

City of New Bedford Massachusetts



Fiscal year ended June 30, 2020

Comprehensive Annual Financial Report



CITY OF NEW BEDFORD, MASSACHUSETTS

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

Jonathan F. Mitchell
Mayor

Ari J. Sky
Chief Financial Officer

Robert W. Ekstrom
City Auditor

*Prepared by:
Office of the City Auditor*

About the cover

This bird's-eye view of New Bedford looking north was taken from a drone 260 feet above Buzzard's Bay. In the foreground, the South End Peninsula lies between Clark's Cove to the west and the mouth of the Acushnet River to the east, and is lined by West Beach, East Beach, and walking trails that comprise the City's greenway trail. Clark's Point sits at the southern tip of the city, which stretches 11 miles north. Its most prominent feature is Fort Rodman (southernmost structure), but it's also home to (moving clockwise) the city's water pollution control facilities, the University of Massachusetts – Dartmouth's (UMD) School for Marine Science and Technology, and the Massachusetts Division of Fisheries. To the left the Acushnet River runs north, passing through the hurricane barrier protecting New Bedford's natural harbor (midground, to the right). The downtown business area lines the west shore of the harbor just north of the hurricane barrier.

Photo credit: Michael Richards of Nimble Gimble, who specializes in drone photography and direct editing using computer-aided technology such as Adobe's Lightroom and Google's Snapseed.

More on Clark's Point

The southernmost tip of New Bedford, Clark's Point has had a long history of greeting vessels bound for the city's harbor or destinations further north along the Acushnet River. As far back as 1797, local merchants erected a wooden beacon on the Point to protect whaling ships and their cargos, which were the lifeblood of 19th century New Bedford commerce. That first beacon burned within a year, necessitating a second before the Federal government financed construction of a 38-foot tall stone lighthouse with a fixed white light, which was completed in 1804 (seen to the left in the picture below).



When the granite structure that would become Fort Rodman (seen to the right above) rose high enough to block the stone lighthouse, a wooden one was erected on top of the fort's second tier

The original lighthouse was demolished in 1906 as the Point turned to farming and, much later, became the site of several State and City facilities, including New Bedford's original primary wastewater treatment plant before its replacement with a secondary treatment facility in 1996. The Point offers several recreational alternatives such as East and West Beaches and a greenway trail system that follows the South End Peninsula shoreline.



More on Fort Rodman

The War of 1812 exposed the East Coast's shoreline defense network, collectively the First System and Second System, which was "composed of a haphazard assortment of batteries and outposts¹," and proved to be ineffective as British forces burned Washington, D.C. After the war, Congress appropriated funds for a Third System, which seeded construction of 30 forts, including Fort Rodman. Among the improvements over their predecessors, Third System forts featured thick stone walls, usually made of granite, and a second tier of cannon.

By 1857, city merchants had grown impatient for Federal funds to arrive so the City Council and Mayor Isaac Taber set into motion their own plans for self-defense, building an earthwork fortification that was informally named Fort Taber² as construction of the granite fort began. That construction was interrupted by the Civil War. The third tier was never completed, and the fort, formally commissioned as Fort Rodman in honor of Lt. Col. William Logan Rodman in 1898, was never used as an active defense station. It served as a training center until the end of the Viet Nam War, and the City acquired the fort and grounds in the 1970s for "educational and park purposes²." Today, the grounds are an integral component of the Peninsula's greenway trail.

¹ U.S. National Park Service website (www.nps.gov)

² Fort Taber – Fort Rodman Historical Association website (www.forttaber.org)

For more information, visit the fort's website at www.forttaber.org or come in person to the Fort Taber Fort Rodman Military Museum on the fort's grounds.

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Introductory Section



OFFICE OF THE CITY AUDITOR
ROBERT W. EKSTROM, CITY AUDITOR

CITY OF NEW BEDFORD

January 28, 2021

Mayor Jonathan F. Mitchell,
Members of the City Council,
and Citizens of New Bedford:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of New Bedford (City) as of June 30, 2020 and for the year then ended. The CAFR was prepared by the Office of the City Auditor with the assistance of the City's external auditors and is intended to provide information regarding the financial position of the City. This report is prepared in accordance with U.S. generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), and meets all requirements of the Commonwealth of Massachusetts, as well as the City Charter.

The responsibility for the accuracy, completeness, and fairness of the data presented, including disclosures, rests with the City. Management believes this report is accurate in all material respects and is presented in a manner which fairly sets forth the City's financial position and results of its operations. Management is also responsible for establishing and maintaining internal accounting controls designed to provide reasonable, but not absolute, assurance that these financial statements are complete and accurate in their presentation.

Pursuant to Section 35 of Chapter 44 of the Massachusetts General Laws, the City's CAFR has been audited by Hague, Sahady & Co., P.C., a firm of independent public accountants, under the terms of a three-year agreement covering fiscal years 2019 through 2021. This audit has been conducted in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. The audit provides an independent review to help assure a fair presentation of the City's financial position and results of operations.

The City's federal grant funds are also audited annually as required by 2 CFR Part 200 (Uniform Guidance). The Uniform Guidance requires that an internal control review and a compliance audit be performed on selected major programs covering 40% of all federal expenditures. The United States Department of Education was assigned as the cognizant audit agency. The Uniform Guidance also requires that the auditors determine whether the City has complied with laws and regulations that may have a material effect on each of its major federal financial assistance programs. Hague, Sahady & Co., P.C. issues separate reports on the City's internal control systems and compliance with applicable laws and regulations that meet the requirements of the Uniform Guidance.

Management's Discussion and Analysis (MD&A) follows the independent auditors' report in this CAFR and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Profile of the Government

New Bedford lies along the southeastern coast of Massachusetts approximately 56 miles south of Boston, occupying 24.1 square miles, including 4.1 square miles of water, at the confluence of the Acushnet River and Buzzard's Bay. Featuring a natural deep-water harbor and over 11 miles of coastline and riverfront, New Bedford is bordered by Dartmouth to the west, Freetown to the north, Acushnet and Fairhaven to the east, and Buzzard's Bay to the south.

Originally incorporated as a town in 1787, New Bedford became a City under Chapter 60 of the Acts of 1847 of the Commonwealth of Massachusetts. Since 1939, the City has operated under a Plan B Charter in accordance with Massachusetts General Laws, Chapter 43, Sections 56 through 63, which provides for a Mayor and City Council elected by voters. The Mayor, who serves as chief executive officer of the City and has general supervision of and control over the City's boards, commissions, officers, and departments, is elected to a four-year term. The legislative body of the City is the City Council, which consists of 11 elected members serving two-year terms. One councilor is elected from each of the City's six voting wards, and five are elected at-large.

Mayor Jonathan F. Mitchell was first sworn into office as the City's 38th Mayor on January 2, 2012 and is currently serving in his fifth consecutive term - the first four of which were for two years - that will run until January 2024. Prior to his election as Mayor, Mitchell worked as a federal prosecutor with the United States Department of Justice, having been selected to the prestigious Attorney General's Honor Program. After three years in that role he returned to Massachusetts, where he worked in the Massachusetts Attorney General's Office and in private practice prior to his appointment as Assistant United States Attorney in Boston. Since Mitchell took office, New Bedford has moved aggressively to reform its school system, modernize its port, strengthen city services, improve financial health, and raise the quality of life in each neighborhood. Under his administration, New Bedford has emerged as a national leader in renewable energy and has twice posted the highest reduction in annual unemployment rates among American cities, each of which has contributed toward earning the City its highest bond ratings in more than 40 years.

Budgeting and Financial Reporting

The City budgets and maintains its books and records on a statutory basis of accounting prescribed by the Massachusetts Department of Revenue's Division of Local Services (DLS), which are then adjusted in order to present the accompanying financial statements in conformity with GAAP. Accounts are organized on a fund basis with each fund a separate accounting entity containing self-balancing accounts that comprise assets, liabilities, fund balance, revenues, and expenses or expenditures.

All City departments other than the School Department are required to submit budget requests in advance of the fiscal year beginning July 1 to the Chief Financial Officer, who aggregates and analyzes them for recommendation to the Mayor. In turn, the Mayor must submit a proposed expenditure budget to the City Council within 170 days after the annual organization of City government each January. The School Department's expenditure budget is separately prepared under the direction of the School Committee and is included as a single line item within the Mayor's proposed budget submission.

The City Council has 45 days to act on any item of the proposed budget, and if it does not do so that item takes effect. It may make appropriations for the Mayor's proposed purposes or may reduce or reject any item but may not increase any item or make any appropriation for a purpose not included in the proposed budget, except in limited circumstances. If the Mayor does not submit a proposed budget timely, provision is made for the preparation of a budget by the City Council. The City Council can also make supplementary non-School appropriations, and in most cases can transfer appropriations within any department other than the School Department to another appropriation for the same or another department, but each action requires the recommendation of the Mayor. The School Department budget is limited to the single amount appropriated by the City Council, but the School Committee retains full power to allocate the funds appropriated.

Under Massachusetts general law, proposed revenues, including the proposed tax levy and resulting tax rates, must be approved by the DLS before January 1 of each fiscal year. The approved tax levy must be sufficient to fund City Council appropriations as well as certain non-appropriated expenditures such as State and county assessments, contributions to an overlay reserve for future abatements, principal and interest not otherwise provided for, and legal judgments.

The basic financial statements are prepared on the GAAP basis of accounting and include statements of net position and activity for both governmental and business-type activities, and fund financial statements discretely presenting major funds and aggregating non-major funds. In addition to its primary government, the statements include certain legally distinct entities presented as component units to emphasize their operational or financial relationship with the City. Major component units are discretely presented and include the Greater New Bedford Regional Refuse Management District and the New Bedford Harbor Development Commission. Non-major component units are blended and include the Greater New Bedford Workforce Investment Board and the New Bedford Redevelopment Authority. The notes to the financial statements further discuss the City's financial reporting entity.

Local Economy

New Bedford is a coastal community with a natural deep-water harbor, access to all modes of transport, and proximity to Boston, Providence, and Cape Cod, all of which provide a diverse base for sustained growth and an ability to quickly adapt in an ever-changing economic climate. Today, the City continues to be a preeminent commercial, industrial, and recreational center in southeastern Massachusetts. Tourists revel in New Bedford's historical charm, its 11 combined miles of coastline and riverfront, and its cultural significance as one of the largest Portuguese-American communities in America.

For the nineteenth consecutive year, the Port of New Bedford has been ranked as the largest fishing port in the United States by the National Oceanic and Atmospheric Administration. Its landed value of \$431 million in 2018, the most recent year reported, represents an 11% increase over 2017, and is 121% higher than the country's second-largest port. It's home to over 200 maritime-based businesses, including the New Bedford Marine Commerce Terminal, a multi-purpose facility designed to support the construction, assembly, and deployment of offshore wind projects; a cargo shipping and cruise industry; a shipyard; and facilities for bulk and break-bulk cargo and vessel repairs. The port is also a Foreign Trade Zone, providing duty-free manufacturing for an international base of importers and exporters. The growth of the maritime industries has also fostered the development of a host of skilled labor professions that support the maritime economy.

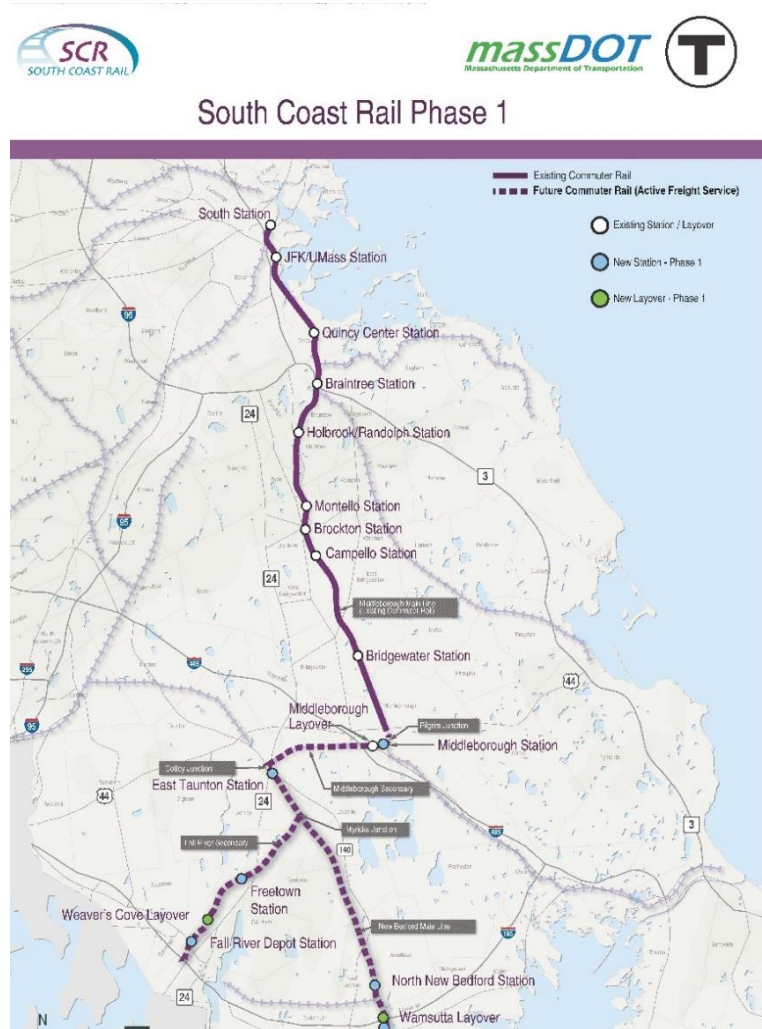
Beyond maritime, the City is home to 3,300 businesses that support more than 43,000 jobs in manufacturing, healthcare, services, and emerging sectors such as medical device manufacturing. New Bedford is also one of only 32 communities in Massachusetts to be awarded the prestigious 'Platinum BioReady Community' rating by the Massachusetts Biotechnical Council.

Highway connections from both U.S. Interstate Route 195 and Massachusetts Route 140, along with an expanded airport capable of providing jet service, make New Bedford an easy-access destination for commuters. In July 2019, the MBTA broke ground on the \$8 billion South Coast Rail Project that will extend passenger rail service to New Bedford by 2023 and will include two platforms and a layover yard.

The COVID-19 pandemic has adversely affected tourism since March 2020. Hotel occupancy taxes, which had increased each year since 2011, were 3.1% below 2019. Local meals taxes decreased 7.8% from 2019, the highest year since its implementation in 2009.

As of the 2010 U.S. Census, New Bedford had a population of 95,072, making it the sixth largest city in Massachusetts. The City's labor force, as tracked by the Massachusetts Executive Office of Labor and Workforce Development, was at 45,937 in November 2020, of which 41,676 were employed. Over the past twelve months, the labor force shrunk by 5.2% due to the pandemic's effect on the local economy. New Bedford's seasonally unadjusted unemployment rate, which reached a 20-year low of 4.1% in November 2019, doubled to 8.2% one year later. Across Massachusetts, unemployment rose to 6.2% in November 2020 from 2.3% a year earlier.

Despite the pandemic, New Bedford's property tax base continues to grow. Real estate and personal property assessed valuations reached \$7.09 billion as of January 1, 2020, the highest in City history and a 6.3% increase from the year before, its seventh consecutive annual increase. Assessed valuations are now 35.7% higher than they were seven years ago, a compounded annual growth rate of 4.5%. According to data published by The Warren Group, the median home sales price in November 2020 reached \$300,000, up 22.4% from \$245,000 a year earlier. Among property classes, residential values increased \$283 million, or 5.2%, commercial increased \$17 million, or 2.5%, and industrial increased \$8 million, or 2.4%.



Existing and future commuter rail lines (www.mbta.com)

Financial Overview and Policy Compliance

Many of the City's expenditures are governed by Massachusetts General Law (MGL). MGL Chapter 44, Section 31 prohibits the expenditure of funds beyond those appropriated by city council. MGL Chapter 70, Section 6 requires an annual appropriation for the support of public schools in an amount not less than the sum of the minimum required local contribution, federal impact aid, and all state school aid and grants for education, collectively referred to as net school spending. The statute does permit the carryforward of deficits under many circumstances. MGL Chapter 78, Section 19C requires an annual appropriation for the support of public libraries in an amount not less than 102.5% of the average appropriation for public libraries for the three immediately preceding fiscal years. As of June 30, 2020, the City was compliant with all expenditure provisions other than net school spending, which carried a cumulative deficit of \$8.4 million into FY 2021.

Commonwealth law also regulates property taxes and other sources of income. MGL Chapter 59, Section 21C, commonly referred to as Proposition 2½, limits the annual tax levy to 2.5% of assessed valuation and 102.5% of the prior year's tax levy plus new growth. Further, under Section 23, annual tax rates may not be set until approved by the commissioner of the Department of Revenue. The director of accounts must certify any funds available at the end of each fiscal year, commonly known as 'free cash,' before they can be further appropriated.

Assessed valuations have been increasing annually, the joint result of a strong real estate market and new construction. New growth valued at \$57.5 million in fiscal year 2020 added \$1.7 million to the January 1, 2020 tax levy. This was the fifth consecutive tax levy that grew by \$1.7 million or more due to new construction. The City received 3,068 building permit applications in 2020, an 8.5% decrease from 2019, while the construction value of those applications was \$72.1 million, 46.3% below an aberrantly high value in 2019 but 3.6% above 2018.

In addition to Commonwealth oversight, the City has implemented formal financial policies that govern short- and long-term investment decisions, debt issuance and management practices, and the preservation of fund balance. The latter policy is partially achieved through the establishment of stabilization funds within its General Fund and two enterprise funds that may be utilized to protect against reductions in municipal services, and to manage temporary revenue shortfalls and unanticipated one-time expenditures. By policy, a minimum of 10% of certified free cash, along with 33% of any future marijuana excise taxes, is committed to the City's OPEB Trust Fund, and 25% of free cash is committed to General Fund stabilization funds. Stabilization fund balances are targeted at between 2% and 6% of the annual operating budget. As of June 30, 2020, General Fund stabilization funds totaling \$11.3 million represented 3.2% of FY 2020's operating budget.

In April 2019, Standard and Poor's Rating Service (S&P) reaffirmed the City's AA-/Stable bond rating first awarded in 2014. S&P cited a number of factors contributing to the reaffirmation, including assessments of "Very Strong" in both management and liquidity, and "Strong" in budgetary performance and institutional framework. The City's last rating from Moody's was A1/Stable, which was reaffirmed in April 2018.

Long-Term Financial Planning

In 2016, management implemented its first long-range financial plan in an effort to better assess the impact of policy decisions and economic factors on fund balance by incorporating assumptions of future tax assessments and collection rates and the potential impact of labor, benefits, and inflation on overall expenditures. The long-range plan covering 2020-2024 will require a compounded annual growth rate, or CAGR, of 3.0% in order to meet operating and capital expenditures, and to preserve the General Fund's fund balance.

Following the recommendations of the Massachusetts Department of Revenue, GASB, and the City's rating agencies, New Bedford adopted a formal capital improvement program (CIP) in fiscal year 2014 to coordinate community planning, financial capacity, and physical development requirements. Since then, the CIP has been updated each year. The 2020-2024 update identifies 22 capital projects with aggregated expenditures of \$104.9 million, highlighted by \$50.2 million for future school replacement or renovation projects that will be leveraged by grants from the Massachusetts School Building Authority (MSBA), and \$10.0 million in road and infrastructure improvements. More than 89% of the 2020-2024 CIP will be financed through bonded debt, with the remainder financed by anticipated grants and lease-purchase debt.

During fiscal year 2020, the City Council authorized \$4.0 million in new debt to finance the current year's portion of the 2020-2024 CIP, which includes renovations to police headquarters, upgrades in public safety communication systems, and roads and infrastructure improvements. The City issued \$29.6 million of new bonded debt during fiscal year 2020, bringing the total outstanding at June 30, 2020 to \$214.7 million, or \$1,658 per capita, repayable through future General Fund appropriations. Authorized but unissued debt stood at \$227.1 million as of June 30, 2020.



The 2020-2024 CIP provides \$21 million for replacement of the James B. Congdon Elementary School (left, top), a 2019 and 2020 recipient of the U.S. Department of Education's National Blue Ribbon School award, beginning in FY2022; and \$24 million for replacement of the John B. DeValles Elementary School (left, bottom), scheduled for FY 2024. Constructed in 1907 and 1913, respectively, Congdon and DeValles are among the oldest of 19 public elementary schools in the city.

In all, \$50.2 million – nearly half the total CIP investment, is slated for public schools over the next five years.

In November 2014, voters approved adoption of the Community Preservation Act (CPA), which authorized the City to levy a 1.5% surcharge on its real property tax levy, dedicate revenue other than from state or federal funds, and to receive state matching funds for: (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and affordable housing; and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. Appropriation and expenditure of CPA funds is overseen by the City's Community Preservation Committee (CPC), whose members were appointed in May 2016. The City began collecting the CPA surcharge in fiscal year 2016. Total collections through June 30, 2020 were \$5.7 million, including \$0.8 million from state matching funds, all of which are recorded in a separate special revenue fund. Fund balance was \$2.8 million as of June 30, 2020, down \$0.5 million from the previous year as a result of ongoing expenditures for projects committed to before fiscal year 2020.

Other Relevant Financial Information

Approximately 3,000 City employees, or 95% of its total workforce, are represented by one of eight collective bargaining units, five having agreements in place that expire on June 30, 2020 or beyond. Negotiations are presently in progress for new agreements with one School and two municipal bargaining units.

In 2014 the City implemented a performance measurement program intended to enhance accountability in City operations that directly contributed to the creation of an award-winning budget document mentioned below. In 2016, Open Checkbook, a portal allowing the general public direct visibility into most City expenditures, was launched. The portal is located on the Auditor's Office page of the City's website at www.newbedford-ma.gov/auditors-office/opencheckbook.

Awards

The City received its fourth consecutive GFOA Award for Distinguished Budget Presentation for its fiscal year ending June 30, 2020. Each budget was judged to be proficient in several categories as a policy document, financial plan, operations guide, and a communications device. Only 29 Massachusetts governmental units, and 1,623 entities nationwide, received the award for 2019, the most recent year available. The award represented a significant achievement and reflected management's ongoing efforts to improve business operations and increase transparency in city finances. The City has submitted its fiscal year ending June 30, 2021 budget to the GFOA and anticipates a fifth consecutive award.

Following the success of its budget document, management prepared its first-ever CAFR for the fiscal year ended June 30, 2017 in accordance with the rigorous standards published by the GFOA for its Certificate of Achievement for Excellence in Financial Reporting award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable state and local reporting requirements. This fiscal year marks the fourth consecutive for which a CAFR has been issued.

Acknowledgements

We would like to express our combined offices' appreciation to the administration of the City of New Bedford for providing the support and resources to make the preparation of this CAFR possible, and to the Finance team and individual departments within the City, as well as to the staffs of each component unit, for their considerable contributions of time and content. We also wish to thank the professional staff of Hague, Sahady & Co., P.C. for their many years of counseling, technical assistance, and continued support that have proven to be the cornerstone of this report. Finally, we would like to thank the many Federal, state, and local recipients of this report for your continued interest in the financial operations of the City.

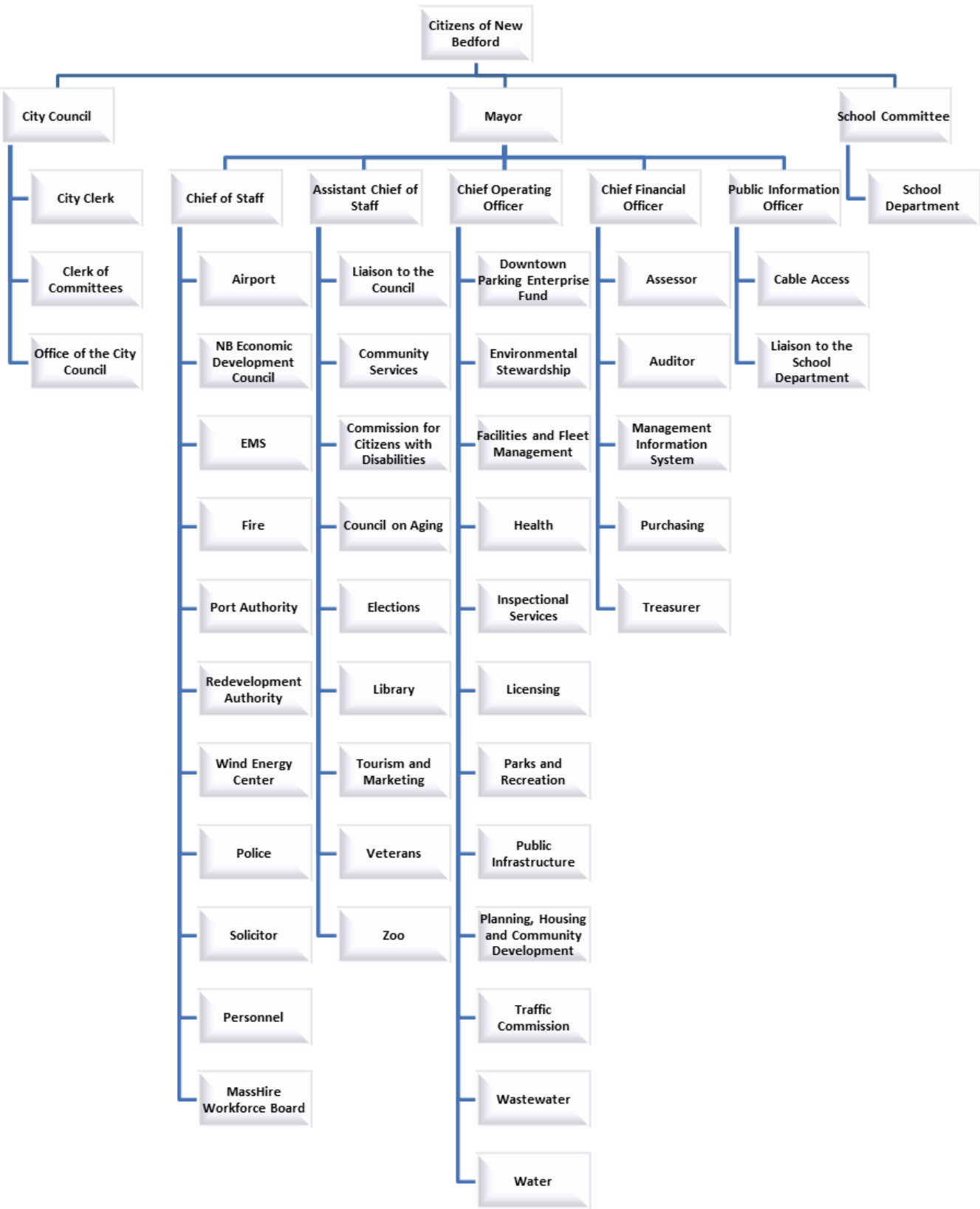
The annual financial reports and/or CAFRs of the City for fiscal years 2009 through fiscal year 2020 can be found on the Auditor's Office page of the City's website at www.newbedford-ma.gov/auditors-office/annual-financial-reports.

Respectfully submitted,

Robert W. Ekstrom
City Auditor

Ari J. Sky
Chief Financial Officer

Organizational Chart of City Government



List of Elected and Appointed Officials

as of June 30, 2020

Mayor

Jonathan F. Mitchell

City Council Members

Joseph P. Lopes	City Council President, Councilor, Ward 6
Ian Abreu	Councilor at Large
Naomi R.A. Carney	Councilor at Large
Debora Coelho	Councilor at Large
Brian K. Gomes	Councilor at Large
Linda M. Morad	Councilor at Large
William Brad Markey	Councilor, Ward 1
Maria E. Giesta	Councilor, Ward 2
Hugh Dunn	Councilor, Ward 3
Derek Baptiste	Councilor, Ward 4
Scott J. Lima	Councilor, Ward 5

School Committee Members

Jonathan F. Mitchell	Chairperson, Ex-officio
Christopher A. Cotter	Vice Chairperson
Joshua Amaral	Committee Member
Colleen Dawicki	Committee Member
Joaquim B. Livramento, Jr.	Committee Member
Bruce J. Oliveira	Committee Member
John A. Oliveira	Committee Member

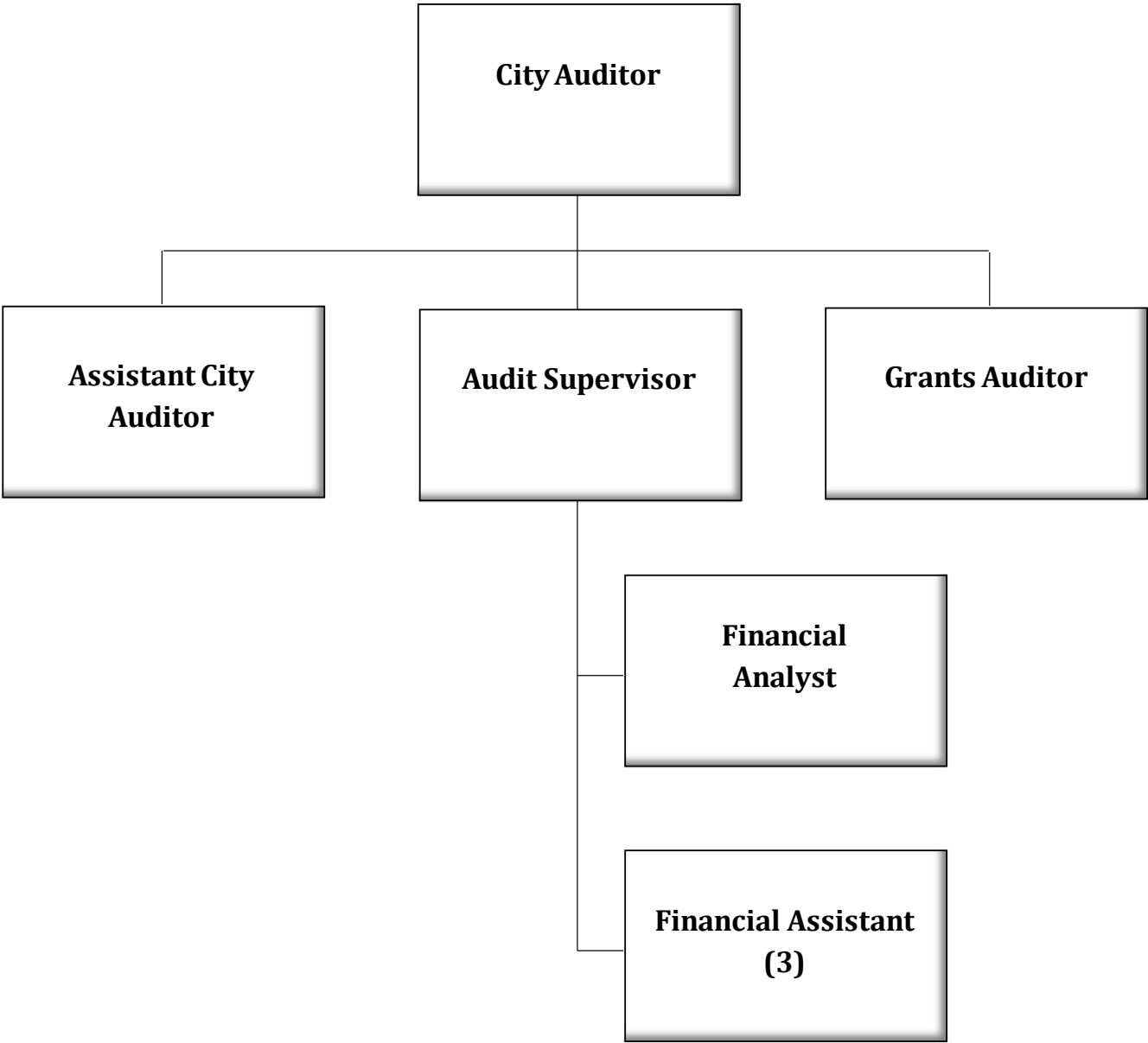
Appointed Administrative Officers, General Government

Ari J. Sky	Chief Financial Officer
Mikaela McDermott	City Solicitor
Dennis W. Farias	City Clerk
R. Renee Fernandes	City Treasurer and Collector
Robert W. Ekstrom	City Auditor

Appointed Administrative Officers, School Department

Thomas Anderson	Superintendent of Schools
Andrew O'Leary	Business Manager

Organizational Chart of the Office of the City Auditor



List of Office of the City Auditor Personnel

as of June 30, 2020

Robert W. Ekstrom, City Auditor

Brennan Morsette	Assistant City Auditor
Geraldine Calheta	Audit Supervisor
Ana de Barros	Grants Auditor
Sonia Monchique	Financial Analyst
Teresa Alves	Financial Assistant
Cheryl Gundersen	Financial Assistant
Kathleen Savage	Financial Assistant

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Financial



Photograph by Peter Pereira, provided courtesy of Destination New Bedford

Section

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental fund, each major enterprise fund, and the aggregate remaining fund information of the City of New Bedford, Massachusetts ("the City"), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental fund, each major enterprise fund, and the aggregate remaining fund information of the City of New Bedford, Massachusetts, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed under Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining, individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the City of New Bedford, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of New Bedford, Massachusetts' internal control over financial reporting and compliance.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts

January 28, 2021

Management's Discussion and Analysis

The City of New Bedford, Massachusetts (City) is providing the following Management's Discussion and Analysis as a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. This discussion should be read in conjunction with the information presented within the City's Comprehensive Annual Financial Report (CAFR).

Financial Highlights:

- On a government-wide basis, primary government net position decreased (\$64.3) million during fiscal year 2020, to a deficit of (\$430.1) million as of June 30, 2020. The decrease is primarily attributable to \$39.8 million in additional pension costs due to revaluation of net pension liability (NPL) as of January 1, 2020, and a GASB 75 change in the discount rate used to determine net OPEB liability (NOL) from 3.75% to 2.5%, which increased OPEB charges by \$39.7 million. Net position of component units increased \$14.7 million to \$85.6 million at June 30, 2020, which is principally comprised of \$46.3 million of capital assets owned by the New Bedford Harbor Development Commission and \$23.6 million in restricted cash held by the Greater New Bedford Regional Refuse Management District.
- Fund balances among governmental funds decreased (\$9.5) million to \$65.8 million at June 30, 2020. The General Fund, representing 75.6% of all governmental fund expenditures, reported a \$2.9 million increase in its fund balance to close at \$31.5 million at June 30, 2020, representing 8.1% of total annual expenditures and transfers out.
- Enterprise funds net position increased \$4.0 million, to \$24.9 million at June 30, 2020 after the recognition of \$8.8 million of capital contributed by the Federal Aviation Administration (FAA) and the Massachusetts Department of Transportation (MassDOT) for airport infrastructure improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of the government-wide financial statements (pages 20-23), fund financial statements (pages 24-35), and notes to the financial statements (pages 36-81). This report also contains other required supplementary information in addition to the basic financial statements (pages 82-97), unaudited combining and individual funds statements (pages 98-117), and unaudited statistical information (pages 118-145).

Government-wide financial statements: The government-wide financial statements include a statement of net position and a statement of activities, each designed to provide readers with a broad overview of the City's financial condition in a manner similar to a private-sector business. The statement of net position presents information on City assets, deferred outflows, liabilities, and deferred inflows, with differences between these amounts representing net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

- **Governmental activities**, which are those primarily supported by taxes, intergovernmental revenues, and local receipts. Most services normally associated with city government fall into this category, including general government, education, public safety, public works, community and economic development, and culture and recreation.
- **Business-type activities**, which are those primarily supported through user charges and fees. These include water treatment and distribution, municipal airport and cable access operations, and parking operations for a designated section of the downtown area.
- **Component units**, which are legally separate entities functioning independent of the City for which the City has financial accountability. For the most part, these entities operate similar to private sector businesses. The City's four component units are the Greater New Bedford Regional Refuse Management District and Harbor Development Corporation, both of which are reported as major component units; and the Greater New Bedford Workforce Investment Board and New Bedford Redevelopment Authority, each reported as nonmajor. Additional information about the City's component units is presented in the notes to the financial statements.

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. Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements. All funds of the City belong to one of three fund-types, each using different accounting principles, as follows:

- **Governmental funds** account for most basic services provided by City government and are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. Under this approach, which uses the flow of current financial resources measurement focus and the modified accrual basis of accounting, revenues are recorded when cash is received or when susceptible to accrual (i.e., measurable and available to liquidate liabilities of the current period). Expenditures are generally recorded when liabilities are incurred, except for those related to long-term liabilities that are recorded when they become due and payable. These statements provide a detailed short-term view of the City's financial health to assist in determining the adequacy of financial resources available to meet current needs.

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 to 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 this comparison. These reconciliations are presented on the pages immediately following each governmental fund financial statement.

The City's four major governmental funds are the General, Wastewater, HOME Investment Partnership Program, and the South Public Safety Center funds. Non-major governmental funds include special revenue, capital projects, and permanent trust funds and are aggregated in the governmental funds' financial statements, which can be found on pages 24-29. Combining schedules discretely presenting non-major governmental funds are included as non-required supplementary information on pages 102-107.

The General Fund and Wastewater Fund are the only governmental funds for which a budget is legally adopted. The General Fund budget is prepared on a "budgetary" basis instead of GAAP. Among the key differences between these two sets of accounting principles are that: property taxes are recorded as levied under the budgetary basis, but as they become susceptible to accrual under GAAP; certain transactions are recorded in the General Fund under the budgetary basis but in separate funds under GAAP; and amounts raised to cover prior year deficits or raised from prior year surpluses are recorded as revenues and expenditures under the budgetary basis but are not recorded under GAAP. Schedules of revenue and expenditures comparing original and final budgets to actual expenditures on the budgetary basis for both the General and Wastewater funds are presented as required supplementary information on pages 82-89, followed by a reconciliation of budgetary to GAAP financial statements on page 90.

- **Proprietary funds** account for activities operating more like those of commercial enterprises. Like the government-wide financial statements, proprietary fund financial statements use the economic resources measurement focus and accrual basis of accounting. There are two types of proprietary funds. *Enterprise funds* provide the same type of information as the business-type activities of the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its water, municipal airport, cable access, and downtown-area parking operations, with a separate annual budget adopted for each. The *internal service fund* accumulates and allocates medical claims incurred by employees and retirees of the City or agencies of the City. Therefore, this fund is presented as a governmental activity in the government-wide financial statements. The proprietary funds financial statements can be found on pages 30-33.
- **Fiduciary funds** account for resources held for the benefit of parties outside City government. Fiduciary funds are not reflected in the government-wide financial statements because their resources are not available to support the City's own programs. Similar to proprietary funds, fiduciary funds financial statements use the economic resources measurement focus and accrual basis of accounting. The City's fiduciary funds include the New Bedford Contributory Retirement System, Other Postemployment Benefits (OPEB) Trust Fund, and private purpose trust and agency funds, which include deposits held and administered by the City on behalf of third parties. The fiduciary funds financial statements can be found on pages 34-35.

Notes to the financial statements: The notes on pages 36-81 provide additional information essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other information: In addition to the basic financial statements, this report presents certain required supplementary information and other supplementary information demonstrating the City's compliance with legally-adopted budgets for its General, Wastewater, Water, Airport, Cable Access, and Downtown Parking funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position:

The City's net position was in deficit balances of (\$430.1) million and (\$365.8) million as of June 30, 2020 and 2019, respectively, as liabilities and deferred inflows exceeded assets and deferred outflows each year. The table below summarizes net position for both governmental and business-type activities.

Summary of Net Position as of June 30, 2020 and 2019 (in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS:						
Current	\$ 199.7	\$ 171.3	\$ 13.2	\$ 11.3	\$ 212.9	\$ 182.6
Non-current	24.2	29.8	0.2	0.2	24.4	30.0
Capital	436.6	461.0	111.5	84.5	548.0	545.5
Total assets	660.5	662.1	124.8	96.0	785.3	758.1
DEFERRED OUTFLOWS OF RESOURCES	117.1	70.1	6.1	3.7	123.2	73.8
TOTAL ASSETS & DEFERRED OUTFLOWS	777.6	732.2	130.9	99.7	908.5	831.9
LIABILITIES:						
Current	117.4	83.8	4.4	3.6	121.8	87.4
Non-current	1,072.5	1,025.6	101.5	76.9	1,174.0	1,102.5
Total liabilities	1,189.9	1,109.4	105.9	80.5	1,295.8	1,189.9
DEFERRED INFLOWS OF RESOURCES	40.7	7.2	2.1	0.6	42.8	7.8
TOTAL LIABILITIES & DEFERRED INFLOWS	1,230.6	1,116.6	108.0	81.1	1,338.6	1,197.7
NET POSITION:						
Net investment in capital assets	241.2	279.3	54.2	49.8	295.4	329.1
Restricted	48.9	43.5	6.7	6.5	55.6	50.0
Unrestricted	(743.0)	(707.2)	(38.0)	(37.7)	(781.0)	(744.9)
Total net position	\$ (453.0)	\$ (384.4)	\$ 22.9	\$ 18.6	\$ (430.1)	\$ (365.8)
(Differences may exist due to rounding)						

The largest portion of the City's net position is its investment in capital assets net of outstanding debt used to acquire those assets, which totaled \$295.4 million and \$329.1 million in 2020 and 2019, respectively. Capital assets are used to provide services to residents and are therefore not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Deficit balances reported in the City's unrestricted net position for both its governmental and business-type activities as of June 30, 2020 and 2019 are mainly the result of recording liabilities for its proportionate share of the New Bedford Contributory Retirement System's NPL as prescribed by GASB Statement No. 68 and described further in Note 9 to the financial statements (page 57), and its NOL in accordance with GASB Statement No. 75, described in Note 10 (page 64).

Changes in net position:

Governmental activities decreased the City's net position by (\$68.3) million and (\$2.6) million in fiscal years 2020 and 2019, respectively, as summarized in the table below.

Summary of Changes in Net Position as of June 30, 2020 and 2019 (in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES:						
Program revenues:						
Charges for services	\$ 54.8	\$ 58.5	\$ 17.8	\$ 17.4	\$ 72.6	\$ 75.9
Operating grants & contributions	238.8	222.9	0.1	0.1	238.9	223.0
Capital grants & contributions	26.9	32.0	31.8		58.7	32.0
General revenues:					-	-
Property taxes	129.6	124.1			129.6	124.1
Motor vehicle excise taxes	9.8	8.3			9.8	8.3
Tax liens, fines, and other	1.7	3.0			1.7	3.0
Intergovernmental	24.4	23.8			24.4	23.8
Earnings on investments	2.0	2.4	0.2	0.4	2.2	2.8
Other	3.5	5.3	0.1	0.2	3.6	5.5
Total revenues	491.5	480.3	50.0	18.1	541.5	498.4
PROGRAM EXPENSES:						
General government	30.3	34.2		-	30.3	34.2
Public safety	95.1	75.4		-	95.1	75.4
Public works	101.4	34.2		-	101.4	34.2
Education	329.7	304.7		-	329.7	304.7
Community & economic development	5.3	6.3		-	5.3	6.3
Health and human services	7.3	7.4		-	7.3	7.4
Culture and recreation	11.9	8.7		-	11.9	8.7
Interest on debt service	6.6	6.7		-	6.6	6.7
Water		-	13.3	12.0	13.3	12.0
Municipal airport			2.8	2.7	2.8	2.7
Traffic		-	1.3	0.8	1.3	0.8
Cable access			0.8		0.8	
Total program expenses	587.6	477.6	18.2	15.5	605.8	493.1
Change in net position before transfers and special items	(96.1)	2.7	31.8	2.6	(64.3)	5.3
TRANSFERS AND SEPCIAL ITEMS:						
Transfers	27.8	(5.3)	(27.8)	5.3	-	-
Changes in net position	(68.3)	(2.6)	4.0	7.9	(64.3)	5.3
Net position, beginning of year	(384.4)	(381.8)	18.6	10.7	(365.8)	(371.1)
Restatement of cable access net position	(0.3)		0.3			
Net position, end of year	\$ (453.0)	\$ (384.4)	\$ 22.9	\$ 18.6	\$ (430.1)	\$ (365.8)
<i>(Differences may exist due to rounding)</i>						

The primary driver for the 2020 decrease was the aforementioned increases in pension and OPEB charges, which are reported as program expenses, as a result of increased valuations of NPL and NOL, respectively. These charges aggregated to \$79.8 million but were partially offset by an increase of \$10.8 million in operating and capital grants.

