

CITY OF NEW BEDFORD, MASSACHUSETTS

ANNUAL FINANCIAL REPORT

JUNE 30, 2007

CITY OF NEW BEDFORD, MASSACHUSETTS

June 30, 2007

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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, 2007, 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 provides a reasonable basis for our opinions.

The City of New Bedford, Massachusetts has not reconciled the general ledger cash and investment account balances to the total bank accounts held at various financial institutions as of June 30, 2007. Cash in the bank as reported in the financial statements totals \$66.6 million compared with the Cash in the Bank as reported in the summary of all bank statements, after considering unrepresented deposits and checks which totals \$65.4 million, a difference of \$1.2 million. As a result, we were unable to obtain assurance that all the transactions processed by the City of New Bedford, Massachusetts during the year are accurately reflected in the financial statements.

In our opinion, except for the existence of the limitation on the scope of work as described in the qualification paragraph above, and the effect of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, 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, 2007, 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.

CITY OF NEW BEDFORD, MASSACHUSETTS

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 7, 2007 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 13 and the schedule of revenues, expenditures and changes in fund balances - budgetary basis on pages 68 through 75 and 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 supplementary statements and schedules on pages 79 through 104 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 schedule of funding progress and employers' contributions on pages 76 through 78 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.

Haque, Sakady & Co. PC

December 7, 2007

CITY OF NEW BEDFORD, MASSACHUSETTS

Management's Discussion and Analysis (MD&A)

Year Ended June 30, 2007

The management of the **City of New Bedford, Massachusetts** (City), offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007 and 2006. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL Highlights:

- The assets of the City exceeded liabilities at June 30, 2007 and 2006, respectively, by \$145,047,482 and \$105,174,584. Of this amount, \$98,383,619 represents unrestricted net assets.
- The City's total net assets increased by \$39,872,898.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,560,047. As of June 30, 2006 ending fund balances for governmental funds were \$(17,288,280).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$26,750,700 (10.1 percent) of total general fund expenditures.
- The City's total long term debt increased by \$7,349,913 from \$213,421,269 to \$220,771,182 during the current fiscal year. The key factor in this increase is that the City is incurred new debt totaling \$17,357,300 and pay downs were made totaling \$10,007,387.
- The City considered its water and airport activities to be business-type in nature beginning in 2006. The business-type activities increased the City's net assets by \$6,680,334.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

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, and culture and recreation are reported here. Property taxes, state aid, local fees and charges finance most of these activities.
- Business-type activities - Business-type activities of the City such as water and airport are reported here. Charges for services finance most of these activities.
- 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 five legally separate component unit entities included in this report, which are the Greater New Bedford Regional Refuse Management District, the Harbor Development Corporation, Department of Workforce Development Administration (New Directions), the New Bedford Redevelopment Authority and The New Bedford Contributory Retirement System.

The government-wide financial statements can be found on pages 14 through 17 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 water and airport and internal service or medical claims trust funds. 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.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

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*.

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, which are not required but are supplementary information.

The City adopts an annual budget for its general and 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 18 through 19 of this report. The budgetary statements can be found on pages 68 through 70 and 73 of this report.

Proprietary funds: The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and airport operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. 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. The accrual basis of accounting is used for the proprietary fund.

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 water and airport operations as well as the internal service fund which is considered a major funds.

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

The proprietary fund financial statements can be found on pages 22 through 25 of this report. The budgetary statements can be found on pages 71 through 72 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 government-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 26 through 27 of this report.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

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 28 through 67 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, water, airport and wastewater funds. Budgetary comparison schedules are presented to demonstrate compliance with the budget on pages 68 through 75.

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 \$145,047,482 as of June 30, 2007 and \$105,174,584 as of June 30, 2006.

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, etc.) 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, 2007 and June 30, 2006 (Government-wide level)

	<u>Governmental Activities</u>		<u>Business-Type Activities **</u>		<u>Total **</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Assets:						
Current and other assets	\$ 136,853,492	\$ 146,210,983	\$ 2,691,103	\$ 2,082,778	\$ 139,544,595	\$ 148,293,761
Capital assets	<u>287,677,278</u>	<u>278,059,832</u>	<u>48,252,941</u>	<u>43,217,611</u>	<u>335,930,219</u>	<u>321,277,443</u>
Total Assets	<u>\$ 424,530,770</u>	<u>\$ 424,270,815</u>	<u>\$ 50,944,044</u>	<u>\$ 45,300,389</u>	<u>\$ 475,474,814</u>	<u>\$ 469,571,204</u>
Liabilities:						
Current liabilities	\$ 109,594,367	\$ 56,225,060	\$ 1,448,597	\$ 767,473	\$ 111,042,964	\$ 56,992,533
Long-term liabilities	<u>207,625,253</u>	<u>293,927,169</u>	<u>11,759,115</u>	<u>13,476,918</u>	<u>219,384,368</u>	<u>307,404,087</u>
Total Liabilities	<u>\$ 317,219,620</u>	<u>\$ 350,152,229</u>	<u>\$ 13,207,712</u>	<u>\$ 14,244,391</u>	<u>\$ 330,427,332</u>	<u>\$ 364,396,620</u>
Net Assets:						
Investment in capital assets (net of debt)	\$ 29,324,454	\$ (3,314,683)	\$ 35,779,877	\$ 29,965,904	\$ 65,104,331	\$ 26,651,221
Restricted	(18,712,420)	17,520,895	271,952	(20,271)	(18,440,468)	17,500,624
Unreserved	<u>96,699,116</u>	<u>59,912,374</u>	<u>1,684,503</u>	<u>1,110,365</u>	<u>98,383,619</u>	<u>61,022,739</u>
Total Net Assets	<u>\$ 107,311,150</u>	<u>\$ 74,118,586</u>	<u>\$ 37,736,332</u>	<u>\$ 31,055,998</u>	<u>\$ 145,047,482</u>	<u>\$ 105,174,584</u>

** Total net assets for fiscal year ended June 30, 2006 have been restated - refer to restatement note (pages 66-67) in the financial statements for the explanation.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

An additional portion of the City's net assets \$(18,440,468) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$98,383,619 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, 2007 and June 30, 2006 cash and investments consisted of \$66,569,695 and \$59,672,406 respectively.

At the end of fiscal years 2007 and 2006, the City is not able to report positive balances in all three categories of net assets for its governmental activities. For years ended 2007 and 2006 the City is not able to report positive balances in all three categories of net assets for its business-type activities.

The City's net assets for its governmental funds increased during the current fiscal year, due primarily to earning revenues in excess of expenditures and the receipt of \$17 million in bond proceeds. Net assets for business-type activities increased due to revenue earned in excess of expenditures.

Governmental activities. Governmental activities increased the City's net assets by \$33,192,564 for fiscal year ended June 30, 2007.

Business-type activities. Business-type activities increased the City's net assets by \$6,680,334 for 2007.

Key elements of these increases/(decreases) are documented on the following page:

Changes in Net Assets for the period ending June 30, 2007 and June 30, 2006 (Government-wide level)

	Governmental Activities **		Business-Type Activities **		Total **	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues:						
Charges for service	\$ 36,929,132	\$ 34,953,972	\$ 8,283,560	\$ 7,879,651	\$ 45,212,692	\$ 42,833,623
Operating grants & contributions	68,278,767	62,918,417	200,076	202,766	68,478,843	63,121,183
Capital grants & contributions	39,030,586	39,581,303	395,000		39,425,586	39,581,303
General revenues:						
Property taxes	79,127,415	74,363,939			79,127,415	74,363,939
Motor vehicle excise	5,753,488	6,481,040			5,753,488	6,481,040
Tax liens fines & other	3,984,212	4,270,828			3,984,212	4,270,828
Intergovernmental	136,047,415	128,890,454			136,047,415	128,890,454
Earnings on investments	2,878,895	3,016,169			2,878,895	3,016,169
Other	<u>2,470,505</u>	<u>1,991,368</u>	<u>84,635</u>	<u>59,175</u>	<u>2,555,140</u>	<u>2,050,543</u>
Total revenues	<u>374,500,415</u>	<u>356,467,490</u>	<u>8,963,271</u>	<u>8,141,592</u>	<u>383,463,686</u>	<u>364,609,082</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

Changes in Net Assets for the period ending June 30, 2007 and June 30, 2006 (Government-wide level)

	<u>Governmental Activities **</u>		<u>Business-Type Activities **</u>		<u>Total **</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Expenses:						
General government	8,779,015	6,475,299			8,779,015	6,475,299
Public safety	53,333,976	51,116,282			53,333,976	51,116,282
Education	202,173,624	189,800,721			202,173,624	189,800,721
Public works	34,725,534	29,332,504			34,725,534	29,332,504
Community and economic development	9,832,227	7,649,653			9,832,227	7,649,653
Health & human serv	6,198,907	5,408,693			6,198,907	5,408,693
Municipal airport	887,892	598,686			887,892	598,686
Culture and recreation	5,684,762	4,179,867			5,684,762	4,179,867
Debt service (interest)	11,809,820	12,553,318			11,809,820	12,553,318
Debt administrative fees	242,237	198,846			242,237	198,846
Miscellaneous	15,146	582,951			15,146	582,951
State and county charges	1,618,112	1,553,092			1,618,112	1,553,092
Water			7,208,451	10,132,139	7,208,451	10,132,139
Airport			810,381	695,559	810,381	695,559
Total expenses	<u>335,301,252</u>	<u>309,449,912</u>	<u>8,018,832</u>	<u>10,827,698</u>	<u>343,320,084</u>	<u>320,277,610</u>
Increase (decrease) in net assets before transfers	39,199,163	47,017,578	944,439	(2,686,106)	40,143,602	44,331,472
Funds deficits raised	(109,361)				(109,361)	
Transfers from other funds	(5,737,895)	(10,877,429)	5,735,895	10,956,530	(2,000)	79,101
Transfers out prior year bills	(159,343)				(159,343)	
Increase (decrease) in net assets	33,192,564	36,140,149	6,680,334	8,270,424	39,872,898	44,410,573
Net assets - beginning **	<u>74,118,586</u>	<u>37,978,437</u>	<u>31,055,999</u>	<u>22,785,575</u>	<u>105,174,585</u>	<u>60,764,012</u>
Net assets - ending	<u>\$ 107,311,150</u>	<u>\$ 74,118,586</u>	<u>\$ 37,736,333</u>	<u>\$ 31,055,999</u>	<u>\$ 145,047,483</u>	<u>\$ 105,174,585</u>

** This category was restated - Refer to restatement note (page 66-67) for explanation.

The majority of general revenues are tax collections from the City's taxpayers. This amount represented 34% of the total general revenues of \$230 million. The operating grants are also a significant source of revenue for the City. The total operating grants for fiscal year ended June 30, 2007 amounted to \$68,278,767 of which \$46,606,680 were received for education.

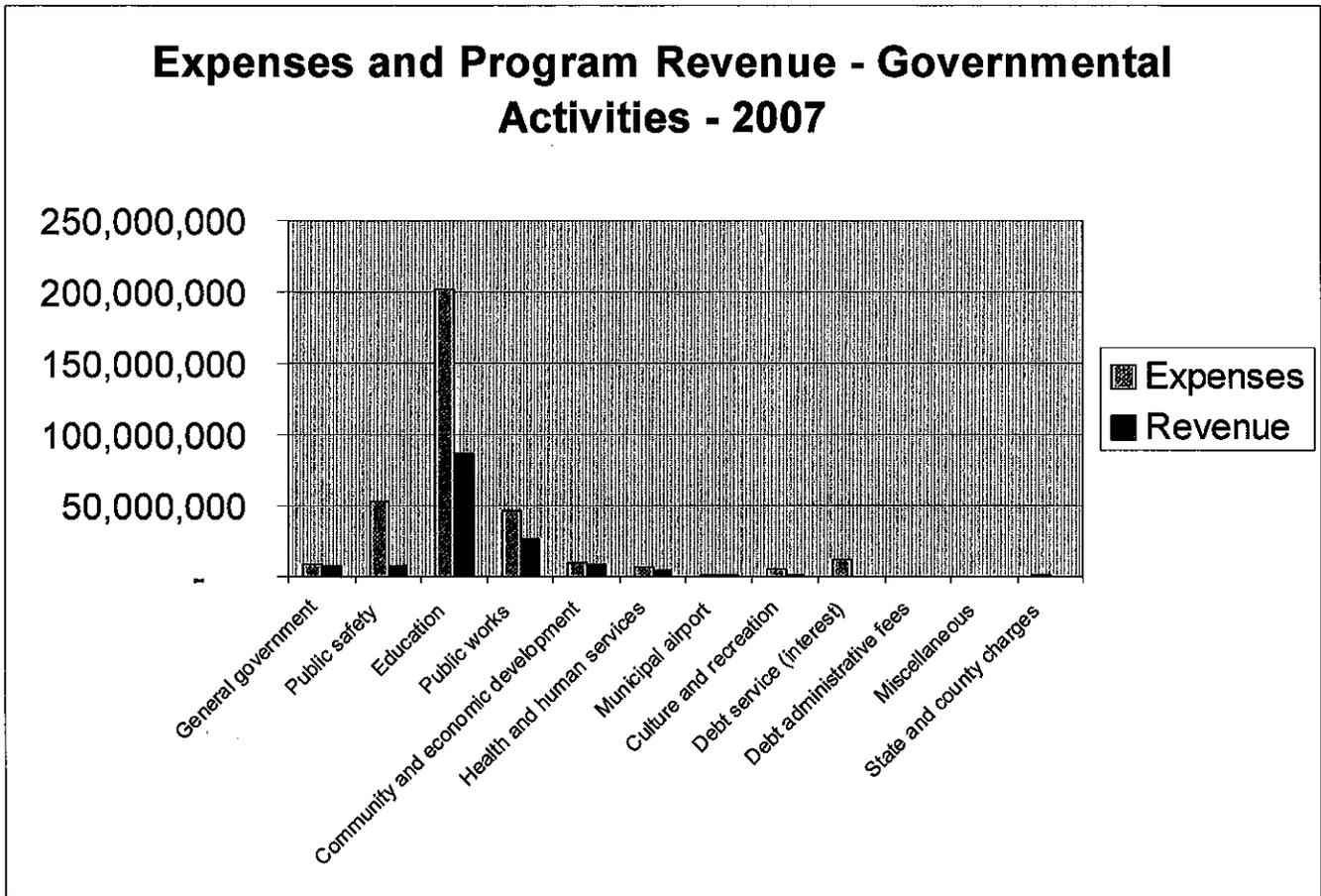
The most significant expense of the City is education which represented 60% of total expenses, followed by public safety at 16%.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

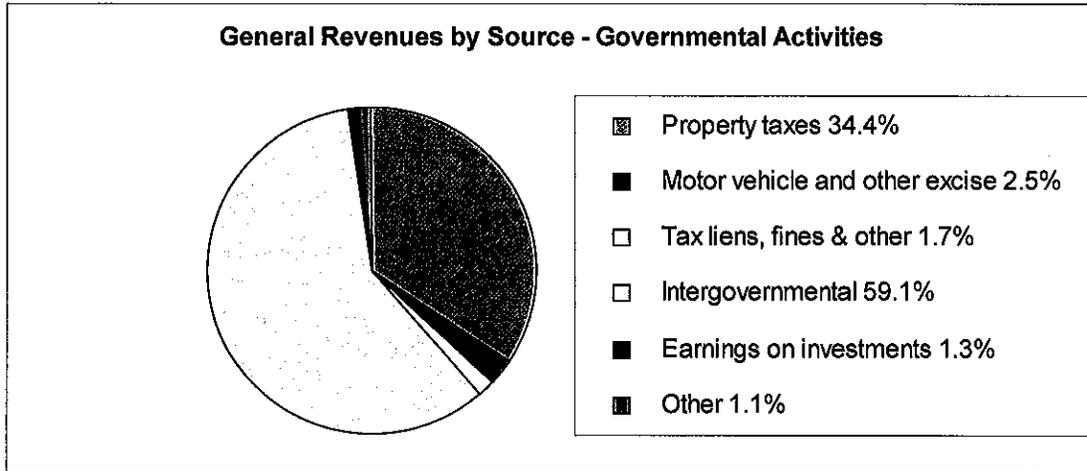
Expenses and Program Revenues – Governmental Activities



CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007



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.

The City's governmental funds reported combined ending fund balances of \$19,560,047 for fiscal year ended June 30, 2007 and \$(17,288,280) for fiscal year ended June 30, 2006. This increase in fiscal year ended June 30, 2007, totaling \$36,848,327 is primarily due to excess revenues earned over expenditures of \$20 million and \$17 million in bond proceeds.

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 \$26,750,700 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 9.65% and 10.06% of total general fund expenditures, respectively.

The stabilization fund had a fund balance of \$5,220,340 at the end of fiscal year 2007 and a balance of \$3,052,822 at the end of fiscal year 2006. During the year the transfers in were \$3,207,755 and investment income of \$119,415 was earned.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Internal Service Fund is categorized as a governmental activity because it services primarily governmental-type funds. The water and airport funds had net assets of \$35,823,106 and \$29,066,910 as of June 30, 2007 and \$1,913,226 and \$1,989,088 as of June 30, 2006, respectively.

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 \$7,452,753, over the original budget.

- Property tax revenue were increased by \$3,169,504.
- Penalties and interest were increased by \$800,544.
- Other departmental revenue - school was increased by \$551,839.
- Other departmental revenue - other was increased by \$1,873,313.
- Earnings on investments were increased by \$455,757.
- Miscellaneous non-recurring was increased by \$557,342.

Expenditures and Other Uses:

Total budgeted appropriations were increased by \$7,122,405 over the original budget

- General government unclassified was increased by \$1,969,803.
- Public works - highways and streets were increased by \$594,560.
- Public works - public facilities were increased by \$851,486.
- Education - school department was increased by \$922,972.
- Debt service was increased by \$740,349.

The major differences between the actual results of the general fund and the final amended budget are as follows:

- Total revenues were \$109,258 higher than budgeted due to the following.
 - \$267,407 less collected than anticipated for motor vehicle excise.
 - \$635,607 more collected than anticipated for penalties and interest.
 - Departmental other revenues were \$476,493 less than budgeted.
 - Fines and forfeitures received were \$114,214 higher than budgeted.
 - Earnings on investments were \$556,181 lower than anticipated.
 - Miscellaneous non-recurring was \$252,427 more than budgeted.
 - \$343,822 more collected than anticipated for state revenues.
- Total expenditures were lower than anticipated by \$1,430,564 due to the following:
 - \$186,897 less spent than planned for general government.
 - Public facilities spent \$270,166 less than budgeted.
 - \$837,547 less spent than anticipated for debt service.

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, 2007 amounted to \$335,930,219 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, construction in progress and animals, etc. The total increase in the City's investment in capital assets for the current year was 4.6 percent.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

Major capital asset events during the current fiscal year included the Keith Middle School.

**Net of Accumulated Depreciation
June 30, 2007**

	2007			2006		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 879,894	\$ 135,522	\$ 1,015,416	\$ 702,289	\$ 135,522	\$ 837,811
Easements		962,500	962,500			
Construction in progress	25,633,155		25,633,155	79,989,444		79,989,444
Infrastructure in progress	4,876,512	6,289,293	11,165,805	12,422,874	6,225,034	18,647,908
Infrastructure	38,554,206	38,331,976	76,886,182	25,125,214	34,343,152	59,468,366
Land Improvements	21,902	1,223	23,125		1,329	1,329
Buildings and Improvements	199,327,884	1,792,775	201,120,659	142,755,439	1,810,382	144,565,821
Machinery and Equipment	10,240,819	568,968	10,809,787	10,354,685	480,547	10,835,232
Office Equipment and Furniture	1,819,811	10,218	1,830,029	1,259,627	19,690	1,279,317
Computer Equipment	3,455,151	3,723	3,458,874	2,550,512	1,774	2,552,286
Library Books and Textbooks	2,046,166		2,046,166	1,712,969		1,712,969
Automobiles	787,925	156,743	944,668	1,149,617	200,181	1,349,798
Animals	33,853		33,853	37,162		37,162
	<u>\$ 287,677,278</u>	<u>\$ 48,252,941</u>	<u>\$ 335,930,219</u>	<u>\$ 278,059,832</u>	<u>\$ 43,217,611</u>	<u>\$ 321,277,443</u>

Additional information on the City's capital assets can be found on note 5 on pages 48 through 50 of this report.

Long-term debt. The City had total bonded debt outstanding of \$220,771,182 as of June 30, 2007 and \$213,421,269 as of June 30, 2006. The full faith and credit of the City backs this entire amount. Of this amount \$12,233,836 relates to the business type activities.

