of the City’s ARPA federal grant program.

HOME Grant Fund – is used to account for activities of the City’s HOME federal grant programs.

Nonmajor Governmental Funds – consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the Nonmajor Governmental Funds column on the Governmental Funds financial statements. The following describes the general use of these fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Permanent Funds are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major proprietary fund:

Water and Sewer Enterprise Fund – is used to account for the operation of the water and sewer department. Costs associated with maintaining the related infrastructure and providing services to the general public on a continuing basis, including depreciation, are financed or recovered primarily through user charges. This activity was established as one single enterprise fund by the City Council on June 29, 1993, effective for fiscal year 1994. The department services a user base that is homogenous to both water and sewer and as such the water and sewer transactions, including billing/collection, disbursements, capital assets and budgeting are not administered in a separately distinguishable manner.

Additionally, the following proprietary fund type is reported:

Internal Service Fund – is used to account for the City’s self-insured health insurance related activities. Because these services primarily benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

Fiduciary fund financial statements are reported using the *economic resources measurement focus* and use the *accrual basis of accounting*. Fiduciary funds are used to account for assets held in a trustee capacity and cannot be used to support the governmental programs.

The government reports the following fiduciary funds:

Malden Contributory Retirement – is used to account for the activities of the System, which accumulates resources for pension benefits to retired City employees.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments – The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments of the City are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy. Real estate taxes and water and sewer user fees are secured through a lien process within 60 days after the due date and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old.

Lease receivables are measured at the present value of lease payments expected to be received during the lease terms. The payments are recorded as an inflow of resources in the period the payments are received. Deferred inflows are recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized using the effective interest method over the terms of the leases.

Loans receivables consist of various mortgage loans issued to individuals, community housing development organizations, developers and other entities for qualifying projects under federal Department of Housing and Urban Development (HUD) grants. These receivables have various payback terms which may include monthly payments of principal and interest; net cash flow payments; long-term, deferred payments of principal; and full forgiveness on first-time homebuyer loans. The collected proceeds of these loans may be used for any eligible activity of the applicable federal program.

The mortgage notes are primarily secured through a lien process at the time the loans are made; however, these liens are subrogated to other liabilities against the property such as delinquent property taxes, as well as first and possibly second mortgage holders. Accordingly, the mortgage

note receivables are shown net of an allowance for uncollectible balances which are estimates based on specific account analysis, professional experience, and economic trends. Accounts receivables are written off when deemed uncollectible.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, vehicles, software and infrastructure (e.g. roads, water and sewer mains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated by the City on a straight-line-basis.

The estimated useful lives of capital assets being depreciated are as follows:

Land improvements	40 years
Buildings and improvements	40 years
Machinery and equipment	5-7 years
Vehicles	5-10 years
Software	5 years
Infrastructure	40-50 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Interfund Transfers – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business-type activities are reported in

the statement of activities as *transfers, net*. Interfund services provided or used are not eliminated in the process of consolidation.

Investment Income – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is voluntarily assigned to the general fund.

Compensated Absences – It is the City’s policy to permit employees to accumulate earned but unused vacation, sick and compensatory time. Unused vacation and compensatory time is accrued when it is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. Sick leave is accumulated in various rates based on individual collective bargaining agreements and is accrued only to the extent that leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. It is assumed that when sick leave is taken the leave hours earned last are the first ones utilized or paid. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are estimated and recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

Long-term Obligations – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond anticipation notes payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item that is reported on the government-wide statement of net position which relates to outflows from changes in the net pension liabilities. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items that are reported as deferred inflows of resources. The first arises only under a modified accrual basis of accounting and, accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, leases and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are reported on the government-wide statement of net position and relate to inflows from leases, changes in the net pension and the net other postemployment benefit liabilities. The deferred lease revenues

will be recognized in charges for services and investment income in future years as more fully described in Note II, subsection B. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

Net Position – In the government-wide financial statements, net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted for* the following:

Nonexpendable permanent funds represent the endowment portion of donor restricted trusts that support governmental programs.

Expendable permanent funds represent the portion of donor restricted trusts that may be spent to support governmental programs.

Federal and State grants represent assets that have restrictions placed on them from federal and state *granting* agencies.

Community preservation represents assets that are restricted by state law for the purposes of acquiring or developing open space and recreational facilities, historic resources and affordable housing.

Loans represent the outstanding community development and HOME grant loans.

Gifts and donations represent assets that are restricted by donors for specific governmental programs and uses.

Affordable housing represents assets that are restricted for an affordable housing use.

Fund Balance – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily to the extent in which the City is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

Nonspendable represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

Restricted represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external

parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed represents amounts that can only be used for specific purposes pursuant to formal action of the City Council through City Council Orders, which represent the most binding constraint that give rise to committed fund balance. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (through City Council Orders) it employed previously to commit those amounts. The City does not report any committed fund balances.

Assigned represents amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by ordinance authorized the City Controller to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a *negative* unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

The City has not established financial policies with respect to maintaining minimum fund balance amounts.

Stabilization Fund – The City maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for any municipal purpose. Additions to, and spending from, the fund arise upon a two-thirds vote of the City Council. There is no balance in this fund at June 30, 2025.

Encumbrances – The City's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the City Controller as assigned, and (2) classify encumbrances that result from an action of the City Council as committed. Encumbrances of funds already restricted, or committed are included within the classification of those fund balances and not reported separately. The City reports \$4,669,122 of encumbrances from normal purchasing activity in the general fund as assigned. There are no encumbrances reported in any other fund.

The following table reflects the City's fund balance categorizations:

	General	Capital Projects	ARPA Grant Fund	HOME Grant Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Permanent funds	\$ -	\$ -	\$ -	\$ -	\$ 7,647,293	\$ 7,647,293
Restricted:						
City federal and state grants	-	-	3,368,155	-	6,587,736	9,955,891
School federal and state grants	-	-	-	-	5,994,949	5,994,949
Receipts reserved for appropriation	-	-	-	-	8,883	8,883
City revolving funds	-	-	-	-	433,067	433,067
School revolving funds	-	-	-	-	6,407,217	6,407,217
City gift and other funds	-	-	-	-	3,353,676	3,353,676
School gift and other funds	-	-	-	-	930,012	930,012
Community preservation	-	-	-	-	3,346,468	3,346,468
Cable access	-	-	-	-	330,573	330,573
Community development	-	-	-	1,096,672	266,592	1,363,264
Loans	-	-	-	40,891,460	5,974,031	46,865,491
Capital outlay - roadways	-	6,312,128	-	-	-	6,312,128
Capital outlay - parks	-	5,166,241	-	-	-	5,166,241
Capital outlay - Malden river	-	762,624	-	-	-	762,624
Capital outlay - parking garages	-	1,759,703	-	-	-	1,759,703
Capital outlay - other	-	905,566	-	-	-	905,566
Cemetery trust funds	-	-	-	-	361,392	361,392
Affordable housing trust funds	-	-	-	-	1,547,627	1,547,627
Other trust funds	-	-	-	-	113,269	113,269
Assigned:						
General government	501,423	-	-	-	-	501,423
Education	3,260,123	-	-	-	-	3,260,123
Highway	416,620	-	-	-	-	416,620
Other purposes	490,956	-	-	-	-	490,956
Subsequent years' budget	5,200,000	-	-	-	-	5,200,000
Unassigned	22,467,172	-	-	-	(452,898)	22,014,274
	<u>\$ 32,336,294</u>	<u>\$ 14,906,262</u>	<u>\$ 3,368,155</u>	<u>\$41,988,132</u>	<u>\$ 42,849,887</u>	<u>\$135,448,730</u>

E. Excess of Expenditures Over Appropriations and Deficits

During fiscal year 2025, expenditures exceeded appropriations in the General Fund for snow and ice removal, which will be funded from available revenues in the subsequent fiscal year.

The City incurred individual fund deficits totaling \$44,633 and \$408,265 for receipts reserved for appropriation and road construction, respectively, which are reported in the Nonmajor Governmental Funds. These deficits will be funded through future available revenues and grant funds in future years.

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

II. Detailed Notes to All Funds

A. Deposits and Investments

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and cash equivalents". The deposits and investments of trust funds are held separately from those of other funds. State laws and regulations require the City to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool (the Pool). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the City did not enter into any repurchase agreements.

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

Custodial Credit Risk: Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk relative to cash holdings. At year-end, the carrying amount of the City's deposits was \$75,915,917 and the bank balance was \$81,364,344. Of the City's bank balance, \$45,470,840 was covered by federal depository insurance or the depositors' insurance fund; the remainder was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk: Investments - In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the City may not be able to recover the full amount of its principal investment and/or investment earnings. The City's investments in United States governmental obligations, corporate bonds and equity securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and are held by the counterparty. The City does not have a formal investment policy related to custodial credit risk.

Fair Value of Investments - The City reports its investments at fair value. When actively quoted observable prices are not available, the City generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* - Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* - Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

- *Level 3* – Inputs reflect the City’s best estimate of what market participants would use in pricing the investment at the measurement date.

The following table presents the City’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2025:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
U.S. Government obligations	\$ 1,621,863	\$ 1,186,007	\$ 435,856	\$ -
Corporate bonds	876,374	-	876,374	-
Bond mutual funds	809,818	-	809,818	-
Total debt securities	3,308,055	1,186,007	2,122,048	-
Equity securities:				
Common stock	2,735,800	2,735,800	-	-
Equity mutual funds	1,494,593	-	1,494,593	-
Total equity securities	4,230,393	2,735,800	1,494,593	-
Total investments by fair value level	7,538,448	\$ 3,921,807	\$ 3,616,641	\$ -
Investments measured at amortized cost				
MMDT	41,054,902			
Money market mutual fund	380,219			
Total investments	\$ 48,973,569			

Equity securities and U.S. Government obligations classified in Level 1 are valued using prices quoted in active markets for those securities. Corporate bonds and bond and equity mutual funds classified in Level 2 are valued using a bid evaluation or matrix pricing based on the securities’ relationship to benchmark quoted prices. The State Treasurer’s investment pool (MMDT) is valued at amortized cost. The MMDT’s investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool. There are no restrictions or limits on withdrawals from the pool and no direct fees are charged to participants.

Interest Rate Risk – The City does not have formal investment policies that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2025, the City's investments had the following maturities:

Investments	Fair Value	Maturities in Years		
		Less than 1	1 - 5	6 - 10
U.S. Government obligations	\$ 1,621,863	\$ 200,403	\$ 885,696	\$ 535,764
Corporate bonds	876,374	123,629	752,745	-
Bond mutual funds	809,818	809,818	-	-
MMDT	41,054,902	41,054,902	-	-
Total investments with maturities	<u>\$ 44,362,957</u>	<u>\$42,188,752</u>	<u>\$ 1,638,441</u>	<u>\$ 535,764</u>

Concentration of Credit Risk – The City does not place a limit on the amount that may be invested in any one issuer. The City has 84% of its investments in MMDT.

Credit Risk – The City has not adopted a formal policy related to credit risk.

At June 30, 2025, the credit quality ratings of investments were as follows:

Quality Ratings (Moody's)	U.S. Government		Totals
	Agencies & Treasuries	Corporate Bonds	
Aa1	\$ 1,621,863	\$ -	\$ 1,621,863
Aa3	-	117,780	117,780
A2	-	123,253	123,253
A3	-	123,629	123,629
Baa1	-	216,188	216,188
Baa2	-	295,524	295,524
Totals - All	<u>\$ 1,621,863</u>	<u>\$ 876,374</u>	<u>\$ 2,498,237</u>

The City's investments in MMDT and bond mutual funds are unrated.

The System

Massachusetts General Laws Chapter 32 and PERAC regulations require the System to invest funds only in pre-approved investment instruments, which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, certain corporate bonds and equities and investment pools.

Custodial Credit Risk: Deposits – Deposits are subject to the risk of bank failure. The System may be unable to recover the full amount of its deposits in any one bank institution in the event of a bank failure. The System's policy for custodial credit risk of deposits is to rely on Federal Deposit Insurance Corporation ("FDIC") insurance coverage for the first \$250,000 of deposits held at each financial institution. At December 31, 2024, the System had bank deposits of \$15,149,470 exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk: Investments – Custodial credit risk for investments is the risk that, in the event of a 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 the outside party. The System's

policy for custodial credit risk of investments intends that all investments are either insured and/or registered in the name of the System. At December 31, 2024, the System was not exposed to custodial credit risk on its investments.

Interest Rate Risk: Investments – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The System does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: Investments – The System’s investments in U.S. Treasury notes represent approximately 69% of fixed income securities and 18% of total investments at December 31, 2024. Additionally, the System’s investment in the iShares Russell 2000 ETF represented 5.5% of total investments at December 31, 2024. No other individual investment exceeded 5% of the System’s total investments at December 31, 2024.

At December 31, 2024, the credit quality ratings of the System’s investments were as follows:

Quality Rating (Moody's)	U.S. Treasury Notes	U.S. Government Agency Obligations	Corporate Bonds	Total
Aaa	\$ 65,034,103	\$ 8,906,878	\$ -	\$ 73,940,981
A1	-	-	7,426,296	7,426,296
A2	-	-	7,879,640	7,879,640
A3	-	-	2,641,950	2,641,950
Not Rated	-	-	2,289,397	2,289,397
	<u>\$ 65,034,103</u>	<u>\$ 8,906,878</u>	<u>\$ 20,237,283</u>	<u>\$ 94,178,264</u>

Credit Risk: Investments – Credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. As previously noted, MGL and PERAC have enacted regulations to reduce this risk. In evaluating its credit risk, the System relies on credit ratings assigned by nationally recognized credit rating agencies such as Moody’s Investor Services, Inc. and Standard and Poor’s Financial Services. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board’s discretion.

At December 31, 2024, the System had the following investments with maturities:

Investments	Fair Value	Maturities in Years			
		Less than 1	1 - 5	6 - 10	10 +
U.S. Treasury notes	\$ 65,034,103	\$ 3,562,767	\$ 15,185,302	\$ 29,637,474	\$ 16,648,560
U.S. Government agency obligations	8,906,878	-	8,906,878	-	-
Corporate bonds	17,237,283	3,974,240	9,803,251	3,459,792	-
Total investments with maturities	<u>\$ 91,178,264</u>	<u>\$ 7,537,007</u>	<u>\$ 33,895,431</u>	<u>\$ 33,097,266</u>	<u>\$ 16,648,560</u>

Fair Value of Investments – The System reports its investments at fair value. The following table presents the fair value of the System’s investments by type as of December 31, 2024:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
U.S. Treasury notes	\$ 65,034,103	\$ 65,034,103	\$ -	\$ -
U.S. Government agency obligations	8,906,878	8,906,878	-	-
Corporate bonds	17,237,283		17,237,283	-
Total debt securities	91,178,264	73,940,981	17,237,283	-
Equity securities:				
Common stock	262,545,630	262,545,630	-	-
Total investments by fair value level	\$353,723,894	\$336,486,611	\$ 17,237,283	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using a bid evaluation or matrix pricing based on the securities’ relationship to benchmark quoted prices.