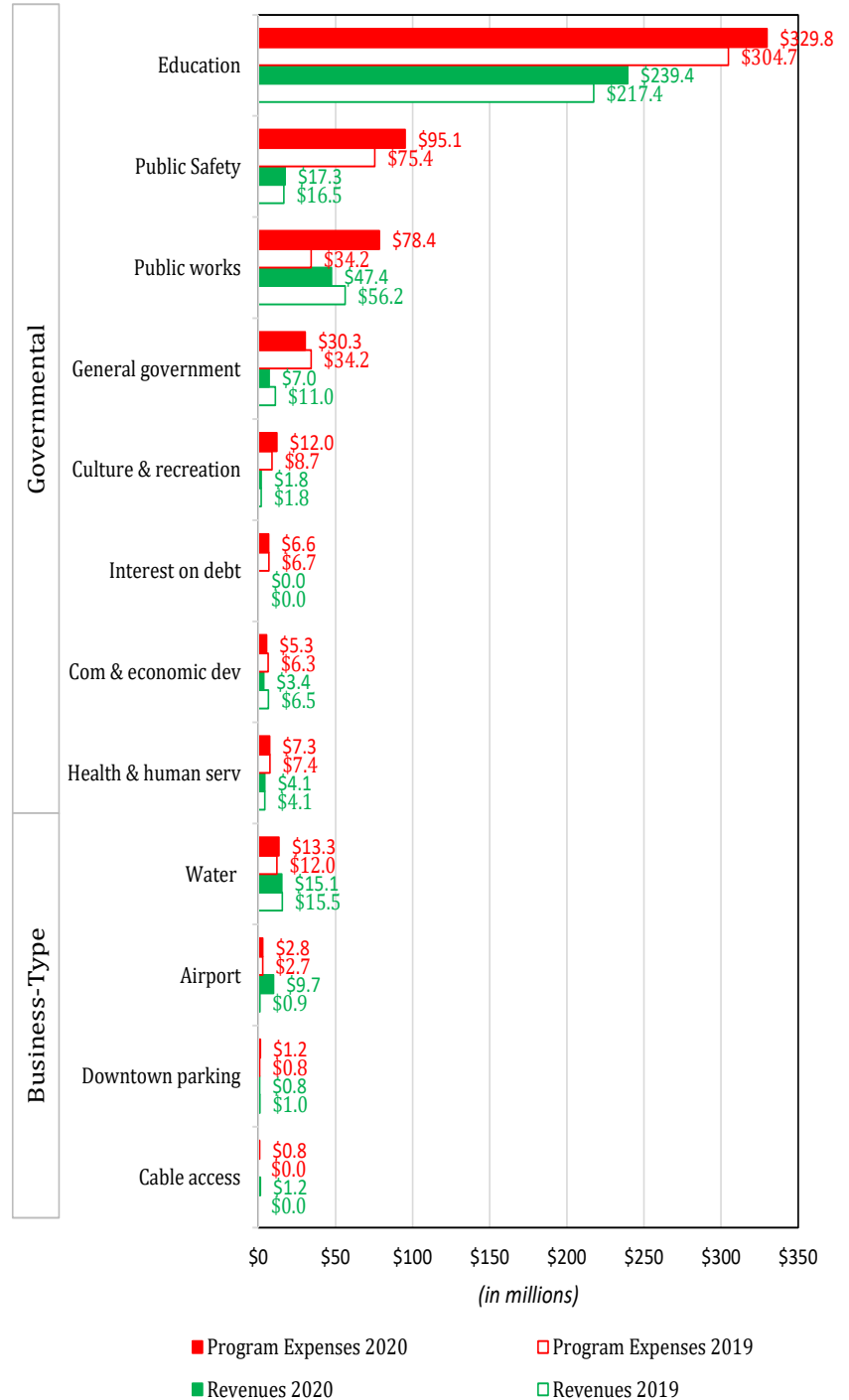
Business-type activities increased net position by \$4.0 million and \$7.9 million in fiscal years 2020 and 2019, respectively, as summarized in the table on the previous page. The primary driver of the 2020 increase was the recognition of \$8.8 million of grants from the FAA and MassDOT for airport infrastructure improvements. In 2019, a \$5.3 million transfer of parking garage improvements from governmental activities, and an 11.5% increase in user charges after the third of three consecutive annual water rate hikes, was attributable to much of that year's net position improvement.

Activities by function:

Education continues to be the largest function of City government, accounting for \$329.8 million, or 56.6%, of primary government program expenses. It's also the largest beneficiary of non-tax revenue sources, receiving \$239.4 million, or 72.6% of expenses, from user fees, contributions, and grants. Fiscal year 2020 net program expenses were \$90.4 million, an increase of \$3.1 million, or 3.5%, over 2019, largely due to containment of employees' and retirees' medical costs.

Program expenses for all other governmental activities totaled \$234.9 million, of which \$81.1 million, or 34.5% of expenses, was funded through non-tax sources. Net program expenses of \$153.8 million doubled those of 2019, led by a \$44.2 million increase in public works, reflecting infrastructure capital project expenditures that have not yet been funded with permanent financing, and a \$25.1 million increase in education following additional Chapter 70 funding that increased net school spending requirements.

Business-type activities are intended to be self-sufficient. In fiscal year 2020, program and general revenues exceeded program expenses by \$4.0 million, which was \$1.4 million, or 58.3%, over 2019, largely due to FAA and MassDOT grants of \$8.8 million recognized in airport operations.



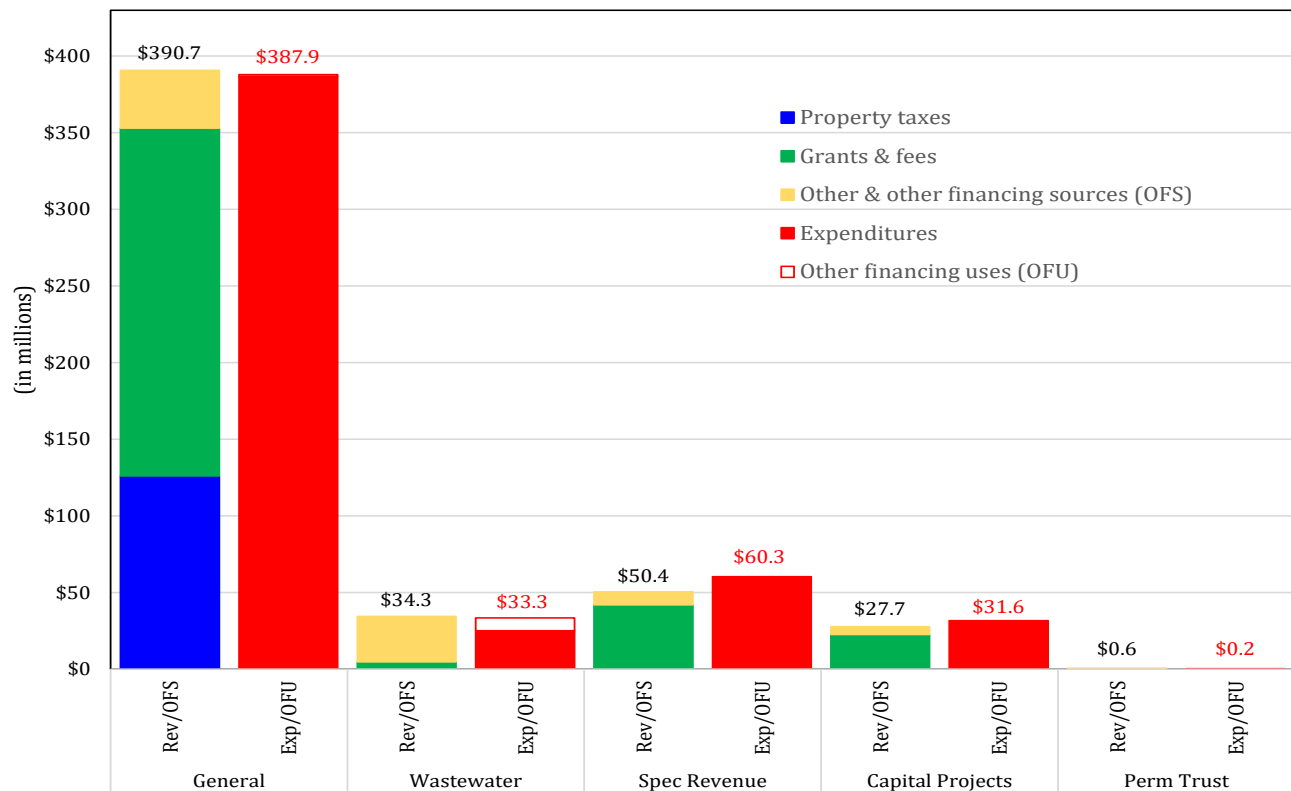
GOVERNMENT FUNDS FINANCIAL ANALYSIS

This analysis is based on the City's governmental, proprietary, and fiduciary 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, particularly in unassigned fund balance, which serves as a useful measure of the City's financial position at the end of each fiscal year.

Combined fund balance of all governmental funds dipped (\$9.5) million during the year to close at \$65.8 million as of June 30, 2020. Total revenues and other financing sources (OFS) of \$503.7 million were \$5.3 million, or 1.1%, higher than in 2019, while expenditures and other financing uses (OFU) rose \$24.1 million, or 4.9%, to \$513.2 million. The table below shows fiscal year 2020 activity for each governmental fund.



Governmental Funds, FY 2020

Of total fund balance, \$54.7 million is either nonspendable or restricted, while available fund balance committed, assigned, and unassigned is \$11.0 million, \$6.9 million below the previous year. A breakdown of the components within each category of fund balance is presented in Note 16 on page 77 of the financial statements.

The General Fund, as the chief operating fund of the City, accounts for 77.6% of all governmental funds revenues and OFS, and 75.6% of all expenditures and OFU. General Fund revenues and OFS of \$390.7 million were \$24.2 million, or 6.7%, higher than the prior year, led by a \$24.1 million increase in grants, primarily Chapter 70 State aid. Real and personal property taxes increased by \$3.8 million, but this was offset by decreases in local receipts resulting from a sluggish economy brought on by the COVID-19 pandemic. Expenditures and OFU of \$387.9 million increased \$31.5 million, or 8.8%, as education spending rose \$20.1 million due to additional Chapter 70 aid that increased the City's required net school spending target. Additionally, state and county assessments increased \$1.9 million, while contributions to the City's pension plan increased \$1.7 million. Partially offsetting these, healthcare costs decreased (\$1.6) million, reflecting a decline in utilization as employees and retirees deferred elective surgeries during the pandemic. Over the course of 2020, total fund balance increased \$2.9 million to \$31.5 million, which represents 8.1% of expenditures and OFU. Of greater relevance, \$25.9 million of that balance is comprised of spendable fund balance committed, assigned, or unassigned, including \$11.3 million in stabilization funds. That's a \$4.0 million improvement over the prior year, or 6.7% of expenditures and OFU.

The Wastewater Fund is the next largest single governmental fund, accounting for the collection and treatment of wastewater throughout the City. Revenues and OFS of \$34.3 million were (\$2.9) million, or (7.8%), lower than in 2019, largely due to a reduction in wastewater generation experienced during the pandemic. Expenditures and OFU of \$33.3 million were \$2.4 million, or 6.7%, higher due to cost containment efforts necessitated by the revenue loss. Fund balance rose \$1.0 million, or 10.3%, during fiscal year 2020 to close at \$10.7 million on June 30, 2020.

Special Revenue funds, including the HOME Investment Partnership Program, which receives funding from the U.S. Department of Housing and Urban Development for affordable housing for low-income families and is presented as a major governmental fund, combined for \$53.4 million in revenues and OFS, down (\$2.8) million, or (5.2%), from fiscal year 2019, while expenditures and OFU of \$48.5 million rose \$1.6 million, or 3.4%, over the prior year. Fund balance increased \$4.9 million, or 16.2%, to \$35.2 million at June 30, 2020. Fund balances of substantially all special revenue funds are restricted for uses intended by grantors, donors, or revolving fund purposes.

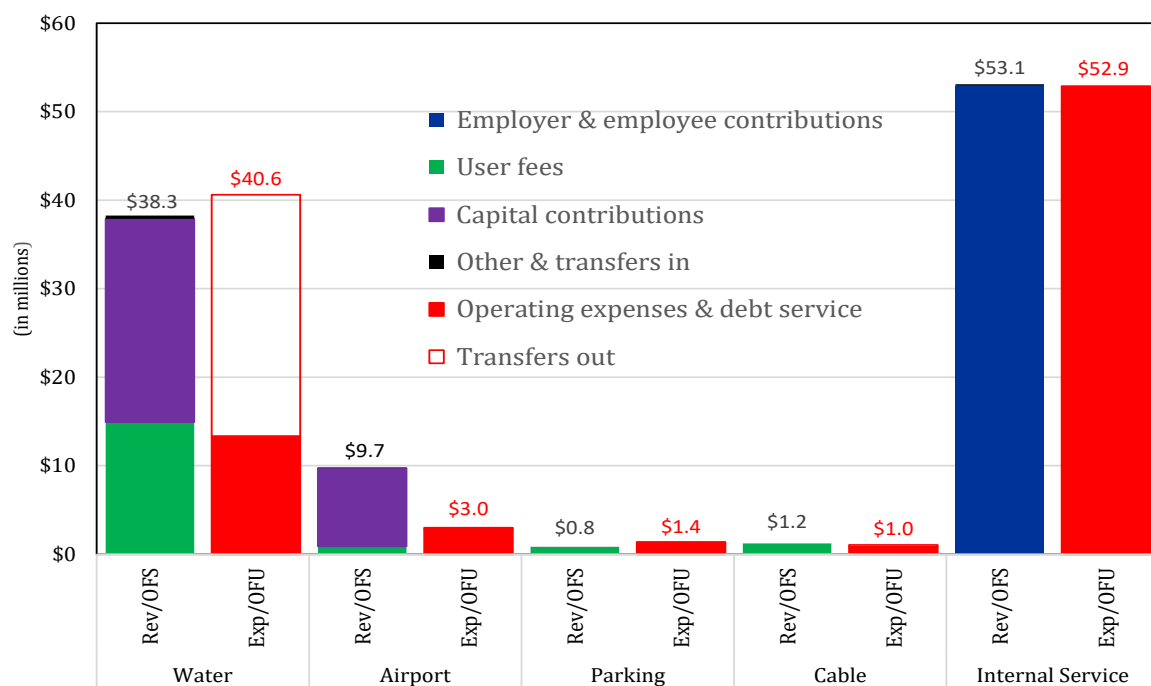
Capital projects revenues and OFS totaled \$40.1 million, which was (\$6.9) million, or (14.7%), below the prior year. Expenditures and OFU of \$39.4 million were \$0.6 million, or 1.5%, higher. Effective in fiscal year 2020, the South End Public Safety Center capital projects fund has been recognized as a major governmental fund and discretely presented in the accompanying financial statements for the first time. The revenue decrease reflects diminished activity in accelerated repair programs undertaken in the City's elementary schools as they approach completion. The net fund balance deficit at June 30, 2019 was (\$7.3) million, which was a \$0.7 million improvement from the prior year's net deficit. Deficits are primarily the result of time lags between completion of projects and issuance of bonds used to finance them, which will eventually balance before a project is closed and transferred to the General Fixed Assets Account Group or to a beneficiary enterprise fund.

Fund balances in permanent trust funds increased \$0.3 million, or 3.3%, to \$9.7 million as of June 30, 2020. All fund balances in permanent trust funds are nonspendable or restricted.

Proprietary funds:

The City's proprietary funds consist of enterprise funds for water, airport, downtown parking, and cable access operations, and one internal service fund for the City's self-insured health plans. The enterprise funds provide the same type of information as the business-type activities of the government-wide financial statements, only in more detail. The internal service fund primarily services governmental-type funds and is therefore categorized as a governmental activity.

As of June 30, 2020, enterprise funds had a net position of \$22.9 million, which was \$3.9 million, or 17%, higher than a year ago. The internal service fund's net position of \$4.2 million was \$0.2 million, or 4.8%, higher than the prior year. Changes in each fund's net position are summarized in the table below.



Proprietary Funds, FY 2020

Total enterprise funds revenue and OFS was \$50.0 million, an increase of \$16.8 million, or 50.6%, from 2019, while expenditures and OFU totaled \$46.0 million, an increase of \$20.7 million, or 81.8%. Both increases are primarily the result of the transfer of \$23.0 million in water operations construction in progress, which was recognized as both a capital contribution and a transfer out. As of June 30, 2020, \$6.7 million and less than \$0.1 million was held in water and airport stabilization funds, respectively, representing aggregate growth of \$0.2 million, or 3.1%, over the previous year.

The \$0.2 million increase in the internal service fund's net position is the result of investment earnings, which are used to increase reserves rather than to subsidize medical costs. The City maintains self-insured health insurance plans for its employees and invoices departments on a claims-incurred basis. As of June 30, 2020, net position was 8.0% of the employer share of annual medical claims and administrative fees.

Fiduciary funds:

Fiduciary funds are held in trust for the benefit of external entities and cannot be used to fund City operations. However, the City has potential obligations to the extent of the NPL of its pension plan and NOL of its OPEB trust fund, neither of which are presented in fiduciary fund financial statements. Accordingly, a discussion of the financial health of these fiduciary funds is useful in the understanding of the financial statements. Liabilities associated with pension and OPEB trust funds are based on actuarial studies and represent estimates of future potential liabilities incorporating a set of known factors at the time the studies were completed. Copies of the most recent actuarial valuation studies for both pension and OPEB plans, dated January 1 and June 30, 2020, respectively, are available by contacting the Office of the Chief Financial Officer, 133 William Street, New Bedford, MA 02740.

Pension plan:

The City is the largest of five employers participating in the New Bedford Contributory Retirement System (Plan), whose most recent fiscal year ended December 31, 2019. The Plan's total pension liability as of that date, which can be found in the required supplementary information section of these financial statements, was \$743.2 million, an increase of \$18.0 million, or 2.5%, over the previous year, while its net position increased \$53.1 million, or 17.1%, to \$365.3 million. The Plan's net pension liability on December 31, 2018 was \$377.8 million, of which \$330.8 million, or 87.6%, represented the City's proportionate share.

Plan assets returned 19.4% during calendar year 2019 compared to losses of (4.4%) in 2018, as equity markets, in which 54.6% of Plan assets are invested, rebounded from a bearish 2018 fourth quarter. Domestic, international, and emerging markets posted respective gains of 33.8%, 22.4%, and 19.2% in 2019 as compared with losses of (6.8%), (13.5%), and (16.7%), respectively, the year before. For the six months ended June 30, 2020, these same markets fell off by (4.6%), (11.1%), and (10.7%), respectively, as equities responded adversely to the effects the pandemic had on the overall economy. Plan fiduciary net position was at 49.2% of total pension liability as of December 31, 2019, a 6.2 percentage point year-over-year increase, primarily due to strong investment performance. Note 9 to the financial statements (page 57) and the required supplementary information on pages 90-94 provide further detail on the Plan and the City's employer liabilities.

Other post-employment benefits plan:

To address its obligations associated with providing post-employment benefits to retirees, the City established a single-employer OPEB trust fund in February 2016 with an initial contribution of \$0.8 million. In November of that year, an OPEB Trust Fund funding policy was adopted that requires a minimum of 10% of each year's certified free cash to be transferred to this fund. As a result, fiduciary net position has now increased 250%, reaching \$2.0 million as of June 30, 2020.

For the June 30, 2020 valuation, the City reduced the plan's discount rate from 3.75% to 2.50%, which resulted in a \$117.4 million increase in NOL due to assumption changes. In total, NOL increased \$94.0 million to \$620.5 million as of June 30, 2020. Note 10 to the financial statements (page 64) and the required supplementary information on pages 96-97 provide further detail on the OPEB trust fund and the City's employer liabilities.

Budgetary Highlights

General Fund adopted vs. revised budgets:

The City adopted a fiscal year 2020 General Fund budget totaling \$355.0 million, which was \$16.4 million, or 4.9%, higher than in fiscal year 2019. The 2020 adopted budget consisted of \$331.6 million in City Council appropriations and \$23.4 million in estimated State and county assessments.

During the year, adjustments of \$5.1 million increased the revised budget to \$360.1 million. Those adjustments are summarized as follows:

- Increase of \$2.5 million from a supplemental appropriation based on increased Chapter 70 State aid subsequent to adoption of the budget.
- Increase of \$1.1 million from supplemental appropriations for cybersecurity, computer operations, settlement of an AFSCME collective bargaining agreement, and to provide funds for litigation beyond those funded in the adopted budget.
- Increase of \$0.7 million from stabilization funds transfers to fund settlement of an AFSCME collective bargaining agreement.
- Increase of \$0.7 million to fund the carryover of encumbrances against fiscal year 2019 appropriations.
- Increase of \$0.1 million to fund general government operations using transfers from various special revenue funds.

As part of its balance sheet review, the DOR certified \$3.9 million of free cash on July 1, 2019. Of this amount, \$3.5 million was used to fund the fiscal year 2021 budget, while \$0.4 million was unappropriated and will effectively roll into the July 1, 2020 certification.

General Fund actual results vs. revised budget:

General Fund operations generated a budgetary surplus of \$2.2 million in fiscal year 2020, the net result of \$8.9 million of favorability in expenditures offset by (\$6.8) million in revenue shortfalls.

Expenditure favorability was led by medical claims, which were \$4.2 million favorable as a result of decreased utilization of the City's self-insured health plan primarily due to deferrals of elective surgeries during the pandemic; State assessments, which were \$2.6 million favorable as a result of decreased Cherry Sheet assessments; and broad reductions across nearly all municipal departments, which were \$2.1 million favorable in aggregate, due to management's decision to postpone the filling of vacancies and to defer capital expenditure projects since the outbreak of the pandemic.

Revenue unfavorability was led by (\$2.5) million from real estate and personal property taxes as the City placed moratoriums on penalties and interest until July 1, 2020 that effectively extended the final payment date and delayed collection of current and prior year taxes. Real estate and personal property taxes are budgeted at 100% of the current year tax levy certified by DOR each December, without regard to prior years' tax collections. Fiscal year 2020 collections were 98.1% of the January 1, 2020 tax levy, down (0.7) percentage points from 2019 collections. Other major causes of unfavorability included (\$1.4) million in State Cherry Sheet aid reductions, and (\$1.4) million in transfers from enterprise funds and other City agencies for indirect costs, which were lower as a result of favorability in the underlying expenditures being allocated.

Capital Assets and Debt Administration

Capital assets:

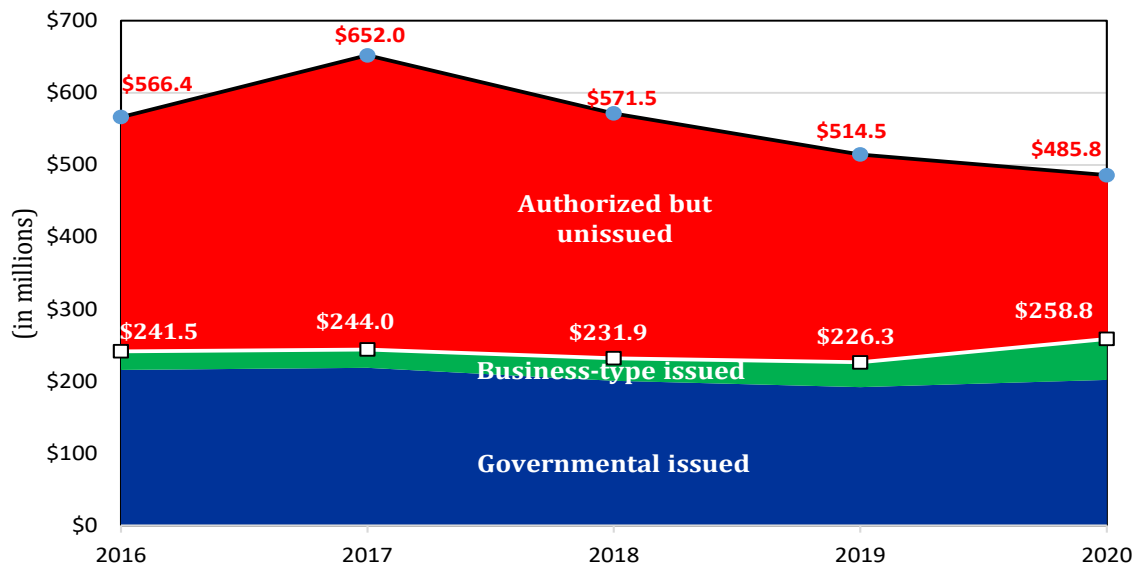
At June 30, 2020, capital assets totaled \$548.0 million net of accumulated depreciation, an increase of \$2.5 million, or 0.5%, over the prior year. Net capital assets used in governmental activities decreased by (\$24.4) million, while those in business-type activities increased by \$26.9 million, reflecting the transfer of \$23.0 million of water projects construction in progress from governmental to business-type. During the year, \$35.4 million was spent in ongoing construction and infrastructure projects, while \$21.2 million of completed projects were placed in service, including \$8.4 million in an airport reconstruction project and \$7.2 million in renovations to an elementary school. Additional information on the City's capital assets can be found in Note 8 to the financial statements (page 56).

Short- and long-term debt:

The City's debt is composed of bonds, loans from State agencies, bond anticipation notes (BANs), capital lease-purchases, and accrued compensated absences. Combined debt totaled \$291.7 million at June 30, 2020, representing a \$31.2 million, or 12.0%, increase over last year. Short- and long-term debt for governmental and business-type activities increased \$8.7 million and \$22.6 million, respectively. In 2020, \$23.0 million in bonds used to finance water system improvements was transferred from governmental to business-type upon substantially completion of each project.

Bonds, State agency loans, and BANs totaled \$258.8 million as of June 30, 2020, a \$22.5 million, or 14.4%, increase over last year. As the graph below illustrates, this is the highest level of outstanding debt in the past five years, reflecting the City's continued commitment to replacing aged infrastructure within affordability parameters. At 3.9% of assessed value, 2020 outstanding debt is the second-lowest over the same period. Total bonded debt, State agency notes, and BANs were \$201.8 million and \$57.0 million for governmental and business-type activities, respectively. As of June 30, 2020, the City had \$227.1 million of remaining bond authorizations. Additional information on long-term debt is included in Note 15 on page 73 of the financial statements.

**Bonded debt issued and unissued
(FY 2016 - 2020)**



Economic Factors and Next Year's Budget and Rates

Sustained growth in New Bedford's economy is expected to continue beyond fiscal year 2020, generating revenue streams necessary to fund 2021 appropriations. The City is required to legally adopt budgets for its General Fund and Wastewater Fund, each of which is reported as a governmental fund-type in the accompanying financial statements, and for its Water, Airport, Cable Access, and Downtown Parking enterprise funds, each of which is reported as a proprietary-fund-type. Economic factors do not generally affect funds beyond those under legal budgetary control because spending is capped to available revenue sources and mitigates the risk of shortfalls, so these funds will not be discussed further.

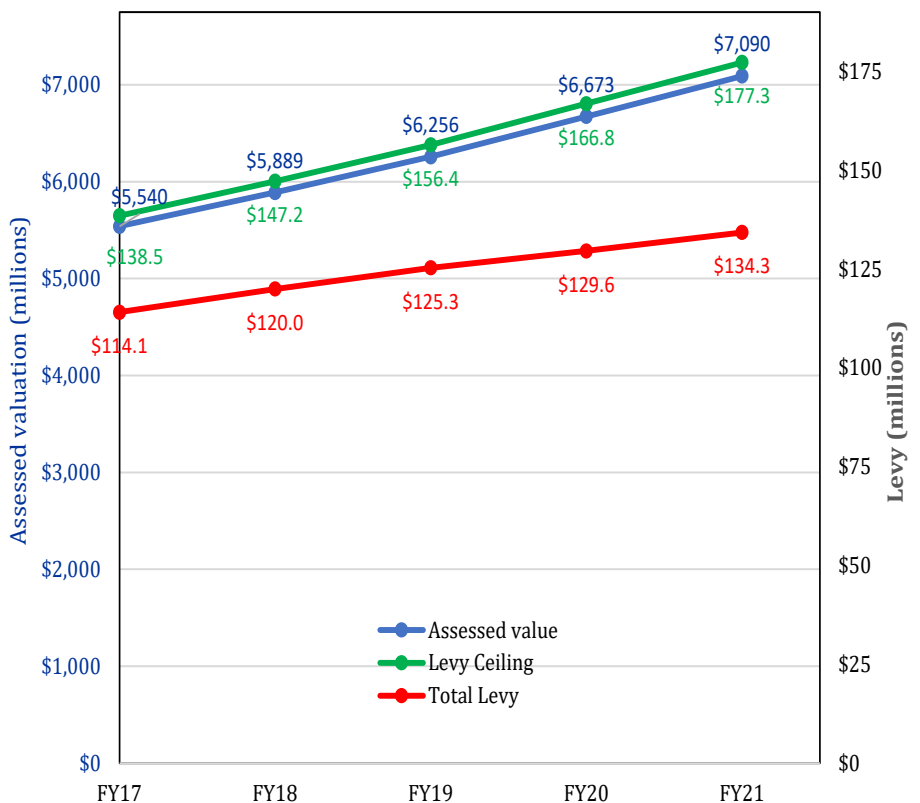
General fund:

In June 2020, the City Council adopted a fiscal year 2021 expenditure budget of \$363.9 million, \$3.8 million, or 1.0%, higher than the prior year's revised budget. This increase was primarily driven by a \$2.8 million increase in school spending, including State assessments for school choice and charter school tuitions, and \$1.7 million in pension plan contributions.

The balancing of this year's budget required the appropriation of \$3.6 million of free cash certified as of July 1, 2019 in order to preserve the City's excess levy capacity for future years. Reductions of (\$2.2) million in State aid and (\$2.2) million in local receipts are anticipated, leaving \$5.2 million to be raised from an increase to the annual tax levy. No additional transfers from stabilization funds are planned, largely due to the sufficiency of available free cash.

Under Proposition 2½, Massachusetts communities generally cannot levy taxes in excess of 2.5% of assessed value (levy ceiling), so growth in property values is a key factor in the City's ability to finance government activities. As of December 31, 2020, assessed value of real and personal property reached \$7.09 billion, an all-time high and 6.3% over the previous year. Assessed values have now increased in each of the last seven years with a compounded annual growth rate of 4.5% over that period, fueled by a strong real estate market and by new growth, which has remained steady over the past five years as summarized in the chart on the facing page.

Prop 2 1/2: Levy Ceiling



FY20's tax levy of \$134.3 million is \$43.0 million below the levy ceiling . . .

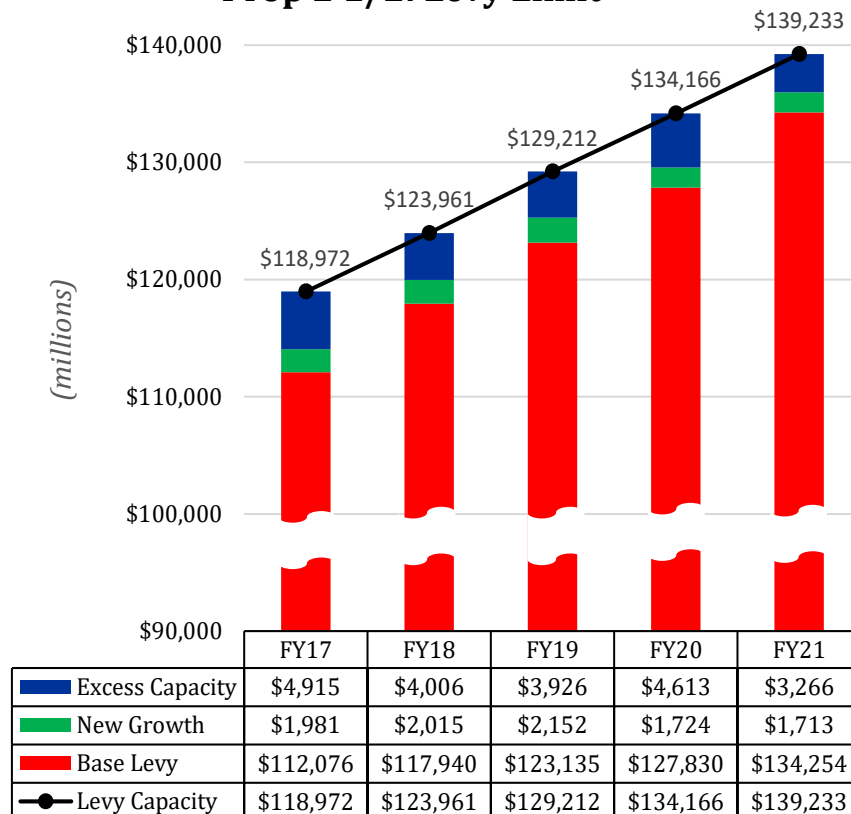
Additionally, municipalities cannot increase tax levies by more than 2.5% each year, excluding new growth and certain overrides and exemptions (levy limit). New growth factors heavily in the City's ability to finance governmental activities, as it provides a dollar-for-dollar increase to the levy limit in the year in which it is first added to the tax rolls and is accretive to future levies. Calendar year 2020 construction activity with an assessed value of \$57.4 million added \$1.7 million to the December 31, 2020 levy limit. The number of new building permits issued, which has risen in each of the last five years, continues to remain strong. Permits valued at \$134 million were issued during fiscal year 2020, indicating continued construction into 2021 and beyond.

The tax levy at December 31, 2020 is at \$134.3 million, which is \$4.7 million, or 3.6%, above the prior year, (\$43.0) million below the City's levy ceiling, and (\$3.3) million below its levy limit. Preservation of excess levy capacity has been a key objective in establishing each year's tax levy, but the economic constraints caused by the pandemic required a modest tapping of excess levy capacity in fiscal year 2021, which decreased (\$1.3) million from the previous year.

State aid will decrease by Cherry Sheet reductions of (\$1.1) million in charter school reimbursements and (\$1.0) million in unrestricted general government aid as the Commonwealth addresses the economic downturn brought on by the pandemic.

An anticipated decrease in local receipts, which represent 8% of all General Fund revenue, will be led by (\$0.6) million in motor vehicle and other excise taxes, (\$0.5) million in school-based Medicaid reimbursements, (\$0.5) million in investment income, and (\$0.4) million in license and permit fees. Expectations for most other sources of local receipts were set at fiscal year 2020 actual levels as a buffer against any lingering adverse effects on the economy caused by the pandemic.

Prop 2 1/2: Levy Limit



Under the process established by Massachusetts law, tax levies sufficient to balance the fiscal year's budget must be finalized and tax rates set by December 31 after a comprehensive review of all revenues collected outside the tax levy. By conservatively forecasting non-levy revenue, the risk of unanticipated increases to the tax levy should these forecasts not be realized is mitigated.

Nevertheless, management remains confident that many sources of non-levy revenue – primarily occupancy taxes, food and beverage taxes, and parking revenues, will be higher in 2021 as the economy continues to reopen.

... while FY 21's tax levy is \$3.3 million below the levy limit.

Wastewater fund:

Fiscal year 2021 budgeted expenditures of \$25.1 million represent a \$0.9 million, or 3.6%, increase above 2020. Charges and services primarily to consultants, engineering, treatment contracts, and electricity, will be \$1.0 million higher but will be partially offset by a reduction of (\$0.3) million in debt service as long-term debt outstanding continues to be retired. Capital investment will be held to fiscal year 2020 revised budget levels. Funding of the 2021 budget will not require sewer rate increases. Prior to the pandemic, consumption rebounded from the dampening effect of three successive annual 8% across-the-board rate increases, the last of which was implemented on July 1, 2018, but that recovery was eliminated by the effects of the pandemic.

Enterprise funds:

Budgeted expenditures in the City's Water Fund, which accounts for 84% of total enterprise funds appropriations, are \$0.4 million, or 2.1%, higher than in fiscal year 2020. The primary drivers are charges and services primarily to consultants, engineering, treatment contracts, and electricity, which will increase \$1.0 million, and personnel costs, which are up \$0.4 million. These increases are partially reduced by (\$0.8) million in debt service, as budgeted amounts do not yet reflect the addition of \$23.0 million in new bonds. Similar to wastewater, water consumption rebounded from three successive 11% across-the-board increases that were fully implemented by July 1, 2018, and fared better than wastewater since the advent of the pandemic. Water consumption is anticipated to generate \$0.4 million in additional usage charges in 2021.



New Bedford's Water Pollution Control Facility at Clark's Point in the City's South End is a secondary sewage treatment plant completed in 1996 to replace the former primary treatment plant under a Consent Decree with the U.S. Environmental Protection Agency. The New Bedford facility is designed to treat an average flow of 30 million gallons per day (MGD), and a peak flow of 75 MGD utilizing the activated sludge treatment process, which introduces microbes into the untreated sewage to create biological reactions that purify water in a faster, more concentrated way.

Airport budgeted expenditures will increase by less than \$0.1 million, representing a 2.9%, growth from fiscal year 2020. Following a December 2017 FAA certification that allows the airport to offer passenger jet service, fees for all services that benefit lessees and passengers were increased in July 2020 and are expected to be sufficient to fund ongoing costs.

In the Downtown Parking fund, expenditures will decrease (\$0.2) million, or (13.1%), reflecting the revenue loss from a free parking order issued by the City after the outbreak of the pandemic. The primary cutback will be in capital expenditures as the City completed a signage and lighting study, lighting upgrades, and bluestone replacements in the historic Downtown District in 2020 and is not planning more improvements. Future parking rate increases planned for downtown meters and at the City's public garages will be implemented as needed to fund the 2019 improvements.

Effective in fiscal year 2020, the City recharacterized its cable access operations as an enterprise fund. The cable access fund was recorded as a special revenue fund through fiscal year 2019 and therefore did not require a legally adopted budget until 2020. For 2021, expenditures are budgeted at \$1.2 million, which is (\$0.2) million below the prior year, as the City did not fill vacancies and reduced its capital investment in response to diminished Comcast subscriptions that have adversely affected the City's revenue stream, which is contractually tied to subscription fees.

Requests for Information

This discussion and analysis is intended to provide a general overview of the City's financial results for all interested parties. Questions concerning any of the information provided here or throughout the entirety of this financial report, or requests for additional financial information, should be addressed to the Office of the Chief Financial Officer, 133 William Street, New Bedford, Massachusetts 02740.