During the current year the City's total debt increased by \$7,349,913. This resulted because the City incurred new debt totaling \$17,357,300 and pay downs totaled \$10,007,387 during the fiscal year ended June 30, 2007.

Additional information on the City's long-term debt can be found in note 12 on pages 57 through 63 of this report.

CITY OF NEW BEDFORD, MASSACHUSETTS

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

Year Ended June 30, 2007

Economic Factors and Next Year's Budgets and Rates

The unemployment rate of the City of New Bedford is averaged 7.9 %, in 2007, down from 8.1 % in 2006.

After a professional market study concluded that there is sufficient demand to support an 80-100 room hotel downtown, a 106 room Fairfield Inn & Suites in the downtown/waterfront area is in the works with ground breaking scheduled for June 2008. The construction is estimated at 10 million and is expected to create 74 construction jobs. The anticipated value of the land and building will be approximately 6.8 million, with expected growth of more than 146,000 in real property taxes.

In 2007, New Bedford was once again ranked the top-grossing fishing port in the nation in terms of catch, with a total of \$ 281 million in landings in 2006 with a yield of an estimated \$ 1 billion in benefit to the local economy.

Visits to tourism-related destinations increased 4% in 2007, while the Buttonwood Park Zoo had 206,876 visits (up from 197,777 in 2006) making it the #1 paid city attraction. The Zoo has been selected to host the 2008 Annual Conference of the Association of Zoo Veterinary Technicians, which will bring a national audience.

State local Aid to the City increased by 5.25 percent, from 134,963,991 to 142,058,942 from 2007 to 2008. This funding plays a leading role in the annual budget, but leaves the City vulnerable to tax cuts and/or economic downturns at the State level. In 2009, this revenue increased by only 2.03 percent due to economic downturns at the State level.

To work towards growing out of such heavy reliance on aid, the City is continuing to engage in significant economic development planning initiatives that include;

- An update of the City's Harbor Master Plan
- Upper harbor development Planning
- Hicks Logan Urban Renewal master Plan
- Historic Mill inventory and Assessment
- Strategic Investment Plan for the City of New Bedford
- Establishing priority Development Sites
- Streamlining Municipal Permitting

The vacant Keystone site in the downtown area is under a P&S agreement for significant development. The development of the Fairhaven Mills site will begin in the Summer of 2008. The site is planning 70,000 square feet of retail and restaurant development in 3 buildings, 31,100 square feet of commercial development and 24,000 square feet of medical office space. The State has awarded a grant of 1.3 million to fix the traffic interchange at the site.

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 City Auditor, 133 Williams Street, New Bedford, Massachusetts.

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement Of Net Assets

June 30, 2007

	Primary Government		Component Units			Total Component Units
	Governmental Activities	Business-type Activities	Total	Greater New Bedford Regional Refuse Management District	Non Major Component Units	
ASSETS						
Unrestricted cash and investments	\$ 48,403,936	\$ 1,882,004	\$ 50,285,940	\$ 1,640,057	\$ 979,103	\$ 2,619,160
Restricted cash and investments	11,530,641		11,530,641	13,000,700		13,000,700
Accounts receivable, net of allowance	17,607,862	536,800	18,144,662	838,592	260,916	1,099,508
Taxes receivable, net	23,743,967		23,743,967			
Loan receivable, net	15,693,329		15,693,329			
Health plan contributions receivable, net	5,021,700		5,021,700			
Accrued interest receivable	12,117		12,117			
Due from other funds	6,488,824		6,488,824			
Investments in property	5,456,222		5,456,222	5,225	1,215,610	1,215,610
Due from other governments	2,572,102		2,572,102		1,428,066	1,433,291
Intra-entity receivable					760	760
Receivable from external parties	318,389	269,579	587,968	78,054	11,152	11,152
Inventories and prepaid expenses	(116,499)	2,720	(113,779)		20,593	98,647
Other assets - current	120,902		120,902	99,308	1,833	1,833
Other assets - noncurrent						99,308
Capital assets						
Land	879,894	135,522	1,015,416	5,735,219	312,583	6,047,802
Construction in progress	25,633,155		25,633,155		7,153,945	7,153,945
Infrastructure in progress	4,876,512	6,289,293	11,165,805	6,742,499		6,742,499
Easements		962,500	962,500			
Land improvements, net	21,902	1,223	23,125		81,553	81,553
Leasehold improvements, net					415,693	415,693
Infrastructure	38,554,206	38,331,976	76,886,182			
Building and improvements, net	199,327,884	1,792,775	201,120,659	143,078	6,903,402	7,046,480
Office equipment and furniture, net	1,819,811	10,218	1,830,029	2,920	52,785	55,705
Computer equipment, net	3,455,151	3,723	3,458,874	5,349		5,349
Library books and textbooks, net	2,046,166		2,046,166			
Automobiles, net	787,925	156,743	944,668	983,538	29,090	1,012,628
Machinery and equipment, net	10,240,819	568,968	10,809,787		48,934	48,934
Animals, net	33,853		33,853			
Total capital assets	287,677,278	48,252,941	335,930,219	13,612,603	14,997,985	28,610,588
Total assets	\$ 424,530,770	\$ 50,944,044	\$ 475,474,814	\$ 29,274,539	\$ 18,916,018	\$ 48,190,557

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement Of Net Assets (continued)

June 30, 2007

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Greater New Bedford Regional Refuse Management District	Non Major Component Units	Total Component Units
LIABILITIES						
Accounts payable and accrued expenses	\$ 15,709,905	\$ 301,169	\$ 16,011,074	\$ 955,901	\$ 995,325	\$ 1,951,226
Retainage payable	244,040		244,040		5,250	5,250
Due to other governments	79,287		79,287	5,225		5,225
Intra-entity payable					1,889,736	1,889,736
Due to other funds	6,445,580		6,445,580			6,445,580
Payable to external parties	221,174		221,174		694,277	694,277
Accrued interest	3,968,857	180,035	4,148,892		28,235	28,235
Deposits held				134,601	17,500	152,101
Deferred revenues	17,387,828		17,387,828		687,660	687,660
Other liabilities	414,093	112	414,205		83,620	83,620
Long-term liabilities:						
Portion due or payable within one year:						
Claims incurred but not reported	3,692,632		3,692,632			3,692,632
Bonds and notes payable	56,479,395	737,020	57,216,415	405,000	55,231	460,231
Capital leases	22,350	59,193	81,543			81,543
Compensated absences	4,929,226	171,068	5,100,294		34,617	34,617
Portion due or payable in more than one year:						
Accrued closure/post closure costs	197,880,764	11,496,816	209,377,580	4,188,249		4,188,249
Bonds and notes payable	1,458		1,458	2,234,620	28,437	2,263,057
Capital leases						
Compensated absences	9,743,031	262,299	10,005,330		309,555	309,555
Total liabilities	\$ 317,219,620	\$ 13,207,712	\$ 330,427,332	\$ 7,923,596	\$ 4,829,443	\$ 12,753,039
NET ASSETS						
Invested in capital assets, net of related debt	\$ 29,324,454	\$ 35,779,877	\$ 65,104,331	\$ 11,072,291	\$ 14,854,475	\$ 25,926,766
Restricted for:						
Debt service	2,900,262		2,900,262			2,900,262
Capital projects	(36,460,798)		(36,460,798)			(36,460,798)
Special revenue	9,141,847		9,141,847			9,141,847
Non-expendable bequests	5,102,411		5,102,411			5,102,411
Appropriation deficits	(1,037,605)		(1,037,605)			(1,037,605)
Inventory	56,437		56,437			56,437
Other purposes	1,585,026	271,952	1,856,978	8,332,066	(1,488,488)	6,843,578
Unrestricted	96,699,116	1,684,503	98,383,619	1,946,586	720,588	2,667,174
Total net assets	\$ 107,311,150	\$ 37,736,332	\$ 145,047,482	\$ 21,350,943	\$ 14,086,575	\$ 35,437,518

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Activities

For the Year Ended June 30, 2007

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets							
	Expenses	Indirect Expense Allocated	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units				
						Governmental Activities	Business-Type Activities	Greater New Bedford Regional District	Nonmajor Component Units	Total Component Units		
Governmental Activities:												
General government	\$ 7,173,789	\$ 1,605,226	\$ 6,883,442	\$ 308,540	\$ 77,806	\$(1,509,227)	\$ (1,509,227)	\$	\$	\$	\$	\$
Public safety	43,783,169	9,550,807	5,841,991	1,849,430	182,371	(45,460,184)	(45,460,184)					
Public works	33,142,525	1,583,009	15,983,026	9,194,545	1,743,063	(7,804,900)	(7,804,900)					
Health and human services	3,789,939	2,408,968	3,153,785	1,123,021	5,003	(1,917,098)	(1,917,098)					
Education	166,822,341	35,351,283	4,422,190	46,606,680	36,017,450	(115,127,304)	(115,127,304)					
Community and economic development	9,832,227			8,365,803	97,200	(1,369,224)	(1,369,224)					
Culture and recreation	4,776,272	908,490	633,364	830,748	46,344	(4,174,306)	(4,174,306)					
Municipal airport	887,892		11,334		861,349	(15,209)	(15,209)					
Pension benefits	18,002,126	(18,002,126)				(15,146)	(15,146)					
Health and other insurance	33,405,657	(33,405,657)				(1,618,112)	(1,618,112)					
Miscellaneous	15,146					(242,237)	(242,237)					
State and county charges	1,618,112					(11,809,820)	(11,809,820)					
Debt service:												
Administrative fees	242,237					(191,062,767)	(191,062,767)					
Interest and fiscal charges	11,809,820											
Total governmental activities	335,301,252		36,929,132	68,278,767	39,030,586	(191,062,767)	(191,062,767)					
Business-Type Activities:												
Water	7,208,451		7,712,982	200,076	395,000	1,099,607	1,099,607					
Airport	810,381		570,578			(239,803)	(239,803)					
Total business-type activities	8,018,832		8,283,560	200,076	395,000	859,804	859,804					
Total primary government	343,320,084		45,212,692	68,478,843	39,425,586	(191,062,767)	(190,202,963)					
Component Units:												
Greater New Bedford Regional Refuse Management District	3,992,862		5,154,745	4,627,005	435,344			1,161,883		(13,543)		1,161,883
Non-major component units	6,688,769		1,612,877	4,627,005	435,344					(13,543)		(13,543)
Total component units	10,681,631		6,767,622	4,627,005	435,344			1,161,883		(13,543)		1,148,340
Total City of New Bedford	\$ 354,001,715	\$	\$ 51,980,314	\$ 73,105,848	\$ 39,860,930	\$ 191,062,767	\$ 190,202,963	\$ 1,161,883	\$	\$ (13,543)	\$ (13,543)	\$ 1,148,340

The accompanying notes are an integral part of the statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Activities

For the Year Ended June 30, 2007

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Indirect Expense Allocated	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Primary Government		Component Units		
				Governmental Activities	Business-Type Activities	Greater New Bedford Regional District	Nonmajor Component Units	Total Component Units
General revenues:								
Real estate and personal property, net of reserve for abatements				\$ 79,127,415	\$	\$ 79,127,415	\$	\$
Motor vehicle and other excise taxes				5,753,488		5,753,488		
School building assistance				2,459,562		2,459,562		
Distribution - School Aid				104,762,164		104,762,164		
Distribution - Lottery				27,531,972		27,531,972		
Distribution - Additional aid				716,255		716,255		
Exemptions - Veteran's blind, surviving spouse & elderly				566,241		566,241		
State owned land				11,221		11,221		
Tax foreclosures				160,683		160,683		
Penalties and interest on taxes				2,901,151		2,901,151		
Fines and forfeitures				335,308		335,308		
Earnings on investments				2,878,895		2,878,895	592,560	626,099
Payments in lieu of taxes				587,070		587,070		
Miscellaneous				2,470,505	84,635	2,555,140	2,653	2,653
Transfers:								
Transfers out prior year bills				(159,343)		(159,343)		
Fund deficits raised				(109,361)		(109,361)		
Transfers from other funds				(5,737,895)	5,735,895	(2,000)		
Total general revenues				224,255,331	5,820,530	230,075,861	592,560	628,752
Change in net assets				33,192,564	6,680,334	39,872,898	1,754,443	1,807,092
Net assets-beginning, restated				74,118,586	31,055,998	105,174,584	19,596,500	33,630,426
Net assets-ending				\$ 107,311,150	\$ 37,736,332	\$ 145,047,482	\$ 21,350,943	\$ 35,437,518

The accompanying notes are an integral part of the statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Balance Sheet

Governmental Funds

June 30, 2007

	<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	\$ 22,361,455	\$(397,712)	\$ 76,319	\$ 26,251,944	\$ 48,292,006
Cash, restricted		9,597,820	1,932,821		11,530,641
Receivables, net:					
Real estate and personal property taxes	3,371,167				3,371,167
Tax liens and foreclosures	17,648,280				17,648,280
Motor vehicle and boat excise	2,750,172				2,750,172
User charges receivable		1,542,718			1,542,718
Accrued interest		8,730		3,387	12,117
Departmental receivables	6,176,213				6,176,213
Federal and state receivables				9,137,137	9,137,137
Loans receivable				17,387,828	17,387,828
Other receivables	1,108,799	63,923		474,476	1,647,198
Special assessments, current	3,211	(119,710)			(116,499)
Special assessments, non-current		120,902			120,902
Due from other funds	2,972,614	26,315	3,211,200	269,079	6,479,208
Intraentity receivable	2,572,102				2,572,102
Due from other governments	541,006			4,915,216	5,456,222
Inventories		56,437		15,034	71,471
Land inventory				246,918	246,918
	<u>\$ 59,505,019</u>	<u>\$ 10,899,423</u>	<u>\$ 5,220,340</u>	<u>\$ 58,701,019</u>	<u>\$ 134,325,801</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Warrants payable	\$ 1,640,891	\$ 205,270	\$	\$ 454,746	\$ 2,300,907
Accounts payable and accrued expenses	8,108,070	458,156		4,804,296	13,370,522
Retainage payable				244,040	244,040
Bonds and notes payable				39,409,944	39,409,944
Interim loan payable				6,414,971	6,414,971
Due to other funds	3,542,375	3,000,507		123,872	6,666,754
Due to other governments				79,287	79,287
Other liabilities	334,297			79,796	414,093
Deferred revenue	<u>20,222,442</u>	<u>1,607,203</u>		<u>24,035,591</u>	<u>45,865,236</u>
Total liabilities	<u>33,848,075</u>	<u>5,271,136</u>		<u>75,646,543</u>	<u>114,765,754</u>
Fund balances (deficits):					
Reserved for:					
Encumbrances	106,019				106,019
Debt Service		2,900,262			2,900,262
Non expendable bequests				5,102,411	5,102,411
Inventory		56,437			56,437
Other specific purposes	81,125	1,503,901			1,585,026
Designated	1,051,172				1,051,172
Unreserved	24,417,628	1,167,687	5,220,340		30,805,655
Undesignated, reported in nonmajor:					
Special revenue funds				9,141,847	9,141,847
Capital project funds				(36,460,798)	(36,460,798)
Permanent funds				5,271,016	5,271,016
Total fund balances (deficits)	<u>25,656,944</u>	<u>5,628,287</u>	<u>5,220,340</u>	<u>(16,945,524)</u>	<u>19,560,047</u>
Total liabilities and fund balances (deficits)	<u>\$ 59,505,019</u>	<u>\$ 10,899,423</u>	<u>\$ 5,220,340</u>	<u>\$ 58,701,019</u>	<u>\$ 134,325,801</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, 2007

	<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	\$ 78,937,074	\$	\$	\$	\$ 78,937,074
Motor vehicle and other excise taxes	6,151,971				6,151,971
School Building Authority reimbursement	2,459,562				2,459,562
Tax liens and foreclosures	2,859,363				2,859,363
Penalties and interest on taxes	2,901,151				2,901,151
Licenses and permits	2,055,265				2,055,265
Fines and forfeitures	333,198			2,110	335,308
Investment income	1,129,706	393,365	119,415	1,232,469	2,874,955
Intergovernmental - operating grants	155,965,491	6,628,779		77,748,044	240,342,314
Intergovernmental - capital grants				3,030,279	3,030,279
Charges for services	14,944,782	15,770,943		2,428,244	33,143,969
Other - indirects	407,362			7,637	414,999
Special assessments & betterments	5,389				5,389
Payments in lieu of taxes	587,070				587,070
Miscellaneous	<u>1,278,583</u>	<u>639,206</u>		<u>554,188</u>	<u>2,471,977</u>
Total revenues	<u>270,015,967</u>	<u>23,432,293</u>	<u>119,415</u>	<u>85,002,971</u>	<u>378,570,646</u>
EXPENDITURES					
General government	6,292,842			1,071,363	7,364,205
Public safety	40,841,423			1,819,820	42,661,243
Education	132,337,490		65	37,095,656	169,433,211
Public works	17,149,260	10,978,073		17,502,019	45,629,352
Community and economic development				9,907,278	9,907,278
Health and human services	2,731,578			872,434	3,604,012
Municipal airport				887,892	887,892
Culture and recreation	3,896,190			551,397	4,447,587
Pension benefits	18,002,126				18,002,126
Health and other insurance	33,405,657				33,405,657
Miscellaneous	15,146				15,146
State and county charges	1,618,112				1,618,112
Debt service:					
Principal payments	4,034,500	5,164,188		100,000	9,298,688
Interest and fiscal charges	5,657,243	6,470,985			12,128,228
Debt administrative fees		<u>242,237</u>			<u>242,237</u>
Total expenditures	<u>265,981,567</u>	<u>22,855,483</u>	<u>65</u>	<u>69,807,859</u>	<u>358,644,974</u>
Excess (deficiency) of revenues over expenditures	<u>4,034,400</u>	<u>576,810</u>	<u>119,350</u>	<u>15,195,112</u>	<u>19,925,672</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds				17,357,300	17,357,300
Transfer out bills of prior years	(159,343)				(159,343)
Fund deficits raised	(109,361)				(109,361)
Transfers in	620,954	89,128	3,207,755	999,938	4,917,775
Transfers out	<u>(4,403,461)</u>	<u>(15,000)</u>	<u>(274,283)</u>	<u>(390,972)</u>	<u>(5,083,716)</u>
Total other financing sources and uses	<u>(4,051,211)</u>	<u>74,128</u>	<u>2,933,472</u>	<u>17,966,266</u>	<u>16,922,655</u>
Net change in fund balances	(16,811)	650,938	3,052,822	33,161,378	36,848,327
Fund balances-beginning, restated	<u>25,673,755</u>	<u>4,977,349</u>	<u>2,167,518</u>	<u>(50,106,902)</u>	<u>(17,288,280)</u>
Fund balances-ending	<u>\$ 25,656,944</u>	<u>\$ 5,628,287</u>	<u>\$ 5,220,340</u>	<u>\$(16,945,524)</u>	<u>\$ 19,560,047</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, 2007

Total governmental fund balances	\$ 19,560,047
Record allowance for doubtful accounts that are financial resources, for the governmental funds.	(2,615,555)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	287,677,277
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	28,477,408
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.	1,412,138
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(3,968,857)
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	(208,535,243)
Compensated absences	(14,672,257)
Capital leases	(23,808)
Net assets of governmental activities	<u>\$ 107,311,150</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, 2007

Net change in fund balances - total governmental funds	\$ 36,848,327
To record allowance for doubtful accounts that are resources for governmental funds	(258,819)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are 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.	9,617,446
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.	(4,112,370)
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.	(7,953,628)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	318,408
Some expenses reported in the Statement of Activities, such as compensated absences, do not require current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(1,567,759)
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>300,959</u>
Change in net assets of governmental activities	<u>\$ 33,192,564</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Statement of Net Assets

