

CITY OF NEW BEDFORD, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2002
INITIAL IMPLEMENTATION OF GASB NO. 34

CITY OF NEW BEDFORD, MASSACHUSETTS

June 30, 2002

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HAGUE, SAHADY & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

Fall River, MA 02720

TEL. (508) 675-7889

FAX (508) 675-7859

Independent Auditors' Report

Honorable Mayor and Members
of the City Council
City of New Bedford
New Bedford, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Bedford, Massachusetts, as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of New Bedford's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Bedford, Massachusetts, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1, the City of New Bedford, in fiscal 2002, implemented Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

CITY OF NEW BEDFORD, MASSACHUSETTS

The management's discussion and analysis on pages 3 through 14, the schedule of revenues, expenditures and changes in fund balances - budgetary basis on pages 57 through 60 and the schedule of funding progress and employers' contributions on pages 63 through 65 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Bedford's basic financial statements. The introductory section, supplementary statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 27, 2002 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Hague, Sweeney & Co PC

December 27, 2002

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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, (i.e., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City are divided into three categories:

- **Governmental activities** – Governmental activities of the City such as general government, public works, public safety, education, community and economic development, culture and recreation are reported here. Property taxes, state aid, local fees and charges finance most of these activities.
- **Business-type activities** — The City charges fees to users to help it cover costs of certain services it provides. The City's zoo operations are included here.
- **Component units** — The government-wide financial statements not only include the governmental and business-type activities (known as the primary government) but also legally separate entities. There are four legally separate component unit entities included in this report, which are the Greater New Bedford Regional Refuse Management District, the Harbor Development Corporation, New Directions, and The New Bedford Contributory Retirement System.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds. Fiduciary funds for the City consist of the pension trust fund, the private purpose trust funds and the agency funds. The proprietary funds for the City is the internal service fund or medical claims trust fund and the zoo enterprise fund. All other activities of the City are included in the governmental funds.

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

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

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

The City maintains many 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, wastewater fund and stabilization fund which are considered major funds. Data from all of the other governmental funds, which are considered non-major funds, are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements.

The City adopts an annual budget for its general and its wastewater funds. A budgetary comparison statement has been provided to demonstrate compliance with those budgets.

The governmental fund financial statements can be found on pages 17 through 18 of this report.

Proprietary funds: The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its zoo operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among various function. The City uses internal services funds to account for the purchasing of supplies, medical and life insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the enterprise fund consisting of the zoo operations as well as the internal service fund are considered non-major funds.

The proprietary fund financial statements can be found on pages 21 through 24 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries and the agency fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the City's governmental-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is the accrual basis of accounting.

The fiduciary funds financial statements can be found on pages 25 through 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 56 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning all legally adopted budgets. The City appropriates an annual appropriation budget for the general, wastewater and zoo funds. Budgetary comparison schedules are presented to demonstrate compliance with the budget on pages 57 and 60.

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$86.9 million as of June 30, 2002.

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its residents; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Assets for the period ending June 30, 2002 (Government-wide level)

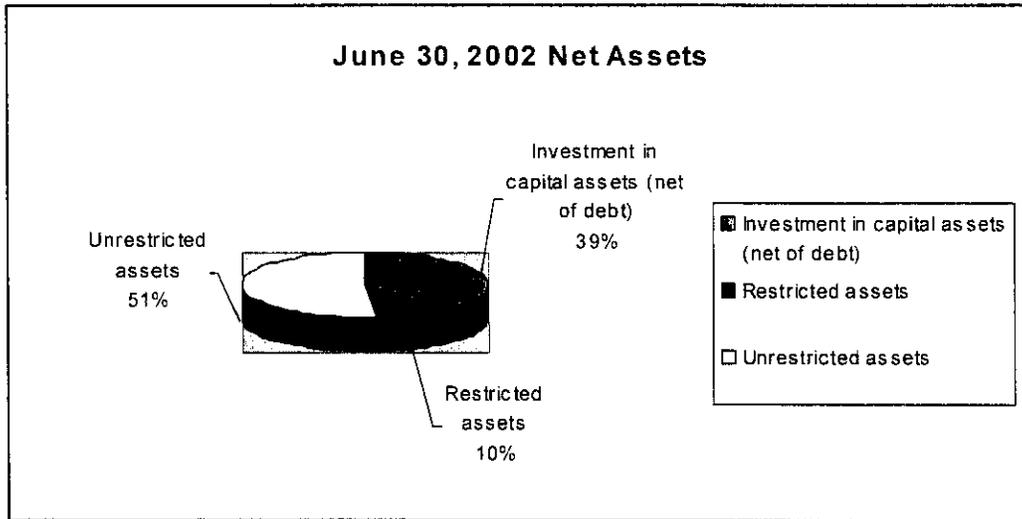
The current year's financial statements are dramatically different from past years as a result of implementing GASB 34. Attempting to compare this year's data with last year would be misleading to the reader however the City looks forward to offering comparative data in the future.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and other assets	\$ 109,023,832	\$ (1,222,695)	\$ 107,801,137
Capital assets	<u>271,196,053</u>	<u>9,396,919</u>	<u>280,592,972</u>
Total Assets	<u>\$ 380,219,885</u>	<u>\$ 8,174,224</u>	<u>\$ 388,394,109</u>
Current liabilities	\$ 72,601,020	\$ (621,842)	\$ 71,979,178
Long-term liabilities	<u>221,881,624</u>	<u>7,630,000</u>	<u>229,511,624</u>
Total Liabilities	<u>\$ 294,482,644</u>	<u>\$ 7,008,158</u>	<u>\$ 301,490,802</u>
Net Assets:			
Investment in capital assets (net of debt)	\$ 32,278,149	\$ 1,331,919	\$ 33,610,068
Restricted	8,666,728		8,666,728
Unreserved Fund Balance	<u>44,792,364</u>	<u>(165,853)</u>	<u>44,626,511</u>
Total Net Assets	<u>\$ 85,737,241</u>	<u>\$ 1,166,066</u>	<u>\$ 86,903,307</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002



An additional portion of the City's net assets (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$44,626,511 may be used to meet the City's ongoing obligations to citizens and creditors.

The strength of the City is dependent upon the willingness of the citizenry to pay their bills when they are due, and the diligence of the Tax Collector to ensure that everyone complies with such dealings. As of June 30, 2002 cash and investments consisted of \$55,210,025.

At the end of fiscal year 2002, the City is able to report positive balances in all three categories of net assets for its governmental activities.

The City's net assets decreased during the current fiscal year, due in part to the cut made in state aid after the City's budget had been appropriated and based upon the change in accruals from one year to the next.

The City implemented GASB 34 and recorded fixed assets and debt for the first time.

Governmental activities. Governmental activities decreased the City's net assets by \$965,653. In addition, the business type activities increased the City's net assets by \$225,866 for a net effect of a decrease of (739,787). Key elements of this decrease are documented on the following page:

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

Changes in Net Assets for the period ending June 30, 2002 (Government-wide level)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for service	\$ 39,247,655	\$ 344,773	\$ 39,592,428
Operating grants & contributions	157,161,483		157,161,483
Capital grants & contributions	2,597,451		2,597,451
General revenues:			
Property taxes	58,249,774		58,249,774
Motor vehicle excise	5,655,432		5,655,432
Tax foreclosure and other	2,739,125		2,739,125
Intergovernmental	4,077,062		4,077,062
Other	<u>1,806,351</u>	<u>3,612</u>	<u>1,809,963</u>
Total revenues	<u>271,534,333</u>	<u>348,385</u>	<u>271,882,718</u>
Expenses:			
General government	8,786,293		8,786,293
Public protection	48,116,206		48,116,206
Public works	22,381,924		22,381,924
Health and human services	6,903,230		6,903,230
Education	157,312,660		157,312,660
Community and Economic Development	10,765,780		10,765,780
Culture and recreation	4,107,496		4,107,496
State and County charges	1,458,082		1,458,082
Debt service (interest)	11,552,333		11,552,333
Zoo		<u>1,238,501</u>	<u>1,238,501</u>
Total expenses	<u>271,384,004</u>	<u>1,238,501</u>	<u>272,622,505</u>
Increase (decrease) in net assets before transfers	150,329	(890,116)	(739,787)
Transfers	<u>(1,115,982)</u>	<u>1,115,982</u>	
Increase (decrease) in net assets	(965,653)	225,866	(739,787)
Net assets - beginning	<u>86,702,894</u>	<u>940,200</u>	<u>87,643,094</u>
Net assets - ending	<u>\$ 85,737,241</u>	<u>\$ 1,166,066</u>	<u>\$ 86,903,307</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

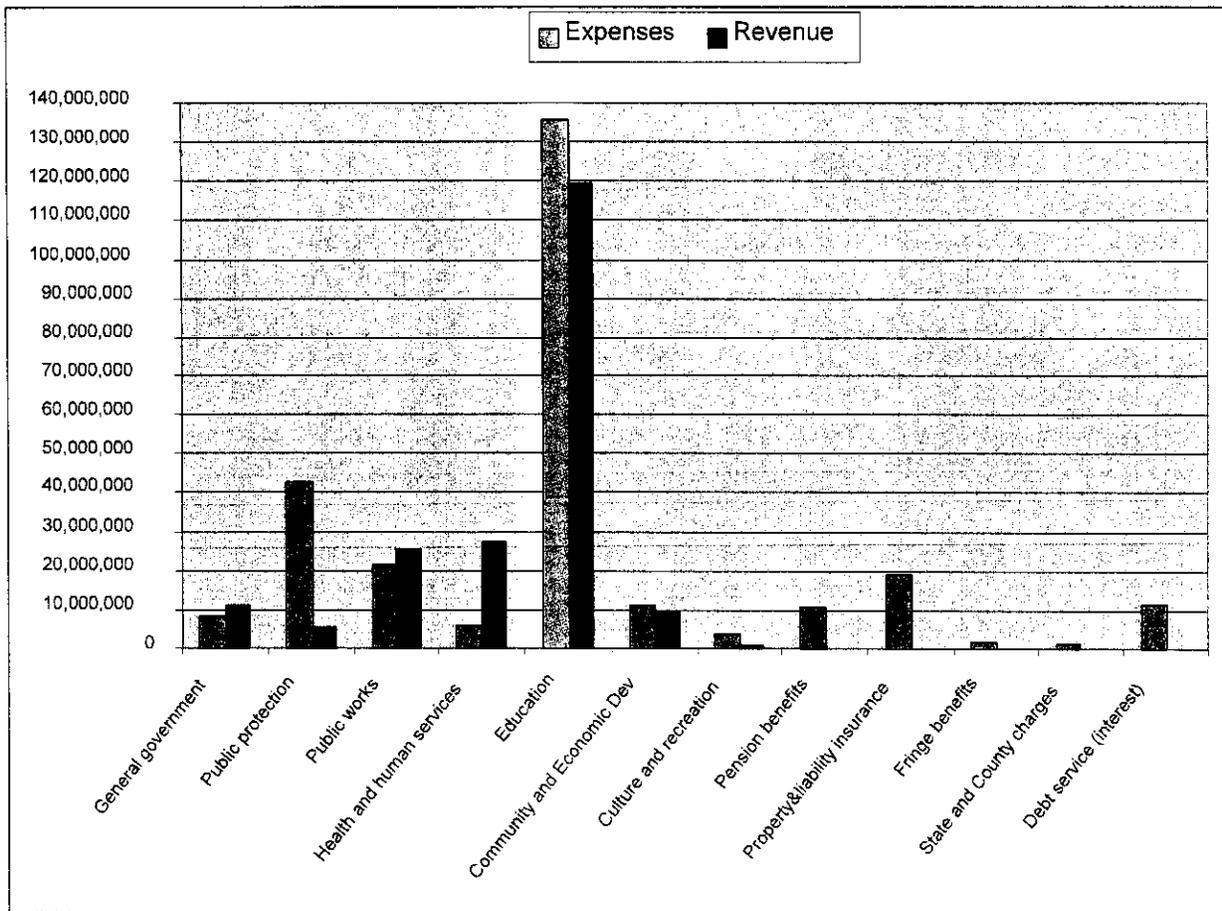
Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

The majority of general revenues are tax collections from the City's taxpayers. This amount represented 80% of the total \$72.5 million. The operating grants are also a significant source of revenue for the City. The total operating grants for fiscal year ended June 30, 2002 amounted to \$157,161,483 of which \$114,315,357 were received for education.

The most significant expense of the City is education which represented 57% of total expenses, followed by public protection at 18%.

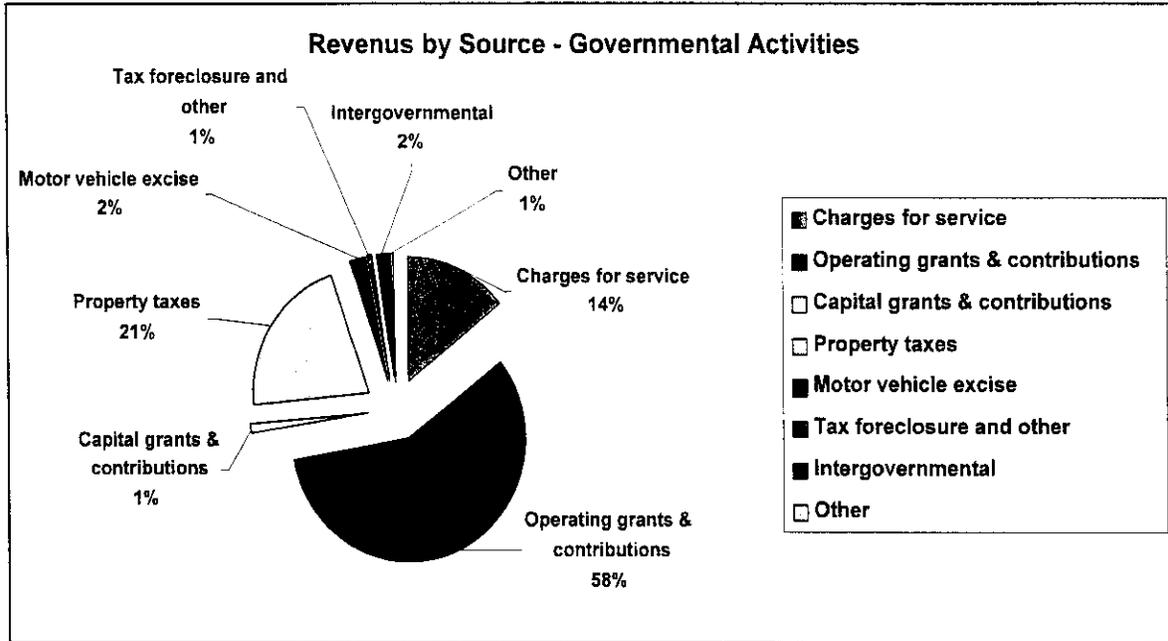
Expenses and Program Revenues – Governmental Activities



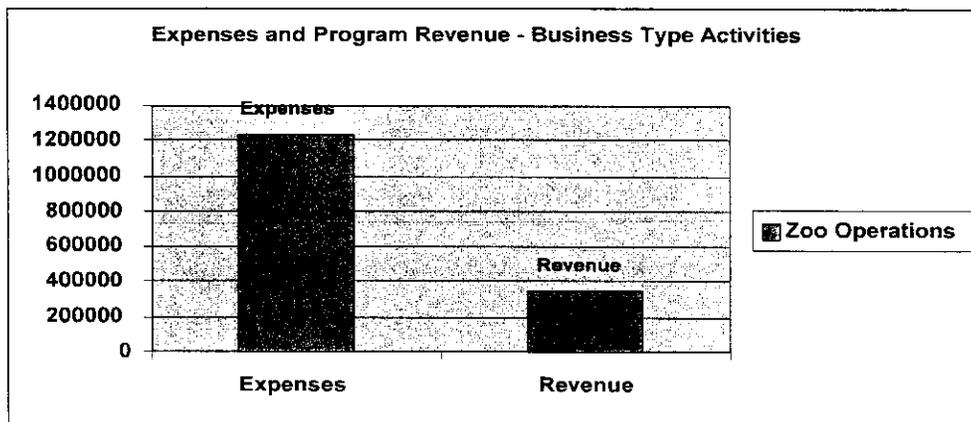
CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002



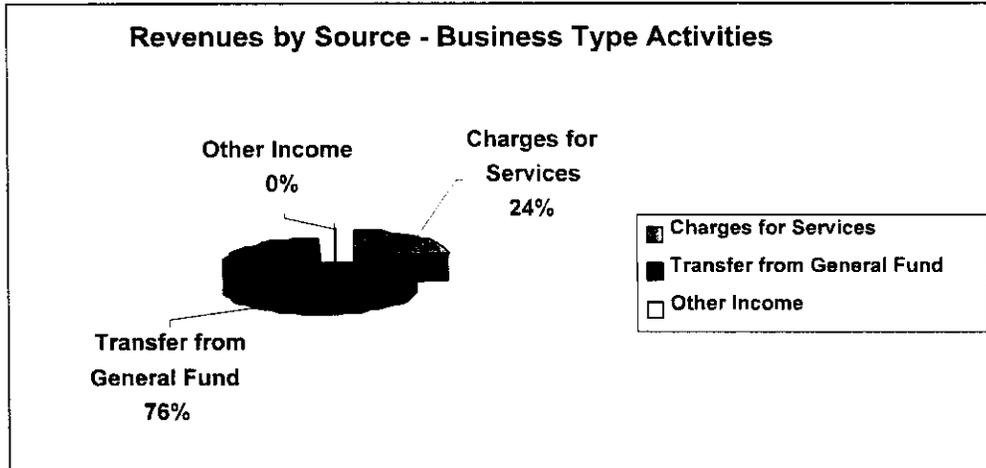
Business-type activities. Business-type activities increased the City's net assets \$225,866. This was due to a transfer made to the Zoo operations from the general fund. In fact, the net expenses of the zoo operation were \$893,728.



CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002



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 the near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,769,384, this is a decrease of \$31,370,699 in comparison with the prior year. Approximately 73% of this decrease, totaling \$22,879,858, constitutes monies spent on capital projects for which there are bonds authorized but unissued at the fiscal year end. The remaining decrease in fund balance came primarily from the general fund (\$2,659,200) and the wastewater funds (\$4,654,067).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance of the general fund of \$13,304,276 was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund balances to total fund expenditures. Total fund balance and unreserved fund balance represent approximately 6% of total general fund expenditures.

The stabilization fund had a fund balance of \$4,551,175 at the end of the fiscal year. During the year the net transfers out were \$1,048,685. The fund had earnings from investments of \$210,703 and expenditures of \$28,560.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

Unrestricted net assets of the enterprise fund at the end of the year amounted to \$1,166,066. The total growth in net assets for the enterprise fund is \$225,866. Other factors concerning the enterprise fund have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

General Fund. The major difference between the original budget and the final budget are briefly summarized as follows:

Revenues and Other Sources:

Total budgeted revenues were increased by \$12,347,327 over the original budget.

- Property tax revenue was increased by \$2,977,200
- Intergovernmental (state) revenue was increased by \$3,023,029
- Transfers from other funds were appropriated in the amount of \$2,852,683
- Monies were appropriated from free cash in the amount of \$3,494,415

Expenditures:

Total budgeted appropriations were increased by \$12,347,327 over the original budget

- Included additional appropriation for public safety in the amount of \$2,806,327
- Included additional appropriation for education in the amount of \$4,977,047
- Included additional appropriation for health insurance in the amount of \$3,448,591
- Included various other additional appropriations totally \$1,115,362

As a result of the final budget the City had anticipated utilizing \$3,494,415 of its unreserved fund balance to meet its current obligations. The result was more favorable in that the City utilized \$941,799 of its reserves. The major differences between the actual results of the general fund and the final amended budget are as follows:

- The City actually collected \$689,017 more in motor vehicle excise than it had budgeted
- The City actually collected \$586,593 more in charges for water services than it had budgeted
- The City had over estimated the cost of health insurance and had a savings of \$1,361,975
- The City's costs for education were \$101,640,969 resulting in a favorable variance of \$1,869,755

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2002 amounted to \$280,592,972 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, construction in progress and farm animals. The total increase in the City's investment in capital assets for the current year was 13 percent (a 12 percent increase for governmental activities and a 1 percent increase for business-type activities).