Statement of Net Position

June 30, 2020

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	Greater New Bedford Regional Refuse Management District	New Bedford Harbor Development Commission	Non Major Component Units	Total Component Units
ASSETS							
Current assets							
Unrestricted cash and investments	\$ 111,911,783	\$ 4,737,404	\$ 116,649,187	\$ 1,638,379	\$ 4,264,365	\$ 238,955	\$ 6,141,699
Restricted cash and investments	21,367,026	6,677,318	28,044,344	23,579,251	-	-	23,579,251
Accounts receivable, net of allowance	19,275,812	1,668,295	20,944,107	509,682	-	17,700	527,382
Taxes receivable, net	23,317,621	-	23,317,621	-	-	-	-
Loans receivable, net	17,982,390	-	17,982,390	-	-	-	-
Due from other governments	-	-	-	9,518	8,971,828	666,624	9,647,970
Due from component units	1,350,790	-	1,350,790	-	-	-	-
Receivable from external parties	-	-	-	-	266,388	-	266,388
Inventories and prepaid expenses	26,373	-	26,373	12,564	-	16,196	28,760
Other assets - current	4,468,760	74,076	4,542,836	-	56,960	-	56,960
Total current assets	199,700,555	13,156,462	212,857,017	25,749,394	13,559,541	939,475	40,248,410
Non-current assets							
Other assets - noncurrent	-	-	-	323,580	-	-	323,580
Net OPEB Asset (NOA)	-	-	-	2,349,663	-	-	2,349,663
MWPAT debt subsidy receivable	21,796,983	207,000	22,003,983	-	-	-	-
MSBA debt subsidy receivable	2,415,527	-	2,415,527	-	-	-	-
Capital assets:							
Not being depreciated:							
Land and easements	11,328,514	2,087,793	13,416,307	5,960,162	42,000	673,286	6,675,448
Landfill in progress	-	-	-	9,880,003	-	-	9,880,003
Construction in progress	43,678,828	-	43,678,828	-	-	-	-
Infrastructure in progress	10,121,742	23,084,891	33,206,633	-	13,772,116	-	13,772,116
Depreciable capital assets:							
Land improvements, net	7,360,588	246,547	7,607,135	53,669	28,814,755	-	28,868,424
Infrastructure, net	76,077,705	78,253,248	154,330,953	-	-	-	-
Building and improvements, net	268,666,237	6,907,264	275,573,501	474,058	2,771,933	-	3,245,991
Office equipment and furniture, net	690,424	-	690,424	44,841	-	-	44,841
Computer equipment, net	5,963,254	-	5,963,254	-	-	-	-
Library books and textbooks, net	530,322	-	530,322	-	-	-	-
Automobiles, net	5,767,329	527,172	6,294,501	-	28,018	-	28,018
Machinery and equipment, net	6,377,979	343,406	6,721,385	1,576,612	819,941	-	2,396,553
Animals, net	3,938	-	3,938	-	-	-	-
Total capital assets	436,566,860	111,450,321	548,017,181	17,989,345	46,248,763	673,286	64,911,394
Total non-current assets	460,779,370	111,657,321	572,436,691	20,662,588	46,248,763	673,286	67,584,637
Total assets	660,479,925	124,813,783	785,293,708	46,411,982	59,808,304	1,612,761	107,833,047
DEFERRED OUTFLOWS OF RESOURCES							
GASB 68 - deferred outflows of resources	30,995,311	1,631,333	32,626,644	517,371	-	-	517,371
GASB 75 - deferred outflows of resources	85,003,961	4,473,892	89,477,853	370,365	-	-	370,365
Deferred asset advance refunding, net of amortization	1,146,487	-	1,146,487	-	-	-	-
Total deferred outflows of resources	117,145,759	6,105,225	123,250,984	887,736	-	-	887,736
Total assets and deferred outflows of resources	\$ 777,625,684	\$ 130,919,008	\$ 908,544,692	\$ 47,299,718	\$ 59,808,304	\$ 1,612,761	\$ 108,720,783

See accompanying notes to the basic financial statements

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	Greater New Bedford Regional Refuse Management District	New Bedford Harbor Development Commission	Non Major Component Units	Total Component Units
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	\$ 41,354,190	\$ 775,389	\$ 42,129,579	\$ 98,003	\$ 9,185,796	\$ 456,026	\$ 9,739,825
Retainage payable	1,557,763	-	1,557,763	-	-	-	-
Due to other governments	209	-	209	9,518	-	-	9,518
Due to primary government	-	-	-	-	50,000	650,905	700,905
Accrued interest	1,397,935	484,098	1,882,033	-	-	-	-
Deposits held	398,746	-	398,746	7,070	1,106,260	15,000	1,128,330
Payroll withholdings	57,901	-	57,901	-	-	-	-
Other liabilities	242,473	470	242,943	-	-	-	-
Claims incurred but not reported	1,925,000	-	1,925,000	-	-	-	-
Bonds and notes payable	61,518,720	2,834,913	64,353,633	-	-	-	-
Capital leases	2,856,182	78,951	2,935,133	-	-	-	-
Workers' compensation claims	158,061	-	158,061	-	-	-	-
Compensated absences	5,950,539	176,122	6,126,661	-	71,623	-	71,623
Total current liabilities	117,417,719	4,349,943	121,767,662	114,591	10,413,679	1,121,931	11,650,201
Non-current liabilities							
Accrued closure/post-closure costs	-	-	-	4,859,027	-	-	4,859,027
Due to primary government	-	-	-	-	649,885	-	649,885
Bonds and notes payable	140,251,319	54,171,108	194,422,427	-	-	-	-
Net OPEB liability (NOL)	589,857,423	30,645,127	620,502,550	-	962,466	-	962,466
Net pension liability (NPL)	314,256,172	16,539,799	330,795,971	3,551,668	-	-	3,551,668
Capital leases	16,117,352	164,572	16,281,924	-	-	-	-
Workers' compensation claims	4,357,965	-	4,357,965	-	-	-	-
Compensated absences	7,610,151	5,812	7,615,963	-	157,389	-	157,389
Total non-current liabilities	1,072,450,382	101,526,418	1,173,976,800	8,410,695	1,769,740	-	10,180,435
Total liabilities	1,189,868,101	105,876,361	1,295,744,462	8,525,286	12,183,419	1,121,931	21,830,636
DEFERRED INFLOWS OF RESOURCES							
GASB 68 - deferred inflows of resources	14,263,098	750,689	15,013,787	190,644	-	-	190,644
GASB 75 - deferred inflows of resources	26,447,541	1,391,976	27,839,517	136,860	-	-	136,860
Other deferred revenues (component unit)	-	-	-	8,082	-	-	8,082
Deferred dockage revenues (component unit)	-	-	-	-	677,768	251,410	929,178
Total deferred inflows of resources	40,710,639	2,142,665	42,853,304	335,586	677,768	251,410	1,264,764
NET POSITION							
Net investment in capital assets	241,182,284	54,200,777	295,383,061	17,989,345	45,548,878	673,287	64,211,510
Restricted							
Nonexpendable:							
Corpus of endowment funds	5,127,411	-	5,127,411	-	-	-	-
Expendable:							
General government grants and gifts	7,989,795	-	7,989,795	-	-	-	-
Educational grants and gifts	12,579,930	-	12,579,930	-	-	-	-
Public works grants and gifts	1,352,583	-	1,352,583	-	-	-	-
Culture and recreation grants and gifts	8,288,862	-	8,288,862	-	-	-	-
Other expendable	13,522,406	6,677,318	20,199,724	18,713,156	7,839	-	18,720,995
Unrestricted	(742,996,327)	(37,978,113)	(780,974,440)	1,736,345	1,390,400	(433,867)	2,692,878
Total net position	(452,953,056)	22,899,982	(430,053,074)	38,438,846	46,947,117	239,420	85,625,383
Total liabilities, deferred inflows of resources and net position	\$ 777,625,684	\$ 130,919,008	\$ 908,544,692	\$ 47,299,718	\$ 59,808,304	\$ 1,612,761	\$ 108,720,783

See accompanying notes to the basic financial statements

Statement of Activities

Year Ended June 30, 2020

						Primary Government		
		Indirect	Program Revenues					
	Expenses	Expense Allocation	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
General government	\$ 27,614,207	\$ 2,653,229	\$ 5,619,526	\$ 1,425,600	\$ 180	\$ (23,222,130)	\$ -	\$ (23,222,130)
Public safety	81,802,614	13,250,266	14,002,114	3,274,148	-	(77,776,618)	-	(77,776,618)
Public works	100,063,215	1,276,759	24,264,121	2,134,648	20,969,955	(53,971,250)	-	(53,971,250)
Health and human services	6,734,301	602,049	1,024,981	3,124,861	-	(3,186,508)	-	(3,186,508)
Education	297,211,070	32,546,971	9,120,003	224,401,205	5,880,347	(90,356,486)	-	(90,356,486)
Community and economic development	5,317,553	-	(91,877)	3,499,410	-	(1,910,020)	-	(1,910,020)
Culture and recreation	10,924,460	1,027,635	859,021	971,984	10,000	(10,111,090)	-	(10,111,090)
Health and other insurance	51,900,767	(51,900,767)	-	-	-	-	-	-
Debt service:								
Interest expense	6,595,140	-	-	-	-	(6,595,140)	-	(6,595,140)
Total governmental activities	588,163,327	(543,858)	54,797,889	238,831,856	26,860,482	(267,129,242)	-	(267,129,242)
Business-Type Activities:								
Water	13,310,385	-	14,980,094	76,339	22,982,591	-	24,728,639	24,728,639
Airport	2,816,268	-	889,651	-	8,832,250	-	6,905,633	6,905,633
Downtown Parking	1,232,486	-	774,748	-	-	-	(457,738)	(457,738)
Cable Access	835,769	-	1,175,265	-	-	-	339,496	339,496
Total business-type activities	18,194,908	-	17,819,758	76,339	31,814,841	-	31,516,030	31,516,030
Total primary government	606,358,235	(543,858)	72,617,647	238,908,195	58,675,323	(267,129,242)	31,516,030	(235,613,212)
Component Units:								
Greater NB Regional Refuse Management District	3,376,865	-	5,631,197	-	-	-	-	-
New Bedford Harbor Development Commission	4,536,807	-	2,830,960	883,344	12,822,976	-	-	-
Non-major component units	3,284,865	-	4,500	3,240,963	-	-	-	-
Total component units	11,198,537	-	8,466,657	4,124,307	12,822,976	-	-	-
Total City of New Bedford	\$ 617,556,772	\$ (543,858)	\$ 81,084,304	\$ 243,032,502	\$ 71,498,299	(267,129,242)	31,516,030	(235,613,212)
General revenues:								
Property taxes, net abatements						129,588,535	-	129,588,535
Motor vehicle and other excise taxes						9,782,181	-	9,782,181
Grants and contributions not restricted						24,427,447	-	24,427,447
Tax foreclosures						909,036	-	909,036
Penalties and interest on taxes						814,668	-	814,668
Earnings on investments						1,958,533	185,032	2,143,565
Payments in lieu of taxes						361,310	-	361,310
Miscellaneous						3,223,370	68,585	3,291,955
Total general revenues						171,065,080	253,617	171,318,697
Transfers/special items:								
Transfers, net						27,827,822	(27,827,822)	-
Change in net position						(68,236,340)	3,941,825	(64,294,515)
Net position - beginning						(384,716,716)	18,958,157	(365,758,559)
Net position - ending						\$ (452,953,056)	\$ 22,899,982	\$ (430,053,074)

See accompanying notes to the basic financial statements

[illegible]

See accompanying notes to the basic financial statements

Balance Sheet - Governmental Funds
 June 30, 2020

	Major Fund	Major Fund	Major Fund	Major Fund	Non-Major	Total
	General	Wastewater	HOME	South	Governmental	Governmental
	Fund		Investment	Public Safety	Funds	Funds
			Program	Center		
ASSETS						
Cash and investments, unrestricted	\$ 36,036,472	\$ 9,095,505	\$ 2,627,234	\$ 6,903,668	\$ 54,628,550	\$ 109,291,429
Cash, restricted	11,324,425	4,915,190	-	-	5,127,411	21,367,026
Receivables, net:						
Real estate and personal property taxes	6,008,396	-	-	-	-	6,008,396
Tax liens and foreclosures	13,333,301	-	-	-	-	13,333,301
Motor vehicle and boat excise	2,320,737	-	-	-	-	2,320,737
User charges receivables	-	3,087,443	-	-	-	3,087,443
Departmental and other	6,564,194	62,822	-	-	-	6,627,016
Loans receivable	-	-	18,191,127	-	1,383,286	19,574,413
Other receivables	1,052,008	2,237	-	-	1,003,234	2,057,479
Special assessments	26,908	123,758	-	-	-	150,666
Due from federal or state government	-	-	-	-	10,461,866	10,461,866
Due from other funds	1,292,094	195,163	-	-	2,872,539	4,359,796
Intraentity receivable	1,350,790	-	-	-	-	1,350,790
Inventories	-	26,373	-	-	-	26,373
Land inventory	4,259,556	-	-	-	246,918	4,506,474
Total assets	83,568,881	17,508,491	20,818,361	6,903,668	75,723,804	204,523,205
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 83,568,881	\$ 17,508,491	\$ 20,818,361	\$ 6,903,668	\$ 75,723,804	\$ 204,523,205

See accompanying notes to the basic financial statements

	Major Fund	Major Fund	Major Fund	Major Fund	Non-Major	Total
	General	Wastewater	HOME	South	Governmental	Governmental
	Fund		Investment	Public Safety	Funds	Funds
			Program	Center		
LIABILITIES						
Warrants, accounts and accrued expenses payable	\$ 25,159,315	\$ 2,118,677	\$ 42,024	\$ 1,237,936	\$ 12,000,725	\$ 40,558,677
Retainage payable	-	-	-	325,448	1,232,315	1,557,763
Bonds and notes payable	-	-	-	14,500,000	29,622,547	44,122,547
Due to other funds	2,944,290	1,396,076	-	-	19,430	4,359,796
Deposits held	374,156	24,590	-	-	-	398,746
Due to other governments	-	-	-	-	209	209
Payroll withholdings	57,901	-	-	-	-	57,901
Other liabilities	215,173	26,977	-	-	323	242,473
Total liabilities	28,750,835	3,566,320	42,024	16,063,384	42,875,549	91,298,112
DEFERRED INFLOWS OF RESOURCES						
Deferred property and excise tax revenues	18,917,326	-	-	-	-	18,917,326
Deferred departmental and other receipts	4,417,870	-	-	-	237,734	4,655,604
Deferred user fees, fines and charges for service:	-	3,211,200	-	-	-	3,211,200
Deferred grant income	-	-	-	-	1,044,984	1,044,984
Deferred loan income	-	-	18,191,127	-	1,383,286	19,574,413
Total deferred inflows of resources	23,335,196	3,211,200	18,191,127	-	2,666,004	47,403,527
FUND BALANCE						
Nonspendable	5,610,346	26,373	-	-	5,374,329	11,011,048
Restricted	-	4,514,040	2,585,210	-	36,634,326	43,733,576
Committed	11,324,425	5,806,890	-	-	1,713,828	18,845,143
Assigned	2,235,953	383,668	-	-	-	2,619,621
Unassigned	12,312,126	-	-	(9,159,716)	(13,540,232)	(10,387,822)
Total fund balance	31,482,850	10,730,971	2,585,210	(9,159,716)	30,182,251	65,821,566
Total liabilities, deferred inflows of resources and fund balance	\$ 83,568,881	\$ 17,508,491	\$ 20,818,361	\$ 6,903,668	\$ 75,723,804	\$ 204,523,205

See accompanying notes to the basic financial statements

Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position
June 30, 2020

Total governmental fund balances	\$ 65,821,566
Allowances for doubtful accounts that are financial resources for the governmental funds	(7,401,302)
Advance refunding and related amortization that are not reported in the governmental funds	1,146,487
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	436,566,861
Long-term assets related to MWPAT and MSBA subsidies of principal for which revenue has been earned on the accrual basis	24,212,510
Deferred outflows of resources related to pensions and OPEB that are not reported in the funds	75,288,632
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	47,403,527
Internal service funds are used by management to account for health insurance activities	
The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	4,217,935
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(1,397,935)
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	(157,647,492)
Compensated absences	(13,560,690)
Capital leases	(18,973,534)
Workers' compensation claims	(4,516,026)
Net pension liability (NPL)	(314,256,172)
Net OPEB liability (NOL)	<u>(589,857,423)</u>
Net position of governmental activities	<u>\$ (452,953,056)</u>

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2020

	Major Fund	Major Fund	Major Fund	Major Fund	Non-Major	Total
	General	Wastewater	HOME	South	Governmental	Governmental
	Fund		Investment	Public Safety	Funds	Funds
			Program	Center		
REVENUES						
Real estate and personal property taxes	\$ 126,083,676	\$ -	\$ -	\$ -	\$ -	\$ 126,083,676
Motor vehicle and other excise	9,531,970	-	-	-	-	9,531,970
MSBA assistance	2,459,561	-	-	-	5,836,313	8,295,874
Tax liens and foreclosures	965,719	143,704	-	-	-	1,109,423
Penalties and interest on taxes	1,074,046	-	-	-	-	1,074,046
Licenses and permits	2,580,460	-	-	-	-	2,580,460
Fines and forfeitures	147,344	-	-	-	-	147,344
Investment income	1,191,102	225,830	31,343	-	314,542	1,762,817
Intergovernmental - operating grants	67,043,883	-	412,148	-	41,495,687	108,951,718
Intergovernmental - operating grant - Chapter	159,856,087	-	-	-	-	159,856,087
Intergovernmental - capital grants	-	4,723,106	-	-	16,735,485	21,458,591
Charges for services	14,436,007	22,788,095	-	-	1,619,802	38,843,904
Other - indirects	17,000	-	-	-	-	17,000
Special assessments and betterments	-	12,805	-	-	-	12,805
Payments in lieu of taxes	361,310	-	-	-	-	361,310
Miscellaneous	(816,675)	36,696	643,789	181	5,708,441	5,572,432
Total revenues	384,931,490	27,930,236	1,087,280	181	71,710,270	485,659,457
EXPENDITURES						
Current:						
General government	9,557,523	-	-	-	5,399,773	14,957,296
Public safety	49,543,522	-	-	-	2,971,776	52,515,298
Education	191,443,945	-	-	-	30,719,401	222,163,346
Public works	13,944,046	13,400,746	-	-	5,852,691	33,197,483
Community and economic development	-	-	672,815	-	4,439,342	5,112,157
Health and human services	4,751,962	-	-	-	1,330,183	6,082,145
Culture and recreation	4,986,297	-	-	-	1,429,938	6,416,235
Pension benefits	30,527,351	-	-	-	-	30,527,351
Health and other insurance	38,675,704	-	-	-	-	38,675,704
Miscellaneous	10,764,913	-	-	-	-	10,764,913
Intergovernmental:						
State and county charges	20,990,757	-	-	-	-	20,990,757
Capital outlay:						
General government	-	-	-	-	3,675,529	3,675,529
Public safety	-	-	-	7,492,757	-	7,492,757
Education	-	-	-	-	5,765,093	5,765,093
Public works	-	214,456	-	-	22,106,697	22,321,153
Culture and recreation	-	-	-	-	17,624	17,624
Debt service:						
Principal payments	8,123,351	8,452,171	-	-	-	16,575,522
Short-term note interest	597,164	-	-	-	-	597,164
Bond interest costs	2,964,202	3,027,626	-	-	-	5,991,828
Total expenditures	386,870,737	25,094,999	672,815	7,492,757	83,708,047	503,839,355
Excess (deficiency) of revenues over (under) expenditures	(1,939,247)	2,835,237	414,465	(7,492,576)	(11,997,777)	(18,179,898)
OTHER FINANCING SOURCES (USES)						
Bond issuance	-	-	-	-	4,646,600	4,646,600
Insurance proceeds	-	-	-	-	543,858	543,858
Issuance of capital leases	571,512	-	-	-	-	571,512
Transfers in	5,241,176	6,356,679	-	-	703,978	12,301,833
Transfers out	(998,730)	(8,214,962)	-	-	(192,946)	(9,406,638)
Total other financing sources and uses	4,813,958	(1,858,283)	-	-	5,701,490	8,657,165
Change in fund balance	2,874,711	976,954	414,465	(7,492,576)	(6,296,287)	(9,522,733)
Fund balance - beginning of year (restated)	28,608,139	9,754,017	2,170,745	(1,667,140)	36,478,538	75,344,299
Fund balance - end of year	\$ 31,482,850	\$ 10,730,971	\$ 2,585,210	\$ (9,159,716)	\$ 30,182,251	\$ 65,821,566

See accompanying notes to the basic financial statements

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$ (9,522,733)
The allowance for doubtful accounts that are resources for governmental funds	(1,751,829)
Advance refunding and related amortization that are not reported in the governmental funds	(114,615)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions:	16,869,208
Increase in Depreciation:	<u>(34,163,635)</u>
Capital Outlays in Excess of Depreciation:	(17,294,427)

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.	(188,177)
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Revenues in the Statement of Activities are accounted for on a different basis than those in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for MWPAT and MSBA principal subsidies differs between the two statements. This amount represents the net change in the long-term assets.	<u>(5,601,896)</u>
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Net change in fund balances - total governmental funds (subtotal) - to next page	\$ (34,473,677)
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Net change in fund balances - total governmental funds (subtotal) - from previous page \$ (34,473,677)

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 position. 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.

13,738,737

In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.

108,467

The other postemployment benefit expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds

(38,135,821)

The pension expense required by GASB Statement No. 68, reported in the statement of activities, requires the use of current financial resources and is not reported as an expenditure in the governmental funds

27,535,009

To record deferred outflows of resources related to GASB 68 actual versus expected experience not reported in the funds

(37,919,134)

Some expenses reported in the Statement of Activities, such as compensated absences and estimated workers' compensation claims do not require current financial resources and, therefore, are not reported as expenditures in the governmental funds.

520,452

Internal receivables and payables are eliminated at the government-wide level for financial statement presentation

176,938

Internal service funds are used by management to account for health insurance activities.

The net activity of internal service funds is reported with Governmental Activities

212,689

Change in net position of governmental activities

\$ (68,236,340)

Statement of Net Position - Proprietary Funds

June 30, 2020

	Business-Type Activities					Governmental
	Enterprise Funds					Activities
	Major Fund	Major Fund	Major Fund	Major Fund	Total	
	Water	Airport	Downtown Parking	Cable Access	Enterprise Funds	Internal Service Fund
ASSETS						
Current assets:						
Cash	\$ 4,140,509	\$ -	\$ 433,996	\$ 162,899	\$ 4,737,404	\$ 2,620,354
Cash - restricted (stabilization)	6,677,318	-	-	-	6,677,318	-
User charges receivable, net	1,293,977	-	-	-	1,293,977	-
Other receivables, net	20,853	64,110	5,380	283,975	374,318	4,318,094
Other assets	73,445	-	-	-	73,445	-
Total current assets	12,206,102	64,110	439,376	446,874	13,156,462	6,938,448
Non-current assets:						
MWPAT debt subsidy	207,000	-	-	-	207,000	-
Capital assets:						
Land and easements	1,562,500	525,293	-	-	2,087,793	-
Infrastructure in progress	23,084,891	-	-	-	23,084,891	-
Infrastructure, net	45,393,439	32,859,809	-	-	78,253,248	-
Land improvements, net	-	246,547	-	-	246,547	-
Building and improvements, net	369,921	1,318,539	5,218,804	-	6,907,264	-
Machinery and equipment, net	343,406	-	-	-	343,406	-
Automobiles, net	502,583	24,589	-	-	527,172	-
Total capital assets	71,256,740	34,974,777	5,218,804	-	111,450,321	-
Total non-current assets	71,463,740	34,974,777	5,218,804	-	111,657,321	-
Total assets	83,669,842	35,038,887	5,658,180	446,874	124,813,783	6,938,448
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources (pension)	1,305,066	130,507	195,760	-	1,631,333	-
Deferred outflows of resources (OPEB)	3,579,114	357,911	536,867	-	4,473,892	-
Total deferred outflows of resources	4,884,180	488,418	732,627	-	6,105,225	-
Total assets and deferred outflows of resources	\$ 88,554,022	\$ 35,527,305	\$ 6,390,807	\$ 446,874	\$ 130,919,008	\$ 6,938,448

See accompanying notes to the basic financial statements

	Business-Type Activities					Governmental Activities
	Enterprise Funds					
	Major Fund	Major Fund	Major Fund	Major Fund	Total	
	Water	Airport	Downtown Parking	Cable Access	Enterprise Funds	Internal Service Fund
LIABILITIES						
Current liabilities:						
Warrants, accounts and accrued expenses payable	\$ 580,079	\$ 169,694	\$ 8,483	17,133	\$ 775,389	\$ 795,513
Accrued interest	484,098	-	-	-	484,098	-
Bonds payable	2,675,413	55,000	104,500	-	2,834,913	-
Capital leases	78,951	-	-	-	78,951	-
Compensated absences	162,275	10,717	3,130	-	176,122	-
Other liabilities	470	-	-	-	470	-
Claims incurred but not reported	-	-	-	-	-	1,925,000
Total current liabilities	3,981,286	235,411	116,113	17,133	4,349,943	2,720,513
Non-current liabilities:						
Bonds payable	48,171,108	1,205,000	4,795,000	-	54,171,108	-
Capital leases	164,572	-	-	-	164,572	-
Compensated absences	-	-	5,812	-	5,812	-
Net OPEB liability (NOL)	24,436,102	2,483,610	3,725,415	-	30,645,127	-
Net pension liability (NPL)	13,231,839	1,323,184	1,984,776	-	16,539,799	-
Total non-current liabilities	86,003,621	5,011,794	10,511,003	-	101,526,418	-
Total liabilities	89,984,907	5,247,205	10,627,116	17,133	105,876,361	2,720,513
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources (pension)	600,551	60,055	90,083	-	750,689	-
Deferred inflows of resources (OPEB)	1,113,581	111,358	167,037	-	1,391,976	-
Total deferred inflows of resources	1,714,132	171,413	257,120	-	2,142,665	-
NET POSITION						
Net investment in capital assets	20,166,696	33,714,777	319,304	-	54,200,777	-
Restricted - water stabilization fund	6,677,318	-	-	-	6,677,318	-
Unrestricted - airport operating fund	-	(3,606,090)	-	-	(3,606,090)	-
Unrestricted - water operating fund	(29,989,031)	-	-	-	(29,989,031)	-
Unrestricted - downtown parking operating fund	-	-	(4,812,733)	-	(4,812,733)	-
Unrestricted - cable access operating fund	-	-	-	429,741	429,741	-
Unrestricted - internal service fund	-	-	-	-	-	4,217,935
Total net position	(3,145,017)	30,108,687	(4,493,429)	429,741	22,899,982	4,217,935
Total liabilities, deferred inflows of resources and net position	\$ 88,554,022	\$ 35,527,305	\$ 6,390,807	\$ 446,874	\$ 130,919,008	\$ 6,938,448

See accompanying notes to the basic financial statements

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2020

	Business-Type Activities					Governmental
	Enterprise Funds					Activities
	Major Fund	Major Fund	Major Fund	Major Fund	Total	
			Downtown	Cable	Enterprise	Internal
	Water	Airport	Parking	Access	Funds	Service Fund
OPERATING REVENUES						
Charges for services	\$ 14,911,626	\$ 889,651	\$ 774,748	\$ 1,175,265	\$ 17,751,290	\$ -
Utility liens and penalties	68,468	-	-	-	68,468	-
Intergovernmental	76,339	-	-	-	76,339	-
Contributions (employee and employer)	-	-	-	-	-	52,908,589
Capital contributions	22,982,591	8,832,250	-	-	31,814,841	-
Miscellaneous	58,835	-	9,750	-	68,585	-
Total operating revenues	38,097,859	9,721,901	784,498	1,175,265	49,779,523	52,908,589
OPERATING EXPENSES						
Salaries and benefits	5,729,066	440,274	548,653	814,952	7,532,945	60,926
Services and supplies	3,645,356	253,567	229,650	20,817	4,149,390	28,117
Depreciation expense	2,813,254	2,067,184	280,712	-	5,161,150	-
Health and other insurance	-	-	-	-	-	52,811,211
Total operating expenses	12,187,676	2,761,025	1,059,015	835,769	16,843,485	52,900,254
Operating income (loss)	25,910,183	6,960,876	(274,517)	339,496	32,936,038	8,335
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	170,950	3,066	5,710	5,306	185,032	204,354
Debt administrative costs	(54,184)	-	-	-	(54,184)	-
Debt service - interest payments	(1,068,525)	(55,243)	(173,471)	-	(1,297,239)	-
Total nonoperating revenue (expenses)	(951,759)	(52,177)	(167,761)	5,306	(1,166,391)	204,354
Income (loss) before transfers	24,958,424	6,908,699	(442,278)	344,802	31,769,647	212,689
TRANSFERS IN (OUT)						
Transfers in	-	-	-	-	-	-
Transfers out	(2,380,022)	(180,382)	(129,354)	(205,437)	(2,895,195)	-
Debt transfer into fund	(24,932,627)	-	-	-	(24,932,627)	-
Total transfers	(27,312,649)	(180,382)	(129,354)	(205,437)	(27,827,822)	-
Change in net position	(2,354,225)	6,728,317	(571,632)	139,365	3,941,825	212,689
Total net position - beginning of year	(790,792)	23,380,370	(3,921,797)	290,376	18,958,157	4,005,246
Total net position - end of year	\$ (3,145,017)	\$ 30,108,687	\$ (4,493,429)	\$ 429,741	\$ 22,899,982	\$ 4,217,935

See accompanying notes to the basic financial statements

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2020

	Business-Type Activities					Governmental
	Enterprise Funds					Activities
	Major Fund	Major Fund	Major Fund	Major Fund	Total	Internal
	Water	Airport	Downtown Parking	Cable Access	Enterprise Funds	
Cash flows from operating activities:						
Cash received from employee and employer contributions and governmental units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,174,647
Cash received from customers	14,976,755	845,852	784,130	1,190,130	17,796,867	-
Payments from/(to) suppliers	(7,860,660)	(472,388)	(488,999)	(827,102)	(9,649,149)	(52,944,356)
Internal activity-payments from (to) other funds	(3,164)	-	(173,610)	-	(176,774)	-
Net cash provided (used) by operating activities	7,112,931	373,464	121,521	363,028	7,970,944	(3,769,709)
Cash flows from noncapital financing activities:						
Transfers in (out)	(4,330,058)	(180,382)	(129,354)	(205,437)	(4,845,231)	-
Net cash provided by noncapital financing activities	(4,330,058)	(180,382)	(129,354)	(205,437)	(4,845,231)	-
Cash flows from capital and related financing activities:						
Purchases and construction of capital assets	(23,249,704)	-	(50,000)	-	(23,299,704)	-
Proceeds from bond issuance	-	307,000	-	-	307,000	-
Principal paid on capital debt	22,800,961	(359,857)	(43,192)	-	22,397,912	-
Interest paid on capital debt	(1,068,525)	(55,243)	(173,471)	5,308	(1,291,931)	-
Debt administrative costs	(54,184)	-	-	-	(54,184)	-
Net cash used by capital and related financing activities	(1,571,452)	(108,100)	(266,663)	5,308	(1,940,907)	-
Cash flows from investing activities:						
Interest and dividends	170,950	3,065	5,711	-	179,726	204,354
Net cash used by investing activities	170,950	3,065	5,711	-	179,726	204,354
Net increase in cash and cash equivalents	1,382,371	88,047	(268,785)	162,899	1,364,532	(3,565,355)
Balances-beginning of the year	9,435,456	(88,047)	702,781	-	10,050,190	6,185,709
Balances-end of the year	\$ 10,817,827	\$ -	\$ 433,996	\$ 162,899	\$ 11,414,722	\$ 2,620,354
Cash and short-term investments	\$ 10,817,827	\$ -	\$ 433,996	\$ 162,899	\$ 11,414,722	\$ 2,620,354
Total cash and short-term investments	\$ 10,817,827	\$ -	\$ 433,996	\$ 162,899	\$ 11,414,722	\$ 2,620,354

	Business-Type Activities					Governmental
	Enterprise Funds					Activities
	Major Fund	Major Fund	Major Fund	Major Fund	Total	Internal
	Water	Airport	Downtown Parking	Cable Access	Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 25,910,183	\$ 6,960,876	\$ (274,517)	\$ 339,496	\$ 32,936,038	\$ 8,335
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,813,254	2,067,184	280,712	-	5,161,150	-
Capital contributions from governmental activities	(22,982,591)	(8,832,250)	-	-	(31,814,841)	-
Effect of the change in assets and liabilities:						
User charges receivables, net	(136,474)	-	-	-	(136,474)	-
Other receivables, net	(75,484)	(22,356)	(368)	14,866	(83,342)	(3,733,942)
Deferred outflows	(1,983,396)	(166,689)	(297,509)	-	(2,447,594)	-
Warrants and accounts payable	(172,901)	159,520	(26,080)	8,666	(30,795)	210,254
Net OPEB liability (NOL)	3,376,718	377,672	566,507	-	4,320,897	-
Net pension liability (NPL)	(1,159,369)	(115,937)	(173,905)	-	(1,449,211)	-
Deferred inflows	1,408,991	(26,956)	211,349	-	1,593,384	-
Due to other funds	(3,164)	-	(173,610)	-	(176,774)	(254,356)
Compensated absences	(30,945)	(6,158)	8,942	-	(28,161)	-
Other liabilities	148,109	(21,442)	-	-	126,667	-
Net cash provided (used) by operating activities	\$ 7,112,931	\$ 373,464	\$ 121,521	\$ 363,028	\$ 7,970,944	\$ (3,769,709)

See accompanying notes to the basic financial statements

Statement of Fiduciary Net Position - Fiduciary Funds and Similar Component Units
June 30, 2020

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds	Agency
ASSETS			
Cash and short-term investments	\$ 2,220,070	\$ 444,242	\$ 9,908,307
Investments:			
Fixed income securities	63,433,892	-	-
Stocks / equities	129,621,682	-	-
International equities	35,406,877	-	-
Pooled funds	62,038,214	-	-
Real estate	35,507,121	-	-
Alternative investments	36,721,023	-	-
Invested in the PRIT fund	2,043,554	-	-
Receivables, net of allowance or uncollectibles:			
Employee	711,655	-	-
Other	37,038	-	508,033
Total assets	<u>367,741,126</u>	<u>444,242</u>	<u>10,416,340</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 367,741,126</u>	<u>\$ 444,242</u>	<u>\$ 10,416,340</u>
LIABILITIES			
Warrants, accounts, and accrued expenses payable	\$ 369,006	\$ 5,200	\$ 718,571
Deposits held	-	-	9,681,012
Other liabilities	-	-	16,757
Total liabilities	<u>369,006</u>	<u>5,200</u>	<u>10,416,340</u>
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - other purposes	-	439,042	-
Restricted - OPEB benefits	2,043,554	-	-
Restricted - pension benefits	365,328,566	-	-
Total net position	<u>367,372,120</u>	<u>439,042</u>	<u>-</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 367,741,126</u>	<u>\$ 444,242</u>	<u>\$ 10,416,340</u>

(1) The Pension Trust Fund is as of December 31, 2019.

See accompanying notes to the basic financial statements

Statement of Changes in Fiduciary Net Position - Fiduciary Funds and Similar Component Units
Year Ended June 30, 2020

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions	\$ 34,868,476	\$ -
Plan member contributions	10,839,235	-
Miscellaneous income	85,565	-
Total contributions	45,793,276	-
Net investment income:		
Dividends and interest	2,312,833	12,045
Net appreciation in fair value of investments	58,910,206	8,679
Total investment income	61,223,039	20,724
Less: investment expense	2,277,185	-
Net investment income	58,945,854	20,724
Intergovernmental	871,534	-
Total additions	105,610,664	20,724
<u>DEDUCTIONS:</u>		
Retirement benefits	48,648,659	-
Administration	491,085	5,319
Transfers, reimbursements and refunds	3,297,909	-
Total deductions	52,437,653	5,319
Change in net position	53,173,011	15,405
Net position - beginning of year	314,199,109	423,637
Net position - ending of year	\$ 367,372,120	\$ 439,042

(1) The Pension Trust Fund is as of December 31, 2019.

Notes to the Basic Financial Statements

June 30, 2020

Note 1. Summary of Significant Accounting Policies

The accompanying government-wide 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). The City maintains and reports its fund financial statements in accordance with practices prescribed by the Uniform Municipal Accounting System (“Uniform Systems”) promulgated by the Commonwealth of Massachusetts Department of Revenue with the exception of the City’s Wastewater Fund which is reported based on Sections 502 and 610 of the City’s “Amended and Restated Wastewater System General Revenue Bond Resolution” between the City and the Massachusetts Clean Water Trust (MCWT) (adopted October 29, 1998). The following is a summary of significant accounting policies.

A. Reporting Entity

The City of New Bedford 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. Unless otherwise indicated, the Notes to the Basic Financial Statements pertain only to the primary government because certain disclosures of the component units are not significant relative to the total component units and to the primary government.

Component Units

In conformity with accounting principles generally accepted in the United States of America, management has evaluated each potential component unit being considered for inclusion in the financial reporting entity.

Discretely presented component units are entities that are legally separate from the City, but are financially accountable to the City, or whose relationships with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City has the following component units:

The *Greater New Bedford Regional Refuse Management District* is an inter-municipal landfill benefitting the City of New Bedford and the adjacent Town of Dartmouth and was organized under the provisions of Massachusetts General Laws Chapter 40, Sections 44A through L. 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’s operating fund is reported on the government-wide financial statements as a *discretely presented* major component unit (management’s discretion). The Refuse District also has an Other Post Employment Benefit Trust fund with a net position of \$4,986,779 at June 30, 2020. The Refuse District’s OPEB Trust fund is not presented in the government-wide financial statements as the net position of the fund is held in trust (i.e. a fiduciary fund). Based on GASB Statement No. 61 guidance, a “financial benefit or burden relationship” exists between the primary government and the Refuse District due to the fact that the primary government has assumed the obligation to provide financial support to the organization through the payment of an annual assessment. 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 either the Greater New Bedford Regional Refuse Management District or the Office of the Chief Financial Officer of the City of New Bedford.

The *New Bedford Harbor Development Commission* was established under the Chapter 762 of 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 (ex-officio) and six members appointed by the mayor and confirmed by the City Council. Although legally separate, the New Bedford Harbor Development Commission is reported on the government-wide financial statements as a *discretely presented* major component unit. Based on GASB Statement No. 61 guidance, a “financial benefit or burden relationship” exists between the primary government and the Harbor Development Commission due to the fact that the primary government has provided financial support to the Harbor Development Commission in past years and this obligation is still outstanding as of the end of fiscal year 2020. Separate financial statements for the New Bedford Harbor Development Commission are not included in this financial statement presentation. These financial statements could be obtained by contacting either the New Bedford Harbor Development Commission or the Office of the Chief Financial Officer of the City of New Bedford.

The *Greater New Bedford Workforce Investment Board, Inc* (“the WIB”) is a Massachusetts not-for-profit corporation organized in 1996 under the laws of the Commonwealth of Massachusetts (MGL Chapter 156B Sections 11 to 13) setup to

Continued

function as the regional coordinator of the workforce development system for the Workforce Investment Area. The Mayor of the City of New Bedford is the Chief Elected Official of the ten community area and, under WIB bylaws, the Mayor appoints members to its board. Although legally separate, the WIB is reported on the government-wide financial statements as a *discretely presented* non-major component unit. At fiscal year end 2020, no “financial benefit or burden relationship” exists between the primary government and the WIB. However, based on GASB Statement No. 61 guidance, even though the WIB’s financial statements are quantitatively immaterial to the financial reporting entity, in management’s best professional judgment, these financial statements are qualitatively material and were included within the financial reporting entity based on the nature and significance of the WIB’s relationship with the City (i.e. the primary government). Separate financial statements for the WIB are not included in this financial statement presentation. These financial statements could be obtained by contacting either the New Directions or the Office of the Chief Financial Officer of the City of New Bedford.

The *New Bedford Redevelopment Authority* was organized under the provisions of Massachusetts General Laws 121B and is an independent body politic and corporate, is not an agency of a municipality and therefore, does not answer directly to the chief executive. According to Massachusetts General Law Chapter 121B Section 5, a redevelopment authority is governed by an appointed five-member board. In a City, four members of a housing or redevelopment authority shall be appointed by the Mayor subject to confirmation by the City Council. The purpose of the Authority is to redevelop substandard, decadent or blighted open areas for industrial, commercial, business, residential, recreational, education, hospital or other purposes. The Redevelopment Authority is reported on the government-wide financial statements as a *discretely presented* non-major component unit. Based on GASB Statement No. 61 guidance, a “financial benefit or burden relationship” exists between the primary government and the Redevelopment Authority due to the fact that the primary government has provided financial support to the Redevelopment Authority in past years and this obligation is still outstanding as of the end of fiscal year 2020. Separate financial statements for the Redevelopment Authority are not included in this financial statement presentation. These financial statements could be obtained by contacting either the Redevelopment Authority or the Office of the Chief Financial Officer of the City of New Bedford.

Management has determined that the *New Bedford Contributory Retirement System* (“the System”) should continue to be reported as a fiduciary fund in the City’s fiduciary fund financial statements per the GASBs guidance. The System qualifies as neither a blended or discretely presented component unit. The System 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 System is not required to, nor does it choose to present separate financial statements.

Complete financial statements of these component units can be obtained through the Office of the Chief Financial Officer, 133 Williams Street, New Bedford, Massachusetts 02740.

B. Government-Wide Statements

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, airport, downtown parking services and cable access are classified as business-type activities.

In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. 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 (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

Continued

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 position 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 are 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.

The following funds are used by the City:

Governmental Funds

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

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

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, 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.

Continued

- 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. The City's internal service fund accounts for all medical claims and health plan administrative fees incurred by the self-insured health plans provided to employees and retirees of the City and certain agencies of the City. This fund also accounts for the employer and employee contributions that completely fund those claims and fees on a monthly basis.

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 position and changes in net position 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. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings. The City's educational scholarship trusts are accounted for in this fund.
- b) **Agency funds** are used to account for assets held in a purely custodial capacity. The City's agency fund mainly consists of payroll withholdings and fees collected on behalf of other governments. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

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.

Description of Major Funds

Governmental funds – the City reports the following major governmental funds:

1. The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The **Wastewater Special Revenue Fund** accounts for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are legally restricted or assigned to expenditures for wastewater operations. The wastewater major fund also includes debt service and special projects of the wastewater operations.
3. The **HOME Investment Program Fund** accounts for the proceeds that fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income individuals.
4. The **South Public Safety Center Capital Project Fund** accounts for the initial funding for a feasibility study and preliminary design of an integrated public safety center on acquired land at the former church site at Brock Avenue and Ruth Street to provide fire, EMS and police services currently provided by Fire Stations 6 & 11 and Police Station 2.

Proprietary fund – the City reports the following major proprietary funds:

1. The **Water Enterprise Fund** is used to account for and report the City's water activities.
2. The **Airport Enterprise Fund** is used to account for the operations of the City's municipal airport.
3. The **Downtown Parking Enterprise Fund** is used to account for the operations of two parking garages, as well as other parking spaces located within a specific district of the City's downtown area.
4. The **Cable Access Enterprise Fund** is used to account for the operations of Cable Television PEG Access revenues and was established as an enterprise fund during fiscal year 2020.

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.

Continued

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.

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. The City applies the *susceptible to accrual* criteria to property and other taxes and to intergovernmental revenues. Available means collectible within the current period or within 60 days after year end. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred subject to availability requirements. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Property and other taxes are recognized as revenue in the year for which taxes have been levied or earned, provided they are collected within 60 days after year-end. Generally, intergovernmental revenues are recognized as revenue provided they are earned during the year and collected within one year after year-end, except for Massachusetts School Building Authority (MSBA) and Chapter 90 receivables which are considered available when received.

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. Implementation of New Accounting Principles

For the year ending June 30, 2020, the City implemented no new accounting pronouncements issued by the GASB, as the implementation of many upcoming GASB standards were delayed by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

F. Financial Statement Amounts

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.

Investments

Investments, including deferred compensation and pension funds, are stated at fair value. Fair values are based on quotations from the national securities exchange. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. 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.

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

Real and personal property taxes are based on values levied (assessed) and lienied 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.

Continued

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, Section 50). Foreclosure proceedings are processed by the Treasurer or other tax lien custodian. Foreclosed properties may then be sold through advertised public auction or held for use by the City. Properties intended to be sold through public auction are reported as tax liens and foreclosures receivable, while properties held for use by the city are reported as land inventory.

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 uncollectible 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 uncollectible 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 uncollectible is estimated based on historical trends and specific account analysis.

Usage Receivables

Receivables are recorded at net realizable value when earned under the accrual basis and modified basis of accounting. The allowance of uncollectible is based on historical trends and specific account analysis.

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 uncollectible.

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.

For those voluntary nonexchange transactions arising from future subsidized principal payments, the City recognizes a receivable and revenue when all applicable requirements, including time requirements, are met, dependent on the applicable basis of accounting.

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

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.

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

Inventory

Inventory balances were on hand at June 30, 2020 and are included in the water and wastewater funds. Inventories of supplies are reported at costs. The governmental funds use the purchases method of inventory accounting. Any inventory deemed to be "held for resale" is reported at lower of cost or market.

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 2020. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives using a half-year first year convention:

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 was subject to an extended implementation period and was first effective for fiscal year ending 2007.

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

Long-Term Debt

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

Pensions

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

Deferred Inflows of Resources (formerly known as 'deferred revenue')

In the governmental fund financial statement, deferred inflows of resources represent funds received in advance of being owed or receivables which will be collected and included in revenues of future fiscal years.

In the Governmental fund, deferred inflows of resources relate to revenue that is measurable, but not available.

In the Special Revenue funds, deferred inflows of revenues represents amounts received in advance of expenditures incurred for certain grants.

In the government-wide financial statements, revenue is recorded when earned. Therefore, those statements deferred inflow of resources represent only unearned revenues.

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.

Continued

Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Management has estimated the short-term portion of the compensated absence liability based on historical trends and/or specific account analysis.

Government-Wide and Propriety Fund Financial Statements

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

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.

Net Position and Classifications

Government -Wide Financial Statements:

Net position is displayed in three components:

- a) *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b) *Restricted net position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provision or enabling legislation.
- c) *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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 fund balance is available.

Fund Statements

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used.

- a) *Nonspendable fund balance* - amounts that are not in spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- b) *Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c) *Committed fund balance* - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purposes unless the government takes the same highest-level action to remove or change the constraint. For the City, this formal action takes the form of statutes which are passed by the City Council and approved by the Mayor.
- d) *Assigned fund balance* - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Under MGL Chapter 190, Acts of 1982, the City Auditor has the authority to assign amounts to be used for specific purposes on behalf of the City.
- e) *Unassigned fund balance* - amounts that are available for any purpose; positive amounts of unassigned fund balance are reported only in the general fund. The City does not currently have a formal minimum unassigned fund balance policy.

For purposes of fund balance classification, when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are used, committed resources are used first, followed by assigned and unassigned resources, respectively.

Continued

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 when 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 inflows of resources by the recipient.

Expenditures

Expenditures are recognized when the related fund liability is incurred.

Interfund Activity

During the course of government 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 position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as internal balances.

Fund Financial Statements:

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 government operations, resources may be permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out and are not eliminated from the individual fund statements.

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 on the modified accrual basis. 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, including workers’ compensation, is recorded as a liability and as an expense.

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.

Fund Deficit and Appropriation Deficits

Several individual fund deficits existed at June 30, 2020 in the governmental funds. These deficits will be funded by future administration plans; bond issues and available fund balances. Appropriation deficits also existed in the general fund at June 30, 2020. Please see note 2 for further information.

G. 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.

Continued

Note 2. Compliance and Accountability**Budget Requirements, Accounting and Reporting**

Requirements for all funds:

- a) Annual budgets are adopted for the general and wastewater funds, and all proprietary (enterprise) 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 appropriation 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 2020 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 against appropriations.

Excess of Expenditures Over Appropriations

Under Massachusetts law, communities incurring appropriation deficits at the departmental level in any fiscal year must supplement the next fiscal year's appropriation raised through the tax rate recapitulation by the amount of each deficit without offset for any departmental surpluses. For this purpose, all individual school departments reported within a community's General Fund may be aggregated as one department. In fiscal year 2020, the Chief Financial Officer, the Elections, the Labor Relations, the Licensing, and the Management Information Systems departments, incurred appropriation deficits. The School Department did not incur appropriation deficits (in the aggregate).