B. Receivables

Receivables as of year-end for the City's major governmental funds, non-major governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes	\$ 1,934,965	\$ (61,899)	\$ 1,873,066
Community preservation surcharges	21,295	-	21,295
Tax liens	1,608,363	-	1,608,363
Excise	2,210,938	(494,590)	1,716,348
Other departmental	36,796	-	36,796
Leases	1,070,446	-	1,070,446
Loans	53,529,942	(6,664,451)	46,865,491
Intergovernmental	3,539,366	-	3,539,366
Total	<u>\$ 63,952,111</u>	<u>\$ (7,220,940)</u>	<u>\$ 56,731,171</u>

Receivables as of year-end for City's water and sewer enterprise fund are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
User fees	\$ 8,709,570	\$ -	\$ 8,709,570
Utility liens	154,164	-	154,164
Total	<u>\$ 8,863,734</u>	<u>\$ -</u>	<u>\$ 8,863,734</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. The following identifies the components of deferred inflows of resources in the governmental funds:

	General Fund	Other Funds	Total
Receivable type:			
Real estate and personal property taxes	\$ 1,873,066	\$ -	\$ 1,873,066
Community preservation surcharges	-	21,295	21,295
Tax liens	1,608,363	-	1,608,363
Excise	1,716,348	-	1,716,348
Other departmental	36,796	-	36,796
Leases	1,070,446	-	1,070,446
Total	<u>\$ 6,305,019</u>	<u>\$ 21,295</u>	<u>\$ 6,326,314</u>

Leases – In fiscal year 2016, City entered into two leases with outside organizations for the rights to use portions of South Broadway Park at specific times enumerated in the agreements. Under the leases, the organizations pay the City annual payments of \$20,000 and \$23,300 for a term of twenty-five years through 2040. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease terms at a discount rate of 2.58%. In fiscal year 2025, the City recognized \$57,708 of lease revenue and \$28,892 of interest revenue under these leases.

Future minimum lease payments as of June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 59,215	\$ 27,385	\$ 86,600
2027	60,761	25,839	86,600
2028	62,348	24,252	86,600
2029	63,976	22,624	86,600
2030	65,645	20,955	86,600
2031-2035	354,847	78,153	433,000
2036-2040	403,654	29,346	433,000
Total	<u>\$ 1,070,446</u>	<u>\$ 228,554</u>	<u>\$ 1,299,000</u>

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances at June 30, 2025 is as follows:

Receivable Fund	Payable Funds	Amount
General Fund	Nonmajor Governmental Funds - Receipts Reserved for Appropriation	\$ 35,750
General Fund	Nonmajor Governmental Funds - Chapter 90 Road Improvements	258,055
Total		<u>\$ 293,805</u>

The outstanding balances between funds result mainly from the timing difference between the dates that (1) reimburseable expenditures occur, (2) the intergovernmental reimbursements are received and (3) the payments to the general fund are made.

The composition of interfund transfers for the fiscal year ended June 30, 2025 is as follows:

Transfers Out	Transfers In				Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Enterprise	
General Fund	\$ -	\$ 6,800,000	\$ -	\$ 448,625	\$ 7,248,625 (1)
ARPA Grant Fund	4,000,000	-	-	2,753,780	6,753,780 (2)
Nonmajor Governmental Funds	300,000	-	349,167	-	649,167 (3)
Water and Sewer Enterprise	-	243,924	-	-	243,924 (4)
Total	<u>\$ 4,300,000</u>	<u>\$ 7,043,924</u>	<u>\$ 349,167</u>	<u>\$3,202,405</u>	<u>\$ 14,895,496</u>

(1) Transfer to capital projects fund for parks, roads and parking garage capital outlay and transfers to water and sewer for debt service.

(2) Transfer to general fund to supplement operating budgets and transfers to water and sewer for capital outlays.

(3) Transfers to general fund to supplement operating budgets; transfers between nonmajor funds for affordable housing.

(4) Transfers to capital projects fund for paving costs.

D. Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Governmental Activities:</u></i>				
Capital assets not being depreciated:				
Land	\$ 5,934,703	\$ -	\$ -	\$ 5,934,703
Construction in progress	18,867,933	2,885,382	(14,101,487)	7,651,828
Total capital assets not being depreciated	<u>24,802,636</u>	<u>2,885,382</u>	<u>(14,101,487)</u>	<u>13,586,531</u>
Capital assets being depreciated:				
Land improvements	18,946,742	8,408,427	-	27,355,169
Buildings and improvements	295,670,343	14,270,002	-	309,940,345
Infrastructure	70,153,586	6,907,937	-	77,061,523
Machinery and equipment *	39,663,172	1,302,971	-	40,966,143
Vehicles	12,545,451	291,799	-	12,837,250
Total capital assets being depreciated	<u>436,979,294</u>	<u>31,181,136</u>	<u>-</u>	<u>468,160,430</u>
Less accumulated depreciation for:				
Land improvements	(6,458,212)	(722,646)	-	(7,180,858)
Buildings and improvements	(145,251,043)	(7,377,418)	-	(152,628,461)
Infrastructure	(32,088,041)	(1,419,067)	-	(33,507,108)
Machinery and equipment *	(35,464,230)	(741,904)	-	(36,206,134)
Vehicles	(11,114,695)	(463,608)	-	(11,578,303)
Total accumulated depreciation	<u>(230,376,221)</u>	<u>(10,724,643)</u>	<u>-</u>	<u>(241,100,864)</u>
Total capital assets being depreciated, net	<u>206,603,073</u>	<u>20,456,493</u>	<u>-</u>	<u>227,059,566</u>
Total governmental activities capital assets, net	<u>\$ 231,405,709</u>	<u>\$ 23,341,875</u>	<u>\$ (14,101,487)</u>	<u>\$ 240,646,097</u>

* Reclassifications were made to beginning balances to conform to the current presentation.

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities: Water and Sewer</u>				
Capital assets being depreciated:				
Buildings and improvements	\$ 1,228,694	\$ -	\$ -	\$ 1,228,694
Infrastructure	90,834,862	6,089,532	-	96,924,394
Machinery and equipment	1,280,150	568,851	-	1,849,001
Vehicles	1,817,432	34,257	-	1,851,689
Total capital assets being depreciated	95,161,138	6,692,640	-	101,853,778
Less accumulated depreciation for:				
Buildings and improvements	(522,194)	(30,717)	-	(552,911)
Infrastructure	(31,721,468)	(1,900,487)	-	(33,621,955)
Machinery and equipment	(1,040,174)	(76,147)	-	(1,116,321)
Vehicles	(1,461,414)	(90,466)	-	(1,551,880)
Total accumulated depreciation	(34,745,250)	(2,097,817)	-	(36,843,067)
Total capital assets being depreciated, net	60,415,888	4,594,823	-	65,010,711
Total business-type activities capital assets, net	<u>\$ 60,415,888</u>	<u>\$ 4,594,823</u>	<u>\$ -</u>	<u>\$ 65,010,711</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General government	\$ 1,439,746
Public safety	1,004,809
Education	4,932,840
Public works	2,561,619
Health and human services	31,838
Culture and recreation	753,791
	<u>\$ 10,724,643</u>

Business-Type Activities:

Water and sewer	<u>\$ 2,097,817</u>
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E. Temporary Debt

The City is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to collection of revenues, expenditures may be financed through the issuance of revenue or tax anticipation notes (RANS or TANS).

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the City and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively.

There was no temporary note activity during the fiscal year.

F. Long-Term Obligations

The City issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the City incurs various other long-term obligations relative to associated personnel costs.

State law permits the City, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5.0 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being “inside the debt limit.” In addition, the City may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being “outside the debt limit”.

The following reflects the activity in the long-term liability accounts for the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 40,315,000	\$ -	\$ (5,175,000)	\$ 35,140,000	\$ 4,810,000
Unamortized bond premium	2,702,352	-	(564,039)	2,138,313	419,254
Notes from direct borrowings and placements	6,590,514	-	(848,199)	5,742,315	539,146
Workers' compensation	1,522,624	370,487	(652,797)	1,240,314	310,079
Compensated absences, net *	6,629,705	346,735	-	6,976,440	1,744,110
Net pension liability	101,170,316	605,572	(29,027,217)	72,748,671	-
Total other post-employment liability	258,529,004	30,017,962	(21,766,063)	266,780,903	6,604,533
Total Governmental Activities	\$ 417,459,515	\$ 31,340,756	\$ (58,033,315)	\$ 390,766,956	\$ 14,427,122
<i>Business-Type Activities - Water and Sewer:</i>					
General obligation bonds	\$ 5,100,000	\$ -	\$ (580,000)	\$ 4,520,000	\$ 580,000
Unamortized bond premium	276,407	-	(62,322)	214,085	54,257
Notes from direct borrowings and placements	23,049,232	3,381,743	(2,551,735)	23,879,240	2,974,107
Net pension liability	1,193,563	7,144	(342,450)	858,257	-
Total other post-employment liability	3,286,995	381,655	(276,739)	3,391,911	83,971
Total Business-Type Activities	\$ 32,906,197	\$ 3,770,542	\$ (3,813,246)	\$ 32,863,493	\$ 3,692,335

* As restated. See Note IV.

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the water and sewer enterprise fund.

The following is a summary of outstanding long-term debt obligations as of June 30, 2025:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<i>Governmental Activities:</i>					
General Obligation Bonds	1.00 - 5.25%	\$ 37,395,000	\$ -	\$ (4,135,000)	\$ 33,260,000
General Obligation Refunding Bonds	3.00 - 5.00%	2,920,000	-	(1,040,000)	1,880,000
Total General Obligation Bonds		40,315,000	-	(5,175,000)	35,140,000
Add: Unamortized bond premium		2,702,352	-	(564,039)	2,138,313
Total General Obligation Bonds, net		43,017,352	-	(5,739,039)	37,278,313
Notes Payable HUD	2.2 - 5.42%	3,060,000	-	(413,000)	2,647,000
Notes Payable Banks	3.75%	3,212,912	-	(117,597)	3,095,315
Capital Financing	3.54%	317,602	-	(317,602)	-
Total notes from direct borrowings and placements		6,590,514	-	(848,199)	5,742,315
Total Governmental Activities debt		\$ 49,607,866	\$ -	\$ (6,587,238)	\$ 43,020,628
<i>Business-Type Activities - Water and Sewer:</i>					
General Obligation Bonds	2.50 - 5.00%	\$ 5,100,000	\$ -	\$ (580,000)	\$ 4,520,000
Add: Unamortized bond premium		276,407	-	(62,322)	214,085
Total General Obligation Bonds, net		5,376,407	-	(642,322)	4,734,085
Massachusetts Water Resources Authority	0.00%	10,794,400	3,381,743	(1,461,390)	12,714,753
Massachusetts Clean Water Trust	2.00%	12,254,832	-	(1,090,345)	11,164,487
Total notes from direct borrowings and placements		23,049,232	3,381,743	(2,551,735)	23,879,240
Total Business-Type Activities debt		\$ 28,425,639	\$ 3,381,743	\$ (3,194,057)	\$ 28,613,325

Payments on outstanding bond balances due in future years consist of the following:

Year Ending June 30,	<i>Governmental Activities</i>			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 4,810,000	\$ 1,284,210	\$ 539,146	\$ 212,293
2027	3,910,000	1,106,416	548,871	190,575
2028	3,805,000	960,507	560,491	168,371
2029	3,275,000	810,007	315,868	147,919
2030	2,540,000	686,654	262,163	134,572
2031-2035	12,305,000	1,922,082	1,397,447	527,248
2036-2040	4,495,000	292,550	1,444,117	258,989
2041-2043	-	-	674,212	40,278
Total	\$ 35,140,000	\$ 7,062,426	\$ 5,742,315	\$ 1,680,245

Year Ending June 30,	<i>Business-Type Activities: Water and Sewer</i>			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2026	\$ 580,000	\$ 160,900	\$ 2,974,107	\$ 221,152
2027	580,000	131,900	2,879,077	198,824
2028	575,000	108,000	2,903,818	176,014
2029	575,000	84,875	2,929,094	152,707
2030	575,000	64,000	2,954,920	128,890
2031-2035	1,635,000	84,250	9,133,252	286,069
2036	-	-	104,972	2,100
Total	<u>\$ 4,520,000</u>	<u>\$ 633,925</u>	<u>\$ 23,879,240</u>	<u>\$ 1,165,756</u>

The following represents authorized and unissued debt as of June 30, 2025:

Project	Amount
<i>Governmental:</i>	
Energy efficiency	\$ 1,175,719
Parks improvements	1,200,000
Roadway improvements	360,000
<i>Business-type:</i>	
Water and Sewer improvements	4,380,311
Total Authorized and Unissued	<u><u>\$ 7,116,030</u></u>

Massachusetts Water Resource Authority (MWRA)

The City has ten outstanding notes from direct borrowings and placements issued to the MWRA. The notes are payable without interest in equal annual installments through May 15, 2035. Any imputed interest is immaterial to the water and sewer enterprise fund.

Massachusetts Clean Water Trust (MCWT)

The City has eight outstanding notes from direct borrowings and placements issued to the MCWT with interest payable at 2% and payments through January 15, 2036. The financing agreements with the MCWT contain a provision that in the event of default, outstanding amounts due and payable shall be paid from any undisbursed proceeds on account or be deducted from any state local aid distributions owed to the City. This provision also allows the MCWT to declare the entire outstanding principal amount due immediately.

Bank Note Payable

In fiscal year 2023, the City issued a bank note for \$3,500,000 with interest payable at 3.75%. Principal and interest payments are due monthly through April 15, 2043. On April 15, 2031, and on the tenth anniversary thereafter, the interest rate will be recast and fixed for the ensuing sixty

months at an annual percentage rate equal to the aggregate of (a) the Federal Home Loan Bank of Boston Five/Twenty Year Amortizing Advance Rate and (b) 2.5% determined on each anniversary date, with said rate no less than 3.75%. The loan agreement contains a provision that in the event of default, the obligations under the note will become immediately due and payable without notice or demand.

III. Other Information

A. Retirement System

Pension Plan Description – The City contributes to the System, a cost-sharing multiple-employer defined benefit pension plan for the City and the Malden Housing Authority. The System was established under Chapter 32 of Massachusetts General Laws. The System is administered by the City and is included as part of the reporting entity as fiduciary fund. Stand-alone audited financial statements for the year ended December 31, 2024 were issued and are available at the Retirement Office, 215 Pleasant Street, Fifth-floor, Malden, Massachusetts.

Current membership in the System for all employers as of December 31, 2024 was as follows:

Active and inactive employees	1,142
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits yet to receive them	705
	1,847

Benefit Terms – Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the school department participate in a separate pension plan administered by the Massachusetts Teachers' Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest three-year or five-year average annual rate of regular compensation, depending on the participant's date of hire. Benefit payments are based upon a participant's age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the System include normal retirement, disability retirement and survivor benefits.

Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount

of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status.

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

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the System.

The System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws.

Contributions Requirements – The City has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The City contributed \$15,593,053 to the System in fiscal year 2025, which equaled the actuarially determined contribution requirement for the fiscal year. The City's contributions as a percentage of covered payroll was approximately 31% in fiscal year 2025.

Net Pension Liability – At June 30, 2025, the City reported a liability of \$73,606,928 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 and rolled back to December 31, 2024. There were no material changes to the System's benefit terms since the actuarial valuation.

The City's proportion of the net pension liability is based on a projection of the City's long-term share of contributions to the System relative to the projected contributions of all employers. The City's proportion was approximately 91.0% at December 31, 2024, which was approximately 1% higher than the proportion as of the prior measurement date.