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

Major capital asset events during the current fiscal year included construction in progress for both the New Roosevelt School and the Normandin Middle School.

**Net of Accumulated Depreciation
June 30, 2002**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land and construction in progress	\$ 70,946,329	\$	\$ 70,946,329
Infrastructure	132,931,624		132,931,624
Buildings and Improvements	51,655,150	9,211,756	60,866,906
Machinery and Equipment	10,886,854	111,529	10,998,383
Office Equipment and Furniture	3,583,602	16,095	3,599,697
Library Books and Textbooks	595,047		595,047
Automobiles	597,447	13,060	610,507
Animals		<u>44,479</u>	<u>44,479</u>
	<u>\$ 271,196,053</u>	<u>\$ 9,396,919</u>	<u>\$ 280,592,972</u>

Additional information on the City's capital assets can be found on note 5 on pages 41 through 43 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$219,982,904. The full faith and credit of the City backs this entire amount. Of this amount \$8,065,000 relates to the business type activity.

During the current year the City's total debt decreased by \$8,414,254 (3.5% percent). This resulted because the regular debt payments were timely paid. No new debt was issued during the fiscal year ended June 30, 2002.

Additional information on the City's long-term debt can be found in note 10 on pages 50 through 53 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is currently 10.2% which is an increase from the rate of 9.2% a year ago. This compares *unfavorably* to the state's average unemployment rate of 5.7% and the national average rate of 5.7% percent.

The occupancy rate of the City's central business district has increased to approximately 75 percent in 2003 compared to approximately 60 percent in 1999. Residential vacancy rates continue to decrease. At present, vacant apartments are in scare supply. During fiscal year 2003, single family housing started to increase from prior years. Property value increased for the third consecutive year, growing to 3,604,932,440 in fiscal 2003 compared with 2,904,758,800 in fiscal 2001.

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A) (Continued)

Year Ended June 30, 2002

State Local Aid to the City has increased by a significant percentage for several years, primarily to fund education. In fact, Local aid now comprises approximately 58% of the City's general fund revenues. Although this funding plays a lead role in financing the City's budget it also leaves the City vulnerable to tax cuts and/or economic downturns at the State level.

The New Bedford business park has become a major economic engine for the City of New Bedford with 16 purchases of property, 8 plant expansions and the creation of 3,000 new jobs during the last 5 years. There are currently 30 companies and 36 plants in the park, totaling 2.5 million sq. ft. of space. Three new roads are expected to be built within the next 18 months which will make available 10 new lots for sale. Titleist has a major plant expansion underway which will increase its workforce from 700 to 1,150 by next summer. Other park companies currently planning plant expansions include: Johnson & Johnson; AFC Cable Systems; Morgan Advances Ceramics; Five Star Surgical and Aerovox. Signed agreements are in place for an office park; electricity plant; and affordable condo project for park employees.

Requests for Information

This financial report is designed to provide a general overview of the City of New Bedford, Massachusetts' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request additional financial information should be addressed to the Chief Financial Officer/Treasurer, 133 Williams Street, New Bedford, Massachusetts.

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement Of Net Assets

June 30, 2002

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Greater New Bedford Regional Refuse Management District	Non Major Component Units	Total Component Units
ASSETS						
Pooled cash and investments	\$ 54,928,543	\$ 281,482	\$ 55,210,025	\$ 8,573,272	\$ 610,025	\$ 9,183,297
Accounts receivable, net of allowance	6,943,774		6,943,774	741,398	52,476	793,874
Taxes receivable, net	20,851,254		20,851,254			
Notes receivable, net	10,050,016		10,050,016			
Health plan contributions receivable, net	2,648,250		2,648,250			
Internal balances	1,504,177	(1,504,177)				
Due from other governments	11,350,232		11,350,232		2,352,474	2,352,474
Intra-entity receivable	200,527		200,527		190,334	190,334
Receivable from external parties	300,141		300,141		24,652	24,652
Inventories and prepaid expenses	246,918		246,918	48,402	17,156	65,558
Other assets				89,307		89,307
Capital assets:						
Land	679,894		679,894		1,739,370	1,739,370
Construction in progress	50,859,770		50,859,770			
Infrastructure in progress	19,406,665		19,406,665			
Infrastructure, net	132,931,624		132,931,624			
Building and improvements, net	51,655,150	9,211,756	60,866,906	12,384,253	170,464	12,554,717
Office equipment and furniture, net	3,583,602	16,095	3,599,697			
Library books and textbooks, net	595,047		595,047			
Automobiles, net	597,447	13,060	610,507			
Machinery and equipment, net	10,886,854	111,529	10,998,383			
Animals, net		44,479	44,479			
Total capital assets	<u>271,196,053</u>	<u>9,396,919</u>	<u>280,592,972</u>	<u>12,384,253</u>	<u>1,909,834</u>	<u>14,294,087</u>
Total Assets	<u>\$ 380,219,885</u>	<u>\$ 8,174,224</u>	<u>\$ 388,394,109</u>	<u>\$ 21,836,632</u>	<u>\$ 5,156,951</u>	<u>\$ 26,993,583</u>
LIABILITIES						
Accounts payable	\$ 7,489,778	\$ 40,512	\$ 7,530,290	\$ 181,184	\$ 735,496	\$ 916,680
Accrued expenses	10,323,592	32,685	10,356,277	19,142		19,142
Retainage payable	759,350		759,350			
Internal balances	1,198,517	(1,198,517)				
Due to other governments	814,077		814,077		9,741	9,741
Intra-entity payable	190,334		190,334		200,527	200,527
Payable to external parties	112,629		112,629		1,191,487	1,191,487
Deferred revenue	403,020		403,020			
Accrued interest	3,705,840	68,478	3,774,318	44,908		44,908
Other liabilities	355,041		355,041	4,098,969	42,500	4,141,469
Long-term liabilities:						
Portion due or payable within one year:						
Claims payable	2,119,825		2,119,825			
Bonds and notes payable	35,547,431	435,000	35,982,431	870,000	104,780	974,780
Capital leases	475,293		475,293			
Compensated absences	9,106,293		9,106,293		195,562	195,562
Portion due or payable in more than one year:						
Bonds and notes payable	203,370,473	7,630,000	211,000,473	4,316,781		4,316,781
Capital leases	141,391		141,391			
Compensated absences	18,369,760		18,369,760			
Total liabilities	<u>\$ 294,482,644</u>	<u>\$ 7,008,158</u>	<u>\$ 301,490,802</u>	<u>\$ 9,530,984</u>	<u>\$ 2,480,093</u>	<u>\$ 12,011,077</u>
NET ASSETS						
Invested in capital assets, net of related debt	\$ 32,278,149	\$ 1,331,919	\$ 33,610,068	\$ 7,197,472	\$ 1,805,054	\$ 9,002,526
Restricted for:						
General Government						
Public Works						
Debt Service	2,544,736		2,544,736			
Non-expendable	4,596,995		4,596,995			
Other purposes	1,524,997		1,524,997			
Unrestricted	44,792,364	(165,853)	44,626,511	5,108,176	871,804	5,979,980
Total net assets	<u>\$ 85,737,241</u>	<u>\$ 1,166,066</u>	<u>\$ 86,903,307</u>	<u>\$ 12,305,648</u>	<u>\$ 2,676,858</u>	<u>\$ 14,982,506</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS
Statement of Activities
For the Year Ended June 30, 2002

	Program Revenues				Primary Government			Component Units		
	Net (Expense) Revenue and Changes in Net Assets				Capital Grants and Contributions	Business-Type Activities	Regional Refuse Management District	Nonmajor Component Units	Total Component Units	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities						Total
Activities:										
Governmental:										
General government	\$ 8,786,293	\$ 10,348,488	\$ 487,689	\$ 2,049,884	\$ 2,049,884	\$ 2,049,884	\$ 2,049,884	\$ 2,049,884	\$ 2,049,884	
Public protection:										
Probation	233,480		234,916	1,436						
General public safety	27,698,158	1,474,820	1,278,593	(24,944,745)						
Community awareness	888,545		824,720	(63,825)						
Fire protection	17,062,489	72,379	10,514	(16,979,596)						
Emergency medical services	2,214,507	1,288,073		(926,434)						
Other	19,027		8,411	(10,616)						
Public works	22,381,924	22,412,466	3,039,689	3,289,134						
Health and human services	6,903,230	899,537	26,718,927	20,715,234						
Education	157,312,660	2,568,359	114,315,357	(38,030,396)						
Community and economic development	10,765,760		9,373,173	(1,392,607)						
Culture and recreation	4,107,496	183,533	889,494	(3,054,469)						
State and county charges	1,458,082			(1,458,082)						
Debt service:										
Interest and fiscal charges	11,552,333			(11,552,333)						
Total governmental activities	271,384,004	39,247,655	157,161,483	(72,377,415)	2,597,451	(893,728)	1,759,650	(931,667)	1,759,650	
Business-type:										
Zoo Enterprise Fund	1,238,501	344,773				(893,728)				
Total business-type activities	1,238,501	344,773				(893,728)				
Total primary government	272,622,505	39,592,428	157,161,483	(72,377,415)	2,597,451	(893,728)	1,759,650	(931,667)	1,759,650	
Component Units:										
Greater New Bedford Regional Refuse Management District	3,345,936	5,105,586					1,759,650	(931,667)	1,759,650	
Non-major component units	7,665,634	900,902	5,833,065							
Total component units	11,011,570	6,006,488	5,833,065				1,759,650	(931,667)	827,983	
Total City of New Bedford	\$ 283,634,075	\$ 45,598,916	\$ 162,994,548	\$ (72,377,415)	\$ 2,597,451	\$ (893,728)	\$ 1,759,650	\$ (931,667)	\$ 827,983	
General revenues:										
Real estate and personal property, net of reserve for abatements				58,249,774						
Motor vehicle and other excise taxes				5,655,432						
Tax foreclosures				1,706,809						
Penalties and interest on taxes				1,032,316						
Grants and contributions not restricted to specific programs				4,077,062						
Fines and forfeitures				228,084						
Earnings on investments				559,196		3,612				
Payments in lieu of taxes				261,722						
Miscellaneous				757,349						
Transfers				(1,115,982)		1,115,982				
Change in net assets				(965,653)		225,866				
Net assets-beginning				86,702,894		940,200				
Net assets-ending				\$ 85,737,241	\$ 1,168,066	\$ 86,903,307	\$ 12,305,648	\$ 2,676,857	\$ 14,982,505	

The accompanying notes are an integral part of the statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Balance Sheet

Governmental Funds

June 30, 2002

	<u>General Fund</u>	<u>Wastewater Fund</u>	<u>Stabilization</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments, unrestricted	\$ 9,423,857	\$ 15,697,997	\$ 4,551,175	\$ 23,043,266	\$ 52,716,295
Receivables:					
Real estate and personal property taxes	2,897,020				2,897,020
Tax liens and foreclosures	15,915,024				15,915,024
Motor vehicle and other excise	2,039,210				2,039,210
User fees	512,936	1,436,196			1,949,132
Departmental and other	3,741,498	38,019		2,089,871	5,869,388
Loans receivable				10,050,016	10,050,016
Due from other funds	11,165,077	261,533		129,676	11,556,286
Due from other governments	61,976			11,288,256	11,350,232
Inventories				246,918	246,918
	<u>\$ 45,756,598</u>	<u>\$ 17,433,745</u>	<u>\$ 4,551,175</u>	<u>\$ 46,848,003</u>	<u>\$ 114,589,521</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Warrants payable	\$ 2,845,495	\$ 712,739	\$	\$ 1,913,386	\$ 5,471,620
Accounts payable	6,544,697	38,905		3,731,155	10,314,757
Retainage payable				759,350	759,350
Capital Lease payable					
Notes payable				27,000,000	27,000,000
Due to other funds	1,529,826	9,037,700		486,070	11,053,596
Due to other governments				814,077	814,077
Other Liabilities	355,041				355,041
Deferred revenue	19,982,962	1,474,216		11,594,518	33,051,696
	<u>31,258,021</u>	<u>11,263,560</u>		<u>46,298,556</u>	<u>88,820,137</u>
Fund balances (deficits):					
Reserved for:					
Encumbrances	1,260,720				1,260,720
Debt Service		2,544,736			2,544,736
Stabilization			4,551,175		4,551,175
Perpetual Permanent Funds				4,596,995	4,596,995
Other specific purposes	(66,419)	1,524,997			1,458,578
Unreserved	13,304,276	2,100,452			15,404,728
Undesignated, reported in nonmajor:					
Special revenue funds				6,837,401	6,837,401
Capital project funds				(14,004,679)	(14,004,679)
Permanent funds				3,119,730	3,119,730
	<u>14,498,577</u>	<u>6,170,185</u>	<u>4,551,175</u>	<u>549,447</u>	<u>25,769,384</u>
Total liabilities and fund balances	<u>\$ 45,756,598</u>	<u>\$ 17,433,745</u>	<u>\$ 4,551,175</u>	<u>\$ 46,848,003</u>	<u>\$ 114,589,521</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2002

	<u>General Fund</u>	<u>Wastewater Fund</u>	<u>Stabilization</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUE					
Real estate and personal property taxes	\$ 58,323,708	\$	\$	\$	\$ 58,323,708
Motor vehicle and other excise taxes	5,116,666				5,116,666
Tax foreclosures	1,692,198				1,692,198
Penalties and interest on taxes	1,032,316				1,032,316
Licenses and permits	1,379,626				1,379,626
Fines and forfeitures	228,084				228,084
Investment income	470,347	376,705	210,703	(484,447)	573,308
Intergovernmental	124,695,461	8,005,923		40,363,776	173,065,160
Charges for services	18,988,488	14,662,317		86,560	33,737,365
Payments in lieu of taxes	261,722				261,722
Miscellaneous	50,683	132,369		4,829,698	5,012,750
	<u>212,239,299</u>	<u>23,177,314</u>	<u>210,703</u>	<u>44,795,587</u>	<u>280,422,903</u>
Total revenues					
EXPENDITURES					
Current:					
General government	8,061,628		28,560	187,933	8,278,121
Public safety	40,239,260			2,104,608	42,343,868
Education	104,323,543			45,050,523	149,374,066
Public works	15,152,429	14,905,482		6,820,386	36,878,297
Community and economic development	655,049			10,090,394	10,745,443
Health and human services	3,502,309			3,942,270	7,444,579
Culture and recreation	2,616,119			1,051,308	3,667,427
Pension benefits	10,508,992				10,508,992
Health and other insurance	18,759,061				18,759,061
Fringe benefits	1,704,904				1,704,904
State and county charges	1,458,082				1,458,082
Debt service:					
Principal payments	3,883,444	4,404,254		126,556	8,414,254
Interest and fiscal charges	3,945,396	7,670,126			11,615,522
	<u>214,810,216</u>	<u>26,979,862</u>	<u>28,560</u>	<u>69,373,978</u>	<u>311,192,616</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	(2,570,917)	(3,802,548)	182,143	(24,578,391)	(30,769,713)
OTHER FINANCING SOURCES (USES)					
Transfers in	3,680,770	12,782,136	2,209,057	2,052,800	20,724,763
Transfers out	(3,769,053)	(13,633,655)	(3,257,742)	(665,269)	(21,325,719)
Total other financing sources and uses	(88,283)	(851,519)	(1,048,685)	1,387,531	(600,956)
Net change in fund balances	(2,659,200)	(4,654,067)	(866,542)	(23,190,860)	(31,370,699)
Fund balances-beginning	17,157,777	10,824,252	5,417,717	23,740,307	57,140,053
Fund balances-ending	<u>\$ 14,498,577</u>	<u>\$ 6,170,185</u>	<u>\$ 4,551,175</u>	<u>\$ 549,447</u>	<u>\$ 25,769,384</u>

The accompanying notes are an integral part of the statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Assets

Fiscal Year Ended June 30, 2002

Total governmental fund balances	\$ 25,769,384
Record allowance for doubtful accounts that are financial resources, for the governmental funds.	(874,746)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	271,196,052
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	32,648,676
Internal service funds are used by management to account for health insurance and workers' compensation activities.	
The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	714,356
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(3,705,840)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds and notes payable	(211,917,904)
Compensated absences	(27,476,053)
Capital leases	<u>(616,684)</u>
Net assets of governmental activities	<u>\$ 85,737,241</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, 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, 2002

Net change in fund balances - total governmental funds	\$ (31,370,669)
To record allowance for doubtful accounts that are resources for governmental funds	(874,746)
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. This is the amount by which capital outlays exceeded depreciation in the current period.	25,237,359
In the Statement of Activities, all governmental transfers are eliminated, whereas in the governmental funds all transfers are reported. As a result, the change in net assets differs from the change in fund balance by the transfers made between governmental funds and proprietary/fiduciary funds.	
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.	(684,869)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,229,698
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	(168,919)
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(1,434,041)
Internal service funds are used by management to account for health insurance and workers' compensation activities.	
The net activity of internal service funds is reported with Governmental Activities	<u>100,534</u>
Change in net assets of governmental activities	<u>\$ (965,653)</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Net Assets

Proprietary Funds

June 30, 2002

	Business-type Activities -		Governmental Activities -
	<u>Enterprise Fund</u>		<u>Internal Service Funds</u>
	<u>Zoo Enterprise</u>		
ASSETS			
Current assets:			
Cash and short-term investments	\$ 281,482		\$ 2,212,248
Receivables, net:			
Due from other funds	1,198,517		677
Deposits with others			<u>2,648,250</u>
Total current assets	<u>1,479,999</u>		<u>4,861,175</u>
Non-current assets:			
Capital assets:			
Building and improvements, net	9,211,756		
Office equipment and furniture, net	16,095		
Automobiles, net	13,060		
Machinery and equipment, net	111,529		
Animals, net	<u>44,479</u>		
Total non-current assets	<u>9,396,919</u>		
Total assets	<u>\$ 10,876,918</u>		<u>\$ 4,861,175</u>
LIABILITIES			
Current liabilities:			
Warrants payable	\$ 40,512		\$ 2,018,158
Accounts payable	32,685		8,836
Current portion of long-term debt	435,000		
Accrued interest payable	68,478		
Due to other funds	1,504,177		
Other liabilities			<u>2,119,825</u>
Total current liabilities	<u>2,080,852</u>		<u>4,146,819</u>
Non-current liabilities:			
Long-term portion of long-term debt	<u>7,630,000</u>		
Total non-current liabilities	<u>7,630,000</u>		
Total liabilities	<u>\$ 9,710,852</u>		<u>\$ 4,146,819</u>
NET ASSETS			
Restricted	\$		\$
Unrestricted	<u>1,166,066</u>		<u>714,356</u>
Total net assets	<u>\$ 1,166,066</u>		<u>\$ 714,356</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

For the Year Ended June 30, 2002

	Business-type Activities -	
	<u>Enterprise Fund</u>	
	<u>Zoo Enterprise</u>	<u>Governmental Activities -</u>
		<u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for services	\$ 344,773	\$
Interfund services provided		<u>26,370,399</u>
Total operating revenues	<u>344,773</u>	<u>26,370,399</u>
OPERATING EXPENSES		
Salaries and benefits	781,872	25,231
Services and supplies	234,207	251,441
Depreciation	226,159	
Health and other insurance		25,994,404
Capital outlay		
Total operating expenses	<u>1,242,238</u>	<u>26,271,076</u>
Operating income (loss)	<u>(897,465)</u>	<u>99,323</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	7,350	1,211
Interfund services provided	<u>515,025</u>	
Total nonoperating revenue (expenses)	<u>522,375</u>	<u>1,211</u>
Income (loss) before transfers	<u>(375,090)</u>	<u>100,534</u>
TRANSFERS		
Transfers In	600,956	
Transfers Out		
Total Transfers	<u>600,956</u>	
Change in net assets	225,866	100,534
Total net assets-beginning	<u>940,200</u>	<u>613,822</u>
Total net assets-ending	<u>\$ 1,166,066</u>	<u>\$ 714,356</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Cash Flows