As part of the City's annual appropriation order and any supplementary appropriation orders, the level of budgetary control is more restrictively established at the appropriation category level within a department (Legal Level). Categories are defined as personal services, charges and services, supplies and materials, capital outlay, and debt service. However, the Legal Level for school expenditures is established at the single School Department appropriation line within the appropriation order. In fiscal year 2020, expenditures exceeded appropriations at the Legal Level for the following departments within the City:

Department	Category Name	Appropriation Deficit
Chief Financial Officer	Salaries & Wages	\$ 80
City Clerk	Salaries & Wages	19
Elections	Salaries & Wages	1,158
Elections	Charges & Services	527
General Government Unclassified	Salaries & Wages	24,880
Labor Relations	Charges & Services	407
Licensing	Salaries & Wages	42
Management Information Systems	Charges & Services	44,717
Mayor	Salaries & Wages	23
Planning & Community Development	Salaries & Wages	123
Fire Department	Salaries & Wages	43,612
Fire Department	Charges & Services	552,563
Fire Department	Supplies & Materials	18
Police Department	Charges & Services	17,301
Emergency Medical Services	Salaries & Wages	8,219
Emergency Medical Services	Charges & Services	219,592
Facilities & Fleet Management	Charges & Services	37,380
Health Department	Salaries & Wages	19,639
Library	Charges & Services	11,021
Tourism & Marketing	Charges & Services	71
Zoo	Salaries & Wages	15,075
Intergovernmental Expenditures	Capital Outlay	33,273
Total General Fund Appropriation Deficits		\$ 1,029,740

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 interfund transfers (i.e. other financing sources and other financing uses):

	<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	\$ 1,292,094	\$ 2,944,290	\$ 5,241,176	\$ 998,730
Wastewater Fund	195,163	1,396,076	6,356,679	8,214,962
HOME Investment Program	-	-	-	-
South Public Safety Center	-	-	-	-
<u>Non-Major Governmental Funds</u>				
Total Non-Major Governmental Funds	2,872,539	19,430	703,978	192,946
<u>Major Enterprise Funds</u>				
Water	-	-	-	2,380,022
Airport	-	-	-	180,382
Downtown Parking	-	-	-	129,354
Cable	-	-	-	205,437
Totals	<u>\$ 4,359,796</u>	<u>\$ 4,359,796</u>	<u>\$ 12,301,833</u>	<u>\$ 12,301,833</u>

The purpose of the internal balances is to fund cash flows due to timing differences between receipts and disbursements.

In addition to the sources and uses above, capital uses of \$24,932,627 were recorded to the water enterprise fund for long-term issuances of debt transferred into the fund (thus resulting in decreases to net position within the enterprise fund). A corresponding capital source was recorded in the governmental activities (thus resulting in increases to net position within the governmental activities).

Continued

Note 3. Cash, Cash Equivalents and Investments

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Governmental Activities	\$ 133,278,809
Business-Type Activities	<u>11,414,722</u>
Total Cash and Investments - Primary Government	<u>\$ 144,693,531</u>
Private Purpose Trust Funds	444,242
OPEB Trust Fund	2,043,554
Agency Funds	<u>9,908,307</u>
Total Cash and Investments - Fiduciary Funds	<u>\$ 12,396,103</u>
Pension Trust Funds - Cash	\$ 2,220,070
Pension Trust Funds - Investments	<u>362,728,809</u>
Total Cash and Investments - New Bedford Contributory Retirement	<u>\$ 364,948,879</u>
Total Cash and Investments - City of New Bedford	<u>\$ 522,038,513</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 statement of net position as “Cash and Investments”. Petty cash is included in the presentation of cash on the statement of net position in the amount of \$10,724 on June 30, 2020.

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.

The City’s policy is to review the financial institution’s financial statements and the background of the Advisor. The intent of this qualification is to limit the City’s exposure to only those institutions with a proven financial strength, capital adequacy of the firm, and overall affirmative reputation in the municipal industry. Further, all securities not held directly by the City, will be held in the City’s name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

At year end, the City’s carrying amount of deposits for the primary government, private purpose trust funds, the OPEB trust fund and the agency funds was \$157,089,634, including \$10,724 of petty cash and the bank balance was \$160,670,905. Of the bank balance \$3,085,020 was covered by Federal Depository Insurance, \$52,494,316 was covered by Depositors Insurance Fund and \$48,206,773 was held in collateralized accounts. The remaining balance of \$56,884,796 was held in uncollateralized accounts and therefore is exposed to “custodial credit risk for deposits”.

At year end the City’s carrying amount of deposits for the pension trust fund was \$1,032,482 and the bank balance was \$1,607,272. Of the bank balance \$250,000 was covered by Federal Depository Insurance. The remaining balance of \$782,482 was held in uncollateralized accounts and therefore is exposed to “custodial credit risk for deposits”.

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 investment activity is conducted through contracted investment management firms and held in pooled trust fund accounts in the City’s name.

Continued

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, 2020 based on the S&P rating scale. The City's policy to manage credit risk includes investment in United States Treasury and United States Government Agency obligations without limit. In regards to other investments, the City will only purchase investment grade securities with a high concentration in securities rated "A" or better. The City may invest in the Massachusetts Municipal Depository Trust (MMDT) with no limit to the amount of funds placed in the fund.

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.

The City adheres to the provisions of MGL Chapter 44 Section 55 when managing concentration risk. This section of the General Laws contain several restrictions limiting where and under what circumstances the City may deposit its funds. No investments in a single issuer exceeded 5% of the City's investment portfolio.

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. The City's investment policy is to manage interest rate risk by managing duration in the accounts.

Foreign currency risk is the risk that exchange rates effect the valuation of an investment. Although these investments are not denominated in a foreign currency, the underlying securities are denominated in various foreign currencies. 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 shows the distribution of the City's investments by maturity utilizing the specific identification method:

Total Investments by Investment Type and S&P Ratings:

Primary Government, Private Purpose and Agency Funds

Investment Type	Fair Value	S&P Rating									
		AAA	AA+	AA-	AA	A+	A	A-	BBB+	BBB	Not Rated
Government Securities	\$ 10,333,802	\$ -	\$ 3,361,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,972,435
Corporate Bonds	14,013,789	521,434	-	1,034,951	15,114	1,994,563	1,461,381	3,025,288	1,468,003	1,892,644	2,600,411
Total Debt Securities	\$ 24,347,591	\$ 521,434	\$ 3,361,367	\$ 1,034,951	\$ 15,114	\$ 1,994,563	\$ 1,461,381	\$ 3,025,288	\$ 1,468,003	\$ 1,892,644	\$ 9,572,846

Other Investments:

Equity	9,133,063
Equity/Real Estate	23,559
Equity-Foreign	14,814
Certificate of Deposits	4,064,403
Cash and Cash Equivalents	1,608,162
Total Investments	\$ 39,191,592

Pension Trust Fund (at December 31, 2019)

Investment Type	Fair Value	S&P Rating									
		AAA	AA	A	BBB	BB	B	CCC	CC	D	Not Rated
Bank Loans Receivable	\$ 358,029	\$ -	\$ -	\$ -	\$ -	\$ 54,608	\$ 303,421	\$ -	\$ -	\$ -	\$ -
Collateralized Mortgage Backed Securities	435,775	172,750	-	-	10,698	-	-	-	-	-	252,327
Convertible Bonds	1,173,645	-	-	-	-	316,043	-	457,174	-	27,122	373,306
Corporate Bonds	24,894,706	498,011	411,691	2,850,888	18,021,192	2,860,631	55,119	59,799	40,092	-	97,283
Government Issues	13,309,858	-	13,309,858	-	-	-	-	-	-	-	-
Loomis Mutual Fund (Full Discretion)	3,944,078	-	-	-	-	-	-	-	-	-	3,944,078
Municipal Bonds	43,981	-	-	-	-	-	43,981	-	-	-	-
National Association of Realtor Mortgage Backed Securities	1,963,199	120,780	-	60,492	-	-	-	-	-	-	1,781,927
Other Asset Backed Securities	8,661,841	2,420,023	105,964	1,766,796	2,367,009	-	-	-	-	-	2,002,049
Other Investments	128,419	-	-	-	-	6,259	-	-	-	-	122,160
Yankee Bonds	8,520,360	-	-	294,778	5,381,673	1,973,888	412,612	71,464	-	-	385,945
Total Debt Securities	\$ 63,433,891	\$3,211,564	\$13,827,513	\$ 4,972,954	\$25,780,572	\$ 5,211,429	\$ 815,133	\$ 588,437	\$ 40,092	\$ 27,122	\$ 8,959,075

Other Investments:

Pooled Emerging Market/Other Equities	\$ 62,038,214
Pooled Domestic Equities	129,621,682
Pooled International Equities	35,406,877
Pooled Alternative Investments	36,721,023
Pooled Real Estate Funds	35,507,121
Total Investments	\$ 362,728,808

Continued

*Total Investments by Investment Type and Remaining Maturity:**Primary Government, Private Purpose and Agency Funds*

Investment Type	Fair Value	Remaining Maturity (in years)				
		0-1 years	1-2 years	2-5 year	5-10 years	More than 10 years
Government Securities	\$ 10,333,802	\$ 6,513,481	\$ 1,555,178	\$ 1,642,157	\$ 394,607	\$ 228,379
Corporate Bonds	14,013,790	6,842,494	3,614,716	3,523,261	33,319	-
Certificates of Deposit	4,064,404	1,330,273	2,138,812	595,319	-	-
Total Debt Securities	\$ 28,411,996	\$ 14,686,248	\$ 7,308,706	\$ 5,760,737	\$ 427,926	\$ 228,379

Other Investments:

Equity	\$ 9,133,063
Equity/Real Estate	23,559
Equity-Foreign	14,814
Cash and Cash Equivalents	1,608,162
Total Investments	<u>\$ 39,191,594</u>

Pension Trust Fund (at December 31, 2019)

Investment Type	Fair Value	Remaining Maturity (in years)					Not Available
		0-1 years	1-2 years	3-5 year	6-10 years	More than 10 years	
Bank Loans Receivable	\$ 358,029	\$ -	\$ -	\$ -	\$ 358,029	\$ -	\$ -
Collateralized Mortgage Backed Securities	435,775	-	-	-	38,768	397,007	-
Convertible Bonds	1,173,645	-	7,841	797,530	30,012	78	338,184
Corporate Bonds	24,894,706	1,081,678	3,209,441	5,060,521	10,602,472	4,939,261	1,333
Government Issues	13,309,858	-	1,456,015	662,896	5,339,889	5,851,058	-
Loomis Mutual Fund (Full Discretion)	3,944,078	-	-	-	-	-	3,944,078
Municipal Bonds	43,981	-	-	-	-	43,981	-
National Association of Realitor Mortgage Backed Securitie	1,963,199	-	-	62,966	-	1,900,233	-
Other Asset Backed Securities	8,661,841	-	3,590	3,788,865	1,721,469	3,147,917	-
Other Investments	128,419	-	-	-	-	6,259	122,160
Yankee Bonds	8,520,360	31,076	313,048	2,639,393	3,915,772	1,621,071	-
Total Debt Securities	\$ 63,433,891	\$ 1,112,754	\$ 4,989,935	\$ 13,012,171	\$ 22,006,411	\$ 17,906,865	\$ 4,405,755

Other Investments:

Pooled Emerging Market/Other Equities	\$ 62,038,214
Pooled Domestic Equities	129,621,682
Pooled International Equities	35,406,877
Pooled Alternative Investments	36,721,023
Pooled Real Estate Funds	35,507,121
Total Investments	<u>\$ 362,728,808</u>

Continued

The following represent foreign assets the City has invested in:

<u>Investment Type</u>	<u>Currency</u>	<u>Total Amount</u>	<u>Maturity</u>	<u>Description</u>
<i>Foreign Currency Risk</i>				
<i>Primary Government, Private Purpose and Agency Funds</i>				
Common Stock - Foreign	N/A	\$ 8,253	N/A	Medtronic Hldg Ltd
Common Stock - Foreign	N/A	<u>6,561</u>	N/A	Eaton Corp PLC
Total		<u>\$ 14,814</u>		

<u>Investment Type</u>	<u>Currency</u>	<u>Total Amount</u>	<u>Maximum Maturity (in years)</u>	<u>S&P Rating</u>
<i>Foreign Currency Risk</i>				
<i>Pension Trust Fund (at December 31, 2019)</i>				
Corporate Bond	ARS	\$ 40,092	1	CC
Corporate Bond	ARS	48,307	6	CCC
Corporate Bond	ARS	46,689	6	NR
Corporate Bond	BRL	103,373	3	BB-
Corporate Bond	MYR	403,511	4	A-
Corporate Bond	NOK	498,011	4	AAA
Other Asset Backed Securities	CAD	<u>39,222</u>	19	NR
Total		<u>\$ 1,179,204</u>		

Continued

Note 4. Fair Value Disclosures – Primary Government, Private Purpose and Agency Funds

The City holds investments that are measured at fair value on a recurring basis. Recurring fair value measurements are those that the GASB Statement requires or permits in the Statement of Net Position at the end of each reporting period. Because investing is not a core part of the City's mission, the City determined that the disclosures related to these investments only need to be disaggregated by major type. The City chose a narrative format for the fair value disclosures instead of using a tabular format for disclosing the levels within the fair value hierarchy.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles and GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The City has the following recurring fair value measurements as of June 30, 2020:

Debt Securities:

- US Treasury and Other Government Securities of \$10,333,802 are valued using quoted market prices (Level 1 inputs)
- Mutual Funds totaling \$321,328 are valued using quoted market prices (Level 1 inputs)
- Corporate Bonds and Other Fixed Income Securities totaling \$13,692,461 are valued using quoted market prices (Level 1 inputs)
- Certificates of Deposit totaling \$4,064,403 are valued using quoted market prices (Level 1 inputs)

Equity Securities:

- Equities of \$9,171,436 are valued using quoted market prices (Level 1 inputs)

The City had no nonrecurring fair value measurements as of June 30, 2020.

Investments Measured at the Net Asset Value (NAV)

The City owns units, or shares in the State Retiree Benefits Trust Fund reported in the City's OPEB Trust Fund at a net asset value (NAV) of \$2,043,555 as of June 30, 2020. By law, such investments are required to be invested in the Pension Reserves Investment Trust ("PRIT") Fund and is administered by the Pension Reserves Investment Management Board ("PRIM"). The investments are irrevocable and invested for the sole purpose to provide funding for the City's post-employment benefits for the exclusive benefit of the City's retired employees and their eligible dependents; and for defraying the reasonable expenses of the Trust in accordance with the Trust agreement. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the City's ownership of the fund.

PRIT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. For the purposes of the disclosure of the PRIT's *credit quality rating*, the weighted average quality rating of the debt securities portfolio, excluding pooled investments, investments explicitly backed by the US Government and other nonrated investments was BBB+ at June 30, 2020 and BBB at June 30, 2019, per the most recently issued Pension Reserves Investment Trust Fund Comprehensive Annual Financial Report (CAFR).

For the purposes of disclosing the *interest rate risk* of the PRIT, the maturity of a government's position in an external investment pool should be based on the average maturity of the pool's investments regardless of the ability of the pool's participants to withdraw funds on demand. Per the most recently issued Pension Reserves Investment Trust Fund CAFR, the PRIM Board does not have a formal policy relating to interest rate risk, and the PRIM Board manages the PRIT Fund's exposure to fair value loss arising from movements in interest rates by establishing duration guidelines with its fixed income investment managers. The guidelines with each individual manager require that the effective duration of the domestic fixed income investment portfolio be within a specified percentage or number of years of the effective duration band of the appropriate benchmark index. For emerging markets fixed income investments, the portfolio must have duration with a band ranging from three to eight years. For more information, please see the most recently issued Pension Reserves Investment Trust Fund CAFR.

The Treasurer of the Commonwealth serves as Trustee and provides regulatory oversight. The reported value of the pool is the same as the fair value of the City's position in pool shares. The City does not have the ability to control any of the investment decisions relative to its funds in the PRIT.

Continued

Note 5. Fair Value Disclosures – New Bedford Contributory Retirement System (a Defined Benefit Pension Plan)

The New Bedford Contributory Retirement System (“the System”) holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the System’s activities, the System shows greater disaggregation in their disclosures. The System chose to display a tabular format for disclosing the levels within the fair value hierarchy per GASB Statement No. 72, *Fair Value Measurement and Application*.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of December 31, 2019:

		Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)*	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2019			
Investments by Fair Value Level:				
Equity Securities:				
BNY Mellon EB Dynamic Equity Pooled Fund	\$ 33,312,374	\$ 33,312,374	\$ -	\$ -
BNY Mellon EB US Small-Mid Cap Equity Fund	7,655,248	7,655,248	-	-
SSgA Russell 3000 Index NL Fund	49,099,846	49,099,846	-	-
Westfield All Cap Equity Collective Fund	39,554,213	39,554,213	-	-
SSgA MSCI EAFE Index NL Fund	35,406,877	35,406,877	-	-
Pooled Funds:				
Aberdeen Emerging Markets Equity Fund	12,765,285	12,765,285	-	-
Acadian Emerging Markets Equity II Fund LLC	21,066,777	21,066,777	-	-
PIMCO All Asset Collective Trust	28,206,152	28,206,152	-	-
Alternative Investments:				
NB Crossroads Fund XXI	8,580,294	-	-	8,580,294
Hamilton Lane Private Equity Fund IX LP	6,962,653	-	-	6,962,653
Hancock Timberland and Farmland Fund LP	7,419,579	-	-	7,419,579
INVESCO Partnership Fund IV, LP	23,440	-	-	23,440
Lexington Capital Partners VIII LP	7,388,899	-	-	7,388,899
Mesirow Financial Private Equity Partnership Fund V, LP	6,267,196	-	-	6,267,196
Realty Associates Fund VIII Corporation	3,075	-	-	3,075
Wilton Private Equity Fund	75,887	-	-	75,887
Total investments by fair value level	<u>\$ 263,787,795</u>	<u>\$ 227,066,772</u>	<u>\$ -</u>	<u>\$ 36,721,023</u>
Total investments measured at fair value	<u>\$ 263,787,795</u>	<u>\$ 227,066,772</u>	<u>\$ -</u>	<u>\$ 36,721,023</u>
Other investments held:				
Investments Measured at Net Asset Value (NAV):				
UBS Asset Management - Trumbull Property Fund	\$ 18,489,458			
Loomis Multisector Full Discern Tr B	63,433,892			
US Real Estate Investment Fund, LLC	<u>17,017,663</u>			
Total other investments held:	<u>98,941,013</u>			
Total investments held by the				
New Bedford Contributory Retirement System:	<u>\$ 362,728,808</u>			

Continued

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

Investments Measured at the NAV:

Investment:	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
UBS Asset Management - Trumbull Property Fund ⁽¹⁾	\$ 18,489,458	--	--	30 - 60 day
Loomis Multisector Full Discrn Tr B ⁽²⁾	63,433,892	--	--	30 - 60 day
US Real Estate Investment Fund, LLC ⁽³⁾	17,017,663	--	--	30 - 60 day
Total investments measured at the NAV:	<u>\$ 98,941,013</u>			

⁽¹⁾ UBS Asset Management – Trumbull Property Fund

The Trumbull Property Fund LP is a Delaware limited partnership having multiple subsidiaries for its real estate investments. Certain subsidiaries have elected to be taxed as real estate investment trusts (“REITs”) or taxable REIT subsidiaries for U.S. federal income tax purposes. The purpose of the Fund is to actively manage a core portfolio of primarily equity real estate investments located in the United States. The general partner of the Fund is Trumbull Property Fund GP LLC, whose sole member, UBS Realty Investors LLC, provides investment advisory services to the Fund pursuant to one or more Advisory Agreements with the Fund and its subsidiaries. UBS Realty is organized as a limited liability company and has been registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment advisor under the Investment Advisers Act of 1940, as amended, since January 5, 1994.

Valuation Policy:

- The real estate investments of the Fund are stated at estimated fair value. Fair value means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of real estate investments do not reflect transaction costs that may be incurred upon disposition of the real estate investments. The Fund’s real estate values do not necessarily represent the prices at which the real estate investments would be sold or repaid, since market prices of real estate investments can only be determined by negotiation between a willing buyer and seller. Amounts ultimately realized from each investment may vary materially from the fair values reflected in the consolidated financial statements.
- A third-party firm is engaged by the Fund to administer the Fund’s valuation policies and procedures, including managing the Fund’s independent appraisal process and reviewing the Fund’s independent appraisals.
- The Fund's real estate investments are generally appraised every quarter starting with the first full quarter after an investment is made. An independent appraisal of the underlying real estate for each investment is performed annually. This annual appraisal includes a property inspection and market analysis. In the interim quarters, the valuation is updated by the independent appraiser through a restricted appraisal report. In these appraisals, the prior cash flow assumptions for the real estate investments are updated for factual changes, and changes in market conditions are evaluated. All appraisals are certified by members of the Appraisal Institute who hold the MAI designation. Appraisals and appraisal reports are required to comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”), as promulgated by the Appraisal Foundation.

⁽²⁾ Loomis Multisector Full Discretion Trust

- Seeks to maximize total return
- The objective is to outperform Barclays Gov/Credit index over a market cycle although this index is used for comparative purposes and isn't intended to parallel the risk or investment style of the strategy
- Broad investable universe with flexibility to gain significant exposure to opportunities out of the benchmark including high yield, emerging markets, bank loans, convertibles, preferred equity, asset backed securities, etc.
- Value oriented & opportunistic. Returns typically come from income generation as well as price appreciation
- Long term time horizon

Valuation Policy:

In fulfilling its duty to the Fund Board and to its Client Accounts, the Adviser relies on approved pricing vendors and/or broker dealers to furnish Market Quotations, or, in the absence of readily available Market Quotations, it will Fair Value securities in good faith based upon criteria set forth in these Procedures. The Adviser utilizes the Fair Value Information Services (“FVIS”) that is offered by Interactive Data Corporation (“IDC”) to assist in the daily Fair Valuation of certain:

- Foreign equity securities excluding preferred securities (“Foreign Equities”),
- Futures contracts on foreign equity indices (“Foreign Equity Index Futures”),

Continued

- Options contracts on foreign equity indices ("Foreign Equity Index Options"), and
- Options contracts on single name foreign equities ("Foreign Single Name Equity Options")

Furthermore, the Adviser cannot simply rely on pricing vendors to compute value; it must monitor for "significant events" or other factors the effect of which suggest the Market Quotation of a security does not represent an amount the Adviser would reasonably expect to receive upon its current sale. Once the Adviser identifies a significant event or other factor, the Pricing Manager will determine whether the Market Quotation for a security or group of securities as obtained from the regular approved pricing source is (are) reliable and, if the Market Quotation(s) is (are) not deemed to be reliable, the Pricing Manager will determine whether the security(ies) should be priced in accordance with the Procedure's Standing Instructions, or the Pricing Manager will convene a Pricing Committee meeting to Fair Value such security(ies) in good faith.

⁽³⁾ US Real Estate Investment Fund LLC

Intercontinental's newest private equity real estate fund. The United States Real Estate Investment Fund, LLC (U.S. REIF) represents Intercontinental's fifth fund. The US REIF is an open-ended commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire yield-driven assets consisting of all property types.

Valuation Policy:

An independent appraisal management firm (the "Appraisal Management Firm") selected by the Manager shall oversee and administer the appraisal process for the Company. The Appraisal Management Firm shall select and supervise third-party appraisal firms. Except as provided below, each of the Company's investments shall be appraised annually, with approximately 25% of the Company's investments being appraised each quarter. The appraised values shall be updated quarterly by the Appraisal Management Firm based upon financial and leasing updates provided by the Manager and its Affiliates. Prior to its first appraisal, all acquired investments shall be valued at cost plus capital expenditures (i.e., no appraisal will be required prior to the closing of each new investment) and the new investment will join the annual valuation cycle within 12 months following the acquisition date. A value-added investment may be valued in the discretion of the Manager at cost (including subsequent capital expenditures) until the completion of its value added program (or sooner in the discretion of the Manager), and thereafter such investment shall be appraised in accordance with the procedures described above. The Manager shall have the right, in its discretion and at any time, to modify the valuation cycle with respect to any Company investment.

Note 6. Receivables

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. Properties foreclosed on after June 30, 2017 are intended to be sold through public auction and are reported as tax foreclosures receivable, while foreclosures prior to July 1, 2017 have been held for City use and are reported as land inventory. As of June 30, 2020, \$1,163,971 and \$4,506,474 has been reported as tax foreclosures receivable and land inventory, respectively.

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

Under Massachusetts law, liens are placed on real and personal property as of the date of tax levy or utilities billing for the amount of levied taxes or utility fees. Liens remain in effect until payment has been received. MGL 44, Chapter 60, Section 37 permits the municipality to sell or take tax title of properties on which taxes and utilities remain delinquent 14 days after the municipality issues a demand for payment. Proceeds from the sale of tax titles are recognized as revenue, while tax titles taken by the City are reclassified as tax liens receivable. Under MGL Chapter 60, Section 65, the City may foreclose on the property owner's redemption rights six months after the taking of tax title. Properties foreclosed upon after June 30, 2017 are reported as tax foreclosures receivable. Those acquired before July 1, 2017 are reported as land inventory held for public purposes or future development in the amount of unpaid taxes, interest, and fees. Land inventory that is subsequently deployed for public purposes is reported in the General Fixed Assets Account Group. For land inventory that is subsequently sold, a gain or loss is reported in the year of disposition. Remaining land inventory is amortized against property tax revenue over a five-year period following the date of foreclosure until it is either deployed for public purpose or sold. As of June 30, 2020, land inventory with an original basis of \$6,906,822 has been reported as \$4,506,474, net of amortization, and has been fully reserved as nonspendable fund balance. During fiscal year 2020, \$1,117,884 of remaining land inventory was amortized.

Utility receivables charged for both water and sewer usage is recorded based on billings of the cycle which the sections of the City's meters are read. Utility billing occurs quarterly and when unpaid is added to the property owners tax bill as a water and/or sewer lien.

As part of the Community Development Program, the City administers loan programs that provide housing assistance to residents and capital needs assistance for small businesses. Certain of these loans are deferred and forgiven if provisions of the loans are met; others are collectible over the term of the mortgage.

	Governmental Activities					Business-Type Activities				
	Major Funds				Total	Major Funds				Total
	General	Wastewater	HOME Investment Program	Non-Major Governmental	Governmental Activities	Water	Airport	Downtown Parking	Cable	Business-Type Activities
Receivables:										
Real estate and personal property taxes	\$ 6,008,396	\$ -	\$ -	\$ -	\$ 6,008,396	\$ -	\$ -	\$ -	\$ -	\$ -
Tax liens and foreclosures	13,333,301	-	-	-	13,333,301	-	-	-	-	-
Motor vehicle and boat excise	2,320,737	-	-	-	2,320,737	-	-	-	-	-
User charges receivables	-	3,087,443	-	-	3,087,443	1,445,760	-	-	-	1,445,760
Departmental and other	6,564,194	62,822	-	-	6,627,016	-	-	-	-	-
Loans receivable	-	-	18,191,127	1,383,286	19,574,413	-	-	-	-	-
Other receivables	1,052,008	2,237	-	1,003,234	2,057,479	20,853	73,915	5,380	283,975	384,123
Special assessments	26,908	123,758	-	-	150,666	-	-	-	-	-
Due from federal or state government	-	-	-	10,461,866	10,461,866	-	-	-	-	-
Gross receivables (governmental and proprietary funds)	29,305,544	3,276,260	18,191,127	12,848,386	63,621,317	1,466,613	73,915	5,380	283,975	1,829,883
Less: allowance for uncollectable	(1,302,805)	-	-	(1,592,023)	(2,894,828)	(151,783)	(9,805)	-	-	(161,588)
Net total receivables (GWFS)	\$ 28,002,739	\$ 3,276,260	\$ 18,191,127	\$ 11,256,363	\$ 60,726,489	\$ 1,314,830	\$ 64,110	\$ 5,380	\$ 283,975	\$ 1,668,295

Note 7. Tax Abatement Disclosures

The City's Tax Increment Financing (TIF) Program was created in 1996 to foster investment and job creation by the private sector through short-term tax incentives provided by the Commonwealth and City. This program is administered as the local component of the Commonwealth's Economic Development Incentive Program (EDIP), and is a partnership between the Commonwealth, the municipality and an expanding company. All provisions of the TIF policy are in accordance with MGL Chapter 40 Section 59 and its implementing regulations found under 760 CMR 22.01. Under the EDIP, the City of New Bedford is an Economic Target Area and Gateway Municipality, and utilizes this designation to address blighted, distressed, and underutilized areas and sites. In a Gateway Municipality, businesses looking to propose for such areas or sites are eligible for greater incentives. A company that intends to locate or expand operations in the City may submit a project proposal for certification to the City of New Bedford Tax Increment Financing Board (Board). Types of eligible projects include expansion, enhanced expansion, manufacturing retention, or abandoned building renovation projects.

In exchange for job creating and investment commitments, a company's certified project becomes eligible to receive state and local tax benefits to include:

- Local property tax exemptions pursuant to executed TIF or STA agreements
- 100% personal property tax exemption (for executed TIF agreements only)
- 10% abandoned building tax deduction (if applicable)
- Up to 10% enhanced investment tax credit (EOAC)

Certified project proposals must comply with the eligibility guidelines as established by the Board. The New Bedford Economic Development Council administers the TIF program.

The TIF Board, City Council and the Commonwealth have approved numerous projects since 1996. In total, 13 projects were active at fiscal year ended June 30, 2020 and compliant with the program's reporting requirements, which together have added \$26.2 million in new private-sector investment, while creating and retaining thousands of jobs in New Bedford. For the fiscal year ended June 30, 2020, the City abated property taxes totaling \$360,749 under this program.

Continued

Note 8. Capital Assets and Depreciation

Capital asset activity for the year ended June 30, 2020 was as follows:

	Governmental Activities:				Business-Type Activities:			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Not Being Depreciated:								
Land and easements	\$ 11,328,514	\$ -	\$ -	\$ 11,328,514	\$ 2,087,793	\$ -	\$ -	\$ 2,087,793
Construction in progress	54,978,185	32,382,558	43,681,915	43,678,828	-	-	-	-
Infrastructure in progress	7,617,774	2,984,013	480,045	10,121,742	102,300	22,982,591	-	23,084,891
Subtotal	73,924,473	35,366,571	44,161,960	65,129,084	2,190,093	22,982,591	-	25,172,684
Other Capital Assets:								
Infrastructure	211,730,881	135,000	-	211,865,881	141,480,014	8,937,250	-	150,417,264
Land improvements	8,853,890	424,840	-	9,278,730	621,822	-	-	621,822
Buildings and improvements	462,077,595	11,048,778	-	473,126,373	8,434,140	50,000	-	8,484,140
Machinery and equipment	56,245,690	2,084,767	-	58,330,457	6,374,161	-	-	6,374,161
Office equipment and furniture	12,864,919	172,288	482,220	12,554,987	26,649	-	-	26,649
Computer equipment	18,236,396	3,569,204	-	21,805,600	87,149	-	-	87,149
Library books and textbooks	5,872,666	8,079	-	5,880,745	-	-	-	-
Automobiles	17,825,204	2,008,517	445,935	19,387,786	2,064,941	162,116	-	2,227,057
Animals	51,857	-	-	51,857	-	-	-	-
Subtotal	793,759,098	19,451,473	928,155	812,282,416	159,088,876	9,149,366	-	168,238,242
Accumulated Depreciation:								
Infrastructure	131,970,662	3,817,514	-	135,788,176	67,867,655	4,296,359	-	72,164,015
Land improvements	1,292,280	625,862	-	1,918,142	344,299	30,976	-	375,275
Buildings and improvements	179,860,198	24,599,938	-	204,460,136	1,221,475	355,401	-	1,576,876
Machinery and equipment	49,536,780	2,415,698	-	51,952,478	5,755,633	275,122	-	6,030,755
Office equipment and furniture	12,104,695	242,088	482,220	11,864,563	26,649	-	-	26,649
Computer equipment	14,877,286	965,060	-	15,842,346	87,149	-	-	87,149
Library books and textbooks	4,650,721	699,702	-	5,350,423	-	-	-	-
Automobiles	12,341,263	1,279,194	-	13,620,457	1,496,594	203,293	-	1,699,887
Animals	47,119	800	-	47,919	-	-	-	-
Subtotal	406,681,004	34,645,856	482,220	440,844,640	76,799,454	5,161,151	-	81,960,606
Net other capital assets	387,078,094	(15,194,383)	445,935	371,437,776	82,289,422	3,988,215	-	86,277,636
Net capital assets	<u>\$ 461,002,567</u>	<u>\$ 20,172,188</u>	<u>\$ 44,607,895</u>	<u>\$ 436,566,860</u>	<u>\$ 84,479,515</u>	<u>\$ 26,970,806</u>	<u>\$ -</u>	<u>\$ 111,450,320</u>

The total amount of net capital assets obtained through capital leases totaled \$23,712,882 at June 30, 2020. Total accumulated depreciation against these assets totaled \$10,003,714 at June 30, 2020.

Continued

Depreciation was charged to the functions of governmental and business-type activities as follows:

Governmental Activities:

General Government	\$ 2,109,955
Public Safety	1,972,922
Education	19,369,987
Public Works	7,919,352
Community and Economic Development	168,030
Health and Human Services	(70,296)
Culture and Recreation	<u>2,693,685</u>
Total Governmental Activities	<u>\$ 34,163,635</u>

Business-Type Activities:

Water	2,813,254
Airport	1,846,377
Downtown Parking	<u>280,712</u>
Total Business-Type Activities	<u>\$ 4,940,343</u>

Note 9. Pension Plan

General Information about the Pension Plan

Plan description. The System is a contributory defined benefit plan, as established by MGL Chapter 32, covering all City of New Bedford Retirement System member unit employees deemed eligible by the retirement board, with the exception of the school department employees who serve in a teaching capacity. The Massachusetts Teacher Retirement System (“MTRS”) administers the pensions of such school employees. The City does not contribute to the MTRS. The amount of payments made on behalf of the City of New Bedford by the Commonwealth of Massachusetts into the MTRS totaled \$36,607,592 for the fiscal year ended June 30, 2020 and, accordingly, are reported as intergovernmental revenues and expenditures within the City’s general fund. For further information regarding the MTRS, please see www.mass.gov/mtrs.

The System qualifies as a cost-sharing multiple employer plan since pension obligations exist for employees of more than one employer and plan assets can be used to pay the benefits of the employees of any employer. Additional disclosures as required by GASB Statement No. 68 with respect to single-employer pension plans were also integrated into this note (where applicable) for enhanced transparency over financial reporting due to the fact that the City of New Bedford is considered the “reporting entity”. Five employers currently participate in the System, the City of New Bedford, the New Bedford Housing Authority, the Greater New Bedford Regional Technical Vocational High School, the Greater New Bedford Regional Refuse Management District, and the Southeastern Regional Transit Authority. Each employer contributes into the plan annually as determined by the Public Employee Retirement Administration Commission (“PERAC”). Please see the section below entitled “Contributions” for more information.

The PERAC issues a publicly available report on the City of New Bedford Retirement System pursuant to MGL Chapter 32 Section 21 that can be obtained at www.mass.gov/perac. This report contains additional information with respect to the System.

Benefits provided. The System provides retirement, disability, and death benefits. Retirement benefits vest after ten years of creditable service and are determined by multiplying average salary by a benefit rate related to the member’s age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula

Continued

cannot exceed 80% of the member's highest three year average salary (for employees hired prior to April 2, 2012) or 80% of the member's highest five year average (for employees hired on or after April 2, 2012). The benefit rate also varies with the member's retirement age and group classification (see below). Members may elect to receive their retirement allowances in one of three forms of payment (Options A, B and C) per MGL Chapter 32.

Members of the System are eligible for two types disability benefits (ordinary and accidental disability) for which allowances are determined based on the date the member entered the System along with the "group" the member belongs to. Death benefits are also available for members who die as a result of a work-related injury if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired. Allowances for death benefits consist of immediate payments to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary. Other allowances are also entitled to those surviving spouses of the police or fire departments.

Chapter 17 of the Acts of 1997 was adopted by the New Bedford Contributory Retirement System. The result of such adoption allows the Retirement Board to vote to pay a cost of living increase (COLA) for that year, with the percentage determined by the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%.

Employees covered by benefit terms. At January 1, 2020 (the most recent actuarial valuation date) the following employees were covered by the benefit terms:

Active plan members	2,140
Inactive employees or beneficiaries currently receiving benefits	1,854
Inactive employees entitled to a return of contributions	<u>491</u>
Subtotal	<u><u>4,485</u></u>
Number of participating employers	<u><u>5</u></u>

Participation in the retirement system is mandatory for all full-time employees. For retirement purposes, employees are classified into four classes of membership. Group 3 consists exclusively of the State Police. The other three classes are as follows:

Group 1 – General employees, including clerical, administrative, technical and all other employees not otherwise classified.

Group 2 – Certain specified hazardous duty positions.

Group 4 – Police officers, firefighters, and other specified hazardous positions.

Contributions. Member contributions vary depending on the most recent date of membership. Members who entered the system prior to 1975 contribute 5% of regular compensation. Members who entered between 1975 and 1983 contribute 7% of regular compensation. Members who entered between 1984 and June 30, 1996 contribute 8% of regular compensation. Members who entered after July 1, 1996 will contribute 9% of regular compensation. Also, members who joined after 1978 are required to make extra contributions equal to 2% of all compensation exceeding \$30,000 annually.

Under Chapter 32 Section 22F of the Massachusetts Laws, employers are required to make the necessary contributions to the trust such that the plan reaches a full funding status by 2040. Thereafter, annual contributions equal to the normal cost will keep the Plan's assets and liabilities in balance. Contributions to the pension plan from participating employers was \$34,868,476 for the fiscal year ended June 30, 2020 as determined by PERAC. Of the \$34,868,476 contributed, \$30,527,351 represents contributions from the City of New Bedford. PERAC establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of the benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. For the fiscal year ended June 30, 2020, the City's average contribution rate was approximately 33 percent of annual payroll.

Continued

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

The System's net pension liability was measured as of December 31, 2019 (i.e. the "measurement date" as defined by GASB Statement No. 68), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 performed by KMS Actuaries, LLC. Update procedures were used to roll forward the total pension liability to the measurement date.

At June 30, 2020 (i.e. the "reporting date" as defined by GASB Statement No. 68), the System reported a net pension liability of \$377,836,625 while the City of New Bedford reported a liability of \$330,795,970 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of the five participating employers, actuarially determined. The following chart illustrates each employers proportionate share used at the measurement date:

Employer	Fiscal Year 2020 Actual Employer Contributions	Employer Allocation Percentage
City of New Bedford	\$ 30,527,351	87.5500%
New Bedford Housing Authority	2,175,793	6.2400%
Greater NB Regional Voc. Tech HS	1,656,252	4.7500%
Greater NB Regional Refuse Mgmt. District	327,764	0.9400%
Southeastern Regional Transit Authority	181,316	0.5200%
	<u>\$ 34,868,476</u>	<u>100.0000%</u>

At December 31, 2019, the City's proportion was 87.55 percent, which was a increase of 0.44 percent from its proportion measured as of December 31, 2018.

Special Funding Situation

Teachers, certain administrators, and other professionals of the School Department participate in a contributory defined benefit plan administered by the Massachusetts Teachers' Retirement System (MTRS). The MTRS arrangement qualifies as a special funding situation as the City has no obligation to contribute to this plan. Rather the Commonwealth funds plan benefits to the extent that funding is not provided through employee contributions. The Commonwealth's proportionate share of the collective net pension liability of the MTRS associated with the City's employees as of the June 30, 2019 measurement date is \$301.9 million based on an employer allocation percentage of 1.1971%. The Commonwealth contributed \$36.6 million on behalf of the City during the measurement period and the City reported the amount as an intergovernmental revenue and education expenditure in the City's General Fund.

For the year ended June 30, 2020, *the System* recognized pension expense of \$46,245,973. Of that amount, *the City* recognized pension expense of \$41,448,004. At June 30, 2020, *the System* reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,874,641	\$ -
Changes of assumptions	23,432,842	-
Net difference between projected and actual earnings on pension plan investments	-	16,776,316
Changes in proportion and differences between System contributions and proportionate share of contributions	<u>3,233,710</u>	<u>3,233,710</u>
	<u>\$ 37,541,193</u>	<u>\$ 20,010,026</u>

Continued

At June 30, 2020, *the City* reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,520,748	\$ -
Changes of assumptions	20,515,453	-
Net difference between projected and actual earnings on pension plan investments	-	14,687,664
Changes in proportion and differences between City contributions and proportionate share of contributions	2,590,443	326,123
	<u>\$ 32,626,644</u>	<u>\$ 15,013,787</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in *the System's* pension expense as follows:

Measurement period ending December 31:

2020	\$ 9,110,242
2021	9,569,506
2022	5,234,301
2023	(6,692,225)
2024	309,343
	<u>309,343</u>
Subtotal - all years	<u>\$ 17,531,167</u>

Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in *the City's* pension expense as follows:

Year ended June 30:	
2021	\$ 8,586,203
2022	8,893,320
2023	5,204,629
2024	(5,482,071)
2025	<u>410,776</u>
Subtotal - all years	<u>\$ 17,612,857</u>

Actuarial assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- | | |
|------------------------------|--|
| 1. Member Data | The member data used in the determination of cost estimates consist of pertinent information with respect to the active, inactive, retired, and disabled members of the employer as supplied by the employer to the actuary. |
| 2. Valuation Date | January 1, 2020 |
| 3. Actuarial Cost Method | The costs of the Plan have been determined in accordance with the individual entry age normal actuarial cost method. |
| 4. Rate of Investment Return | It is assumed that the assets of the fund will accumulate at a compound annual rate of 7.5% per annum. |
| 5. Salary Scale | It is assumed that salaries including longevity will increase at a rate between 3.25% and 6% per year dependent on years of service. |
| 6. Cost-of-Living Increases | Cost-of-living increases have been assumed to be 3.0% of the lesser of the pension amount and \$12,000 per year. |
| 7. Value of Investments | Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the assumed rate of return. |
| 8. Annual Rate of Mortality | Mortality rates were based on the RP-2014 Blue Collar Mortality Table, projected with fully generational improvement using Scale MP-2018. For disabled lives the mortality rates were based on the RP-2014 Blue Collar Mortality Table, set forward one year, projected with fully generational mortality improvement using Scale MP-2018. |

The actuarial assumptions used in the January 1, 2020 valuation were prepared using generally accepted actuarial principles and practices and meet the parameters set by GASB Statement No. 68. The assumptions used represent the best estimate of anticipated experience of the system. Only the mortality assumption changed versus the prior valuation. There were no changes to benefit provisions that would significantly affect the valuation of the actuarial accrued liability occurred during fiscal year 2020.