Proprietary Funds

June 30, 2007

	<u>Business-Type Activities</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Airport</u>	<u>Total</u>	
ASSETS				
Current assets:				
Cash and short-term investments	\$ 2,057,513	\$ (175,509)	\$ 1,882,004	\$ 111,930
User charges receivables, net	521,944		521,944	
Other receivables, net	10,594	4,262	14,856	
Due from other funds				9,616
Deposits with others				5,021,700
Inventory	269,579		269,579	
Other assets	2,720		2,720	
Total current assets	<u>2,862,350</u>	<u>(171,247)</u>	<u>2,691,103</u>	<u>5,143,246</u>
Non-current assets:				
Land		135,522	135,522	
Easements	962,500		962,500	
Infrastructure in progress	6,289,293		6,289,293	
Infrastructure	38,331,976		38,331,976	
Land improvements, net		1,223	1,223	
Building and improvements, net	47,033	1,745,742	1,792,775	
Machinery and equipment, net	285,413	283,555	568,968	
Office equipment and furniture, net	8,996	1,222	10,218	
Computer equipment, net	3,723		3,723	
Automobiles, net	156,743		156,743	
Total non-current assets	<u>46,085,677</u>	<u>2,167,264</u>	<u>48,252,941</u>	
Total assets	<u>\$ 48,948,027</u>	<u>\$ 1,996,017</u>	<u>\$ 50,944,044</u>	<u>\$ 5,143,246</u>
LIABILITIES				
Current liabilities:				
Warrants payable	\$ 126,221	\$ 4,301	\$ 130,522	\$ 38,476
Accounts payable and accrued expenses	158,537	12,110	170,647	
Accrued interest	180,035		180,035	
Bonds payable	737,020		737,020	
Capital leases	59,193		59,193	
Compensated absences	145,706	25,362	171,068	
Due to other funds				
Other liabilities	112		112	
Claims incurred but not reported				3,692,632
Total current liabilities	<u>1,406,824</u>	<u>41,773</u>	<u>1,448,597</u>	<u>3,731,108</u>
Non-current liabilities:				
Bonds payable	11,496,816		11,496,816	
Capital leases				
Compensated absences	221,281	41,018	262,299	
Total non-current liabilities	<u>11,718,097</u>	<u>41,018</u>	<u>11,759,115</u>	
Total liabilities	<u>\$ 13,124,921</u>	<u>\$ 82,791</u>	<u>\$ 13,207,712</u>	<u>\$ 3,731,108</u>
NET ASSETS				
Investment in capital assets, net of related debt	\$ 33,612,613	\$ 2,167,264	\$ 35,779,877	\$
Restricted	271,952		271,952	
Reserved for revenue deficit		(25,715)	(25,715)	
Unrestricted	1,938,541	(228,323)	1,710,218	1,412,138
Total net assets	<u>\$ 35,823,106</u>	<u>\$ 1,913,226</u>	<u>\$ 37,736,332</u>	<u>\$ 1,412,138</u>

The accompanying notes 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, 2007

	<u>Business-Type Activities</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Airport</u>	<u>Total</u>	
OPERATING REVENUES				
Charges for services	\$ 7,682,979	\$ 570,578	\$ 8,253,557	\$
Utility liens and penalties	30,003		30,003	
Capital grants and contributions	395,000		395,000	
Interfund services provided	200,076		200,076	
Contributions (employee & employer)				40,079,437
Miscellaneous	<u>84,635</u>		<u>84,635</u>	
Total operating revenues	<u>8,392,693</u>	<u>570,578</u>	<u>8,963,271</u>	<u>40,079,437</u>
OPERATING EXPENSES				
Salaries and benefits	2,125,094	342,959	2,468,053	25,028
Services and supplies	2,903,143	390,127	3,293,270	24,636
Depreciation expense	1,612,420	77,295	1,689,715	
Health & other insurance				<u>39,732,754</u>
Total operating expenses	<u>6,640,657</u>	<u>810,381</u>	<u>7,451,038</u>	<u>39,782,418</u>
Operating income (loss)	<u>1,752,036</u>	<u>(239,803)</u>	<u>1,512,233</u>	<u>297,019</u>
NONOPERATING REVENUES (EXPENSES)				
Debt service - interest payments	(567,794)		(567,794)	
Investment income				<u>3,940</u>
Total nonoperating revenue (expenses)	<u>(567,794)</u>		<u>(567,794)</u>	<u>3,940</u>
Income (loss) before transfers	<u>1,184,242</u>	<u>(239,803)</u>	<u>944,439</u>	<u>300,959</u>
TRANSFERS				
Transfers In	<u>5,571,954</u>	<u>163,941</u>	<u>5,735,895</u>	
Total Transfers	<u>5,571,954</u>	<u>163,941</u>	<u>5,735,895</u>	
Change in net assets	6,756,196	(75,862)	6,680,334	300,959
Total net assets-beginning, restated	<u>29,066,910</u>	<u>1,989,088</u>	<u>31,055,998</u>	<u>1,111,179</u>
Total net assets-ending	<u>\$ 35,823,106</u>	<u>\$ 1,913,226</u>	<u>\$ 37,736,332</u>	<u>\$ 1,412,138</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, 2007

	<u>Business-Type Activities</u>			<u>Governmental Activities -</u>
	<u>Water</u>	<u>Airport</u>	<u>Total</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:				
Cash received from employee and employer contributions and governmental units	\$	\$	\$	\$ 40,079,437
Cash received from customers	7,757,971	578,436	8,336,407	
Payments from/(to) suppliers and employees	(5,030,016)	(748,271)	(5,778,287)	13,035
Payments to participants and employees				(43,274,406)
Internal activity-payments from (to) other funds				3,174,751
Other receipts	<u>479,635</u>	<u></u>	<u>479,635</u>	<u></u>
Net cash provided (used) by operating activities	<u>3,207,590</u>	<u>(169,835)</u>	<u>3,037,755</u>	<u>(7,183)</u>
Cash flows from noncapital financing activities:				
Transfers in (out)	<u>5,330,881</u>	<u>163,941</u>	<u>5,494,822</u>	<u></u>
Net cash provided (used) by noncapital financing activities	<u>5,330,881</u>	<u>163,941</u>	<u>5,494,822</u>	<u></u>
Cash flows from capital and related financing activities:				
Purchases and construction of capital assets	(6,701,529)	(23,516)	(6,725,045)	
Principal paid on capital leases	(56,232)		(56,232)	
Principal paid on capital debt	(710,801)		(710,801)	
Interest paid on capital debt	(579,404)		(579,404)	
Net cash provided (used) by capital and related financing activities	<u>(8,047,966)</u>	<u>(23,516)</u>	<u>(8,071,482)</u>	<u></u>
Cash flows from investing activities:				
Interest paid on long-term debt				3,940
Net cash provided by investing activities				3,940
Net increase in cash and cash equivalents	<u>490,505</u>	<u>(29,410)</u>	<u>461,095</u>	<u>(3,243)</u>
Balances-beginning of the year	<u>1,567,008</u>	<u>(146,099)</u>	<u>1,420,909</u>	<u>115,173</u>
Balances-end of the year	<u>\$ 2,057,513</u>	<u>\$ (175,509)</u>	<u>\$ 1,882,004</u>	<u>\$ 111,930</u>
Displayed as:				
Cash and short-term investments	<u>\$ 2,057,513</u>	<u>\$ (175,509)</u>	<u>\$ 1,882,004</u>	<u>\$ 111,930</u>
Total cash and short-term investments	<u>\$ 2,057,513</u>	<u>\$ (175,509)</u>	<u>\$ 1,882,004</u>	<u>\$ 111,930</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, 2007

	<u>Business-Type Activities</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Airport</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,752,036	\$ (239,803)	\$ 1,512,233	\$ 297,019
 Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	1,612,420	77,295	1,689,715	
Change in assets and liabilities:				
(Increase) decrease receivables, net	(153,861)	7,858	(146,003)	
(Increase) decrease other assets	(1,227)		(1,227)	
(Increase) decrease prepaid expenses				(291,700)
Increase (decrease) due from/to other funds				3,174,751
Increase (decrease) warrants & accounts payable	(14,631)	(18,844)	(33,475)	(3,144,464)
Increase (decrease) compensated absences	12,853	3,659	16,512	
Increase (decrease) in incurred but not reported				(42,789)
Net cash provided (used) by operating activities	<u>\$ 3,207,590</u>	<u>\$ (169,835)</u>	<u>\$ 3,037,755</u>	<u>\$ (7,183)</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, 2007

	Pension Trust Fund (As of December 31, 2006)	Private Purpose Trust Funds	Agency	Total
Assets				
Cash and short-term investments	\$ 4,166,698	\$ 3,370	\$ 4,734,941	\$ 8,905,009
Investments	221,737,707	14,803		221,752,510
Receivables, net of allowance or uncollectibles:				
Employee				
Interest and dividends	609,350			609,350
Other	418,433		403,835	822,268
Due from external parties - component unit				
Due from external parties - primary government			191,985	191,985
Due from other governments				
	<u>\$ 226,932,188</u>	<u>\$ 18,173</u>	<u>\$ 5,330,761</u>	<u>\$ 232,281,122</u>
Liabilities				
Warrants payable	\$	\$ 3,346	\$ 297,554	\$ 300,900
Accounts payable	828,363		277,368	1,105,731
Payable to external parties - primary government			14,054	14,054
Deposits held	<u>1,237,600</u>		<u>4,741,785</u>	<u>5,979,385</u>
	<u>2,065,963</u>	<u>3,346</u>	<u>5,330,761</u>	<u>7,400,070</u>
Net Assets				
Held in trust for pension benefits and other purposes	<u>\$ 224,866,225</u>	<u>\$ 14,827</u>	<u>\$</u>	<u>\$ 224,881,052</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, 2007

	<u>Pension Trust Fund (As of December 31, 2006)</u>	<u>Private Purpose Trust Funds</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 20,829,024	\$	\$ 20,829,024
Employee	<u>8,027,562</u>		<u>8,027,562</u>
Total contributions	<u>28,856,586</u>		<u>28,856,586</u>
Net investment income:			
Dividends and interest	5,401,330	1,003	5,402,333
Net appreciation in fair value of investments	<u>22,836,704</u>	<u>738</u>	<u>22,837,442</u>
Total investment income	28,238,034	1,741	28,239,775
Less: investment expense	<u>1,700,973</u>		<u>1,700,973</u>
Net investment income	26,537,061	1,741	26,538,802
Intergovernmental	<u>1,689,367</u>		<u>1,689,367</u>
Total Additions	<u>57,083,014</u>	<u>1,741</u>	<u>57,084,755</u>
Deductions:			
Retirement benefits	29,404,072		29,404,072
Administration	420,770	7,241	428,011
Transfers, reimbursements and refunds	<u>1,293,100</u>		<u>1,293,100</u>
Total Deductions	<u>31,117,942</u>	<u>7,241</u>	<u>31,125,183</u>
Other Financing Sources (Uses):			
Transfers from other funds		<u>2,001</u>	<u>2,001</u>
Total Other Financing Sources (Uses)		<u>2,001</u>	<u>2,001</u>
Change in Net Assets	25,965,072	(3,499)	25,961,573
Net Assets at Beginning of Year	<u>198,901,153</u>	<u>18,326</u>	<u>198,919,479</u>
Net Assets at End of Year	<u>\$ 224,866,225</u>	<u>\$ 14,827</u>	<u>\$ 224,881,052</u>

The accompanying notes are an integral part of this statement

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements

June 30, 2007

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

The City is a Massachusetts municipal corporation with a Mayor-Council form of government. These financial statements present the City (the primary government) and its component units. The 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.

Discretely Presented Component Units:

This component unit is reported in a separate column to emphasize that it is legally separate from the City, but is included because the City is financially accountable for and is able to impose its will on the organization. Unless otherwise indicated, the notes to the basic financial statements pertain to primary government because certain disclosures of the component unit are not significant relative to the primary government. A description of the component unit, criteria for inclusion and its relationship with the City is as follows:

Greater New Bedford Regional Refuse Management District is an inter-municipal 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 statements 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.

Blended Component Units:

The following component units have been presented as blended component units (included in the primary government) because the component unit provides services entirely or almost entirely for the benefit of the City.

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.

Department of Workforce Development Administration (DWDA)/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, Department of Workforce Development Administration (DWDA) is reported on the government-wide financial statements as a non-major component unit. Separate financial statements for Department of Workforce Development Administration (DWDA) are not included in this financial statement presentation. These financial statements could be obtained by contacting New Directions.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

The Redevelopment Authority was organized under the provisions of Massachusetts General Laws 121B. The purpose of the Authority is to engage in urban renewal projects and other related work. The Redevelopment Authority is reported on the government-wide financial statements as a non-major component unit. Separate financial statements for the Redevelopment Authority are not included in this financial statement presentation. These financial statements could be obtained by contacting the Redevelopment Authority.

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. The Retirement System is reported on the Fiduciary Fund financial statements, as a similar component unit.

740 Belleville Avenue, LLC has been formed as a limited liability company under the Massachusetts Limited Liability Company Act for the purpose of holding property in order to facilitate the orderly transfer of the property to a Brownsfield redeveloper and; and to engage in any activity directly or indirectly related or incidental thereto. Members of this LLC are the City of New Bedford at 49% and New Bedford Redevelopment Authority at 51%.

New Bedford Railroad, LLC has been formed as a limited liability company under the Massachusetts Limited Liability Company Act to develop, operate and maintain passenger and freight rail systems and yards in Southeastern Massachusetts, and to engage in any activities directly or indirectly related or incidental thereto. Members of this LLC are the City of New Bedford and the New Bedford Redevelopment Authority.

Quest Center, LLC has been formed as a limited liability company under the Massachusetts Limited Liability Company Act to engage in the business of developing and maintaining a marine science and technology business incubator; and to engage in any activities directly or indirectly related or incidental thereto. Members of this LLC are the City of New Bedford at 51% and New Bedford Economic Redevelopment Council at 49%.

Government-Wide and Fund Financial 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, and general administrative services are classified as governmental activities. The City's water and airport services are classified as business-type activities.

B. Government-Wide Statements

In the government-wide Statement of Net Assets, the governmental column is 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 (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

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Statements (Continued)

(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.). 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 the 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) 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. Fund Financial Statements

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

Major Fund Criteria:

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

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

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

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

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. 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:

- **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).
- d. **Permanent funds** contain resources that are legally restricted to the extent that only earnings may be used for purposes that support the reporting government's programs.

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 and 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.

- a. **Private purpose trust funds** are used to account for trust arrangements, other than those properly reported in the permanent fund under which principal and investment income exclusively benefits individual, private organizations or other governments.
- b. **Agency funds** are used to account for assets held in a purely custodial capacity.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements (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. GASB 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*

The 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.

Under this basis of accounting and measurement focus, the City applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

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, 2007

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 the 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. Real Estate, Personal Property Taxes, Tax Liens and Tax Foreclosures

Real and personal property taxes are based on values levied (assessed) and liened as of each January 1st of every year. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Tax liens may be subject to foreclosure if the tax liens are not paid in accordance with the period required by the law (M.G.L. Ch.60, §50). Foreclosure proceedings are processed by the Treasurer or other tax lien custodian. Foreclosed properties can be then sold through advertised public auction or held for use by the City.

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

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

Motor Vehicle Excise

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

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Departmental and Other

Departmental and other receivables consist primarily of public safety details and emergency management service fees that are recorded as receivables in the fiscal year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis. Allowances of \$500,874 were recorded as of June 30, 2007.

Usage Receivables

Receivables are recorded at net realizable value when earned under the accrual basis and modified basis of accounting. Allowances of \$309,919 were recorded as of June 30, 2007.

Special Assessments

The costs incurred on completed special projects that have been assessed to the benefitted taxpayers which have not been paid. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

E. Financial Statement Amounts (Continued)

3. Real Estate, Personal Property Taxes, Tax Liens and Tax Foreclosures (Continued)

Intergovernmental

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

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

Loans

The City administers loan programs that provide housing assistance to residents and capital needs assistance for small businesses. Upon issuance, a receivable is recorded for the principal amount of the loan.

Allowances of \$1,694,499 were recorded as of June 30, 2007.

4. Inventory

The cost of supplies and other inventorable items as recorded is an expenditure at the time of purchase (purchase method). No significant inventory balances were on hand at June 30, 2007.

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 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 2007. 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, 2007

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
Other infrastructure	10-50 years
Improvements	10-20 years
Machinery and equipment	5-10 years

GASB No. 34 required the City to report and depreciate new infrastructure assets effective June 30, 2002. 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 had historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and was first effective for fiscal year ending 2006.

Governmental Fund Financial Statements

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

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources are reported as expenditures and fund liabilities.

6. Long-Term Debt

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

7. Deferred Revenue

Deferred revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criteria in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.

8. 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.

Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures.

Government-Wide and Propriety Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

9. *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.

10. *Net Assets and Fund Equity*

Government -Wide Financial Statements (Net Assets):

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

Net assets have been "restricted for" the following:

- "Loans" represents community development outstanding loan receivable balances.
- "Permanent funds - expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.
- "Permanent funds - nonexpendable" represents amounts held in trust for which only investment earnings may be expended.
- "Other purposes" represent restrictions placed on assets from outside parties and primarily represents school federal and state grants whose use is limited to specific grant activities.
- It is the policy of the City of New Bedford to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements (Fund Balances):

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

Fund balances have been reserved for the following:

Encumbrances - represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to ensuing fiscal year.

Perpetual Permanent Funds - represents amounts held in trust for which only investment earnings may be expended.

In addition, 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:

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;

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

10. Net Assets and Fund Equity (Continued)

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.

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. As required by GASB No. 33 when recording 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 Receivables and Payables

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

Government-Wide Financial Statements:

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

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

13. *Interfund Activity (Continued)*

Fund Financial Statements:

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

Interfund Transfers

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

Government-Wide Financial Statements:

Transfers between and within governmental funds and internal service funds are not eliminated from the governmental activities in the statement of net assets. Any residual balances outstanding between the governmental and business-type activities are reported in the statement of activities as "transfers, net".

Fund Financial Statements:

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

14. *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.

15. *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.

16. *Fund Deficit and Appropriation Deficits*

Several individual fund deficits existed at June 30, 2007 in the governmental funds. These deficits will be funded by future administration plans; bond issues and available fund balances.

Actual expenditures exceeded appropriations for various departments at June 30, 2007. This over-appropriation will be funded through available funds during the fiscal year 2008.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

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 estimated 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 2007 were approved by the City Council as provided by the Charter.
- C. For day-to-day management control, expenditures plus encumbrances may not exceed the 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 expenditures.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 2: Compliance and Accountability (Continued)

Interfund Transactions

The interfund activity presented below is for the fund statement level only. These balances include both due from/to other funds and intra-entity receivables and payables.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Other Financing Sources</u>	<u>Other Financing Uses</u>
<u>Major Governmental Funds</u>				
General Fund	\$ 5,544,716	\$ 3,542,375	\$ 620,954	\$ 4,403,462
Wastewater Funds	26,315	3,000,507	89,128	15,000
Stabilization Funds	3,211,200		3,207,755	274,283
<u>Non-Major Governmental Funds</u>				
Capital Projects	42,157	4,271	887,970	489
Special Revenue Funds	226,920	116,213	111,968	140,483
Permanent Funds		3,388		250,000
<u>Proprietary Funds</u>				
Internal Service Funds	9,616			
Water				
Airport			163,941	
<u>Fiduciary Funds</u>				
Agency	191,985	14,054		
Private Purpose Trust Funds			2,001	
<u>Component Units</u>				
Redevelopment Authority		1,247,217		
Harbor Development	<u>11,912</u>	<u>1,336,796</u>		
Totals	<u>\$ 9,264,821</u>	<u>\$ 9,264,821</u>	<u>\$ 5,083,717</u>	<u>\$ 5,083,717</u>

In addition to the sources and uses above, \$5,571,954 was recorded as a source for water enterprise for capital assets purchased from capital project funds classified as governmental activities for the government wide financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

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 consolidated vendor checking account.

The transfers between funds are to fund operations for the airport and water funds; 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>Business Type Activities</u>
	<u>General Fund</u>	<u>Wastewater</u>	<u>Trust Fund</u>	<u>Water</u>
Reserved:				
Encumbrances	\$ 106,019	\$	\$	\$
Nonexpendable bequests			5,102,411	
Petty cash	1,250			
Debt premiums	79,875			
Inventory		56,437		
Renewal and replacement		1,503,901		
Debt service	<u>187,144</u>	<u>2,900,262</u>	<u>5,102,411</u>	
		<u>4,460,600</u>		
Designated:				
Designated for appropriation deficits	(114,364)			
Designated for revenue deficits				(25,715)
Unreconciled cash difference	<u>1,166,536</u>			
	<u>1,052,172</u>			<u>(25,715)</u>
	<u>\$ 1,239,316</u>	<u>\$ 4,460,600</u>	<u>\$ 5,102,411</u>	<u>\$ (25,715)</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: Cash, Cash Equivalents and Investments

Cash and investments as of June 30, 2007 are classified in the accompanying financial statements as follows:

Cash and investments - Governmental Activities	\$ 59,934,577
Cash and investments - Business Type Activities	1,882,004
Cash and investments - Pension Trust Fund	225,514,157
Cash and investments - City Private Purpose Trust Funds	18,173
Cash and investments - Agency Funds	<u>4,734,941</u>
Total cash and investments	<u>\$ 292,083,852</u>

Cash and cash Equivalents

Deposits are in various financial institutions and are carried at cost or fair value in the case of pooled deposits for trust funds. The carrying value is separately displayed on the state of net assets as "Cash and Investments". Petty cash is included in the presentation of cash on the statement of net assets in the amount of \$2,676 on June 30, 2007.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At year end, the City's carrying amount of deposits for the primary government private purpose trust funds and the agency funds was \$51,369,439, including \$2,626 of petty cash and the bank balance was \$60,688,388. Of the bank balance \$1,207,560 was covered by Federal Depository Insurance and \$27,728,130 was covered by Depositors Insurance Fund. The remaining balance of \$31,727,654 was held in uncollateralized accounts.