Fiduciary Net Position – The elements of the System's basic financial statements (that is, all information about the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) can be found in the fiduciary fund financial statements. The System's full financial statements as of and for the year ended December 31, 2024 can be obtained by contacting the Retirement Board.

The System's fiduciary net position was determined using the accrual basis of accounting. The System's accounting records are maintained on a calendar-year basis in accordance with GAAP and the standards and procedures established by PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of

employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Actuarial Valuation – The measurement of the System’s total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2024. The significant actuarial assumptions used in the January 1, 2024 actuarial valuation included:

Actuarial cost method	Individual Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.75%
Projected salary increases	Service based table with ultimate ranges of 4.25% for group 1 and 4.75% for group 4
Cost of living adjustments	3% on the first \$18,000 of benefits
Single equivalent discount rate	6.75%
Mortality rates	RP-2014 adjusted to 2006, projected using MP-2021 (sex distinct)
Disabled life mortality	RP-2014 adjusted to 2006, projected using MP-2021 (sex distinct) set forward 2 years. Death is assumed to be due to the same cause as disability 40% of the time.

Pension Expense – The City recognized \$13,120,700 in pension expense in the statement of activities in fiscal year 2025.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,773,489	\$ -
Net differences between projected and actual investment earnings	-	627,375
Changes in proportion differences	878,652	423,716
Differences between expected and actual experience	432,928	628,856
	<u>\$ 3,085,069</u>	<u>\$ 1,679,947</u>

The deferred outflows of resources are expected to be recognized in the City’s pension expense as follows:

June 30,	
2026	\$ 6,964,545
2027	7,204,293
2028	(7,995,697)
2029	(4,768,019)
	<u>\$ 1,405,122</u>

The investment rate of return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns and professional judgment. The market expectations analysis used a building-block approach, which included expected returns by asset class and the target asset allocation. The target allocation and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Equities	≤ 75%
Fixed Income	≤ 60%

The System's investment policy's total blended expected rate of return seeks to meet or exceed the assumed actuarial rate of return, which is currently 6.75%.

Discount Rate – The discount rate used to measure the total pension liability in the January 1, 2024 actuarial valuation report was 6.75%, which was consistent with the prior valuation. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially-determined contribution rates and the member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as the City's proportionate share of the net pension liability using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

City Proportionate Share of Net Pension Liability			
Current Rate	1% lower	Current	1% greater
6.75%	\$ 118,394,513	\$ 73,606,928	\$ 35,612,382

Massachusetts Teachers' Retirement System – Teachers and certain administrative employees of the City's School Department participate in the Massachusetts Teachers' Retirement System ("MTRS"), a cost-sharing multiple employer defined benefit pension plan. The MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the System, MTRS was established under Chapter 32 of Massachusetts General Laws. The Commonwealth's legislature has the authority to amend or modify the MTRS's funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

For the year ended June 30, 2025, the Commonwealth contributed \$15,974,984 to the MTRS on behalf of the City. The City's proportionate share of the collective MTRS net pension liability at this reporting date was 0.660797%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the City as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The table below presents the City's proportionate share of the following:

	Commonwealth Portion	Paid (or assumed) On Behalf of the City	City Portion
Net pension liability	\$ 167,554,719	\$ (167,554,719)	\$ —
Pension expense	13,830,237	(13,830,237)	—

The City has recognized intergovernmental revenue and pension expense of \$13,830,237 associated with this arrangement.

B. Other Postemployment Benefits (OPEB)

The City administers a single employer defined benefit healthcare plan (the "OPEB Plan"). The OPEB Plan provides health, dental and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

The City, however, has not met all requirements under GASB 74 to present this arrangement as a plan and thus the plan does not qualify as a plan under generally accepted accounting principles. The following disclosures include only those disclosures required under GASB 75 as GASB 74 does not apply.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and City ordinance. All benefits are provided through the City's self-insured insurance program.

OPEB Plan disclosures that impact the City's total OPEB liability using a measurement date of June 30, 2025 are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of the July 1, 2023 actuarial valuation date:

Active employees	1,141
Inactive employees	1,235
Total	<u>2,376</u>

Contributions – The contribution requirements of Plan members and the City are established and may be amended by the City, through negotiation with the City employee unions. Retirees contribute 20-50 percent of the calculated contribution through pension benefit deductions. The remainder of the cost is funded by the City. The City currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis plus additional contributions which vary annually. The costs of administering the Plan are paid by the City. For the year ended June 30, 2025, (the measurement date) the City's average contribution rate was 8.04% of covered-employee payroll.

Total OPEB Liability – The City's total OPEB liability of \$270,172,814 was measured as of June 30, 2025 using an actuarial valuation as of July 1, 2023. The City has not accumulated assets in a GASB-compliant trust.

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	Not applicable; pay as you go plan
Municipal bond rate	4.21% as of June 30, 2025
Discount Rate	4.21%, net of OPEB plan investment expense including inflation.
Inflation	2.50% annually as of June 30, 2025 and for future periods
Health Care Trend Rate	5.0% trending to ultimate rate of 3.63%, using the SOA Getzen Model of Long-Run Medical Cost Trends
Salary Increases	3.00% annually as of June 30, 2025 and for future periods
Pre-Retirement Mortality	RP-2014; General employees Blue Collar projected generationally with Scale MP-2021, set forward 1 year for females; Teachers PubT-2010 (headcount weighted) for Employees projected generationally with Scale MP-2021
Post-Retirement Mortality	RP-2014; General employees Blue Collar projected generationally with Scale MP-2021, set forward 1 year for females; Teachers PubT-2010 (headcount weighted) for Healthy Annuitants projected generationally with Scale MP-2021
Disabled Mortality	RP-2014; General employees Blue Collar projected generationally with Scale MP-2021, set forward 1 year for males and 2 years for females; Teachers PubT-2010 (headcount weighted) for Healthy Annuitants projected generationally with Scale MP-2021
Actuarial Cost Method	Individual entry age normal

Sensitivity Analyses – The following presents the City’s total OPEB liability as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

Discount Rate			
Current Rate	1% lower	Current	1% greater
4.21%	\$312,941,195	\$ 270,172,814	\$ 235,805,706

Health Care Trend Rate			
Current Rate	1% lower	Current	1% greater
5.00% trending to 3.63%	\$232,633,740	\$ 270,172,814	\$ 317,634,149

Changes in the total OPEB Liability – The following table summarizes the changes in the total OPEB liability:

	Total OPEB Liability
Balances at June 30, 2024	\$ 261,815,999
Changes for the year:	
Service cost	6,471,992
Interest	11,102,885
Benefit payments	<u>(9,218,062)</u>
Net changes	<u>8,356,815</u>
Balances at June 30, 2025	<u>\$ 270,172,814</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB –The City recognized OPEB expense of \$9,815,968. Deferred outflows of resources and deferred inflows of resources related to OPEB were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 9,446,371
Differences between actual and expected experience	-	12,596,431
	<u>\$ -</u>	<u>\$ 22,042,802</u>

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

June 30,	
2026	(7,041,120)
2027	(6,724,521)
2028	(5,374,774)
2029	(2,902,387)
	\$ (22,042,802)

C. Risk Financing

The City is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

Group Health Insurance Plan – The City maintains a "reinsured cost reimbursement program" which covers the group health insurance requirements of a majority of City and MRA employees. The Plan is essentially a self-insurance program and employee claims in excess of \$275,000 are reinsured by the Plan. The Plan allows employees to participate in a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO). The City and MRA reimburses the costs of the HMO and PPO 80 percent and 75 percent, respectively. The City accrues an amount representing claims incurred but not reported (IBNR), which is based on a one month claims paid average. At June 30, 2025, the amount of the liability for IBNR health insurance claims totaled \$2,100,000. This liability is the best estimate based on available information. In the fund-wide financial statements, the City reports the activities of the Group Insurance Health Plan in the Internal Service Fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Changes in the reported liability since July 1, 2023, are as follows:

	Balance at Beginning of Year	Claims and Changes in Estimates	Claims Payments	Balance at End of Year	Current Portion
Fiscal Year 2025	\$ 1,925,000	\$ 35,169,815	\$(34,994,815)	\$ 2,100,000	\$ 2,100,000
Fiscal Year 2024	1,602,000	33,790,330	(33,467,330)	1,925,000	1,925,000

Workers' Compensation – The City and MRA are also self-insured for their workers' compensation activities which are accounted for in the funds incurring the expenditures. Workers' compensation claims are administered by a third-party and are funded on a pay-as-you-go basis from annual appropriations. The estimated future workers' compensation liability is based on history and injury type. At June 30, 2025, the amount of the liability for workers' compensation claims totaled \$1,240,314.

Changes in the reported liability since July 1, 2023:

	<u>Balance at Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>	<u>Current Portion</u>
Fiscal Year 2025	\$ 1,522,624	\$ 370,487	\$ (652,797)	\$ 1,240,314	\$ 310,079
Fiscal Year 2024	1,222,181	1,101,824	(801,381)	1,522,624	380,656

D. Commitments

The City is in the process of completing various roadway, parks and open space improvements and improvements to its water and sewer system. The City has entered into, or is planning to enter into, contracts to expend approximately \$3,000,000, \$10,000,000 and \$700,000, respectively to complete the projects.

The City also maintains one significant contractual obligation for rubbish removal with JRM Hauling which expires in 2031. Annual obligations are expected to be approximately \$2,100,000. Payments under this agreement are subject to annual appropriations by the City Council.

E. Contingencies

The City is party to certain various other legal claims, which are subject to many uncertainties. The outcome of total litigation matters in these situations in aggregate are reasonably estimated to not exceed \$500,000 should the City fail to succeed in their outcome. Although the amount of liability, if any, in these situations at June 30, 2025, is reasonably estimated, management believes that the resulting liability, if any, ultimately will be less and should not materially affect the basic financial statements of the City at June 30, 2025.

Other amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The City does not believe it has failed to comply with any of these agreements.

F. Economic Dependence

During the year ended June 30, 2025, 42% of revenues of the general fund were recognized from the Commonwealth of Massachusetts.

G. Implementation of GASB pronouncements

Current Year Implementations

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified

model and by amending certain previously required disclosures. The provisions of this Statement became effective in fiscal year 2025. See Note IV for the effects of this implementation on the City's financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this Statement became effective in fiscal year 2025. The adoption of this accounting standard did not have a material effect on the City's financial statements.

Future Implementations –

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The City is currently evaluating whether adoption will have a material impact on its financial statements.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The City is currently evaluating whether adoption will have a material impact on its financial statements.

IV. Restatement of Prior Year Balances

During fiscal year 2025, the implemented GASB Statement No. 101, *Compensated Absences*. As a result of this implementation, the balances at June 30, 2024 of noncurrent liabilities due within one year and noncurrent liabilities due in more than one year in the statement of net position were increased by \$516,873 and \$1,550,619, respectively. The implementation of this GASB pronouncement resulted in a restatement of beginning net position as follows:

	Governmental Activities
Prior year, as previously reported	\$ (42,456,291)
Implementation of GASB 101	(2,067,492)
Prior year, as restated	<u><u>\$ (44,523,783)</u></u>



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Required Supplementary Information

CITY OF MALDEN, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEAR ENDED JUNE 30, 2025

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

(dollar amounts are in thousands)

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	91.0%	\$ 73,607	\$ 49,025	150.14%	82.2%
2023	90.1%	102,364	46,687	219.26%	74.2%
2022	90.1%	121,052	44,870	269.78%	68.5%
2021	90.8%	54,870	43,556	125.98%	85.4%
2020	88.7%	48,672	41,483	117.33%	85.6%
2019	88.7%	79,206	40,128	197.38%	75.8%
2018	88.2%	84,857	37,317	227.40%	72.8%
2017	87.9%	80,236	37,171	215.86%	73.4%
2016	87.4%	97,574	34,845	280.02%	65.8%
2015	86.0%	66,649	33,922	196.48%	74.2%

SCHEDULE OF THE CITY'S CONTRIBUTIONS TO PENSION PLAN

(dollar amounts are in thousands)

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 15,593	\$ 15,593	\$ -	\$ 49,638	31.41%
2024	15,439	15,439	-	47,271	32.66%
2023	14,831	14,831	-	44,245	33.52%
2022	13,762	13,762	-	43,902	31.35%
2021	12,382	12,382	-	41,673	29.71%
2020	11,511	11,511	-	40,992	28.08%
2019	10,653	10,653	-	37,409	28.48%
2018	10,044	10,044	-	37,381	26.87%
2017	9,452	9,452	-	35,873	26.35%
2016	8,866	8,866	-	34,461	25.73%

See accompanying independent auditor's report.

CITY OF MALDEN, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEAR ENDED JUNE 30, 2025

SCHEDULE OF THE COMMONWEALTH'S COLLECTIVE SHARE OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHER'S RETIREMENT SYSTEM

Year Ended June 30, *	Commonwealth's Proportionate Share of the Collective Net Pension Liability	City's Proportion Share of the Collective Net Pension Liability	Commonwealth's Proportionate Share of the Net Pension Liability Associated with the City	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	100.0%	0.0%	\$ 167,554,719	\$ 13,830,237	61.45%
2024	100.0%	0.0%	168,636,618	15,745,624	58.48%
2023	100.0%	0.0%	164,950,983	13,568,828	57.75%
2022	100.0%	0.0%	128,090,239	10,278,708	62.03%
2021	100.0%	0.0%	189,381,237	23,391,296	50.67%
2020	100.0%	0.0%	169,717,899	20,581,241	53.95%
2019	100.0%	0.0%	158,789,240	16,090,990	54.84%
2018	100.0%	0.0%	155,772,826	16,258,463	54.25%
2017	100.0%	0.0%	155,931,767	15,906,063	52.73%
2016	100.0%	0.0%	146,684,865	11,897,448	55.38%

* Amounts determined for the previous year ended June 30.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the City has not recognized any portion of the net pension liability relative to City employees covered under the MTRS pension plan.

See accompanying independent auditors' report.