Continued

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return (Average)
Domestic Equities	32.00%	4.40%
International Equities	9.00%	4.80%
Emerging Markets Equities	9.00%	5.90%
Private Equity	10.00%	7.60%
Fixed Income	18.00%	0.40%
Real Estate	11.00%	3.20%
Alternatives (GTAA)	7.00%	2.60%
Cash	4.00%	3.80%
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent (as selected by the Retirement Board; this discount rate approximates the long-term expectation of investment returns). The discount rate was selected based on a projection of employer and employee contributions benefit payments, expenses and the long-term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts Laws, employers are required to make the necessary contributions to the trust such that the plan reaches a fully funded status by 2040. In addition, Chapter 32 also gives the Retirement Board the right to go directly to the Assessors of the community and add an additional property tax to bills for amounts not paid by employer. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Continued

Changes in the Net Pension Liability of the System

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2018	<u>\$ 725,217,512</u>	<u>\$ 312,194,979</u>	<u>\$ 413,022,533</u>
Changes for the year:			
Service cost	13,299,628	-	13,299,628
Interest on liability and service cost	53,440,073	-	53,440,073
Differences between expected and actual experience	427,538	-	427,538
Contributions - employer	-	34,868,476	(34,868,476)
Contributions - employee	-	10,839,234	(10,839,234)
Other payments	-	871,534	(871,534)
Net investment income	-	59,077,910	(59,077,910)
Change in assumptions	2,746,110	-	2,746,110
Benefit payments, including refunds of employee contributions	(51,965,670)	(51,965,670)	-
Administrative expense	-	(557,897)	557,897
Net changes	<u>17,947,679</u>	<u>53,133,587</u>	<u>(35,185,908)</u>
Balances at December 31, 2019	<u><u>\$ 743,165,191</u></u>	<u><u>\$ 365,328,566</u></u>	<u><u>\$ 377,836,625</u></u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the New Bedford Contributory Retirement System (in total) calculated using the discount rate of 7.5 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
New Bedford Contributory Retirement System's net pension liability	\$ 459,121,241	\$ 377,836,625	\$ 309,033,659

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability	\$ 401,960,650	\$ 330,795,970	\$ 270,558,971

Pension plan fiduciary net position. The market value of the pension trust fund at December 31, 2019 is presented on the "Statement of Fiduciary Net Position." Detailed information can also be seen in the Annual Statement of the City of New Bedford Retirement System for the Year Ended December 31, 2019.

Payables to the pension plan

At June 30, 2020, the City did not report any amounts payable to the System for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020. The City paid-in 100% of its required appropriation.

Continued

Note 10. Post Employment Benefits Other Than Pension**General Information about the OPEB Plan**

Plan description. The City provides health and life insurance benefits through a single-employer defined benefit OPEB plan to actives, 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. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume and pay all claims for specific plans. The Plan does not issue a standalone financial report.

GASB Statement No. 75 requires the following disclosures in the financial statements:

Benefits provided. The contribution requirements of Plan members and the City are established and may be amended by the City. Twenty-five percent of the calculated contribution is paid by the retirees through pension benefit deductions. The remainder (seventy-five percent) of such cost is funded by the City. The City contributes 100% towards a \$5,000 term life insurance premium, retirees contribute \$1.23 per month for coverage. The City currently contributes enough money to the Plan to satisfy current obligations on a “pay-as-you-go” basis. The costs of administering the Plan are paid by the City.

Employees covered by benefit terms. At June 30, 2020 (the most recent valuation date), the following employees were covered by the benefit terms:

Active plan members	3,099
Retirees and Beneficiaries	<u>3,712</u>
Subtotal	<u><u>6,811</u></u>
Number of participating employers	<u><u>1</u></u>

Contributions. The contribution requirements of plan members and the City are established and may be amended through City ordinances. For the 2020 fiscal year, total City premiums plus implicit costs for the retiree medical program are \$14,843,263. The City did not make a current year contribution to the OPEB Trust for a total contribution of \$14,843,263

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2020
Reporting Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return:	2.5% (partial prefunding, rate is net of investment expenses)
Healthcare Cost Trend Rate:	Ultimate trend rate of 4.5% for 2020 and after.
Participation:	95% of future retiree teachers are assumed to participate in the retiree medical plan, 95% of future non-teacher retirees are expected to participate in the retiree medical plan and 100% of future retirees are expected to elect life insurance

Continued

It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2015, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2015.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results the experience of the plan and reasonable expectations and, in combination, represent the best estimate of the anticipated experience under the plan.

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

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

Asset Class	Target Allocation	Current Allocation	Long Term Expected Rate of Return (Average)
Global equities	40.0%	42.0%	9.5%
Core fixed income	16.0%	15.7%	5.6%
Value-added fixed income	7.0%	7.5%	5.3%
Private equity	13.0%	11.5%	16.9%
Real estate	10.0%	9.2%	10.4%
Timberland	3.0%	3.7%	4.9%
Portfolio completion strategies	11.0%	9.7%	3.8%
Overlay	0.0%	0.6%	N/A
Liquidating portfolios	0.0%	0.1%	N/A
Total	100.0%	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 2.5 percent. In the prior year, the discount rate was 3.75 percent. The discount rate was selected based on a projection of employer and employee contributions, benefit payments (with and without subsidy), expense and the long-term expected rate of return on trust assets.

Based on Massachusetts General Laws and these assumptions, the OPEB plan's fiduciary net position was projected to *not* be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was blended with the 20 year municipal bond rate (for a AA/Aa rated bond per GASB Statement No. 75 parameters) to be applied to all periods of projected benefit payments to determine the Total OPEB Liability.

Continued

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at the beginning of the period	\$ 528,488,722	\$ 2,004,131	\$ 526,484,591
Changes for the year:			
Service cost	18,941,395	-	18,941,395
Interest	20,229,162	-	20,229,162
Differences between expected and actual experience	(46,043,123)	-	(46,043,123)
Changes in assumptions	117,449,904	-	117,449,904
Contributions - employer	-	14,843,263	(14,843,263)
Net investment income	-	43,912	(43,912)
Benefit payments, including refunds of employee contributions	(16,119,955)	(14,843,263)	(1,276,692)
Administrative expense	-	(4,488)	4,488
Net changes	<u>94,457,383</u>	<u>39,424</u>	<u>94,417,959</u>
Balances at the end of the period	<u>\$ 622,946,105</u>	<u>\$ 2,043,555</u>	<u>\$ 620,902,550</u>

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.50 percent) or 1-percentage-point higher (3.50 percent) than the current discount rate:

	1% Decrease (1.5%)	Current Discount Rate (2.50%)	1% Increase (3.5%)
Total OPEB Liability	\$ 748,547,341	\$ 622,946,105	\$ 526,155,996
Less: Plan Fiduciary Net Position	<u>(2,043,555)</u>	<u>(2,043,555)</u>	<u>(2,043,555)</u>
Net OPEB Liability	\$ 746,503,786	\$ 620,902,550	\$ 524,112,441

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$ 516,087,488	\$ 622,946,105	\$ 765,822,868
Less: Plan Fiduciary Net Position	<u>(2,043,555)</u>	<u>(2,043,555)</u>	<u>(2,043,555)</u>
Net OPEB Liability	\$ 514,043,933	\$ 620,902,550	\$ 763,779,313

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in this report within Note 11 to the financial statements.

Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$56,262,922. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 89,477,854	\$ -
Changes of assumptions	-	27,796,638
Net difference between projected and actual earnings on pension plan investments	-	42,879
	<u>\$ 89,477,854</u>	<u>\$ 27,839,517</u>

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

Year ended June 30:	
2021	\$ 17,162,947
2022	17,051,776
2023	14,660,933
2024	12,762,681
2025	-
Thereafter	-
Subtotal - all years	<u>\$ 61,638,337</u>

Continued

Note 11. Financial Statements for Individual Pension and Other Postemployment Benefit Trust Funds

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

	Pension Trust Fund (As of December 31, 2019)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and short-term investments	\$ 2,220,070	\$ -	\$ 2,220,070
Investments:			
Fixed income securities	63,433,892	-	63,433,892
Stocks / equities	129,621,682	-	129,621,682
International equities	35,406,877	-	35,406,877
Pooled funds	62,038,214	-	62,038,214
Real estate	35,507,121	-	35,507,121
Alternative investments	36,721,023	-	36,721,023
Invested in the PRIT fund	-	2,043,554	2,043,554
Receivables, net of allowance or uncollectibles:			
Employee	711,655	-	711,655
Other	37,038	-	37,038
Total assets	<u>365,697,572</u>	<u>2,043,554</u>	<u>367,741,126</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 365,697,572</u>	<u>\$ 2,043,554</u>	<u>\$ 367,741,126</u>
LIABILITIES			
Warrants, accounts, and accrued expenses payable	\$ 369,006	\$ -	\$ 369,006
Total liabilities	<u>369,006</u>	<u>-</u>	<u>369,006</u>
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - OPEB benefits	-	2,043,554	2,043,554
Restricted - pension benefits	<u>365,328,566</u>	<u>-</u>	<u>365,328,566</u>
Total net position	<u>365,328,566</u>	<u>2,043,554</u>	<u>367,372,120</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 365,697,572</u>	<u>\$ 2,043,554</u>	<u>\$ 367,741,126</u>

Continued

	Pension Trust Fund (As of December 31, 2019)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
<u>ADDITIONS:</u>			
Contributions:			
Employer contributions	\$ 34,868,476	\$ -	\$ 34,868,476
Plan member contributions	10,839,235	-	10,839,235
Miscellaneous income	85,565	-	85,565
Total contributions	45,793,276	-	45,793,276
Net investment income:			
Dividends and interest	2,275,043	37,790	2,312,833
Net appreciation in fair value of investments	58,908,572	1,634	58,910,206
Total investment income	61,183,615	39,424	61,223,039
Less: investment expense	2,277,185	-	2,277,185
Net investment income	58,906,430	39,424	58,945,854
Intergovernmental	871,534	-	871,534
Total additions	105,571,240	39,424	105,610,664
<u>DEDUCTIONS:</u>			
Retirement benefits	48,648,659	-	48,648,659
Administration	491,085	-	491,085
Transfers, reimbursements and refunds	3,297,909	-	3,297,909
Total deductions	52,437,653	-	52,437,653
Change in net position	53,133,587	39,424	53,173,011
Net position - beginning of year	312,194,979	2,004,130	314,199,109
Net position - ending of year	\$ 365,328,566	\$ 2,043,554	\$ 367,372,120

Continued

Note 12. Commitments

The City has committed \$1,224,731 in encumbrances for purchase orders, contract, and judgments and claims in the General Fund and \$383,668 in the wastewater special revenue fund.

Capital Leases

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

	Beginning Balance	Additions	Principal Payments	Interest Paid	Ending Balance
<u>Governmental Activities</u>					
Oshkosh Capital / PNC	\$ 484,948	\$ -	\$ 148,710	\$ 12,939	\$ 323,299
Oshkosh Capital / PNC	665,995	-	151,075	15,423	499,497
All American Investment Group - Sch. #18	188,837	-	183,711	5,126	-
All American Investment Group - Sch. #1	81,172	-	80,055	1,117	-
All American Investment Group - Sch. #1	262,223	-	124,520	6,591	131,112
Oshkosh Capital / PNC	1,053,486	-	153,638	21,944	877,904
All American Investment Group - Sch. #1	12,472	-	12,056	416	-
All American Investment Group - Sch. #22	446,018	-	99,882	11,622	334,514
All American Investment Group - Sch. #22	51,910	-	11,625	1,353	38,932
All American Investment Group - Sch. #23	312,362	-	148,106	8,075	156,181
Master Energy Management Services Agreement - Siemens Industry, Inc. / First Niagara - Phase I	13,810,058	-	800,000	310,277	12,699,781
Master Energy Management Services Agreement - Siemens Industry, Inc. / First Niagara - Phase II	4,392,294	-	121,000	90,775	4,180,519
All American Investment Group - Sch. #2	1,424,104	-	252,034	32,787	1,139,283
All American Investment Group - Sch. #2	76,434	-	35,436	2,781	38,217
All American Investment Group - Sch. #3	94,799	-	30,698	902	63,199
PNC Equipment Finance, LLC	822,390	-	85,323	17,476	719,591
All American Investment Group - Sch. #1	-	680,602	-	-	680,602
Total Governmental Activities	<u>\$ 24,179,502</u>	<u>\$ 680,602</u>	<u>\$ 2,437,869</u>	<u>\$ 539,604</u>	<u>\$21,882,631</u>
<u>Business-Type Activities</u>					
All American Investment Group - Sch. #22	<u>342,982</u>	<u>-</u>	<u>76,807</u>	<u>8,937</u>	<u>257,238</u>
Total Business-Type Activities	<u>\$ 342,982</u>	<u>\$ -</u>	<u>\$ 76,807</u>	<u>\$ 8,937</u>	<u>\$ 257,238</u>
<u>Total Governmental and Business-Type Activities</u>	<u>\$ 24,522,484</u>	<u>\$ 680,602</u>	<u>\$ 2,514,676</u>	<u>\$ 548,541</u>	<u>\$22,139,869</u>

The following is a schedule of the changes in capital leases as of the year ended June 30, 2020:

Year Ending June 30,	Governmental Activities	Business-Type Activities	Primary Government
2021	\$ 2,856,182	\$ 85,745	\$ 2,941,927
2022	2,560,462	85,745	2,646,207
2023	2,396,389	85,747	2,482,136
2024	2,133,051	-	2,133,051
2025	1,880,395	-	1,880,395
2026 - 2029	<u>10,056,154</u>	<u>-</u>	<u>10,056,154</u>
Minimum lease payments for all capital leases	\$ 21,882,633	\$ 257,237	\$ 22,139,870
Less: amount representing interest	<u>(2,909,099)</u>	<u>(13,713)</u>	<u>(2,922,812)</u>
Present value of net minimum lease payments	<u>\$ 18,973,534</u>	<u>\$ 243,524</u>	<u>\$ 19,217,058</u>

Continued

Master Energy Management Services Agreement

On May 17, 2015, the City entered into a Master Energy Management Services Agreement (Agreement) with Siemens Industry, Inc., an energy service company, or ESCO, for the design, implementation, and monitoring of conservation and facilities improvement measures at various municipal and school facilities, together with initial task orders totaling \$14,433,059. As part of the Agreement, Siemens guaranteed energy savings of 3.6 million kilowatt hours of electricity, 110,000 therms of natural gas, and 102,000 gallons of fuel annually for the 15-year performance period under the initial task orders, for a total estimated savings of \$15.3 million over the term of the Agreement.

Initial task orders will be funded through a \$13,505,000 lease-purchasing agreement (Lease) dated October 8, 2015 between the City (Lessee) and First Niagara Leasing, Inc (Lessor), which transfers ownership of all leased property to the City at the end of its 15-year term. The Lease will be amortized over 29 semi-annual payments that include interest at the rate of 2.68% per annum, plus an initial interest-only payment of \$332,778, which the City made on October 1, 2016. Interest to be paid over the life of the lease will total \$3,230,260.

The City has accounted for the arrangement as a capital lease under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Accordingly, the City recorded a capital asset for \$13,505,000 at the beginning of the lease term of minimum lease payments per GASB Statement No. 62, paragraph 216 and is depreciating that asset over the life of the agreement.

Operating Leases

The City of New Bedford 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, 2020, future minimum rental payments under operating leases that have initial or remaining non-cancellable lease terms are immaterial.

Note 13. Contingencies

A. 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 \$140 million, which loans were secured by the issuance of City Revenue Bonds pursuant to the General Resolution.

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.

B. 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 (until 2028) as financial security. On July 20, 2017, the City made its annual \$15,000 escrow payment as ordered by a consent decree. Additionally, \$40,000 of solar credit proceeds were deposited into the escrow during FY 2018. Cash held in escrow reached \$1,048,070 as of June 30, 2020.

Continued

- 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>

C. Parker Street Clean-Up

On August 18, 2000, the Massachusetts Department of Environmental Protection (MassDEP) issued a Bureau of Waste Site Cleanup Release Tracking Number (RTN) for hazardous waste discharges, primarily PCBs, metals, and polycyclic aromatic hydrocarbons, in a certain area of the City since designated as the Parker Street Waste Site (Site). Under the powers of the Massachusetts Contingency Plan, MassDEP issued a Notice of Responsibility that directed the City to file a Permanent Solution Statement and/or a Temporary Solution Statement for the cleanup of the Site. MassDEP issued a second RTN after the subsequent discovery of PCBs and chlorinated solvents beneath an area of New Bedford High School. Initial work by the City under both RTNs was performed under a Special Project Designation.

Coincidentally, the United States Environmental Protection Agency (EPA) incurred approximately \$18 million in response costs under a Time-Sensitive Critical Action, for which it then sought relief from the City. In April 2014, the City filed two Tier Classification documents that require it to develop Temporary or Permanent Solutions by April 17, 2019. On June 26, 2017, the City and EPA entered into a settlement agreement in which the City agreed to reimburse \$1.6 million to the EPA for all past response costs. The settlement, which was paid in September 2017, was appropriated as part of a City Council loan order for \$6.5 million that included an additional appropriation for ongoing hazardous waste abatement costs estimated at \$4.9 million. Through June 30, 2020, the City had expended \$3,180,533 in total abatement costs.

In December 2009, the City filed a third-party complaint alleging common-law and cost recovery claims against various third-party defendants identified as sources of the contamination, which it alleged were legally responsible to pay for the cleanup. Through June 30, 2018, the City collected \$8,926,771 in settlements from third-parties identified in the complaint and is guaranteed an additional \$1.8 million through 2025. Of the proceeds collected, \$1,223,484 was passed through to the Massachusetts School Building Authority (MSBA) under the terms of a 2015 agreement that provide MSBA a portion of these settlements as reimbursement of grants awarded the City for the construction of school facilities within the Site. MSBA was not due any additional pass-through payments as of June 30, 2020, but is entitled to 33% of the remaining guaranteed settlement proceeds upon receipt by the City.

Note 14. 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.

Continued

Note 15. Debt

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 Bond Anticipation Notes, dated April 16, 2020 for the purposes noted on the following page.

Defeasance of Debt

During fiscal year 2017, the City issued \$14.430 million of refunding bonds for both February 1, 2008 and February 1, 2010 general obligation bonds. The cash flow difference and economic gain (the difference between the present value of the debt service payments and the old and new debt) obtained from the August 10, 2016 refunding was \$1,551,481.

At fiscal year-end 2020, the total deferred asset (now classified as a “deferred outflow of resources”) related to debt refundings is \$1,146,487 in the government-wide statement of net-position to be fully amortized by the year 2035 (the year in which the defeased debt would have matured).

The City has the following bond anticipation notes (BANs) payable outstanding at June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions/ Renewals</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest Paid</u>
Capital Projects:								
BAN - Fiscal Year 2019 Issuance	\$ 22,424,826	\$ -	\$ 22,424,826	\$ -	05/03/19	05/01/20	2.75%	\$613,257
BAN - Fiscal Year 2020 Issuance	<u>-</u>	<u>44,122,548</u>	<u>-</u>	<u>44,122,548</u>	04/16/20	02/16/21	1.40%	<u>-</u>
Total Capital Projects	<u>\$ 22,424,826</u>	<u>\$ 44,122,548</u>	<u>\$ 22,424,826</u>	<u>\$ 44,122,548</u>				<u>\$613,257</u>
Total Primary Government	<u>\$ 22,424,826</u>	<u>\$ 44,122,548</u>	<u>\$ 22,424,826</u>	<u>\$ 44,122,548</u>				<u>\$613,257</u>

Continued

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

	Maturity Dates	Beginning Balance	Additions	Advance Refunding Net of Refunding	City Retirements	State Subsidies	Ending Balance	Balance Due in 2021
Governmental Activities								
4.25-5.50% G.O. Bond	05/01/02-05/01/21	\$ 7,000,000	\$ -	\$ -	\$ 3,420,000	\$ -	\$ 3,580,000	\$ 3,580,000
4.00-5.25% Revenue Bond	02/01/98-02/01/99	49,100,000	-	-	3,293,558	3,146,442	42,660,000	6,620,000
4.00-6.00% Revenue Bond	08/01/01-08/01/31	2,980,000	-	-	160,073	39,927	2,780,000	210,000
HUD 108 - 2003-A	02/01/04-08/01/22	425,000	-	-	105,000	-	320,000	105,000
.85% Revenue Bond	07/15/06-07/15/25	238,742	-	-	32,197	-	206,545	32,742
.85% Revenue Bond	02/15/07-02/15/27	3,452,810	-	-	167,802	-	3,285,008	171,718
Pool 11 MWPAT 03-36A	03/18/09-07/15/35	423,330	-	-	20,373	-	402,957	20,873
General Obligation State Qualified	03/18/09-07/15/28	110,000	-	-	110,000	-	-	-
2.4 % Revenue Bond	07/08/10-07/15/40	5,298,084	-	-	185,023	-	5,113,061	189,517
General Obligation State Series A Bonds	06/14/12-06/30/32	1,550,000	-	-	175,000	-	1,375,000	185,000
General Obligation State Series B Series	06/14/12-06/30/32	3,365,000	-	-	200,000	-	3,165,000	210,000
MWPAT Series 16 CWS-09-12-A	06/13/12-01/15/43	8,905,252	-	-	273,515	-	8,631,737	280,456
General Obligation State Qualified	02/07/13-06/30/33	2,450,000	-	-	200,000	-	2,250,000	205,000
GO State Qualified School Project Loan, Ch 70B	02/06/14-06/30/39	8,805,000	-	-	300,000	-	8,505,000	320,000
General Obligation State Qualified	03/05/15-12/01/42	5,740,000	-	-	520,000	-	5,220,000	545,000
General Obligation Bonds Refunding	10/16/14-02/15/27	7,435,100	-	-	1,745,000	-	5,690,100	1,136,000
MCWT CWP-14-19	02/11/16-01/16/46	7,505,225	-	-	195,655	-	7,309,570	200,708
Municipal Purpose Loan of 2016 Bonds	02/04/16-06/30/44	11,220,000	-	-	890,000	-	10,330,000	920,000
Municipal Purpose Loan of 2017 Bonds	09/01/17-06/30/45	4,685,000	-	-	10,000	-	4,675,000	200,000
\$14.430M GO State Qualified Refunding Bonds	08/10/16-06/30/35	6,750,050	-	-	1,034,750	-	5,715,300	1,063,900
MCWT CWP-13-04	07/15/17-01/15/37	1,923,669	-	-	88,469	-	1,835,200	90,391
MCWT CWP-14-19-A	07/15/17-01/15/47	2,559,804	-	-	63,439	-	2,496,365	65,078
SQ GO Bonds 2018 (General Fund)	09/1/18 - 06/30/46	18,379,500	-	-	144,000	-	18,235,500	715,500
General Obligation State Qualified 2019	09/01/19-03/01/48	8,274,951	-	-	14,951	-	8,260,000	100,000
\$1M MWPAT Fed Ln CW-16-37	9/12/18-7/15/2036	1,000,000	-	-	40,451	-	959,549	41,330
MCWT CW 17-10	01/15/20-7/15/39	-	4,646,600	-	-	-	4,646,600	187,960
Compensated absences	N/A	12,862,535	13,560,690	-	12,862,535	-	13,560,690	5,950,539
Capital leases	N/A	20,783,246	680,602	-	2,490,314	-	18,973,534	2,342,813
Total Governmental Activities		\$ 203,222,298	\$ 18,887,892	\$ -	\$ 28,742,105	\$ 3,186,369	\$ 190,181,716	\$ 25,689,525
Business-Type Activities								
General Obligation State Qualified	02/07/13-06/30/33	\$ 605,000	\$ -	\$ -	\$ 35,000	\$ -	\$ 570,000	\$ 40,000
Municipal Purpose Loan of 2016 Bonds	02/04/16-06/30/44	290,000	-	-	5,000	-	285,000	5,000
General Obligation State Qualified 2019	09/01/19-03/01/48	417,857	-	-	12,857	-	405,000	10,000
Compensated absences	N/A	16,875	10,717	-	16,875	-	10,717	5,452
Capital leases	N/A	-	-	-	-	-	-	-
Total Airport Enterprise		1,329,732	10,717	-	69,732	-	1,270,717	60,452
SQ GO Bonds 2018 (Parking Fund)	09/1/18 - 06/30/46	3,150,500	-	-	1,000	-	3,149,500	69,500
General Obligation State Qualified 2019	09/01/19-03/01/48	1,792,192	-	-	42,192	-	1,750,000	35,000
Compensated absences	-	-	8,942	-	-	-	8,942	3,129
Capital leases	-	-	-	-	-	-	-	-
Total Downtown Parking Enterprise		4,942,692	8,942	-	43,192	-	4,908,442	107,629
4.25-5.50% G.O. Bond	05/01/02-05/01/21	210,000	-	-	105,000	-	105,000	105,000
.85% Revenue Bond	08/01/03-08/01/24	200,184	-	-	32,638	14,863	152,683	49,196
.85% Revenue Bond	08/01/03-08/01/24	400,000	-	-	67,342	27,658	305,000	100,000
.85% Revenue Bond	02/01/05-08/01/24	795,000	-	-	120,000	-	675,000	125,000
.85% Revenue Bond	02/01/05-08/01/24	1,559,149	-	-	239,869	-	1,319,280	244,866
2% MWPAT Bond	12/14/06 - 7/15/26	183,397	-	-	21,352	-	162,045	21,783
2% MWPAT Bond	12/14/06-07/15/26	2,716,539	-	-	316,277	-	2,400,262	322,667
.85% Revenue Bond	12/14/06-07/15/26	4,405,062	-	-	401,928	-	4,003,134	410,047
MWPAT Series 16 DW-09-23	06/13/12-01/15/33	1,421,082	-	-	87,936	-	1,333,146	89,847
Water Systems Improvements	8/10/16 - 3/1/35	3,650,750	-	-	166,050	-	3,484,700	113,591
Water Meter System	8/10/16 - 3/1/35	4,739,200	-	-	214,200	-	4,525,000	147,502
MCWT DWP-14-05	07/15/17-01/15/37	4,101,512	-	-	188,626	-	3,912,886	192,726
MCWT DWP-15-03	07/15/17-01/15/37	3,706,206	-	-	170,447	-	3,535,759	174,151
MCWT DWP 17-03	01/15/20-07/15/49	-	9,723,584	-	-	-	9,723,584	225,821
MCWT DWP 16-14	01/15/20-07/15/49	-	15,209,043	-	-	-	15,209,043	353,216
Compensated absences	N/A	174,231	162,275	-	174,231	-	162,275	56,796
Capital leases	N/A	320,332	-	-	76,808	-	243,524	78,951
Total Water Enterprise		28,582,644	25,094,902	-	2,382,704	42,521	51,252,321	2,811,160
Total Business-Type Activities		\$ 34,855,068	\$ 25,114,561	\$ -	\$ 2,495,628	\$ 42,521	\$ 57,431,480	\$ 2,979,241
Total Government-Wide		\$ 238,077,366	\$ 44,002,453	\$ -	\$ 31,237,733	\$ 3,228,890	\$ 247,613,196	\$ 28,668,766

The payment of long-term obligation of the government activities, except for health and life claims, is the responsibility of either the City's General Fund or the City's Wastewater Special Revenue Fund. Health and life claims are the responsibility of the City's Internal Service Fund.

The payment of long-term obligations of the business-type activities are the responsibility of the applicable enterprise fund (airport, downtown parking and water). The Cable Access fund currently holds no long-term obligations.

Continued

Debt service requirements to maturity:

Fiscal Year Ended June 30,	Total Principal	Total Interest	Total Debt	Less: MSBA Roosevelt Jr. High School Grant Payments (Principal)	Less: Total Subsidized Payments MWPAT Principal (Sewer)	Less: Total Subsidized Payments MWPAT Principal (Water)	Less: Total Subsidized Payments MWPAT Interest (Total)	Total City Debt Service (including interest cost)
2021	\$ 20,370,031	\$ 6,796,175	\$ 27,166,206	\$ 2,415,527	\$ 3,282,267	\$ 44,380	\$ 1,356,671	\$ 23,394,008
2022	16,821,521	5,944,072	22,765,593	-	3,400,473	49,946	1,087,486	21,678,107
2023	16,499,500	5,303,331	21,802,831	-	3,498,309	61,375	826,496	20,976,335
2024	16,554,822	4,652,301	21,207,123	-	3,604,095	22,062	563,845	20,643,278
2025	16,694,403	3,963,283	20,657,686	-	3,785,750	29,237	252,083	20,405,603
2026	15,840,845	3,559,502	19,400,347	-	3,848,606	-	220,333	19,180,014
2027	7,582,063	3,125,206	10,707,269	-	66,255	-	55,216	10,652,053
2028	6,674,829	2,900,172	9,575,001	-	70,758	-	45,091	9,529,910
2029	6,752,712	2,691,182	9,443,894	-	75,345	-	34,723	9,409,171
2030	6,491,368	2,487,823	8,979,191	-	80,099	-	23,973	8,955,218
2031	6,537,757	2,299,416	8,837,173	-	85,026	-	8,112	8,829,061
2032	6,230,716	2,115,014	8,345,730	-	-	-	-	8,345,730
2033	5,965,288	1,939,574	7,904,862	-	-	-	-	7,904,862
2034	5,927,681	1,778,951	7,706,632	-	-	-	-	7,706,632
2035	6,077,999	1,619,243	7,697,242	-	-	-	-	7,697,242
2036	5,564,989	1,463,133	7,028,122	-	-	-	-	7,028,122
2037	5,444,553	1,311,934	6,756,487	-	-	-	-	6,756,487
2038	4,939,412	1,158,715	6,098,127	-	-	-	-	6,098,127
2039	5,090,627	1,013,338	6,103,965	-	-	-	-	6,103,965
2040	4,541,025	877,039	5,418,064	-	-	-	-	5,418,064
2041	4,374,706	753,002	5,127,708	-	-	-	-	5,127,708
2042	4,183,739	631,545	4,815,284	-	-	-	-	4,815,284
2043	4,320,175	509,571	4,829,746	-	-	-	-	4,829,746
2044	3,686,969	391,610	4,078,579	-	-	-	-	4,078,579
2045	3,397,951	290,121	3,688,072	-	-	-	-	3,688,072
2046	3,164,813	191,341	3,356,154	-	-	-	-	3,356,154
2047	1,453,069	100,764	1,553,833	-	-	-	-	1,553,833
2048	1,207,141	65,534	1,272,675	-	-	-	-	1,272,675
2049	1,118,111	37,483	1,155,594	-	-	-	-	1,155,594
2050	1,144,699	12,592	1,157,291	-	-	-	-	1,157,291
2051	-	-	-	-	-	-	-	-
	<u>\$ 214,653,514</u>	<u>\$ 59,982,967</u>	<u>\$ 274,636,481</u>	<u>\$ 2,415,527</u>	<u>\$ 21,796,983</u>	<u>\$ 207,000</u>	<u>\$ 4,474,029</u>	<u>\$ 267,746,925</u>

The City is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$22,003,983 and interest costs totaling \$4,474,029. The principal subsidies are guaranteed and therefore a \$22,003,983 intergovernmental receivable has been reported in the governmental and business-type activities (economic resources measurement focus and the accrual basis of accounting). Since the City is legally obligated for the total amount of the debt, as per the financing agreements with the MCWT, and each borrower is required to deliver its own general or special bond obligations to the Trust in order to secure its loan repayment obligations, such amounts have also been recorded in the governmental and business-type activities. For the fiscal year ended June 30, 2020, principal and interest subsidies from the MCWT totaled \$3,228,890 and \$1,596,670, respectively. On the modified accrual basis of accounting, the principal and interest subsidies were recorded as revenue and expenditures during the current year. Revenue recognition criteria on the modified accrual basis states that revenue should be recognized only when it is both “measurable” and “available for current period expenditure”. For the fiscal year ended June 30, 2019, the principal and interest subsidies from the MCWT totaled \$3,128,429 and \$1,828,457, respectively.

Continued

The following is a summary of MCWT principal subsidies at June 30, 2020 by loan agreement:

	Wastewater Special Revenue	Water Enterprise	Total
Federal Loan 1998	\$ 21,011,948	\$ -	\$ 21,011,948
Series 6 99-26	506,061	-	506,061
Series 6 98-141	278,974	-	278,974
Total Governmental Activities	21,796,983	-	21,796,983
Series 8 DW 00-12	-	46,577	46,577
Pool 9 DW 00-12A	-	92,938	92,938
Pool 10 DW 02-13	-	22,696	22,696
Pool 10 DW 02-20	-	44,789	44,789
Total Business-Type Activities	-	207,000	207,000
Total Government-Wide	\$ 21,796,983	\$ 207,000	\$ 22,003,983

A similar situation is also currently occurring with respect to the principal and interest subsidizations by the Massachusetts School Building Authority (MSBA) for project identification number C200013753, Roosevelt Middle School. At June 30, 2020 principal in the amount of \$2,415,527 is due to the City under a reimbursement agreement under old School Building Authority rules. The principal subsidies are guaranteed and therefore a \$2,415,527 intergovernmental receivable has been reported in the governmental activities (economic resources measurement focus and the accrual basis of accounting). Since the City is legally obligated for the total amount of the debt on this project, such amounts have also been recorded in the governmental activities. Principal subsidies from the MSBA totaled \$2,415,527 and \$2,459,561 for the years ended June 30, 2020 and June 30, 2019 (respectively). On the modified accrual basis of accounting, the principal subsidies were recorded as revenue in the City's general fund during fiscal year 2020. Revenue recognition criteria on the modified accrual basis states that revenue should be recognized only when it is both "measurable" and "available for current period expenditure".

Authorized & Unissued Debt:

The City had debt authorized but unissued at June 30, 2020 as follows:

Purpose	Amount
Governmental Projects	\$ 45,722,957
School Projects	31,911,538
Airport Projects	15,888,172
Water & Sewer Projects	133,528,442
Total Authorized & Unissued:	\$ 227,051,109

Debt Capacity

The City is subject to a dual general debt limit: the normal debt limit, and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the City as last equalized by the Massachusetts Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Secretary of Administration and Finance. Additionally, there are many categories of general obligation debt, which are exempt from the debt limit but are subject to other limitations.

The City's gross debt as of June 30, 2020 is \$474,112,075, of which \$214,653,514 is outstanding and \$259,458,561 remains authorized but not yet issued. Gross debt includes \$331,070,651 exempt from the debt limit and \$143,041,424 subject to the normal debt limit. As of June 30, 2020, the City's normal debt limit is \$303,973,580.

Continued

Note 16. Fund Balance Classification Details

The components of fund balance for the City's governmental funds as of June 30, 2020 are as follows:

	Major Funds				Non-Major Funds			Total
	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Special Revenue	Capital Projects	Permanent Trusts	
Fund Balances:								
Nonspendable:								
Long-term receivable - discretely presented component units	\$ 1,350,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350,790
Corpus of cemetery perpetual care fund	-	-	-	-	-	-	4,016,748	4,016,748
Corpus of other endowment funds	-	-	-	-	-	-	1,110,663	1,110,663
Inventory	-	26,373	-	-	-	-	-	26,373
Land inventory	4,259,556	-	-	-	246,918	-	-	4,506,474
Restricted for:								
General government activity	-	-	-	-	5,794,462	1,449,978	7,788	7,252,228
Public safety operations	-	-	-	-	4,154,330	-	-	4,154,330
Educational purposes	-	-	-	-	11,613,739	245,455	720,736	12,579,930
Public works	-	-	-	-	880,416	472,167	-	1,352,583
Community housing and development	-	-	2,585,210	-	773,828	-	-	3,359,038
Culture and recreational purposes	-	-	-	-	6,080,390	(2,188)	2,210,660	8,288,862
Health and human services	-	-	-	-	599,164	-	1,633,401	2,232,565
Wastewater debt service	-	2,750,213	-	-	-	-	-	2,750,213
Wastewater renewal and replacement	-	1,763,827	-	-	-	-	-	1,763,827
Committed to:								
Economic stabilization	11,324,425	-	-	-	-	-	-	11,324,425
Public safety	-	-	-	-	382,276	-	-	382,276
Public works	-	-	-	-	1,331,552	-	-	1,331,552
Wastewater special projects	-	2,130,800	-	-	-	-	-	2,130,800
Wastewater operations	-	3,676,090	-	-	-	-	-	3,676,090
Assigned to:								
General government purposes	491,812	-	-	-	-	-	-	491,812
Police detail	1,011,222	-	-	-	-	-	-	1,011,222
Public works	436,340	383,668	-	-	-	-	-	820,008
Public safety operations	45,576	-	-	-	-	-	-	45,576
Health and human services	5,382	-	-	-	-	-	-	5,382
Educational purposes	245,621	-	-	-	-	-	-	245,621
Unassigned:	12,312,126	-	-	(9,159,716)	(1,894,088)	(11,646,144)	-	(10,387,822)
Total Net Position (Governmental Funds):	\$ 31,482,850	\$ 10,730,971	\$ 2,585,210	\$ (9,159,716)	\$ 29,962,987	\$ (9,480,732)	\$ 9,699,996	\$ 65,821,566

At June 30, 2020, the balance of the stabilization funds (City and School) was \$11,324,425 and are reported as committed fund balance within the general fund. The stabilization fund balance can be used for economic stabilization purposes upon approval of the City Council.

At June 30, 2020, significant negative unassigned balances are reported within the capital projects funds. This can be attributed to the City's short-term borrowing within those funds combined with the changes in fund balance classifications required by GASB Statement No. 54. These negative balances will be alleviated by the proceeds from future long-term borrowings that relate to these projects.

Continued

Note 17. Restricted Fund Balances (Government-Wide Financial Statements)

Net position was restricted at the government-wide financial statement level as follows:

Net Position:**Restricted:**

Corpus of endowment funds	\$ 5,127,411
General government activity	7,989,795
Public safety operations	4,154,330
Educational purposes	12,579,930
Public works	1,352,583
Community housing and development	2,621,471
Culture and recreational purposes	8,288,862
Health and human services	2,232,565
Wastewater debt service	2,750,213
Wastewater renewal and replacement	<u>1,763,827</u>
Total restricted net position - governmental activities	<u>\$ 48,860,987</u>
Water enterprise - restricted for stabilization fund	<u>6,677,318</u>
Total restricted net position - business-type activities	<u>\$ 6,677,318</u>
Total restricted net position - government-wide financial statements	<u>\$ 55,538,305</u>

In addition, at fiscal year ended June 30, 2020, management has designated within the water, airport, downtown parking and cable access enterprise funds amounts of \$375,849, \$4,875, \$65,466 and \$0 for encumbrances (respectively). Management has also designated amounts of \$0 within the water, airport, downtown parking and cable access enterprise fund for future expenditures. Per GASB 34 paragraph 37, “in contrast to *restricted* net position, these types of constraints on resources are internal and management can remove or modify them.” Under GASB Statement No. 34, designated amounts are considered to be a part of “unrestricted net position”.

Note 18. Workers’ Compensation

Workers’ compensation claims are administered by a third party administrator and are funded on a pay-as-you go basis from annual appropriations (charged to the "general government unclassified" department in the City's general fund budget). The estimated future liability is based on history and injury type. The estimated liabilities at June 30, 2019 and June 30, 2020 totaled \$5,734,634 and \$4,516,026 (respectively) and were recorded as a liability in the government-wide financial statements. The City estimated a current liability at June 30, 2020 of \$158,061 (3.5% of the estimated June 30, 2020 liability) based on historical analysis.

Continued

Note 19. Fund Deficits

The City had deficit fund balances present at June 30, 2020 in the following funds:

Capital Project Funds:

Parker Street Waste Site	\$ 1,180,495
South Public Safety Center	9,159,716
Communication Equipment \$1M Bond	428,687
Capital Project Initiative - FY14	1,322,384
CSO & Integrated Capital Improvements	419,821
Water Distribution & Treatment	801,548
School ARP \$18.1M	575,294
Hannigan Feasibility / Construction	284,778
Parker School Project	586,900
Elizabeth Brooks School Project	93,364
Taxiway A \$4.6M Bond	228,632
Construction Projects FY17	2,821,402
Construction Projects FY18	<u>2,902,839</u>

Total Capital Project Fund Deficits:	<u>\$ 20,805,860</u>
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Deficits to be funded by future long-term debt issuances:	13,631,505
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Deficits to be funded by future Federal and State grant funding:	<u>-</u>
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Net Capital Project Fund Deficits at June 30, 2020:	<u>\$ 7,174,355</u>
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Additionally, the city grants, other special revenue and school grant funds had total deficits of \$1,331,566, \$405,019 and \$157,503, respectively. These fund deficits will also require future administrative plans to fund the deficits and eliminate them.

Note 20. Risk Financing

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City participates in a premium-based health care plan for its active and retired employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

Buildings are fully insured against fire, theft, and natural disaster to the extent that losses exceed \$100,000 per incident. The City is self insured for other general liability; however, Chapter 258 of the MGL limits the liability to a maximum of \$100,000 per claimant in all matters except actions relating to Federal civil rights, eminent domain and breach of contract. The City is also self-insured for unemployment and workers' compensation.

The City provides a variety of health benefits to employees. The partially self-insured plans paid through an established internal service fund based on total claims. Employees contribute 25% of the cost of healthcare with the remainder paid by the City. The City also provides health and life insurance benefits to certain retirees, as discussed in Note 10.

Liabilities for self-insured judgments and claims are recorded in the entity wide financial statements if it is probable that a loss has been incurred and the amount can be reasonably estimated. The City accounts for its self-insurance costs that have matured in the general, wastewater, water and airport funds in the fund-basis statements.

The City has established a liability for health claims based on actual amounts paid two months subsequent to year-end (provided by the third-party administrator) and an estimate of future claims based on historical trends.

Continued

Changes in the health claims liability for the year ended June 30, 2020 is as follows:

	<u>2020</u>	<u>2019</u>
Health Claims - beginning of year	\$ 1,925,000	\$ 2,274,000
Incurred Claims	52,811,211	52,922,339
Payments of Health Claims	<u>(52,811,211)</u>	<u>(53,271,339)</u>
Health Claims - end of year	<u>\$ 1,925,000</u>	<u>\$ 1,925,000</u>

The City has established a liability for judgments and claims on a case-by-case review of all known claims, estimates of losses incurred but not reported, incremental costs incurred only because of claims, historical trends of previous years, and attorneys' estimates of pending matters and lawsuits in which the City is involved.

There are numerous cases pending in courts throughout the Commonwealth, where the City of New Bedford is a defendant. In the opinion of the City Solicitor, there are no pending claims exceeding \$100,000, individually or in the aggregate, that are probable and estimable at June 30, 2020.

Note 21. Subsequent Events

For the purposes of determining the effects of subsequent events on these financial statements, management has evaluated events which have occurred subsequent to June 30, 2020, and through January 28, 2021, the date on which the financial statements were available to be issued.

On July 16, 2020, the City Council approved eleven (11) Community Preservation Act projects totaling \$1,145,011 for projects such as the Capitol Theatre Renovations (\$200,000 of the total), the Gilbert Russell House Restoration (\$175,000 of the total) and the Hillman Street Firehouse Lofts Renovation (\$300,000 of the total). The balance of the CPA fund on June 30, 2020 was \$2,818,050.

On October 8, 2020, the City Council approved the execution of a contract with Veolia Water North America – Northeast LLC for the operation, maintenance and management services for the Wastewater Treatment Facility located at 1000 South Rodney French Boulevard and the City's twenty-nine sewage pumping stations. The term of this contract is for ten years and gives the City the option to exercise two five-year extensions.

On October 22, 2020, the City Council approved an appropriation from the Water Stabilization Fund to be transferred and appropriated to Water Capital Outlay totaling \$1,250,000. The balance of the Water Stabilization fund on June 30, 2020 was \$6,677,318.

On December 9, 2020, the City Council authorized the Mayor to enter into an eight (8) year lease with All American Investment Group LLC for the purchase of Self-Contained Breathing Apparatus.

Note 22. COVID-19 (Coronavirus)

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization had since also officially declared the novel Coronavirus (COVID-19) a worldwide pandemic. In an attempt to slow the spread of COVID-19, State governments issued stay at home orders that caused widespread economic impact. Starting in March 2020, the Governor of the Commonwealth continued to issue orders allowing governments to operate and carry out essential functions. The City is considered an essential business and although it was closed to the public for a period of time, many departments remained operational and most employees continued to perform their daily duties. Departments eventually re-opened to the public in the fall of 2020.

A number of local businesses have been forced to close entirely or significantly reduce operations which could create issues related to the collection of local taxes. Travel bans and/or restrictions were also put into place which restricted or limited interstate travel to and from Massachusetts businesses.