At year end the City's carrying amount of deposits for the pension trust fund was \$4,166,698 and the bank balance was \$5,205,488. Of the bank balance \$300,006 was covered by Federal Depository Insurance. The remaining balance of \$4,850,756 was held in uncollateralized accounts.

The City has not experienced any losses of funds in excess of federally insured limits held in any financial institutions. Management fees that the City is not exposed to any significant credit risk related to cash.

Investments

Investments are stated at fair value for investment pools and historical costs for all other investments. The majority of investments activity are conducted through contracted investment management firms and held in pooled trust fund accounts in the City's name.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. See below for ratings of the investments held by the City of New Bedford as of June 30, 2007.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The investments listed below were issued by various financial institutions. See below for investments that represent 5% or more of the total investments held by the City of New Bedford as of June 30, 2007.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: Cash, Cash Equivalents and Investments (Continued)

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Foreign currency risk is the risk that where exchange rates effect the valuation of an investment. The amount of investments which include foreign investments are listed below.

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that show the distribution of the City's investments by maturity utilizing the specific identification method:

Total Investments by Investment Type and Moody Ratings

<u>Investment Type</u>	<u>Total Amount</u>	<u>Maximum Maturity</u>	[*] <u>Maximum Investment in One Issuer</u>	<u>Moody Rating</u>
<i>Primary Government, Private Purpose and Agency Funds</i>				
Fixed income securities	\$ 48,325	3 years	N/A	A2
Corporate income	719,400	5 years	N/A	A2
Fixed income securities	51,555	4 years	N/A	AA1
Corporate fixed income	871,083	49 years	5.73%	AA2
Municipal bonds	1,800,000	< 1 year	N/A	AAA
Fixed income securities	2,351,063	7 years	6.35%	AAA
Corporate fixed income	964,060	39 years	5.01%	AAA
Government securities	9,712	16 years	N/A	N/A
Fixed income securities	1,006,425	28 years	N/A	N/A
Common stock	5,019,122	N/A	7.99%	N/A
Common stock - foreign	15,311	N/A	N/A	N/A
Mutual funds - fixed	52,979	N/A	N/A	N/A
Mutual funds - equity	38,773	N/A	N/A	N/A
Fixed income - bond mutual funds	1,932,821	N/A	N/A	N/A
Certificate of deposit	<u>319,627</u>	2 years	N/A	Unrated
Subtotal	<u>\$ 15,200,256</u>			

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: Cash, Cash Equivalents and Investments (Continued)

<u>Investment Type</u>	<u>Total Amount</u>	<u>Maximum Maturity</u>	<u>Maximum Investment in One Issuer</u>	<u>Moody Rating</u>
<i>Pension Trust Fund</i>				
Bond Paying Periodic Income	\$ 109,250	11 years	N/A	A1
Bond Paying Periodic Income	337,875	43 years	N/A	A2
Bond Paying Periodic Income	667,394	30 years	N/A	A3
Bond Paying Periodic Income	530,014	27 years	N/A	AA1
Bond Paying Periodic Income	2,106,039	2 years	N/A	AA2
Bond Paying Periodic Income	207,183	43 years	N/A	AA3
Bond Paying Periodic Income	7,935,831	27 years	N/A	AAA
Bond Paying Periodic Income	3,048,367	25 years	N/A	B1
Bond Paying Periodic Income	400,600	23 years	N/A	B2
Bond Paying Periodic Income	549,660	14 years	N/A	B3
Bond Paying Periodic Income	606,943	29 years	N/A	BA1
Bond Paying Periodic Income	675,625	22 years	N/A	BA2
Bond Paying Periodic Income	995,556	23 years	N/A	BA3
Bond Paying Periodic Income	2,018,483	60 years	N/A	BAA1
Bond Paying Periodic Income	2,346,501	43 years	N/A	BAA2
Bond Paying Periodic Income	2,723,363	60 years	N/A	BAA3
Bond Paying Periodic Income	497,237	21 years	N/A	CAA1
Bond Paying Periodic Income	17,675	2 years	N/A	CAA2
Bond Paying Periodic Income	41,513	4 years	N/A	CAA3
Bond Paying Periodic Income	2,812,013	6 years	N/A	N/A
Bond Paying Periodic Income	857,426	7 years	N/A	N/A
Bond Paying Periodic Income	654,667	23 years	N/A	Unrated
CMO	158,382	30 years	N/A	A3
CMO	5,616,585	39 years	N/A	AAA
CMO	612,777	27 years	N/A	B1
CMO	6,433,739	40 years	N/A	N/A
CMO	264,369	30 years	N/A	Unrated
Common Stock	104,720,983	N/A	N/A	N/A
Master Limited Partnership	170,424	N/A	N/A	N/A
Mortgage Passthrough Pool	1,482,265	30 years	N/A	N/A
Other Assets	32,890,951	N/A	14.74%	N/A
Pooled Equities - Capital	16,600,047	N/A	N/A	N/A
Pooled Real Estate	21,669,256	N/A	N/A	N/A
Preferred Stock	618,634	N/A	N/A	N/A
REIT	206,167	N/A	N/A	N/A
REMIC	153,913	27 years	N/A	N/A
Subtotal	<u>\$221,737,707</u>			
Total City of New Bedford	<u>\$236,937,963</u>			

* Maximum investment in one issuer labeled as N/A are less than 5% of total investments for any single issues within that category.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: Cash, Cash Equivalents and Investments (Continued)

Total Investments by Investment Type and S&P Ratings

<u>Investment Type</u>	<u>Total Amount</u>	<u>Maximum Maturity</u>	<u>Maximum Investment in One Issuer</u>	<u>S&P Rating</u>
<i>Primary Government, Private Purpose and Agency Funds</i>				
Fixed income securities	\$ 48,325	3 years	N/A	A
Corporate fixed income	719,400	5 years	N/A	A
Corporate fixed income	871,083	49 years	5.73%	A+
Fixed income securities	51,555	1 year	N/A	AA+
Municipal bonds	1,800,000	7 years	N/A	AAA
Fixed income securities	2,351,062	9 years	6.35%	AAA
Government securities	1,096	16 years	N/A	N/A
Government securities	8,616	28 years	N/A	N/A
Fixed income securities	1,006,425	N/A	N/A	N/A
Common stock	5,019,124	N/A	7.99%	N/A
Common stock - foreign	15,311	N/A	N/A	N/A
Mutual funds - fixed	52,979	N/A	N/A	N/A
Mutual funds - equity	49,931	N/A	N/A	N/A
Fixed income - bond mutual funds	1,921,662	N/A	N/A	N/A
Certificate of deposit	319,627	2 years	N/A	Unrated
Corporate fixed income	<u>964,060</u>	39 years	5.01%	Unrated
Subtotal	<u>\$ 15,200,256</u>			
<i>Pension Trust Fund</i>				
Bond Paying Periodic Income	\$ 1,372,248	43 years	N/A	A-
Bond Paying Periodic Income	414,003	43 years	N/A	A
Bond Paying Periodic Income	109,250	11 years	N/A	A+
Bond Paying Periodic Income	1,056,676	10 years	N/A	AA-
Bond Paying Periodic Income	1,530,006	7 years	N/A	AA
Bond Paying Periodic Income	397,560	27 years	N/A	AA+
Bond Paying Periodic Income	8,017,867	25 years	N/A	AAA
Bond Paying Periodic Income	474,509	21 years	N/A	B-
Bond Paying Periodic Income	1,167,420	25 years	N/A	B
Bond Paying Periodic Income	1,979,885	25 years	N/A	B+
Bond Paying Periodic Income	1,108,500	22 years	N/A	BB-
Bond Paying Periodic Income	334,644	20 years	N/A	BB
Bond Paying Periodic Income	1,150,534	30 years	N/A	BB+
Bond Paying Periodic Income	1,976,366	59 years	N/A	BBB-
Bond Paying Periodic Income	2,042,589	60 years	N/A	BBB
Bond Paying Periodic Income	2,912,850	43 years	N/A	BBB+
Bond Paying Periodic Income	41,512	4 years	N/A	CCC
Bond Paying Periodic Income	245,000	17 years	N/A	CCC+
Bond Paying Periodic Income	1,960,599	43 years	N/A	N/A
Bond Paying Periodic Income	1,418,652	15 years	N/A	Unrated
Bond Paying Periodic Income	335,920	27 years	N/A	Unrated
Bond Paying Periodic Income	92,625	39 years	N/A	Unrated

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: Cash, Cash Equivalents and Investments (Continued)

<u>Investment Type</u>	<u>Total Amount</u>	<u>Maximum Maturity</u>	<u>Maximum Investment in One Issuer</u>	<u>S&P Rating</u>
<i>Primary Government, Private Purpose and Agency Funds</i>				
CMO	649	29 years	N/A	A-
CMO	158,382	30 years	N/A	A
CMO	120,180	29 years	N/A	AA
CMO	8,165,938	40 years	N/A	AAA
CMO	349,125	11 years	N/A	B
CMO	263,652	27 years	N/A	BB-
CMO	95,364	12 years	N/A	D
CMO	54,427	6 years	N/A	N/A
CMO	3,878,136	38 years	N/A	Unrated
Common Stock	12,613,136	N/A	N/A	A-
Common Stock	9,336,886	N/A	N/A	A
Common Stock	8,502,041	N/A	N/A	A+
Common Stock	6,986,424	N/A	N/A	B-
Common Stock	17,232,156	N/A	N/A	B
Common Stock	26,687,005	N/A	N/A	B+
Common Stock	2,728,002	N/A	N/A	C
Common Stock	1,499,214	N/A	N/A	N/A
Common Stock	19,136,119	N/A	N/A	Unrated
Master Limited Partnership	170,424	N/A	N/A	Unrated
Mortgage Passthrough Pool	1,482,265	30 years	N/A	Unrated
Other Assets	32,890,950	N/A	14.74%	N/A
Pooled Equities - Capital	16,600,047	N/A	N/A	N/A
Pooled Real Estate	21,669,256	N/A	N/A	N/A
Preferred Stock	238,125	N/A	N/A	A-
Preferred Stock	55,161	N/A	N/A	BBB-
Preferred Stock	325,348	N/A	N/A	N/A
REIT	206,167	N/A	N/A	Unrated
REMIC	<u>153,913</u>	27 years	N/A	N/A
Subtotal	<u>\$221,737,707</u>			
Total City of New Bedford	<u>\$236,937,963</u>			

* Maximum investment in one issuer labeled as N/A are less than 5% of total investments for any single issues within that category.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: Cash, Cash Equivalents and Investments (Continued)

<u>Investment Type</u>	<u>Total Amount</u>	<u>Description</u>
<i>Foreign Currency Risk</i>		
<i>Primary Government, Private Purpose and Agency Funds</i>		
Common stock - foreign	\$ 7,214	BP PLC
Common stock - foreign	5,237	Glaxosmithkline PLC
Common stock - foreign	<u>2,860</u>	Taiwan Semiconductor Mfg LTD
Total	<u>\$ 15,311</u>	
 <i>Foreign Currency Risk</i>		
<i>Pension Trust Fund</i>		
Bond Paying Periodic Income	281,358	Aruba Arpt Auth Bd
Bond Paying Periodic Income	171,834	Brit Columbia Prov CA
Bond Paying Periodic Income	982,097	British Columbia
Bond Paying Periodic Income	378,917	Canadian Government
Bond Paying Periodic Income	737,172	Government of Canada
Bond Paying Periodic Income	999,261	Mexican Bonds
Bond Paying Periodic Income	425,625	Philippine Long Dist
Bond Paying Periodic Income	934,797	Province of Manitoba
Bond Paying Periodic Income	1,171,242	Province of Ontario
Bond Paying Periodic Income	58	Province of Alberta
CMO	54,426	Rep of Argentina
CMO	263,652	Rep of Uruguay
Common stock	670,560	Credit Suisse Group - Sponsored ADR
Common stock	27,940	Credit Suisse Group - Sponsored ADR
Common stock	548,700	Elan Corp Plc - Sponsored ADR
Common stock	206,456	Melco Pbl Entertainment Ltd ADR
Common stock	261,072	Teva Pharmaceutical Inds - Spon ADR
Common stock	<u>315,629</u>	Toyota Motor Corp 2 Com ADR
Total	<u>\$ 8,430,796</u>	

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

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.

Note 5: Capital Assets and Depreciation

Capital asset activity for the year ended June 30, 2007 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	\$ 702,289	\$ 177,605	\$	\$ 879,894
Construction in progress	79,989,444	10,138,091	64,494,380	25,633,155
Infrastructure in progress	<u>12,422,874</u>	<u>2,596,853</u>	<u>10,143,215</u>	<u>4,876,512</u>
Subtotal	<u>93,114,607</u>	<u>12,912,549</u>	<u>74,637,595</u>	<u>31,389,561</u>
Other Capital Assets:				
Infrastructure	122,035,216	15,336,827		137,372,043
Land improvements		22,421		22,421
Buildings and improvements	206,929,759	61,309,532		268,239,291
Machinery and equipment	37,716,023	1,616,836		39,332,859
Office equipment and furniture	11,132,747	1,204,073		12,336,820
Computer equipment	4,689,992	2,491,788		7,181,780
Library books and textbooks	7,698,710	1,197,487		8,896,197
Automobiles	6,239,584	72,364		6,311,948
Animals	<u>53,759</u>			<u>53,759</u>
Subtotal	<u>396,495,790</u>	<u>83,251,328</u>		<u>479,747,118</u>
Accumulated Depreciation:				
Infrastructure	96,910,002	1,907,835		98,817,837
Land improvements		519		519
Buildings and improvements	64,174,320	4,737,087		68,911,407
Machinery and equipment	27,361,338	1,730,702		29,092,040
Office equipment and furniture	9,873,120	643,889		10,517,009
Computer equipment	2,139,480	1,587,149		3,726,629
Library books and textbooks	5,985,741	864,290		6,850,031
Automobiles	5,089,967	434,056		5,524,023
Animals	<u>16,597</u>	<u>3,309</u>		<u>19,906</u>
Subtotal	<u>211,550,565</u>	<u>11,908,836</u>		<u>223,459,401</u>
Net other capital assets	<u>184,945,225</u>	<u>71,342,492</u>		<u>256,287,717</u>
Net capital assets	<u>\$ 278,059,832</u>	<u>\$ 84,255,041</u>	<u>\$ 74,637,595</u>	<u>\$ 287,677,278</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

Note 5: Capital Assets and Depreciation (continued)

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities - Water:</u>				
Not Being Depreciated:				
Infrastructure in progress	\$ 6,225,034	\$ 1,439,613	\$ 1,375,354	\$ 6,289,293
Easements		<u>962,500</u>		<u>962,500</u>
Subtotal	<u>6,225,034</u>	<u>2,402,113</u>	<u>1,375,354</u>	<u>7,251,793</u>
Other Capital Assets:				
Infrastructure	67,714,121	5,507,695		73,221,816
Buildings and improvements	48,811			48,811
Machinery and equipment	872,217	163,075		1,035,292
Office equipment and furniture	71,255			71,255
Computer equipment	10,648			10,648
Automobiles	<u>461,411</u>	<u>4,000</u>		<u>465,411</u>
Subtotal	<u>69,178,463</u>	<u>5,674,770</u>		<u>74,853,233</u>
Accumulated Depreciation:				
Infrastructure	33,370,969	1,518,871		34,889,840
Buildings and improvements	802	976		1,778
Machinery and equipment	712,428	37,451		749,879
Office equipment and furniture	58,124	4,135		62,259
Computer equipment	3,376	3,549		6,925
Automobiles	<u>261,230</u>	<u>47,438</u>		<u>308,668</u>
Subtotal	<u>34,406,929</u>	<u>1,612,420</u>		<u>36,019,349</u>
Net other capital assets	<u>34,771,534</u>	<u>4,062,350</u>		<u>38,833,884</u>
Net capital assets	<u>\$ 40,996,568</u>	<u>\$ 6,464,463</u>	<u>\$ 1,375,354</u>	<u>\$ 46,085,677</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

Note 5: Capital Assets and Depreciation (continued)

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-Type Activities - Airport:</u>				
Not Being Depreciated:				
Land	\$ 135,522	\$	\$	\$ 135,522
Subtotal	<u>135,522</u>	<u></u>	<u></u>	<u>135,522</u>
Other Capital Assets:				
Land improvements	2,312			2,312
Buildings and improvements	2,215,551	23,000		2,238,551
Machinery and equipment	676,064			676,064
Office equipment and furniture	<u>4,640</u>	<u>516</u>	<u></u>	<u>5,156</u>
Subtotal	<u>2,898,567</u>	<u>23,516</u>	<u></u>	<u>2,922,083</u>
Accumulated Depreciation:				
Land improvements	983	106		1,089
Buildings and improvements	453,178	39,631		492,809
Machinery and equipment	355,306	37,203		392,509
Office equipment and furniture	<u>3,579</u>	<u>355</u>	<u></u>	<u>3,934</u>
Subtotal	<u>813,046</u>	<u>77,295</u>	<u></u>	<u>890,341</u>
Net other capital assets	<u>2,085,521</u>	<u>(53,779)</u>	<u></u>	<u>2,031,742</u>
Net capital assets	<u>\$ 2,221,043</u>	<u>\$ (53,779)</u>	<u>\$</u>	<u>\$ 2,167,264</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General Government	\$ 340,262
Public Safety	1,311,725
Education	6,780,234
Public Works	2,601,239
Community and Economic Development	53,724
Health and Human Services	204,280
Culture and Recreation	617,372
Business-Type activities:	
Water	1,612,420
Airport	<u>77,295</u>
Total Governmental Activities Depreciation Expense	<u>\$ 13,598,551</u>

* The beginning balance has been restated, Refer to restatement note for explanation.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

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, 2007

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, 2007, was \$20,881,189.

As of December 31, 2006, 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	1,786	489	2,275
Inactive members	310	14	324
Retired members	<u>1,140</u>	<u>584</u>	<u>1,724</u>
	<u>3,236</u>	<u>1,087</u>	<u>4,323</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, 2007

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 from 1984 through June 30, 1996 the contribution rate is 8%. 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, 2007. The standardized measure of the unfunded actuarial accrued liability as of January 1, 2007, is as follows:

Actuarial accrued liability:

	<u>January 1, 2007</u> (unaudited)
Active members	\$ 208,649,221
Retirees, beneficiaries, disabilities and inactives currently receiving benefits	260,412,530
Cost of living adjustment	<hr/>
Total actuarial accrued liability	469,061,751
Net assets available for benefits, at market	<hr/> 210,446,468
Unfunded actuarial accrued liability	<u>\$ 258,615,283</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

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 2006 amounted to \$25,587,182 of which \$18,848,697 and \$6,738,485 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 year 2006 the contribution amount of \$18,848,697 was based on an actuarial valuation as of January 1, 2006. 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 24% and 9% respectively, of covered payroll for the year.

The covered payroll for the Contributory Retirement System for the year ending December 31, 2006 was approximately \$77,004,701. The City's total payroll for all employees was approximately \$163,317,254 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 Massachusetts Retirement Board contributed \$20,881,189 for benefits "on-behalf" of the school department. The amount was recorded as revenue and as an expenditures in the general fund in accordance with GASB-24.

The computation of the pension contribution requirements for 2006 was based on the same (a) actuarial assumptions, (b) benefit provisions, and © other significant factors as used to determine pension contribution requirements in the previous year.

Trend Information

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Net assets available for benefits as a percentage of the actuarial accrued liability applicable to the City's employees	44.9%	46.1%	46.1%	51.4%	51.4%	51.4%
Unfunded actuarial accrued liability as a percentage of the City's annual covered payroll	335.8%	255.4%	247.9%	179.2%	204.1%	198.0%
City's contribution to the pension plan as a percentage of annual covered payroll	24.5%	20.8%	18.7%	17.6%	19.1%	26.5%

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

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 DWDA/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, 2007, 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, 2007.

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 bonds 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 basic financial statements.

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.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 9: Contingencies (Continued)

Sullivan's Ledge Escrow Fund

The City has received notice from the 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.