CITY OF MALDEN, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2025

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	\$ 6,471,992	\$ 7,537,982	\$ 7,263,369	\$ 8,395,693	\$ 8,104,253	\$ 7,746,969	\$ 8,528,747	\$ 6,639,967
Interest	11,102,885	11,639,045	11,229,082	7,638,183	7,433,451	7,521,496	8,408,955	9,238,148
Differences between expected and actual experience	-	(19,029,804)	-	(1,401,423)	-	(24,256,563)	-	(50,785,971)
Change in benefit terms	-	-	-	-	-	(3,687,975)	-	-
Change in assumptions	-	(10,746,453)	-	(8,280,054)	-	17,242,389	24,857,383	16,691,767
Benefit payments	(9,218,062)	(9,148,364)	(8,346,688)	(8,524,182)	(8,246,367)	(8,005,758)	(7,504,402)	(7,225,848)
Net change in total OPEB liability	8,356,815	(19,747,594)	10,145,763	(2,171,783)	7,291,337	(3,439,442)	34,290,683	(25,441,937)
Total OPEB liability - beginning of year	261,815,999	281,563,593	271,417,830	273,589,613	266,298,276	269,737,718	235,447,035	260,888,972
Total OPEB liability - end of year	<u>\$ 270,172,814</u>	<u>\$ 261,815,999</u>	<u>\$ 281,563,593</u>	<u>\$ 271,417,830</u>	<u>\$ 273,589,613</u>	<u>\$ 266,298,276</u>	<u>\$ 269,737,718</u>	<u>\$ 235,447,035</u>
Covered-employee payroll	\$ 114,652,778	\$ 111,313,377	\$ 94,766,341	\$ 92,006,156	\$ 88,654,433	\$ 86,072,275	\$ 81,552,831	\$ 79,177,505
Total OPEB liability as a percentage of covered-employee payroll	235.64%	235.21%	297.11%	295.00%	308.60%	309.39%	330.75%	297.37%

Note: The City has not accumulated assets in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

CITY OF MALDEN, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
Revenues:						
<i>Taxes:</i>						
Real estate taxes	\$ 107,618,499	\$ 107,618,499	\$ 106,483,582	\$ -	106,483,582	(1,134,917)
Personal property taxes	4,484,498	4,484,498	4,410,329	-	4,410,329	(74,169)
Tax title	-	-	493,314	-	493,314	493,314
Payments in lieu of taxes	560,000	560,000	724,045	-	724,045	164,045
Motor vehicle excise	5,680,009	5,680,009	6,832,602	-	6,832,602	1,152,593
Meals excise	1,000,000	1,000,000	1,042,321	-	1,042,321	42,321
Room occupancy and other excise	550,000	550,000	573,049	-	573,049	23,049
	<u>119,893,006</u>	<u>119,893,006</u>	<u>120,559,242</u>	<u>-</u>	<u>120,559,242</u>	<u>666,236</u>
<i>Intergovernmental:</i>						
State aid - chapter 70	63,910,729	63,910,729	63,910,729	-	63,910,729	-
State aid - charter school	1,805,623	1,805,623	1,342,452	-	1,342,452	(463,171)
State aid - unrestricted	15,448,168	15,448,168	15,448,168	-	15,448,168	-
State aid - veterans & elderly	212,582	212,582	260,557	-	260,557	47,975
State aid - school transportation	-	-	335,053	-	335,053	335,053
	<u>81,377,102</u>	<u>81,377,102</u>	<u>81,296,959</u>	<u>-</u>	<u>81,296,959</u>	<u>(80,143)</u>
<i>Departmental fees, charges, and other:</i>						
Medicaid reimbursements	700,000	700,000	925,527	-	925,527	225,527
Solid waste revenue	1,300,000	1,300,000	1,212,907	-	1,212,907	(87,093)
Cemetery fees	125,000	125,000	146,850	-	146,850	21,850
Health fees	150,000	150,000	157,528	-	157,528	7,528
Municipal lien fees	17,500	17,500	24,550	-	24,550	7,050
Traffic sticker fees	55,000	55,000	64,551	-	64,551	9,551
Vacant property fees	15,000	15,000	71,430	-	71,430	56,430
Rental of municipal property	130,000	130,000	126,455	-	126,455	(3,545)
Athletic stadium revenue	55,000	55,000	57,186	-	57,186	2,186
Public safety detail charges	353,500	353,500	448,222	-	448,222	94,722
Parking meter fees	360,000	360,000	345,455	-	345,455	(14,545)
Casino surrounding community payment	1,018,267	1,018,267	1,054,068	-	1,054,068	35,801
Parking garage	725,000	725,000	429,878	-	429,878	(295,122)
Other miscellaneous	169,000	169,000	479,556	-	479,556	310,556
	<u>5,173,267</u>	<u>5,173,267</u>	<u>5,544,163</u>	<u>-</u>	<u>5,544,163</u>	<u>370,896</u>
<i>Licenses and permits:</i>						
Liquor License	175,000	175,000	185,188	-	185,188	10,188
City clerk licenses	150,000	150,000	157,910	-	157,910	7,910
Inspectional services permits	2,500,000	2,500,000	1,508,293	-	1,508,293	(991,707)
Other licenses and permits	75,000	75,000	74,592	-	74,592	(408)
	<u>2,900,000</u>	<u>2,900,000</u>	<u>1,925,983</u>	<u>-</u>	<u>1,925,983</u>	<u>(974,017)</u>
<i>Fines and forfeitures:</i>						
Parking tickets	1,095,000	1,095,000	1,283,870	-	1,283,870	188,870
Regulatory fines	105,000	105,000	117,884	-	117,884	12,884
Other fines	-	-	55,529	-	55,529	55,529
	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,457,283</u>	<u>-</u>	<u>1,457,283</u>	<u>257,283</u>
<i>Penalties and interest on taxes</i>	<u>900,000</u>	<u>900,000</u>	<u>862,861</u>	<u>-</u>	<u>862,861</u>	<u>(37,139)</u>
<i>Interest and investment income</i>	<u>1,677,818</u>	<u>1,677,818</u>	<u>3,696,725</u>	<u>-</u>	<u>3,696,725</u>	<u>2,018,907</u>
Total Revenues	<u>213,121,193</u>	<u>213,121,193</u>	<u>215,343,216</u>	<u>-</u>	<u>215,343,216</u>	<u>2,222,023</u>

CITY OF MALDEN, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Expenditures:						
<i>General Government:</i>						
Legislative:						
Personal services - city council	415,129	420,226	420,226	-	420,226	-
Operating expenses - city council	89,999	129,999	100,304	8,055	108,359	21,640
Operating expenses - compliance division	10,000	10,000	4,351	2,823	7,174	2,826
	<u>515,128</u>	<u>560,225</u>	<u>524,881</u>	<u>10,878</u>	<u>535,759</u>	<u>24,466</u>
Executive:						
Personal services	557,721	568,791	568,791	-	568,791	-
Operating expenses	222,352	197,242	146,444	-	146,444	50,798
	<u>780,073</u>	<u>766,033</u>	<u>715,235</u>	<u>-</u>	<u>715,235</u>	<u>50,798</u>
Controller:						
Personal services - controller	573,354	573,354	556,485	-	556,485	16,869
Operating expenses - controller	1,001,256	965,256	817,824	90,000	907,824	57,432
	<u>1,574,610</u>	<u>1,538,610</u>	<u>1,374,309</u>	<u>90,000</u>	<u>1,464,309</u>	<u>74,301</u>
Assessors:						
Personal services	391,114	394,870	394,869	-	394,869	1
Operating expenses	113,960	113,960	113,111	143	113,254	706
	<u>505,074</u>	<u>508,830</u>	<u>507,980</u>	<u>143</u>	<u>508,123</u>	<u>707</u>
Treasurer-Collector:						
Personal services - treasurer-collector	825,759	831,080	821,673	-	821,673	9,407
Operating expenses - treasurer-collector	532,480	532,480	342,369	23,126	365,495	166,985
	<u>1,358,239</u>	<u>1,363,560</u>	<u>1,164,042</u>	<u>23,126</u>	<u>1,187,168</u>	<u>176,392</u>
Professional accounting services and audit						
Financial statement audit	92,500	92,500	92,500	-	92,500	-
Professional consulting services	92,500	92,500	30,750	-	30,750	61,750
	<u>185,000</u>	<u>185,000</u>	<u>123,250</u>	<u>-</u>	<u>123,250</u>	<u>61,750</u>
Legal:						
Personal services	471,766	471,766	435,557	-	435,557	36,209
Operating expenses	416,891	396,891	185,530	68,622	254,152	142,739
	<u>888,657</u>	<u>868,657</u>	<u>621,087</u>	<u>68,622</u>	<u>689,709</u>	<u>178,948</u>
Human Resources:						
Personal services	779,979	894,722	852,624	-	852,624	42,098
Operating expenses	122,900	189,221	189,018	2,209	191,227	(2,006)
	<u>902,879</u>	<u>1,083,943</u>	<u>1,041,642</u>	<u>2,209</u>	<u>1,043,851</u>	<u>40,092</u>
Information Technology:						
Personal services	518,025	518,025	518,605	-	518,605	(580)
Operating expenses	550,145	550,145	544,099	5,045	549,144	1,001
	<u>1,068,170</u>	<u>1,068,170</u>	<u>1,062,704</u>	<u>5,045</u>	<u>1,067,749</u>	<u>421</u>
City Clerk:						
Personal services	486,543	486,543	470,858	-	470,858	15,685
Operating expenses	153,500	153,500	147,208	3,480	150,688	2,812
	<u>640,043</u>	<u>640,043</u>	<u>618,066</u>	<u>3,480</u>	<u>621,546</u>	<u>18,497</u>
Licensing board:						
Personal services	19,600	19,600	20,300	-	20,300	(700)
Operating expenses	1,000	1,000	152	-	152	848
	<u>20,600</u>	<u>20,600</u>	<u>20,452</u>	<u>-</u>	<u>20,452</u>	<u>148</u>
Conservation Commission:						
Personal services	10,500	10,500	8,750	-	8,750	1,750
Operating expenses	500	500	-	-	-	500
	<u>11,000</u>	<u>11,000</u>	<u>8,750</u>	<u>-</u>	<u>8,750</u>	<u>2,250</u>

(continued)

CITY OF MALDEN, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Planning:						
Personal services	13,680	13,680	7,520	-	7,520	6,160
Operating expenses	14,400	14,400	4,295	7,514	11,809	2,591
	28,080	28,080	11,815	7,514	19,329	8,751
Board of Appeal:						
Personal services	15,760	15,760	15,600	-	15,600	160
Operating expenses	750	2,332	2,437	-	2,437	(105)
	16,510	18,092	18,037	-	18,037	55
Cannabis Licensing:						
Personal services	29,600	29,600	28,350	-	28,350	1,250
Operating expenses	1,150	1,150	-	-	-	1,150
	30,750	30,750	28,350	-	28,350	2,400
Strategic Planning and Economic Development:						
Personal services	309,600	433,906	448,277	-	448,277	(14,371)
Operating expenses	226,195	101,888	101,888	-	101,888	-
	535,795	535,794	550,165	-	550,165	(14,371)
Public Facilities:						
Personal services - building	1,060,469	1,060,469	1,001,468	-	1,001,468	59,001
Operating expenses - building	1,710,850	1,707,390	1,384,708	141,726	1,526,434	180,956
	2,771,319	2,767,859	2,386,176	141,726	2,527,902	239,957
Damages - Person and Property:						
Operating expenses	50,000	50,000	-	-	-	50,000
	50,000	50,000	-	-	-	50,000
Mitigation:						
Operating expenses	170,766	170,766	22,086	148,680	170,766	-
	170,766	170,766	22,086	148,680	170,766	-
Salary Reserve:						
Operating expenses	1,975,000	1,456	-	-	-	1,456
	1,975,000	1,456	-	-	-	1,456
<i>Total General Government</i>	<i>14,027,693</i>	<i>12,217,468</i>	<i>10,799,027</i>	<i>501,423</i>	<i>11,300,450</i>	<i>917,018</i>
<i>Public Safety:</i>						
Police:						
Personal services	13,464,767	13,897,438	13,895,048	2,390	13,897,438	-
Operating expenses	934,531	834,576	693,591	140,985	834,576	-
	14,399,298	14,732,014	14,588,639	143,375	14,732,014	-
Fire:						
Personal services	11,600,431	13,135,802	13,135,801	-	13,135,801	1
Operating expenses	1,371,436	1,275,615	1,120,584	155,030	1,275,614	1
	12,971,867	14,411,417	14,256,385	155,030	14,411,415	2
Inspectional Services:						
Personal services	913,246	912,246	893,832	-	893,832	18,414
Operating expenses	46,545	47,545	41,602	-	41,602	5,943
	959,791	959,791	935,434	-	935,434	24,357
Emergency Management:						
Personal services	29,500	29,500	29,209	-	29,209	291
Operating expenses	5,250	5,250	2,454	-	2,454	2,796
	34,750	34,750	31,663	-	31,663	3,087
Traffic:						
Personal services	527,525	527,525	464,278	-	464,278	63,247
Operating expenses	77,810	117,809	27,825	7,809	35,634	82,175
	605,335	645,334	492,103	7,809	499,912	145,422
<i>Total Public Safety</i>	<i>28,971,041</i>	<i>30,783,306</i>	<i>30,304,224</i>	<i>306,214</i>	<i>30,610,438</i>	<i>172,868</i>

CITY OF MALDEN, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
<i>Education:</i>						
Public schools	96,353,707	96,353,707	92,796,322	3,082,303	95,878,625	475,082
Public facilities:						
Operating expenses - repairs to school buildings	1,504,632	1,504,632	929,029	177,821	1,106,850	397,782
Northeast regional school district:						
Operating expenses	2,778,419	2,778,419	2,778,419	-	2,778,419	-
Essex County Tech. sending tuition:						
Operating expenses	222,733	222,733	162,909	-	162,909	59,824
<i>Total Education</i>	<u>100,859,491</u>	<u>100,859,491</u>	<u>96,666,679</u>	<u>3,260,124</u>	<u>99,926,803</u>	<u>932,688</u>
<i>Public Works:</i>						
Engineering:						
Personal services - engineering	366,820	366,820	462,317	-	462,317	(95,497)
Operating expenses - engineering	167,027	167,027	67,206	90,492	157,698	9,329
	<u>533,847</u>	<u>533,847</u>	<u>529,523</u>	<u>90,492</u>	<u>620,015</u>	<u>(86,168)</u>
Public Works:						
Personal services - highway	2,553,236	2,455,465	2,309,504	-	2,309,504	145,961
Operating expenses - highway	1,201,486	1,250,707	1,020,252	137,424	1,157,676	93,031
Operating expenses - traffic	165,577	185,577	179,878	780	180,658	4,919
Personal services - snow removal	200,000	200,000	205,276	-	205,276	(5,276)
Operating expenses - snow removal	-	-	568,980	-	568,980	(568,980)
Operating expenses - highway street lighting	434,602	507,602	489,546	14,736	504,282	3,320
Operating expenses - solid waste	3,569,662	3,569,662	3,393,170	160,085	3,553,255	16,407
	<u>8,124,563</u>	<u>8,169,013</u>	<u>8,166,606</u>	<u>313,025</u>	<u>8,479,631</u>	<u>(310,618)</u>
Parking:						
Personal services	637,685	637,685	654,291	-	654,291	(16,606)
Operating expenses	925,919	925,919	598,415	11,081	609,496	316,423
	<u>1,563,604</u>	<u>1,563,604</u>	<u>1,252,706</u>	<u>11,081</u>	<u>1,263,787</u>	<u>299,817</u>
Cemetery:						
Personal services	613,303	628,303	516,399	-	516,399	111,904
Operating expenses	92,322	92,322	89,285	2,022	91,307	1,015
	<u>705,625</u>	<u>720,625</u>	<u>605,684</u>	<u>2,022</u>	<u>607,706</u>	<u>112,919</u>
<i>Total Public Works</i>	<u>10,927,639</u>	<u>10,987,089</u>	<u>10,554,519</u>	<u>416,620</u>	<u>10,971,139</u>	<u>15,950</u>
<i>Health and Human Services:</i>						
Board of Health:						
Personal services - board of health	738,354	738,354	759,555	-	759,555	(21,201)
Operating expenses - board of health	141,643	141,643	93,357	5,013	98,370	43,273
	<u>879,997</u>	<u>879,997</u>	<u>852,912</u>	<u>5,013</u>	<u>857,925</u>	<u>22,072</u>
Veterans Services:						
Personal services	135,038	135,038	135,038	-	135,038	-
Operating expenses	257,022	257,022	84,754	-	84,754	172,268
	<u>392,060</u>	<u>392,060</u>	<u>219,792</u>	<u>-</u>	<u>219,792</u>	<u>172,268</u>
Human Services:						
Personal services	130,000	130,000	111,865	-	111,865	18,135
Operating expenses	298,919	298,919	255,919	-	255,919	43,000
	<u>428,919</u>	<u>428,919</u>	<u>367,784</u>	<u>-</u>	<u>367,784</u>	<u>61,135</u>
<i>Total Health and Human Services</i>	<u>1,700,976</u>	<u>1,700,976</u>	<u>1,440,488</u>	<u>5,013</u>	<u>1,445,501</u>	<u>255,475</u>