The City has also incurred unanticipated costs specifically related to the pandemic. On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic crisis caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that are necessary expenditures incurred as a result of the COVID-19 pandemic that were not accounted for in the

Continued

budget most recently approved as of March 27, 2020 and were incurred during the period that begins on March 1, 2020 and ends on December 31, 2020. The Commonwealth and many communities throughout the Commonwealth were awarded a portion of this funding. In addition to funding from the CARES Act, there are several other federal and state grants available, most notably funding from the Federal Emergency Management Agency (FEMA). Total CARES Act expenditures for the fiscal year ended June 30, 2020 were \$1,489,831 and were included with the City Grant funds.

The full financial impact related to Federal, State and Local funding cannot be reasonably estimated as of the date of the financial statements. Management is carefully monitoring the situation.

Note 23. Future Implementation of GASB Pronouncements

The GASB has issued the following statements:

- GASB Statement No. 84, *Fiduciary Activities*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2021.
- GASB Statement No. 87, *Leases*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statement No. 14 and 61*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2021.
- GASB Statement No. 91, *Conduit Debt Obligations*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- GASB Statement No. 92, *Omnibus 2020*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements for certain paragraphs of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2021 and other paragraphs will take effect for the financial statements starting with the fiscal year that ends June 30, 2022.

Earlier application of these statements is encouraged. For the original pronouncements and the related implementation guides, please visit the GASB's website, www.gasb.org.

Note 24. Restatements

During fiscal year 2020, the City reclassified the Cable Access fund from a special revenue fund to an enterprise fund as a result of the passage of MGL Chapter 352 of the Acts of 2014 and the requirements of MGL Chapter 44 Section 53F ½ & ¾.

As a result of this reclassification, the beginning fund balance of the governmental funds was reduced by \$290,376 from \$33,007,844 to \$32,717,468 and the beginning fund balance of the proprietary funds was increased by \$290,376 from \$18,667,781 to \$18,958,157. The beginning fund balance of the governmental activities was also reduced by \$290,376 from \$384,426,339 to \$384,716,715.

Required Supplementary Information (Unaudited):**General Fund – Schedule of Revenues and Expenditures – Budget and Actual – Budgetary Basis
Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
<u>Revenues and other financing sources:</u>					
Tax collections net of refunds:					
Real estate and personal property taxes	\$ 127,246,628	\$ 128,416,054	\$ 125,926,174	\$ -	\$ (2,489,880)
Local Receipts:					
Motor vehicle excise	8,184,000	8,000,000	8,071,125	-	71,125
Other excise collections	1,655,000	1,525,000	1,460,844	-	(64,156)
Penalties and interest	1,691,025	1,172,100	1,074,424	-	(97,676)
Payments in lieu of taxes	365,000	364,000	361,310	-	(2,690)
Charges for services	932,950	1,100,850	1,343,609	-	242,759
Departmental revenues	10,339,790	10,782,700	11,036,461	-	253,761
Fines and forfeitures	155,000	155,100	147,344	-	(7,756)
Licenses and permits	3,503,464	3,247,250	3,390,427	-	143,177
Indirect charges	744,536	150,000	17,000	-	(133,000)
Earnings on investments	725,000	869,000	817,202	-	(51,798)
Miscellaneous recurring	-	-	-	-	-
Miscellaneous non-recurring	250,000	370,000	(42,324)	-	(412,324)
Special assessments & betterments	71	-	-	-	-
Governmental revenue	193,767,283	196,894,759	194,111,152	-	(2,783,607)
Other financing sources:					
Transfers from other funds	5,482,509	6,676,897	5,241,176	-	(1,435,721)
Transfers from free cash	-	408,618	408,618	-	-
Total revenues and other financing sources:	<u>\$ 355,042,256</u>	<u>\$ 360,132,328</u>	<u>\$ 353,364,542</u>	<u>\$ -</u>	<u>\$ (6,767,786)</u>
<u>Expenditures and other financing uses:</u>					
Current:					
<u>General Government</u>					
Assessors					
Salaries & Wages	\$ 671,737	\$ 671,737	\$ 575,385	\$ -	\$ 96,352
Charges & Services	43,731	43,731	37,046	-	6,685
Supplies & Materials	1,775	1,775	940	-	835
Capital Outlay	-	-	-	-	-
Total Assessors	<u>717,243</u>	<u>717,243</u>	<u>613,371</u>	<u>-</u>	<u>103,872</u>
Auditor					
Salaries & Wages	447,826	467,693	466,835	-	858
Charges & Services	7,576	7,576	4,869	-	2,707
Supplies & Materials	2,348	2,348	2,170	-	178
Total Auditor	<u>457,750</u>	<u>477,617</u>	<u>473,874</u>	<u>-</u>	<u>3,743</u>
Chief Financial Officer					
Salaries & Wages	313,661	318,261	318,341	-	(80)
Charges & Services	8,240	6,640	5,222	8,550	(7,132)
Supplies & Materials	950	950	658	-	292
Capital Outlay	800	800	766	-	34
Total Chief Financial Officer	<u>323,651</u>	<u>326,651</u>	<u>324,987</u>	<u>8,550</u>	<u>(6,886)</u>
City Clerk					
Salaries & Wages	357,520	366,120	366,139	-	(19)
Charges & Services	22,329	22,329	20,495	-	1,834
Supplies & Materials	2,600	2,600	948	-	1,652
Capital Outlay	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total City Clerk	<u>\$ 382,449</u>	<u>\$ 391,049</u>	<u>\$ 387,582</u>	<u>\$ -</u>	<u>\$ 3,467</u>

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
City Council					
Salaries & Wages	\$ 524,057	\$ 511,657	\$ 507,000	\$ -	\$ 4,657
Charges & Services	27,046	27,046	15,556	-	11,490
Supplies & Materials	9,500	9,500	4,876	-	4,624
Capital Outlay	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total City Council	560,603	548,203	527,432	-	20,771
Clerk of Committees					
Salaries & Wages	137,867	141,667	141,642	-	25
Charges & Services	6,766	6,766	3,797	-	2,969
Supplies & Materials	900	900	275	-	625
Capital Outlay	-	-	-	-	-
Total Clerk of Committees	145,533	149,333	145,714	-	3,619
Elections					
Salaries & Wages	308,858	361,858	363,016	-	(1,158)
Charges & Services	89,417	79,417	79,944	-	(527)
Supplies & Materials	3,008	5,808	5,797	-	11
Capital Outlay	2,545	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total Elections	403,828	447,083	448,757	-	(1,674)
Environmental Stewardship					
Salaries & Wages	296,461	302,750	302,135	-	615
Charges & Services	33,391	30,391	29,534	-	857
Supplies & Materials	18,525	15,236	7,839	-	7,397
Capital Outlay	-	33,000	31,271	-	1,729
Other Financing Uses	-	-	-	-	-
Total Environmental Stewardship	348,377	381,377	370,779	-	10,598
General Government Unclassified					
Salaries & Wages	180,000	180,000	204,880	-	(24,880)
Charges & Services	9,107,548	10,702,962	10,392,466	114,400	196,096
Other Financing Uses	-	-	-	-	-
Total General Government Unclassified	9,287,548	10,882,962	10,597,346	114,400	171,216
Labor Relations					
Salaries & Wages	387,748	387,348	387,195	-	153
Charges & Services	4,970	4,970	5,377	43,750	(44,157)
Supplies & Materials	1,895	2,295	1,887	-	408
Total Labor Relations	394,613	394,613	394,459	43,750	(43,596)
Licensing					
Salaries & Wages	111,975	114,382	114,424	-	(42)
Charges & Services	11,693	11,693	11,688	-	5
Supplies & Materials	1,150	1,150	1,120	-	30
Total Licensing	124,818	127,225	127,232	-	(7)
Management Information System					
Salaries & Wages	696,279	687,279	686,353	-	926
Charges & Services	922,704	1,104,849	1,149,565	3,025	(47,741)
Supplies & Materials	8,590	13,590	13,588	-	2
Capital Outlay	75,000	544,918	544,917	-	1
Total Management Information Systems	\$ 1,702,573	\$ 2,350,636	\$ 2,394,423	\$ 3,025	\$ (46,812)

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
Mayor					
Salaries & Wages	\$ 584,202	\$ 620,202	\$ 620,225	\$ -	\$ (23)
Charges & Services	75,382	68,382	66,004	-	2,378
Supplies & Materials	4,600	4,600	2,427	-	2,173
Other Financing Uses	-	-	-	-	-
Total Mayor	664,184	693,184	688,656	-	4,528
Planning & Community Development					
Salaries & Wages	346,668	354,779	354,902	-	(123)
Charges & Services	66,905	68,718	39,853	14,910	13,955
Supplies & Materials	250	250	250	-	-
Capital Outlay	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total Planning & Community Development	413,823	423,747	395,005	14,910	13,832
Planning Board					
Charges & Services	11,400	16,400	16,173	-	227
Total Planning Board	11,400	16,400	16,173	-	227
Purchasing					
Salaries & Wages	268,698	268,698	232,855	-	35,843
Charges & Services	101,847	101,847	100,878	-	969
Supplies & Materials	350	350	249	-	101
Total Purchasing	370,895	370,895	333,982	-	36,913
Solicitor					
Salaries & Wages	890,785	885,785	876,620	-	9,165
Charges & Services	132,173	146,662	102,566	9,426	34,670
Supplies & Materials	6,500	6,500	5,354	-	1,146
Capital Outlay	-	-	-	-	-
Total Solicitor	1,029,458	1,038,947	984,540	9,426	44,981
Treasurer					
Salaries & Wages	742,666	708,868	699,838	-	9,030
Charges & Services	253,318	253,318	226,279	-	27,039
Supplies & Materials	6,500	6,500	4,441	-	2,059
Other Financing Uses	-	-	-	-	-
Total Treasurer	1,002,484	968,686	930,558	-	38,128
Total General Government	\$ 18,341,230	\$ 20,705,851	\$ 20,154,870	\$ 194,061	\$ 356,920
Public Safety					
Fire Department					
Salaries & Wages	17,943,325	18,493,325	18,536,938	-	(43,613)
Charges & Services	326,039	326,039	878,602	-	(552,563)
Supplies & Materials	203,025	209,025	209,043	-	(18)
Capital Outlay	657,528	657,528	50,884	-	606,644
Other Financing Uses	-	-	-	-	-
Total Fire Department	19,129,917	19,685,917	19,675,467	-	10,450
Inspectional Services					
Salaries & Wages	965,728	954,728	922,921	-	31,807
Charges & Services	58,732	58,732	27,217	-	31,515
Supplies & Materials	10,180	10,180	3,250	-	6,930
Total Inspectional Services	\$ 1,034,640	\$ 1,023,640	\$ 953,388	\$ -	\$ 70,252

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
Police					
Salaries & Wages	\$ 24,435,704	\$ 23,802,449	\$ 23,471,215	\$ -	\$ 331,234
Charges & Services	1,141,883	1,161,883	1,179,184	45,576	(62,877)
Supplies & Materials	143,665	163,665	142,193	-	21,472
Capital Outlay	320,324	320,324	288,488	-	31,836
Other Financing Uses	-	-	-	-	-
Total Police	26,041,576	25,448,321	25,081,080	45,576	321,665
Traffic Commission					
Salaries & Wages	245,119	281,119	275,899	-	5,220
Charges & Services	137,685	122,685	90,920	-	31,765
Supplies & Materials	35,900	25,900	23,670	-	2,230
Capital Outlay	75,000	75,000	22,724	-	52,276
Other Financing Uses	-	-	-	-	-
Total Traffic Commission	493,704	504,704	413,213	-	91,491
Emergency Medical Services					
Salaries & Wages	2,527,323	2,616,130	2,624,349	-	(8,219)
Charges & Services	233,300	293,300	512,892	-	(219,592)
Supplies & Materials	193,425	203,725	194,518	-	9,207
Capital Outlay	287,352	326,352	88,615	-	237,737
Other Financing Uses	-	-	-	-	-
Total Emergency Medical Services	3,241,400	3,439,507	3,420,374	-	19,133
Total Public Safety	\$ 49,941,237	\$ 50,102,089	\$ 49,543,522	\$ 45,576	\$ 512,991
Public Works					
Facilities & Fleet Management					
Salaries & Wages	3,567,974	3,389,974	3,336,114	-	53,860
Charges & Services	2,745,505	3,059,474	3,096,854	315,264	(352,644)
Supplies & Materials	1,617,250	1,635,687	1,511,298	35,392	88,997
Capital Outlay	1,066,898	914,786	156,918	80,616	677,252
Other Financing Uses	-	153,800	153,800	-	-
Total Facilities & Fleet Management	8,997,627	9,153,721	8,254,984	431,272	467,465
Greater New Bedford Refuse Management District					
Charges & Services	741,999	741,999	741,999	-	-
Total Greater New Bedford Refuse Management District	741,999	741,999	741,999	-	-
Public Infrastructure					
Salaries & Wages	3,122,980	3,122,980	2,863,442	-	259,538
Charges & Services	935,567	952,789	811,046	5,067	136,676
Supplies & Materials	749,318	749,318	691,601	-	57,717
Capital Outlay	24,000	33,700	33,423	-	277
Other Financing Uses	-	-	-	-	-
Total Public Infrastructure	4,831,865	4,858,787	4,399,512	5,067	454,208
Snow Removal					
Salaries & Wages	-	-	129,839	-	(129,839)
Charges & Services	450,000	129,840	-	-	129,840
Total Snow Removal	450,000	129,840	129,839	-	1
Total Public Works	\$ 15,021,491	\$ 14,884,347	\$ 13,526,334	\$ 436,339	\$ 921,674
Education					
Greater NB Regional Vocational Technical High School					
Charges & Services	5,789,401	5,789,401	5,665,981	-	123,420
Total Greater NB Regional Vocational Technical High School	\$ 5,789,401	\$ 5,789,401	\$ 5,665,981	\$ -	\$ 123,420

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
School Department					
Salaries & Wages	\$ 110,341,356	\$ 108,917,934	\$ 110,502,080	\$ -	\$ (1,584,146)
Other Financing Uses	-	-	-	-	-
General Expenses	36,408,644	40,498,061	38,668,293	245,622	1,584,146
Total School Department	146,750,000	149,415,995	149,170,373	245,622	-
Total Education	152,539,401	155,205,396	154,836,354	245,622	123,420
<u>Health & Human Services</u>					
Community Services					
Salaries & Wages	820,075	829,075	826,044	-	3,031
Charges & Services	304,379	275,379	248,212	-	27,167
Supplies & Materials	19,140	19,140	18,510	-	630
Capital Outlay	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total Community Services	1,143,594	1,123,594	1,092,766	-	30,828
Health					
Salaries & Wages	986,357	986,357	1,005,996	-	(19,639)
Charges & Services	97,298	111,298	88,771	-	22,527
Supplies & Materials	30,590	30,590	25,310	-	5,280
Capital Outlay	15,235	15,235	727	-	14,508
Total Health	1,129,480	1,143,480	1,120,804	-	22,676
Veterans					
Salaries & Wages	230,427	240,427	239,851	-	576
Charges & Services	2,412,550	2,401,550	2,285,868	-	115,682
Supplies & Materials	11,800	12,800	12,672	-	128
Capital Outlay	6,000	6,000	-	5,382	618
Total Veterans	2,660,777	2,660,777	2,538,391	5,382	117,004
Total Health & Human Services	4,933,851	4,927,851	4,751,961	5,382	170,508
<u>Culture & Recreation</u>					
Library					
Salaries & Wages	1,587,178	1,587,178	1,567,758	-	19,420
Charges & Services	767,773	767,773	778,794	-	(11,021)
Supplies & Materials	101,700	101,700	101,588	-	112
Capital Outlay	-	8,000	630	-	7,370
Other Financing Uses	-	-	-	-	-
Total Library	2,456,651	2,464,651	2,448,770	-	15,881
Recreation and Parks					
Salaries & Wages	504,700	455,700	446,377	-	9,323
Charges & Services	35,850	35,850	32,582	-	3,268
Supplies & Materials	3,120	3,120	2,349	-	771
Capital Outlay	12,610	14,672	14,672	-	-
Other Financing Uses	-	-	-	-	-
Total Recreation and Parks	556,280	509,342	495,980	-	13,362
Tourism / Marketing					
Salaries & Wages	145,996	116,996	109,954	-	7,042
Charges & Services	290,000	290,000	290,071	-	(71)
Supplies & Materials	3,000	3,000	2,996	-	4
Total Tourism / Marketing	\$ 438,996	\$ 409,996	\$ 403,021	\$ -	\$ 6,975

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
Zoo					
Salaries & Wages	\$ 1,265,427	\$ 1,265,427	\$ 1,280,502	\$ -	\$ (15,075)
Charges & Services	99,526	119,526	116,464	-	3,062
Supplies & Materials	242,500	246,486	233,573	-	12,913
Capital Outlay	24,445	20,457	7,987	-	12,470
Other Financing Uses	-	-	-	-	-
Total Zoo	1,631,898	1,651,896	1,638,526	-	13,370
Total Culture & Recreation	5,083,825	5,035,885	4,986,297	-	49,588
Other					
Debt					
Other Charges	11,992,826	11,992,826	11,992,136	-	690
Total Debt	11,992,826	11,992,826	11,992,136	-	690
Health Insurance					
Charges & Services	42,910,500	42,910,500	38,426,167	297,750	4,186,583
Other Financing Uses	-	-	-	-	-
Total Health Insurance	42,910,500	42,910,500	38,426,167	297,750	4,186,583
Life Insurance					
Charges & Services	261,221	261,221	249,537	-	11,684
Total Life Insurance	261,221	261,221	249,537	-	11,684
Pension Contribution					
Charges & Services	30,527,351	30,527,351	30,527,351	-	-
Total Pension Contribution	30,527,351	30,527,351	30,527,351	-	-
State Assessments					
Cherry Sheet Assessments	23,489,323	23,579,011	20,990,757	-	2,588,254
Total State Assessments	23,489,323	23,579,011	20,990,757	-	2,588,254
Total Other	109,181,221	109,270,909	102,185,948	297,750	6,787,211
Total expenditures and other financing uses:	\$ 355,042,256	\$ 360,132,328	\$ 349,985,286	\$ 1,224,730	\$ 8,922,312
Excess (deficiency) of revenues and other financing sources over (under) of expenditures and other financing uses:	\$ -	\$ -	\$ 3,379,256	\$ (1,224,730)	\$ 2,154,526
Budgetary fund balance - beginning of year			22,693,481		
Budgetary fund balance - end of year	\$ -	\$ -	\$ 26,072,737		

See accompanying independent auditor's report

**Wastewater Special Revenue Fund – Schedule of Revenues and Expenditures – Budget and Actual – Budgetary Basis
Year Ended June 30, 2020**

	<u>Original Budget</u>			<u>Actual</u>		
	<u>Encumbrances Carried Forward</u>	<u>Budget As Adopted</u>	<u>Available for Current Year Expenditures</u>		<u>Encumbrances Carried Forward</u>	<u>Variance</u>
Revenues and other:						
Charges for services	\$ -	\$ 23,895,343	\$ 23,895,343	\$ 22,788,095	\$ -	\$ (1,107,248)
Liens and penalites	-	150,000	150,000	143,704	-	(6,296)
Departmental and other	-	12,300	12,300	53,098	-	40,798
Special assessments	-	17,200	17,200	12,805	-	(4,395)
Earnings on investments	-	102,000	102,000	222,281	-	120,281
Transfers in	-	-	48,256	-	-	(48,256)
Operating transfers out - indirects	-	-	-	-	-	-
Total Revenues and other:	-	24,176,843	24,225,099	23,219,983	-	(1,005,116)
Expenditures:						
Salaries and Wages	-	1,850,049	1,850,049	1,682,717	-	167,332
Purchase of Services	-	11,587,196	11,487,196	10,950,721	224,231	312,244
Materials and Supplies	-	549,500	649,500	516,343	9,789	123,368
Capital Outlay	48,256	527,769	624,281	157,532	149,648	317,101
Debt Service / Other Charges	-	9,662,329	9,662,329	9,084,682	-	577,647
Total Expenditures	48,256	24,176,843	24,273,355	22,391,995	383,668	1,497,692
Excess (deficiency) of revenues over expenditures	<u>\$ (48,256)</u>	<u>\$ -</u>	<u>\$ (48,256)</u>	<u>\$ 827,988</u>	<u>\$ (383,668)</u>	<u>\$ 492,576</u>

See accompanying independent auditor's report

Notes to the Required Supplementary Information - Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

The accompanying Combined Statement of Revenues, Expenditures or Expenses - Budget and Actual (Non-GAAP Budgetary Basis) - for the General Fund and Wastewater 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);
- B) The use of fund balances available at the beginning of the year to fund current year expenditures is recorded as an other financing source;
- C) Expenditures/expenses are recorded when paid in cash (budgetary basis) as opposed to when liability is incurred (GAAP basis);
- D) 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 and expenditures and other uses for the year ended June 30, 2020 are as follows:

	Governmental Funds	
	General Fund	Special Revenue Wastewater
Revenues and other financing sources:		
GAAP Basis	\$ 390,744,178	\$ 23,219,983
Adjustments:		
Change in real estate and personal property taxes 60 day accruals	(1,123,277)	-
Unbudgeted deferral of tax possessions	888,029	-
MTRB on-behalf payments	(36,607,592)	-
Issuance of capital leases at NPV	(571,512)	-
Stabilization fund - income statement activity	(373,902)	-
Free cash utilized for budgetary basis	408,618	-
Budgetary Basis	<u>\$ 353,364,542</u>	<u>\$ 23,219,983</u>
Expenditures and other financing uses:		
GAAP Basis	\$ 387,869,467	\$ 22,391,996
Adjustments:		
MTRB on-behalf payments	(36,607,592)	-
Issuance of capital leases at NPV	(571,512)	-
Stabilization fund - income statement activity	(705,077)	-
Budgetary Basis	<u>\$ 349,985,286</u>	<u>\$ 22,391,996</u>

See accompanying independent auditor's report

Schedule of Changes in the System's Net Pension Liability and Related Ratios - Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability					
Service cost	\$ 13,299,628	\$ 12,788,104	\$ 10,287,007	\$ 9,987,385	\$ 10,680,565
Interest on liability and service cost	53,440,073	52,379,302	47,620,499	46,957,922	48,758,434
Differences between expected and actual experience	427,538	-	24,494,556	-	10,187,503
Changes in assumptions	2,746,110	-	49,300,676	-	(21,419,864)
Benefit payments, including refunds of employee contributions	(51,965,670)	(51,104,978)	(49,437,397)	(47,075,331)	(45,901,874)
Interest on benefit	-	-	-	-	(1,745,509)
Net change in total pension liability	17,947,679	14,062,428	82,265,341	9,869,976	559,255
Total pension liability - beginning	725,217,512	711,155,084	628,889,743	619,019,767	618,460,512
Total pension liability - ending (a)	<u>\$ 743,165,191</u>	<u>\$ 725,217,512</u>	<u>\$ 711,155,084</u>	<u>\$ 628,889,743</u>	<u>\$ 619,019,767</u>
Plan fiduciary net position					
Contributions - employer	\$ 34,868,476	\$ 33,082,046	\$ 32,069,145	\$ 30,810,829	\$ 29,758,906
Contributions - employee	10,839,234	9,977,696	9,620,489	9,042,514	9,305,456
Other payments	871,534	981,322	956,887	969,196	1,025,323
Net investment income	59,077,910	(16,458,511)	52,511,151	23,322,337	(3,014,143)
Benefit payments, including refunds of employee contributions	(51,965,670)	(51,104,978)	(49,437,397)	(47,075,331)	(45,901,874)
Administrative expense	(557,897)	(582,690)	(546,865)	(617,024)	(562,794)
Adjust assets to market value	-	-	-	-	1,576,360
Net change in plan fiduciary net position	53,133,587	(24,105,115)	45,173,410	16,452,521	(7,812,766)
Plan fiduciary net position - beginning	312,194,979	336,300,094	291,126,684	274,674,163	282,486,929
Plan fiduciary net position - ending (b)	<u>\$ 365,328,566</u>	<u>\$ 312,194,979</u>	<u>\$ 336,300,094</u>	<u>\$ 291,126,684</u>	<u>\$ 274,674,163</u>
System's net pension liability - ending (a) - (b)	<u>\$ 377,836,625</u>	<u>\$ 413,022,533</u>	<u>\$ 374,854,990</u>	<u>\$ 337,763,059</u>	<u>\$ 344,345,604</u>
Plan fiduciary net position as a percentage of the total pension liability	49.16%	43.05%	47.29%	46.29%	44.37%
Covered payroll	\$ 97,431,898	\$ 93,827,452	\$ 90,685,169	\$ 92,695,007	\$ 89,560,393
System's net pension liability as a percentage of covered payroll	387.80%	440.19%	413.36%	364.38%	384.48%

See accompanying independent auditor's report

Schedule of Changes in the System's Net Pension Liability and Related Ratios - Last 10 Fiscal Years (Continued)

	<u>2015</u>
Total pension liability	
Service cost	\$ 10,369,481
Interest on liability and service cost	47,840,671
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	(44,969,104)
Interest on benefit	<u>(1,710,039)</u>
Net change in total pension liability	11,531,009
Total pension liability - beginning	606,929,503
Total pension liability - ending (a)	<u><u>\$ 618,460,512</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 28,253,951
Contributions - employee	8,457,273
Other payments	1,057,391
Net investment income	16,227,627
Benefit payments, including refunds of employee contributions	(44,969,104)
Administrative expense	(547,593)
Adjust assets to market value	<u>(1,992,203)</u>
Net change in plan fiduciary net position	6,487,342
Plan fiduciary net position - beginning	275,999,587
Plan fiduciary net position - ending (b)	<u><u>\$ 282,486,929</u></u>
System's net pension liability - ending (a) - (b)	<u><u>\$ 335,973,583</u></u>
Plan fiduciary net position as a percentage of the total pension liability	45.68%
Covered payroll	\$ 84,425,116
System's net pension liability as a percentage of covered payroll	397.95%

** - Per paragraph 138 of GASB Statement No. 68, the City is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

Schedule of the City's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability (asset)	87.5500%	87.1091%	86.5059%	86.7370%	86.2969%
City's proportionate share of the net pension liability (asset)	\$ 330,795,970	\$ 359,780,192	\$ 324,271,782	\$ 292,965,416	\$ 299,409,245
City's covered payroll	\$ 85,231,809	\$ 82,151,215	\$ 79,019,735	\$ 80,400,833	\$ 77,287,856
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	388.11%	437.95%	410.37%	364.38%	387.39%
Plan fiduciary net position as a percentage of the total pension liability	49.16%	43.05%	47.29%	46.29%	44.37%
 <u>2015</u>					
City's proportion of the net pension liability (asset)	86.4768%				
City's proportionate share of the net pension liability (asset)	\$ 288,816,402				
City's covered payroll	\$ 73,420,569				
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	393.37%				
Plan fiduciary net position as a percentage of the total pension liability	46.00%				

** - Per paragraph 138 of GASB Statement No. 68, the City is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

See accompanying independent auditor's report

Schedule of the System's Contributions - Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 34,868,476	\$ 33,082,046	\$ 32,069,145	\$ 30,810,829	\$ 29,758,906
System contributions in relation to the actuarially determined contribution	<u>34,868,476</u>	<u>33,082,046</u>	<u>32,069,145</u>	<u>30,810,829</u>	<u>29,821,401</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,495)</u>
Covered payroll	\$ 97,431,898	\$ 93,827,452	\$ 90,685,169	\$ 92,695,007	\$ 89,560,393
Contributions as a percentage of covered payroll	35.79%	35.26%	35.36%	33.24%	33.30%

	<u>2015</u>
Actuarially determined contribution	\$ 28,253,951
System contributions in relation to the actuarially determined contribution	<u>28,253,951</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 84,425,116
Contributions as a percentage of covered payroll	33.47%

Notes to Schedule**Valuation Date:**

The January 1, 2020 actuarial valuation was rolled forward, in accordance with the parameters of GASB Statement No. 68, to December 31, 2019, the measurement date.

Methods and assumptions used to determine contribution rates:

Contribution rates are recommended by the System's independent actuary and are approved by PERAC in order to comply with the applicable funding statute (MGL Chapter 32 Section 22F)

** - Per paragraph 138 of GASB Statement No. 68, the City is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

See accompanying independent auditor's report

Schedule of Employer Contributions - Last 10 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's contractually required contribution	\$ 30,527,351	\$ 28,817,471	\$ 27,741,711	\$ 26,724,377	\$ 25,734,949
City's contributions in relation to the contractually required contribution	<u>30,527,351</u>	<u>28,817,471</u>	<u>27,741,711</u>	<u>26,724,377</u>	<u>25,734,949</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 87,540,589	\$ 85,934,427	\$ 85,226,392	\$ 79,718,484	\$ 79,184,083
Contributions as a percentage of covered payroll	34.87%	35.08%	35.11%	33.24%	33.30%

	<u>2015</u>
City's contractually required contribution	\$ 24,433,112
City's contributions in relation to the contractually required contribution	<u>24,433,112</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered payroll	\$ 77,533,906
Contributions as a percentage of covered payroll	33.28%

** - Per paragraph 138 of GASB Statement No. 68, the City is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

Annual Money-Weighted Rate of Return – Contributory Retirement System

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Annual money-weighted rate of return, net of investment expense	19.47%	-5.75%	18.34%	9.21%	-0.46%
	<u>12/31/2014</u>				
Annual money-weighted rate of return, net of investment expense	6.62%				

** - Per paragraph 138 of GASB Statement No. 68, the City is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

See accompanying independent auditor's report

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See accompanying independent auditor's report

Schedule of Changes in the City's Net OPEB Liability and Related Ratios – Other Post-Employment Benefits

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability				
Service cost	\$ 18,941,395	\$ 18,125,737	\$ 17,345,203	\$ 14,481,690
Interest on liability and service cost	20,229,162	19,426,065	18,258,007	17,592,103
Differences between expected and actual experience	(46,043,123)	-	(9,785,838)	-
Changes in assumptions	117,449,904	-	22,318,271	-
Benefit payments, including refunds of employee contributions	<u>(16,119,955)</u>	<u>(17,767,957)</u>	<u>(17,767,957)</u>	<u>(16,602,496)</u>
Net change in total OPEB liability	94,457,383	19,783,845	30,367,686	15,471,297
Total OPEB liability - beginning	<u>\$ 528,488,722</u>	<u>\$ 508,704,877</u>	<u>478,337,191</u>	<u>462,865,894</u>
Total OPEB liability - ending (a)	<u><u>\$ 622,946,105</u></u>	<u><u>\$ 528,488,722</u></u>	<u><u>\$ 508,704,877</u></u>	<u><u>\$ 478,337,191</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 14,843,263	\$ 18,222,957	\$ 150,000	270,000
Net investment income	43,912	97,711	119,070	112,330
Benefit payments, including refunds of employee contributions	(14,843,263)	(17,767,957)	-	-
Administrative expense	<u>(4,488)</u>	<u>-</u>	<u>(4,487)</u>	<u>(2,561)</u>
Net change in plan fiduciary net position	39,424	552,711	264,583	379,769
Plan fiduciary net position - beginning	<u>2,004,131</u>	<u>1,451,420</u>	<u>1,186,837</u>	<u>807,068</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 2,043,555</u></u>	<u><u>\$ 2,004,131</u></u>	<u><u>\$ 1,451,420</u></u>	<u><u>\$ 1,186,837</u></u>
City's net OPEB liability - ending (a) - (b)	<u><u>\$ 620,902,550</u></u>	<u><u>\$ 526,484,591</u></u>	<u><u>\$ 507,253,457</u></u>	<u><u>\$ 477,150,354</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.33%	0.38%	0.29%	0.25%
Covered-employee payroll*	\$ 182,902,245	\$ 180,556,037	\$ 174,450,277	\$ 158,014,676
City's net OPEB liability as a percentage of covered employee payroll	339.47%	291.59%	290.77%	301.97%

* - Since contributions to the OPEB plan are not based on a measure of pay, the RSI schedules above use the term "covered-employee payroll" (the payroll of employees that are provided with OPEB through the OPEB plan) as the measure of payroll.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

See accompanying independent auditor's report

Schedule of City's Contributions – Other Post-Employment Benefits

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 94,417,959	\$ 19,231,134	\$ 16,018,219	\$ 17,102,496
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>455,000</u>	<u>270,000</u>	<u>270,000</u>
Contribution deficiency (excess)	<u>\$ 94,417,959</u>	<u>\$ 18,776,134</u>	<u>\$ 17,497,957</u>	<u>\$ 16,832,496</u>
Covered-employee payroll*	\$ 182,902,245	\$ 180,556,037	\$ 174,450,277	\$ 158,014,676
Contributions as a percentage of covered-employee payroll	0.00%	0.25%	0.15%	0.17%

* - Since contributions to the OPEB plan are not based on a measure of pay, the RSI schedules above use the term "covered-employee payroll" (the payroll of employees that are provided with OPEB through the OPEB plan) as the measure of payroll.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

Schedule of Investment Returns – Other Post-Employment Benefits

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Annual money-weighted rate of return, net of investment expense	2.40%	6.12%	7.89%	9.25%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

Combining and Individual Fund Statements *and* Other Supplementary Information

The following section provides combining and individual fund statements for select funds presented within the fund financial statements appearing in the Financial Section of this report. It also includes budgetary comparison schedules for each of the City's enterprise funds.



See accompanying independent auditor's report

Governmental Funds

Governmental funds consist of the following:

General Fund

The General Fund is the operating fund of the City. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects that are legally restricted or committed for specific purposes. The City's Wastewater Fund is classified as a special revenue fund. The fund consists of operations, special projects and debt service.

The special revenue funds also account for a number of federal and state grants administered by the City's individual departments.

Capital projects funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Permanent trust funds

Permanent trust fund are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Wastewater Funds – Combining Balance Sheets – June 30, 2020

	Operating	Special Projects	Debt Service	Total Wastewater
ASSETS				
Cash	\$ 9,095,505	\$ 2,164,977	\$ 2,750,213	\$ 14,010,695
User charges receivable	2,947,290	-	-	2,947,290
Utility liens receivable	140,153	-	-	140,153
Special assessments receivable	123,758	-	-	123,758
Department receivables	62,822	-	-	62,822
Other receivables	-	2,237	-	2,237
Inventory	26,373	-	-	26,373
Due from other funds	193,667	1,496	-	195,163
Total assets	12,589,568	2,168,710	2,750,213	17,508,491
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 12,589,568</u>	<u>\$ 2,168,710</u>	<u>\$ 2,750,213</u>	<u>\$ 17,508,491</u>
LIABILITIES:				
Warrants, accounts and accrued expenses payable	2,080,767	37,910	-	2,118,677
Deposits held	24,590	-	-	24,590
Other liabilities	26,977	-	-	26,977
Due to other funds	1,396,076	-	-	1,396,076
Total liabilities	3,528,410	37,910	-	3,566,320
DEFERRED INFLOWS OF RESOURCES				
Deferred user fees, fines and charges for services	3,211,200	-	-	3,211,200
Total deferred inflows of resources	3,211,200	-	-	3,211,200
FUND BALANCE				
Nonspendable	26,373	-	-	26,373
Restricted	1,763,827	-	2,750,213	4,514,040
Committed	3,676,090	2,130,800	-	5,806,890
Assigned	383,668	-	-	383,668
Unassigned	-	-	-	-
Total fund balance	5,849,958	2,130,800	2,750,213	10,730,971
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 12,589,568</u>	<u>\$ 2,168,710</u>	<u>\$ 2,750,213</u>	<u>\$ 17,508,491</u>

See accompanying independent auditor's report

Wastewater Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – for the Year Ending June 30, 2020

	Operating	Special Projects	Debt Service	Total Wastewater
Revenues:				
Utility usage charges	\$ 22,788,095	\$ -	\$ -	\$ 22,788,095
Liens and penalties	143,704	-	-	143,704
Departmental	3,818	-	-	3,818
Intergovernmental revenues	16,402	-	4,706,704	4,723,106
Special assessments	12,805	-	-	12,805
Investment income	222,281	1,103	2,446	225,830
Other	32,878	-	-	32,878
Total revenues	23,219,983	1,103	4,709,150	27,930,236
Expenditures:				
Current:				
Salaries	1,682,717	-	-	1,682,717
Charges and services	10,950,721	116,106	-	11,066,827
Supplies and materials	516,343	-	-	516,343
Capital outlay:				
Capital outlay	157,532	56,924	-	214,456
Debt service:				
Debt admin fees	134,859	-	-	134,859
Principal paid on debt	745,350	-	7,706,821	8,452,171
Interest paid on debt	187,360	-	2,840,266	3,027,626
Total expenditures	14,374,882	173,030	10,547,087	25,094,999
Excess (deficiency) of revenues over expenditures	8,845,101	(171,927)	(5,837,937)	2,835,237
Transfers in	-	-	6,356,679	6,356,679
Transfers (out)	(8,017,114)	(197,848)	-	(8,214,962)
Excess (deficiency) of revenues and other sources over expenditures and other uses	827,987	(369,775)	518,742	976,954
Fund balance - beginning of year	5,021,971	2,500,575	2,231,471	9,754,017
Fund balance - end of year	<u>\$ 5,849,958</u>	<u>\$ 2,130,800</u>	<u>\$ 2,750,213</u>	<u>\$ 10,730,971</u>

See accompanying independent auditor's report

Non-Major Governmental Funds - Combining Balance Sheets – June 30, 2020

	Special Revenue Funds							
	Highway Improvements	Revolving	Reserve for Appropriation	Donations	City Grants	School Grants	Other Community Development	Total Special Revenue
ASSETS								
Cash and investments, unrestricted	\$ (194,989)	\$ 15,729,449	\$ 7,375,018	\$ 606,752	\$ 6,882,310	\$ 537,141	\$ 918,058	\$ 31,853,739
Federal and state grants receivable	425,834	-	-	-	1,869,233	1,403,332	203,006	3,901,405
Loan receivables	-	-	-	-	-	-	1,383,286	1,383,286
Due from other funds	-	-	-	56	-	-	-	56
Receivable, other	12,916	256,811	175,289	-	446,039	112,179	-	1,003,234
Land inventory	-	-	-	-	-	-	246,918	246,918
Total assets	243,761	15,986,260	7,550,307	606,808	9,197,582	2,052,652	2,751,268	38,388,638
DEFERRED OUTFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	243,761	15,986,260	7,550,307	606,808	9,197,582	2,052,652	2,751,268	38,388,638
LIABILITIES								
Warrants, accounts and accrued expenses payable	\$ 171,332	\$ 1,379,198	24,371	\$ 6,270	\$ 2,887,742	\$ 923,993	\$ 346,835	\$ 5,739,741
Due to state or federal government	-	-	-	-	-	209	-	209
Due to other funds	-	-	-	-	18,993	-	381	19,374
Other liabilities	-	-	-	-	303	-	20	323
Total liabilities	171,332	1,379,198	24,371	6,270	2,907,038	924,202	347,236	5,759,647
DEFERRED INFLOWS OF RESOURCES								
Deferred departmental and other receipts	-	58,739	178,995	-	-	-	-	237,734
Unearned grant income	-	-	-	-	190,845	854,139	-	1,044,984
Unearned loan income	-	-	-	-	-	-	1,383,286	1,383,286
Total deferred inflows of resources	-	58,739	178,995	-	190,845	854,139	1,383,286	2,666,004
FUND BALANCE								
Nonspendable	-	-	-	-	-	-	246,918	246,918
Restricted	72,429	13,234,395	7,346,941	605,657	7,431,265	431,814	773,828	29,896,329
Committed	-	1,713,828	-	-	-	-	-	1,713,828
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(399,900)	-	(5,119)	(1,331,566)	(157,503)	-	(1,894,088)
Total fund balance	72,429	14,548,323	7,346,941	600,538	6,099,699	274,311	1,020,746	29,962,987
Total liabilities, deferred inflows of resources and fund balance	\$ 243,761	\$ 15,986,260	\$ 7,550,307	\$ 606,808	\$ 9,197,582	\$ 2,052,652	\$ 2,751,268	\$ 38,388,638

See accompanying independent auditor's report

	Capital Project Funds					Total Capital Project Funds
	Other Funds	Public Works Funds	Education Funds	Airport Funds	City-Owned Building Funds	
ASSETS						
Cash and investments, unrestricted	\$ 5,754,599	\$ 3,346,987	\$ 4,348,863	\$ 280,209	\$ 4,433,280	\$ 18,163,938
Cash and investments, restricted	-	-	-	-	-	-
Receivables, net:						
Federal & state grants receivable	-	2,005,794	4,137,568	417,099	-	6,560,461
Due from other funds	2,872,483	-	-	-	-	2,872,483
Total assets	8,627,082	5,352,781	8,486,431	697,308	4,433,280	27,596,882
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 8,627,082	\$ 5,352,781	\$ 8,486,431	\$ 697,308	\$ 4,433,280	\$ 27,596,882
LIABILITIES						
Warrants, accounts and accrued expenses payable	640,442	5,428,714	53,978	70,625	28,993	6,222,752
Retainage payable	19,508	1,111,230	93,365	-	8,212	1,232,315
Bonds and notes payable	9,837,000	-	9,634,084	588,463	9,563,000	29,622,547
Total liabilities	10,496,950	6,539,944	9,781,427	659,088	9,600,205	37,077,614
DEFERRED INFLOWS OF RESOURCES						
Unearned grant income	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	1,061,584	34,207	245,455	266,852	557,314	2,165,412
Assigned	-	-	-	-	-	-
Unassigned	(2,931,452)	(1,221,370)	(1,540,451)	(228,632)	(5,724,239)	(11,646,144)
Total fund balance	(1,869,868)	(1,187,163)	(1,294,996)	38,220	(5,166,925)	(9,480,732)
Total liabilities, deferred inflows of resources and fund balance	\$ 8,627,082	\$ 5,352,781	\$ 8,486,431	\$ 697,308	\$ 4,433,280	\$ 27,596,882

See accompanying independent auditor's report

	Permanent Trust Funds					
	Other Permanent Trust Funds	Cemetery Perpetual Care	Gift of Sarah Potter	Sylvia H.G. Wilks	Total Permanent Trust Funds	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments, unrestricted	\$ 1,381,049	\$ 1,659,799	\$ 1,005,541	\$ 564,484	\$ 4,610,873	\$ 54,628,550
Cash and investments, restricted	260,663	4,016,748	250,000	600,000	5,127,411	5,127,411
Receivables, net:						
Federal & state grants receivable	-	-	-	-	-	10,461,866
Loans receivable	-	-	-	-	-	1,383,286
Other receivables	-	-	-	-	-	1,003,234
Due from other funds	-	-	-	-	-	2,872,539
Land inventory	-	-	-	-	-	246,918
Total assets	1,641,712	5,676,547	1,255,541	1,164,484	9,738,284	75,723,804
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,641,712	\$ 5,676,547	\$ 1,255,541	\$ 1,164,484	\$ 9,738,284	\$ 75,723,804
LIABILITIES						
Warrants, accounts and accrued expenses	2,069	26,394	1,219	8,550	38,232	12,000,725
Retainage payable	-	-	-	-	-	1,232,315
Bonds and notes payable	-	-	-	-	-	29,622,547
Due to other funds	-	-	-	56	56	19,430
Due to other governments	-	-	-	-	-	209
Other liabilities	-	-	-	-	-	323
Total liabilities	2,069	26,394	1,219	8,606	38,288	42,875,549
DEFERRED INFLOWS OF RESOURCES						
Deferred departmental and other receipts	-	-	-	-	-	237,734
Unearned grant income	-	-	-	-	-	1,044,984
Unearned loan income	-	-	-	-	-	1,383,286
Total deferred inflows of resources	-	-	-	-	-	2,666,004
FUND BALANCE						
Nonspendable	260,663	4,016,748	250,000	600,000	5,127,411	5,374,329
Restricted	1,378,980	1,633,405	1,004,322	555,878	4,572,585	36,634,326
Committed	-	-	-	-	-	1,713,828
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(13,540,232)
Total fund balance	1,639,643	5,650,153	1,254,322	1,155,878	9,699,996	30,182,251
Total liabilities, deferred inflows of resources and fund balance	\$ 1,641,712	\$ 5,676,547	\$ 1,255,541	\$ 1,164,484	\$ 9,738,284	\$ 75,723,804