NOTE 10: Lease Revenues

The City of New Bedford leases property on Hathaway Road to Johnson Turf and Golf Management, Inc. Areas of the land were designated part of the Sullivan Ledge Superfund site, as determined by the Environmental Protection Agency. The lease is for 35 years and began March 24, 2000 and is for \$120,000 per year less a credit of \$5,333 for unanticipated water consumption costs. In addition, this fee can be abated for individuals who had a membership to play at the Whaling City Golf Course during the 1999 calendar year up to a sum of \$100,000. The remaining fee will be adjusted annually by the consumer price index beginning in 2005.

The land was leased for the operation of an 18 hole public golf course. As stated in the lease agreement, the Whaling City Golf course is required to submit to the City of New Bedford, a certified annual audit of the financial records. An audit was not performed during 2006, however, the Golf course anticipates submitting a complete set of audited financial statements to the City for 2006.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 11: Joint Venture

The City of New Bedford, the Harbor Development Commission, and the Redevelopment Authority have joined in an agreement with the Whale's Tooth Parking Lot. The City of New Bedford owns this parcel of land and has bought all lighting and fixtures associated with the parking lot. The agreement between the parties is that the Harbor Development Commission will operate the parking lot and collect all parking lot revenues and will pay for all expenditures associated with the parking lot. When profits are generated from the parking lot operations, the Harbor Development Commission will begin to pay back the City of New Bedford for the fixtures and equipment that the City placed into service to operate the parking lot. Five percent of any revenue over budgeted expenditures will be remitted to the Redevelopment Authority for their involvement in the project.

NOTE 12: 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).

The City issued a \$7,470,000 Bond Anticipation Note, dated June 7, 2007, maturing February 15, 2008. This note was issued for the Railroad Depot.

The City issued a \$3,031,944 Bond Anticipation Note, dated June 7, 2007, maturing February 15, 2008. This note was issued for the Keith Middle School.

The City issued a \$15,707,000 Bond Anticipation Note, dated August 18, 2006, maturing September 28, 2006. This note was issued for the following:

\$ 15,477,000	Normandin Middle School	\$ 230,000	River Road
---------------	-------------------------	------------	------------

The City issued a \$14,143,884 Bond Anticipation Note, dated September 29, 2006, maturing February 16, 2007. This note was issued for the following:

\$ 320,000	DeValles School	\$ 255,000	Landfill
\$ 6,449,944	Normandin Middle School	\$ 2,000,000	Building Purchase
\$ 1,473,940	Keith Middle School	\$ 3,400,000	DPI Sewer Project
		\$ 245,000	Land Acquisition

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 12: Debt (Continued)

Short-Term Debt

The City issued a \$2,031,944 Bond Anticipation Note, dated February 16, 2007, maturing June 14, 2007. This note was issued for the Keith Middle School.

The City issued a \$19,258,000 Bond Anticipation Note, dated February 16, 2007, maturing February 15, 2008. This note was issued for the following:

\$ 8,958,000	Sewer	\$ 1,800,000	Landfill Closure
\$ 8,500,000	Sea Lab Facility		

The City issued a \$5,000,000 Bond Anticipation Note, dated February 16, 2007 maturing February 15, 2008. This note was issued for the Railroad Depot.

Long-Term Debt

Prior Year Defeasance of Debt

In the prior year, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2007, \$11.4 million of bonds outstanding are considered defeased.

Assumptions

In November 2004 the City refunded and defeased in substance its outstanding 1995 and 1996 serial bonds of \$21,300,000, carrying an interest rate of 5.5 percent, with new debt of \$11,400,000, issued at a weighted average rate of 3.6 percent. The new debt is dated November 10, 2004. All issuance costs of the transaction were paid from bond proceeds. Issuance costs were as follows:

Insurance (allowable and fully recoverable) through escrow fund earnings	\$	65,544
Underwriter's discount (not allowable)		84,081
Financing costs (not allowable)		<u>55,820</u>
	\$	<u>205,445</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 12: Debt (Continued)

Long-Term Debt (Continued)

Sources and Uses of Funds

The sources and uses of funds required for the transaction are shown below:

Sources

Principal amount of the Bonds	\$ 11,400,000
Original issue premium	263,655
Accrued interest	<u>44,142</u>
Total sources	<u>\$ 11,707,797</u>

Uses

Purchase price of the SLGS	\$ 11,451,173
Beginning cash deposit to the escrow account	1
Underwriter's discount	84,081
Bond insurance premium	65,543
Costs of issuance	55,820
Deposit of debt service fund	44,143
Contingency	<u>7,036</u>
Total uses	<u>\$ 11,707,797</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 12: Debt (Continued)

The City has the following bond anticipation notes payable outstanding at June 30, 2007:

	Balance 6/30/06	Additions Renewals	Retirements	Balance 6/30/07	Issuance Date	Maturity Date	Interest Rate	Interest Paid
Capital Projects								
Bond Anticipation Note	\$ 15,707,711	\$	\$ 15,707,711	\$	02/16/06	08/18/06	3.63%	\$ 275,212
Bond Anticipation Note	48,349,139		48,349,139		06/30/05	02/24/06	3.50%	1,890,989
Bond Anticipation Note	6,010,000		6,010,000		02/25/05	02/24/06	3.25%	240,400
Bond Anticipation Note		7,470,000		7,470,000	06/07/07	02/15/08	5.75%	
Bond Anticipation Note		3,031,944		3,031,944	06/07/07	02/15/08	4.25%	
Bond Anticipation Note	15,707,000		15,707,000		08/18/06	09/28/06	3.65%	65,293
Bond Anticipation Note	14,143,884		14,143,884		09/29/06	02/16/07	4.00%	215,301
Bond Anticipation Note	2,031,944		2,031,944		02/16/07	06/14/07	4.25%	28,546
Bond Anticipation Note	10,000,000			10,000,000	02/16/07	02/15/08	4.00%	
Bond Anticipation Note	9,258,000			9,258,000	02/16/07	02/15/08	4.25%	
Bond Anticipation Note	5,000,000			5,000,000	02/16/07	02/15/08	5.50%	
Interim Loan	6,414,971			6,414,971	09/29/05	07/15/07	1.63%	
Total Capital Projects	<u>76,481,821</u>	<u>66,642,772</u>	<u>101,949,678</u>	<u>41,174,915</u>				<u>2,715,741</u>
General Fund:								
Revenue Anticipation Note		<u>4,650,000</u>		<u>4,650,000</u>	06/29/07	02/15/08	4.00%	<u>128,740</u>
Total General Fund		<u>4,650,000</u>		<u>4,650,000</u>				<u>128,740</u>
Water Fund (Business-Type Activity):								
Bond Anticipation Note		<u>10,000,000</u>	<u>10,000,000</u>		04/12/07	04/12/07	3.70%	
Total General Fund		<u>10,000,000</u>	<u>10,000,000</u>					
Total Primary Government	<u>\$ 76,481,821</u>	<u>\$ 81,292,772</u>	<u>\$ 111,949,678</u>	<u>\$ 45,824,915</u>				<u>\$2,844,481</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 12: Debt (Continued)

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

	<u>Maturity Dates</u>	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>City (Retirements)</u>	<u>State (Subsidies)</u>	<u>Balance June 30, 2007</u>	<u>Balance Due in 2008</u>
Governmental Activities							
4.00-6.00% G.O. Bond	04/15/96-13	\$ 2,255,900	\$	\$ 324,500	\$	\$ 1,931,400	\$ 316,000
4.60-5.80% Note	10/01/97-16	6,411,000		491,000		5,920,000	585,000
4.25-5.00% G.O. Bond	10/14/98-10/01/18	8,785,000		915,000		7,870,000	920,000
4.25-5.50% G.O. Bond	05/01/02-05/01/21	40,055,000		1,950,000		38,105,000	2,035,000
4.25-6.00% Revenue Refunding Bond	02/01/97-16	10,340,000		598	1,569,402	8,770,000	1,490,000
4.00-5.25% Revenue Bond	02/01/98-99	107,920,000		1,571,943	1,368,057	104,980,000	3,135,000
4.00-6.00% Revenue Bond	08/01/01-08/01/31	5,073,376		123,526	7,368	4,942,482	135,129
HUD 108-2003-A	02/01/04-08/01/22	1,680,000		40,000		1,640,000	90,000
3.125-5.00% State Qualified G.O. Bond	03/15/06-09/15/25	11,434,000		804,000		10,630,000	800,000
.85% Revenue Bond	07/15/06/-07/15/25	600,000		22,271		577,729	25,246
.85% Revenue Bond	02/15/07-02/15/27	5,922,356		111,023		5,811,333	142,411
General Obligation State Qualified Bond	02/15/07-02/15/27	16,934,000				16,934,000	964,000
2% MWPAT Bond	12/04/06-07/15/26	423,300				423,300	16,694
Compensated absences		13,104,498	1,567,759			14,672,257	4,929,226
Capital leases		128,792		104,984		23,808	22,350
Total governmental activities		<u>213,709,922</u>	<u>18,925,059</u>	<u>6,458,845</u>	<u>2,944,827</u>	<u>223,231,309</u>	<u>15,606,056</u>
Business-Type Activities							
4.00-6.00% G.O. Bonds	04/15/96-04/15/13	3,223,100		269,500		2,953,600	289,000
4.25-5.50% G.O. Bonds	05/01/02-05/01/21	1,575,000		105,000		1,470,000	105,000
.85% Revenue Bonds	08/01/03-08/01/24	2,100,903		79,444	20,577	2,000,882	102,483
.85% Revenue Bonds	02/01/05-08/01/24	2,034,278		78,612		1,955,666	80,781
.85% Revenue Bonds	02/01/05-08/01/24	4,011,356		155,566		3,855,790	159,756
Compensated Absences		416,856	16,511			433,367	171,068
Capital Leases		115,425		56,232		59,193	59,183
Total business-type activities		<u>13,476,918</u>	<u>16,511</u>	<u>744,354</u>	<u>20,577</u>	<u>12,728,498</u>	<u>967,281</u>
Total governmental plus business-type activities		<u>\$227,186,840</u>	<u>\$ 18,941,570</u>	<u>\$ 7,203,199</u>	<u>\$ 2,965,404</u>	<u>\$ 235,959,807</u>	<u>\$ 16,573,337</u>

In prior years the general fund, wastewater, water and the library special revenue funds have been used to liquidate long-term debt.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 12: Debt (Continued)

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>Total City Debt Service</u>
2008	\$ 11,391,500	\$ 10,211,974	\$ 21,603,474	\$ 6,709,003	\$ 14,894,471
2009	11,622,444	9,701,455	21,323,899	6,592,576	14,731,323
2010	11,439,632	9,206,827	20,646,459	6,470,161	14,176,298
2011	11,702,788	8,710,530	20,413,318	6,346,118	14,067,200
2012	11,827,806	8,168,862	19,996,668	6,213,561	13,783,107
2013	12,107,849	7,601,218	19,709,067	6,080,015	13,629,052
2014	12,451,951	7,003,254	19,455,205	5,942,738	13,512,467
2015	12,539,987	6,396,218	18,936,205	5,802,712	13,133,493
2016	12,898,642	5,772,468	18,671,110	5,654,051	13,017,059
2017	12,870,342	5,140,710	18,011,052	5,497,938	12,513,114
2018	12,615,461	4,550,356	17,165,817	5,367,636	11,798,181
2019	12,992,393	3,959,110	16,951,503	5,229,204	11,722,299
2020	12,739,441	3,364,162	16,103,603	5,091,288	11,012,315
2021	12,511,613	2,768,076	15,279,689	4,946,428	10,333,261
2022	8,938,909	2,169,151	11,108,060	4,801,024	6,307,036
2023	9,166,333	1,763,734	10,930,067	4,647,900	6,282,167
2024	9,064,597	1,346,577	10,411,174	4,443,821	5,967,353
2025	9,280,589	880,466	10,161,055	4,306,472	5,854,583
2026	8,536,872	525,826	9,062,698	4,113,026	4,949,672
2027	701,225	131,884	833,109	121,471	711,638
2028	495,910	103,926	599,836	115,849	483,987
2029	511,182	83,528	594,710	110,068	484,642
2030	526,578	62,459	589,037	104,072	484,965
2031	537,099	40,849	577,948	93,138	484,810
2032	247,750	27,086	274,836		274,836
2033	253,532	21,303	274,835		274,835
2034	259,449	15,386	274,835		274,835
2035	265,505	9,331	274,836		274,836
2036	271,701	3,134	274,835		274,835
	<u>\$ 220,769,080</u>	<u>\$ 99,739,860</u>	<u>\$ 320,508,940</u>	<u>\$ 104,800,270</u>	<u>\$ 215,708,670</u>

Authorized and unissued debt at June 30, 2007, is as follows:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Original Amount Authorized</u>	<u>FY 06 Amount Authorized</u>	<u>FY 07 Authorization</u>	<u>Issued/ Retired Rescinded</u>	<u>Paid FY 07</u>	<u>Net Amount</u>
Wastewater Treatment Facility	08/27/90	\$ 14,000,000	\$	\$	\$	\$	\$
Wastewater Treatment Facility	06/21/91	224,300,000					
MWPAT DW-00-12		2,440,553					
MWPAT DE-02-20; DWSRF 1098		2,850,000					
Urban Renewal	04/18/00	875,000					
Water	07/24/01	845,450					
Landfill Closure	02/01/99	400,000					
Normandin Middle School	05/01/00	39,200,000	39,200,000		(38,641,279)	(717)	558,004
Keith Middle School	05/01/00	42,000,000	42,000,000	11,659,600			53,659,600
Acquisition of Land	12/01/00	1,150,000					
Land Development	03/01/01	500,000	480,000		(265,000)		215,000
Normandin Middle School	08/01/01	11,659,600	11,659,600	(11,659,600)			
Keith Middle School	08/01/01	11,784,000	11,784,000				11,784,000
Parking Garage	01/02/02	1,000,000					
Brooks Elementary School	05/01/02	17,000,000	17,000,000		(1,000,000)		16,000,000
Campbell Elementary/ Middle School	05/01/02	47,200,000	47,200,000		(1,499,535)	(465)	45,700,000

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 12: Debt (Continued)

<u>Purpose</u>	<u>Date Authorized</u>	<u>Original Amount Authorized</u>	<u>FY 06 Amount Authorized</u>	<u>FY 07 Authorization</u>	<u>Issued/ Retired/ Rescinded</u>	<u>Paid FY 07</u>	<u>Net Amount</u>
Winslow Elementary School	05/01/02	17,000,000	17,000,000		(1,000,000)		16,000,000
Lincoln Elementary School	05/01/02	20,600,000	20,600,000		(1,000,000)		19,600,000
Harbor Dredging	05/01/02	3,000,000					
Water Projects	07/01/02	8,455,000	2,178,748		(423,300)		1,755,448
Landfill Closure	02/01/03	1,800,000	1,800,000				1,800,000
Railroad Depot	03/01/03	3,000,000	3,000,000				3,000,000
DeValles Elementary School	06/01/03	11,000,000	11,000,000		(320,000)		10,680,000
Sewer Separation	06/01/03	6,197,000	274,644				274,644
Building Acquisition - Zeiterion	06/25/04	400,000					
Building Renovations	06/25/04	1,150,000					
Harbor Development Phase II							
Dredging	06/25/04	1,170,000	200,000				200,000
Incubator/Building Renovatons	06/25/04	2,000,000	2,000,000				2,000,000
Railroad Depot	06/25/04	2,000,000	2,000,000				2,000,000
Equipment Purchases	06/25/04	2,800,000					
Sea Lab	06/25/04	4,000,000	4,000,000				4,000,000
West End Sewer Separation	06/25/04	21,608,000	21,008,000				21,008,000
Reconstructing & Paving Roads	06/25/04	1,000,000					
Water Lining	06/25/04	4,205,000	4,205,000		(4,205,000)		
West End Sewer Project	08/14/04	8,958,000	8,958,000				8,958,000
Sea Lab	01/18/05	4,500,000	4,500,000				4,500,000
Street Paving	06/23/05	6,000,000	6,000,000				6,000,000
West End Sewer Separation							
Phase V	07/27/05	2,500,000	2,500,000		(2,209,971)		290,029
Mount Pleasant Street/Sawyer							
Street Area Project	08/23/05	2,500,000	2,500,000				2,500,000
Railroad Depot	06/22/06	7,470,000	7,470,000				7,470,000
Hannigan School	08/03/06	5,000,000	5,000,000				5,000,000
Water Mains Bonds	10/16/06	9,600,000	9,600,000				9,600,000
Water System Imp & Planning	10/16/06	4,650,000	4,650,000				4,650,000
School Bonds	12/01/06	3,000,000	3,000,000				3,000,000
Keith Middle School -							
Contamination Cleanup	12/01/06	34,564,165	34,564,165				34,564,165
Airport Hanger & Leasehold	12/13/06	1,100,000	1,100,000				1,100,000
		<u>\$ 618,431,768</u>	<u>\$348,432,157</u>	<u>\$</u>	<u>\$(50,564,085)</u>	<u>\$(1,182)</u>	<u>\$ 297,866,890</u>

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

Debt service requirements to maturity for short-term debt:

	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Debt</u>
2008	<u>\$ 45,824,915</u>	<u>\$ 1,553,519</u>	<u>\$ 47,378,434</u>

Capital Leases

The City is obligated under certain leases accounted for as capital leases. The obligation for the leases are accounted for in the Government-Wide Financial Statements as a governmental activity and a business-type activity. The following is a schedule of future minimum lease payments under capital leases.

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government</u>
2008	\$ 19,673	\$ 62,310	\$ 81,983
2009	4,474		4,474
2010	<u>1,492</u>		<u>1,492</u>
Minimum lease payments for all capital leases	25,639	62,310	87,949
Less: amount representing interest	<u>(1,831)</u>	<u>(3,117)</u>	<u>(4,948)</u>
	<u>\$ 23,808</u>	<u>\$ 59,193</u>	<u>\$ 83,001</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 13: Fund Deficit

The following individual funds had deficit fund equity balances as of June 30, 2007:

Capital Project Funds:	Fund Deficit	Less MWPAT Interim Loan O/S & BAN's O/S	Net Deficit
Condominium	\$	\$	\$
2M Building Purchase			
Normandin Middle School			
Keith Middle School	3,865,467	3,031,944	833,523 **
2Mil Landfill Closure	761,957	1,800,000	
Land Acquisition			
Harbor Development Phase II Dredging	111,383		111,383 *
500K Bond - River Road			
DPI Sewer Project	5,835,384	8,958,000	
\$6 MIL Street Paving Project			
Winslow Elementary School 17 Mil			
Elizabeth Brooks Elementary School 17 Mil			
Lincoln Elementary School 20.6 Mil			
Campbell Elementary School 47.2 Mil	465		465 *
Water Mains	5,502,879	6,414,971	
Railroad Depot	11,101,897	12,470,000	
DeValles Bond Issue			
Riverside Park			
Water Transmission Main			
Incubator Project	300,298		300,298 ***
Sea Lab	8,384,922	8,500,000	
Route 18			
North End Pressure	<u>1,508,140</u>	<u>4,650,000</u>	
Total Capital Projects Funds	<u>\$ 37,372,792</u>	<u>\$ 45,824,915</u>	<u>\$ 1,245,669</u>
 Special Revenue:			
Federal & State Grants:			
Weed & Seed Carl Alves #2	\$ 25,000	\$	\$ 25,000 ***
Drug court Grant	7		7 *
AIP 30 Crack Repair Grant	9,784		9,784 *
Airport - AIP 26 EIS/EIR	1,705		1,705 *
AIP - 32 Airport Planning	5,581		5,581 *
Airport FEIS 2007	<u>2,950</u>		<u>2,950 *</u>
Total Federal & State Grants	<u>45,027</u>		<u>45,027</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 13: Fund Deficit (Continued)

Other Special Revenue:	<u>Fund Deficit</u>	<u>MWPAT Interim Loan O/S & BAN's O/S</u>	<u>Net Deficit</u>
Revolving:			
Special Services	\$ <u>6,536</u>	\$ _____	\$ <u>6,536</u> *
Total Revolving	<u>6,536</u>	_____	<u>6,536</u>
Total Special Revenue	<u>51,563</u>	_____	<u>51,563</u>
Permanent Trust Funds			
Kempton Lost Books	\$ _____	\$ _____	\$ _____
Total Permanent Funds	\$ _____	\$ _____	\$ _____
Total Fund Deficits	<u>\$ 37,424,355</u>	<u>\$ 45,824,915</u>	<u>\$ 1,297,232</u>

* The deficit will require a future administrative plan to fund this deficit and eliminate.