(Continued)

CITY OF MALDEN, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<i>Culture and Recreation:</i>						
Library:						
Personal services	1,381,106	1,381,106	1,389,150	-	1,389,150	(8,044)
Operating expenses	367,455	367,455	354,913	1,338	356,251	11,204
	1,748,561	1,748,561	1,744,063	1,338	1,745,401	3,160
Parks:						
Operating expenses	269,665	229,665	195,839	17,799	213,638	16,027
	269,665	229,665	195,839	17,799	213,638	16,027
Pine Bank Park:						
Personal services	219,168	219,168	173,714	-	173,714	45,454
Operating expenses	363,120	363,120	363,120	-	363,120	-
	582,288	582,288	536,834	-	536,834	45,454
Historical Commission:						
Operating expenses	11,000	14,500	8,607	-	8,607	5,893
	11,000	14,500	8,607	-	8,607	5,893
Events and Celebrations:						
Operating expenses - memorial day	5,000	5,000	-	-	-	5,000
Operating expenses - 4th of July	40,000	-	-	-	-	-
Operating expenses - veterans' day	5,000	5,000	-	-	-	5,000
	50,000	10,000	-	-	-	10,000
Stadium:						
Personal services	261,759	251,759	227,832	-	227,832	23,927
Operating expenses	144,244	154,244	106,140	33,421	139,561	14,683
	406,003	406,003	333,972	33,421	367,393	38,610
Other:						
Teen center- personal services	205,619	205,619	198,763	-	198,763	6,856
Teen center- operating services	11,532	11,532	9,873	441	10,314	1,218
	217,151	217,151	208,636	441	209,077	8,074
<i>Total Culture and Recreation</i>	<i>3,284,668</i>	<i>3,208,168</i>	<i>3,027,951</i>	<i>52,999</i>	<i>3,080,950</i>	<i>127,218</i>
<i>State and County Assessments:</i>						
State assessments and charges	292,589	292,589	292,589	-	292,589	-
Transportation authorities assessments	4,838,664	4,838,664	4,838,664	-	4,838,664	-
Annual charges against receipts	8,454	8,454	19,423	-	19,423	(10,969)
Tuition assessments	11,134,858	11,134,858	10,854,311	-	10,854,311	280,547
<i>Total State and County Assessments</i>	<i>16,274,565</i>	<i>16,274,565</i>	<i>16,004,987</i>	<i>-</i>	<i>16,004,987</i>	<i>269,578</i>

CITY OF MALDEN, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
<i>Pension and Fringe Benefits:</i>						
Retirement:						
Contributory pension	15,593,053	15,593,053	15,593,053	-	15,593,053	-
	15,593,053	15,593,053	15,593,053	-	15,593,053	-
Workers compensation:						
Operating expenses - workers comp. settlement	150,000	186,000	154,876	31,124	186,000	-
Personal services - workers compensation	350,000	300,000	270,646	-	270,646	29,354
Operating expenses - workers compensation	255,543	325,543	259,085	95,605	354,690	(29,147)
	755,543	811,543	684,607	126,729	811,336	207
Group Insurance:						
Operating expenses	26,183,476	26,071,219	26,071,219	-	26,071,219	-
	26,183,476	26,071,219	26,071,219	-	26,071,219	-
Medicare Insurance:						
Operating expenses	1,650,000	1,762,257	1,762,257	-	1,762,257	-
	1,650,000	1,762,257	1,762,257	-	1,762,257	-
Unemployment Compensation:						
Operating expenses	272,000	272,000	260,204	-	260,204	11,796
	272,000	272,000	260,204	-	260,204	11,796
<i>Total Pension and Fringe Benefits</i>	44,454,072	44,510,072	44,371,340	126,729	44,498,069	12,003
<i>Debt Service:</i>						
Operating expenses - long-term debt	5,480,596	5,480,596	5,480,596	-	5,480,596	-
Operating expenses - temporary loans and interest	1,830,747	1,830,747	1,822,575	-	1,822,575	8,172
<i>Total Debt Service</i>	7,311,343	7,311,343	7,303,171	-	7,303,171	8,172
Total Expenditures	227,811,488	227,852,478	220,472,386	4,669,122	225,141,508	2,710,970
Other Financing Sources (Uses)						
Transfers in	7,500,000	7,500,000	7,500,000		7,500,000	-
Transfers out	-	(6,800,000)	(6,800,000)		(6,800,000)	-
Total Other Financing Sources (Uses)	7,500,000	700,000	700,000		\$ 700,000	-
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>	(7,190,295)	(14,031,285)	\$ (4,429,170)			\$ 4,932,993
Other Budgetary Items						
Use of unassigned fund balance (free cash)	\$ 2,561,587	\$ 9,361,587				
Prior year other deficits raised	(29,201)	(29,201)				
Prior year encumbrances	4,708,760	4,708,760				
Other	(50,851)	(9,861)				
Total Other Budgetary Items	7,190,295	14,031,285				
Net budget and actual	\$ -	\$ -				

(Concluded)

The notes to the financial statements are an integral part of this statement.

The notes to the required supplementary information are and integral part of this statement.

CITY OF MALDEN, MASSACHUSETTS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2025

I. Pension Plan

Pension Contributions – The City has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

Changes in Assumptions – There were no material changes in assumptions.

II. Other Postemployment Benefit Plan

The City administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The City, however, has not met all requirements under GASB 74 to present this arrangement as a plan and thus the plan does not qualify as a plan under generally accepted accounting principles.

Methods and assumptions used to determine the total OPEB liability are as follows:

Investment rate of return	Not applicable; pay as you go plan
Municipal bond rate	4.21% as of June 30, 2025
Discount Rate	4.21%, net of OPEB plan investment expense including inflation.
Inflation	2.50% annually as of June 30, 2025 and for future periods
Health Care Trend Rate	5.0% trending to ultimate rate of 3.63%, using the SOA Getzen Model of Long-Run Medical Cost Trends
Salary Increases	3.00% annually as of June 30, 2025 and for future periods
Pre-Retirement Mortality	RP-2014; General employees Blue Collar projected generationally with Scale MP-2021, set forward 1 year for females; Teachers PubT-2010 (headcount weighted) for Employees projected generationally with Scale MP-2021
Post-Retirement Mortality	RP-2014; General employees Blue Collar projected generationally with Scale MP-2021, set forward 1 year for females; Teachers PubT-2010 (headcount weighted) for Healthy Annuitants projected generationally with Scale MP-2021
Disabled Mortality	RP-2014; General employees Blue Collar projected generationally with Scale MP-2021, set forward 1 year for males and 2 years for females; Teachers PubT-2010 (headcount weighted) for Healthy Annuitants projected generationally with Scale MP-2021
Actuarial Cost Method	Individual entry age normal

Changes in Assumptions – There were no material changes in assumptions.

III. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund and the Enterprise Fund. Financial orders are initiated by department heads, recommended by the Mayor and approved by the City Council at the City's annual meeting in June. Expenditures may not legally exceed appropriations at the department level, or in the categories of personnel and non-personnel expenses. Department heads may transfer, without City Council approval, appropriation balances from one account to another within their department or budget, and within the categories of personnel and non-personnel. The City Council and the department head however must approve any transfer of unencumbered appropriation balances between departments or agencies. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The City adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2025, the City Council approved supplemental budgetary appropriations totaling \$6.8 million for capital outlay purposes which increased the original budget.

The City Controller has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted by City Council. Budgetary control is exercised through the City's accounting system.

Budgetary-to-GAAP Reconciliation – The City's general fund is prepared on a basis of accounting other than GAAP to conform to the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2025, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues on a budgetary basis			\$ 215,343,216
On behalf payments	\$ 13,830,237	\$ -	13,830,237
Revenues on a GAAP basis	<u>\$ 13,830,237</u>	<u>\$ -</u>	<u>\$ 229,173,453</u>
Expenditures on a budgetary basis			\$ 220,472,386
On behalf payments	\$ 13,830,237	\$ -	13,830,237
Debt service not budgeted	93,000	-	93,000
Transfers for enterprise indirect costs	-	(3,200,000)	(3,200,000)
Transfers for enterprise debt service	-	(448,625)	(448,625)
Expenditures on a GAAP basis	<u>\$ 13,923,237</u>	<u>\$ (3,648,625)</u>	<u>\$ 230,746,998</u>
Other financing sources (uses) on a budgetary basis			\$ 700,000
Transfers for enterprise indirect costs	\$ -	\$ (3,200,000)	(3,200,000)
Transfers for enterprise debt service	-	(448,625)	(448,625)
Other financing sources (uses) on a GAAP basis	<u>\$ -</u>	<u>\$ (3,648,625)</u>	<u>\$ (2,948,625)</u>

Expenditures in Excess of Appropriations – During fiscal year 2025, expenditures exceeded appropriations in the General Fund for snow and ice removal, which will be funded from available revenues in the subsequent fiscal year.

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds –

Special revenue funds are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specific purpose. From the City's financial ledgers, these activities can be distinctly categorized into the following groupings:

City Federal Grants – This fund accounts for federally funded non-school grant programs received either directly from federal agencies or indirectly through pass-through entities.

School Federal Grants – This fund accounts for federally funded educational-based grant programs received either directly from federal agencies or indirectly through pass-through entities.

City State Grants – This fund accounts for Commonwealth of Massachusetts funded non-school grant programs received directly from state agencies.

School State Grants – This fund accounts for Commonwealth of Massachusetts funded educational-based grant programs received directly from state agencies.

Receipts Reserved for Appropriation – This fund accounts for receipts collected which are reserved until appropriated for a specific purpose for which it has been segregated by law or administrative action.

Cable Access – This fund accounts for franchise and other fees used to contribute to the financing of the operations of the City's cable television activities.

City Revolving Funds – This fund accounts for the non-school related activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

School Revolving Funds – This fund accounts for educational-based activities within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71.

School Lunch Fund – This segregated revolving fund accounts for the activities of the child nutrition programs; amounts collected from services include federal and state meal reimbursements and meal charges.

City Gift and Other Funds – This fund accounts for donated monies and other miscellaneous special revenue accounts which related to non-school activities.

School Gift and Other Funds – This fund accounts for donated monies and other miscellaneous special revenue accounts which related to educational-based activities.

Community Preservation Fund – This fund accounts for assets that are restricted by state law for the purposes of acquiring or developing open space and recreational facilities, historic resources and affordable housing.

Chapter 90 Road Improvements – This fund accounts for certain roadway improvement projects which are fully reimbursed by the Commonwealth of Massachusetts.

Permanent Funds –

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

Cemetery Trust Funds – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Affordable Housing Trust Fund – This fund accounts for contributions earmarked for affordable housing purposes.

Other Trust Funds – This fund accounts for all contributions including: gifts, donations and bequests for which only earnings on the original trust corpus may be expended to benefit government approved programs, other than those associated with cemetery activity.

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2025

	Special Revenue Funds					
	City Federal Grants	School Federal Grants	City State Grants	School State Grants	Receipts Reserved for Appropriation	Cable Access
Assets:						
Cash and short-term investments	\$ 225,387	\$ 70,370	\$ 5,850,788	\$ 5,203,822	\$ -	\$ 330,573
Investments	-	-	-	-	-	-
Receivables, net of allowance for uncollectibles						
Real estate and personal property taxes	-	-	-	-	-	-
Loans	4,854,031	-	-	-	-	-
Intergovernmental	270,362	384,747	1,818,924	590,444	-	-
Total Assets	<u>\$ 5,349,780</u>	<u>\$ 455,117</u>	<u>\$ 7,669,712</u>	<u>\$ 5,794,266</u>	<u>\$ -</u>	<u>\$ 330,573</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Warrants and accounts payable	\$ 111,548	\$ 63,487	\$ 1,199,585	\$ 190,947	\$ -	\$ -
Other liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	35,750	-
Total Liabilities	<u>111,548</u>	<u>63,487</u>	<u>1,199,585</u>	<u>190,947</u>	<u>35,750</u>	<u>-</u>
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	5,238,232	391,630	6,470,127	5,603,319	8,883	330,573
Unassigned	-	-	-	-	(44,633)	-
Total Fund Balances	<u>5,238,232</u>	<u>391,630</u>	<u>6,470,127</u>	<u>5,603,319</u>	<u>(35,750)</u>	<u>330,573</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 5,349,780</u>	<u>\$ 455,117</u>	<u>\$ 7,669,712</u>	<u>\$ 5,794,266</u>	<u>\$ -</u>	<u>\$ 330,573</u>

City Revolving Funds	School Revolving Funds	School Lunch Fund	City Gifts and Other Funds	School Gifts and Other Funds	Community Preservation	Chapter 90 Road Improvements	Sub-total Special Revenue Funds
\$ 433,067	\$ 2,973,551	\$ 3,505,989	\$ 3,361,125	\$ 959,012	\$ 3,347,813	\$ -	\$ 26,261,497
-	-	-	-	-	-	-	-
-	-	-	-	-	21,295	-	21,295
-	-	-	1,120,000	-	-	-	5,974,031
-	-	-	-	-	-	133,673	3,198,150
<u>\$ 433,067</u>	<u>\$ 2,973,551</u>	<u>\$ 3,505,989</u>	<u>\$ 4,481,125</u>	<u>\$ 959,012</u>	<u>\$ 3,369,108</u>	<u>\$ 133,673</u>	<u>\$ 35,454,973</u>
\$ -	\$ 54,245	\$ 18,078	\$ 7,449	\$ 29,000	\$ -	\$ 283,883	\$ 1,958,222
-	-	-	-	-	1,345	-	1,345
-	-	-	-	-	-	258,055	293,805
-	54,245	18,078	7,449	29,000	1,345	541,938	2,253,372
-	-	-	-	-	21,295	-	21,295
-	-	-	-	-	21,295	-	21,295
-	-	-	-	-	-	-	-
433,067	2,919,306	3,487,911	4,473,676	930,012	3,346,468	-	33,633,204
-	-	-	-	-	-	(408,265)	(452,898)
<u>433,067</u>	<u>2,919,306</u>	<u>3,487,911</u>	<u>4,473,676</u>	<u>930,012</u>	<u>3,346,468</u>	<u>(408,265)</u>	<u>33,180,306</u>
<u>\$ 433,067</u>	<u>\$ 2,973,551</u>	<u>\$ 3,505,989</u>	<u>\$ 4,481,125</u>	<u>\$ 959,012</u>	<u>\$ 3,369,108</u>	<u>\$ 133,673</u>	<u>\$ 35,454,973</u>