Proprietary Funds

For the year Ended June 30, 2002

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Zoo Enterprise	
Cash flows from operating activities:		
Receipts from customers	\$ 344,773	\$
Payments to suppliers	(1,039,317)	
Payments to participants and employees		(26,074,120)
Cash received from Interfund services provided		26,370,399
Internal activity-payments from (to) other funds	(60,864)	
Other receipts	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	<u>(755,408)</u>	<u>296,279</u>
Cash flows from noncapital financing activities:		
Transfers in	<u>600,956</u>	<u>1,740,927</u>
Net cash provided by noncapital financing activities	<u>600,956</u>	<u>1,740,927</u>
Cash flows from capital and related financing activities:		
Purchases and construction of capital assets		
Debt issuance costs		
Principal paid on capital debt		
Interest paid on capital debt	<u> </u>	<u> </u>
Net cash used by capital and related financing activities	<u> </u>	<u> </u>
Cash flows from investing activities:		
Interest and dividends	<u>3,612</u>	<u>1,211</u>
Net cash used by investing activities	<u>3,612</u>	<u>1,211</u>
Net increase in cash and cash equivalents	(150,840)	2,038,417
Balances-beginning of the year	<u>432,322</u>	<u>173,831</u>
Balances-end of the year	<u>\$ 281,482</u>	<u>\$ 2,212,248</u>
Displayed as:		
Cash and short-term investments	<u>\$ 281,482</u>	<u>\$ 2,212,248</u>
	<u>\$ 281,482</u>	<u>\$ 2,212,248</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Cash Flows (Continued)

Proprietary Funds

For the year Ended June 30, 2002

	Business-type Activities - <u>Enterprise Fund</u>	Governmental Activities - <u>Internal Service Funds</u>
	<u>Zoo Enterprise</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (897,465)	\$ 99,323
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	226,159	
(Increase) decrease to capital assets	(66,545)	
(Increase) decrease receivables, net		
(Increase) decrease due from other funds	(600,956)	
Increase (decrease) warrants payable	22,625	297,349
Increase (decrease) accounts payable and accrued expenses	20,682	307,357
Increase (decrease) due to other funds	540,092	
Change in assets and liabilities:		
Increase (decrease) capital lease payable		(407,750)
Increase (decrease) deferred revenue	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	\$ <u>(755,408)</u>	\$ <u>296,279</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Fiduciary Net Assets

Fiduciary Funds and Similar Component Units

June 30, 2002

	<u>Pension Trust Fund (As of December 31, 2001)</u>	<u>Private Purpose Trust Funds</u>	<u>Agency</u>	<u>Total</u>
Assets				
Cash and short-term investments	\$ 4,298,062	\$ 1,783	\$ 400,066	\$ 4,699,911
Investments	149,035,801	18,262		149,054,063
Receivables, net of allowance or uncollectibles:				
Interest and dividends	865,001			865,001
Intergovernmental				
Other	544,758		32,615	577,373
Due from other funds			1,425,985	1,425,985
Due from other governments	<u>415,557</u>		<u>219,771</u>	<u>635,328</u>
Total assets	<u>\$ 155,159,179</u>	<u>\$ 20,045</u>	<u>\$ 2,078,437</u>	<u>\$ 157,257,661</u>
Liabilities				
Accounts payable	\$ 1,271,127	\$	\$ 947,337	\$ 2,218,464
Due to other governments				
Due to other funds			446,663	446,663
Deposits Held			684,437	684,437
Other Liabilities				
Total liabilities	<u>1,271,127</u>		<u>2,078,437</u>	<u>3,349,564</u>
Net Assets				
Held in trust for pension benefits and other purposes	<u>\$ 153,888,052</u>	<u>\$ 20,045</u>	<u>\$</u>	<u>\$ 153,908,097</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds and Similar Component Units

June 30, 2002

	<u>Pension Trust Fund (As of December 31, 2001)</u>	<u>Private Purpose Trust Funds</u>	<u>Agency</u>	<u>Total</u>
Additions:				
Contributions:				
Employer	\$ 11,873,000	\$	\$	\$ 11,873,000
Employee	6,683,557			6,683,557
Private donations				
Total contributions	<u>18,556,557</u>			<u>18,556,557</u>
Net investment income:				
Dividends and interest	5,314,368	1,609		5,315,977
Net appreciation in fair value of investments	<u>(6,547,330)</u>	<u>(6,772)</u>		<u>(6,554,102)</u>
Total investment income	<u>(1,232,962)</u>	<u>(5,163)</u>		<u>(1,238,125)</u>
Less investment expense	<u>1,047,927</u>			<u>1,047,927</u>
Net investment income	<u>(2,280,889)</u>	<u>(5,163)</u>		<u>(2,286,052)</u>
Intergovernmental	2,178,137			2,178,137
Transfers from other systems				
Total Additions	<u>18,453,805</u>	<u>(5,163)</u>		<u>18,448,642</u>
Deductions:				
Retirement benefits	20,232,172			20,232,172
Administration	463,747	210		463,957
Library				
Transfers, reimbursements and refunds	<u>1,637,198</u>			<u>1,637,198</u>
Total Deductions	<u>22,333,117</u>	<u>210</u>		<u>22,333,327</u>
Change in Net Assets	<u>(3,879,312)</u>	<u>(5,373)</u>		<u>(3,884,685)</u>
Net Assets at Beginning of Year	<u>157,767,364</u>	<u>25,418</u>		<u>157,792,782</u>
Net Assets at End of Year	<u>\$ 153,888,052</u>	<u>\$ 20,045</u>	<u>\$</u>	<u>\$ 153,908,097</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies

The accompanying basic financial statements of the City of New Bedford (the City) are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

These financial statements present the City (the primary government) and its component units, the Greater New Bedford Regional Refuse Management District, the Harbor Development Commission, New Directions and the New Bedford Contributory Retirement System. As defined by GASBS No. 14, component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City.

Greater New Bedford Regional Refuse Management District is an intermunicipal landfill benefitting the City of New Bedford and the adjacent Town of Dartmouth. The Refuse District is governed by a six member committee, three of whom are appointed by the City and three of whom shall be appointed by the Town of Dartmouth. Although legally separate, the Greater New Bedford Regional Refuse Management District is reported on the government-wide financial statement as a component unit. Separate financial statements for the Greater New Bedford Regional Refuse Management District are not included in this financial statement presentation. These financial statements could be obtained by contacting the Greater New Bedford Regional Refuse Management District.

The Harbor Development Commission was established under the Acts of 1957 as a Public Instrumentality to develop and market both the New Bedford Harbor as well as the waterfront properties. The Harbor Development Commission manages the local marina, harbors and waterways on behalf of the City. The Commission is made up of seven members, of which the mayor is the chairperson and six other appointed members. Although legally separate, the Harbor Development Commission is reported on the government-wide financial statements as a non-major component unit. Separate financial statements for the Harbor Development Commission are not included in this financial statement presentation. These financial statements could be obtained by contacting the Harbor Development Commission.

New Directions was established pursuant to the Job Training Partnership Act of 1982, 29 U.S.C. Sec. 1501 et seq. to provide employment training programs to eligible individuals. Although legally separate, New Directions is reported on the government-wide financial statements as a non-major component unit. Separate financial statements for New Directions are not included in this financial statement presentation. These financial statements could be obtained by contacting New Directions.

The Contributory Retirement System (CRS) is a defined benefit contributory retirement plan covering employees of the City and certain other entities. The City Auditor is an ex-officio member of the System's Board and the City is the largest employer in the System. The Retirement System accounts for resources available to be used for payment of pension benefits.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's public safety, parks, library and recreation, public works wastewater, water, and general administrative services are classified as governmental activities. The City's zoo is classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with function (police, public works, community and economic development, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. However, fiduciary funds are not included in government-wide statements since these assets are held for the benefit of private parties and pension participants, and cannot be used to satisfy obligations of the primary government. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The net costs (by function or business type-activity) are normally covered by general revenue (property, sales taxes, intergovernmental revenues, interest income, etc.)

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by general classification within the financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements (Continued)

The following funds are used by the City:

1. *Governmental Funds*

The focus of the governmental funds' measurement (in the fund statements) is upon determination of the financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- a. **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. **Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

2. *Proprietary Funds*

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The accounting principles generally accepted in the United States applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues, has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or establishes fees and charges based on a pricing policy designed to recover similar costs.
- b. **Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis.

3. *Fiduciary Funds*

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

3. *Fiduciary Funds (Continued)*

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds.

The City's internal service fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. *Accrual*

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. *Modified Accrual*

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Financial Statement Amounts

1. *Cash and Cash Equivalents*

The City has defined cash and cash equivalents to include cash on hand, demand deposits and highly liquid investments with a maturity of three months or less when purchased.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

2. Investments

Investments, including deferred compensation and pension funds, are stated at fair value. Fair values are based on quotations from national securities exchange. Purchases and sales of investments are recorded on the trade date. Transactions unsettled as of year-end are recorded as prepaid for securities purchased and as receivables for securities sold.

3. Property Taxes

Real and personal property taxes are based on values levied (assessed) and lienied as of each January 1 in accordance with Massachusetts General Laws. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Once levied, these taxes are recorded as receivables, net of estimated uncollectibles. In the government fund financial statements, property tax revenues have been recorded using the modified accrual basis of accounting. Under the modified basis real estate, personal property and other excise taxes levied are recorded as receivables in the fiscal year of the levy and as revenue when collected within the current year or expected to be collected within 60 days after the end of the current year. Taxes not collected within this time period are classified as deferred revenue. Deferred revenues are those where asset recognition has been met for which revenue criteria have not been met. The government-wide financial statements recognize property tax revenue when taxes are levied net of estimated abatements and exemptions.

4. Inventory

The cost of supplies and other inventoriable items as recorded is an expenditure at the time of purchase (purchase method). No significant inventory balances were on hand at June 30, 2002.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs, gutters, streets, sidewalks, and drainage systems) are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets purchased or acquired with an aggregated original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Net interest costs related to construction projects are capitalized during the related period. Such costs were not considered material during fiscal 2002. Donated capital assets are valued at their estimated fair value at the time recorded.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in fixed assets.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

5. Capital Assets (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	20-50 years
Water and sewer system	30-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Other infrastructure	10-50 years

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The City has elected to implement the general provisions of GASB No. 34 in the current year and hope to implement the retroactive infrastructure provisions in the fiscal year ending June 30, 2003.

6. Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specific payment rates established by controls, regulations or policy. The cost of compensated absences for employees is recorded as earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if it has matured. At June 30, 2002 no amount has been accrued.

7. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures are recorded in order to reserve portions of applicable appropriations, is employed in governmental funds.

8. Reserved-Unreserved Fund Balance/Retained Earnings

The reserved portions of fund balance consist principally of the portion which is not appropriable for expenditures, which is legally segregated for a specific future use.

Certain wastewater reserve funds are adjusted on the last business day of each calendar month. The Trustee is required to apply amounts available in the revenue fund to the following reserve funds in the following order:

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

8. *Reserved-Unreserved Fund Balance/Retained Earnings (Continued)*

Operating Account of the Operating Fund - Monthly deposit to equal the amount of Operating Expenses in the next succeeding month, as provided in the Wastewater Division's annual operating budget;

Working Capital Account of the Operating Fund - Deposit as needed to equal the Operating Fund Deficit, if any;

Debt Service Fund - Monthly deposits on account of debt service on City Revenue Bonds;

Debt Service Reserve Fund - Deposit as needed to meet the Debt Service Reserve Fund requirement;

Operating Reserve Fund - Deposit as needed to meet the Operating Reserve Fund requirement;

Renewal and Replacement Reserve Fund - Deposit as needed to meet the Renewal and Replacement Reserve Fund requirement;

Insurance Reserve Fund - Deposit as needed to meet the Insurance Reserve Fund requirement, if any;

Renewal and Replacement Accounts - Deposit as determined by the City to fund ongoing repair and maintenance of the Wastewater System; and

Debt Service Assistance Account in the Debt Service Fund - Deposit as determined by the City in anticipation of the receipt of Debt Service Assistance from the Commonwealth or other sources.

Unreserved Fund Equity - The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Unreserved retained earnings for proprietary funds represent the net assets available on future operations or distribution.

9. *Long-Term Liabilities*

For long-term liabilities, only that portion, which is matured, is reported as a fund liability of a governmental fund. All long-term liabilities are reported in government-wide financial statement of net assets. Long-term liabilities expected to be financed from discretely presented component unit operations are accounted for in those component units financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

10. *Claims and Judgments*

The City is uninsured with respect to risks including, but not limited to, property damages, personal injury and workers' compensation. In the fund financial statements, expenditures for claims and judgments are recorded on the basis of whether the liability has matured in the current period. Expenditures for workers' compensation are recorded when paid. Settlements relating to condemnation proceedings are reported when the liability is estimable. In the government-wide financial statements the estimated liability for all claims and judgments is recorded as a liability and as an expense.

11. *Revenues*

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenues based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue with the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

12. *Expenditures*

Expenditures are recognized when the related fund liability is incurred.

13. *Interfund Activity*

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

14. *Use of Estimates*

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2: Compliance and Accountability

Budget Requirements, Accounting and Reporting

Requirements for all funds:

- A. Annual budgets are adopted for all City funds. Under state law, the Mayor submits an annual budget to Council for consideration and approval no later than July 15. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.
- B. By Charter the Mayor must submit an annual appropriate ordinance to City Council. This ordinance builds upon the tax budget of the previous July and is updated for any estimate revisions as well as year-end encumbrances and may include any additional information requested by Council. Council may subsequently amend such ordinance. Amendments to the appropriation ordinance during 2002 were approved by the City Council as provided by the Charter.
- C. For day-to-day management control, expenditures plus encumbrances may not exceed budget at the expenditure-type (i.e., personal services, other operations and maintenance, etc.) level of each cost center (activity within a program within a fund). The Mayor may transfer unencumbered appropriations within programs within funds.
- D. Appropriation control (City Council appropriate budget) is by program (i.e., safety, leisure, health, etc.) within a fund. City Council may, by ordinance, transfer amounts among programs within and between funds. Budgetary comparison schedules are presented in the Supplemental Section as Required Supplemental Information. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual.

Interfund Transactions

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transfers:			
	General Fund	Special Revenue Other	\$ 386,914
	General Fund	Special Revenue	129,656
	General Fund	Expendable Trust Funds	2,914,200
	General Fund	Non-Expendable Trust Funds	250,000

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 2: Compliance and Accountability (Continued)

Interfund Transactions (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transfers:		
Expendable Trust Funds	General Fund	1,865,515
Community Development	General Fund	26,920
Special Revenue	General Fund	386,052
Special Revenue Other	General Fund	100,000
Capital Projects	General Fund	789,607
Zoo Enterprise	General Fund	600,956
Special Revenue Other	Non-Expendable Trust Funds	5,143
Special Revenue	Special Revenue Other	23,213
Special Revenue	Wastewater	851,519
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Funds</u>		
General Fund	\$ 11,165,077	\$ 1,529,826
Special Revenue Funds:		
Revolving Funds:		
Police Federal Seized Assets	4,128	100
Police State Seized Assets	11,074	100
Buttonwood Park Zoo		1,812
Donation Fund:		
Library		809
Federal and State Grants:		
COPS in School		129,280
Police - New Horizons	299	
NB Arts Lottery Commission	67,362	
Highway Improvements		93,681
Community Development Funds:		
Block Grant	1,701	8,057
Home Program		6,665
HAND, Inc.	8,057	1,701
Wastewater Funds:		
Operating	167,805	9,027,819
Special Projects	93,728	9,881

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 2: Compliance and Accountability (Continued)

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Funds (Continued)</u>		
Capital Project Funds:		
Wastewater Capital		115,410
Railroad Depot		81,573
CSO Relocation		42,532
Permanent Funds:		
Cemetery Perpetual Care	34,621	
Sylvia Ann Howard		891
Kempton Gift of Sarah Potter		1,877
Clara Tripp	621	
Sylvia HG Wilks		1,581
Zoological Society	1,812	
<u>Proprietary Funds</u>		
Enterprise Fund:		
Zoo	1,198,517	1,504,177
Internal Service Fund:		
Group Insurance Fund	363	
Purchasing Department	314	
<u>Fiduciary Funds</u>		
Employee Health Insurance Funds	33,712	300,000
Harbor Implementation		13,663
Harbor Plan		10,989
Harbor Development Pass Through		
Wharfs and Piers	388,667	121,870
White Meadows	916	13
Ferry Terminal	1,002,690	
Savings Bonds		128
<u>Component Unit</u>		
Harbor Development Funds:		
Harbor Development Commission	462,423	1,438,925
Redevelopment Agency Funds:		
Redevelopment Agency		<u>200,527</u>
	<u>\$ 14,643,887</u>	<u>\$ 14,643,887</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 2: Compliance and Accountability (Continued)

For the government-wide financial statements, all interfund transactions were eliminated except for those with component units and fiduciary funds.

The City utilizes the interfund loan accounts as a short term vehicle to expedite the payment of vouchers from a consolidate vendor checking account.

The transfers between funds are to fund operations for the zoo; to fund matching revenues related to federal grants; to fund and utilize funding for operations in the Stabilization fund and to fund various other immaterial deficits in Special Revenue and Community Development funds.

	<u>Governmental Funds</u>		<u>Fiduciary</u>
	<u>General</u>	<u>Special</u>	<u>Fund</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Trust</u>
			<u>Fund</u>
Reserved:			
Encumbrances	\$ 1,260,720	\$	\$
Nonexpendable bequests			4,600,195
Unrestricted	<u> </u>	<u>4,069,733</u>	<u> </u>
	<u>1,260,720</u>	<u>4,069,733</u>	<u>4,600,195</u>
Designated:			
Designated for appropriation deficits	<u>(66,419)</u>	<u> </u>	<u> </u>
	<u>(66,419)</u>	<u> </u>	<u> </u>
	<u>\$ 1,194,301</u>	<u>\$ 4,069,733</u>	<u>\$ 4,600,195</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 3: Deposits and Investments

Deposits are in various financial institutions and are carried at cost.

The primary government's carrying amounts of deposits was \$55,534,576 and the bank balance was \$66,791,177. Of the bank balance \$1,550,258 was covered by Federal Depository Insurance or by collateral held by the City's agent in the City's name. \$17,486,509 of those deposits are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. The remaining balance of \$36,497,809 was uninsured or collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name. The total carrying value does not include cash on hand of \$8,550.

The Contributory Retirement System's carrying amount of deposits was \$4,298,062 and the bank balance was \$5,917,009. Of that bank balance \$200,000 was covered by Federal Depository or collateral held by the System or its agent in the System's name. \$3,117,247 of the bank balance is collateralized with securities held by the pledging financial institution's trust department or agent in the System's name. The remaining balance of \$980,815 was uninsured or uncollateralized.

The Harbor Development Commission's carrying amount of deposits was \$503,425 and the bank balance was \$512,339. Of that bank balance \$283,016 was covered by Federal Depository or collateral held by the Commission or its agent in the System's name. The remaining balance of \$220,409 was uninsured or uncollateralized.

The New Directions Fund's carrying amount of deposits was \$90,928 and the bank balance was \$92,918. Of that bank balance \$92,918 was covered by Federal Depository or collateral held by the Fund's or its agent in the System's name. The total carrying value does not include cash on hand of \$300.

The Greater New Bedford Regional Refuse Management District's carrying amount of deposits was \$1,431,545 and the bank balance was \$1,444,818. Of that bank balance \$191,014 was covered by Federal Depository or collateral held by the district's or its agent in the District's name. Of that bank balance \$-0- was covered by Federal Depository or collateral held by the District or its agent in the District's name. \$1,240,531 of the bank balance is collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. The remaining balance of \$-0- was uninsured and uncollateralized. The total carrying value does not include cash on hand of \$200.

The Redevelopment Authority's carrying amount of deposits was \$15,372 and the bank balance was \$15,369. Of that bank balance \$15,369 was covered by the Federal Depository or collateral held by the authority or its agent in the Authority's name.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 3: Deposits and Investments (Continued)

The City categorizes investments according to the level of risk assumed by the City. Category 1 includes investments that are insured, registered or held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the City's name.

For financial statement purposes, the City records its investments in conformity with GASB-31 utilizing the market value as of the last reported bid price on the last day of the business year.

Primary Government:

	<u>Category</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
Government securities	\$	\$ 4,358,848	\$
Stocks		3,729,857	
Bonds		631,636	
Fixed income securities		1,115,575	
Certificate of deposit		<u>17,646</u>	
	<u>\$</u>	<u>\$ 9,853,562</u>	<u>\$</u>

NOTE 4: Property Tax

Real estate and personal property taxes are based on values assessed as of each January 1. Taxes due and unpaid after the respective dates are subject to interest and penalties. The City has the right to begin the lien process on property on which taxes have not been paid after one year following the due date and subsequently foreclose on such property.