See accompanying independent auditor's report

Non-Major Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balance – For the Year Ending June 30, 2020

	Special Revenue Funds							
	Highway Improvements	Revolving	Reserve for Appropriation	Donations	City Grants	School Grants	Other Community Development	Total Special Revenue
REVENUES								
Federal grants	\$ 12,916	\$ 6,725,400	\$ -	\$ -	\$ 2,931,551	\$ 13,933,592	\$ 4,097,112	\$ 27,700,571
State grants	2,697,733	3,281,008	257,800	-	4,629,634	2,913,941	15,000	13,795,116
Investment income	380	6,304	58,557	2,808	1,774	7,865	1,326	79,014
Charges for services	-	1,271,171	306,191	42,440	-	-	-	1,619,802
Miscellaneous and other revenues	-	1,097,279	1,208,137	297,495	603,117	1,695,767	486,692	5,388,487
Total revenues	2,711,029	12,381,162	1,830,685	342,743	8,166,076	18,551,165	4,600,130	48,582,990
EXPENDITURES								
Current:								
General government	-	1,123,314	1,920,001	-	2,356,305	-	-	5,399,620
Public safety	-	226,240	-	582	2,744,954	-	-	2,971,776
Public works	2,619,056	667,238	-	-	2,457,368	-	-	5,743,662
Education	-	11,847,605	-	42,285	-	18,827,627	-	30,717,517
Community and economic development	-	-	-	-	-	-	4,439,342	4,439,342
Health and human services	-	250,036	21,902	3,048	1,055,197	-	-	1,330,183
Culture and recreation	-	652,052	-	135,818	510,891	-	-	1,298,761
Total expenditures	2,619,056	14,766,485	1,941,903	181,733	9,124,715	18,827,627	4,439,342	51,900,861
Excess (deficiency) of revenue over (under) expenditures	91,973	(2,385,323)	(111,218)	161,010	(958,639)	(276,462)	160,788	(3,317,871)
OTHER FINANCING SOURCES (USES)								
Proceeds from insurance recovery	-	543,858	-	-	-	-	-	543,858
Transfers in	-	-	-	-	212,478	-	-	212,478
Transfers out	-	-	(96,000)	(76,053)	(20,893)	-	-	(192,946)
Total other financing sources (uses)	-	543,858	(96,000)	(76,053)	191,585	-	-	563,390
Change in fund balance	91,973	(1,841,465)	(207,218)	84,957	(767,054)	(276,462)	160,788	(2,754,481)
Fund balance - beginning of year (restated)	(19,544)	16,389,788	7,554,159	515,581	6,866,753	550,773	859,958	32,717,468
Fund balance - end of year	\$ 72,429	\$ 14,548,323	\$ 7,346,941	\$ 600,538	\$ 6,099,699	\$ 274,311	\$ 1,020,746	\$ 29,962,987

See accompanying independent auditor's report

	Capital Project Funds					Total Capital Project Funds
	Other Funds	Public Works Funds	Education Funds	Airport Funds	City-Owned Building Funds	
REVENUE						
MSBA assistance	\$ -	\$ -	\$ 5,836,313	\$ -	\$ -	\$ 5,836,313
Intergovernmental - capital grants	-	16,036,945	-	698,540	-	16,735,485
Miscellaneous	-	-	-	-	-	-
Total revenues	-	16,036,945	5,836,313	698,540	-	22,571,798
EXPENDITURES						
Capital outlay:						
General government	2,038,253	-	-	-	1,637,276	3,675,529
Education	821,804	-	4,885,677	-	57,612	5,765,093
Public works	1,003,690	20,556,538	-	546,469	-	22,106,697
Culture and recreation	1,882	-	-	-	15,742	17,624
Total expenditures	3,865,629	20,556,538	4,885,677	546,469	1,710,630	31,564,943
Excess (deficiency) of revenues over (under) expenditures	(3,865,629)	(4,519,593)	950,636	152,071	(1,710,630)	(8,993,145)
OTHER FINANCING SOURCES (USES)						
Bond issuance	-	4,646,600	-	-	-	4,646,600
Transfers in	293,652	197,848	-	-	-	491,500
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	293,652	4,844,448	-	-	-	5,138,100
Change in fund balance	(3,571,977)	324,855	950,636	152,071	(1,710,630)	(3,855,045)
Fund balance - beginning of year	1,702,109	(1,512,018)	(2,245,632)	(113,851)	(3,456,295)	(5,625,687)
Fund balance - end of year	\$ (1,869,868)	\$ (1,187,163)	\$ (1,294,996)	\$ 38,220	\$ (5,166,925)	\$ (9,480,732)

See accompanying independent auditor's report

	Permanent Trust Funds				Total Permanent Trust Funds	Total Nonmajor Governmental Funds
	Other Permanent Trust Funds	Cemetery Perpetual Care	Gift of Sarah Potter	Sylvia H.G. Wilks		
REVENUE						
MSBA assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,836,313
Investment income	40,329	108,837	29,368	56,994	235,528	314,542
Intergovernmental - operating grants	-	-	-	-	-	41,495,687
Intergovernmental - capital grants	-	-	-	-	-	16,735,485
Charges for services	-	-	-	-	-	1,619,802
Miscellaneous	2,750	317,204	-	-	319,954	5,708,441
Total revenues	<u>43,079</u>	<u>426,041</u>	<u>29,368</u>	<u>56,994</u>	<u>555,482</u>	<u>71,710,270</u>
EXPENDITURES						
Current:						
General government	153	-	-	-	153	5,399,773
Public safety	-	-	-	-	-	2,971,776
Education	1,884	-	-	-	1,884	30,719,401
Public works	9	109,020	-	-	109,029	5,852,691
Community and economic development	-	-	-	-	-	4,439,342
Health and human services	-	-	-	-	-	1,330,183
Culture and recreation	34,653	-	57,600	38,924	131,177	1,429,938
Capital outlay:						
General government	-	-	-	-	-	3,675,529
Education	-	-	-	-	-	5,765,093
Public works	-	-	-	-	-	22,106,697
Culture and recreation	-	-	-	-	-	17,624
Total expenditures	<u>36,699</u>	<u>109,020</u>	<u>57,600</u>	<u>38,924</u>	<u>242,243</u>	<u>83,708,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,380</u>	<u>317,021</u>	<u>(28,232)</u>	<u>18,070</u>	<u>313,239</u>	<u>(11,997,777)</u>
OTHER FINANCING SOURCES (USES)						
Bond issuance	-	-	-	-	-	4,646,600
Insurance proceeds	-	-	-	-	-	543,858
Transfers in	-	-	-	-	-	703,978
Transfers out	-	-	-	-	-	(192,946)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,701,490</u>
Change in fund balance	6,380	317,021	(28,232)	18,070	313,239	(6,296,287)
Fund balance - beginning of year (restated)	<u>1,633,263</u>	<u>5,333,132</u>	<u>1,282,554</u>	<u>1,137,808</u>	<u>9,386,757</u>	<u>36,478,538</u>
Fund balance - end of year	<u>\$ 1,639,643</u>	<u>\$ 5,650,153</u>	<u>\$ 1,254,322</u>	<u>\$ 1,155,878</u>	<u>\$ 9,699,996</u>	<u>\$ 30,182,251</u>

See accompanying independent auditor's report

Proprietary Funds

Proprietary funds consist of enterprise funds and internal service funds as follows:

Enterprise funds

Enterprise funds are used to account for the operations for which a fee is charged to external users for goods and services; including operations financed with debt that is solely secured by a pledge of net revenues, has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges.

The four enterprise funds established by the City are:

- **Water:**
This fund accounts for operations of the City's water collection, treatment, and distribution system.
- **Airport:**
This fund accounts for operations of the City's municipal airport.
- **Downtown Parking:**
This fund accounts for operations of two parking garages, as well as other parking spaces located within a specific district of the City's downtown area.
- **Cable Access:**
This fund accounts for operations of Cable Television PEG Access revenues.

Internal service fund

This fund accounts for all medical claims and health plan administrative fees incurred by the self-insured health plans provided to employees and retirees of the City and certain agencies of the City. This fund also accounts for the employer and employee contributions that completely fund those claims and fees on a monthly basis.

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See accompanying independent auditor's report

Water Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2020

	<u>Original Budget</u>		<u>Additional Appropriations and Transfers</u>	<u>Available for Current Year Expenditures</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>		<u>Variance</u>
	<u>Encumbrances Carried Forward</u>	<u>Budget As Adopted</u>						
Revenues:								
Charges for services	\$ -	\$16,605,104	\$ -	\$ 16,605,104	\$14,773,113	\$ -		\$ (1,831,991)
Utility liens and penalties	-	150,000	-	150,000	68,468	-		(81,532)
Other	-	45,600	-	45,600	58,835	-		13,235
Total Revenues	-	16,800,704	-	16,800,704	14,900,416	-		(1,900,288)
Expenditures:								
Salaries and wages	-	4,584,084	(210,000)	4,374,084	4,117,067	-		257,017
Purchase of services	65,200	2,710,529	275,200	3,050,929	2,562,747	375,849		112,333
Materials and supplies	-	1,241,500	-	1,241,500	1,161,560	-		79,940
Capital outlay	-	176,799	-	176,799	264,973	-		(88,174)
Debt service and Other Uses	-	8,087,792	-	8,087,792	5,515,536	-		2,572,256
Total Expenditures	65,200	16,800,704	65,200	16,931,104	13,621,883	375,849		2,933,372
Excess (deficiency) of revenues over expenditures	(65,200)	-	(65,200)	(130,400)	1,278,533	(375,849)		1,033,084
Other financing sources and (uses):								
From Free Cash	-	-	65,200	65,200	-	-		(65,200)
Total other financing sources and (uses)	-	-	65,200	65,200	-	-		(65,200)
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (65,200)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (65,200)</u>	<u>\$ 1,278,533</u>	<u>\$ (375,849)</u>		<u>\$ 967,884</u>
Budgetary fund balance - beginning fund balance					4,672,539			
Budgetary fund balance - ending fund balance					<u>\$ 5,951,072</u>			

See accompanying independent auditor's report

Airport Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2020

	<u>Original Budget</u>		<u>Additional Appropriations and Transfers</u>	<u>Available for Current Year Expenditures</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>	<u>Variance</u>
	<u>Encumbrances Carried Forward</u>	<u>Budget As Adopted</u>					
Revenues:							
Charges for services	\$ -	\$ 1,025,350	\$ -	\$ 1,025,350	\$ 889,651	\$ -	\$ (135,699)
Earnings on investments	-	-	-	-	2,491	-	(2,491)
Other	-	-	-	-	-	-	-
Total Revenues	-	1,025,350	-	1,025,350	892,142	-	(138,190)
Expenditures:							
Salaries and wages	-	417,069	(26,000)	391,069	378,342	-	12,727
Charges and services	-	249,456	30,875	280,331	230,593	4,875	44,863
Materials and supplies	-	27,000	-	27,000	22,974	-	4,026
Debt service and other uses	-	331,825	-	331,825	288,482	-	43,343
Total Expenditures	-	1,025,350	4,875	1,030,225	920,391	4,875	104,959
Excess (deficiency) of revenues over expenditures	-	-	(4,875)	(4,875)	(28,249)	(4,875)	(33,231)
Other financing sources and (uses):							
Free Cash	-	-	4,875	4,875	-	-	4,875
Total other financing sources and (uses)	-	-	4,875	4,875	-	-	4,875
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -	\$ (28,249)	\$ (4,875)	\$ (28,356)
Budgetary Fund Balance - beginning of year					86,330		
Budgetary Fund Balance - end of year					<u>\$ 58,081</u>		

See accompanying independent auditor's report

Downtown Parking Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2020

	Original Budget						
	Encumbrances Carried Forward	Budget As Adopted	Additional Appropriations and Transfers	Available for Current Year Expenditures	Actual	Encumbrances Carried Forward	Variance
Revenues:							
Charges for services	\$ -	\$ 1,023,588	\$ -	\$ 1,023,588	\$ 774,748	\$ -	\$ (248,840)
Earnings on investments	-	-	-	-	5,710	-	5,710
Other	-	10,000	-	10,000	9,750	-	(250)
Total Revenues	-	1,033,588	-	1,033,588	790,208	-	(243,380)
Expenditures:							
Salaries and Wages	-	239,627	-	239,627	233,269	-	6,358
Purchase of Services	13,966	250,459	13,966	278,391	213,904	15,466	64,487
Materials and Supplies	-	74,000	-	74,000	15,745	-	58,255
Capital Outlay	100,000	75,000	100,000	275,000	50,000	50,000	225,000
Debt Service and Other Uses	-	394,502	-	394,502	346,017	-	48,485
Total Expenditures	113,966	1,033,588	113,966	1,261,520	858,935	65,466	402,585
Excess (deficiency) of revenues over expenditures	(113,966)	-	(113,966)	(227,932)	(68,727)	(65,466)	159,205
Other financing sources and (uses):							
From Free Cash	-	-	113,966	113,966	-	-	(113,966)
Total other financing sources and (uses)	-	-	113,966	113,966	-	-	(113,966)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (113,966)	\$ -	\$ -	\$ (113,966)	\$ (68,727)	\$ (65,466)	\$ 45,239
Budgetary Fund Balance - beginning					488,265		
Budgetary Fund Balance - ending					\$ 419,538		

Cable Access Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2020

	Original Budget						
	Encumbrances Carried Forward	Budget As Adopted	Additional Appropriations and Transfers	Available for Current Year Expenditures	Actual	Encumbrances Carried Forward	Variance
Revenues:							
Charges for services	\$ -	\$ 1,348,550	\$ -	\$ 1,348,550	\$ 1,175,265	\$ -	\$ (173,285)
Other	-	14,008	-	14,008	5,306	-	(8,702)
Total Revenues	-	1,362,558	-	1,362,558	1,180,571	-	(181,987)
Expenditures:							
Salaries and Wages	-	649,304	-	649,304	549,991	-	99,313
Purchase of Services	-	320,080	-	320,080	264,961	-	55,119
Materials and Supplies	-	20,965	-	20,965	20,817	-	148
Capital Outlay	-	100,000	-	100,000	-	-	100,000
Debt Service and Other Uses	-	272,209	-	272,209	205,437	-	66,772
Total Expenditures	-	1,362,558	-	1,362,558	1,041,206	-	321,352
Excess (deficiency) of revenues over expenditures	-	-	-	-	139,365	-	139,365
Other financing sources and (uses):							
From Free Cash	-	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -	\$ 139,365	\$ -	\$ 139,365
Budgetary Fund Balance - beginning					290,376		
Budgetary Fund Balance - ending					\$ 429,741		

See accompanying independent auditor's report

Notes to the Supplementary Information - Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

The accompanying Combined Statement of Revenues, Expenditures or Expenses - Budget and Actual (Non-GAAP Budgetary Basis) - for the Water, Airport, Downtown Parking and Cable Access Enterprise Funds 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 and expenditures and other uses for the year ended June 30, 2020 are as follows:

	Proprietary Funds			
	Water	Airport	Downtown Parking	Cable Access
Revenues and other financing sources:				
GAAP Basis	\$ 38,268,809	\$ 9,724,966	\$ 790,208	\$ 1,180,571
Adjustments:				
Change in deferred revenue	(32,136)	-	-	-
MWPAT subsidy payments (GAAP only)	(118,860)	-	-	-
Stabilization fund - income statement activity	(170,950)	(574)	-	-
Change in the allowance for bad debts	(106,377)	-	-	-
Change in long-term receivable (MWPAT) - GAAP basis only	42,521	-	-	-
Transfer of governmental fund expenditures to enterprise capital assets - GAAP basis	(22,982,591)	(8,832,250)	-	-
Budgetary Basis	<u>\$ 14,900,416</u>	<u>\$ 892,142</u>	<u>\$ 790,208</u>	<u>\$ 1,180,571</u>
Expenditures and other financing uses:				
GAAP Basis	\$ 40,623,034	\$ 2,996,649	\$ 1,361,840	\$ 1,041,206
Adjustments:				
MWPAT subsidy payments (GAAP only)	(118,860)	-	-	-
Change in compensated absences	30,945	6,159	(8,942)	-
Principal paid on long-term debt	2,131,665	52,857	43,191	-
Principal paid on capital leases	76,808	-	-	-
Additions to capital assets	267,116	-	50,000	-
Unbudgeted long-term debt acquired (GAAP only)	(24,932,627)	-	-	-
Depreciation expense	(2,813,254)	(2,067,184)	(280,712)	-
Change in net pension liability (GAAP only)	(437,226)	92,482	(65,585)	-
Change in net OPEB liability (GAAP only)	(1,205,718)	(160,572)	(240,857)	-
Budgetary Basis	<u>\$ 13,621,883</u>	<u>\$ 920,391</u>	<u>\$ 858,935</u>	<u>\$ 1,041,206</u>

See accompanying independent auditor's report

Fiduciary Funds and Similar Component Units

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 position and changes in net position and they are reported using accounting principles similar to proprietary funds.

NEW BEDFORD CONTRIBUTORY RETIREMENT SYSTEM

The New Bedford Contributory Retirement System is a defined benefit contributory retirement plan covering the employees of the City of New Bedford, the New Bedford Housing Authority, the Greater New Bedford Regional Vocational Technical High School, the Greater New Bedford Regional Refuse Management District and the Southeastern Regional Transit Authority. The System is subject to benefit provisions and financing requirement set forth primarily in Chapter 32 of the Massachusetts General Laws.

OPEB TRUST FUND

The City owns units (or shares) in the Pension Reserves Investment Trust (PRIT) as a fiduciary fund in the City's basic financial statements. These units (or shares) are reported at net asset value (NAV) at fiscal year-end. The investments are irrevocable and invested solely to provide funding for the City's post-employment benefits.

PRIVATE PURPOSE TRUST FUNDS

Private purpose trust funds are used to report any trust arrangement not otherwise classified as pension or benefit trusts, or an investment trust fund "under which principal and income benefit individuals, private organizations, or other governments."

AGENCY FUNDS

These funds are used to account for assets held in a purely custodial capacity.

Non-Major Discretely Presented Component Units

Discretely presented component units are legally separate from the City but are included because the City is financially accountable for the organizations. The following non-major component units of the City are presented for additional analysis:

- Greater New Bedford Workforce Investment Board
- New Bedford Redevelopment Authority

Statement of Changes in Assets and Liabilities – Agency Funds - For the Year Ending June 30, 2020

	Balance (Deficit) at July 1,		Interest Earned	Deletions	Balance (Deficit) at June 30,	
	2019	Additions			2020	
School TSA W-H - Local	\$ 18,363	\$ 2,169,818	\$ -	\$ (2,169,898)	\$ 18,283	
Zeiterion Roof - Agency	-	714,776	4,201	(259,028)	459,949	
Auditors Agency	3,976	-	109	-	4,085	
Retirement Salaries	(1,786)	281,417	-	(310,194)	(30,563)	
Reserve for Hunting-Fishg	2	-	-	-	2	
Suspense Fund UnidD Rcpts	82	-	-	-	82	
Retired Police Id Agcy Fd	190	-	-	-	190	
Engineering Deposits Held	405,958	-	-	-	405,958	
Urban Tax Services	30,871	383,925	-	(381,715)	33,081	
Colby Village LLC- Escrow	41	-	-	-	41	
Land Taking-Solicitors	3	-	1	-	4	
White Meadows Perform Bond	5,781	-	54	-	5,835	
Student Activity	282,398	188,895	2,614	(176,983)	296,924	
Eminent Domain Checks	54,337	-	498	-	54,835	
Heritage State Park	109	-	-	-	109	
Employee Health W-H	7,165,828	14,586,875	50,828	(13,695,097)	8,108,434	
Savings Bond	4,759	-	-	-	4,759	
CD Redevelopment Agency	563	-	6	-	569	
Bismark Meadows Perf Bond	14,255	-	-	-	14,255	
Registry of Deeds-Webster Agcy	6,771	-	-	-	6,771	
Utility Bills-Webster Agcy Fnd	(10,074)	-	39	-	(10,035)	
Whaler's Woods Surety Fund	(1,731)	-	-	-	(1,731)	
City Agency Fund	622	-	-	-	622	
Cardinal Place Surety Fund	26,547	-	243	-	26,790	
Whalers Place Surety Fund	42,247	-	387	-	42,634	
Treas Credit Advice Clearg	(12,513)	-	-	-	(12,513)	
School Revolving	194,092	100,968	2,098	(72,954)	224,204	
Deposits Held-Curbing	27,440	-	-	(2)	27,438	
	\$ 8,259,131	\$ 18,426,674	\$ 61,078	\$ (17,065,871)	\$ 9,681,012	

See accompanying independent auditor's report

Non-Major Discretely Presented Component Units Combining Statements of Net Position – June 30, 2020

	Greater New Bedford Workforce Investment Board	New Bedford Redevelopment Authority	Total Non Major Component Units
ASSETS			
Current assets			
Unrestricted cash and investments	\$ 196,092	\$ 42,863	\$ 238,955
Accounts receivable, net of allowance	-	17,700	17,700
Due from other governments	666,624	-	666,624
Inventories and prepaid expenses	15,435	761	16,196
Total current assets	878,151	61,324	939,475
Capital assets			
Land (and investments in property)	-	673,286	673,286
Total capital assets	-	673,286	673,286
Total assets	878,151	734,610	1,612,761
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 878,151	\$ 734,610	\$ 1,612,761
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 344,260	\$ 111,766	\$ 456,026
Intra-entity payable	-	650,905	650,905
Deposits held	-	15,000	15,000
Total current liabilities	344,260	777,671	1,121,931
Non-current liabilities			
None	-	-	-
Total non-current liabilities	-	-	-
Total liabilities	344,260	777,671	1,121,931
DEFERRED INFLOWS OF RESOURCES			
Income not yet earned	251,410	-	251,410
Total deferred inflows of resources	251,410	-	251,410
NET POSITION			
Net investment in capital assets	-	673,287	673,287
Restricted	-	-	-
Unrestricted	282,481	(716,348)	(433,867)
Total net position	282,481	(43,061)	239,420
Total liabilities, deferred inflows of resources and net position	\$ 878,151	\$ 734,610	\$ 1,612,761

See accompanying independent auditor's report

Non-Major Discretely Presented Component Units Combining Statements of Activities – For the Year Ending June 30, 2020

	Greater New Bedford Workforce Investment Board	New Bedford Redevelopment Authority	Total Non Major Component Units
Program Revenues:			
Charges for services	\$ -	\$ 4,500	\$ 4,500
Operating grants and contributions	3,240,963	-	3,240,963
Total program revenues	3,240,963	4,500	3,245,463
Expenses:	3,216,964	67,901	3,284,865
Net (Expense) Revenue and Changes in Net Position	23,999	(63,401)	(39,402)
General Revenues:			
Investment income	1,157	171	1,328
Total general revenues	1,157	171	1,328
Transfers/Special Items:			
None	-	-	-
Total transfers/special items:	-	-	-
Changes in net position	25,156	(63,230)	(38,074)
Net position - beginning of year	257,325	20,169	277,494
Net position - end of year	\$ 282,481	\$ (43,061)	\$ 239,420

See accompanying independent auditor's report

Statistical

Section

(unaudited)

Photograph by Frank Grace



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

Sources: Unless otherwise noted, the information in the following schedules within the statistical section is derived from the annual and/or the comprehensive annual financial reports for the relevant year.

Table of Contents

	Pages
Financial trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	120 – 133
Revenue capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	134 – 137
Debt capacity These tables contain information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	138 – 140
Demographic and economic information These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	141 – 142
Operating information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	143 - 145

General Government Expenditures by Function (GAAP Basis*) – Last Ten Fiscal Years

Function	Fiscal Year:				
	2020	2019	2018	2017	2016
General Government	\$ 9,557,523	\$ 9,060,015	\$ 8,154,151	\$ 7,440,154	\$ 7,166,581
% of Total	2.47%	2.49%	2.32%	2.19%	2.29%
% Change	5.49%	11.11%	9.60%	3.82%	0.00%
Public Safety	49,543,522	48,851,876	47,364,612	45,910,534	43,932,773
% of Total	12.81%	13.45%	13.45%	13.54%	14.01%
% Change	1.42%	3.14%	3.17%	4.50%	4.85%
Education	191,443,945	171,318,903	165,174,490	160,139,955	143,733,307
% of Total	49.49%	47.17%	46.92%	47.24%	45.84%
% Change	11.75%	3.72%	3.14%	11.41%	6.97%
Public Works	13,944,046	13,689,367	14,869,355	14,140,751	13,493,814
% of Total	3.60%	3.77%	4.22%	4.17%	4.30%
% Change	1.86%	-7.94%	5.15%	4.79%	-12.03%
Health & Human Services	4,751,962	4,870,591	4,000,886	4,129,869	4,215,198
% of Total	1.23%	1.34%	1.14%	1.22%	1.34%
% Change	-2.44%	21.74%	-3.12%	-2.02%	-2.54%
Culture & Recreation	4,986,297	4,836,877	4,957,716	4,513,546	4,134,050
% of Total	1.29%	1.33%	1.41%	1.33%	1.32%
% Change	3.09%	-2.44%	9.84%	9.18%	-0.63%
Pension Benefits	30,527,351	28,817,471	27,741,711	26,724,377	25,734,949
% of Total	7.89%	7.93%	7.88%	7.88%	8.21%
% Change	5.93%	3.88%	3.81%	3.84%	10.90%
Health & Other Insurance	38,675,704	40,277,703	41,119,096	39,767,304	37,842,585
% of Total	10.00%	11.09%	11.68%	11.73%	12.07%
% Change	-3.98%	-2.05%	3.40%	5.09%	-0.44%
Miscellaneous	10,764,913	10,574,534	9,673,308	9,670,903	8,972,342
% of Total	2.78%	2.91%	2.75%	2.85%	2.86%
% Change	1.80%	9.32%	0.02%	7.79%	-6.53%
State & County Charges	20,990,757	19,063,095	17,759,974	15,141,498	13,624,678
% of Total	5.43%	5.25%	5.04%	4.47%	4.34%
% Change	10.11%	7.34%	17.29%	11.13%	12.14%
Debt Service	11,684,717	11,825,635	11,248,659	11,415,719	10,723,661
% of Total	3.02%	3.26%	3.20%	3.37%	3.42%
% Change	-1.19%	5.13%	-1.46%	6.45%	6.90%
Total Expenditures	\$ 386,870,737	\$ 363,186,067	\$ 352,063,958	\$ 338,994,610	\$ 313,573,938
% of Total	100.00%	100.00%	100.00%	100.00%	100.00%
% Change	6.52%	3.16%	3.86%	8.11%	4.44%

*General fund only

Fiscal Year:

2015	2014	2013	2012	2011
\$ 7,166,773	\$ 6,813,441	\$ 6,509,251	\$ 6,123,547	\$ 5,412,605
2.39%	2.22%	2.17%	2.14%	1.92%
5.19%	4.67%	6.30%	13.13%	-38.04%
41,900,942	39,908,731	37,827,386	35,776,919	37,361,457
13.96%	13.01%	12.61%	12.50%	13.25%
4.99%	5.50%	5.73%	-4.24%	-1.28%
134,364,453	147,876,203	146,979,124	138,705,071	134,589,936
44.75%	48.21%	48.99%	48.48%	47.71%
-9.14%	0.61%	5.97%	3.06%	-2.36%
15,338,626	14,461,623	13,042,250	13,177,260	12,039,271
5.11%	4.71%	4.35%	4.61%	4.27%
6.06%	10.88%	-1.02%	9.45%	-18.81%
4,325,026	4,230,272	5,163,611	4,308,234	4,274,537
1.44%	1.38%	1.72%	1.51%	1.52%
2.24%	-18.08%	19.85%	0.79%	4.64%
4,160,382	4,196,196	3,928,783	4,229,805	3,875,883
1.39%	1.37%	1.31%	1.48%	1.37%
-0.85%	6.81%	-7.12%	9.13%	0.34%
23,204,752	23,692,690	22,629,695	22,246,981	22,079,203
7.73%	7.72%	7.54%	7.78%	7.83%
-2.06%	4.70%	1.72%	0.76%	-0.66%
38,008,103	36,800,963	36,322,214	35,442,224	37,578,611
12.66%	12.00%	12.11%	12.39%	13.32%
3.28%	1.32%	2.48%	-5.69%	-3.63%
9,599,109	8,822,341	8,572,875	8,947,755	9,056,400
3.20%	2.88%	2.86%	3.13%	3.21%
8.80%	2.91%	-4.19%	-1.20%	100.00%
12,149,703	10,252,470	9,581,904	8,613,392	7,046,706
4.05%	3.34%	3.19%	3.01%	2.50%
18.51%	7.00%	11.24%	22.23%	5.37%
10,031,498	9,693,294	9,456,289	8,554,134	8,756,273
3.34%	3.16%	3.15%	2.99%	3.10%
3.49%	2.51%	10.55%	-2.31%	-6.44%
\$ 300,249,367	\$ 306,748,224	\$ 300,013,382	\$ 286,125,322	\$ 282,070,882
100.00%	100.00%	100.00%	100.00%	100.00%
-2.12%	2.24%	4.85%	1.44%	-0.84%

General Government Revenues by Source (GAAP Basis) – Last Ten Fiscal Years

Source	Fiscal Year:				
	2020	2019	2018	2017	2016
Real Estate & Personal Property	\$ 126,083,676	\$ 122,238,616	\$ 117,726,504	\$ 111,158,506	\$ 106,305,255
% of Total	32.75%	33.90%	34.01%	33.14%	33.82%
% Change	3.15%	3.83%	5.91%	4.57%	9.07%
Motor Vehicle & Other Excises	9,531,970	9,762,254	9,579,711	9,328,894	8,651,851
% of Total	2.48%	2.71%	2.77%	2.78%	2.75%
% Change	-2.36%	1.91%	2.69%	7.83%	4.08%
Tax Liens & Foreclosures	965,719	1,823,442	2,080,055	3,473,296	4,596,216
% of Total	0.25%	0.51%	0.60%	1.04%	1.46%
% Change	-47.04%	-12.34%	-40.11%	-24.43%	92.50%
Payment in Lieu of Taxes	361,310	364,357	294,465	304,394	266,764
% of Total	0.09%	0.10%	0.09%	0.09%	0.08%
% Change	-0.84%	23.74%	-3.26%	14.11%	-6.32%
Intergovernmental	229,359,531	205,244,939	197,704,315	188,661,201	174,650,101
% of Total	59.58%	56.92%	57.11%	56.25%	55.57%
% Change	11.75%	3.81%	4.79%	8.02%	6.02%
Charges For Services	14,436,007	15,279,480	13,862,640	15,790,498	12,422,024
% of Total	3.75%	4.24%	4.00%	4.71%	3.95%
% Change	-5.52%	10.22%	-12.21%	27.12%	-13.11%
Penalties, Interest & Fines	1,221,390	1,566,951	1,861,120	2,575,776	3,031,422
% of Total	0.32%	0.43%	0.54%	0.77%	0.96%
% Change	-22.05%	-15.81%	-27.75%	-15.03%	134.53%
Investment Income	1,191,102	1,221,339	509,946	390,836	172,281
% of Total	0.31%	0.34%	0.15%	0.12%	0.05%
% Change	-2.48%	139.50%	30.48%	126.86%	71.42%
Licenses & Permits	2,580,460	2,876,492	2,402,917	2,653,606	2,576,211
% of Total	0.67%	0.80%	0.69%	0.79%	0.82%
% Change	-10.29%	19.71%	-9.45%	3.00%	11.42%
Other	(799,675)	218,739	166,961	1,073,424	1,633,833
% of Total	-0.21%	0.06%	0.05%	0.32%	0.52%
% Change	-465.58%	31.01%	-84.45%	-34.30%	-28.69%
Total Revenues	\$ 384,931,490	\$ 360,596,609	\$ 346,188,634	\$ 335,410,431	\$ 314,305,958
% of Total	100.00%	100.00%	100.00%	100.00%	100.00%
% Change	6.75%	4.16%	3.21%	6.71%	7.10%

*General fund only

Fiscal Year:

Fiscal Year:		2015	2014	2013	2012	2011			
\$	97,468,071	\$	92,959,921	\$	91,935,611	\$	91,509,765	\$	88,635,177
	33.21%		30.62%		30.94%		31.44%		31.99%
	4.85%		1.11%		0.47%		3.24%		-0.25%
	8,312,974		7,676,637		7,495,147		7,238,544		6,389,451
	2.83%		2.53%		2.52%		2.49%		2.31%
	8.29%		2.42%		3.54%		13.29%		12.88%
	2,387,623		2,025,500		2,373,605		2,005,909		1,564,609
	0.81%		0.67%		0.80%		0.69%		0.56%
	17.88%		-14.67%		18.33%		28.21%		-6.64%
	284,753		321,660		281,810		286,155		243,203
	0.10%		0.11%		0.09%		0.10%		0.09%
	-11.47%		14.14%		-1.52%		17.66%		16.45%
	164,728,080		180,739,920		171,731,263		167,578,151		160,471,647
	56.13%		59.54%		57.79%		57.57%		57.92%
	-8.86%		5.25%		2.48%		4.43%		-1.75%
	14,296,798		14,225,613		14,942,109		15,234,506		14,900,008
	4.87%		4.69%		5.03%		5.23%		5.38%
	0.50%		-4.80%		-1.92%		2.24%		-0.52%
	1,292,527		1,399,610		1,572,860		1,486,132		1,354,458
	0.44%		0.46%		0.53%		0.51%		0.49%
	-7.65%		-11.01%		5.84%		9.72%		-12.15%
	100,500		164,478		160,173		157,504		87,805
	0.03%		0.05%		0.05%		0.05%		0.03%
	-38.90%		2.69%		1.69%		79.38%		-39.00%
	2,312,112		2,178,801		2,228,837		2,337,636		2,043,090
	0.79%		0.72%		0.75%		0.80%		0.74%
	6.12%		-2.24%		-4.65%		14.42%		-10.75%
	2,291,209		1,863,119		4,440,628		3,253,233		1,351,209
	0.78%		0.61%		1.49%		1.12%		0.49%
	22.98%		-58.04%		36.50%		140.76%		-20.08%
	\$ 293,474,647		\$ 303,555,259		\$ 297,162,043		\$ 291,087,535		\$ 277,040,657
	100.00%		100.00%		100.00%		100.00%		100.00%
	-3.32%		2.15%		2.09%		5.07%		-1.19%

Net Position by Component – Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental activities:					
Net investment in capital assets	\$ 241,182,284	\$ 279,293,487	\$ 255,849,397	\$ 223,596,765	\$ 175,951,450
Restricted	48,860,986	43,530,629	48,214,482	38,790,029	31,303,068
Unrestricted	(742,996,326)	(707,250,456)	(685,846,907)	(381,467,229)	(347,579,168)
Total governmental activities net position	(452,953,056)	(384,426,340)	(381,783,028)	(119,080,435)	(140,324,650)
Business-type activities:					
Net investment in capital assets	54,200,777	49,815,556	42,507,626	51,937,955	53,776,776
Restricted	6,677,318	6,506,368	5,815,153	3,665,721	4,490,037
Unrestricted	(37,978,113)	(37,654,143)	(37,545,649)	(13,326,486)	(12,261,169)
Total business-type activities net position	22,899,982	18,667,781	10,777,130	42,277,190	46,005,644
Primary government:					
Net investment in capital assets	295,383,061	329,109,043	298,357,023	275,534,720	229,728,226
Restricted	55,538,304	50,036,997	54,029,635	42,455,750	35,793,105
Unrestricted	(780,974,439)	(744,904,599)	(723,392,556)	(394,793,715)	(359,840,337)
Total primary government net position	\$ (430,053,074)	\$ (365,758,559)	\$ (371,005,898)	\$ (76,803,245)	\$ (94,319,006)

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental activities:					
Net investment in capital assets	\$ 168,323,625	\$ 175,040,568	\$ 122,667,159	\$ 109,836,290	\$ 93,682,092
Restricted	24,738,122	21,614,231	21,214,642	36,128,571	33,284,547
Unrestricted	<u>(323,855,964)</u>	<u>(51,074,772)</u>	<u>(40,827,126)</u>	<u>(37,457,503)</u>	<u>(19,749,784)</u>
Total governmental activities net position	<u>(130,794,217)</u>	<u>145,580,027</u>	<u>103,054,675</u>	<u>108,507,358</u>	<u>107,216,855</u>
Business-type activities:					
Net investment in capital assets	56,076,992	47,259,222	42,174,987	34,639,149	32,876,583
Restricted	4,832,301	4,740,697	3,885,863	-	-
Unrestricted	<u>(13,525,686)</u>	<u>(132,497)</u>	<u>70,310</u>	<u>4,446,251</u>	<u>4,365,580</u>
Total business-type activities net position	<u>47,383,607</u>	<u>51,867,422</u>	<u>46,131,160</u>	<u>39,085,400</u>	<u>37,242,163</u>
Primary government:					
Net investment in capital assets	224,400,617	222,299,790	164,842,146	144,475,439	126,558,675
Restricted	29,570,423	26,354,928	25,100,505	36,128,571	33,284,547
Unrestricted	<u>(337,381,650)</u>	<u>(51,207,269)</u>	<u>(40,756,816)</u>	<u>(33,011,252)</u>	<u>(15,384,204)</u>
Total primary government net position	<u>\$ (83,410,610)</u>	<u>\$ 197,447,449</u>	<u>\$ 149,185,835</u>	<u>\$ 147,592,758</u>	<u>\$ 144,459,018</u>

See accompanying independent auditor's report

Changes in Net Position – Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses:					
Governmental Activities:					
General government	\$ 30,258,436	\$ 34,193,184	\$ 35,071,869	\$ 30,786,610	\$ 8,839,182
Public safety	95,052,880	75,446,794	70,423,916	70,242,636	73,006,134
Public works	101,339,976	34,251,359	33,305,316	26,467,868	34,771,249
Health and human services	7,345,350	7,471,083	4,109,248	8,154,854	8,155,432
Education	329,758,040	304,672,642	282,997,939	279,231,909	230,778,684
Community and economic development	5,317,553	6,272,336	6,280,645	6,448,382	5,293,557
Culture and recreation	11,952,094	8,626,036	8,809,505	7,662,237	7,795,457
Municipal airport	-	-	3,812,339	73,228	3,073,279
Pension benefits	-	-	-	-	-
Health and other insurance	-	-	-	-	-
Miscellaneous	-	-	-	-	8,972,342
State and county charges	-	-	-	-	13,624,678
Debt service:					
Interest and fiscal charges	6,595,140	6,667,615	7,344,303	7,237,267	7,312,597
Total governmental activities	<u>587,619,469</u>	<u>477,601,049</u>	<u>452,155,080</u>	<u>436,304,991</u>	<u>401,622,591</u>
Business-type activities:					
Downtown Parking	1,232,486	873,944	729,847	611,024	573,285
Water	13,310,385	11,982,764	11,344,596	9,325,716	10,391,744
Airport	2,816,268	2,669,381	2,509,395	2,511,937	2,260,833
Cable Access	835,769	-	-	-	-
Total business-type activities	<u>18,194,908</u>	<u>15,526,089</u>	<u>14,583,838</u>	<u>12,448,677</u>	<u>13,225,862</u>
Total primary government expenses	<u>\$ 605,814,377</u>	<u>\$ 493,127,138</u>	<u>\$ 466,738,918</u>	<u>\$ 448,753,668</u>	<u>\$ 414,848,453</u>
Program Revenues:					
Governmental activities:					
Fees, fines, and charges for services:					
Public safety	\$ 14,002,114	\$ 12,654,176	\$ 12,285,261	\$ 11,041,992	\$ 6,934,127
Public works	24,264,121	25,076,724	23,394,904	22,092,522	21,753,631
Education	9,120,003	9,366,223	9,897,482	9,266,219	9,927,937
Other	7,411,651	11,425,366	9,483,909	14,443,547	13,148,570
Operating grants and contributions ⁽¹⁾	238,831,856	222,870,636	213,580,397	202,594,871	186,105,062
Capital grants and contributions	26,860,482	31,998,877	28,557,748	39,122,840	16,772,965
Total governmental activities program revenues	<u>320,490,227</u>	<u>313,392,002</u>	<u>297,199,701</u>	<u>298,561,991</u>	<u>254,642,292</u>
Business-type activities:					
Fees, fines, and charges for services:					
Downtown Parking	774,748	992,443	874,758	859,712	856,450
Water	14,980,094	15,480,410	13,880,952	12,293,768	12,771,001
Airport	889,651	883,065	891,329	842,110	778,644
Cable Access	1,175,265	-	-	-	-
Operating grants and contributions	76,339	86,760	94,552	103,266	112,737
Capital grants and contributions	31,814,841	-	-	-	-
Total business-type activities program revenues	<u>49,710,938</u>	<u>17,442,678</u>	<u>15,741,591</u>	<u>14,098,856</u>	<u>14,518,832</u>

Notes to Changes in Net Position:

- ⁽¹⁾ Beginning in fiscal year 2013, school building assistance and distribution of school aid were reclassified from general revenues to program revenues.