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2025

	Permanent Funds				Total
	Cemetery Funds	Affordable Housing Trust	Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds
Assets:					
Cash and short-term investments	\$ 469,411	\$ 1,547,627	\$ 81,553	\$ 2,098,591	\$ 28,360,088
Investments	7,538,448	-	-	7,538,448	7,538,448
Receivables, net of allowance for uncollectibles					
Real estate and personal property taxes	-	-	-	-	21,295
Loans	-	-	-	-	5,974,031
Intergovernmental	-	-	33,216	33,216	3,231,366
Total Assets	<u>\$ 8,007,859</u>	<u>\$ 1,547,627</u>	<u>\$ 114,769</u>	<u>\$ 9,670,255</u>	<u>\$ 45,125,228</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Warrants and accounts payable	\$ 674	\$ -	\$ -	\$ 674	\$ 1,958,896
Other liabilities	-	-	-	-	1,345
Due to other funds	-	-	-	-	293,805
Total Liabilities	674	-	-	674	2,254,046
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	-	-	-	-	21,295
Total Deferred Inflows of Resources	-	-	-	-	21,295
Fund Balances:					
Nonspendable	7,645,793	-	1,500	7,647,293	7,647,293
Restricted	361,392	1,547,627	113,269	2,022,288	35,655,492
Unassigned	-	-	-	-	(452,898)
Total Fund Balances	<u>8,007,185</u>	<u>1,547,627</u>	<u>114,769</u>	<u>9,669,581</u>	<u>42,849,887</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 8,007,859</u>	<u>\$ 1,547,627</u>	<u>\$ 114,769</u>	<u>\$ 9,670,255</u>	<u>\$ 45,125,228</u>

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NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					
	City Federal Grants	School Federal Grants	City State Grants	School State Grants	Receipts Reserved for Appropriation	Cable Access
Revenues:						
Real estate and personal property taxes, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,809,122	5,931,506	11,077,218	6,566,671	-	-
Departmental and other	14,322	-	-	-	52,845	650,020
Interest and investment income	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Total Revenues	2,823,444	5,931,506	11,077,218	6,566,671	52,845	650,020
Expenditures:						
General government	155,008	-	396,750	-	-	-
Public safety	-	-	1,269,282	-	-	-
Education	-	13,888,718	106,714	4,613,367	-	-
Public works	280,000	-	791,969	-	-	-
Health and human services	-	-	290,937	-	-	-
Culture and recreation	792,470	-	1,941,217	-	-	676,334
Community development	1,357,071	-	-	-	-	-
Debt service - principal	320,000	-	-	-	-	-
Debt service - interest expense	98,244	-	-	-	-	-
Total Expenditures	3,002,793	13,888,718	4,796,869	4,613,367	-	676,334
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,349)	(7,957,212)	6,280,349	1,953,304	52,845	(26,314)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(200,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	(200,000)	-
Net Change in Fund Balance	(179,349)	(7,957,212)	6,280,349	1,953,304	(147,155)	(26,314)
Fund Balances - Beginning of Year	5,417,581	8,348,842	189,778	3,650,015	111,405	356,887
Fund Balances - End of Year	<u>\$ 5,238,232</u>	<u>\$ 391,630</u>	<u>\$ 6,470,127</u>	<u>\$ 5,603,319</u>	<u>\$ (35,750)</u>	<u>\$ 330,573</u>

City Revolving Funds	School Revolving Funds	School Lunch Fund	City Gifts and Other Funds	School Gifts and Other Funds	Community Preservation	Chapter 90 Road Improvements	Sub-total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 927,054	\$ -	\$ 927,054
-	-	5,475,573	157,988	-	159,515	2,014,712	34,192,305
97,142	1,686,545	16,710	6,069,506	386,369	1,649	-	8,975,108
-	-	-	-	-	175,542	-	175,542
-	-	-	-	-	-	-	-
97,142	1,686,545	5,492,283	6,227,494	386,369	1,263,760	2,014,712	44,270,009
-	-	-	226,155	-	48,597	-	826,510
35,425	-	-	4,712,914	-	-	-	6,017,621
-	1,792,409	4,504,521	-	445,273	-	-	25,351,002
26,400	-	-	320,047	-	-	2,068,416	3,486,832
3,204	-	-	285,199	-	-	-	579,340
-	-	-	12,468	-	891,895	-	4,314,384
-	-	-	70,158	-	-	-	1,427,229
-	-	-	-	-	137,000	-	457,000
-	-	-	-	-	94,611	-	192,855
65,029	1,792,409	4,504,521	5,626,941	445,273	1,172,103	2,068,416	42,652,773
32,113	(105,864)	987,762	600,553	(58,904)	91,657	(53,704)	1,617,236
-	-	-	-	-	-	-	-
-	-	-	-	-	(349,167)	-	(549,167)
-	-	-	-	-	(349,167)	-	(549,167)
32,113	(105,864)	987,762	600,553	(58,904)	(257,510)	(53,704)	1,068,069
400,954	3,025,170	2,500,149	3,873,123	988,916	3,603,978	(354,561)	32,112,237
\$ 433,067	\$ 2,919,306	\$ 3,487,911	\$ 4,473,676	\$ 930,012	\$ 3,346,468	\$ (408,265)	\$ 33,180,306

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2025

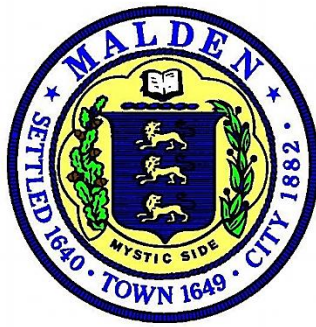
	Permanent Funds				Total
	Cemetery Trust Funds	Affordable Housing Trust Fund	Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds
Revenues:					
Real estate and personal property taxes, net	\$ -	\$ -	\$ -	\$ -	\$ 927,054
Intergovernmental	-	-	-	-	34,192,305
Departmental and other	-	-	-	-	8,975,108
Interest and investment income	685,077	45,062	768	730,907	906,449
Contributions and donations	52,005	405,000	383,254	840,259	840,259
Total Revenues	737,082	450,062	384,022	1,571,166	45,841,175
Expenditures:					
General government	-	-	-	-	826,510
Public safety	-	-	-	-	6,017,621
Education	-	-	1,250	1,250	25,352,252
Public works	33,310	-	-	33,310	3,520,142
Health and human services	-	25,915	325,756	351,671	931,011
Culture and recreation	-	-	-	-	4,314,384
Community development	-	-	-	-	1,427,229
Debt service - principal	-	-	-	-	457,000
Debt service - interest expense	-	-	-	-	192,855
Total Expenditures	33,310	25,915	327,006	386,231	43,039,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	703,772	424,147	57,016	1,184,935	2,802,171
Other Financing Sources (Uses):					
Transfers in	-	349,167	-	349,167	349,167
Transfers out	(100,000)	-	-	(100,000)	(649,167)
Total Other Financing Sources (Uses)	(100,000)	349,167	-	249,167	(300,000)
Net Change in Fund Balance	603,772	773,314	57,016	1,434,102	2,502,171
Fund Balances - Beginning of Year	7,403,413	774,313	57,753	8,235,479	40,347,716
Fund Balances - End of Year	<u>\$ 8,007,185</u>	<u>\$ 1,547,627</u>	<u>\$ 114,769</u>	<u>\$ 9,669,581</u>	<u>\$ 42,849,887</u>

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STATISTICAL SECTION



Santa and Mrs. Claus were excited to welcome the children of Malden and Melrose at Pine Banks Park for his 76th annual visit in his new larger “barn” location adjacent to the baseball field.



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Statistical Section

This part of the annual comprehensive financial report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

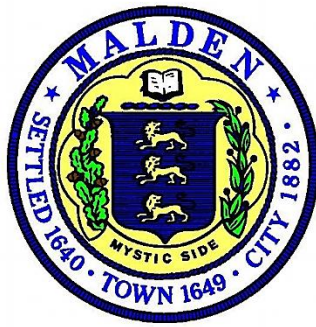
Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.



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NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2016	2017	2018 (a)	2019	2020	2021	2022 (b)	2023	2024	2025
Governmental activities:										
Net investment in capital assets.....	\$ 125,977,516	\$ 137,162,701	\$ 143,627,184	\$ 152,678,743	\$ 159,572,955	\$ 162,260,375	\$ 173,499,865	\$ 178,770,904	\$ 188,557,738	\$ 202,972,393
Restricted.....	26,050,342	28,431,353	16,091,900	13,132,938	15,798,727	18,500,008	59,156,187	64,439,736	73,253,048	75,915,800
Unrestricted.....	(127,394,155)	(148,446,532)	(296,858,921)	(308,885,937)	(312,053,711)	(306,947,258)	(299,615,989)	(305,010,045)	(304,267,077)	(305,278,316)
Total governmental activities net position.....	<u>\$ 24,633,703</u>	<u>\$ 17,147,522</u>	<u>\$ (137,139,837)</u>	<u>\$ (143,074,256)</u>	<u>\$ (136,682,029)</u>	<u>\$ (126,186,875)</u>	<u>\$ (66,959,937)</u>	<u>\$ (61,799,405)</u>	<u>\$ (42,456,291)</u>	<u>\$ (26,390,123)</u>
Business-type activities:										
Net investment in capital assets.....	\$ 21,584,626	\$ 21,892,005	\$ 22,220,642	\$ 20,847,753	\$ 22,434,373	\$ 24,004,546	\$ 27,145,743	\$ 31,742,069	\$ 37,601,183	\$ 43,285,313
Restricted.....	-	-	-	-	-	-	-	-	-	-
Unrestricted.....	13,101,517	14,171,878	12,037,271	13,939,685	13,967,830	14,477,809	13,617,757	11,625,661	10,652,749	13,463,669
Total business-type activities net position.....	<u>\$ 34,686,143</u>	<u>\$ 36,063,883</u>	<u>\$ 34,257,913</u>	<u>\$ 34,787,438</u>	<u>\$ 36,402,203</u>	<u>\$ 38,482,355</u>	<u>\$ 40,763,500</u>	<u>\$ 43,367,730</u>	<u>\$ 48,253,932</u>	<u>\$ 56,748,982</u>
Primary government:										
Net investment in capital assets.....	\$ 147,562,142	\$ 159,054,706	\$ 165,847,826	\$ 173,526,496	\$ 182,007,328	\$ 186,264,921	\$ 200,645,608	\$ 210,512,973	\$ 226,158,921	\$ 246,257,706
Restricted.....	26,050,342	28,431,353	16,091,900	13,132,938	15,798,727	18,500,008	59,156,187	64,439,736	73,253,048	75,915,800
Unrestricted.....	(114,292,638)	(134,274,654)	(284,821,650)	(294,946,252)	(298,085,881)	(292,469,449)	(285,998,232)	(293,384,384)	(293,614,328)	(291,814,647)
Total primary government net position.....	<u>\$ 59,319,846</u>	<u>\$ 53,211,405</u>	<u>\$ (102,881,924)</u>	<u>\$ (108,286,818)</u>	<u>\$ (100,279,826)</u>	<u>\$ (87,704,520)</u>	<u>\$ (26,196,437)</u>	<u>\$ (18,431,675)</u>	<u>\$ 5,797,641</u>	<u>\$ 30,358,859</u>

(a) Unrestricted governmental and business-type activities were restated for the net OPEB liability.

(b) Governmental activities net position was impacted by transfers of operations related to its redevelopment authority and the North Suburban Consortium.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022 (a)	2023	2024	2025
Expenses -										
Governmental activities:										
General government.....	\$ 12,539,048	\$ 14,061,831	\$ 14,079,199	\$ 14,707,341	\$ 15,815,969	\$ 16,885,279	\$ 20,142,345	\$ 22,535,065	\$ 20,480,950	\$ 20,910,240
Public safety.....	35,418,488	43,223,028	38,857,211	41,256,272	40,396,330	39,944,909	41,299,888	53,595,362	55,616,638	53,710,108
Education.....	132,965,446	143,761,430	137,060,944	145,708,277	143,914,486	146,691,989	142,875,728	158,421,087	173,300,544	171,593,804
Public works.....	9,852,728	10,899,649	10,750,436	11,359,983	11,087,879	11,343,440	13,677,130	15,524,563	15,278,396	14,629,438
Human services.....	2,997,382	3,523,402	2,551,140	2,742,818	2,753,883	2,667,127	2,802,779	3,820,434	4,430,681	3,374,104
Culture and recreation.....	4,855,666	5,144,613	5,188,901	4,938,106	4,916,284	5,032,135	4,698,982	5,675,801	5,951,475	6,306,959
Community development.....	-	-	-	-	-	-	5,283,198	4,549,060	5,651,654	3,533,595
Interest.....	2,481,110	2,026,311	1,492,616	1,258,979	1,413,382	1,136,026	1,337,522	1,254,931	1,422,918	1,166,430
Total government activities expenses.....	201,109,868	222,640,264	209,980,447	221,971,776	220,298,213	223,700,905	232,117,572	265,376,303	282,133,256	275,224,678
Business-type activities:										
Water and sewer.....	26,438,545	26,994,065	27,238,304	28,087,891	28,590,229	28,911,920	29,272,281	31,106,707	31,422,193	34,080,087
Total business-type activities expenses.....	26,438,545	26,994,065	27,238,304	28,087,891	28,590,229	28,911,920	29,272,281	31,106,707	31,422,193	34,080,087
Total primary government expenses.....	\$ 227,548,413	\$ 249,634,329	\$ 237,218,751	\$ 250,059,667	\$ 248,888,442	\$ 252,612,825	\$ 261,389,853	\$ 296,483,010	\$ 313,555,449	\$ 309,304,765
Program Revenues -										
Governmental activities:										
Charges for services:										
General government.....	\$ 975,095	\$ 623,891	\$ 733,726	\$ 1,246,946	\$ 566,947	\$ 454,554	\$ 678,762	\$ 662,116	\$ 757,190	\$ 783,867
Public safety.....	4,140,620	4,799,884	3,756,614	5,409,492	3,751,198	8,034,640	7,791,170	8,971,845	10,051,064	8,556,254
Education.....	3,554,875	3,988,360	3,886,963	4,467,128	3,705,258	1,190,105	2,249,389	2,499,366	3,065,823	3,724,698
Public works.....	1,530,395	1,457,035	1,417,223	1,358,052	1,663,329	2,009,829	3,772,515	3,395,023	3,879,791	2,768,012
Human services.....	748,436	653,004	790,735	436,642	413,242	410,610	382,688	366,222	209,675	243,380
Culture and recreation.....	975,094	1,003,191	1,204,761	912,619	619,021	748,918	935,506	841,741	822,209	762,261
Community development.....	-	-	-	-	-	-	1,597,147	3,627,891	1,976,738	969,932
Operating grants and contributions.....	80,467,501	87,916,452	88,139,541	86,664,785	91,995,149	97,376,303	103,512,076	110,571,539	130,962,669	115,277,798
Capital grants and contributions.....	7,584,155	719,444	1,454,301	1,292,076	5,997,297	2,988,592	6,716,944	5,798,092	10,794,005	19,763,589
Total government activities program revenues.....	99,976,171	101,161,261	101,383,864	101,787,740	108,711,441	113,213,551	127,636,197	136,733,835	162,519,164	152,849,791
Business-type activities:										
Charges for services.....	29,888,119	29,462,778	29,642,330	30,110,626	30,525,539	29,954,459	29,606,470	31,678,587	33,105,940	35,847,687
Capital grants and contributions.....	455,724	-	-	471,600	-	487,800	30,454	491,078	988,951	3,495,950
Total business-type activities program revenues.....	30,343,843	29,462,778	29,642,330	30,582,226	30,525,539	30,442,259	29,636,924	32,169,665	34,094,891	39,343,637
Total primary government program revenues.....	\$ 130,320,014	\$ 130,624,039	\$ 131,026,194	\$ 132,369,966	\$ 139,236,980	\$ 143,655,810	\$ 157,273,121	\$ 168,903,500	\$ 196,614,055	\$ 192,193,428
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (101,133,697)	\$ (121,479,003)	\$ (108,596,583)	\$ (120,184,036)	\$ (111,586,772)	\$ (110,487,354)	\$ (104,481,375)	\$ (128,642,468)	\$ (119,614,092)	\$ (122,374,887)
Business-type activities.....	3,905,298	2,468,713	2,404,026	2,494,335	1,935,310	1,530,339	364,643	1,062,958	2,672,698	5,263,550
Total primary government net (expense)/program revenue.....	\$ (97,228,399)	\$ (119,010,290)	\$ (106,192,557)	\$ (117,689,701)	\$ (109,651,462)	\$ (108,957,015)	\$ (104,116,732)	\$ (127,579,510)	\$ (116,941,394)	\$ (117,111,337)

(a) Governmental activities were impacted by transfers of operations related to its redevelopment authority and the North Suburban Consortium and an increase in federal pandemic funding.