Real estate, personal property and other excise tax levies are recorded as receivables and revenue in the fiscal year of the levy. Also, any amounts collected within 60 days after year-end are considered revenue. Taxes collected in advance is considered deferred revenue.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 5: Capital Assets and Depreciation

Capital asset activity for the year ended June 30, 2002 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Not Being Depreciated:				
Land	\$ 257,458	\$ 422,436	\$	\$ 679,894
Construction in progress	21,271,230	29,588,540		50,859,770
Infrastructure in progress	<u>12,785,780</u>	<u>6,620,885</u>		<u>19,406,665</u>
Subtotal	<u>34,314,468</u>	<u>36,631,861</u>		<u>70,946,329</u>
Other Capital Assets:				
Infrastructure	160,932,733	3,588,082		164,520,815
Buildings and improvements	103,692,841	844,762		104,537,603
Machinery and equipment	26,937,897	2,909,151		29,847,048
Office equipment and furniture	9,754,838	1,001,270		10,756,108
Library books and textbooks	3,019,636	352,530		3,372,166
Automobiles	<u>4,076,845</u>	<u>24,669</u>		<u>4,101,514</u>
Subtotal	<u>308,414,790</u>	<u>8,720,464</u>		<u>317,135,254</u>
Accumulated Depreciation:				
Infrastructure	28,298,774	3,290,417		31,589,191
Buildings and improvements	50,791,701	2,090,752		52,882,453
Machinery and equipment	16,020,690	2,939,504		18,960,194
Office equipment and furniture	5,166,954	2,005,552		7,172,506
Library books and textbooks	1,821,463	955,656		2,777,119
Automobiles	<u>2,988,293</u>	<u>515,774</u>		<u>3,504,067</u>
Subtotal	<u>105,087,875</u>	<u>11,797,655</u>		<u>116,885,530</u>
Net other capital assets	<u>203,326,915</u>	<u>(3,077,191)</u>		<u>200,249,724</u>
Net capital assets	<u>\$ 237,641,383</u>	<u>\$ 33,554,670</u>	<u>\$</u>	<u>\$ 271,196,053</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 5: Capital Assets and Depreciation (Continued)

Depreciation was charged to functions as follows:

Governmental activities:

General Government	\$ 262,799
Public Protection:	
Probation	
General Public Safety	706,987
Community Awareness	
Fire Protection	285,651
Emergency Medical Services	66,439
Other	
Public Works	3,434,460
Health and Human Services	859,384
Education	5,845,748
Community and Economic Development	5,019
Culture and Recreation	<u>331,168</u>
Total Governmental Activities Depreciation Expense	<u>\$ 11,797,655</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 5: Capital Assets and Depreciation (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
Depreciable Assets:				
Buildings and improvements	\$ 9,794,139	\$ 103,517	\$	\$ 9,897,656
Machinery and equipment	137,439	19,030		156,469
Office equipment and furniture	26,495	574		27,069
Library books and textbooks				
Automobiles	7,300	14,500		21,800
Animals	<u>40,680</u>	<u>8,950</u>		<u>49,630</u>
Subtotal	<u>10,006,053</u>	<u>146,571</u>		<u>10,152,624</u>
Accumulated Depreciation:				
Buildings and improvements	487,947	197,953		685,900
Machinery and equipment	29,292	15,648		44,940
Office equipment and furniture	5,647	5,327		10,974
Library books and textbooks				
Automobiles	4,381	4,359		8,740
Animals	<u>2,279</u>	<u>2,872</u>		<u>5,151</u>
Subtotal	<u>529,546</u>	<u>226,159</u>		<u>755,705</u>
Net capital assets	<u>\$ 9,476,507</u>	<u>\$(79,588)</u>	<u>\$</u>	<u>\$ 9,396,919</u>

Depreciation was charged to functions as follows:

Business-Type Activities:

Buttonwood Park Zoo \$ 226,159

Total Business-Type Activities Depreciation Expense \$ 226,159

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 6: Pensions and Other Post Employment Benefits

The City of New Bedford contributes to the City of New Bedford's Contributory Employees' Retirement System, which is a single-employer public employee retirement system (PERS), as established under Chapter 32 of the General Laws of the Commonwealth of Massachusetts.

Effective January 1, 1996, the Contributory Retirement System of the City of New Bedford adopted Governmental Accounting Standards Board Statement No. 25 ("GASB-25"): "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans." GASB-25 is intended to enhance the understandability and usefulness of pension information included in the financial reports of state and local governmental pension plans.

Effective July 1, 1998, Chapter 17 of the Acts of 1997 (COLA Legislation) was adopted. The result of the adoption of Chapter 17 is to increase the retirement allowance pension or annuity by the percentage as determined by the Commissioner of Social Security or 3% whichever is less. The maximum pension benefit on which a COLA may be granted is \$12,000. All retirees, disabled retirees and beneficiaries that have been receiving benefit payments for at least one year as of July 1st are eligible for the adjustment.

All COLA's granted to members prior to July 1, 1998 and after 1981 are deemed to be an obligation of the State and are not the liability of the Retirement System.

Summary of Significant Accounting Policies

Basis of Accounting

The City of New Bedford's Contributory Employees' Retirement System's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Investment income is recognized as earned by the pension plan. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as a increase (decrease) to investment income based on the valuation of investments as of the balance sheet date.

The City accepted Section 22(1)(b1/2) of Chapter 32 of the Massachusetts General Laws in 1990. The City must establish a funding schedule designed to fully fund the retirement system and to reduce the unfunded actuarial accrued liability of the system to zero as of June 30, 2028. Any system for which a funding schedule has been adjusted and approved may receive annual pension funding grants from the Commonwealth.

Operating Cycle

The accounting records of the Retirement System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of Public Employee Retirement Administration Commission.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 6: Pensions and Other Post Employment Benefits (Continued)

Method Used to Value Assets

Cash deposits are carried at cost which approximates market. Investments in bonds and notes are stated at amortized cost which approximates market. Investments in stock are recorded at market value.

Plan Description

All full-time employees, other than teachers, whose employment commences prior to age sixty-five are eligible to participate in the City of New Bedford's Contributory Employees' Retirement System. Teachers and certain administrative employees of the School Department participate in a contributory retirement plan administered by the Massachusetts Teachers' Retirement Board. The City does not contribute to this plan.

The Retirement Board exercises jurisdiction to determine an employee's eligibility for membership in cases involving part time service. The participants contribute specified percentages of their annual compensation to the plan. The City's contribution is determined by the Division of Public Employee Retirement Administration ("PERA") on a cost of benefits approach and, for the year ended June 30, 2002, was \$10,900,601.

As of December 31, 2001, employee membership data related to the pension plan was as follows:

	<u>Group 1</u>	<u>Group 2 & 4</u>	<u>Total</u>
Active members	2,079	543	2,622
Inactive members	180	14	194
Retired members	<u>1,118</u>	<u>560</u>	<u>1,678</u>
	<u>3,377</u>	<u>1,117</u>	<u>4,494</u>

Under the provisions of the City's pension plan, pension benefits vest after ten years of creditable service. If the employees are terminated involuntarily, benefits vest after six years of creditable service if the employee became a member of a public employee retirement system before January 1, 1978. An employee may retire at age 55 and receive annual pension benefits. The pension plan also provides for death and disability benefits. An employee's annual pension is determined by multiplying his average salary by a benefit rate related to his age and job classification at retirement and the resulting product by his creditable years of employment service. His average salary is the average of his highest three consecutive years' salary or the average salary from his last three years of service, if not consecutive. For most employees, the average of the last three years' salary will be their highest average salary. The amount determined by the benefit formula cannot exceed 80% of the employee's average salary as described above.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 6: Pensions and Other Post Employment Benefits (Continued)

Retirement Groups

For retirement purposes employees are classified as Group 1, 2 or 4 employees:

Group 1 Officials and general employees including clerical, administrative and technical workers, laborers, mechanics and all others not otherwise classified. Participants within this group are eligible to retire at age 55.

Group 2 Electricians not classified in Group 1 or 4. Participants within this group are eligible to retire at age 55.

Group 4 Members of police, fire and electric light departments not classified in Group 1 or 2. Participants within this group are eligible to retire at age 45.

Funding Policy

Under provisions of State statutes, each employee is required to contribute 5% of his basic pay (exclusive of overtime) to a special fund. For certain employees without continuous service who are reemployed on or after January 1, 1975 and for all employees hired on or after January 1, 1975 but prior to 1984, the contribution rate is 7%. For employees hired after July 1, 1996 the contribution rate is 9%. For all employees hired on or after January 1, 1979 there is an additional contribution of 2% of salary in excess of \$30,000. In addition, the City must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by state statutes. Administrative costs of the Retirement System are financed through investment earnings.

The most recent actuarial valuation of the City's Contributory Retirement System was prepared under the direction of Public Employee Retirement Administration Commission (PERAC) as of January 1, 2002. The standardized measure of the unfunded actuarial accrued liability as of January 1, 2002, is as follows:

Actuarial accrued liability:

	<u>January 1, 2002</u> <u>(unaudited)</u>
Active members	\$ 154,702,220
Inactive members	1,129,005
Retirees and beneficiaries currently receiving benefits	149,982,406
Cost of living adjustment	<hr/>
Total actuarial accrued liability	305,813,631
Net assets available for benefits, at market	<hr/> 157,129,409
Unfunded actuarial accrued liability	<u>\$ 148,684,222</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 6: Pensions and Other Post Employment Benefits (Continued)

Contributions Required and Contributions Made

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal actuarial cost method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is funded over a 30-year period. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the level percentage of payroll on an open group method. The remaining amortization period at December 31, 1998, was 29 years. The funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient resources to pay employee pension benefits on a timely basis.

Total contributions to the pension plan in 2001 amounted to \$19,871,787 of which \$2,178,137 and \$6,793,049 were made by the City of New Bedford and its employees, respectively. The contributed amounts were actuarially determined as described above on a fiscal year basis. For fiscal year 2002 the contribution amount of \$10,194,117 was based on an actuarial valuation as of January 1, 1998. The pension contributions represent funding for normal cost and the amortization of the unfunded actuarial accrued liability. Contributions made by the City of New Bedford and its employees represent 20% and 7% respectively, of covered payroll for the year.

The covered payroll for the Contributory Retirement System for year ending December 31, 2001 was approximately \$75,089,435. The City's total payroll for all employees was approximately \$72,843,213 for the same period. Covered payroll refers to all compensation paid by the City to active employees covered by the City of New Bedford PERS on which contributions to the pension are based.

The computation of the pension contribution requirements for 1998 was based on the same (a) actuarial assumptions, (b) benefit provisions, and (c) other significant factors as used to determine pension contribution requirements in the previous year.

Trend Information

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Net assets available for benefits as a percentage of the actuarial accrued liability applicable to the City's employees	51.4%	54.0%	54.0%
Unfunded actuarial accrued liability as a percentage of the City's annual covered payroll	198.0%	198.1%	198.1%
City's contribution to the pension plan as a percentage of annual covered payroll	26.5%	26.8%	26.8%

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 7: Other Employee Benefits

Other Postemployment Benefits

In addition to the pension benefits described above, the City provides health and life insurance benefits to retirees, their dependents and beneficiaries in accordance with Chapter 32B of Massachusetts General Laws under various contributory plans. Specific benefit provisions and contribution rates are established by collective-bargaining agreements, state laws, and City ordinance.

NOTE 8: Other Commitments

The City of New Bedford and New Directions has entered into various operating leases for real property, machinery and equipment. Several leases contain a renewal option for varying periods at similar or reduced annual rates. As of June 30, 2002, future minimum rental payments under operating leases that have initial or remaining noncancellable lease terms are immaterial.

NOTE 9: Contingencies

There are several lawsuits and claims in which the City is involved. Both City officials and their legal counsel are unable to express an opinion as to the ultimate outcome of all the cases, and therefore the provision for loss has not been accrued in the accompanying financial statements. It is the opinion of both the City officials and their legal counsel that the results of these cases should have no material adverse effect on the financial position as of June 30, 2002.

Wastewater Capital Improvement Program

To date, the City has financed the Wastewater Capital Improvement Program, through direct loans from the Massachusetts Water Pollution Trust totaling approximately \$151 million, which loans were secured by the issuance of City Revenue Bonds pursuant to the General Resolution. In addition to the Trust loans, the City also has issued general obligation bond anticipation notes to finance those projects in the Wastewater Capital Improvement Program that are not eligible for financing from the Trust under federal and Massachusetts law. Such bond anticipation notes will be repaid through general obligation of the City or additional City Revenue Bonds.

In addition, the City anticipates that it may receive funding from certain state and federal grants and from the settlement of environmental Superfund litigation between the EPA and other parties (not including the City) related to the City's Inner Harbor.

The residual cost of the facility to be funded through user fees and tax levy cannot presently be determined. No provision for any liability that may result has been made in the general purpose financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 9: Contingencies (Continued)

Wastewater Capital Improvement Program (Continued)

The City of New Bedford has signed a consent decree with the Environmental Protection Agency ("EPA"), Commonwealth of Massachusetts Department of Environmental Protection ("DEP") and the Conservation Law foundation concerning the construction of waste treatment facilities, the reduction of combined sewer overflows and compliance with certain provisions of the Clean Water Act (the "Act"). The consent decree required, among other things, the building and full operation of a Secondary Treatment Plant by January 19, 1997. Based upon final specifications and the City's recommended plan for compliance, the City has estimated that total construction costs for the waste treatment program will be approximately \$193.2 million based on present day construction costs.

Sullivan's Ledge Escrow Fund

The City has received notice from EPA that it may be liable, along with several third parties jointly and severally, for costs associated with the clean-up of pollutants at Sullivan's Ledge. Management has indicated that the City's liability for the clean-up of this dump site will be \$600,000 for the Sullivan's Ledge Middle Marsh area (Operable Unit #2), broken down into payments of \$300,000 in fiscal 1998 and \$300,000 in fiscal 1998 plus \$30,000 for fencing in fiscal 1993. For Operable Unit #1, negotiations are currently in progress. Settlement was reached with the government in November 1994 to provide maintenance at site. The City has agreed to appropriate in an escrow account \$15,000 per year beginning in fiscal 1998 for thirty years as financial security.

- Operation and maintenance of the following activities beginning in year 1 for 30 years:

	<u>Yearly</u>	<u>30 Year Total</u>
Treatment Plant	\$ 227,000	\$ 6,825,000
Cap Maintenance	7,720	512,000
Fence Maintenance and Repair	2,400	159,000
Traffic Control (2 years)	<u>50,000</u>	<u>100,000</u>
	<u>\$ 287,120</u>	<u>\$ 7,596,000</u>

City Commitment to Private Parties

The City will put \$700,000 into an interest bearing account that is exclusively available to the Group in the event that the City fails to adequately perform its in-kind service obligations. This \$700,000 would be deposited into the escrow on the following schedule: \$300,000 on July 1, 1998 and \$100,000 on July 1 of each consecutive year for four years. The principal and interest would remain in the account for 15 years. The City could then annually draw down the escrow in 1/15 increments.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 10: Debt

Primary Government

Under state law and by authorization of the City Council, the City is authorized to borrow on a temporary basis to fund the following:

- Current operating costs prior to the collection of revenues through the issuance of revenue or tax anticipation notes (RANS or TANS);
- Special Revenue, capital projects and enterprise fund costs incurred prior to obtaining permanent financing through the issuance of bond anticipation notes (BANS) and
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through the issuance of federal and state aid anticipation notes (FAANS and SAANS).

Short-Term Debt

The City issued a \$15,000,000 Bond Anticipation School Improvement Note, dated February 27, 2002, maturing February 27, 2003. This note was issued to build a new Normandin Middle School.

The City issued a \$5,000,000 Bond Anticipation School Improvement Note, dated February 27, 2002, maturing February 27, 2003. This note was issued to build a new Normandin Middle School.

The issued a \$7,000,000 Bond Anticipation Note, dated February 27, 2002, maturing February 27, 2003. This note was issued for the following:

\$ 5,000,000	Construction of Normandin Middle School
1,600,000	Water Construction
<u>400,000</u>	Landfill Closure
<u>\$ 7,000,000</u>	

Changes in balances of short-term liabilities including current portion are as follows:

Governmental Activities

	<u>Maturity</u>	<u>Balance</u>		<u>Balance</u>	<u>Balance</u>	
	<u>Dates</u>	<u>July 1, 2001</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>June 30, 2002</u>	<u>Due in 2003</u>
\$15,000,000 School Improvement BAN, 2.50%	02/27/03	\$	\$ 15,000,000	\$	\$ 15,000,000	\$ 15,000,000
\$5,000,000 School Improvement BAN, 2.25%	02/27/03		5,000,000		5,000,000	5,000,000
\$7,000,000 BAN, 3.10%	06/23/02	7,000,000		(7,000,000)		
\$7,000,000 BAN, 2.38%	02/27/03		<u>7,000,000</u>		<u>7,000,000</u>	<u>7,000,000</u>
		<u>\$ 7,000,000</u>	<u>\$ 27,000,000</u>	<u>\$(7,000,000)</u>	<u>\$ 27,000,000</u>	<u>\$ 27,000,000</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 10: Debt (Continued)

Changes in balances of long-term liabilities including current portion are as follows:

Governmental Activities

	<u>Maturity Dates</u>	<u>Balance July 1, 2001</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance June 30, 2002</u>	<u>Balance Due in 2003</u>
5.30% Landfill Closure Bond	03/03/94-05	\$ 2,865,000	\$	\$(650,000)	\$ 2,215,000	\$ 650,000
4.00-6.00% G.O. Bond	03/01/06	3,923,000		(390,000)	3,533,000	780,000
4.00-6.00% G.O. Bond	04/15/96-13	4,307,000		(220,000)	4,087,000	235,000
4.60-5.80% Note	10/01-97-16	8,320,000		(455,000)	7,865,000	460,000
4.25-5.00% G.O. Bond	10/14/98-10/01/18	11,920,000		(810,000)	11,110,000	815,000
4.25-5.50% G.O. Bond	05/01/02-05/02/21	43,700,000		(1,355,000)	42,345,000	1,415,000
4.25-6.00% Revenue Refunding Bond	02/01/97-16	19,140,000		(1,875,000)	17,265,000	1,815,000
4.00-5.25% Revenue Bond	02/01/98-19	120,045,000		(2,110,000)	117,935,000	2,260,000
4.00-6.00% Revenue Bond	08/01/01-08/01/31	5,677,158		(114,254)	5,562,904	117,431
Compensated Absences		26,042,012	1,434,041		27,476,053	27,476,053
Capital Leases		867,128	300,806	(551,250)	616,684	475,293
Total governmental activity		<u>246,806,298</u>	<u>1,734,847</u>	<u>(8,530,504)</u>	<u>240,010,641</u>	<u>36,498,777</u>

Business-Types Activities

4.25-5.00% G.O. Bond	10/14/98-10/01/18	1,350,000		(75,000)	1,275,000	75,000
4.25-5.50% G.O. Bond	05/01/02-05/02/21	7,150,000		(360,000)	6,790,000	360,000
Total business type activities		<u>8,500,000</u>		<u>(435,000)</u>	<u>8,065,000</u>	<u>435,000</u>
Total Debt		<u>\$ 255,306,298</u>	<u>\$ 1,734,847</u>	<u>\$(8,965,504)</u>	<u>\$ 248,075,641</u>	<u>\$ 36,933,777</u>

Debt service requirements to maturity for long-term debt:

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt</u>	<u>Less: Total Subsidized Payments (MWPAT)</u>	<u>Net Obligation</u>
2003	\$ 8,592,431	\$ 10,770,099	\$ 19,362,530	\$ 4,228,232	\$ 15,134,298
2004	8,780,775	10,355,470	19,136,245	4,288,677	14,847,568
2005	8,909,055	9,921,017	18,830,072	4,351,387	14,478,685
2006	8,732,267	9,494,927	18,227,194	4,410,609	13,816,585
2007	8,630,894	9,085,554	17,716,448	4,471,876	13,244,572
2008	8,870,129	8,683,316	17,553,445	4,537,764	13,015,681
2009	9,099,495	8,270,430	17,369,925	4,604,387	12,765,538
2010	8,924,008	7,849,892	16,773,900	4,673,642	12,100,258
2011	9,183,850	7,423,539	16,607,389	4,745,955	11,861,434
2012	9,475,000	6,948,537	16,423,537	4,816,016	11,607,521
2013	9,745,000	6,460,001	16,205,001	4,874,886	11,330,115