** The deficit will be eliminated by future bond issuance.

*** The deficit will be eliminated by reimbursements from third parties.

**** The deficit will require a future match during the grant period to fund the deficit and eliminate it.

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 14: Restatement

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

Governmental Funds

	<u>Non-Major Governmental Funds</u>		
	<u>General Fund</u>	<u>Wastewater</u>	<u>Special Revenue</u>
Beginning balance, July 1, 2006	\$ 25,765,443	\$ 4,920,912	\$ 8,780,134
Correct tax possessions balance	(147,640)		
To correct inventory balance		56,437	15,034
To correct Due to Commonwealth - Recreation Start Up grant			(903)
To correct cash balance			27,863
To correct other liabilities			(14,937)
To correct boat excise receivables			(6,083)
To transfer purchasing revolving to special revenue revolving			35,668
To correct expenses that should have been charged to special revenue	55,952		(55,952)
Rounding	<u> </u>	<u> </u>	<u> 2</u>
Beginning balance, July 1, 2006, restated	<u>\$ 25,673,755</u>	<u>\$ 4,977,349</u>	<u>\$ 8,780,826</u>

Proprietary Funds

	<u>Water</u>	<u>Airport</u>	<u>Internal Service</u>
	Beginning balance, July 1, 2006	\$ 3,634,260	\$ 1,382,321
To transfer purchase revolving to special revenue revolving			(35,668)
To correct airport fixed assets		974,732	
To correct accumulated depreciation	36,161	(367,965)	
To correct inventory balance	269,579		
To remove infrastructure and related depreciation	(15,441,275)		
To add corrected infrastructure in progress	6,225,034		
To add corrected infrastructure and accumulated depreciation	34,343,152		
Rounding	<u>(1)</u>	<u> </u>	<u> </u>
Beginning balance, July 1, 2006, restated	<u>\$ 29,066,910</u>	<u>\$ 1,989,088</u>	<u>\$ 1,111,179</u>

CITY OF NEW BEDFORD, MASSACHUSETTS

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 14: Restatement (Continued)

The following were the restatements that occurred at the Government-Wide Level. This includes the adjustments above plus additional adjustments.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Component Units</u>	
			<u>Refuse District</u>	<u>Non-Major Component Units</u>
Beginning balance, July 1, 2006	\$ 181,649,312	\$ 5,016,581	\$ 19,939,613	\$ 14,166,317
Restatements, per above	(70,227)	26,039,417		
To correct accounts payable and accrued expenses				(61,843)
To correct prepaid expenses				(546)
To correct buildings and improvements	208,748			
To correct land	22,395			
To correct construction in progress	(2,534,304)			
To correct accumulated depreciation	4,668,914		(38,459)	
To remove infrastructure and related depreciation	(147,374,339)			
To add corrected infrastructure in progress	12,422,874			
To add corrected infrastructure and accumulated depreciation	25,125,214			
To adjust medical withholdings to actual			(3,221)	
To correct closure and post-closure liabilities			(301,433)	
To correct deposits held liability for NBRA				(70,000)
Rounding	(1)			(2)
Beginning balance, July 1, 2006, restated	<u>\$ 74,118,586</u>	<u>\$ 31,055,998</u>	<u>\$ 19,596,500</u>	<u>\$ 14,033,926</u>

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, 2007

	Original Budget	Appropriations and Transfers	Total Available	Actual	Encumbrances Carried Forward	Variance Favorable (Unfavorable)
	Encumbrances Carried Forward	Budget as Adopted				
Revenues:						
Tax collections net of refunds:						
Real estate and personal property taxes	\$	\$ 77,040,238	\$ 3,169,504	\$ 80,209,742	\$	\$ 80,209,742
Local receipts:						
Motor vehicle excise		6,014,113	86,856	6,100,969		5,824,562
Other excise collections		35,000	13,201	48,201		40,020
Penalties and interest		1,465,000	800,544	2,265,544		2,901,151
Payments in lieu of taxes		693,000	(30,389)	662,611		587,070
Charges for services:						
Trash		8,000	(1,254)	6,746		5,844
Departmental:						
School		2,284,569	551,839	2,836,408		2,930,027
Library		14,000		14,000		13,999
Cemeteries		470,259	20,000	490,259		517,815
Other		10,209,682	1,873,313	12,082,995		11,606,502
Fines and forfeitures		185,000	19,985	204,985		319,199
Licenses and permits:		2,341,000	(213,497)	2,127,503		2,104,178
Water			162,927	162,927		162,927
Sewer		280,129	(37,694)	242,435		244,435
Earnings on investments		1,230,130	455,757	1,685,887		1,129,706
Miscellaneous on recurring		453,799	557,342	1,011,141		2,000
Miscellaneous on non-recurring						556,181
Special assessments & betterments						15,015
Governmental revenue:						252,427
Federal						5,389
State						36,640
Total revenues		<u>137,139,082</u>	<u>24,319</u>	<u>137,163,401</u>		<u>343,822</u>
		<u>239,863,001</u>	<u>7,452,753</u>	<u>247,315,754</u>		<u>109,258</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, 2007

	Original Budget		Appropriations and Transfers	Total Available	Actual	Encumbrances Carried Forward	Variance Favorable (Unfavorable)
	Encumbrances Carried Forward	Budget as Adopted					
Expenditures:							
General Government		5,879,132	383,177	6,262,309	6,026,377	49,035	186,897
General Government-unclassified		53,444,275	1,969,803	55,414,078	55,432,379		(18,301)
Public safety:							
Police		21,614,218	489,296	22,103,514	22,074,177		29,337
Fire		15,007,095	395,621	15,402,716	15,387,923		14,793
EMS		2,206,178	123,000	2,329,178	2,317,806		11,372
Inspector of buildings		1,078,666	(83,558)	995,108	986,260		8,848
Other		73,737	1,826	75,563	75,257		306
Public works and facilities:							
Health and sanitation operations		707,081		707,081	707,081		
Highways and streets		1,492,298	594,560	2,086,858	2,059,893		26,965
Public Facilities	11,375	10,066,607	851,486	10,929,468	10,659,302		270,166
Education:							
School Department	918,305	105,780,685	922,972	107,621,962	107,623,044		(1,082)
Other		3,400,000	433,300	3,833,300	3,833,257		43
Human services		2,375,273	369,438	2,744,711	2,731,578	2,000	11,133
Culture and recreation	16,216	3,149,346	(81,350)	3,084,212	2,957,268	54,984	71,960
Zoo		894,014	42,544	936,558	938,922		(2,364)
Debt service		9,788,941	740,349	10,529,290	10,603,579		(74,289)
Intergovernmental expenditures		1,631,114	(30,059)	1,601,055	1,618,112		(17,057)
Total expenditures	945,896	238,588,660	7,122,405	246,656,961	246,032,215	106,019	518,728
Excess (deficiency) of revenues over expenditures	(945,896)	1,274,341	330,348	658,793	1,392,797	(106,019)	627,986

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, 2007

	<u>Original Budget</u>							
	<u>Encumbrances Carried Forward</u>	<u>Budget as Adopted</u>	<u>Appropriations and Transfers</u>	<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>	<u>Variance Favorable (Unfavorable)</u>	
Other financing sources and (uses):								
Operating transfers in		(33,841)	370,954	370,954	370,954		(10,801)	
Operating transfers out			(219,228)	(253,069)	(263,870)			
Free cash			(3,207,755)	(3,207,755)	(3,207,755)			
Snow & ice deficit		(240,500)	(35,820)	(35,820)			35,820	
Appropriation deficit			(623,058)	(863,558)			863,558	
Fund deficit			(124,051)	(124,051)	(109,361)		14,690	
Bill of prior years			(162,000)	(162,000)	(159,343)		2,657	
Overlay deficit		(1,000,000)	1,000,000					
Total other financing sources (uses)		(1,274,341)	(3,000,958)	(4,275,299)	(3,369,374)		905,925	
Excess (deficiency) of revenues and other financing sources over over expenditures and other financing uses		\$ 945,896	\$ (2,670,610)	\$ (3,616,506)	(1,976,577)	\$ (106,019)	\$ 1,533,911	
Budgetary fund balance at the beginning of the year					22,401,364			
Budgetary fund balance at the end of year					\$ 20,424,787			

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

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Statement of Revenues and Expenses- (Non-GAAP /Budgetary Basis)
Budget and Actual - Water Enterprise Fund

Year Ended June 30, 2007

	Original Budget Encumbrances Carried Forward	Budget as Adopted	Appropriations and Transfers	Available for Current Year Expenditures	Actual	Encumbrances Carried Forward	Variance Favorable (Unfavorable)
Revenues:							
Charges for services	\$	\$ 7,642,838	\$ 270,271	\$ 7,913,109	\$ 7,513,536	\$	\$ (399,573)
Utility liens and penalties					37,308		37,308
Intergovernmental							
Other		36,714		36,714	84,635		47,921
Total revenues		7,679,552	270,271	7,949,823	7,635,479		(314,344)
Expenses:							
Salaries and wages		2,300,338		2,300,338	2,112,242		188,096
Charges and services		3,419,615	(200,000)	3,219,615	2,695,999	250,000	273,616
Materials and supplies		747,000		747,000	708,758		38,242
Capital outlay		37,000	450,000	487,000	289,193	21,952	175,855
Debt service		1,175,599		1,175,599	1,090,130		85,469
Total expenses		7,679,552	250,000	7,929,552	6,896,322	271,952	761,278
Excess (deficiency) of revenues over expenses			20,271	20,271	739,157	(271,952)	446,934
Other financing sources and (uses):							
Operating transfers in							
Operating transfers out			(20,271)	(20,271)			20,271
Total other financing sources and (uses)			(20,271)	(20,271)			20,271
Excess (deficiency) of revenue and other sources over expenses and other uses	\$	\$	\$	\$	739,157	\$ (271,952)	\$ 467,205
Budgetary fund balance at the beginning of the year					1,043,496		
Budgetary fund balance at the end of the year					1,782,653		

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

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Statement of Revenues and Expenses- (Non-GAAP /Budgetary Basis)
Budget and Actual - Airport Enterprise Fund

Year Ended June 30, 2007

	Original Budget	Appropriations and Transfers	Available for Current Year Expenditures	Total Budgeted	Actual	Encumbrances Carried Forward	Variance Favorable (Unfavorable)
	Encumbrances Carried Forward	Budget as Adopted		Budgeted			
Revenues:							
Charges for services	\$	\$ 605,000	\$ 605,000	\$ 605,000	\$ 563,286	\$	\$ (41,714)
Earnings on investments							
Other							
Total revenues		<u>605,000</u>	<u>605,000</u>	<u>605,000</u>	<u>563,286</u>		<u>(41,714)</u>
Expenses:							
Salaries and wages		339,388	339,388	339,388	339,300		88
Charges and services		356,480	356,480	356,480	341,455		15,025
Materials and supplies		49,557	49,557	49,557	48,671		886
Capital outlay		<u>23,516</u>	<u>23,516</u>	<u>23,516</u>	<u>23,516</u>		
Total expenses		<u>768,941</u>	<u>768,941</u>	<u>768,941</u>	<u>752,942</u>		<u>15,999</u>
Excess (deficiency) of revenues over expenses		<u>(163,941)</u>	<u>(163,941)</u>	<u>(163,941)</u>	<u>(189,656)</u>		<u>(25,715)</u>
Other financing sources and (uses):							
Operating transfers in		163,941	163,941	163,941	163,941		
Operating transfers out							
Total other financing sources and (uses)		<u>163,941</u>	<u>163,941</u>	<u>163,941</u>	<u>163,941</u>		
Excess (deficiency) of revenue and other sources over expenses and other uses	\$	\$	\$	\$	(25,715)	\$	\$ (25,715)
Budgetary fund balance at the beginning of the year					<u>(166,204)</u>		
Budgetary fund balance at the end of the year					<u>\$ (191,919)</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, 2007

	Original Budget								
	Encumbrances Carried Forward	Budget as Adopted	Appropriations and Transfers	Available for Current Year Expenditures	Actual	Encumbrances Carried Forward	Variance Favorable (Unfavorable)		
Revenues:									
Charges for services	\$	\$ 15,808,253	\$ (90,280)	\$ 15,717,973	\$ 15,836,779	\$	\$ 118,806		
Earnings on investments		277,873		277,873	338,118		60,245		
Other		1,291,552		1,291,552	573,368		(718,184)		
Total revenues		17,377,678	(90,280)	17,287,398	16,748,265		(539,133)		
Expenditures:									
Salaries and wages		1,286,696	(75,000)	1,211,696	1,196,665		15,031		
Charges and services		10,236,250	(90,000)	10,146,250	9,309,133		837,117		
Materials and supplies		461,000		461,000	395,487		65,513		
Capital outlay	2,500	160,000		162,500	85,566		76,934		
Debt service		867,360	15,000	882,360	885,899		(3,539)		
Total expenditures	2,500	13,011,306	(150,000)	12,863,806	11,872,750		991,056		
Excess (deficiency) of revenues over expenditures	(2,500)	4,366,372	59,720	4,423,592	4,875,515		451,923		
Other financing sources and (uses):									
Operating transfers in			89,128	89,128	89,128				
Operating transfers out		(4,366,372)		(4,366,372)	(4,362,872)		3,500		
Appropriation deficit			(148,848)	(148,848)	(148,848)				
Total other financing sources and (uses)		(4,366,372)	(59,720)	(4,426,092)	(4,422,592)		3,500		
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ (2,500)	\$	\$	\$ (2,500)	452,923	\$	\$ 455,423		
Budgetary fund balance at the beginning of the year					1,640,179				
Budgetary fund balance at the end of the year					2,093,102				

See notes to required supplementary information

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, 2007

Budgetary - GAAP Reporting Reconciliation

The accompanying Combined Statement of Revenues, Expenditures or Expenses - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund, Water and Airport Enterprise Funds 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/expenses are recorded when paid in cash (budgetary basis) as opposed to when liability is incurred (GAAP basis);
- C) Encumbrances are reported as expenditures/expenses (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, 2007 are as follows:

	<u>Government Funds</u>		<u>Enterprise Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Wastewater-Operating</u>	<u>Water</u>	<u>Airport</u>
Revenues and other financing sources:				
GAAP Basis	\$ 270,636,921	\$ 16,837,393	\$ 8,392,693	\$ 734,519
Adjustments:				
Increase in real estate and personal property taxes to full accrual	(1,538,513)			
(Increase) decrease in 60 day accrual	(452,874)			
Gain on sale of tax possessions	31,623			
Unbudgeted MTRB on-behalf payments	(20,881,189)			
Reversal of deferred revenue			(163,048)	
Unbudgeted MWPAT subsidy payments			(200,076)	
Change in allowance for receivables			910	(7,292)
Unbudgeted contribution to purchase easement			(395,000)	
Rounding	(2)			
Budgetary Basis	<u>\$ 247,795,966</u>	<u>\$ 16,837,393</u>	<u>\$ 7,635,479</u>	<u>\$ 727,227</u>
Expenditures and other financing uses:				
GAAP Basis	\$ 270,653,731	\$ 16,235,622	\$ 7,208,451	\$ 810,381
Adjustments:				
Principal paid on capital leases			56,232	
Unbudgeted MTRB on-behalf payments	(20,881,189)			
Budgeted appropriation deficit		148,848		
Change in compensated absences			(12,852)	(3,659)
Additions to capital assets			734,575	23,516
Depreciation expense			(1,612,420)	(77,295)
Change in accrued interest			11,610	
Unbudgeted MWPAT subsidy payments			(200,076)	
Principal paid on long term debt			710,801	
Rounding	2		1	(1)
Budgetary basis	<u>\$ 249,772,544</u>	<u>\$ 16,384,470</u>	<u>\$ 6,896,322</u>	<u>\$ 752,942</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, 2007

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, 2007, expenditures exceeded the budget in the following fund:

<u>Category</u>	<u>Excess</u>
General Fund:	
Debt	\$ 74,289
Licensing	2
Clerk of Committee	32
School	1,082
Traffic	151
Zoo	<u>4,319</u>
	<u>79,875</u>
Enterprise - Airport - Revenue deficit	<u>21,453</u>
Total Appropriation Deficits	<u>\$ 101,328</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Required Supplementary Information

Contributory Retirement System

Schedule of Funding Progress

December 31, 2006

(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>
01/01/94	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%
01/01/01	2002	157,129,409	305,813,631	148,684,222	51%	72,843,213	204%
01/01/01	2003	157,129,409	305,813,631	148,684,222	51%	82,981,340	179%
01/01/04	2004	175,663,857	380,950,456	205,286,599	46%	75,414,151	272%
01/01/04	2005	175,663,857	380,950,456	205,286,599	46%	82,821,749	248%
01/01/06	2006	192,032,773	416,761,645	224,728,872	46%	87,993,734	255%
01/01/07	2007	210,446,468	469,061,751	258,615,283	45%	77,004,701	336%

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 Plan. 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 in the 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

Schedule of Employer Contributions

December 31, 2006

(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>
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%
2003	14,336,000	2002	14,345,564	100%
2004	14,819,118	2003	14,569,050	98%
2005	16,148,800	2004	15,470,688	96%
2006	20,814,000	2005	18,288,018	88%
2007	18,848,697	2006	18,848,697	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
Schedule of Employer Contributions (Continued)

December 31, 2006

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 RP-2000 Mortality Table, with ages set forward two years for all disabled members.
- 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 8.25% per year, compounded annually. This return includes interest, dividends and realized and unrealized gains.
- Salaries, including longevity, were assumed to increase 5.0% per year for each member.
- Cost-of-living increases have been assumed to be 3% of the lesser of the pension amount and \$12,000 per year.
- Rates of disablement are assumed to occur in accordance with a study conducted by PERAC with rates ranging from .01% to 1.25%.
- 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 a study conducted by PERAC with rates ranging from .0% to 1.50%.
- Retirement rates were assumed to range from 1% to 100% for various ages, positions within the government and genders.

The most recent actuarial valuation of the Plan was prepared as of January 1, 2007.

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the actuarial accrued liability occurred during 2007.