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses:					
Governmental Activities:					
General government	\$ 16,068,463	\$ 15,141,811	\$ 16,153,044	\$ 10,178,439	\$ 7,301,858
Public safety	67,315,497	74,704,868	76,832,178	65,363,621	62,233,060
Public works	32,245,284	35,035,623	31,476,749	41,259,377	43,441,860
Health and human services	6,946,019	5,711,823	7,692,498	8,830,055	9,808,893
Education	201,478,727	222,311,813	232,119,911	234,289,836	234,870,891
Community and economic development	6,232,160	5,892,790	6,322,976	7,398,389	11,810,060
Culture and recreation	7,664,014	8,273,031	8,553,876	6,266,979	7,421,876
Municipal airport	-	-	-	7,489	19,131
Pension benefits	24,789,517	-	-	-	-
Health and other insurance	-	-	-	-	-
Miscellaneous	9,599,109	8,822,341	8,572,875	8,947,755	9,056,400
State and county charges	12,149,703	10,252,470	9,581,904	8,613,392	7,046,706
Debt service:					
Interest and fiscal charges	7,141,982	7,567,178	8,714,439	8,361,891	8,622,421
Total governmental activities	<u>391,630,475</u>	<u>393,713,748</u>	<u>406,020,450</u>	<u>399,517,223</u>	<u>401,633,156</u>
Business-type activities:					
Downtown Parking	713,144	-	-	-	-
Water	9,858,365	9,695,886	9,858,564	9,277,526	8,927,363
Airport	2,201,245	1,416,730	1,103,774	983,548	830,488
Cable Access	-	-	-	-	-
Total business-type activities	<u>12,772,754</u>	<u>11,112,616</u>	<u>10,962,338</u>	<u>10,261,074</u>	<u>9,757,851</u>
Total primary government expenses	<u>\$ 404,403,229</u>	<u>\$ 404,826,364</u>	<u>\$ 416,982,788</u>	<u>\$ 409,778,297</u>	<u>\$ 411,391,007</u>
Program Revenues:					
Governmental activities:					
Fees, fines, and charges for services:					
Public safety	\$ 13,204,409	\$ 11,710,026	\$ 11,833,220	\$ 6,080,383	\$ 8,221,095
Public works	21,056,137	21,145,569	20,683,998	19,111,009	19,500,463
Education	8,937,024	8,969,722	10,055,571	1,762,884	3,582,992
Other	10,674,695	6,283,092	14,749,635	10,240,986	10,699,893
Operating grants and contributions ⁽¹⁾	180,766,856	193,410,279	195,026,746	92,141,368	91,297,826
Capital grants and contributions	<u>19,328,858</u>	<u>9,119,991</u>	<u>18,498,806</u>	<u>6,484,528</u>	<u>16,383,975</u>
Total governmental activities program revenues	<u>253,967,979</u>	<u>250,638,679</u>	<u>270,847,976</u>	<u>135,821,158</u>	<u>149,686,244</u>
Business-type activities:					
Fees, fines, and charges for services:					
Downtown Parking	805,292	-	-	-	-
Water	11,854,102	11,249,641	11,103,063	10,985,169	11,474,583
Airport	686,443	696,532	730,784	752,014	727,514
Cable Access	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>(30,135)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>13,345,837</u>	<u>11,916,038</u>	<u>11,833,847</u>	<u>11,737,183</u>	<u>12,202,097</u>

	Fiscal Year				
	2020	2019	2018	2017	2016
Primary Government Net (Expense) Revenue:					
Governmental activities	\$ (267,129,242)	\$ (164,209,047)	\$ (154,955,379)	\$ (137,743,000)	\$ (146,980,299)
Business-type activities	31,516,030	1,916,589	1,157,753	1,650,179	1,292,970
Total primary government net expense	\$ (235,613,212)	\$ (162,292,458)	\$ (153,797,626)	\$ (136,092,821)	\$ (145,687,329)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Real estate and personal property, net of reserve for abatements	\$ 129,588,535	\$ 124,062,114	\$ 118,005,007	\$ 108,897,622	\$ 102,644,537
Motor vehicle and other excise taxes	9,782,181	8,347,292	9,560,934	7,878,858	8,491,077
School building assistance ⁽¹⁾	-	-	-	-	-
Distribution - school aid ⁽¹⁾	-	-	-	-	-
Grants and contributions not restricted	24,427,447	23,803,946	22,980,913	22,118,299	21,206,423
Distribution - additional aid	-	-	-	-	-
Exemptions	-	-	2,120,591	2,254,878	2,803,303
State owned land	-	-	13,658	13,670	13,835
Earnings on investments	1,958,533	2,400,940	777,004	878,332	668,425
Tax foreclosures	909,036	1,743,948	2,045,892	3,458,518	4,596,216
Penalties and interest on taxes	814,668	1,216,014	1,776,721	2,510,437	2,596,564
Fines and forfeitures	-	-	-	-	-
Payments in lieu of taxes	361,310	364,357	294,465	304,394	266,764
Contributions and donations	-	-	-	-	-
Miscellaneous and other	3,223,370	4,911,691	2,116,090	4,048,109	3,474,794
Transfers and special items	27,827,822	(5,284,567)	7,353,921	6,624,098	(9,312,072)
Total governmental activities	198,892,902	161,565,735	167,045,196	158,987,215	137,449,866
Business-type activities:					
Miscellaneous	253,617	689,495	39,652	58,298	112,807
Transfers and special items	(27,827,822)	5,284,567	(11,757,350)	(5,436,931)	(2,783,740)
Total business-type activities	(27,574,205)	5,974,062	(11,717,698)	(5,378,633)	(2,670,933)
Total primary government	\$ 171,318,697	\$ 167,539,797	\$ 155,327,498	\$ 153,608,582	\$ 134,778,933
Changes in Net Position:					
Primary Government:					
Governmental activities	(68,236,340)	(2,643,312)	12,089,817	21,244,215	(9,530,433)
Business-type activities	3,941,825	7,890,651	(10,559,945)	(3,728,454)	(1,377,963)
Total change in primary government net position	\$ (64,294,515)	\$ 5,247,339	\$ 1,529,872	\$ 17,515,761	\$ (10,908,396)

	Fiscal Year				
	2015	2014	2013	2012	2011
Primary Government Net (Expense) Revenue:					
Governmental activities	\$ (137,662,496)	\$ (143,075,069)	\$ (135,172,474)	\$ (263,696,065)	\$ (251,946,912)
Business-type activities	573,083	803,422	871,509	1,476,109	2,444,246
Total primary government net expense	\$ (137,089,413)	\$ (142,271,647)	\$ (134,300,965)	\$ (262,219,956)	\$ (249,502,666)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Real estate and personal property, net of reserve for abatements	\$ 98,308,125	\$ 92,873,411	\$ 91,591,832	\$ 90,598,652	\$ 89,879,911
Motor vehicle and other excise taxes	8,376,223	7,805,742	7,712,745	7,262,504	6,442,709
School building assistance ⁽¹⁾	-	-	-	10,029,155	6,412,464
Distribution - school aid ⁽¹⁾	-	-	-	111,804,537	106,123,635
Grants and contributions not restricted	20,803,123	19,917,179	19,457,251	18,050,411	19,457,251
Distribution - additional aid	-	-	-	-	-
Exemptions	2,243,702	2,368,153	2,398,844	520,047	528,703
State owned land	13,833	15,765	15,459	15,454	14,921
Earnings on investments	375,916	903,140	802,801	203,593	1,113,707
Tax foreclosures	4,891,263	3,597,795	4,842,778	2,843,336	2,685,756
Penalties and interest on taxes	1,136,906	1,200,406	1,389,535	1,308,064	1,171,587
Fines and forfeitures	-	-	-	178,068	182,871
Payments in lieu of taxes	284,753	321,660	281,810	286,155	243,203
Contributions and donations	-	-	-	11,948,013	13,096,027
Miscellaneous and other	4,827,654	5,160,582	6,914,236	11,037,970	3,912,012
Transfers and special items	(10,378,058)	(5,271,593)	(6,311,800)	(438,716)	(1,757,978)
Total governmental activities	130,883,440	128,892,240	129,095,491	265,647,243	249,506,779
Business-type activities:					
Miscellaneous	233,578	338,136	248,498	327,643	241,748
Transfers and special items	8,898,744	4,137,262	5,925,753	39,485	1,757,978
Total business-type activities	9,132,322	4,475,398	6,174,251	367,128	1,999,726
Total primary government	\$ 140,015,762	\$ 133,367,638	\$ 135,269,742	\$ 266,014,371	\$ 251,506,505
Changes in Net Position:					
Primary Government:					
Governmental activities	(6,779,056)	(14,182,829)	(6,076,983)	1,951,178	(2,440,133)
Business-type activities	9,705,405	5,278,820	7,045,760	1,843,237	4,443,972
Total change in primary government net position	\$ 2,926,349	\$ (8,904,009)	\$ 968,777	\$ 3,794,415	\$ 2,003,839

Fund Balances of Governmental Funds – Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund:					
Nonspendable	\$ 5,610,346	\$ 6,778,230	\$ 7,521,415	\$ 1,500,816	\$ 1,550,816
Restricted	-	-	-	-	-
Committed	11,324,425	11,655,603	8,709,209	9,671,585	9,088,239
Assigned	2,235,953	697,553	925,022	143,081	26,106
Unassigned	12,312,126	9,476,753	9,968,585	16,662,603	17,244,879
Total general fund	<u>\$ 31,482,850</u>	<u>\$ 28,608,139</u>	<u>\$ 27,124,231</u>	<u>\$ 27,978,085</u>	<u>\$ 27,910,040</u>
All other Governmental Funds:					
Nonspendable	5,400,702	5,400,702	5,153,784	5,153,784	5,153,784
Restricted	43,733,575	45,544,497	43,087,071	33,662,618	26,175,657
Committed	7,520,718	7,266,911	5,488,710	4,977,177	3,436,877
Assigned	383,668	113,391	37,646	8,623	5,967
Unassigned	(22,699,947)	(11,298,965)	(14,537,308)	(20,524,308)	(19,743,746)
Total all other governmental funds	<u>\$ 34,338,716</u>	<u>\$ 47,026,536</u>	<u>\$ 39,229,903</u>	<u>\$ 23,277,894</u>	<u>\$ 15,028,539</u>

Note: For the fiscal year ended June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Other Governmental Fund Type Definitions*. Statement No. 54 requires the use of new fund balance classifications that compose a hierarchy primarily based upon the extent to which the City is bound to follow constraints on the use of governmental fund resources. These classifications are described in Note 1 to the financial statements.

	Fiscal Year				
	2015	2014	2013	2012	2011
General Fund:					
Nonspendable	\$ 1,900,816	\$ 1,900,816	\$ 1,900,816	\$ 1,959,143	\$ 1,990,321
Restricted	-	-	-	-	-
Committed	9,452,780	9,417,934	8,841,931	6,884,927	5,726,798
Assigned	8,505	1,301,724	1,063,133	639,281	7,519
Unassigned	11,878,945	15,407,340	16,830,138	19,230,621	12,445,904
Total general fund	\$ 23,241,046	\$ 28,027,814	\$ 28,636,018	\$ 28,713,972	\$ 20,170,542
All other Governmental Funds:					
Nonspendable	5,409,660	5,429,761	5,446,189	5,313,219	5,445,805
Restricted	19,610,711	16,486,820	16,087,231	11,240,433	15,207,830
Committed	6,023,049	8,689,775	8,501,817	5,280,315	4,905,165
Assigned	-	-	-	4,811,253	1,109
Unassigned	(18,182,553)	(8,996,126)	(14,039,518)	(16,407,079)	(28,960,709)
Total all other governmental funds	\$ 12,860,867	\$ 21,610,230	\$ 15,995,719	\$ 10,238,141	\$ (3,400,800)

Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues:					
Real estate and personal property taxes	\$ 126,083,676	\$ 122,238,616	\$ 117,726,504	\$ 111,158,506	\$ 106,305,255
Motor vehicle and other excise taxes	9,531,970	9,762,254	9,579,711	9,328,894	8,651,851
School Building Authority Reimbursement	8,295,874	5,266,306	11,920,791	31,191,301	9,056,821
Tax liens and foreclosures	1,109,423	1,969,831	2,257,336	3,972,612	5,074,797
Penalties interest on taxes	1,074,046	1,409,963	1,731,458	2,575,776	2,820,472
Licenses and permits	2,580,460	2,876,492	2,402,917	2,653,606	2,576,211
Fines and forfeitures	147,344	156,988	129,662	98,528	210,950
Investment income	1,762,817	2,373,876	731,185	867,176	681,245
Intergovernmental - operating grants	268,807,805	244,797,625	240,516,330	227,743,082	213,211,658
Intergovernmental - capital grants	21,458,592	29,408,897	16,511,674	11,573,866	10,080,871
Charges for services	38,843,904	40,813,382	37,527,160	38,608,394	34,066,659
Other - indirects	17,000	813,895	1,058,744	959,384	646,482
Special assessments & betterments	12,805	19,013	22,085	17,231	15,264
Payments in lieu of taxes	361,310	364,357	294,465	304,394	266,764
Miscellaneous	5,572,431	9,132,609	9,639,049	6,774,911	5,854,964
Total revenues	485,659,457	471,404,104	452,049,071	447,827,661	399,520,264
Expenditures:					
General government	18,632,825	17,936,999	17,546,058	11,648,859	11,950,710
Public safety	60,008,055	52,338,785	52,205,563	49,803,351	49,304,433
Education	227,928,438	203,405,798	207,382,752	228,265,703	178,895,302
Public works	55,518,638	56,878,600	43,721,970	38,863,915	48,096,589
Community and economic development	5,112,157	6,123,702	6,072,128	6,227,151	5,066,579
Health & human services	6,082,145	6,150,887	5,119,943	6,688,499	6,290,357
Municipal airport	-	5,138,490	3,812,339	1,323,943	3,073,277
Culture and recreation	6,433,858	6,848,132	7,426,403	6,803,544	6,213,591
Pension benefits	30,527,351	28,817,471	27,741,711	26,724,377	25,734,949
Health and other insurances	38,675,704	40,277,703	41,119,096	39,767,304	37,842,585
Miscellaneous	10,764,913	10,574,534	9,673,308	9,670,903	8,972,342
State and county charges	20,990,757	19,063,095	17,759,974	15,141,498	13,624,678
Debt service:					
Principal payments	16,575,522	16,904,235	16,290,857	16,119,765	15,117,303
Interest and fiscal charges	5,991,828	6,296,672	6,264,299	6,724,646	6,937,764
Debt administrative fees	597,164	491,187	650,530	558,602	427,189
Total Expenditures	503,839,355	477,246,290	462,786,931	464,332,060	417,547,648
Deficiency of revenues under expenditures	(18,179,898)	(5,842,186)	(10,737,860)	(16,504,399)	(18,027,384)
Other Financing Sources (Uses):					
Bond proceeds	4,646,600	11,012,297	21,969,977	18,748,277	22,325,124
Special items	1,115,370	92,649	78,630	782,935	230,140
Transfers, net	2,895,195	4,017,781	3,787,408	5,290,587	2,308,786
Total other financing sources (uses)	8,657,165	15,122,727	25,836,015	24,821,799	24,864,050
Net change in fund balances	\$ (9,522,733)	\$ 9,280,541	\$ 15,098,155	\$ 8,317,400	\$ 6,836,666
Debt services as a percentage of noncapital expenditures	4.90%	5.41%	5.47%	5.71%	5.90%

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues:					
Real estate and personal property taxes	\$ 97,468,071	\$ 92,959,921	\$ 91,935,611	\$ 91,509,765	\$ 88,635,177
Motor vehicle and other excise taxes	8,312,974	7,676,637	7,495,147	7,238,544	6,389,451
School Building Authority Reimbursement	6,599,997	1,754,667	2,583,007	10,029,155	6,412,464
Tax liens and foreclosures	2,585,724	2,142,591	2,616,215	2,005,909	1,564,609
Penalties interest on taxes	1,136,906	1,200,406	1,389,535	1,308,064	1,171,587
Licenses and permits	2,312,112	2,178,801	2,228,837	2,337,636	2,043,090
Fines and forfeitures	155,621	199,204	183,325	178,068	182,871
Investment income	367,181	892,853	792,833	161,999	1,105,358
Intergovernmental - operating grants	206,353,407	214,769,403	216,769,916	221,677,750	215,146,275
Intergovernmental - capital grants	15,094,883	12,825,701	15,917,874	6,514,411	16,355,832
Charges for services	35,724,239	35,739,020	36,026,684	34,235,684	36,509,490
Other - indirects	1,455,715	1,326,399	1,511,236	1,738,171	1,058,366
Special assessments & betterments	30,539	26,752	40,428	595	442
Payments in lieu of taxes	284,753	321,660	281,810	286,155	243,203
Miscellaneous	4,831,390	5,238,522	6,887,971	11,072,271	3,930,895
Total revenues	382,713,512	379,252,537	386,660,429	390,294,177	380,749,110
Expenditures:					
General government	11,900,981	9,913,579	8,899,518	11,114,721	7,553,366
Public safety	50,275,256	46,916,727	47,090,156	44,887,339	42,757,687
Education	168,278,869	172,724,226	173,342,593	175,272,983	179,895,589
Public works	42,870,611	31,618,117	33,363,631	42,928,402	44,598,487
Community and economic development	5,986,424	5,728,310	6,048,771	7,121,079	11,581,020
Health & human services	5,838,094	4,913,853	5,939,571	5,223,018	5,424,406
Municipal airport	8,556,574	7,155,263	9,064,427	1,900,951	3,775,917
Culture and recreation	6,209,223	5,899,311	5,512,175	4,867,945	4,749,249
Pension benefits	23,204,752	23,692,690	22,629,695	22,246,981	22,079,203
Health and other insurances	38,008,103	36,800,963	36,322,214	35,442,224	37,578,611
Miscellaneous	9,599,109	8,822,341	8,572,875	8,947,755	9,056,400
State and county charges	12,149,703	10,252,470	9,581,904	8,613,392	7,046,706
Debt service:					
Principal payments	14,287,694	14,034,910	12,846,284	12,336,355	12,032,130
Interest and fiscal charges	7,360,484	7,474,751	8,051,813	8,135,819	8,759,412
Debt administrative fees	295,060	226,868	494,872	-	-
Total Expenditures	404,820,937	386,174,379	387,760,499	389,038,964	396,888,183
Deficiency of revenues under expenditures	(22,107,425)	(6,921,842)	(1,100,070)	1,255,213	(16,139,073)
Other Financing Sources (Uses):					
Bond proceeds	7,948,000	10,000,000	4,373,000	19,612,962	6,628,741
Special items	99,416	9,063	80,645	-	-
Transfers, net	523,878	1,919,086	2,326,049	1,974,871	1,998,808
Total other financing sources (uses)	8,571,294	11,928,149	6,779,694	21,587,833	8,627,549
Net change in fund balances	\$ (13,536,131)	\$ 5,006,307	\$ 5,679,624	\$ 22,843,046	\$ (7,511,524)
Debt services as a percentage of noncapital expenditures	5.87%	5.83%	5.77%	5.55%	5.67%

Assessed and Estimated Actual Value of All Taxable Property – Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Total Assessed Value ⁽¹⁾	Total Direct Tax Rate ^{(b) & (c)}
	Residential Value ^(a)	Commercial Value	Industrial Value	Assessed Value		
2020	\$ 5,426,507,386	\$ 669,040,014	\$ 325,996,000	\$ 251,194,130	\$ 6,672,737,530	\$ 19.42
2019	5,045,567,632	652,471,668	316,332,960	242,332,960	6,256,705,220	20.03
2018	4,730,607,557	639,662,193	288,675,100	229,731,170	5,888,676,020	20.37
2017	4,423,238,525	632,504,675	278,142,100	206,010,660	5,539,895,960	20.59
2016	4,235,421,917	632,951,083	273,241,100	193,375,530	5,334,989,630	20.48
2015	4,159,548,043	617,099,037	272,483,400	188,082,010	5,237,212,490	19.40
2014	4,130,253,323	619,997,827	279,247,500	196,935,110	5,226,433,760	18.50
2013	4,381,853,008	635,661,832	278,138,700	183,916,080	5,479,569,620	17.38
2012	4,565,293,028	643,561,772	275,829,200	190,843,230	5,675,527,230	16.63
2011	4,900,928,982	639,983,918	277,269,600	189,461,030	6,007,643,530	15.51

(1) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(a) Exempt residential properties not included

(b) Tax rates are per \$1,000 of assessed value

(c) Total direct tax rate is the weighted average calculation of the residential and commercial values.

Source: City of New Bedford Assessing Department

Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years

Fiscal Year ⁽¹⁾	Class ⁽²⁾	City General	Total	% Change	Total Direct ⁽³⁾
2020	Residential	\$ 16.16	\$ 16.16	-1.88%	\$ 19.42
	C.P.	33.59	33.59	-3.59%	
2019	Residential	16.47	16.47	-0.96%	20.03
	C.P.	34.84	34.84	-2.27%	
2018	Residential	16.63	16.63	-0.36%	20.37
	C.P.	35.65	35.65	-1.05%	
2017	Residential	16.69	16.69	1.21%	20.59
	C.P.	36.03	36.03	0.56%	
2016	Residential	16.49	16.49	4.83%	20.48
	C.P.	35.83	35.83	6.76%	
2015	Residential	15.73	15.73	3.76%	19.40
	C.P.	33.56	33.56	7.98%	
2014	Residential	15.16	15.16	5.79%	18.50
	C.P.	31.08	31.08	5.21%	
2013	Residential	14.33	14.33	4.14%	17.38
	C.P.	29.54	29.54	3.87%	
2012	Residential	13.76	13.76	6.83%	16.63
	C.P.	28.44	28.44	4.79%	
2011	Residential	12.88	12.88	7.07%	15.51
	C.P.	27.14	27.14	9.13%	

⁽¹⁾ Per the initiatives of Proposition 2 ½ adopted by the Commonwealth of Massachusetts, the City cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property. The City's levy is also limited in that it cannot increase more than 2.5 percent from the prior year, with certain exceptions for new growth or through overrides and exclusions adopted by voters.

⁽²⁾ Real and personal property tax rates are per \$1,000 of assessed value.
C.P. = Commercial and personal property

⁽³⁾ Total direct tax rate is the weighted average calculation of the residential, commercial and personal property values.

Largest Principle Taxpayers – Current Year and Nine Years Ago

Taxpayer	2020				2011			
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Total Tax Liability	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Total Tax Liability
ACORN MANAGEMENT COMPANY	\$ 39,554,400	1	0.59%	\$ 1,378,075				
CEDAR-FIELDSTONE LLC	31,676,900	2	0.47%	1,103,623				
PATRICK CARNEY/CLAREMONT CORP	25,169,000	3	0.38%	876,888				
OLIVEIRA, RONALD "TRUSTEE"	17,635,800	4	0.26%	614,431				
PANAGAKOS, MICHAEL	15,731,100	5	0.24%	548,072				
NSTAR (EVERSOURCE)	15,651,400	6	0.23%	545,295				
MELVILLE HSG ASSOC - LESSEE	15,471,300	7	0.23%	539,020				
AFC CABLE SYSTEMS INC	14,072,000	8	0.21%	490,268				
ROCKDALE WEST LLC	13,490,700	9	0.20%	470,016				
DSM MB II LLC	10,915,500	10	0.16%	380,296				
CEDAR - FIELDSTONE LLC					\$ 30,464,500	1	0.51%	\$ 826,807
PATRICK CARNEY/CLAREMONT CORP					28,083,500	2	0.47%	762,186
WAMSUTTA LLC					16,943,500	3	0.28%	459,847
AFC CABLE SYSTEMS					12,383,300	4	0.21%	336,083
COMPASS BANK/SOVEREIGN BANK					11,178,700	5	0.19%	303,390
DEMOULAS SUPERMARKETS					10,747,200	6	0.18%	291,679
NSTAR					10,440,800	7	0.17%	283,363
ACUSHNET COMPANY					9,546,600	8	0.16%	259,095
MARITIME TERMINAL INC					9,438,500	9	0.16%	256,161
MEDICAL PROPERTIES TRUST, INC					8,929,300	10	0.15%	242,341
Total City Taxable Assessed Valuation:	<u>\$ 6,672,737,530</u>		<u>2.99%</u>		<u>\$ 6,007,643,530</u>		<u>2.47%</u>	

Note: The largest taxpayers table includes entities with a fiscal year 2020 tax liability greater than \$325,000. The methodology used in creating the table involves the search of the title holder(s) of all major parcels of property in the City. This methodology does not necessarily locate all parcels owned by affiliates nor does it differentiate between percentage ownership in the particular parcel.

Source: City of New Bedford Assessing and Treasury Departments

Property Tax Levies and Collections – Last Ten Fiscal Years

Fiscal Year	Tax Levy			Tax Levy Collected within Year of Levy			Tax Levy Net of Refunds Collected as of June 30, 2020		
	Gross	Net ⁽¹⁾	Net % Gross	Gross Amount	% Gross Amount	% Net Levy	Net Amount	% Gross Levy	% Net Levy
2020	\$ 129,553,230	\$ 128,391,054	99.10%	\$122,619,312	94.65%	95.50%	\$ 122,619,312	94.65%	95.50%
2019	125,286,158	124,099,292	99.05%	121,718,750	97.15%	98.08%	121,718,750	97.15%	98.08%
2018	119,955,144	118,770,443	99.01%	116,846,957	97.41%	98.38%	116,846,957	97.41%	98.38%
2017	114,057,032	112,865,716	98.96%	110,250,334	96.66%	97.68%	110,250,334	96.66%	97.68%
2016	109,239,619	108,032,112	98.89%	104,699,832	95.84%	96.92%	104,699,832	95.84%	96.92%
2015	101,596,110	100,427,401	98.85%	96,744,598	95.22%	96.33%	98,445,618	96.90%	98.03%
2014	96,683,928	94,532,243 *	97.77%	91,596,294	94.74%	96.89%	93,182,785	96.38%	98.57%
2013	95,218,502	93,765,659	98.47%	90,161,708	94.69%	96.16%	91,991,945	96.61%	98.11%
2012	94,393,493	92,842,127	98.36%	89,104,284	94.40%	95.97%	90,886,830	96.29%	97.89%
2011	93,160,198	91,735,835	98.47%	88,316,833	94.80%	96.27%	88,316,833	94.80%	96.27%

* - Revaluation year

⁽¹⁾ – net after deductions of overlay for abatements

Source: City of New Bedford Treasury Departments

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years

Governmental Activities					
Fiscal Year	General Obligation Bonds Outstanding	Capital Lease Agreements			
2020	\$ 157,647,492	\$ 18,973,534			
2019	169,576,517	20,783,246			
2018	180,263,886	20,778,426			
2017	182,819,693	17,781,082			
2016	181,782,528	16,688,491			
2015	177,961,607	3,043,001			
2014	184,772,649	1,562,249			
2013	190,718,338	667,322			
2012	200,004,247	350,141			
2011	192,727,630	62,665			

Business-Type Activities					
Fiscal Year	General & Special Obligation Bonds	Capital Lease Agreements	Total Primary Government	% of Total Personal Income (1)	Per Capita (2)
2020	\$ 57,006,022	\$ 243,524	\$ 233,870,572	9.33%	\$ 2,453
2019	34,343,630	320,332	225,023,725	9.52%	2,361
2018	31,215,884	398,176	232,656,372	9.05%	2,446
2017	25,479,875	57,164	226,137,814	9.95%	2,380
2016	25,910,773	389,540	224,771,332	10.60%	2,367
2015	27,616,658	482,292	209,103,558	10.44%	2,204
2014	29,596,150	27,289	215,958,337	11.07%	2,271
2013	29,614,510	165,850	221,166,020	11.39%	2,330
2012	30,566,699	218,683	231,139,770	11.28%	2,428
2011	32,292,316	22,384	225,104,995	12.69%	2,366

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

(1) – See page 141 for the City's total personal income data

(2) – See page 141 for the City's population data

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Per Capita – Last Ten Fiscal Years

Fiscal Year	Net General Bonded Debt Outstanding	Assessed Value ⁽¹⁾	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita ⁽²⁾
2020	\$ 157,647,492	\$ 6,672,737,530	2.36%	\$ 1,653
2019	169,576,517	6,256,705,220	2.71%	1,779
2018	180,263,886	5,888,676,020	3.06%	1,895
2017	182,819,693	5,539,895,960	3.30%	1,924
2016	181,782,528	5,334,989,630	3.41%	1,914
2015	177,961,607	5,237,212,490	3.40%	1,876
2014	184,772,649	5,226,433,760	3.54%	1,943
2013	190,718,338	5,479,569,620	3.48%	2,009
2012	200,004,247	5,675,527,230	3.52%	2,101
2011	192,727,630	6,007,643,530	3.21%	2,026

⁽¹⁾ – See page 134 for the City's total assessed value of property

⁽²⁾ – See page 141 for the City's population data

See accompanying independent auditor's report

Legal Debt Margin Information – Last Ten Fiscal Years

Fiscal Year Ending	Equalized Valuation as of January 1	Debt limit ⁽¹⁾	Outstanding Debt at June 30	Debt Authorized But Not Yet Issued	Debt Outside Debt Limit (MGL 44:8)	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2020	\$ 6,079,471,600	\$ 303,973,580	\$ 214,653,514	\$ 259,458,561	\$(331,070,651)	\$ 143,041,424	\$ 160,932,156	47.06%
2019	6,079,471,600	303,973,580	154,820,046	286,340,161	(289,828,791)	151,331,416	152,642,164	49.78%
2018	5,618,295,200	280,914,760	156,119,668	372,930,114	(371,460,798)	157,588,984	123,325,776	56.10%
2017	5,618,295,200	280,914,760	146,849,466	407,974,626	(375,872,822)	178,951,270	101,963,490	63.70%
2016	5,366,953,500	268,347,675	138,263,757	323,760,167	(316,884,630)	145,139,294	123,208,381	54.09%
2015	5,366,953,500	268,347,675	129,368,263	290,095,355	(302,297,920)	117,165,698	151,181,977	43.66%
2014	5,818,718,300	290,935,915	135,638,799	271,115,803	(308,398,052)	98,356,550	192,579,365	33.81%
2013	5,818,718,300	290,935,915	136,162,848	266,834,278	(316,074,062)	86,923,064	204,012,851	29.88%
2012	6,474,455,300	323,722,765	141,120,946	261,903,903	(216,670,987)	186,353,862	137,368,903	57.57%
2011	6,474,455,300	323,722,765	130,449,956	268,036,677	(203,928,172)	194,558,461	129,164,304	60.10%

- ⁽¹⁾ – The laws of the Commonwealth of Massachusetts provide for general debt limits for the city, consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit (above) is 5.0% of the assessed valuation of taxable property in the City as last equalized by the State Department of Revenue, and may authorize debt up to this limit without State approval. The City may also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Commonwealth's Secretary of Administration and Finance.

Legal Debt Margin Calculation for Fiscal Year**2020 (MGL Chapter 44 Section 10)**

Equalized Valuation at January 1, 2020	\$ 6,079,471,600
Normal Debt Limit (5% of Equalized Valuation)	<u>\$ 303,973,580</u>
 Total Outstanding Debt at June 30, 2020	 214,653,514
Add: Debt Authorized But Not Yet Issued ⁽²⁾	<u>259,458,561</u>
Equals: Gross Debt	474,112,075
 Less: Debt Outside the Debt Limit (MGL Chapter 44 Section 8)	 <u>(331,070,651)</u>
Equals: Net Debt Subject to Debt Limit	<u>\$ 143,041,424</u>
 Remaining Borrowing Capacity	 <u>\$ 160,932,156</u>

- ⁽²⁾ – The Debt authorized but unissued as of June 30, 2020 and City Council authorizations during fiscal year 2020 are reported for the purposes of the computation of legal debt margin within the Normal Debt Limit.

Demographic and Economic Statistics – Last Ten Fiscal Years

Fiscal Year	Population⁽¹⁾	Civilian Labor Force⁽²⁾	Unemployment Rate⁽³⁾		Per Capita Income⁽²⁾	Households		
			New Bedford^{(3) (4)}	MA Statewide^{(3) (4)}		Number of Households⁽²⁾	Median Income⁽²⁾	Mean Income⁽²⁾
2020	95,348	45,096	24.1%	17.7%	\$ 26,278	38,888	46,321	61,328
2019	95,323	48,425	7.1%	4.4%	24,788	38,741	31,616	44,018
2018	95,110	47,867	6.4%	4.0%	27,023	37,910	48,762	60,294
2017	95,035	46,717	8.4%	5.2%	23,904	39,377	45,784	63,632
2016	94,959	47,783	10.0%	6.0%	22,330	39,425	43,241	55,946
2015	94,855	48,148	12.7%	7.3%	21,119	38,826	36,808	51,410
2014	95,079	46,348	11.9%	6.9%	20,517	38,046	39,387	50,618
2013	94,929	46,090	11.9%	7.6%	20,450	41,489	33,098	45,696
2012	95,180	49,132	12.8%	8.4%	21,530	39,719	35,555	46,430
2011	95,138	44,768	12.8%	8.3%	18,640	38,670	37,737	50,986

Sources:

⁽¹⁾ U.S. Census Bureau, American Community Survey, Table DP05, 1-Year Estimates Data Profiles

⁽²⁾ U.S. Census Bureau, American Community Survey, Table DP03, 1-Year Estimates Data Profiles

⁽³⁾ Massachusetts Executive Office of Labor and Workforce Development, Labor Market Information as of June 30 of each fiscal year (unadjusted)

⁽⁴⁾ Fiscal Year 2020's rate was related to the COVID-19 pandemic

Principal Employers – Current Fiscal Year and Nine Years Before

Employer ⁽¹⁾	2020			Employer ⁽¹⁾	2011		
	Employees ⁽²⁾	Rank	Percentage of Total City Employment		Employees	Rank	% of Total City Employment
Southcoast Health Systems	1500-2500	1	3 - 5%	St. Luke's Hospital	5000-9999	1	
Acushnet Company	500-999	2	1 - 2%	Southcoast Health System	1000-4999	2	
Joseph Abboud	250-499	3	0.5 - 1%	Joseph Abboud	500-999	3	
Ahead Inc	250-499	4	0.5 - 1%	Brittany Dyeing & Printing Co	250-499	4	
Bristol County Savings Bank	250-499	5	0.5 - 1%	GNB Community Health Ctr	250-499	5	
Brittany Dyeing & Printing Co	250-499	6	0.5 - 1%	New Bedford Rehab Hospital	250-499	6	
Community Health Center	250-499	7	0.5 - 1%	Shaw's Supermarket	250-499	7	
Sacred Heart Home	250-499	8	0.5 - 1%	Sid Wainer & Son Specialty	250-499	8	
Sid Wainer & Son Specialty	250-499	9	0.5 - 1%	Standard-Times	250-499	9	
Symmetry Medical	250-499	10	0.5 - 1%	Symmetry Medical	250-499	10	
Total Labor Force	<u>49,863</u>				<u>43,359</u>		

Notes: (1) Excludes Federal, State and City employers

(2) Massachusetts Executive Office of Labor and Workforce Development only provides range of employees

Source: Massachusetts Executive Office of Labor and Workforce Development

City Government Employees by Department – Last Ten Fiscal Years

	Fiscal Year ⁽¹⁾									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Education ⁽²⁾ :										
Teachers	958	932	922	901	835	849	816	877	861	887
Other	820	772	732	687	602	651	668	686	684	681
Total	1,778	1,704	1,654	1,588	1,436	1,500	1,484	1,563	1,545	1,568
Public safety:										
Police	292	296	297	302	301	307	308	317	307	299
Fire	212	207	218	212	219	226	235	239	242	238
Other	45	48	59	60	59	52	66	74	63	54
Total public safety	549	551	574	574	579	585	609	630	612	591
Public works	88	93	107	110	109	122	121	81	66	59
Other governmental-type	289	309	364	382	367	373	358	405	375	381
Total governmental-type	2,704	2,657	2,699	2,654	2,491	2,580	2,572	2,679	2,598	2,599
Business-type:										
Water	82	79	83	75	71	66	73	67	74	70
Airport	6	6	8	7	6	8	8	7	9	6
Cable Access	9	-	-	-	-	-	-	-	-	-
Downtown Parking	7	7	6	11	9	9	-	-	-	-
Total business-type	104	92	97	93	86	83	81	74	83	76
Total City Employees	2,808	2,749	2,796	2,747	2,577	2,663	2,653	2,753	2,681	2,675

Notes to City Government Employees by Department:

⁽¹⁾ All employee totals are based on the last payroll of each fiscal year unless otherwise noted below (only FTE).

⁽²⁾ Education employee totals are based on Department of Elementary and Secondary Education (DESE) statistics as of October 1

Operating Indicators by Function – Last Ten Fiscal Years

Function/Program	Fiscal Year ⁽¹⁾									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Education:										
Student enrollment as of June 30 ⁽²⁾	12,880	12,845	12,626	12,640	12,681	12,565	12,744	12,616	12,551	12,538
Public safety:										
Violent crimes reported ⁽³⁾	558	579	633	819	1,094	1,199	1,039	1,030	1,093	1,160
Property crimes reported ⁽³⁾	2,020	2,167	2,752	2,946	3,394	3,382	3,457	3,209	3,359	3,628
Police calls dispatched	84,068	90,212	77,400	90,459	89,914	92,560	86,971	84,937	86,291	85,055
Police citations issued	5,604	7,435	8,341	6,412	6,989	9,312	6,298	5,511	6,681	6,987
Arrests made ⁽³⁾	3,504	3,910	3,819	3,841	3,755	4,328	4,589	4,251	4,507	4,228
Accidents reported	3,260	4,510	5,825	5,627	5,584	5,886	5,166	5,045	5,157	5,243
Fires reported	395	456	447	457	471	443	362	n/a	n/a	n/a
Fire calls responded to	619	2,921	2,786	2,632	265	2,463	2,352	n/a	n/a	n/a
Emergency medical calls responded to ⁽⁴⁾	n/a	n/a	15,680	14,938	15,812	14,783	15,184	13,695	13,476	13,054
Emergency medical calls	n/a	n/a	18,582	17,373	18,784	16,681	17,847	16,131	16,041	14,908
Fire inspections conducted	2,717	4,044	4,567	4,376	4,549	(4)	n/a	n/a	n/a	n/a
Parking tickets issued ⁽⁵⁾	2,655	9,826	4,650	7,662	3,631	4,446	5,753	4,841	7,682	5,411
Inspectional Services										
Building permits issued	3,106	3,353	3,430	3,180	3,035	2,691	2,402	2,440	2,452	2,098
Building permit value (000s)	\$ 72,101	\$ 134,528	\$ 63,599	\$ 79,168	\$ 69,321	\$ 59,852	\$ 46,194	\$ 46,428	\$ 53,996	\$ 38,421
Food establishment inspections conducted ⁽⁴⁾	1283	n/a	1669	947	900	987	n/a	n/a	n/a	n/a
Public Works:										
Municipal solid waste collected (tons)	27,721	28,268	27,704	27,275	27,034	25,576	n/a	n/a	n/a	n/a
Recycled materials collected (tons)	11,539	13,075	13,941	13,148	12,898	11,697	n/a	n/a	n/a	n/a
Facilities work orders completed	1,245	1,560	1,608	1,205	1,521	1,428	(4)	n/a	n/a	n/a
Fleet work orders completed	2,163	2,906	4,703	5,659	4,348	(4)	n/a	n/a	n/a	n/a
Potholes repaired	6,064	10,142	9,886	11,815	12,567	9,961	9,086	3,919	3,655	13,506
Trees planted	171	678	470	415	874	468	650	n/a	n/a	n/a
Culture & recreation:										
Library physical circulation	279,957	325,953	237,625	237,756	248,629	257,215	283,728	304,255	275,545	275,609
Library electronic circulation	48,955	30,834	15,343	13,148	15,623	10,038	7,894	5,109	2,786	2,722
Seasonal parks and recreation staff employed	212	257	102	116	81	121	120	111	55	n/a
Supportive recreational program participants	969	8,811	1,310	2,602	3,427	1,694	1,466	2,738	n/a	n/a
Summer recreational program participants	1,320	1,422	1,902	2,190	2,550	2,204	2,000	1,799	1,135	1,619
Summer meals served	252,683	95,470	85,458	94,092	92,588	88,146	80,000	76,000	69,774	77,968
Recreational facility rental contracts	161	244	153	228	727	769	175	102	n/a	n/a
Buttonwood Park Zoo attendance	101,878	147,057	147,527		567,862	499,663	485,036	467,862	n/a	n/a
Water:										
Water treated (CCF)	5,039,824	4,346,919	5,211,697	5,146,406	5,650,558	5,771,195	6,462,535	5,463,197	6,114,741	5,345,023
Water consumed (billed CCF)	4,370,887	3,987,156	4,682,913	4,870,580	5,596,312	4,694,285	4,642,548	4,655,791	4,486,862	4,697,679
Airport:										
Aircraft operations, total	49,990	53,204	57,248	47,117	52,115	43,983	49,520	52,837	56,418	53,427
Aircraft operations, jet service only	1,270	1,361	1,269	1,221	1,072	961	392	n/a	n/a	n/a
Passenger enplanements	2,860	6,518	7,057	6,646	7,461	7,068	9,773	11,474	11,919	11,406
Downtown Parking:										
Parking tickets issued ⁽⁵⁾	39,073	51,089	19,239	19,536	28,435	24,536	23,044	21,884	28,203	28,853

Notes to Operating Indicators By Function:

⁽¹⁾ All operational data was furnished by City departments unless otherwise noted below.

⁽²⁾ Student enrollment data is from the Massachusetts Department of Elementary and Secondary Education (DESE) as of October 1 of each fiscal year.

⁽³⁾ Arrest data for FY 2008 was converted to a new tracking system implemented in 2009 but was not segregated. Arrests have been allocated equally to each fiscal year.

⁽⁴⁾ Emergency medical calls not responded to by the City were responded to by private rescue services or municipalities under mutual aid agreements.

⁽⁵⁾ Effective July 1, 2014, the City established a Downtown Parking enterprise fund, to which revenues generated by parking spaces within a defined geographic area that include its two parking garages are designated. Although parking ticket fees are recorded as General Fund revenue, tickets issued have been segregated as either Public Safety or Downtown Parking in order to measure the enforcement activity associated with generating revenue. Tickets issued prior to July 1, 2014 have been restated to reflect the current designation of

⁽⁶⁾ No data for FY2019 due to data breach.

Capital Asset Statistics by Department – Last Ten Fiscal Years

Function/Program	Fiscal Year ⁽¹⁾									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Education:										
Elementary schools	19	19	19	19	19	19	19	19	19	19
Middle schools	3	3	3	3	3	3	3	3	3	3
High schools	1	1	1	1	1	1	1	1	1	1
Public safety:										
Police stations	4	4	4	4	4	4	4	4	4	4
Uniformed police force ⁽²⁾	257	266	253	255	259	257	261	253	249	253
Police vehicles, marked	80	88	71	69	69	69	63	63	63	61
Police vehicles, total fleet	145	156	146	120	122	124	132	132	132	130
Fire stations	6	7	7	7	7	7	7	7	7	6
Uniformed firefighting force ⁽²⁾	207	216	216	216	215	222	222	236	236	200
Total fire apparatus	9	10	10	10	10	10	10	10	10	8
Emergency rescues	7	8	7	5	4	4	4	4	4	4
Metered parking spaces ⁽³⁾	214	214	214	214	214	214	214	214	214	214
Public Works:										
City-owned buildings ⁽⁴⁾	89	89	89	77	77	77	n/a	n/a	n/a	n/a
Vehicle fleet ⁽⁴⁾	607	594	582	389	351	375	n/a	n/a	n/a	n/a
Public roadways (miles)	331	331	337	337	336	336	335	335	335	334
Sidewalks (miles)	662	662	674	674	672	672	670	670	670	668
Streetlights	11,000	11,000	10,664	10,664	n/a	n/a	n/a	n/a	n/a	n/a
Trees	11,000	11,000	10,458	9,988	9,573	8,699	8,231	7,581	n/a	n/a
Wastewater pump stations	29	29	29	29	29	29	29	29	29	29
Sewage collection system (miles)	435	435	435	435	434	434	433	433	433	432
Culture & recreation:										
Library volumes	372,439	435,260	373,267	385,754	380,915	409,786	438,439	451,934	486,053	484,574
Library special collections	2,907	2,181	2,181	2,833	2,852	2,991	2,480	1,479	2,469	1,479
Total parks & beaches	44	44	37	37	37	36	35	34	34	n/a
Accessible green space (acres)	830	830	830	830	722	719	628	614	614	n/a
Walking trails (miles)	8.5	8.5	6.5	6.5	4.5	3.5	2.0	2.0	2.0	2.0
Buttonwood Park Zoo exhibits	35	32	30	30	24	24	24	24	24	24
Buttonwood Park Zoo animals	2,381	2,368	976	1,079	769	556	1,030	1,039	508	225
Water:										
Treatment plant capacity (million gallons per day)	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
Water distribution system (miles)	308.0	308.0	308.0	308.0	287.0	287.0	287.0	287.0	287.0	286.5
Airport:										
Based Aircraft	101	108	110	107	102	98	138	100	112	107
Runway Length (linear feet)	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,000	10,000	10,000
Downtown Parking:										
Parking garage capacity (in spaces)	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373
Metered parking spaces ⁽³⁾	879	879	879	879	784	784	784	784	784	784

Notes to Capital Asset Statistics By Department:

⁽¹⁾ All capital asset information was furnished by City departments.

⁽²⁾ Uniformed police and firefighting forces include both filled and vacant positions as of June 30 of each fiscal year.

⁽³⁾ Effective July 1, 2014, the City established a Downtown Parking enterprise fund, to which revenues generated by parking spaces within a defined geographic area that include its two parking garages are designated. Metered parking spaces have been segregated as either governmental or business-type, with spaces prior to July 1, 2014 restated to reflect the current designation.

⁽⁴⁾ Excludes buildings and vehicles reported under Public Safety.