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 10: Debt (Continued)

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt</u>	<u>Less: Total Subsidized Payments (MWPAT)</u>	<u>Net Obligation</u>
2014	10,070,000	5,939,820	16,009,820	4,971,684	11,038,136
2015	10,150,000	5,413,133	15,563,133	5,094,481	10,468,652
2016	10,490,000	4,874,632	15,364,632	5,226,692	10,137,940
2017	10,430,000	4,331,356	14,761,356	5,360,016	9,401,340
2018	10,140,000	3,834,482	13,974,482	5,236,047	8,738,435
2019	10,470,000	3,342,514	13,812,514	5,103,589	8,708,925
2020	10,165,000	2,850,375	13,015,375	4,972,643	8,042,732
2021	10,515,000	2,357,463	12,872,463	4,832,721	8,039,742
2022	7,030,000	1,847,200	8,877,200	4,693,767	4,183,433
2023	7,230,000	1,511,487	8,741,487	4,582,348	4,159,139
2024	7,440,000	1,166,102	8,606,102	4,402,213	4,203,889
2025	7,645,000	810,801	8,455,801	4,244,124	4,211,677
2026	7,865,000	445,587	8,310,587	4,043,904	4,266,683
2027	265,000	69,713	334,713	110,717	223,996
2028	270,000	55,001	325,001	117,687	207,314
2029	280,000	39,875	319,875	111,958	207,917
2030	290,000	24,201	314,201	106,018	208,183
2031	295,000	8,106	303,106	98,218	204,888
	<u>\$ 219,982,904</u>	<u>\$ 134,184,630</u>	<u>\$ 354,167,534</u>	<u>\$ 113,312,258</u>	<u>\$ 240,855,276</u>

Authorized and unissued debt at June 30, 2002, is as follows:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>90% State Subsidy</u>	<u>Net Amount</u>
Wastewater Treatment Facility	08/27/90	\$ 9,000,000	\$	\$ 9,000,000
Wastewater Treatment Facility	06/21/91	73,490,000		73,490,000
Police Station	08/01/98	1,150,000		1,150,000
Landfill Closure	02/01/99	400,000		400,000
Urban Renewal CH 121 B	04/09/00	875,000		875,000
Normandin Middle School	05/01/00	3,920,000		3,920,000
Keith Middle School	05/01/00	4,200,000		4,200,000
Chlorine Disinfectant Station	05/15/00	1,600,000		1,600,000
Land Development	04/11/01	500,000		500,000
Water Systems Improvements	07/24/01	845,450		845,450
Additional Keith School	08/17/01	11,784,000		11,784,000
Water	08/17/01	5,250,000		5,250,000
Campbell School	05/16/02	45,700,000		45,700,000
Lincoln School	05/16/02	19,600,000		19,600,000
Brooks School	05/16/02	16,000,000		16,000,000
Winslow School	05/16/02	16,000,000		16,000,000
		<u>\$210,314,450</u>	<u>\$</u>	<u>\$210,314,450</u>

The state subsidy for the school authorization is anticipated from the State Board of Education as part of the School Building Assistance Program.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 10: Debt (Continued)

Debt service requirements to maturity for short-term debt:

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt</u>	<u>Less: Total Subsidized Payments (MWPAT)</u>	<u>Net Obligation</u>
2003	\$ 27,000,000	\$ 433,677	\$ 27,433,677	\$ _____	\$ 27,433,677

Capital Leases

The City is obligated under certain leases accounted for as capital leases. The obligation for the lease is accounted for in the General Long-Term Debt Account Group. The following is a schedule of future minimum lease payments under capital leases.

<u>Year Ending June 30</u>	<u>General Long-Term Debt</u>
2003	\$ 548,589
2004	111,281
2005	
2006	_____
Minimum lease payments for all capital leases	659,870
Less: amount representing interest	(43,186)
	<u>\$ 616,684</u>

NOTE 11: Fund Deficit

The following individual funds had deficit fund equity balances as of June 30, 2002:

Governmental Funds

Special Revenue Funds:

EPA-West End Sewer	\$ 103,400 ***
EPA Sewer	58,043
EPA Taber Park	28,575 ***
School Grants:	
State Class Size	2,563
Health Care Access	299
Career Major Initiative	3,435
School Wide Literacy	4
Community Partnership	_____
	<u>\$ 365,096</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 11: Fund Deficit (Continued)

Governmental Funds

Capital Projects Funds:

CSO Relocation	\$ 1,123,382	***
Chlorine Disinfectant Station	1,659,870	**
Normandin middle School	12,096,828	**
Keith Middle School	1,780,741	**
Landfill Closure	439,824	**
Police Station	1,150,000	**
SAC Dredge Grant	533,137	
River Road Bond	466,498	**
Railroad Depot	504,929	
Parking Garage	<u>69,872</u>	**
	<u>\$ 19,825,081</u>	

Fiduciary Funds

Agency Funds:

TSA W/H Local School	\$ 21,174	
TSA W/H Federal	8,233	
TSA W/H Foodservice	97	
Urban Tax Services	2,328	
Blue Cross & Prudential Withholding	<u>239,192</u>	
	<u>\$ 271,024</u>	

Proprietary Funds

Enterprise Fund:

Zoo	<u>\$ 97,375</u>	
-----	------------------	--

- * The deficit balance will require a future administrative plan to fund this deficit and eliminate it, in order to conform with Massachusetts General Laws.
- ** The fund deficit will be eliminated by future bond issuances.
- *** The fund deficit will be eliminated by reimbursements from the Commonwealth of Massachusetts or the federal government.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 12: Subsequent Events

The following events relating to long-term debt occurred after the balance sheet date June 30, 2002.

1. Bond authorized September 26, 2002 and unissued. Appropriated in the amount of \$7,500,000 for the following purposes:

Dredging	\$ 3,000,000
Campbell School	1,500,000
Lincoln School	1,000,000
Brooks School	1,000,000
Winslow School	<u>1,000,000</u>
	<u>\$ 7,500,000</u>

2. Revenue anticipation note authorized August 2, 2002 and unissued. Appropriated in the amount of \$10,000,000 for general operating purposes.

NOTE 13: Restatement

In some instances beginning fund equity has been restated as a result of adjustments made to correct or reclassify prior year balances. Such adjustments, summarized by fund type are as follows:

	<u>Governmental Funds</u>		
	<u>Special Revenue</u>		<u>Capital Projects</u>
	<u>Federal & State Grants</u>	<u>Wastewater</u>	<u>Capital Projects</u>
Beginning balance, July 1, 2001	\$ 1,851,639	\$ 9,733,176	\$ 8,953,178
Misposted revenue between funds	(1,091,076)	1,091,076	
Misposted expense with Ferry Terminal Project			<u>(78,000)</u>
Beginning balance, July 1, 2001 restated	<u>\$ 760,563</u>	<u>\$ 10,824,252</u>	<u>\$ 8,875,178</u>
			<u>Proprietary Funds</u>
			<u>Zoo Enterprise</u>
Beginning balance, July 1, 2001			\$ 35,908
Record capital assets not previously recorded			10,006,053
Record accumulated depreciation on assets not previously recorded			(529,545)
Record long-term debt not previously recorded			(8,500,000)
Record long-term interest accrual on debt			<u>(72,216)</u>
Beginning balance, July 1, 2001 restated			<u>\$ 940,200</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2002

NOTE 13: Restatement (Continued)

The following is a detail of the fund balance restatement resulting from the implementation of GASB 34.

Governmental Activities Fund Balances/Retained Earnings at June 30, 2001

General Fund		\$ 17,157,777
Special Revenue Fund		16,899,809
Capital Projects Fund		8,875,178

Trust Funds

Expendable Trust Funds	\$ 5,780,086
Non-expendable Trust Funds	8,452,621
Agency Funds	<u> </u>

14,232,707

Less: Private-Purpose Trust Funds (25,418)

Total Permanent and Stabilization Funds	14,207,289
Internal Service Fund	<u>613,822</u>

Total Governmental Activities Fund Balance/Retained Earnings at June 30, 2001	57,753,875
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Other Adjustments

Capital assets (net) at June 30, 2001	245,958,693
Outstanding Governmental Bonds and Notes Payable and Capital Leases at June 30, 2001	(220,764,286)
Governmental Compensated Absence Balance at June 30, 2001	(26,042,012)
Elimination of Deferred Revenues at June 30, 2001	33,333,548
Accrued Interest Payable at June 30, 2001	<u>(3,536,921)</u>

Total Other Adjustments at June 30, 2001	<u>28,949,019</u>
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Governmental Activities Balance at June 30, 2001	<u><u>\$ 86,702,894</u></u>
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CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Statement of Revenues and Expenditures - (Non-GAAP Budgetary Basis)
Budget and Actual - General Fund

Year Ended June 30, 2002

	<u>Budget as Adopted</u>	<u>Additional Appropriations and Transfers</u>	<u>Total Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Tax collections net of refunds:					
Real estate and personal property taxes	\$ 56,666,503	\$ 2,977,200	\$ 59,643,703	\$ 59,643,703	\$
Motor vehicle excise	4,750,000		4,750,000	5,439,017	689,017
Tax foreclosures				169,552	169,552
Other excise collections	46,000		46,000	70,851	24,851
Penalties and interest	1,100,000		1,100,000	1,032,316	(67,684)
Payments in lieu of taxes	462,968		462,968	261,722	(201,246)
Charges for services:					
Water	5,899,204		5,899,204	6,485,797	586,593
Sewer	670,962		670,962	670,962	
Trash	420,000		420,000	420,823	823
School	2,158,563		2,158,563	2,491,314	332,751
Libraries	20,000		20,000	21,013	1,013
Cemeteries	480,000		480,000	496,705	16,705
Recreation	7,700		7,700	6,397	(1,303)
Departmental	8,495,656		8,495,656	8,851,294	355,638
Licenses and permits	1,230,000		1,230,000	1,379,626	149,626
Fines and forfeitures	335,000		335,000	228,084	(106,916)
Special assessments				2,316	2,316
Earnings on investments	1,020,420		1,020,420	470,347	(550,073)
Other				48,367	48,367
Governmental revenue:					
Federal				193,546	193,546
State	121,597,801	3,023,029	124,620,830	124,501,918	(118,912)
County					
Total revenues	<u>205,360,777</u>	<u>6,000,229</u>	<u>211,361,006</u>	<u>212,885,670</u>	<u>1,524,664</u>

See notes to required supplementary information
See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Statement of Revenues and Expenditures - (Non-GAAP Budgetary Basis)
Budget and Actual - General Fund (Continued)

Year Ended June 30, 2002

	<u>Budget as Adopted</u>	<u>Additional Appropriations and Transfers</u>	<u>Total Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:					
General Government	7,718,335	159,624	7,877,959	7,854,533	23,426
Public safety	37,429,770	2,806,327	40,236,097	39,974,288	261,809
Public works and facilities:					
Health and sanitation operations	8,028,533	386,400	8,414,933	8,365,769	49,164
Highways and streets	6,188,978	264,227	6,453,205	6,444,649	8,556
Education:					
School Department	98,533,676	4,977,048	103,510,724	101,640,969	1,869,755
Other	2,191,674		2,191,674	2,191,674	
Human services	3,538,864	(19,925)	3,518,939	3,498,068	20,871
Culture and recreation	2,731,771	(120,400)	2,611,371	2,588,089	23,282
Debt service	7,485,902	428,935	7,914,837	7,828,840	85,997
Insurance and pension	28,886,346	3,448,591	32,334,937	30,972,962	1,361,975
Other	655,809	16,500	672,309	655,049	17,260
Intergovernmental expenditures	<u>1,391,663</u>		<u>1,391,663</u>	<u>1,458,082</u>	<u>(66,419)</u>
Total expenditures	<u>204,781,321</u>	<u>12,347,327</u>	<u>217,128,648</u>	<u>213,472,972</u>	<u>3,655,676</u>
Excess (deficiency) of revenues over expenditures	579,456	(6,347,098)	(5,767,642)	(587,302)	5,180,340
Other financing sources and (uses):					
Operating transfers in	5,500	4,133,805	4,139,305	3,326,595	812,710
Operating transfers out	(584,956)	(1,281,122)	(1,866,078)	(3,681,092)	1,815,014
Appropriation deficit					
Total other financing sources and (uses)	(579,456)	2,852,683	2,273,227	(354,497)	2,627,724
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses		<u>(3,494,415)</u>	<u>(3,494,415)</u>	<u>(941,799)</u>	<u>2,552,616</u>
Budgetary fund balance at the beginning of year	<u>15,264,301</u>		<u>15,264,301</u>	<u>15,264,301</u>	
Budgetary fund balance at the end of year	<u>\$ 15,264,301</u>	<u>\$ (3,494,415)</u>	<u>\$ 11,769,886</u>	<u>\$ 14,322,502</u>	<u>\$ 2,552,616</u>

See notes to required supplementary information
See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Statement of Revenues and Expenditures - (Non-GAAP /Budgetary Basis)
Budget and Actual - Wastewater Treatment Plant Special Revenue Fund

Year Ended June 30, 2002

	<u>Budget as Adopted</u>	<u>Appropriations and Transfers</u>	<u>Available for Current Year Expenditures</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Utility usage charges	\$ 15,296,659	\$	\$ 15,296,659	\$ 14,662,317	\$(634,342)
Intergovernmental revenues				877,239	877,239
Departmental revenue	850,000		850,000	111,653	(738,347)
Earnings on investment	<u>793,069</u>		<u>793,069</u>	<u>376,705</u>	<u>(416,364)</u>
Total revenues	<u>16,939,728</u>		<u>16,939,728</u>	<u>16,027,914</u>	<u>(911,814)</u>
Expenditures:					
Salaries	2,181,959	(125,000)	2,056,959	2,011,286	45,673
Charges and services	9,163,276	125,000	9,288,276	8,890,083	398,193
Supplies and materials	419,000	83,800	502,800	490,483	12,317
Capital outlay	300,811	(115,910)	184,901	179,027	5,874
Debt service	<u>893,591</u>	<u>32,110</u>	<u>925,701</u>	<u>925,701</u>	
Total expenditures	<u>12,958,637</u>		<u>12,958,637</u>	<u>12,496,580</u>	<u>462,057</u>
Excess (deficiency) of revenues over expenditures	3,981,091		3,981,091	3,531,334	(449,757)
Other financing sources and (uses):					
Transfers between funds	<u>(3,981,091)</u>		<u>(3,981,091)</u>	<u>(2,908,450)</u>	<u>1,072,641</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses				622,884	622,884
Budgetary fund balance at the beginning of year	<u>9,061,779</u>		<u>9,061,779</u>	<u>9,061,779</u>	
Budgetary fund balance at the end of year	<u>\$ 9,061,779</u>	<u>\$</u>	<u>\$ 9,061,779</u>	<u>\$ 9,684,663</u>	<u>\$ 622,884</u>

See notes to required supplementary information
See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Statement of Revenues and Expenditures - (Non-GAAP Budgetary Basis)
Budget and Actual - Zoo Enterprise Fund

Year Ended June 30, 2002

	<u>Budget as Adopted</u>	<u>Additional Appropriations and Transfers</u>	<u>Total Available for Current Year Expenditures</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Investment income	\$ 5,000	\$	\$ 5,000	\$ 3,612	\$(1,388)
Income from operations	<u>495,000</u>	<u> </u>	<u>495,000</u>	<u>344,773</u>	<u>(150,227)</u>
Total revenues	<u>500,000</u>	<u> </u>	<u>500,000</u>	<u>348,385</u>	<u>(151,615)</u>
Expenditures:					
Salaries and wages	744,410	40,000	784,410	781,872	2,538
Charges and services	132,006	67,000	199,006	183,196	15,810
Supplies and materials	108,540	9,000	117,540	117,121	419
Capital outlay	<u> </u>	<u> </u>	<u> </u>	<u>435</u>	<u>(435)</u>
Total expenditures	<u>984,956</u>	<u>116,000</u>	<u>1,100,956</u>	<u>1,082,624</u>	<u>18,332</u>
Excess (deficiency) of revenues over expenditures	<u>(484,956)</u>	<u>(116,000)</u>	<u>(600,956)</u>	<u>(734,239)</u>	<u>(133,283)</u>
Other financing sources and (uses):					
Transfers between funds	<u>484,956</u>	<u>116,000</u>	<u>600,956</u>	<u>600,956</u>	<u> </u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u> </u>	<u> </u>	<u> </u>	<u>(133,283)</u>	<u>(133,283)</u>
Budgetary fund balance at the beginning of year	<u>35,908</u>	<u> </u>	<u>35,908</u>	<u>35,908</u>	<u> </u>
Budgetary fund balance at the end of year	<u>\$ 35,908</u>	<u>\$</u>	<u>\$ 35,908</u>	<u>\$(97,375)</u>	<u>\$(133,283)</u>

See notes to required supplementary information
See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Notes to Schedule of Revenues, Expenditures/Expenses and Changes
in Fund Balance - Budget and Actual - Budgetary Basis

June 30, 2002

Budgetary - GAAP Reporting Reconciliation

The accompanying Combined Statement of Revenues, Expenditures or Expenses - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund and Wastewater Treatment Plant Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the Generally Accepted Accounting Principles ("GAAP") basis are that:

- A) Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis), except for real estate and personal property taxes which are recorded when committed;
- B) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liability is incurred (GAAP basis);
- C) Encumbrances are reported as expenditures (budgetary basis) as opposed to a reservation of fund balance (GAAP basis).

Therefore, timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2002 are as follows:

	<u>Government Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Wastewater-Operating</u>
Revenue:		
GAAP Basis	\$ 212,239,299	\$ 16,027,914
Adjustments:		
Increase in real estate and personal property taxes to full accrual	(272,617)	
(Increase) decrease in 60 day accrual	599,022	
Decrease in perpetual care of lots transfer	250,000	
Decrease in tax foreclosure receivable	<u>69,966</u>	<u> </u>
Budgetary Basis	<u>\$ 212,885,670</u>	<u>\$ 16,027,914</u>
Expenditures:		
GAAP Basis	\$ 214,810,216	\$ 12,528,859
Increase (decrease) in encumbrances	<u>(1,337,244)</u>	<u>(32,279)</u>
Budgetary basis	<u>\$ 213,472,972</u>	<u>\$ 12,496,580</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary information

Notes to Schedule of Revenues, Expenditures/Expenses and Changes
in Fund Balance - budget and Actual - Budgetary Basis (Continued)

June 30, 2002

Excess of Expenditures Over Appropriations

The legal level of control for which expenditures can not exceed appropriation is at the category level within a department (i.e., salaries, charges and services; supplies and materials; capital outlay; and debt service.

For the year ended June 30, 2002, expenditures exceeded budget in the General Fund as follows:

<u>Category</u>	<u>Excess</u>
Intergovernmental expenditures	\$ 66,419

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Contributory Retirement System

Schedule of Funding Progress

December 31, 2001

(UNAUDITED)

<u>Actuarial Valuation Date</u>	<u>Reporting Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Individual Entry Age</u>	<u>Unfunded (Overfunded) AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
01/01/91	1992	\$ 67,895,696	\$ 177,053,757	\$ 109,158,061	38%	\$39,237,399	278%
01/01/94	1993	84,143,582	189,485,031	105,341,449	44%	47,428,221	222%
01/01/94	1994	84,143,582	189,485,031	105,341,449	44%	60,048,850	175%
01/01/94	1995	84,143,582	189,485,031	105,341,449	44%	59,995,153	176%
01/01/94	1996	84,143,582	189,485,031	105,341,449	44%	57,638,616	183%
01/01/98	1997	133,140,386	248,033,340	114,892,954	54%	63,312,483	181%
01/01/98	1998	133,140,386	248,033,340	114,892,954	54%	57,639,014	199%
01/01/98	1999	133,140,386	248,033,340	114,892,954	54%	65,000,000*	177%
01/01/98	2000	133,140,386	248,033,340	114,892,954	54%	68,936,441	167%
01/01/01	2001	157,129,409	305,813,631	148,684,222	51%	75,089,435	198%

Isolated analysis of the dollar amounts of net assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading. Expressing the net assets available for benefits as a percentage of the actuarial accrued liability provided one indication of the Plans' funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plans. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plans.