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Major Governmental Funds - Wastewater

Combining Balance Sheet

June 30, 2007

	<u>Operating</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS				
Cash, unrestricted	\$ (397,712)	\$	\$	\$ (397,712)
Cash, restricted	5,376,730	1,326,263	2,894,827	9,597,820
User charges receivable	1,542,718			1,542,718
Special assessments receivable	(119,710)			(119,710)
Accrued interest			8,730	8,730
Other receivables	63,923			63,923
Inventory	56,437			56,437
Due from other funds	14,795	20	11,500	26,315
Special assessments receivable - non-current	<u>120,902</u>			<u>120,902</u>
Total assets	<u>\$ 6,658,083</u>	<u>\$ 1,326,283</u>	<u>\$ 2,915,057</u>	<u>\$ 10,899,423</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$ 205,270	\$	\$	\$ 205,270
Accounts payable and accrued expenses	458,156			458,156
Deferred revenue	1,607,203			1,607,203
Due to other funds	<u>2,975,911</u>	<u>9,801</u>	<u>14,795</u>	<u>3,000,507</u>
Total liabilities	<u>5,246,540</u>	<u>9,801</u>	<u>14,795</u>	<u>5,271,136</u>
Fund balances:				
Reserved/designated	1,503,901		2,900,262	4,404,163
Reserved for inventory	56,437			56,437
Unreserved	<u>(148,795)</u>	<u>1,316,482</u>		<u>1,167,687</u>
Total fund balance	<u>1,411,543</u>	<u>1,316,482</u>	<u>2,900,262</u>	<u>5,628,287</u>
Total liabilities and fund balances	<u>\$ 6,658,083</u>	<u>\$ 1,326,283</u>	<u>\$ 2,915,057</u>	<u>\$ 10,899,423</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Major Governmental Funds - Wastewater

Combining Statement of Revenues and Changes in Fund Balance

For the Year Ended June 30, 2007

	<u>Operating</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total</u>
Revenues:				
Utility usage charges	\$ 15,770,943	\$	\$	\$ 15,770,943
Intergovernmental revenues			6,628,779	6,628,779
Investment income	338,119	55,246		393,365
Other	<u>639,206</u>			<u>639,206</u>
 Total revenues	 <u>16,748,268</u>	 <u>55,246</u>	 <u>6,628,779</u>	 <u>23,432,293</u>
Expenditures:				
Salaries	1,196,665			1,196,665
Charges and services	9,294,133			9,294,133
Supplies and materials	395,487			395,487
Capital outlay	85,566	6,222		91,788
Debt service	<u>885,899</u>		<u>10,991,511</u>	<u>11,877,410</u>
 Total expenditures	 <u>11,857,750</u>	 <u>6,222</u>	 <u>10,991,511</u>	 <u>22,855,483</u>
 Excess (deficiency) of revenues over expenditures	 4,890,518	 49,024	 (4,362,732)	 576,810
 Other financing sources and (uses)	 <u>(4,288,744)</u>		 <u>4,362,872</u>	 <u>74,128</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 601,774	 49,024	 140	 650,938
 Fund balance - July 1, 2006, restated	 <u>809,769</u>	 <u>1,267,458</u>	 <u>2,900,122</u>	 <u>4,977,349</u>
 Fund balance - June 30, 2007	 <u>\$ 1,411,543</u>	 <u>\$ 1,316,482</u>	 <u>\$ 2,900,262</u>	 <u>\$ 5,628,287</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Wastewater Reserved Cash Account Activity

June 30, 2007

	<u>Revenue Reserve Fund</u>	<u>Operating Fund</u>	<u>Operating Service Fund</u>	<u>Renewal & Debt Reserve Fund</u>	<u>Replacement Special Projects</u>	<u>Total</u>
Beginning balance	\$ 46,869	\$ 2,212,729	\$ 2,547,006	\$ 1,497,045	\$ 1,358,996	\$ 7,662,645
Transfers in/receipts	15,566,488	129,287	4,769,788	83,452	505,597	21,054,612
Transfers out/ disbursements	<u>13,970,728</u>	<u>118,814</u>	<u>4,413,237</u>	<u>76,596</u>	<u>538,246</u>	<u>19,110,621</u>
Ending balance	<u>\$ 1,642,629</u>	<u>\$ 2,230,202</u>	<u>\$ 2,903,557</u>	<u>\$ 1,503,901</u>	<u>\$ 1,326,347</u>	<u>\$ 9,606,636</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Special Revenue Funds

Combining Balance Sheet

June 30, 2007

	Highway Improvements	Revolving	Reserve For Appropriation	Donations	Federal/State Grants	School Grants	Community Development	Subtotal
Unrestricted cash and investments	\$(1,316,551)	\$ 3,595,949	\$ 1,168,696	\$ 146,616	\$ 1,692,056	\$ 1,634,893	\$ 971,843	\$ 7,893,502
Federal and state grants receivable	1,409,570	1,063,452	3,387		1,343,536	518,812	4,801,767	9,137,137
Accrued interest, receivable								3,387
Loans receivable		16,288		8,497	87,531	293,149	17,387,828	17,387,828
Receivable, other		32,130	60,000	2,578	54,234		19,143	424,608
Due from other funds							77,978	226,920
Inventory	15,034							15,034
Land inventory							246,918	246,918
Total assets	\$ 108,053	\$ 4,707,819	\$ 1,232,083	\$ 157,691	\$ 3,177,357	\$ 2,446,854	\$ 23,505,477	\$ 35,335,334

LIABILITIES AND FUND BALANCES (DEFICITS)

Liabilities:								
Warrants payable	\$ 6,927	\$ 58,727	\$	\$ 1,320	\$ 105,002	\$ 282,770	\$	\$ 454,746
Accounts payable and accrued expenses	84,723	24,894		154	804,659	81,726	431,698	1,427,854
Due to the federal or state gov't					21,318	57,969		79,287
Deferred revenue	16,403				663,956	1,499,837		24,035,591
Due to other funds		50,100		2,301	13,076		50,736	116,213
Other liabilities							79,796	79,796
Total liabilities	108,053	133,721		3,775	1,608,011	1,922,302	22,417,625	26,193,487
Fund balances (deficits):								
Restricted								
Unrestricted, undesignated		4,574,098	1,232,083	153,916	1,569,346	524,552	1,087,852	9,141,847
Total fund balances		4,574,098	1,232,083	153,916	1,569,346	524,552	1,087,852	9,141,847
Total liabilities and fund balances	\$ 108,053	\$ 4,707,819	\$ 1,232,083	\$ 157,691	\$ 3,177,357	\$ 2,446,854	\$ 23,505,477	\$ 35,335,334

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Project Funds

Combining Balance Sheet (Continued)

June 30, 2007

	<u>Condominium</u>	<u>Street Repaving</u>	<u>CSO Relocate</u>	<u>Equipment Purchase Bond Issue</u>	<u>Building Imp Bond Issue</u>	<u>Library Renovation Bond Issue</u>	<u>Roosevelt School Construction</u>
ASSETS							
Cash and cash equivalents	\$	3,051	\$	22,207	\$	36,605	\$
Federal and state grants receivable							
Due from other funds							
Total assets	<u>\$</u>	<u>3,051</u>	<u>\$</u>	<u>22,207</u>	<u>\$</u>	<u>36,605</u>	<u>\$</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts payable and accrued expenses	\$		\$	21,400	\$		\$
Bond anticipation notes payable							
Interim loan payable							
Retainage payable							
Due from other funds							
Total liabilities				21,400			
Fund balances (deficits), unreserved		3,051		807	36,605		
Total fund balances		<u>3,051</u>		<u>807</u>	<u>36,605</u>		
Total liabilities and fund balances	<u>\$</u>	<u>3,051</u>	<u>\$</u>	<u>22,207</u>	<u>\$</u>	<u>36,605</u>	<u>\$</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Project Funds

Combining Balance Sheet (Continued)

June 30, 2007

	Building Purchase <u>Bond Issue</u>	Normandin <u>MS</u>	Keith <u>MS</u>	Landfill <u>Closure</u>	Land <u>Acquisition</u>	Harbor Phase 2 <u>Dredging</u>	River Road <u>Bond</u>
ASSETS							
Cash and cash equivalents	\$	77	\$(2,267,588)	\$ 1,069,458	\$	\$(111,383)	\$ 31,690
Federal and state grants receivable			1,691,339				
Receivable, other							
Due from other funds							
Total assets	<u>\$</u>	<u>77</u>	<u>\$(576,249)</u>	<u>\$ 1,069,458</u>	<u>\$</u>	<u>\$(111,383)</u>	<u>\$ 31,690</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts payable and accrued expenses	\$		\$ 257,274	\$ 31,415	\$	\$	\$
Bond anticipation notes payable			3,031,944	1,800,000			
Interim loan payable							
Retainage payable							
Due to other funds							
Other liabilities							
Total liabilities			<u>3,289,218</u>	<u>1,831,415</u>			
Fund balances (deficits) unreserved:		<u>77</u>	<u>(3,865,467)</u>	<u>(761,957)</u>		<u>(111,383)</u>	<u>31,690</u>
Total fund balances		<u>77</u>	<u>(3,865,467)</u>	<u>(761,957)</u>		<u>(111,383)</u>	<u>31,690</u>
Total liabilities and fund balances	<u>\$</u>	<u>77</u>	<u>\$(576,249)</u>	<u>\$ 1,069,458</u>	<u>\$</u>	<u>\$(111,383)</u>	<u>\$ 31,690</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Projects Funds

Combining Balance Sheet (Continued)

June 30, 2007

	Wastewater Sewer Separation	DPI Sewer Separation	Street Paving	Winslow Elementary	Elizabeth Brooks Elementary	Lincoln Elementary	Campbell Elementary
ASSETS							
Cash and investments	\$(108,093)	\$ 3,384,993	\$ 133,376	\$	\$	\$	\$(465)
Federal and state grants receivable	1,405,924	113,300					
Receivable, other							
Due from other funds							
Total assets	<u>\$ 1,297,831</u>	<u>\$ 3,498,293</u>	<u>\$ 133,376</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$(465)</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts payable and accrued expenses	\$ 687,610	\$ 375,677	\$ 70,856	\$	\$	\$	\$
Bond anticipation notes payable		8,958,000					
Interim loan payable							
Retainage payable							
Due to other funds							
Other liabilities							
Total liabilities	<u>687,610</u>	<u>9,333,677</u>	<u>70,856</u>	<u></u>	<u></u>	<u></u>	<u>(465)</u>
Fund balances (deficits) unreserved	<u>610,221</u>	<u>(5,835,384)</u>	<u>62,520</u>	<u></u>	<u></u>	<u></u>	<u>(465)</u>
Total fund balances	<u>610,221</u>	<u>(5,835,384)</u>	<u>62,520</u>	<u></u>	<u></u>	<u></u>	<u>(465)</u>
Total liabilities and fund balances	<u>\$ 1,297,831</u>	<u>\$ 3,498,293</u>	<u>\$ 133,376</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$(465)</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Projects Funds

Combining Balance Sheet (Continued)

June 30, 2007

	Water Mains	Railroad Depot	DeValles Elementary	Riverside Park	Water Transmission Mains	West End Cement Lining Ph2	Incubator Project
ASSETS							
Cash and cash equivalents	\$ 1,680,565			\$	\$ (490)	\$ 12,565	\$ (300,298)
Federal and state grants receivable					13,850	2,238	
Receivable, other							
Due from other funds							
Total assets	<u>\$ 1,680,565</u>	<u>\$ 2,563,981</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,360</u>	<u>\$ 14,803</u>	<u>\$ (300,298)</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts payable and accrued expenses	\$ 524,433	\$ 1,195,878	\$	\$	\$ 5,538	\$	\$
Bond anticipation notes payable		12,470,000					
Interim loan payable	6,414,971						
Retainage payable	244,040						
Due to other funds							
Other liabilities							
Total liabilities	<u>7,183,444</u>	<u>13,665,878</u>			<u>5,538</u>		
Fund balances (deficits), unreserved	<u>(5,502,879)</u>	<u>(11,101,897)</u>			<u>7,822</u>	<u>14,803</u>	<u>(300,298)</u>
Total fund balances	<u>(5,502,879)</u>	<u>(11,101,897)</u>			<u>7,822</u>	<u>14,803</u>	<u>(300,298)</u>
Total liabilities and fund balances	<u>\$ 1,680,565</u>	<u>\$ 2,563,981</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,360</u>	<u>\$ 14,803</u>	<u>\$ (300,298)</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Projects Funds

Combining Balance Sheet (Continued)

June 30, 2007

	HDC Oak Bluff Ferry Terminal	Sea Lab	Route 18	Phase 2 Regional-Airspace Study	AIP 27 Taxiway B Construction	Parking Garage	Wastewater 2D Treatment	North End Pressure	Subtotal
Cash and investments	\$	\$ 115,078	\$	\$	\$ (23,732)	\$ 63,568	\$ 58,674	\$ 3,333,439	\$ 8,016,713
Federal and state grants receivable							8,000		4,915,216
Receivable, other									
Due from component unit					32,358		9,801		42,159
Due from other funds									
Total assets	\$	\$ 115,078	\$	\$	\$ 8,626	\$ 63,568	\$ 76,475	\$ 3,333,439	\$ 12,974,088

LIABILITIES AND FUND BALANCES (DEFICITS)

Liabilities:									
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$	\$ 191,579	\$ 3,361,660
Bond anticipation notes payable		8,500,000						4,650,000	39,409,944
Interim loan payable									6,414,971
Retainage payable									244,040
Due to other funds							4,271		4,271
Due to component unit									
Total liabilities		8,500,000					4,271	4,841,579	49,434,886
Fund balances (deficits), unreserved		(8,384,922)			8,626	63,568	72,204	(1,508,140)	(36,460,798)
Total fund balances		(8,384,922)			8,626	63,568	72,204	(1,508,140)	(36,460,798)
Total liabilities and fund balances	\$	\$ 115,078	\$	\$	\$ 8,626	\$ 63,568	\$ 76,475	\$ 3,333,439	\$ 12,974,088

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Permanent Funds

Combining Balance Sheet (Continued)

Year Ended June 30, 2007

	<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, unrestricted	\$ 9,913,614	\$ 428,115	\$ 10,341,729	\$ 26,251,944
Receivables, net:				
Accrued interest				3,387
Federal and state receivable				9,137,137
Loans receivable				17,387,828
Receivable, other	49,868		49,868	474,476
Due from other funds				269,079
Due from other governments				4,915,216
Inventories				15,034
Land inventory				246,918
	<u>\$ 9,963,482</u>	<u>\$ 428,115</u>	<u>\$ 10,391,597</u>	<u>\$ 58,701,019</u>
LIABILITIES AND FUND BALANCES				
Warrants payable	\$	\$	\$	\$ 454,746
Accounts payable and accrued expenses	14,782		14,782	4,804,296
Retainage payable				244,040
Bonds anticipation notes payable				39,409,944
Interim loan payable	3,388		3,388	6,414,971
Due to other funds				123,872
Due to other governments				79,287
Other liabilities				79,796
Deferred revenue				24,035,591
	<u>\$ 18,170</u>	<u>\$</u>	<u>\$ 18,170</u>	<u>\$ 75,646,543</u>
Fund balance:				
Reserved for:				
Non expendable bequests	5,102,411		5,102,411	5,102,411
Undesignated, reported in nonmajor:				
Special revenue funds				9,141,847
Capital project funds				(36,460,798)
Permanent funds	<u>4,842,901</u>	<u>428,115</u>	<u>5,271,016</u>	<u>5,271,016</u>
	<u>9,945,312</u>	<u>428,115</u>	<u>10,373,427</u>	<u>(16,945,524)</u>
Total fund balance				
	<u>\$ 9,963,482</u>	<u>\$ 428,115</u>	<u>\$ 10,391,597</u>	<u>\$ 58,701,019</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2007

	<u>Highway Improvements</u>	<u>Revolving</u>	<u>Reserve For Appropriation</u>	<u>Donations</u>
Revenues:				
Intergovernmental - operating	\$ 2,444,877	\$ 8,373,112	\$	\$ 58,198
Intergovernmental - capital		50,468		15,453
Investment income		4,273	42,703	5,595
Other excise		7,637		
Fines and penalties		2,110		
Charges for services		1,718,146	69,305	
Other income		6,326		
	<u>2,444,877</u>	<u>10,162,072</u>	<u>112,008</u>	<u>79,246</u>
Expenditures:				
General government		324,961	640	55,036
Public safety		75,602		1,167
Public works	2,459,911	4,709		
Education		9,510,686		
Community and economic development				
Health and human services		56,374		822
Culture and recreation		178,580		20,215
Municipal airport				
Debt service:				
Principal				
Interest				
	<u>2,459,911</u>	<u>10,150,912</u>	<u>604</u>	<u>77,240</u>
Excess (deficiency) of revenue over expenditures	(15,034)	11,160	111,368	2,006
Other financing sources (uses):				
Transfers between funds		(88,812)	(51,671)	17,300
Excess (deficiency) of revenues and other sources over expenditures and other uses	(15,034)	(77,652)	59,697	19,306
Fund balance (deficit), July 1, 2006, as restated	<u>15,034</u>	<u>4,651,750</u>	<u>1,172,386</u>	<u>134,610</u>
Fund balance (deficit), June 30, 2007	<u>\$</u>	<u>\$ 4,574,098</u>	<u>\$ 1,232,083</u>	<u>\$ 153,916</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Special Revenue Funds

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

Year Ended June 30, 2007

	<u>Federal/State Grants</u>	<u>School Grants</u>	<u>Community Development</u>	<u>Subtotals</u>
Revenues:				
Intergovernmental - operating	\$ 2,950,774	\$ 18,479,951	\$ 9,431,707	\$ 41,738,619
Intergovernmental - capital	1,982,342	199,137		2,247,400
Investment income			91,615	144,186
Other excise				7,637
Fines and penalties				2,110
Charges for services	640,793			2,428,244
Other income	<u>42,542</u>	<u>500</u>	<u>462,862</u>	<u>512,230</u>
Total revenues	<u>5,616,451</u>	<u>18,679,588</u>	<u>9,986,184</u>	<u>47,080,426</u>
Expenditures:				
General government	690,622			1,071,259
Public safety	1,710,731			1,787,500
Public works	1,230,070			3,694,690
Education		18,737,894		28,248,580
Community and economic development	33,262		9,754,782	9,788,044
Health and human services	655,725			712,921
Culture and recreation	201,209			400,004
Municipal airport	887,892			887,892
Debt service:				
Principal	100,000			100,000
Interest				
Total expenditures	<u>5,509,511</u>	<u>18,737,894</u>	<u>9,754,782</u>	<u>46,690,890</u>
Excess (deficiency) of revenue over expenditures	106,940	(58,306)	231,402	389,536
Other financing sources (uses):				
Transfers between funds	<u>94,668</u>			<u>(28,515)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	201,608	(58,306)	231,402	361,021
Fund balance (deficit), July 1, 2006, as restated	<u>1,367,738</u>	<u>582,858</u>	<u>856,450</u>	<u>8,780,826</u>
Fund balance (deficit), June 30, 2007	<u>\$ 1,569,346</u>	<u>\$ 524,552</u>	<u>\$ 1,087,852</u>	<u>\$ 9,141,847</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Projects Funds

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

For the Year Ended June 30, 2007

	Condominium	Street Repaving	CSO Relocate	Equipment Bond Issue	Building Imp Bond Issue	Library Renovation Bond Issue	Roosevelt School Construction
Revenues:							
Intergovernmental- Capital Investment income	\$	\$	\$	\$	\$	\$	\$
Other							
Total revenues							
Expenditures:							
General government							
Public safety				32,320			
Public infrastructure				73,900	94,897		
Education				18			
Community and economic development							
Culture and recreation							
Total expenditures				106,238	94,897		
Excess (deficiency) of revenue over expenditures				(106,238)	(94,897)		
Other financing sources (uses):							
Transfers between funds	17,907						
Bond proceeds							
Total other financing sources (uses)	17,907						
Excess (deficiency) of revenues and other sources over expenditures and other uses	17,907			(106,238)	(94,897)		
Fund balances (deficit), July 1, 2006, as restated	(17,907)	3,051		107,045	131,502		
Fund balances (deficit), June 30, 2007	\$	\$ 3,051	\$	\$ 807	\$ 36,605	\$	\$

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Project Funds

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

For the Year Ended June 30, 2007

	Building Purchase Bond Issue	Normandin MS	Keith MS	Landfill Closure	Land Acquisition	Harbor Phase 2 Dredging	River Road Bond
Revenues:							
Intergovernmental- Capital	\$	\$ 7,553,116	\$ 28,262,953	\$	\$	\$	\$
Investment income						(111,383)	
Other						(111,383)	
Total revenues		<u>7,553,116</u>	<u>28,262,953</u>				
Expenditures:							
General government							
Public safety							
Public infrastructure			8,814,657	31,423			
Education		19,551					
Community and economic development							
Culture and recreation							
Total expenditures		<u>19,551</u>	<u>8,814,657</u>	<u>31,423</u>			
Excess (deficiency) of revenue over expenditures		<u>7,533,565</u>	<u>19,448,296</u>	<u>(31,423)</u>		<u>(111,383)</u>	
Other financing sources (uses):							
Transfers between funds						306,587	
Bond proceeds	<u>2,000,000</u>	<u>4,418,000</u>				<u>200,000</u>	<u>245,000</u>
Total other financial sources (uses)	<u>2,000,000</u>	<u>4,418,000</u>		<u>475,855</u>		<u>506,587</u>	<u>245,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>2,000,000</u>	<u>11,951,565</u>	<u>19,448,296</u>	<u>444,432</u>		<u>395,204</u>	<u>245,000</u>
Fund balances (deficit), July 1, 2006, as restated	<u>(2,000,000)</u>	<u>(11,951,488)</u>	<u>(23,313,763)</u>	<u>(1,206,389)</u>		<u>(506,587)</u>	<u>(213,310)</u>
Fund balances (deficit), June 30, 2007	<u>\$</u>	<u>\$ 77</u>	<u>\$ (3,865,467)</u>	<u>\$ (761,957)</u>	<u>\$</u>	<u>\$ (111,383)</u>	<u>\$ 31,690</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Project Funds

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

For the Year Ended June 30, 2007

	Wastewater Sewer Separation	DPI Sewer Separation	Street Paving	Winslow Elementary	Elizabeth Brooks Elementary	Lincoln Elementary	Campbell Elementary
Revenues:							
Intergovernmental- Capital	\$	\$ 680,598	\$	\$	\$	\$	\$
Investment income							
Other							
Total revenues		<u>680,598</u>					
Expenditures:							
General government							
Public safety							
Public infrastructure	524,929	3,702,776	1,850,641				8,800
Education							
Community and economic development							
Culture and recreation							
Total expenditures	<u>524,929</u>	<u>3,702,776</u>	<u>1,850,641</u>				<u>(8,800)</u>
Excess (deficiency) of revenue over expenditures	<u>(524,929)</u>	<u>(3,022,178)</u>	<u>(1,850,641)</u>				
Other financing sources (uses):							
Transfers between funds				1,250	453	514	9,470
Bond proceeds			6,000,000	790,000	786,000	797,000	1,378,000
Total other financing sources (uses)			6,000,000	791,250	786,453	797,514	1,387,470
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(524,929)</u>	<u>(3,022,178)</u>	<u>4,149,359</u>	<u>791,250</u>	<u>786,453</u>	<u>797,514</u>	<u>1,378,670</u>
Fund balances (deficit), July 1, 2006, as restated	<u>1,135,150</u>	<u>(2,813,206)</u>	<u>(4,086,839)</u>	<u>(791,250)</u>	<u>(786,453)</u>	<u>(797,514)</u>	<u>(1,379,135)</u>
Fund balances (deficit), June 30, 2007	<u>\$ 610,221</u>	<u>\$ (5,835,384)</u>	<u>\$ 62,520</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (465)</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Project Funds