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022 (a)	2023	2024	2025
General Revenues, Special Items, Transfers and Other Changes in Net Position -										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 78,010,411	\$ 81,815,766	\$ 86,198,497	\$ 90,026,210	\$ 94,419,565	\$ 97,056,645	\$ 100,381,242	\$ 106,731,988	\$ 108,854,569	\$ 111,782,245
Tax title.....	400,543	740,951	583,491	212,609	170,194	58,783	1,196,473	694,066	677,310	493,314
Motor vehicle and other excise taxes.....	6,194,008	6,483,445	6,552,324	6,661,210	6,418,525	6,278,562	6,861,610	7,200,086	8,355,757	8,462,512
Penalties and interest on taxes.....	627,913	628,886	702,869	605,324	557,348	872,329	842,611	963,438	1,076,396	862,861
Grants and contributions not restricted to specific programs.....	11,565,609	12,062,930	12,533,385	12,972,051	13,322,297	13,322,297	13,788,577	14,533,160	14,998,221	15,448,168
Unrestricted investment income.....	589,393	803,382	(81,469)	779,346	541,471	1,360,069	439,680	4,018,555	5,781,689	5,441,375
Gain on sale of capital assets.....	1,457,294	10,040,000	-	-	-	-	-	-	-	-
Miscellaneous.....	737,400	319,019	524,959	992,498	2,201,811	1,702,816	1,008,148	1,202,979	839,822	976,553
Special item - transfer of operations (MRA).....	-	-	-	-	-	-	6,095,741	-	-	-
Special item - transfer of operations (NSC).....	-	-	-	-	-	-	35,010,733	-	-	-
Transfers.....	(61,979)	1,098,443	2,234,832	2,000,369	347,788	(549,813)	(1,916,502)	(1,541,272)	(1,626,558)	(2,958,481)
Total governmental activities.....	99,520,592	113,992,822	109,248,888	114,249,617	117,978,999	120,101,688	163,708,313	133,803,000	138,957,206	140,508,547
Business-type activities:										
Unrestricted investment income.....	3,350	7,470	13,115	35,559	27,243	-	-	-	586,946	273,019
Transfers.....	61,979	(1,098,443)	(2,234,832)	(2,000,369)	(347,788)	549,813	1,916,502	1,541,272	1,626,558	2,958,481
Total business-type activities.....	65,329	(1,090,973)	(2,221,717)	(1,964,810)	(320,545)	549,813	1,916,502	1,541,272	2,213,504	3,231,500
Total primary government general revenues, transfers and other changes in net position.....	\$ 99,585,921	\$ 112,901,849	\$ 107,027,171	\$ 112,284,807	\$ 117,658,454	\$ 120,651,501	\$ 165,624,815	\$ 135,344,272	\$ 141,170,710	\$ 143,740,047
Changes in Net Position										
Governmental activities.....	\$ (1,613,105)	\$ (7,486,181)	\$ 652,305	\$ (5,934,419)	\$ 6,392,227	\$ 9,614,334	\$ 59,226,938	\$ 5,160,532	\$ 19,343,114	\$ 18,133,660
Business-type activities.....	3,970,627	1,377,740	182,309	529,525	1,614,765	2,080,152	2,281,145	2,604,230	4,886,202	8,495,050
Total primary government changes in net position.....	\$ 2,357,522	\$ (6,108,441)	\$ 834,614	\$ (5,404,894)	\$ 8,006,992	\$ 11,694,486	\$ 61,508,083	\$ 7,764,762	\$ 24,229,316	\$ 26,628,710

(a) Governmental activities were impacted by transfers of operations related to its redevelopment authority and the North Suburban Consortium and an increase in federal pandemic funding.

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022 (a)	2023	2024	2025
General Fund:										
Restricted.....	\$ 219,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned.....	6,759,023	9,227,646	6,469,349	6,848,891	3,123,379	5,470,292	3,918,262	6,453,236	7,270,347	9,869,122
Unassigned.....	<u>12,693,224</u>	<u>10,844,835</u>	<u>12,526,634</u>	<u>14,014,723</u>	<u>20,345,648</u>	<u>18,343,437</u>	<u>23,371,667</u>	<u>22,852,063</u>	<u>29,588,117</u>	<u>22,467,172</u>
Total general fund.....	<u>\$ 19,671,704</u>	<u>\$ 20,072,481</u>	<u>\$ 18,995,983</u>	<u>\$ 20,863,614</u>	<u>\$ 23,469,027</u>	<u>\$ 23,813,729</u>	<u>\$ 27,289,929</u>	<u>\$ 29,305,299</u>	<u>\$ 36,858,464</u>	<u>\$ 32,336,294</u>
All Other Governmental Funds:										
Nonspendable.....	5,033,311	5,277,882	5,016,326	5,278,289	5,005,722	5,344,472	6,496,095	6,957,340	7,147,376	7,647,293
Restricted.....	12,467,102	16,592,501	18,244,215	29,370,224	15,402,024	19,116,966	66,290,680	76,877,584	90,796,761	95,918,041
Unassigned.....	<u>-</u>	<u>-</u>	<u>(1,291,804)</u>	<u>-</u>	<u>-</u>	<u>(834,314)</u>	<u>(2,897,643)</u>	<u>(291,720)</u>	<u>(1,180,575)</u>	<u>(452,898)</u>
Total all other governmental funds.....	<u>\$ 17,500,413</u>	<u>\$ 21,870,383</u>	<u>\$ 21,968,737</u>	<u>\$ 34,648,513</u>	<u>\$ 20,407,746</u>	<u>\$ 23,627,124</u>	<u>\$ 69,889,132</u>	<u>\$ 83,543,204</u>	<u>\$ 96,763,562</u>	<u>\$ 103,112,436</u>

(a) General fund unassigned fund balance and other governmental restricted fund balance were impacted by a transfer of operations related to its redevelopment authority.

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022 (a)	2023	2024	2025
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 77,913,268	\$ 82,330,480	\$ 85,796,950	\$ 89,786,470	\$ 93,577,960	\$ 96,973,422	\$ 101,556,830	\$ 106,018,739	\$ 109,008,920	\$ 111,820,965
Tax title.....	400,543	740,951	583,491	212,609	170,194	58,783	1,196,473	694,066	677,310	493,314
Motor vehicle and other excise taxes.....	6,112,890	6,378,931	6,471,817	6,629,824	6,117,492	6,276,974	6,982,969	7,106,556	8,238,589	8,447,972
Penalties and interest on taxes.....	627,913	628,886	702,869	605,324	557,348	872,329	842,611	963,438	1,076,396	862,861
Intergovernmental.....	100,568,455	100,259,977	103,137,257	98,314,674	101,561,810	107,442,830	116,692,008	122,498,808	147,875,492	141,043,352
Departmental and other.....	9,394,199	8,594,204	9,438,739	11,544,579	10,759,784	12,489,298	16,827,957	20,066,011	18,874,843	16,948,223
Licenses and permits.....	2,584,944	3,179,244	1,883,995	2,478,978	1,896,851	1,824,842	2,612,885	2,680,116	3,421,749	1,925,983
Contributions.....	158,233	1,275,700	129,920	258,978	3,790,958	536,084	291,319	996,793	949,165	840,259
Investment income.....	583,201	801,145	(105,426)	717,134	401,988	1,349,400	434,044	3,882,346	5,639,609	5,275,816
Total Revenue.....	198,343,646	204,189,518	208,039,612	210,548,570	218,834,385	227,823,962	247,437,096	264,906,873	295,762,073	287,658,745
Expenditures:										
General government.....	5,418,876	5,678,167	6,569,967	6,789,320	7,801,085	9,821,347	14,234,053	12,615,657	9,935,867	11,155,384
Public safety.....	21,177,288	22,878,658	22,934,745	23,286,840	23,695,473	28,427,955	29,926,541	32,240,949	34,095,785	35,908,942
Education.....	80,380,263	83,626,134	84,315,348	89,645,036	89,160,750	87,550,329	97,278,404	101,505,901	115,017,816	115,107,087
Public works.....	6,899,433	7,101,147	7,331,929	7,702,707	7,560,810	8,545,136	10,320,984	10,697,739	10,178,220	9,919,758
Health and human services.....	2,091,303	2,249,807	1,601,227	1,654,297	1,714,361	1,949,209	2,090,758	2,546,325	3,111,570	2,371,498
Culture and recreation.....	3,315,968	3,159,869	3,515,721	3,129,650	3,176,513	3,704,300	3,378,314	3,575,236	3,790,830	4,260,863
Community development.....	-	-	-	-	-	-	5,283,198	4,549,060	5,651,654	3,533,595
Pension and fringe benefits.....	38,642,316	46,006,103	48,544,885	47,213,533	53,235,372	58,021,556	46,223,692	50,813,424	55,462,541	56,720,168
State and county charges.....	13,399,387	14,539,373	15,652,578	14,673,063	14,973,610	14,945,157	14,527,749	14,898,200	15,203,098	16,004,987
Capital outlay.....	17,832,021	9,622,186	5,355,920	9,806,027	21,701,241	6,368,020	14,142,365	10,876,213	18,823,966	19,965,031
Debt service:										
Principal.....	12,558,021	12,965,000	13,350,000	10,575,000	5,841,000	5,110,000	5,722,851	5,832,727	6,195,362	6,023,199
Interest.....	3,142,681	2,920,770	2,216,876	1,853,054	1,957,312	1,714,242	1,808,460	1,949,728	1,732,086	1,903,048
Total Expenditures.....	204,857,557	210,747,214	211,389,196	216,328,527	230,817,527	226,157,251	244,937,369	252,101,159	279,198,795	282,873,560
Excess of revenues over (under) expenditures.....	(6,513,911)	(6,557,696)	(3,349,584)	(5,779,957)	(11,983,142)	1,666,711	2,499,727	12,805,714	16,563,278	4,785,185
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	8,400,000	190,000	-	16,681,000	-	-	8,270,000	4,405,000	5,115,000	-
Issuance of direct financing.....	-	-	136,608	-	-	1,472,217	-	-	-	-
Issuance of refunding bonds.....	-	-	-	-	-	6,245,000	-	-	-	-
Payments to refunding escrow agent.....	-	-	-	-	-	(6,969,463)	-	-	-	-
Sale of capital assets.....	1,457,294	10,040,000	-	-	-	-	-	-	-	-
Premiums from issuance of bonds and notes.....	405,114	-	-	1,645,995	-	818,608	930,219	-	721,803	-
Transfers in.....	3,756,122	13,299,130	2,605,585	2,884,248	425,165	5,345,578	584,363	5,504,557	5,566,860	11,693,091
Transfers out.....	(3,818,101)	(12,200,687)	(370,753)	(883,879)	(77,377)	(5,895,391)	(2,500,865)	(7,045,829)	(7,193,418)	(14,651,572)
Total other financing sources (uses).....	10,200,429	11,328,443	2,371,440	20,327,364	347,788	1,016,549	7,283,717	2,863,728	4,210,245	(2,958,481)
Special Items:										
Transfer of operations (MRA)	-	-	-	-	-	-	4,944,031	-	-	-
Transfer of operations (NSC)	-	-	-	-	-	-	35,010,733	-	-	-
Net change in fund balance.....	\$ 3,686,518	\$ 4,770,747	\$ (978,144)	\$ 14,547,407	\$ (11,635,354)	\$ 2,683,260	\$ 49,738,208	\$ 15,669,442	\$ 20,773,523	\$ 1,826,704
Debt service as a percentage of noncapital expenditures.....	8.39%	7.90%	7.56%	6.02%	3.73%	3.10%	3.26%	3.23%	3.04%	3.01%

(a) Governmental funds revenues and expenditures were impacted by transfers of operations related to its redevelopment authority and the North Suburban Consortium and an increase in federal pandemic funding.

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASSIFICATION AND TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value					Total City Value	State Equalized Value	Ratio of Assessed to Equalized Value	Tax Rates		
	Residential Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value				Residential Tax Rate	Commercial Tax Rate	Average Tax Rate
2016	\$ 5,081,720,822	\$ 426,183,478	\$ 181,582,580	\$ 142,013,700	\$ 749,779,758	\$ 5,831,500,580	\$ 5,218,790,200	111.74%	\$ 15.16	\$ 23.72	16.50
2017	5,794,876,092	455,075,350	192,973,905	144,963,820	793,013,075	6,587,889,167	6,275,190,000	104.98%	14.17	22.04	15.32
2018	6,146,916,961	471,412,078	190,645,295	145,263,490	807,320,863	6,954,237,824	6,275,190,000	110.82%	14.09	21.84	15.18
2019	6,813,122,365	523,704,024	205,586,735	151,042,980	880,333,739	7,693,456,104	7,590,689,100	101.35%	13.27	20.53	14.28
2020	7,501,069,631	561,244,641	225,768,680	159,513,770	946,527,091	8,447,596,722	7,590,689,100	111.29%	12.65	19.58	13.59
2021	7,926,646,460	590,377,811	237,805,797	229,425,300	1,057,608,908	8,984,255,368	9,209,316,800	97.56%	12.29	19.14	13.27
2022	8,210,295,767	596,220,995	246,386,492	230,225,290	1,072,832,777	9,283,128,544	9,209,316,800	100.80%	12.35	19.17	13.31
2023	8,672,278,342	636,670,399	257,734,187	246,313,590	1,140,718,176	9,812,996,518	9,978,319,100	98.34%	12.19	18.68	13.11
2024	9,343,818,157	646,668,317	273,161,835	242,141,130	1,161,971,282	10,505,789,439	9,978,319,100	105.29%	11.69	18.20	12.56
2025	10,001,319,336	680,789,780	281,732,822	255,818,470	1,218,341,072	11,219,660,408	11,135,454,000	100.76%	11.32	17.53	12.13

Source: Official Statements, State Division of Local Services

Note: All property in the Commonwealth of Massachusetts is assessed at 100% of full and fair cash value. The State estimates this "equalized valuation" for all municipalities every two years. Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the City. The primary limitation is that the tax levy cannot exceed 2 1/2% of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2%, subject to an exception for property added to the tax rolls and for certain valuation increases. This secondary limit may be exceeded in any fiscal year by majority approval of the voters, however, it cannot exceed the primary limitation.