Note: Actuarial valuations are only performed every three years. Accordingly, the information presented above is not comparative between years.

*Estimated

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Contributory Retirement System (Continued)

Schedule of Employer Contributions

December 31, 2001

(UNAUDITED)

<u>Year Ended June 30</u>	<u>Annual Required Contributions</u>	<u>Year Ended December 31</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
1993	\$ 11,676,944	1992	\$ 11,877,736	102%
1994	12,368,255	1993	11,991,216	97%
1995	10,930,599	1994	11,610,801	106%
1996	11,430,599	1995	11,344,309	99%
1997	10,833,227	1996	11,817,662	109%
1998	12,134,738	1997	12,652,023	104%
1999	10,717,334	1998	11,560,776	108%
2000	11,089,000	1999	11,089,000	100%
2001	11,474,000	2000	11,474,000	100%
2002	11,873,000	2001	11,873,000	100%

Although annual required contributions are calculated on a fiscal year basis, the City of New Bedford Contributory Retirement System reports on a calendar year basis, therefore, some disparity may exist between required contributions and actual contributions due to this timing difference.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

The amount of the total actuarial accrued liability is based on a standardized measurement. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases. The standardized measurement of the actuarial accrued liability is intended to enable users of the financial statements to (a) assess the Plans' funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among employers.

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information
Contributory Retirement System (Continued)
Schedule of Employer Contributions (Continued)

December 31, 2001

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation. These assumptions are summarized below:

- The actuarial cost method used to determine liabilities and costs and to project future funding requirements is known as the Individual Entry Age Normal Cost Method. Under this method, the annual normal cost of the system is determined as the total of each member's level percentage of payroll necessary to fund all benefits expected to be paid if such percentage of each member's pay was and will be contributed from entry into the system until retirement, death or termination of employment. The actuarial liability on the valuation date is calculated as the amount which would be on hand if all prior normal costs had been fully funded at that date. The unfunded actuarial liability is the actuarial liability less the assets.
- Actuarial value of assets is market value.
- Mortality is assumed to be in accordance with the Group Annuity Mortality Table for 1983, with ages set back six years for females.
- Ten percent of assumed deaths represent "in line of duty" deaths.
- Investment return on current assets and future contributions is assumed to be at the rate of 8.5% per year, compounded annually. This return includes interest, dividends and realized and unrealized gains.
- Salaries were assumed to increase 5.5% per year for each member, but total salary for all employees was assumed to increase 5% each year.
- Cost-of-living increases have been assumed to be 3% of \$12,000 per year.
- Rates of disablement are assumed to occur in accordance with Social Security experience published in 1972.
- It is assumed that 55% of all disabilities are occupational for Group 1 and 2 members and that 90% of disabilities are occupational for Group 4 members.
- Rates of turnover (termination of employment before becoming eligible for retirement) are in accordance with Table T-5 published in Pension Actuary's Handbook: Crocker, Sarason & Straight, 1955. No turnover was assumed for Group 4.
- Group 1 retirement age is 63 or age at the valuation date, if later than age 63. Group 4 retirement age is 60 or age at the valuation date, if later than age 60.

The most recent actuarial valuation of the Plan was prepared as of January 1, 1998.

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the actuarial accrued liability occurred during 1997.

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Major Governmental Funds - Wastewater

Combining Balance Sheet

June 30, 2002

	<u>Operating</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Stabilization</u>	<u>Unrestricted</u>	<u>Total</u>
ASSETS						
Cash, unrestricted	\$ 8,493,698	\$ 705,279	\$	\$	\$ 2,429,287	\$ 11,628,264
Cash, restricted	1,524,997		2,544,736			4,069,733
User charges receivable	1,436,196					1,436,196
Due from federal and/or state government						
Other receivables	38,019					38,019
Due from other funds	<u>167,805</u>	<u>93,728</u>				<u>261,533</u>
 Total assets	 <u>\$ 11,660,715</u>	 <u>\$ 799,007</u>	 <u>\$ 2,544,736</u>	 <u>\$</u>	 <u>\$ 2,429,287</u>	 <u>\$ 17,433,745</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Warrants payable	\$ 712,739	\$	\$	\$	\$	\$ 712,739
Accounts payable and accrued expenses	38,905					38,905
Deferred revenue	1,474,216					1,474,216
Due to other funds	<u>9,027,819</u>	<u>9,881</u>				<u>9,037,700</u>
 Total liabilities	 <u>11,253,679</u>	 <u>9,881</u>				 <u>11,263,560</u>
Fund balances:						
Reserved/designated	1,524,997		2,544,736			4,069,733
Unreserved	<u>(1,117,961)</u>	<u>789,126</u>			<u>2,429,287</u>	<u>2,100,452</u>
 Total fund balance	 <u>407,036</u>	 <u>789,126</u>	 <u>2,544,736</u>		 <u>2,429,287</u>	 <u>6,170,185</u>
 Total liabilities and fund balances	 <u>\$ 11,660,715</u>	 <u>\$ 799,007</u>	 <u>\$ 2,544,736</u>	 <u>\$</u>	 <u>\$ 2,429,287</u>	 <u>\$ 17,433,745</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Major Governmental Funds - Wastewater (Continued)

Combining Statement of Revenues and Changes in Fund Balance

For the Year Ended June 30, 2002

	<u>Operating</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Stabilization</u>	<u>Unrestricted</u>	<u>Total</u>
Revenues:						
Utility usage charges	\$ 14,662,317	\$	\$	\$	\$	\$ 14,662,317
Intergovernmental revenues	877,239		7,128,684			8,005,923
Investment income	376,705					376,705
Other	<u>111,653</u>	<u>20,716</u>				<u>132,369</u>
Total revenues	<u>16,027,914</u>	<u>20,716</u>	<u>7,128,684</u>			<u>23,177,314</u>
Expenditures:						
Salaries	2,011,286					2,011,286
Charges and services	8,922,362					8,922,362
Supplies and materials	490,483					490,483
Capital outlay	179,027	2,430,065		872,259		3,481,351
Debt service	<u>925,701</u>		<u>11,148,679</u>			<u>12,074,380</u>
Total expenditures	<u>12,528,859</u>	<u>2,430,065</u>	<u>11,148,679</u>	<u>872,259</u>		<u>26,979,862</u>
Excess (deficiency) of revenues over expenditures	3,499,055	(2,409,349)	(4,019,995)	(872,259)		(3,802,548)
Other financing sources an (uses)	<u>(2,908,450)</u>	<u>648,481</u>	<u>2,408,450</u>	<u>(3,429,287)</u>	<u>2,429,287</u>	<u>(851,519)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	590,605	(1,760,868)	(1,611,545)	(4,301,546)	2,429,287	(4,654,067)
Fund balance - July 1, 2001	<u>(183,569)</u>	<u>2,549,994</u>	<u>4,156,281</u>	<u>4,301,546</u>		<u>10,824,252</u>
Fund balance - June 30, 2002	<u>\$ 407,036</u>	<u>\$ 789,126</u>	<u>\$ 2,544,736</u>	<u>\$</u>	<u>\$ 2,429,287</u>	<u>\$ 6,170,185</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Wastewater Reserved Cash Account Activity

June 30, 2002

	<u>Debt Service Fund</u>	<u>Renewal & Replacement Reserve Fund</u>	<u>Total</u>
Beginning balance	\$ 4,156,281	\$ 1,505,223	\$ 5,661,504
Transfers in	5,036,956	1,548,715	6,585,671
Transfers out	<u>6,648,501</u>	<u>1,528,941</u>	<u>8,177,442</u>
Ending balance	<u>\$ 2,544,736</u>	<u>\$ 1,524,997</u>	<u>\$ 4,069,733</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Balance Sheet

June 30, 2002

	<u>Special Revenue Funds</u>							
	<u>Highway</u>		<u>Reserve</u>		<u>Federal/State</u>	<u>School</u>	<u>Community</u>	
	<u>Improvements</u>	<u>Revolving</u>	<u>For</u>	<u>Donations</u>	<u>Grants</u>	<u>Grants</u>	<u>Development</u>	<u>Subtotal</u>
			<u>Appropriation</u>					
ASSETS								
Cash and investments	\$(722)	\$ 761,731	\$ 1,226,818	\$ 43,130	\$ 603,994	\$(2,926,214)	\$ 603,238	\$ 311,975
Federal and state grants receivable	466,932	1,052,744			1,288,256	5,174,068	516,376	8,498,376
Loans receivable							10,050,016	10,050,016
Receivable, other	12,924	1,425			50,487	269,215	1,717,795	2,051,846
Land inventory							246,918	246,918
Due from other funds		<u>15,202</u>			<u>67,661</u>		<u>9,759</u>	<u>92,622</u>
Total assets	<u>\$ 479,134</u>	<u>\$ 1,831,102</u>	<u>\$ 1,226,818</u>	<u>\$ 43,130</u>	<u>\$ 2,010,398</u>	<u>\$ 2,517,069</u>	<u>\$ 13,144,102</u>	<u>\$ 21,251,753</u>
LIABILITIES AND FUND BALANCES (DEFICITS)								
Liabilities:								
Warrants payable	\$	\$ 13,133	\$	\$ 88	\$ 91,413	\$ 731,358	\$ 473,777	\$ 1,309,769
Accounts payable and accrued expenses	45,567	17,165			244,530	142,311	4,209	453,782
Retainage Payable								
Due to other funds	93,681	2,012		809	129,280		16,424	242,206
Due to federal or state government	332,090				69,001	412,986		814,077
Deferred revenue					846,467	703,843	10,044,208	11,594,518
Bond anticipation notes payable								
Total liabilities	<u>471,338</u>	<u>32,310</u>		<u>897</u>	<u>1,380,691</u>	<u>1,990,498</u>	<u>10,538,618</u>	<u>14,414,352</u>
Fund balances (deficits):								
Restricted								
Unrestricted, undesignated	<u>7,796</u>	<u>1,798,792</u>	<u>1,226,818</u>	<u>42,233</u>	<u>629,707</u>	<u>526,571</u>	<u>2,605,484</u>	<u>6,837,401</u>
Total fund balances	<u>7,796</u>	<u>1,798,792</u>	<u>1,226,818</u>	<u>42,233</u>	<u>629,707</u>	<u>526,571</u>	<u>2,605,484</u>	<u>6,837,401</u>
Total liabilities and fund balances	<u>\$ 479,134</u>	<u>\$ 1,831,102</u>	<u>\$ 1,226,818</u>	<u>\$ 43,130</u>	<u>\$ 2,010,398</u>	<u>\$ 2,517,069</u>	<u>\$ 13,144,102</u>	<u>\$ 21,251,753</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Balance Sheet (Continued)

June 30, 2002

	<u>Capital Project Funds (Continued)</u>							
	<u>CSO</u>	<u>FY94</u>	<u>Water</u>	<u>FY96</u>	<u>FY97</u>	<u>FY99</u>	<u>Police</u>	<u>Zoo</u>
	<u>Relocate</u>	<u>Bond Issue</u>	<u>Bond</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>
ASSETS								
Cash and investment	\$ (967,757)	\$	\$	\$ 84	\$ 1,277	\$ 214,257	\$ 227,694	\$ 25,903
Federal and state grants receivable	789,880							
Loans receivable								
Receivable, other								
Land inventory								
Due from other funds								
Total assets	<u><u>\$ (177,877)</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 84</u></u>	<u><u>\$ 1,277</u></u>	<u><u>\$ 214,257</u></u>	<u><u>\$ 227,694</u></u>	<u><u>\$ 25,903</u></u>
LIABILITIES AND FUND BALANCES (DEFICITS)								
Liabilities:								
Warrants payable	\$ 56,949	\$	\$	\$	\$	\$ 160	\$	\$ 68
Accounts payable and accrued expenses	752,469						9,549	
Retainage payable	93,555							
Due to other funds	42,532							
Due to federal and state governments								
Deferred revenue								
Bond anticipation notes payable								
Total liabilities	<u>945,505</u>					<u>160</u>	<u>9,549</u>	<u>68</u>
Fund balances (deficits):								
Restricted								
Unrestricted/undesignated	<u>(1,123,382)</u>			<u>84</u>	<u>1,277</u>	<u>214,097</u>	<u>218,145</u>	<u>25,835</u>
Total liabilities and fund balances	<u><u>\$ (177,877)</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 84</u></u>	<u><u>\$ 1,277</u></u>	<u><u>\$ 214,257</u></u>	<u><u>\$ 227,694</u></u>	<u><u>\$ 25,903</u></u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Balance Sheet (Continued)

June 30, 2002

Capital Project Funds (Continued)

	<u>New Roosevelt Construction</u>	<u>Water Main Bond Issue</u>	<u>Chlorine Disinfectant Station</u>	<u>Solicitor's Bond Issue</u>	<u>Normandin MS</u>	<u>Keith MS</u>	<u>Landfill Closure</u>	<u>Police Station</u>
ASSETS								
Cash and investments	\$ 5,266,867	\$ 60,966	\$ 480,401	\$	\$ 14,530,237	\$(1,780,741)	\$ 21,659	\$(1,150,000)
Federal and state grants receivable								
Loans receivable								
Receivable, other								
Land inventory								
Due from other funds								
Total assets	<u>\$ 5,266,867</u>	<u>\$ 60,966</u>	<u>\$ 480,401</u>	<u>\$</u>	<u>\$ 14,530,237</u>	<u>\$(1,780,741)</u>	<u>\$ 21,659</u>	<u>\$(1,150,000)</u>
LIABILITIES AND FUND BALANCES (DEFICITS)								
Liabilities:								
Warrants payable	\$ 26,603	\$	\$ 200,791	\$	\$ 54,317	\$	\$	\$
Accounts payable and accrued expenses		18,001	265,260		1,147,654		9,484	
Retainage payable			74,220		425,094		51,999	
Due to other funds								
Due to federal and state governments								
Deferred revenue								
Bond anticipation notes payable			<u>1,600,000</u>		<u>25,000,000</u>		<u>400,000</u>	
Total liabilities	26,603	18,001	2,140,271		26,627,065		461,483	
Fund balances (deficits):								
Restricted								
Unrestricted/undesignated	<u>5,240,264</u>	<u>42,965</u>	<u>(1,659,870)</u>		<u>(12,096,828)</u>	<u>(1,780,741)</u>	<u>(439,824)</u>	<u>(1,150,000)</u>
Total liabilities and fund balances	<u>\$ 5,266,867</u>	<u>\$ 60,966</u>	<u>\$ 480,401</u>	<u>\$</u>	<u>\$ 14,530,237</u>	<u>\$(1,780,741)</u>	<u>\$ 21,659</u>	<u>\$(1,150,000)</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Balance Sheet (Continued)

June 30, 2002

	Capital Project Funds (Continued)								
	2002 SAC Dredge Grant	River Road Bond	Railroad Depot	Phase 2-Regional Airspace Study	Landfill Capping	Parking Garage	Wastewater 2D Treatment	Wastewater Treatment	Subtotal
ASSETS									
Cash and investments	\$(1,153,430)	\$(459,950)	\$(426,929)	\$ 9,920	\$ 888	\$(2,958)	\$ 186,305	\$ 563	\$ 15,085,256
Federal and state grants receivable	2,000,000								2,789,880
Loans receivable									
Receivable, other									
Land inventory									
Due from other funds									
Total assets	<u>\$ 846,570</u>	<u>\$(459,950)</u>	<u>\$(426,929)</u>	<u>\$ 9,920</u>	<u>\$ 888</u>	<u>\$(2,958)</u>	<u>\$ 186,305</u>	<u>\$ 563</u>	<u>\$ 17,875,136</u>

LIABILITIES AND FUND BALANCES (DEFICITS)

Liabilities:

Warrants payable	\$ 193,284	\$	\$	\$	\$	\$ 66,914	\$ 4,531	\$	\$ 603,617
Accounts payable and accrued expenses	1,068,368	6,548							3,277,333
Retainage payable	114,482								759,350
Due to other funds	3,573		78,000				115,410		239,515
Due to federal and state governments									
Deferred revenue									
Bond anticipation notes payable									27,000,000
Total liabilities	1,379,707	6,548	78,000			66,914	119,941		31,879,815

Fund balances (deficits):

Restricted									
Unrestricted/undesignated	(533,137)	(466,498)	(504,929)	9,920	888	(69,872)	66,364	563	(14,004,679)
Total liabilities and fund balances	<u>\$ 846,570</u>	<u>\$(459,950)</u>	<u>\$(426,929)</u>	<u>\$ 9,920</u>	<u>\$ 888</u>	<u>\$(2,958)</u>	<u>\$ 186,305</u>	<u>\$ 563</u>	<u>\$ 17,875,136</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Balance Sheet (Continued)

June 30, 2002

	<u>Permanent Funds</u>			<u>Total Non Major Governmental Funds</u>
	<u>Nonexpendable Trusts</u>	<u>Expendable Trusts</u>	<u>Subtotal</u>	
ASSETS				
Cash and investments	\$ 7,427,527	\$ 218,508	\$ 7,646,035	\$ 23,043,266
Federal and state receivable				11,288,256
Loans receivable				10,050,016
Receivable, other	38,025		38,025	2,089,871
Land inventory				246,918
Due from other funds	<u>35,242</u>	<u>1,812</u>	<u>37,054</u>	<u>129,676</u>
Total assets	<u>\$ 7,500,794</u>	<u>\$ 220,320</u>	<u>\$ 7,721,114</u>	<u>\$ 46,848,003</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$	\$	\$	\$ 1,913,386
Accounts payable and accrued expenses	40		40	3,731,155
Retainage payable				759,350
Due to other funds	4,349		4,349	486,070
Due to federal and state governments				814,077
Deferred revenue				11,594,518
Bond anticipation notes payable				<u>27,000,000</u>
Total liabilities	4,389		4,389	46,298,556
Fund balances:				
Restricted	4,596,995		4,596,995	4,596,995
Unrestricted/undesignated	<u>2,899,410</u>	<u>220,320</u>	<u>3,119,730</u>	<u>(4,047,548)</u>
Total liabilities and fund balances	<u>\$ 7,500,794</u>	<u>\$ 220,320</u>	<u>\$ 7,721,114</u>	<u>\$ 46,848,003</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2002

	<u>Special Revenue Funds</u>			
	<u>Highway Improvements</u>	<u>Revolving</u>	<u>Reserve For Appropriation</u>	<u>Donations</u>
Revenues:				
Federal and state grants	\$ 727,342	\$ 3,676,627	\$	\$
Utility usage charges				
Investment income		927	15,943	295
Other income	<u>12,924</u>	<u>2,154,160</u>	<u>105,835</u>	<u>38,789</u>
Total revenues	740,266	5,831,714	121,778	39,084
Expenditures	<u>656,969</u>	<u>5,941,910</u>	<u>44,359</u>	<u>10,219</u>
Excess (deficiency) of revenue over expenditures	83,297	(110,196)	77,419	28,865
Other financing sources (uses):				
Transfers between funds	<u>259,183</u>	<u>(410,126)</u>	<u>100,000</u>	<u>5,144</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	342,480	(520,322)	177,419	34,009
Fund balance (deficit), July 1, 2001	<u>(334,684)</u>	<u>2,319,114</u>	<u>1,049,399</u>	<u>8,224</u>
Fund balance (deficit), June 30, 2002	<u>\$ 7,796</u>	<u>\$ 1,798,792</u>	<u>\$ 1,226,818</u>	<u>\$ 42,233</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2002

	<u>Special Revenue Funds</u>			
	<u>Federal/State Grants</u>	<u>School Grants</u>	<u>Community Development</u>	<u>Subtotals</u>
Revenues:				
Federal and state grants	\$ 4,927,577	\$ 21,230,872	\$ 6,524,523	\$ 37,086,941
Utility usage charges				
Investment income	6,022		161,683	184,870
Other income	<u>925,136</u>	<u>199,957</u>	<u>495,299</u>	<u>3,932,100</u>
Total revenues	5,858,735	21,430,829	7,181,505	41,203,911
Expenditures	<u>6,861,537</u>	<u>21,116,310</u>	<u>6,663,830</u>	<u>41,295,134</u>
Excess (deficiency) of revenue over expenditures	(1,002,802)	314,519	517,675	(91,223)
Other financing sources (uses):				
Transfers between funds	<u>871,946</u>	<u> </u>	<u>26,920</u>	<u>853,067</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(130,856)	314,519	544,595	761,844
Fund balance (deficit), July 1, 2001	<u>760,563</u>	<u>212,052</u>	<u>2,060,889</u>	<u>6,075,557</u>
Fund balance (deficit), June 30, 2002	<u>\$ 629,707</u>	<u>\$ 526,571</u>	<u>\$ 2,605,484</u>	<u>\$ 6,837,401</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Year Ended June 30, 2002