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

For the Year Ended June 30, 2007

	Water Mains	Railroad Depot	Devalles Elementary	Riverside Park	Water Transmission Mains	West End Cement Lining Ph2	Incubator Project
Revenues:							
Intergovernmental- Capital	\$	\$	\$	\$	\$	\$	\$
Investment income							18,801
Other							18,801
Total revenues							
Expenditures:							
General government							
Public safety							
Public infrastructure	4,153,046	1,195,878			147,799	158,624	
Education							
Community and economic development							
Culture and recreation							
Total expenditures	4,153,046	1,195,878			147,799	158,624	
Excess (deficiency) of revenue over expenditures					(147,799)	(158,624)	18,801
Other financing sources (uses):							
Transfers between funds			2,064	51,295			
Bond proceeds			320,000		423,300		
Total other financing sources (uses)			322,064	51,295	423,300		
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,153,046)	(1,195,878)	322,064	51,295	275,501	(158,624)	18,801
Fund balances (deficit), July 1, 2006, as restated	(1,349,833)	(9,906,019)	(322,064)	(51,295)	(267,679)	173,427	(319,099)
Fund balances (deficit), June 30, 2007	<u>\$(5,502,879)</u>	<u>\$(11,101,897)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,822</u>	<u>\$ 14,803</u>	<u>\$(300,298)</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Capital Project Funds

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

For the Year Ended June 30, 2007

	HDC Oak Bluff Ferry Terminal	Sea Lab	Route 18	Phase 2 Regional-Airspace Study	AIP 27 Taxiway B Construction	Parking Garage	Wastewater 2D Treatment	North End Pressure	Subtotal
Revenues:									
Intergovernmental- Capital	\$	\$ 97,200	\$ 193,356	\$	\$	\$	\$ 5,081	\$	\$ 36,787,223
Investment income									5,081
Other									(92,582)
Total revenues		<u>97,200</u>	<u>193,356</u>				<u>5,081</u>		<u>36,699,722</u>
Expenditures:									
General government									32,320
Public safety									13,807,329
Public infrastructure			193,356	9,920			162,000	1,508,140	8,843,008
Education									119,234
Community and economic development		119,216							
Culture and recreation									
Total expenditures		<u>119,216</u>	<u>193,356</u>	<u>9,920</u>			<u>162,000</u>	<u>1,508,140</u>	<u>22,801,891</u>
Excess (deficiency) of revenue over expenditures		(22,016)		(9,920)			(156,919)	(1,508,140)	<u>13,897,831</u>
Other financing sources (uses):									
Transfers between funds			22,575		(489)				887,481
Bond proceeds									<u>17,357,300</u>
Total other financing sources (uses)			<u>22,575</u>		(489)				<u>18,244,781</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses		(22,016)	22,575	(9,920)	(489)		(156,919)	(1,508,140)	32,142,612
Fund balances (deficit), July 1, 2006, as restated		(8,362,906)	(22,575)	9,920	9,115	63,568	229,123		(68,603,410)
Fund balances (deficit), June 30, 2007	\$	<u>\$ 8,384,922</u>	\$	\$	\$ 8,626	\$ 63,568	\$ 72,204	\$ (1,508,140)	<u>\$ (36,460,798)</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Non Major Governmental Funds

Permanent Funds

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

Year Ended June 30, 2007

	Permanent Funds		Subtotal	Total Non Major Governmental Funds
	Nonexpendable Trusts	Expendable Trusts		
Revenues:				
Intergovernmental - operating	\$	\$	\$	\$ 77,748,044
Intergovernmental - capital				3,030,279
Investment income	1,030,364	57,919	1,088,283	1,232,469
Other excise				7,637
Fines and forfeitures				2,110
Charges for services				2,428,244
Miscellaneous	<u>131,195</u>	<u>3,345</u>	<u>134,540</u>	<u>554,188</u>
Total revenues	<u>1,161,559</u>	<u>61,264</u>	<u>1,222,823</u>	<u>85,002,971</u>
Expenditures:				
General government	104		104	1,071,363
Public safety				1,819,820
Education	4,068		4,068	37,095,656
Public works				17,502,019
Community and economic development				9,907,278
Health and human services	156,266	3,247	159,513	872,434
Municipal airport				887,892
Culture and recreation	151,379	14	151,393	551,397
Debt service:				
Principal				100,000
Interest				
Total expenditures	<u>311,817</u>	<u>3,261</u>	<u>315,078</u>	<u>69,807,859</u>
Excess (deficiency) of revenue over expenditures	<u>849,742</u>	<u>58,003</u>	<u>907,745</u>	<u>15,195,112</u>
Other financing sources (uses):				
Transfers in				999,938
Transfers out	(250,000)		(250,000)	(390,972)
Bond premiums				
Bond proceeds				17,357,300
Total other financing sources (uses)	<u>(250,000)</u>		<u>(250,000)</u>	<u>17,966,266</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	599,742	58,003	657,745	33,161,378
Fund balance (deficit), July 1, 2006, restated	<u>9,345,570</u>	<u>370,112</u>	<u>9,715,682</u>	<u>(50,106,902)</u>
Fund balance (deficit), June 30, 2006	<u>\$ 9,945,312</u>	<u>\$ 428,115</u>	<u>\$10,373,427</u>	<u>\$ (16,945,524)</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Private Purpose Trust Funds

Combining Balance Sheet

June 30, 2007

	<u>Elwyn G. Campbell</u>	<u>Taylor School</u>	<u>Total</u>
Assets			
Cash and short-term investments	\$ 9	\$ 3,361	\$ 3,370
Investments	<u>14,803</u>	<u> </u>	<u>14,803</u>
Total assets	<u>\$ 14,812</u>	<u>\$ 3,361</u>	<u>\$ 18,173</u>
Liabilities			
Accounts payable and accrued expenses	<u>\$</u>	<u>\$ 3,346</u>	<u>\$ 3,346</u>
Total liabilities	<u> </u>	<u>3,346</u>	<u>3,346</u>
Net Assets			
Held in trust for pension benefits and other purposes	<u>\$ 14,812</u>	<u>\$ 15</u>	<u>\$ 14,827</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Private Purpose Trust Funds

Statement of Revenue, Expenditures and Changes in Fund Balance

June 30, 2007

	<u>Elwyn G. Campbell</u>	<u>Taylor School</u>	<u>Total</u>
Revenues:			
Investment income:			
Dividends and interest	\$ 826	\$ 177	\$ 1,003
Net appreciation in fair value of investments	<u>738</u>	<u> </u>	<u>738</u>
Total revenue	<u>1,564</u>	<u>177</u>	<u>1,741</u>
Expenditures:			
Education	<u>320</u>	<u>6,921</u>	<u>7,241</u>
Total expenditures	<u>320</u>	<u>6,921</u>	<u>7,241</u>
Excess (deficiency) of revenue over expenditures			
Other financing sources (uses):			
Transfers from other funds	<u> </u>	<u>2,001</u>	<u>2,001</u>
Total other financing sources (uses)	<u> </u>	<u>2,001</u>	<u>2,001</u>
Change in net assets	<u>1,244</u>	<u>(4,743)</u>	<u>(3,499)</u>
Beginning fund balances	<u>13,568</u>	<u>4,758</u>	<u>18,326</u>
Ending fund balances	<u>\$ 14,812</u>	<u>\$ 15</u>	<u>\$ 14,827</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

Special Revenue Funds - Community Development

Combining Balance Sheet

June 30, 2007

	Community Development Block Grant	Portuguese Cultural Center	National Park	HILP	Home Program	Housing Seventy Inc.	UDAG Saving Account Housing 70	Total
ASSETS								
Cash	\$ 52,904							
Federal and state receivables	4,801,767			\$ 94,590	\$ 706,365		\$ 14,084	\$ 971,843
Mortgage & notes receivable					15,722,592		1,665,236	4,801,767
Receivable, other	19,143				72,978			17,387,828
Due from other funds	5,000							19,143
Land inventory						246,918		77,978
Total assets	<u>\$ 4,878,814</u>		<u>\$ 103,900</u>	<u>\$ 94,590</u>	<u>\$ 16,501,935</u>	<u>\$ 246,918</u>	<u>\$ 1,679,320</u>	<u>\$ 23,505,477</u>

LIABILITIES AND FUND BALANCES (DEFICITS)

Liabilities:								
Accounts payable and accrued expenses	\$ 353,343			\$ 10,038	\$ 68,317			\$ 431,698
Deferred revenue - other	4,467,567				15,722,592		1,665,236	4,467,567
Deferred revenue - loans								17,387,828
Other liabilities	875			64,031				64,906
Debt liabilities					14,890			14,890
Due to other funds	50,736							50,736
Total liabilities	<u>4,872,521</u>			<u>74,069</u>	<u>15,805,799</u>		<u>1,665,236</u>	<u>22,417,625</u>
Fund Balance:								
Unreserved, undesignated	6,293			20,521	696,136		14,084	1,087,852
Total liabilities and fund balance	<u>\$ 4,878,814</u>		<u>\$ 103,900</u>	<u>\$ 94,590</u>	<u>\$ 16,501,935</u>	<u>\$ 246,918</u>	<u>\$ 1,679,320</u>	<u>\$ 23,505,477</u>

See accompanying independent auditors' report

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, 2007

	Community Development Block Grant	Portuguese Cultural Center	National Park	HILP	Home Program	Housing Seventy Inc.	UDAG Savings Account Housing 70	Total
Revenues:								
Federal and state grant income	\$ 6,966,347	\$ 396	\$ 103,900	\$ 2,267	\$ 2,361,064	\$	\$	\$ 9,431,707
Interest income	63,778			6,888	89,149		199	91,615
Other income					377,849		14,347	462,862
Total revenue	<u>7,030,125</u>	<u>396</u>	<u>103,900</u>	<u>9,155</u>	<u>2,828,062</u>		<u>14,546</u>	<u>9,986,184</u>
Expenditures:								
Community and economic development	<u>7,033,532</u>	<u>396</u>		<u>5,176</u>	<u>2,711,528</u>		<u>4,150</u>	<u>9,754,782</u>
Total expenditures	<u>7,033,532</u>	<u>396</u>		<u>5,176</u>	<u>2,711,528</u>		<u>4,150</u>	<u>9,754,782</u>
Excess (deficiency) of revenues over expenditures	<u>(3,407)</u>		<u>103,900</u>	<u>3,979</u>	<u>116,534</u>		<u>10,396</u>	<u>231,402</u>
Other financing sources (uses):								
Transfers between funds								
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,407)		103,900	3,979	116,534		10,396	231,402
Fund balance (deficit), July 1, 2006, restated	<u>9,700</u>			<u>16,542</u>	<u>579,602</u>	<u>246,918</u>	<u>3,688</u>	<u>856,450</u>
Fund balance (deficit), June 30, 2007	<u>\$ 6,293</u>	<u>\$</u>	<u>\$ 103,900</u>	<u>\$ 20,521</u>	<u>\$ 696,136</u>	<u>\$ 246,918</u>	<u>\$ 14,084</u>	<u>\$ 1,087,852</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Fund

Schedule of Property Tax and Motor Vehicle Excise Tax Receivables

Year Ended June 30, 2007

	Beginning Balance 06/30/06	Commitments	Treasurer's Collections	Treasurer's Adjustments	Exemptions Abatements	Transfer to Tax Title	Refunds & Refund Pay	Ending Balance 06/30/07
<u>Real Estate:</u>								
2007	\$ 2,980,046	\$ 78,534,089	\$(74,459,045)	\$(58,901)	\$(855,134)	\$ (1,435,189)	\$ 124,130	\$ 3,285,139
2006	(106,846)		(1,692,690)	14,184	(86,353)		131,136	(88,866)
2005	(153,024)						24,378	(82,468)
2004	(83,586)						28,453	(124,571)
2003	342,745						(2,116)	(85,702)
2002	(51,448)							342,746
2001	(32,506)			1				(51,448)
2000	(32,335)							(32,506)
1999	(8,476)			(1)				(32,335)
1998	(3,107)			(3)				(8,477)
1997	(5,229)							(8,339)
<u>Total Real Estate</u>	<u>2,851,463</u>	<u>78,534,089</u>	<u>(76,156,964)</u>	<u>(44,720)</u>	<u>(941,487)</u>	<u>(1,435,189)</u>	<u>305,981</u>	<u>3,113,173</u>

Personal Property:

2007	3,033,142		(2,982,854)	(110)	(1,804)		13,298	48,374
2006	56,032		(23,769)	(71)	(412)		365	45,078
2005	68,001		(17,901)	5	(3,104)			47,366
2004	24,353		(995)	21	(5,956)			17,467
2003	33,433		(1,127)	17	(14,722)		156	17,757
2002	45,450		(1,025)	70	(27,662)		2,912	19,745
2001	34,878		(1,312)	34	(22,917)		1,233	11,916
2000	26,169		(349)	64	(13,350)		283	12,684
1999	6,763		(132)	17	(2,327)		6,555	10,846
1998	17,724		(425)	(11)	(8,763)			8,525
1997	4,169		(250)		(827)		173	3,265
1996	4,889		(457)	467	(966)		245	4,178
1995	2,691			293	(242)			2,742
1994	741		(107)	(14)	(33)			587
1993	2,241			19	(679)			1,581
1992	876			895	(644)			1,127
1991	3,349		(228)		(548)			2,573
1990	1,945		(182)	135	(557)			1,341
1989	972		(300)	131	(39)			842
<u>Total Personal Property</u>	<u>334,646</u>	<u>3,033,142</u>	<u>(3,031,413)</u>	<u>1,829</u>	<u>(105,474)</u>		<u>25,264</u>	<u>257,994</u>
<u>Total Property Taxes</u>	<u>3,186,109</u>	<u>81,567,231</u>	<u>(79,188,377)</u>	<u>(42,891)</u>	<u>(1,046,961)</u>	<u>(1,435,189)</u>	<u>331,245</u>	<u>3,371,167</u>

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Fund

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

Year Ended June 30, 2007

	Beginning Balance 06/30/06	Commitments	Treasurer's Collections	Treasurer's Adjustments	Exemptions Abatements	Transfer to Tax Title	Refunds & Refund Pay	Ending Balance 06/30/07
<u>Motor Vehicle:</u>								
2007	5,268,481	(4,294,853)	(138)	(106,799)			13,492	880,183
2006	814,265	(1,273,993)	(3,337)	(75,381)			25,526	427,197
2005	422,268	(201,349)	2,655	(11,649)			3,032	220,493
2004	187,088	(1,635)	142	(5,034)			2,262	138,567
2003	95,692	(1,382)	(18,853)	(186)	(603)		(5)	77,427
2002	91,186	(12,835)	4	(205)	(39)			78,189
2001	62,123	(5,409)	35	(237)	(56,512)			56,512
2000	44,376	(1,732)	1	(23)	(42,640)			42,640
1999	40,864	(939)	(108)	(40)	(39,901)		18	39,901
1998	34,319	(875)	27	(112)	(33,359)		124	33,359
1997	34,475	(1,066)	(1)		(33,408)			33,408
1996	33,071	(637)			(32,434)			32,434
1995	34,467	(965)			(33,502)			33,502
1994	37,012	(784)			(36,228)			36,228
1993	50,937	(335)	(21)	(133)	(50,448)			50,448
1992	61,949	(471)	(21)		(61,457)			61,457
1991	83,489	(989)	(1)	(16)	(82,483)			82,483
1990	105,757	(1,362)	1	(29)	(104,367)			104,367
1989	140,161	(2,028)	8	(74,530)	(63,611)			63,611
1988	157,238	(1,094)		(11)	(156,133)			156,133
Total Motor Vehicle	2,656,789	6,091,299	(5,868,095)	(940)	(275,002)		44,488	2,648,539
Total Property and Motor Vehicle	\$ 5,842,898	\$ 87,658,530	\$ (85,056,472)	\$ (43,831)	\$ (1,321,963)	\$ (1,435,189)	\$ 375,733	\$ 6,019,706

See accompanying independent auditors' report

CITY OF NEW BEDFORD, MASSACHUSETTS

Supplementary Information

General Long-Term Debt Account Group

Schedule of Long-Term Debt Maturities

Ten Years Ended June 30

	<u>Outstanding Balance 6/30/07</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
GOB 2004 - Refund 1996	\$ 5,920,000	\$ 585,000	\$ 595,000	\$ 595,000	\$ 605,000	\$ 610,000
GOB 2004 - Refund 1995	4,885,000	605,000	610,000	580,000	580,000	585,000
Sewer Bonds	2,435,000	150,000	160,000	170,000	175,000	185,000
General Public Improvement	5,435,000	770,000	775,000	390,000	390,000	390,000
Federal Loan 1996 Series A	8,770,000	1,490,000	1,390,000	1,285,000	1,165,000	1,035,000
Federal Loan 1998 Series A	104,980,000	3,135,000	3,345,000	3,565,000	3,805,000	4,085,000
Federal Loan 2000 Series 6	4,942,482	135,129	139,495	144,008	148,850	155,000
Middle School, Public Imp	39,575,000	2,140,000	2,220,000	2,310,000	2,405,000	2,500,000
Federal Loan 2003 Series 8	669,101	32,955	34,103	35,006	35,940	36,948
Federal Loan 2003 Pool 9	1,331,781	69,528	69,964	70,651	71,594	72,795
HUD 108 -2003 -A	1,640,000	90,000	90,000	90,000	105,000	105,000
Federal Loan DW-02-13	1,955,666	80,781	83,834	86,122	88,495	90,910
Federal Loan DW-02-20	3,853,688	159,756	165,790	170,306	174,993	179,759
\$11.434M GOB 2006	10,630,000	800,000	790,000	780,000	760,000	590,000
Federal Loan CW-04-28	577,729	25,246	25,756	26,276	26,807	27,349
Federal Loan CW-03-06	5,811,333	142,411	145,734	149,136	152,616	156,178
GOSQ Bond 2007	16,934,000	964,000	965,000	975,000	995,000	1,005,000
Federal Loan DW-01-13A	<u>423,300</u>	<u>16,694</u>	<u>17,768</u>	<u>18,127</u>	<u>18,493</u>	<u>18,867</u>
	<u>\$ 220,769,080</u>	<u>\$11,391,500</u>	<u>\$ 11,622,444</u>	<u>\$ 11,439,632</u>	<u>\$ 11,702,788</u>	<u>\$ 11,827,806</u>

See accompanying independent auditors' report

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GOB 2006 - Refund 1996	\$ 565,000	\$ 580,000	\$ 585,000	\$ 595,000	\$ 605,000
GOB 2006 - Refund 1996	595,000	600,000	360,000	370,000	
Sewer Bonds	195,000	205,000	215,000	225,000	240,000
General Public Improvement	390,000	390,000	390,000	390,000	390,000
Federal Loan 1996 Series A	890,000	730,000	515,000	270,000	
Federal Loan 1998 Series A	4,390,000	4,710,000	5,085,000	5,490,000	5,920,000
Federal Loan 2000 Series 6	160,000	165,000	170,000	180,000	185,000
Middle School, Public Imp	2,605,000	2,715,000	2,835,000	2,955,000	3,085,000
Federal Loan 2003 Series 8	37,798	39,019	40,715	42,412	44,108
Federal Loan 2003 Pool 9	74,959	77,290	80,000	80,000	85,000
HUD 108 -2003 -A	105,000	105,000	105,000	105,000	105,000
Federal Loan DW-02-13	93,415	97,068	100,041	105,000	110,000
Federal Loan DE-02-20	184,705	191,918	197,786	204,888	214,883
\$11.434M GOB 2007	590,000	590,000	585,000	585,000	555,000
Federal Loan CW-04-28	27,901	28,465	29,040	29,627	30,225
Federal Loan CW-03-06	159,823	163,554	167,371	171,277	175,275
GOSQ Bond 2007	1,025,000	1,045,000	1,060,000	1,080,000	1,105,000
Federal Loan DW-01-13A	<u>19,248</u>	<u>19,637</u>	<u>20,034</u>	<u>20,438</u>	<u>20,851</u>
	<u>\$12,107,849</u>	<u>\$ 12,451,951</u>	<u>\$12,539,987</u>	<u>\$ 12,898,642</u>	<u>\$ 12,870,342</u>

See accompanying independent auditors' report