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Nature of Business	2025			2016		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
4 Stone Lane Owner (Overlook)	Residential Real Estate	\$ 209,752,500	1	1.87%	\$ 84,230,300	2	1.44%
MPA Granada Highlands	Residential Real Estate	167,000,000	2	1.49%	126,854,400	1	2.18%
Overlook Ridge Apartments	Residential Real Estate	106,570,000	3	0.95%			
Boston Gas	Public Utility	102,990,410	4	0.92%			
Fig Development LLC	Residential Real Estate	85,589,404	5	0.76%			
18 Jackson St Assoc.	Residential Real Estate	72,995,900	6	0.65%			
EQR-Gateway Malden Center LLC	Mixed Use Real Estate	70,216,499	7	0.63%	32,923,899	4	0.56%
500 Broadway	Residential Real Estate	69,632,080	8	0.62%			
Massachusetts Electric Company	Public Utility	69,323,440	9	0.62%			0.00%
USCMF Malden Square	Mixed Use Real Estate	69,134,501	10	0.62%			
Guardian Cliffside LLC	Residential Real Estate				43,728,600	3	0.75%
First States Investors 5200 LLC	Bank Operations Center				31,399,200	5	0.54%
Civic Center Associates	Commercial Real Estate				30,640,800	6	0.53%
Blackman David M. Portnoy	Commercial Real Estate				27,547,200	7	0.47%
Pine Banks LLC	Residential Real Estate				24,127,900	8	0.41%
Malden Towers Realty Co.	Residential Real Estate				21,644,800	9	0.37%
Residences at Malden Sq. LLC	Residential Real Estate				16,928,700	10	0.29%
		<u>\$1,023,204,734</u>		<u>9.12%</u>	<u>\$ 440,025,799</u>		<u>7.55%</u>

Source: Official Statements

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy			Collections				Percent of Total Tax Collections to Net Tax Levy
	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	
2016	\$ 79,042,741	\$ 817,193	\$ 78,225,548	\$ 77,372,226	98.91%	\$796,228	\$ 78,168,454	99.93%
2017	82,974,449	\$1,014,853	81,959,596	81,240,009	99.12%	657,990	81,897,999	99.92%
2018	86,793,086	741,964	86,051,122	85,518,414	99.38%	458,947	85,977,361	99.91%
2019	90,248,085	622,073	89,626,012	88,492,981	98.74%	1,056,879	89,549,860	99.92%
2020	94,519,948	872,816	93,647,132	92,257,139	98.52%	1,278,564	93,535,703	99.88%
2021	98,255,538	1,365,780	96,889,758	96,071,734	99.16%	683,421	96,755,155	99.86%
2022	101,672,643	1,246,276	100,426,367	100,185,642	99.76%	114,897	100,300,539	99.87%
2023	105,368,864	663,772	104,705,092	104,238,224	99.55%	340,400	104,578,624	99.88%
2024	109,264,402	948,968	108,315,434	107,685,805	99.42%	32,172	107,717,977	99.45%
2025	113,057,492	1,316,275	111,741,217	110,692,646	99.06%	-	110,692,646	99.06%

(1) In 2023, the City refunded several commercial tax collections.

Source: Accounting Records

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities		Total Outstanding Debt	Personal Income	Percentage of Personal Income	U.S Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowings	General Obligation Bonds (1)	Direct Borrowings					
2016	\$ 75,874,605	\$ -	\$ -	\$ 24,804,814	\$ 100,679,419	\$ 1,781,990,050	5.65%	60,509	\$ 1,664
2017	62,502,296	-	4,099,261	22,286,661	88,888,218	1,799,840,205	4.94%	60,509	1,469
2018	48,631,808	88,613	3,803,802	19,505,630	72,029,853	1,817,811,378	3.96%	60,509	1,190
2019	55,878,811	45,492	8,767,659	18,683,819	83,375,781	1,836,024,587	4.54%	60,509	1,378
2020	49,504,395	-	8,068,550	20,164,882	77,737,827	1,854,358,814	4.19%	60,509	1,285
2021	43,953,907	1,206,730	7,382,539	21,287,771	73,830,947	2,050,972,376	3.60%	66,263	1,114
2022	47,611,047	4,933,603	6,705,591	24,816,535	84,066,776	2,091,989,173	4.02%	66,263	1,269
2023	42,804,983	7,670,876	6,036,880	22,423,184	78,935,923	2,154,806,497	3.66%	66,263	1,191
2024	43,017,352	6,590,514	5,376,407	23,049,232	78,033,505	2,219,412,922	3.52%	66,263	1,178
2025	37,278,313	5,742,315	4,734,085	23,879,240	71,633,953	2,300,841,807	3.11%	66,693	1,074

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

(1) Presented net of original issuance discounts and premiums.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available (2)	Total	Assessed Value	Percentage of Assessed Value	U.S Census Population	Debt Per Capita
2016	\$ 75,874,605	\$ (16,482,155)	\$ 59,392,450	\$ 5,831,500,580	1.02%	60,509	\$ 982
2017	66,601,557	(10,124,334)	56,477,223	6,587,889,167	0.86%	60,509	933
2018	52,435,610	(3,610,179)	48,825,431	6,954,237,824	0.70%	60,509	807
2019	64,646,470	-	64,646,470	7,693,456,104	0.84%	60,509	1,068
2020	57,572,945	-	57,572,945	8,447,596,722	0.68%	60,509	951
2021	51,336,446	-	51,336,446	8,984,255,368	0.57%	66,263	775
2022	54,316,638	-	54,316,638	9,283,128,544	0.59%	66,263	820
2023	48,841,863	-	48,841,863	9,812,996,518	0.50%	66,263	737
2024	48,393,759	-	48,393,759	10,505,789,439	0.46%	66,263	730
2025	42,012,398	-	42,012,398	11,219,660,408	0.37%	66,693	630

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

(1) General obligation bonds consist of debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(2) These are restricted resources from the Massachusetts School Building Authority for debt principal on school construction.

COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	(Amounts in Thousands)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equalized Valuation.....	<u>\$ 5,218,790</u>	<u>\$ 6,275,190</u>	<u>\$ 6,275,190</u>	<u>\$ 7,590,689</u>	<u>\$ 7,590,689</u>	<u>\$ 9,209,317</u>	<u>\$ 9,209,317</u>	<u>\$ 9,978,319</u>	<u>\$ 9,978,319</u>	<u>\$ 11,135,454</u>
Debt Limit.....	260,940	313,760	313,760	379,534	379,534	460,466	460,466	498,916	498,916	556,773
Outstanding long term debt.....	97,545	86,052	69,666	79,459	74,505	70,515	80,510	76,099	75,055	69,282
Authorized and unissued debt.....	30,382	45,329	30,248	19,508	16,653	25,891	17,792	23,287	12,963	7,116
Debt not applicable to debt limit.....	<u>(44,373)</u>	<u>(33,930)</u>	<u>(22,607)</u>	<u>(15,425)</u>	<u>(16,518)</u>	<u>(17,344)</u>	<u>(25,309)</u>	<u>(22,939)</u>	<u>(23,448)</u>	<u>(23,086)</u>
Legal debt margin.....	<u>\$ 177,386</u>	<u>\$ 216,309</u>	<u>\$ 236,453</u>	<u>\$ 295,992</u>	<u>\$ 304,894</u>	<u>\$ 381,404</u>	<u>\$ 387,473</u>	<u>\$ 422,469</u>	<u>\$ 434,346</u>	<u>\$ 503,461</u>
Total debt applicable to the limit as a percentage of debt limit.....	32.02%	31.06%	24.64%	22.01%	19.67%	17.17%	15.85%	15.32%	12.94%	9.58%

Source: State Division of Local Services, Accounting Records

PRINCIPAL EMPLOYERS (EXCLUDING CITY)

CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	2025			2015		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
National Grid	Utility	430	1	3.03%	325	2	2.43%
Cambridge Health Alliance	Medical Administration	395	2	2.79%	300	3	2.25%
Mystic Valley Elder Services	Elder care	330	3	2.33%	210	8	1.57%
KIC Ventures	Health Care Technology	300	4	2.12%			
Prospect Cleaning Services	Commercial Cleaners	250	5	1.76%	300	4	2.25%
Super Stop & Shop	Grocery Store	250	5	1.76%	270	5	2.02%
New England Security Group	Protective Services	242	7	1.71%			
Piantedosi Baking Company	Food Processing	210	8	1.48%	205	10	1.53%
New England Coffee	Food Processing	174	9	1.23%	250	6	1.87%
Hallmark Health/VNA	Home Health Care	163	10	1.15%			
Mass. Dept. of Education	State Office			0.00%	535	1	4.00%
Comcast	Communications				230	7	1.72%
Verizon	Utility				210	9	1.57%

Source: Official Statements

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2025

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Massachusetts Bay Transportation Authority (MBTA).....	\$ 5,546,685,000 (a)	2.506%	<u>\$ 138,999,926</u>
Subtotal, overlapping debt.....			138,999,926
City direct debt.....			<u>43,020,628</u>
Total direct and overlapping debt.....			<u><u>\$ 182,020,554</u></u>

(a) Debt is as of June 30, 2024

Source: Official Statements, Accounting Records

Note: The estimated percentage applicable is determined based on the City's weighted percentage of the total population of the authority as provided in its enabling act.

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	\$ 60,509	\$ 1,781,990,050	\$ 29,450	36.2	6,567	3.40%
2017	60,509	1,799,840,205	29,745	36.2	6,710	3.30%
2018	60,509	1,817,811,378	30,042	36.2	6,635	3.00%
2019	60,509	1,836,024,587	30,343	36.2	6,649	2.50%
2020	60,509	1,854,358,814	30,646	36.2	6,551	11.30%
2021	66,263	2,050,972,376	30,952	36.2	6,199	6.30%
2022	66,263	2,091,989,173	31,571	36.2	6,105	3.50%
2023	66,263	2,154,806,497	32,519	36.2	6,393	N/A
2024	66,263	2,219,412,922	33,494	36.2	6,282	N/A
2025	66,693	2,300,841,807	34,499	36.2	6,354	3.90%

N/A - Information not available at the current time.

Source: U. S. Census, Division of Local Services, Massachusetts
 Department of Elementary and Secondary Education.
 Median age is based on most recent census data.

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government.....	50	52	55	60	58	61	63	65	69	69
Public safety.....	241	247	251	250	250	254	255	255	256	256
Education.....	906	914	1,015	968	951	974	998	1,042	1,114	1,121
Public works.....	42	44	40	43	43	44	45	45	46	46
Health and human services.....	19	19	13	15	15	17	20	20	21	21
Culture and recreation.....	24	25	25	26	26	26	26	26	26	26
Sub-total	1,282	1,301	1,399	1,362	1,343	1,376	1,407	1,453	1,532	1,539
Water and sewer.....	17	17	17	17	18	18	19	19	20	20
Total City employees.....	<u>1,299</u>	<u>1,318</u>	<u>1,416</u>	<u>1,379</u>	<u>1,361</u>	<u>1,394</u>	<u>1,426</u>	<u>1,472</u>	<u>1,552</u>	<u>1,559</u>

Source: City personnel records

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
City Clerk										
Registered voters.....	30,272	30,779	31,158	32,311	32,788	36,024	32,364	34,418	33,386	37,472
Public Safety:										
Police										
Criminal offenses										
Homicide.....	1	1	-	1	1	2	3	1	-	-
Rape.....	8	7	12	6	6	7	5	4	10	5
Robbery.....	55	35	41	34	35	29	25	20	22	25
Aggravated assault.....	153	169	155	114	115	107	117	122	150	136
Burglary.....	113	116	104	87	85	93	100	72	97	86
Larceny.....	680	581	280	327	254	231	303	343	312	312
Motor vehicle theft.....	100	76	76	75	97	74	134	99	105	142
Total criminal offenses.....	1,110	985	668	644	593	543	687	661	696	706
Adult arrests.....	766	496	544	586	376	372	373	345	409	439
Juvenile arrests.....	45	24	29	6	9	4	13	14	21	34
Incident reports.....	5,314	5,461	5,488	5,102	5,440	4,324	5,245	5,432	5,224	5,410
Citations issued.....	643	1,101	1,593	1,345	641	229	1,043	2,212	2,165	2,516
Fire										
Incidents										
Fires.....	160	276	206	116	113	151	130	186	145	176
Non-fire incidents.....	8,316	8,647	8,983	8,929	8,905	8,894	10,131	8,963	10,028	10,536
Total fire calls.....	8,476	8,923	9,189	9,045	9,018	9,045	10,261	9,149	10,173	10,712
Education:										
Number of students.....	6,567	6,710	6,635	6,640	6,568	6,101	6,308	6,372	6,282	6,354
Public Works:										
Highway										
Roads paved (miles).....	1.0	1.0	1.1	4.1	3.7	2.8	5.2	6.6	5.8	5.1
Water										
Water mains replaced (miles).....	1.0	1.0	0.5	0.4	0.4	0.6	10.0	2.0	0.8	0.8
Sewer										
Sanitary sewers replaced (miles).....	-	-	-	-	-	-	6.0	3.4	-	-
Health and Human Services:										
Board of Health										
Permits issued										
Food permits.....	372	340	216	276	309	345	528	505	469	328
Other.....	3,452	2,172	1,558	1,541	1,293	1,083	1,161	712	789	1,077
Total permits.....	3,824	2,512	1,774	1,817	1,602	1,428	1,689	1,217	1,258	1,405
Culture and Recreation:										
Libraries										
Circulation.....	328,652	383,360	334,911	358,344	315,835	187,448	278,461	287,694	303,846	327,018
Holdings.....	237,634	233,937	250,273	252,348	252,548	242,278	242,865	245,923	245,736	248,957
Number of visits.....	168,750	169,576	393,585	393,585	393,759	118,127	197,580	274,500	336,500	398,500

N/A - Information not available at the current time.

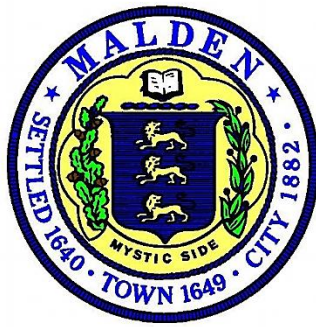
Source: Various City Departments and State websites.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Number of buildings.....	1	1	1	1	2	2	2	2	2	2
Public Safety:										
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Education:										
Number of Pre-K schools.....	1	1	1	1	1	1	1	1	1	1
Number of grade K - 8 schools.....	5	5	5	5	5	5	5	5	5	5
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works:										
Number of facility yards.....	1	1	1	1	1	1	1	1	1	1
Road miles.....	93	93	93	93	93	93	93	93	93	93
Water main lines (miles).....	120	120	120	120	120	120	120	120	120	120
Sewer main lines (miles).....	105	105	105	105	105	105	105	105	105	105
Number of cemeteries.....	3	3	3	3	3	3	3	3	3	3
Culture and Recreation:										
Number of libraries.....	1	1	1	1	1	1	1	1	1	1
Number of senior centers.....	1	1	1	1	1	1	1	1	1	1
Number of public parks.....	30	30	30	30	30	30	30	30	30	30

Source: Various City Departments and State websites.



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Malden kicked off Italian American Heritage Month with its first-ever Italian Heritage Celebration on City Hall Plaza!