	<u>Capital Projects Funds (Continued)</u>							
	<u>CSO Relocate</u>	<u>FY94 Bond Issue</u>	<u>Water Bond</u>	<u>FY96 Bond Issue</u>	<u>FY97 Bond Issue</u>	<u>FY99 Bond Issue</u>	<u>Police Bond Issue</u>	<u>Zoo Bond Issue</u>
Revenues:								
Federal and state grants	\$	\$	\$	\$	\$	\$	\$	\$
Investment income								
Other	<u>957,188</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>957,188</u>							
Expenditures	<u>2,041,170</u>	<u>44,477</u>	<u>163,780</u>	<u>4,177</u>	<u> </u>	<u>262,971</u>	<u>19,998</u>	<u>80,026</u>
Excess (deficiency) of revenue over expenditures	<u>(1,083,982)</u>	<u>(44,477)</u>	<u>(163,780)</u>	<u>(4,177)</u>	<u> </u>	<u>(262,971)</u>	<u>(19,998)</u>	<u>(80,026)</u>
Other financing sources (uses):								
Transfers between funds								
Bond proceeds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(1,083,982)</u>	<u>(44,477)</u>	<u>(163,780)</u>	<u>(4,177)</u>	<u> </u>	<u>(262,971)</u>	<u>(19,998)</u>	<u>(80,026)</u>
Fund balances (deficit), July 1, 2001	<u>(39,400)</u>	<u>44,477</u>	<u>163,780</u>	<u>4,261</u>	<u>1,277</u>	<u>477,068</u>	<u>238,143</u>	<u>105,861</u>
Fund balances (deficit), June 30, 2002	<u><u>\$(1,123,382)</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 84</u></u>	<u><u>\$ 1,277</u></u>	<u><u>\$ 214,097</u></u>	<u><u>\$ 218,145</u></u>	<u><u>\$ 25,835</u></u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Year Ended June 30, 2002

Capital Project Funds (Continued)

	<u>New Roosevelt Construction</u>	<u>Water Main Bond Issue</u>	<u>Chlorine Disinfectant Station</u>	<u>Solicitor's Bond Issue</u>	<u>Normandin MS</u>	<u>Keith MS</u>	<u>Landfill Closure</u>	<u>Police Station</u>
Revenues:								
Federal and state grants	\$	\$	\$	\$	\$	\$	\$	\$
Investment income								
Other								
Total revenues								
Expenditures	<u>7,010,675</u>	<u>598,300</u>	<u>1,659,870</u>		<u>10,319,062</u>	<u>765,774</u>	<u>348,290</u>	
Excess (deficiency) of revenue over expenditures	<u>(7,010,675)</u>	<u>(598,300)</u>	<u>(1,659,870)</u>		<u>(10,319,062)</u>	<u>(765,774)</u>	<u>(348,290)</u>	
Other financing sources (uses):								
Transfers between funds				789,607				
Bond proceeds								
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(7,010,675)</u>	<u>(598,300)</u>	<u>(1,659,870)</u>	789,607	<u>(10,319,062)</u>	<u>(765,774)</u>	<u>(348,290)</u>	
Fund balances (deficit), July 1, 2001	<u>12,250,939</u>	<u>641,265</u>		<u>(789,607)</u>	<u>(1,777,766)</u>	<u>(1,014,968)</u>	<u>(91,534)</u>	<u>(1,150,000)</u>
Fund balances (deficit), June 30, 2002	<u>\$ 5,240,264</u>	<u>\$ 42,965</u>	<u>\$ (1,659,870)</u>	<u>\$</u>	<u>\$ (12,096,828)</u>	<u>\$ (1,780,742)</u>	<u>\$ (439,824)</u>	<u>\$ (1,150,000)</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Year Ended June 30, 2002

	Capital Project Funds							Subtotal	
	2002 SAC Dredge Grant	River Road Bond	Railroad Depot	Phase 2 Regional Airspace Study	Landfill Capping	Parking Garage	Wastewater 2D Treatment		Wastewater Treatment
Revenues:									
Federal and state grants	\$ 2,000,000	\$	\$	\$ 40,320	\$	\$ 145,782	\$ 890,996	\$ 199,737	\$ 3,276,835
Investment income							10,362	4,958	15,320
Other							22,498		979,686
Total revenues	2,000,000			40,320		145,782	923,856	204,695	4,271,841
Expenditures	2,533,137	466,498	426,929	30,400		215,654	927,503	22,615	27,941,306
Excess (deficiency) of revenue over expenditures	(533,137)	(466,498)	(426,929)	9,920		(69,872)	(3,647)	182,080	(23,669,465)
Other financing sources (uses):									
Transfers between funds							187,013	(187,013)	789,607
Bond proceeds									
Excess (deficiency) of revenues and other sources over expenditures and other uses	(533,137)	(466,498)	(426,929)	9,920		(69,872)	183,366	(4,933)	(22,879,858)
Fund balances (deficit), July 1, 2001			(78,000)		888		(117,003)	5,497	8,875,178
Fund balances (deficit), June 30, 2002	<u>\$(533,137)</u>	<u>\$(466,498)</u>	<u>\$(504,929)</u>	<u>\$ 9,920</u>	<u>\$ 888</u>	<u>\$(69,872)</u>	<u>\$ 66,363</u>	<u>\$ 564</u>	<u>\$(14,004,680)</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2002

	<u>Permanent Funds</u>			<u>Total Non Major Governmental Funds</u>
	<u>Nonexpendable Trusts</u>	<u>Expendable Trusts</u>	<u>Subtotal</u>	
Revenues:				
Federal and state grants	\$	\$	\$	\$ 40,363,776
Investment income	(554,589)	(130,048)	(684,637)	(484,447)
Other	<u>4,472</u>	<u> </u>	<u>4,472</u>	<u>4,916,258</u>
Total revenues	(550,117)	(130,048)	(680,165)	44,759,587
Expenditures	<u>137,539</u>	<u> </u>	<u>137,539</u>	<u>69,373,978</u>
Excess (deficiency) of revenue over expenditures	(687,656)	(130,048)	(817,704)	(24,578,391)
Other financing sources (uses):				
Transfers between funds	<u>(255,143)</u>	<u> </u>	<u>(255,143)</u>	<u>1,387,531</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(942,799)	(130,048)	(1,072,847)	(23,190,860)
Fund balance (deficit), July 1, 2001	<u>8,439,204</u>	<u>350,368</u>	<u>8,789,572</u>	<u>23,740,307</u>
Fund balance (deficit), June 30, 2002	<u>\$ 7,496,405</u>	<u>\$ 220,320</u>	<u>\$ 7,716,725</u>	<u>\$ 549,447</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Non Major Governmental Funds (Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

For the Year Ended June 30, 2002

	Capital Projects Funds (Continued)							
	<u>CSO</u>	<u>FY94</u>	<u>Water</u>	<u>FY96</u>	<u>FY97</u>	<u>FY99</u>	<u>Police</u>	<u>Zoo</u>
	<u>Relocate</u>	<u>Bond Issue</u>	<u>Bond</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>	<u>Bond Issue</u>
Revenues:								
Federal and state grants	\$	\$	\$	\$	\$	\$	\$	\$
Investment income								
Other	<u>957,188</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>957,188</u>							
Expenditures	<u>2,041,170</u>	<u>44,477</u>	<u>163,780</u>	<u>4,177</u>	<u> </u>	<u>262,971</u>	<u>19,998</u>	<u>80,026</u>
Excess (deficiency) of revenue over expenditures	<u>(1,083,982)</u>	<u>(44,477)</u>	<u>(163,780)</u>	<u>(4,177)</u>	<u> </u>	<u>(262,971)</u>	<u>(19,998)</u>	<u>(80,026)</u>
Other financing sources (uses):								
Transfers between funds								
Bond proceeds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(1,083,982)</u>	<u>(44,477)</u>	<u>(163,780)</u>	<u>(4,177)</u>	<u> </u>	<u>(262,971)</u>	<u>(19,998)</u>	<u>(80,026)</u>
Fund balances (deficit), July 1, 2001	<u>(39,400)</u>	<u>44,477</u>	<u>163,780</u>	<u>4,261</u>	<u>1,277</u>	<u>477,068</u>	<u>238,143</u>	<u>105,861</u>
Fund balances (deficit), June 30, 2002	<u><u>\$(1,123,382)</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 84</u></u>	<u><u>\$ 1,277</u></u>	<u><u>\$ 214,097</u></u>	<u><u>\$ 218,145</u></u>	<u><u>\$ 25,835</u></u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Non Major Governmental Funds (Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

For the Year Ended June 30, 2002

	Capital Project Funds (Continued)							
	<u>New Roosevelt Construction</u>	<u>Water Main Bond Issue</u>	<u>Chlorine Disinfectant Station</u>	<u>Solicitor's Bond Issue</u>	<u>Normandin MS</u>	<u>Keith MS</u>	<u>Landfill Closure</u>	<u>Police Station</u>
Revenues:								
Federal and state grants	\$	\$	\$	\$	\$	\$	\$	\$
Investment income								
Other	_____	_____	_____	_____	_____	_____	_____	_____
Total revenues								
Expenditures	<u>7,010,675</u>	<u>598,300</u>	<u>1,659,870</u>	_____	<u>10,319,062</u>	<u>765,774</u>	<u>348,290</u>	_____
Excess (deficiency) of revenue over expenditures	<u>(7,010,675)</u>	<u>(598,300)</u>	<u>(1,659,870)</u>	_____	<u>(10,319,062)</u>	<u>(765,774)</u>	<u>(348,290)</u>	_____
Other financing sources (uses):								
Transfers between funds				789,607				
Bond proceeds	_____	_____	_____	_____	_____	_____	_____	_____
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(7,010,675)</u>	<u>(598,300)</u>	<u>(1,659,870)</u>	789,607	<u>(10,319,062)</u>	<u>(765,774)</u>	<u>(348,290)</u>	_____
Fund balances (deficit), July 1, 2001	<u>12,250,939</u>	<u>641,265</u>	_____	<u>(789,607)</u>	<u>(1,777,766)</u>	<u>(1,014,968)</u>	<u>(91,534)</u>	<u>(1,150,000)</u>
Fund balances (deficit), June 30, 2002	<u>\$ 5,240,264</u>	<u>\$ 42,965</u>	<u>\$(1,659,870)</u>	<u>\$ _____</u>	<u>\$(12,096,828)</u>	<u>\$(1,780,742)</u>	<u>\$(439,824)</u>	<u>\$(1,150,000)</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Non Major Governmental Funds (Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

For the Year Ended June 30, 2002

	Capital Project Funds							Subtotal	
	2002 SAC Dredge Grant	River Road Bond	Railroad Depot	Phase 2 Regional Airspace Study	Landfill Capping	Parking Garage	Wastewater 2D Treatment		Wastewater Treatment
Revenues:									
Federal and state grants	\$ 2,000,000	\$	\$	\$ 40,320	\$	\$ 145,782	\$ 890,996	\$ 199,737	\$ 3,276,835
Investment income							10,362	4,958	15,320
Other							22,498		979,686
Total revenues	2,000,000			40,320		145,782	923,856	204,695	4,271,841
Expenditures	2,533,137	466,498	426,929	30,400		215,654	927,503	22,615	27,941,306
Excess (deficiency) of revenue over expenditures	(533,137)	(466,498)	(426,929)	9,920		(69,872)	(3,647)	182,080	(23,669,465)
Other financing sources (uses):									
Transfers between funds							187,013	(187,013)	789,607
Bond proceeds									
Excess (deficiency) of revenues and other sources over expenditures and other uses	(533,137)	(466,498)	(426,929)	9,920		(69,872)	183,366	(4,933)	(22,879,858)
Fund balances (deficit), July 1, 2001			(78,000)		888		(117,003)	5,497	8,875,178
Fund balances (deficit), June 30, 2002	<u>\$(533,137)</u>	<u>\$(466,498)</u>	<u>\$(504,929)</u>	<u>\$ 9,920</u>	<u>\$ 888</u>	<u>\$(69,872)</u>	<u>\$ 66,363</u>	<u>\$ 564</u>	<u>\$(14,004,680)</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Non Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2002

	<u>Permanent Funds</u>			<u>Total Non Major Governmental Funds</u>
	<u>Nonexpendable Trusts</u>	<u>Expendable Trusts</u>	<u>Subtotal</u>	
Revenues:				
Federal and state grants	\$	\$	\$	\$ 40,363,776
Investment income	(554,589)	(130,048)	(684,637)	(484,447)
Other	<u>4,472</u>	<u> </u>	<u>4,472</u>	<u>4,916,258</u>
Total revenues	(550,117)	(130,048)	(680,165)	44,759,587
Expenditures	<u>137,539</u>	<u> </u>	<u>137,539</u>	<u>69,373,978</u>
Excess (deficiency) of revenue over expenditures	(687,656)	(130,048)	(817,704)	(24,578,391)
Other financing sources (uses):				
Transfers between funds	<u>(255,143)</u>	<u> </u>	<u>(255,143)</u>	<u>1,387,531</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(942,799)	(130,048)	(1,072,847)	(23,190,860)
Fund balance (deficit), July 1, 2001	<u>8,439,204</u>	<u>350,368</u>	<u>8,789,572</u>	<u>23,740,307</u>
Fund balance (deficit), June 30, 2002	<u>\$ 7,496,405</u>	<u>\$ 220,320</u>	<u>\$ 7,716,725</u>	<u>\$ 549,447</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Special Revenue Funds - Community Development

Combining Balance Sheet

June 30, 2002

	Community Development Block Grant	HOME Program	Housing Seventy Inc.	HAND, Inc.	CDBG Talrand	Total
ASSETS						
Cash	\$ (12,947)	\$ 6,049	\$	\$ 610,136	\$	\$ 603,238
Federal and state receivables	472,063	44,313				516,376
Loans receivable			5,809	10,044,207		10,050,016
Receivable, other	1,717,795					1,717,795
Due from other funds	1,701			8,058		9,759
Land inventory			246,918			246,918
Total assets	<u>\$ 2,178,612</u>	<u>\$ 50,362</u>	<u>\$ 252,727</u>	<u>\$ 10,662,401</u>	<u>\$</u>	<u>\$ 13,144,102</u>
LIABILITIES AND FUND EQUITIES (DEFICITS)						
Liabilities:						
Warrants payable	\$ 437,078	\$ 33,943	\$	\$ 2,756	\$	\$ 473,777
Accounts payable and accrued expenses		2,616		1,593		4,209
Deferred revenue				10,044,208		10,044,208
Due to other funds	8,058	6,665		1,701		16,424
Total liabilities	<u>445,136</u>	<u>43,224</u>		<u>10,050,258</u>		<u>10,538,618</u>
Fund Balance:						
Unreserved, undesignated	1,733,476	7,138	252,727	612,143		2,605,484
Total liabilities and fund equity	<u>\$ 2,178,612</u>	<u>\$ 50,362</u>	<u>\$ 252,727</u>	<u>\$ 10,662,401</u>	<u>\$</u>	<u>\$ 13,144,102</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Special Revenue Funds - Community Development

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2003

	<u>Community Development Block Grant</u>	<u>HOME Program</u>	<u>Housing Seventy Inc.</u>	<u>HAND, Inc.</u>	<u>CDBG Tallrand</u>	<u>Total</u>
Revenues:						
Federal and state grant income	\$ 4,998,147	\$ 1,390,191	\$	\$ 136,185	\$	\$ 6,524,523
Interest income	330	62,388		98,965		161,683
Other income	<u>6,018</u>	<u>110,301</u>		<u>378,980</u>		<u>495,299</u>
Total revenue	5,004,495	1,562,880		614,130		7,181,505
Expenditures	<u>4,818,280</u>	<u>1,494,530</u>		<u>351,020</u>		<u>6,663,830</u>
Excess (deficiency) of revenues over expenditures	<u>186,215</u>	<u>68,350</u>		<u>263,110</u>		<u>517,675</u>
Other financing sources (uses):						
Transfers between funds					<u>26,920</u>	<u>26,920</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	186,215	68,350		263,110	26,920	544,595
Fund balance (deficit), July 1, 2001	<u>1,547,261</u>	<u>(61,212)</u>	<u>252,727</u>	<u>349,033</u>	<u>(26,920)</u>	<u>2,060,889</u>
Fund balance (deficit), June 30, 2002	<u>\$ 1,733,476</u>	<u>\$ 7,138</u>	<u>\$ 252,727</u>	<u>\$ 612,143</u>	<u>\$</u>	<u>\$ 2,605,484</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Proprietary Funds - Internal Service Funds

Combining Balance Sheet

June 30, 2002

	<u>Group Insurance Claims</u>	<u>Purchasing Department</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 2,131,831	\$ 80,417	\$ 2,212,248
Insurance premium deposit	2,648,250		2,648,250
Due from other funds	<u>363</u>	<u>314</u>	<u>677</u>
Total assets	<u>\$ 4,780,444</u>	<u>\$ 80,731</u>	<u>\$ 4,861,175</u>
LIABILITIES AND RETAINED EARNINGS (DEFICITS)			
Liabilities:			
Warrants payable	\$ 2,006,400	\$ 11,758	\$ 2,018,158
Accounts payable and accrued expenses	497	8,339	8,836
Claims IBNR	<u>2,119,825</u>		<u>2,119,825</u>
Total liabilities	4,126,722	20,097	4,146,819
Retained earnings	<u>653,722</u>	<u>60,634</u>	<u>714,356</u>
Total liabilities and retained earnings	<u>\$ 4,780,444</u>	<u>\$ 80,731</u>	<u>\$ 4,861,175</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Proprietary Funds - Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Year Ended June 30, 2002

	<u>Group Insurance Claims</u>	<u>Purchasing Department</u>	<u>Totals</u>
Revenues:			
Other restricted revenue	\$ 26,109,607	\$	\$ 26,109,607
Charges for services	<u> </u>	<u>260,792</u>	<u>260,792</u>
Total operating revenue	<u>26,109,607</u>	<u>260,792</u>	<u>26,370,399</u>
Expenses:			
Premiums LHM	25,994,404		25,994,404
Contract services	25,231	124,054	149,285
Supplies	<u> </u>	<u>127,387</u>	<u>127,387</u>
Total operating expenses	<u>26,019,635</u>	<u>251,441</u>	<u>26,271,076</u>
Operating income (loss)	89,972	9,351	99,323
Non operating income/expenses:			
Investment income	<u>1,211</u>	<u> </u>	<u>1,211</u>
Net income	91,183	9,351	100,534
Fund balance July 1, 2001, restated	<u>562,539</u>	<u>51,283</u>	<u>613,822</u>
Fund balance June 30, 2002	<u>\$ 653,722</u>	<u>\$ 60,634</u>	<u>\$ 714,356</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Special Revenue Funds

Community Development (Continued)

Combining Balance Sheet

June 30, 2002

	<u>Community Development Block Grant</u>	<u>HOME Program</u>	<u>Housing Seventy Inc.</u>	<u>HAND, Inc.</u>	<u>CDBG Tallrand</u>	<u>Total</u>
ASSETS						
Cash	\$ (12,947)	\$ 6,049	\$	\$ 610,136	\$	\$ 603,238
Federal and state receivables	472,063	44,313				516,376
Loans receivable			5,809	10,044,207		10,050,016
Receivable, other	1,717,795					1,717,795
Due from other funds	1,701			8,058		9,759
Land inventory			246,918			246,918
Total assets	<u>\$ 2,178,612</u>	<u>\$ 50,362</u>	<u>\$ 252,727</u>	<u>\$ 10,662,401</u>	<u>\$</u>	<u>\$ 13,144,102</u>
LIABILITIES AND FUND EQUITIES (DEFICITS)						
Liabilities:						
Warrants payable	\$ 437,078	\$ 33,943	\$	\$ 2,756	\$	\$ 473,777
Accounts payable and accrued expenses		2,616		1,593		4,209
Deferred revenue				10,044,208		10,044,208
Due to other funds	8,058	6,665		1,701		16,424
Total liabilities	<u>445,136</u>	<u>43,224</u>		<u>10,050,258</u>		<u>10,538,618</u>
Fund Balance:						
Unreserved, undesignated	<u>1,733,476</u>	<u>7,138</u>	<u>252,727</u>	<u>612,143</u>		<u>2,605,484</u>
Total liabilities and fund equity	<u>\$ 2,178,612</u>	<u>\$ 50,362</u>	<u>\$ 252,727</u>	<u>\$ 10,662,401</u>	<u>\$</u>	<u>\$ 13,144,102</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Special Revenue Funds

Community Development

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2003

	<u>Community Development Block Grant</u>	<u>HOME Program</u>	<u>Housing Seventy Inc.</u>	<u>HAND, Inc.</u>	<u>CDBG Tallrand</u>	<u>Total</u>
Revenues:						
Federal and state grant income	\$ 4,998,147	\$ 1,390,191	\$	\$ 136,185	\$	\$ 6,524,523
Interest income	330	62,388		98,965		161,683
Other income	<u>6,018</u>	<u>110,301</u>		<u>378,980</u>		<u>495,299</u>
Total revenue	5,004,495	1,562,880		614,130		7,181,505
Expenditures	<u>4,818,280</u>	<u>1,494,530</u>		<u>351,020</u>		<u>6,663,830</u>
Excess (deficiency) of revenues over expenditures	<u>186,215</u>	<u>68,350</u>		<u>263,110</u>		<u>517,675</u>
Other financing sources (uses):						
Transfers between funds					<u>26,920</u>	<u>26,920</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	186,215	68,350		263,110	26,920	544,595
Fund balance (deficit), July 1, 2001	<u>1,547,261</u>	<u>(61,212)</u>	<u>252,727</u>	<u>349,033</u>	<u>(26,920)</u>	<u>2,060,889</u>
Fund balance (deficit), June 30, 2002	<u>\$ 1,733,476</u>	<u>\$ 7,138</u>	<u>\$ 252,727</u>	<u>\$ 612,143</u>	<u>\$</u>	<u>\$ 2,605,484</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Proprietary Funds

Internal Service Funds (Continued)

Combining Balance Sheet

June 30, 2002

	<u>Group Insurance Claims</u>	<u>Purchasing Department</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 2,131,831	\$ 80,417	\$ 2,212,248
Insurance premium deposit	2,648,250		2,648,250
Due from other funds	<u>363</u>	<u>314</u>	<u>677</u>
Total assets	<u>\$ 4,780,444</u>	<u>\$ 80,731</u>	<u>\$ 4,861,175</u>
LIABILITIES AND RETAINED EARNINGS (DEFICITS)			
Liabilities:			
Warrants payable	\$ 2,006,400	\$ 11,758	\$ 2,018,158
Accounts payable and accrued expenses	497	8,339	8,836
Claims IBNR	<u>2,119,825</u>		<u>2,119,825</u>
Total liabilities	4,126,722	20,097	4,146,819
Retained earnings	<u>653,722</u>	<u>60,634</u>	<u>714,356</u>
Total liabilities and retained earnings	<u>\$ 4,780,444</u>	<u>\$ 80,731</u>	<u>\$ 4,861,175</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Proprietary Funds

Internal Service Funds (Continued)

Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)

For the Year Ended June 30, 2002

	<u>Group Insurance Claims</u>	<u>Purchasing Department</u>	<u>Totals</u>
Revenues:			
Other restricted revenue	\$ 26,109,607	\$	\$ 26,109,607
Charges for services	<u> </u>	<u>260,792</u>	<u>260,792</u>
Total operating revenue	<u>26,109,607</u>	<u>260,792</u>	<u>26,370,399</u>
Expenses:			
Premiums LHM	25,994,404		25,994,404
Contract services	25,231	124,054	149,285
Supplies	<u> </u>	<u>127,387</u>	<u>127,387</u>
Total operating expenses	<u>26,019,635</u>	<u>251,441</u>	<u>26,271,076</u>
Operating income (loss)	89,972	9,351	99,323
Non operating income/expenses:			
Investment income	<u>1,211</u>	<u> </u>	<u>1,211</u>
Net income	91,183	9,351	100,534
Fund balance July 1, 2001, restated	<u>562,539</u>	<u>51,283</u>	<u>613,822</u>
Fund balance June 30, 2002	<u>\$ 653,722</u>	<u>\$ 60,634</u>	<u>\$ 714,356</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Fund

Schedule of Property Tax and Motor Vehicle Excise Tax Receivables

Year Ended June 30, 2002

	<u>Beginning Balance 06/30/01</u>	<u>Commitments</u>	<u>Treasurer's Collections</u>	<u>Adjustments</u>	<u>Abatements</u>	<u>Transfer to Tax Title</u>	<u>Refunds & Refund Pay</u>	<u>Ending Balance 06/30/02</u>
Real Estate:								
2002	\$	\$ 57,066,953	\$(53,637,891)	\$(29,248)	\$(910,119)	\$	\$ 15,350	\$ 2,505,045
2001	2,728,928		(1,168,887)	(1,536,839)	(123,366)	(66,823)	167,430	443
2000	(31,137)		(282)	(359)	(5,469)		7,007	(30,240)
1999	(20,339)		(5,076)	(2,685)	(180)		27,227	(1,053)
1998	18,686		(3,894)	17,665	(1,782)		436	31,111
1997	12,967		(2,870)	(12,431)				(2,334)
1996	9,376			(494)	(9,564)			(682)
1995	12,672		(4)	(3,042)	(26,305)			(16,679)
1994	12,717			1,101	(19,084)			(5,266)
1993	11,114		(212)	6,849	(20,220)			(2,469)
1992	7,926				(24,043)			(16,117)
1991	8,642			(48)	(22,265)			(13,671)
1990	7,654				(25,534)			(17,880)
1989	7,437				(13,353)			(5,916)
1988					(527)			(527)
Total Real Estate	<u>2,786,643</u>	<u>57,066,953</u>	<u>(54,819,116)</u>	<u>(1,559,531)</u>	<u>(1,201,811)</u>	<u>(66,823)</u>	<u>217,450</u>	<u>2,423,765</u>
Personal Property:								
2002		4,142,805	(4,008,559)	(168)	(2,129)		3,261	135,210
2001	114,111		(29,416)	(352)	(14,923)		6,326	75,746
2000	102,547		(23,648)	420	(17,497)		3,826	65,648
1999	78,212		(25,437)	114	(23,070)			29,819
1998	75,803		(13,134)	286	(25,666)			37,289
1997	43,664		(7,330)		(10,864)			25,470
1996	41,448		(8,471)	(4)	(10,794)			22,179
1995	32,485		(7,819)		(6,195)			18,471
1994	31,618		(3,482)	(25)	(9,831)			18,280
1993	22,754		(2,373)	(10)	(7,315)			13,056
1992	20,185		(2,953)	162	(6,551)			10,843
1991	10,681		(1,657)		(1,364)			7,660
1990	11,357		(1,855)		(2,418)			7,084
1989	10,242		(1,113)	5	(2,634)			6,500
Total Personal Property	<u>595,107</u>	<u>4,142,805</u>	<u>(4,137,247)</u>	<u>428</u>	<u>(141,251)</u>		<u>13,413</u>	<u>473,255</u>
Total Property Taxes	<u>3,381,750</u>	<u>61,209,758</u>	<u>(58,956,363)</u>	<u>(1,559,103)</u>	<u>(1,343,062)</u>	<u>(66,823)</u>	<u>230,863</u>	<u>2,897,020</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Fund

Schedule of Property Tax and Motor Vehicle Excise Tax Receivables (Continued)

Year Ended June 30, 2002

	<u>Beginning Balance 06/30/01</u>	<u>Commitments</u>	<u>Treasurer's Collections</u>	<u>Adjustments</u>	<u>Abatements</u>	<u>Transfer to Tax Title</u>	<u>Refunds & Refund Pay</u>	<u>Ending Balance 06/30/02</u>
<u>Motor Vehicle:</u>								
2002		4,702,380	(4,006,158)	109	(113,548)		25,161	607,944
2001	592,961	831,478	(1,185,057)	(131)	(72,863)		50,113	216,501
2000	178,797	198,565	(269,940)	39	(7,070)		4,090	104,481
1999	86,768	269	(23,004)	(10)	(453)		362	63,932
1998	123,723	15	(10,735)		(804)			112,199
1997	57,244	5	(6,610)		(313)			50,326
1996	41,454		(3,687)		(440)			37,327
1995	39,196		(1,343)		(124)			37,729
1994	41,471		(1,339)	(5)	(158)			39,969
1993	56,025		(1,415)		(142)		18	54,486
1992	67,401		(1,538)	(18)	(154)			65,691
1991	91,763		(1,894)					89,869
1990	115,111		(1,536)		(38)			113,537
1989	152,111		(1,566)		(220)			150,325
1988	169,109		(2,500)		(18)			166,591
Total Motor Vehicle	<u>1,813,134</u>	<u>5,732,712</u>	<u>(5,518,322)</u>	<u>(16)</u>	<u>(196,345)</u>		<u>79,744</u>	<u>1,910,907</u>
Total Property and Motor Vehicle	<u>\$ 5,194,884</u>	<u>\$ 66,942,470</u>	<u>\$(64,474,685)</u>	<u>\$(1,559,119)</u>	<u>\$(1,539,407)</u>	<u>\$(66,823)</u>	<u>\$ 310,607</u>	<u>\$ 4,807,927</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2002

Revenues:

Tax collections net of refunds:

Real estate and personal property taxes	\$ 58,323,708
Motor vehicle excise	5,045,815
Tax foreclosures	1,692,198
Other excise collections	70,851
Penalties and interest	1,032,316
Payments in lieu of taxes	261,722

Charges for services:

Water and sewer	6,485,797
Sewer	670,962
Trash	420,823
School	2,491,314
Libraries	21,013
Cemeteries	246,705
Recreation	6,397
Departmental	8,645,477
Education	
Licenses and permits	1,379,626
Fines and forfeitures	228,084
Special assessments	2,316
Earnings on investments	470,347
Other	48,367

Governmental revenue:

Federal	193,546
State	124,501,915
Other	

Total revenues 212,239,299

CITY OF NEW BEDFORD, MASSACHUSETTS

General Fund

Schedule of Property Tax and Motor Vehicle Excise Tax Receivables (Continued)

Year Ended June 30, 2002

	<u>Beginning Balance 06/30/01</u>	<u>Commitments</u>	<u>Treasurer's Collections</u>	<u>Adjustments</u>	<u>Abatements</u>	<u>Transfer to Tax Title</u>	<u>Refunds & Refund Pay</u>	<u>Ending Balance 06/30/02</u>
<u>Real Estate:</u>								
2002	\$	\$ 57,066.953	\$(53,637.891)	\$(29,248)	\$(910,119)	\$	\$ 15,350	\$ 2,505,045
2001	2,728,928		(1,168,887)	(1,536,839)	(123,366)	(66,823)	167,430	443
2000	(31,137)		(282)	(359)	(5,469)		7,007	(30,240)
1999	(20,339)		(5,076)	(2,685)	(180)		27,227	(1,053)
1998	18,686		(3,894)	17,665	(1,782)		436	31,111
1997	12,967		(2,870)	(12,431)				(2,334)
1996	9,376			(494)	(9,564)			(682)
1995	12,672		(4)	(3,042)	(26,305)			(16,679)
1994	12,717			1,101	(19,084)			(5,266)
1993	11,114		(212)	6,849	(20,220)			(2,469)
1992	7,926				(24,043)			(16,117)
1991	8,642			(48)	(22,265)			(13,671)
1990	7,654				(25,534)			(17,880)
1989	7,437				(13,353)			(5,916)
1988					(527)			(527)
Total Real Estate	<u>2,786,643</u>	<u>57,066,953</u>	<u>(54,819,116)</u>	<u>(1,559,531)</u>	<u>(1,201,811)</u>	<u>(66,823)</u>	<u>217,450</u>	<u>2,423,765</u>
<u>Personal Property:</u>								
2002		4,142,805	(4,008,559)	(168)	(2,129)		3,261	135,210
2001	114,111		(29,416)	(352)	(14,923)		6,326	75,746
2000	102,547		(23,648)	420	(17,497)		3,826	65,648
1999	78,212		(25,437)	114	(23,070)			29,819
1998	75,803		(13,134)	286	(25,666)			37,289
1997	43,664		(7,330)		(10,864)			25,470
1996	41,448		(8,471)	(4)	(10,794)			22,179
1995	32,485		(7,819)		(6,195)			18,471
1994	31,618		(3,482)	(25)	(9,831)			18,280
1993	22,754		(2,373)	(10)	(7,315)			13,056
1992	20,185		(2,953)	162	(6,551)			10,843
1991	10,681		(1,657)		(1,364)			7,660
1990	11,357		(1,855)		(2,418)			7,084
1989	10,242		(1,113)	5	(2,634)			6,500
Total Personal Property	<u>595,107</u>	<u>4,142,805</u>	<u>(4,137,247)</u>	<u>428</u>	<u>(141,251)</u>		<u>13,413</u>	<u>473,255</u>
Total Property Taxes	<u>3,381,750</u>	<u>61,209,758</u>	<u>(58,956,363)</u>	<u>(1,559,103)</u>	<u>(1,343,062)</u>	<u>(66,823)</u>	<u>230,863</u>	<u>2,897,020</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

GENERAL FUND

SCHEDULE OF PROPERTY TAX AND MOTOR VEHICLE EXCISE TAX RECEIVABLES

YEAR ENDED JUNE 30, 2002

	<u>Beginning Balance 06/30/01</u>	<u>Commitments</u>	<u>Treasurer's Collections</u>	<u>Adjustments</u>	<u>Abatements</u>	<u>Transfer to Tax Title</u>	<u>Refunds & Refund Pay</u>	<u>Ending Balance 06/30/02</u>
<u>Motor Vehicle:</u>								
2002		4,702,380	(4,006,158)	109	(113,548)		25,161	607,944
2001	592,961	831,478	(1,185,057)	(131)	(72,863)		50,113	216,501
2000	178,797	198,565	(269,940)	39	(7,070)		4,090	104,481
1999	86,768	269	(23,004)	(10)	(453)		362	63,932
1998	123,723	15	(10,735)		(804)			112,199
1997	57,244	5	(6,610)		(313)			50,326
1996	41,454		(3,687)		(440)			37,327
1995	39,196		(1,343)		(124)			37,729
1994	41,471		(1,339)	(5)	(158)			39,969
1993	56,025		(1,415)		(142)		18	54,486
1992	67,401		(1,538)	(18)	(154)			65,691
1991	91,763		(1,894)					89,869
1990	115,111		(1,536)		(38)			113,537
1989	152,111		(1,566)		(220)			150,325
1988	169,109		(2,500)		(18)			166,591
Total Motor Vehicle	<u>1,813,134</u>	<u>5,732,712</u>	<u>(5,518,322)</u>	<u>(16)</u>	<u>(196,345)</u>		<u>79,744</u>	<u>1,910,907</u>
Total Property and Motor Vehicle	<u>\$ 5,194,884</u>	<u>\$ 66,942,470</u>	<u>\$(64,474,685)</u>	<u>\$(1,559,119)</u>	<u>\$(1,539,407)</u>	<u>\$(66,823)</u>	<u>\$ 310,607</u>	<u>\$ 4,807,927</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

General Fund (Continued)

Statement of Revenues, Expenditures and Changes in fund Balance (Continued)

Year Ended June 30, 2002

Revenues:

Tax collections net of refunds:

Real estate and personal property taxes	\$ 58,323,708
Motor vehicle excise	5,045,815
Tax foreclosures	1,692,198
Other excise collections	70,851
Penalties and interest	1,032,316
Payments in lieu of taxes	261,722

Charges for services:

Water and sewer	6,485,797
Sewer	670,962
Trash	420,823
School	2,491,314
Libraries	21,013
Cemeteries	246,705
Recreation	6,397
Departmental	8,645,477
Education	
Licenses and permits	1,379,626
Fines and forfeitures	228,084
Special assessments	2,316
Earnings on investments	470,347
Other	48,367

Governmental revenue:

Federal	193,546
State	124,501,915
Other	

Total revenues 212,239,299

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2002

Expenditures:

General government	8,061,628
Public Safety	40,239,260
Public works and facilities:	
Water, sewer and sanitation operations	8,337,581
Highways and streets	6,814,848
Inspectional services	
Education:	
School department	102,126,249
Other	2,197,294
Human services	3,502,309
Culture and recreation	2,616,119
Debt service	7,828,840
Insurance and pension	30,972,957
Municipal Airport	655,049
Intergovernmental expenditures	<u>1,458,082</u>
Total Expenditures	<u>214,810,216</u>
Excess (deficiency) of revenues over expenditures	<u>(2,570,917)</u>
Other financing sources and (uses):	
Operating transfers in	3,680,770
Operating transfers out	<u>(3,769,053)</u>
Total other financing sources and (uses)	<u>(88,283)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(2,659,200)</u>
Fund balance (deficit) at beginning of year	<u>17,157,777</u>
Fund balance (deficit) at end of year	<u>\$ 14,498,577</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Long-Term Debt Account Group

Schedule of Long-Term Debt Maturities

Ten Years Ended June 30

	Outstanding Balance 6/30/02	2003	2004	2005	2006	2007
Landfill Closure Bonds	\$ 2,215,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 265,000	\$
General Public Improvement	3,533,000	780,000	763,000	600,000	600,000	590,000
Water Bond	4,087,000	235,000	247,000	260,000	275,000	235,000
General Public Improvement	3,415,000	260,000	260,000	250,000	245,000	245,000
Sewer Bonds	4,450,000	200,000	210,000	220,000	230,000	245,000
Sewer Bonds	3,100,000	120,000	125,000	135,000	140,000	145,000
General Public Improvement	9,285,000	770,000	770,000	770,000	770,000	770,000
Federal Loan 1996 Series A	17,265,000	1,815,000	1,760,000	1,705,000	1,645,000	1,570,000
Federal Loan 1998 Series A	117,935,000	2,260,000	2,415,000	2,585,000	2,755,000	2,940,000
Federal Loan 2000 Series 6	5,562,904	117,431	121,941	124,055	127,267	130,894
Landfill and Water	3,505,000	185,000	185,000	185,000	185,000	185,000
Middle School, Public Imp	<u>45,630,000</u>	<u>1,590,000</u>	<u>1,655,000</u>	<u>1,725,000</u>	<u>1,795,000</u>	<u>1,870,000</u>
	<u>\$ 219,982,904</u>	<u>\$ 8,982,431</u>	<u>\$ 9,161,941</u>	<u>\$ 9,209,055</u>	<u>\$ 9,032,267</u>	<u>\$ 8,925,894</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Long-Term Debt Account Group

Schedule of Long-Term Debt Maturities (Continued)

Ten Years Ended June 30

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Landfill Closure Bonds	\$	\$	\$	\$	\$
General Public Improvement	590,000	590,000	510,000	510,000	510,000
Water Bond	250,000	260,000	280,000	295,000	310,000
General Public Improvement	245,000	245,000	240,000	240,000	240,000
Sewer Bonds	260,000	270,000	285,000	305,000	320,000
Sewer Bonds	150,000	160,000	170,000	175,000	185,000
General Public Improvement	770,000	765,000	390,000	390,000	390,000
Federal Loan 1996 Series A	1,490,000	1,390,000	1,285,000	1,165,000	1,035,000
Federal Loan 1998 Series A	3,135,000	3,345,000	3,565,000	3,805,000	4,085,000
Federal Loan 2000 Series 6	135,129	139,495	144,008	148,850	155,000
Landfill and Water	185,000	185,000	185,000	185,000	185,000
Middle School, Public Imp	<u>1,955,000</u>	<u>2,035,000</u>	<u>2,125,000</u>	<u>2,220,000</u>	<u>2,315,000</u>
	<u>\$ 9,165,129</u>	<u>\$ 9,384,495</u>	<u>\$ 9,179,008</u>	<u>\$ 9,438,850</u>	<u>\$ 9,730,000</u>

