

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE DATED MARCH 7, 2023

S&P Global Ratings:

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. For tax years beginning after December 31, 2022, however, interest on the bonds will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein. The Notes are not designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

**CITY OF NEW BEDFORD, MASSACHUSETTS
\$16,375,551 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The City of New Bedford, Massachusetts (the "City") will receive telephone and electronic bids at Hilltop Securities Inc., (617-619-4400) in the case of telephone bids and via **PARITY** in the case of electronic bids until 11:00 a.m., Eastern Time, Tuesday, March 14, 2023, for the purchase of the following described General Obligation Bond Anticipation Notes of the City:

\$16,375,551 General Obligation Bond Anticipation Notes (the "Notes") (new and renewal) dated April 13, 2023 and payable on April 11, 2024. Interest on the Notes will be calculated on a 30 day-month/360 day-year basis (358/360). The Notes will not be subject to redemption prior to their stated maturity date.

Bids may be submitted electronically via **PARITY** pursuant to this Notice of Sale until 11:00 a.m., Eastern Time, on Tuesday, March 14, 2023 but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact the Hilltop Securities Inc. or **PARITY** at (212) 404-8102.

Bids may be submitted for all or part of the Notes at a single or various rates of interest in multiples of one-hundredth (1/100) of one percent (1%). No bid for less than par and accrued interest to the date of delivery will be considered. A premium of at least \$1.65 must be included for each \$1,000 bid. Any bid for less than all of the Notes must include the \$1,551 amount shown above, and if split bids are submitted, the most competitive bid must include the \$1,551. The Notes will be awarded on the basis of lowest net interest cost to the City.

An electronic bid made in accordance with this Notice of Sale for the Notes shall be deemed an offer to purchase such Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the City.

Any bidder who submits a winning bid by telephone in accordance with this Notice of Sale shall be required to provide written confirmation of the terms of the bid by e-mailing a completed, signed bid form to Hilltop Securities Inc. by not later than 12 noon, Eastern Time, on the date of sale.

The award of the Notes to the winning bidder(s) will not be effective until the respective bid has been approved by the Treasurer, Mayor, and the Committee on Finance.

The Notes will be awarded on the basis of lowest net interest cost to the City. Such cost will be determined by computing the total amount of interest payable on the Notes, at the rate or rates stated, from April 13, 2023 until the maturity of such Notes and deducting therefrom the sum, if any, by which the amount bid for the Notes exceeds the aggregate principal amount of the Notes. In the event a bidder offering a premium for the Notes is awarded a lesser amount of Notes than bid, the premium shall be reduced proportionately. The right is reserved to reject any and all bids not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid.

A Successful Bidder for all or a portion of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of The Depository Trust Company. The Successful Bidder seeking the issuance of any Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have all or a portion of the Notes issued in the form of fully registered physical certificates, rather than in book-entry form, shall indicate this preference to the City at the time of the submission of the winning bid. The City reserves the right to decline any request to issue all or a portion of the Notes in non-book entry form if it should determine, in its sole discretion, that issuing all or a portion of the Notes in this manner is not in its best interests.

Establishment of Issue Price. The following applies to each Successful Bidder with respect to the portion of the Notes awarded to such Successful Bidder.

Any Successful Bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City on the Closing Date an “issue price” or similar certificate, substantially in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering price to the public or the actual sale price of the Notes, together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by Hilltop Securities, Inc. (“Financial Advisor”) and any notice or report to be provided to the City may be provided to the Financial Advisor.

Competitive Sale Requirements. If the competitive sale requirements (“competitive sale requirements”) set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) have been satisfied, the City will furnish to the Successful Bidder on the Closing Date a certificate of the Financial Advisor, which will certify each of the following conditions to be true:

1. the City has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the City received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the City awarded the sale of the Notes to the bidder who submitted a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Unless a bidder notifies the City prior to submitting its bid by email to the Financial Advisor, telephone (617) 619-4400, or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Notes, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the City that it will not be an “underwriter” (as defined below) of the Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Notes to the public.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the Successful Bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Notes to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the Successful Bidder intends to reoffer the Notes to the public, the Successful Bidder may, at its option, use the first price at which 10% of the Notes (the “10% Test”) is sold to the public as the issue price of the Notes. The Successful Bidder shall advise the Financial Advisor if the 10% Test is satisfied as of the date and time of the award of the Notes. The City will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to Notes or all of the Notes are sold to the public, the Successful Bidder agrees to promptly report to the Financial Advisor the prices at which the unsold Notes have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied for the Notes or until all the Notes have been sold. The Successful Bidder shall be obligated to report each sale of Notes to the Financial Advisor until notified in writing by the City or the Financial Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the Successful Bidder that either the 10% Test has been satisfied as to the Notes or all of the Notes have been sold to the public, if and for so long as directed by the Successful Bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third party

distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third party distribution agreement to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the Successful Bidder or such underwriter that either the 10% Test has been satisfied as to the Notes or that all of the Notes have been sold to the public if and for so long as directed by the Successful Bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. "public" means any person other than an underwriter or a related party,
2. "underwriter" means (A) any person, including the Successful Bidder, that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Notes to the public), and
3. a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements – Option B – The Successful Bidder Intends to Reoffer the Notes to the Public and Agrees to Hold the Price of Maturities of Notes for Which the 10% Test in Option A Is Not Met as of the Sale Date. The Successful Bidder may, at its option, notify the Financial Advisor in writing, which may be by email (the "Hold the Price Notice"), not later than 4:00 p.m. on the Sale Date, that it has not sold 10% of the maturities of the Notes listed in the Hold the Price Notice (the "Unsold Maturities") and that the Successful Bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Successful Bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the Successful Bidder delivers a Hold the Price Notice to the Financial Advisor, the Successful Bidder must provide to the City on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Notes, including underwriters in an underwriting syndicate or selling group, had agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or the Successful Bidder Does Not Intend to Reoffer the Notes to the Public – Option C. If the Successful Bidder has purchased the Notes for its own account and will not distribute or resell the Notes to the public, then, whether or not the competitive sale requirements were met, the reoffering price certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

Principal of and interest on the Notes will be payable upon maturity in Federal Reserve funds at the U.S. Bank Trust Company National Association, Boston, Massachusetts. The Notes will not be subject to redemption prior to maturity. The Notes will be issued by means of a book-entry system evidencing ownership, in principal amounts of \$1,000, or integral multiples thereof, with the exception of one \$1,551 amount, and transfer of the Notes on the records of The Depository Trust Company and its Participants pursuant to the rule and procedures adopted by The Depository Trust Company, unless the issuance of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the City (See Preliminary Official Statement, "Book-Entry Transfer System").

The purchaser(s) will be furnished, without cost, an opinion of Locke Lord LLP, Boston, Massachusetts approving the legality of the Notes purchased by such purchaser (see "Tax Exemption" and "Opinion of Bond Counsel" herein) and stating that they are valid and binding general obligations of the City of New Bedford, Massachusetts, and unless paid from the bond proceeds in anticipation of which such Notes are issued or from other available moneys, the principal of and interest on such Notes are payable from taxes which may be levied upon all taxable property subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will undertake to provide notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source.

It shall be a condition of a Successful Bidder's obligation to accept delivery of and pay for the Notes that, contemporaneously with or before accepting the Notes and paying therefor, it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, Boston, Massachusetts, with respect to the Notes, (b) a certificate in form satisfactory to said firm, dated as of the date of delivery such Notes and receipt of payment therefor, to the effect that there is no litigation pending, or to the knowledge of the signer or signers thereof, threatened affecting the validity of such Notes or the power of the City to levy and collect taxes to pay them, and (c) a certificate of the City Treasurer to the effect that, to the best of his knowledge and belief, both the Preliminary Official Statement as of its date and the date of sale and the Final Official Statement as of its date and the date of delivery of such Notes referred to below, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (d) a Significant Events Disclosure Certificate in the form described in the Official Statement.

It is anticipated that CUSIP identification numbers will be printed on the Notes. The City assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such number.

THE NOTES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The Notes in definitive form, will be delivered to The Depository Trust Company or to the office of its custodial agent, or to the registered owner if a fully registered certificate is requested by the winning bidder and approved by the City, on or about April 13, 2023, against payment to the City in federal reserve funds.

Additional information concerning the City of New Bedford and the Notes is contained in the Preliminary Official Statement dated March 7, 2023 to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes, and is not a part of this Notice of Sale. The Preliminary Official Statement has been deemed final by the City except for the omission of the reoffering prices, interest rates, and other terms of the Notes depending on such matters, and the identity of the underwriters, but is subject to change without notice and to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement may be obtained from the Hilltop Securities Inc., 54 Canal Street, Suite 320, Boston, Massachusetts 02114 (Telephone: 617-619-4400). Within seven business days following the award of the Notes and receipt of necessary information from the Successful Bidder(s), 5 copies of the Final Official Statement will be made available to the Successful Bidders. Upon request, additional copies will be provided at the expense of the Successful Bidder(s).

CITY OF NEW BEDFORD, MASSACHUSETTS
/s/ Ray DeBarros, City Treasurer

March 7, 2023

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

City of New Bedford, Massachusetts
\$16,375,551 General Obligation Bond Anticipation Notes dated April 13, 2023

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the "Successful Bidder"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes") of the City of New Bedford, Massachusetts (the "Issuer").

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Successful Bidder are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Successful Bidder in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Notes.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Notes.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is March 14, 2023.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The Successful Bidder hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidders interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2023

[NAME OF SUCCESSFUL BIDDER]

By: _____

Name:

Title:

SCHEDULE A
EXPECTED OFFERING PRICES
(To Be Attached)

SCHEDULE B
COPY OF SUCCESSFUL BIDDER'S BID
(To Be Attached)

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Not Used]
City of New Bedford, Massachusetts
\$16,375,551 General Obligation Bond Anticipation Notes dated April 13, 2023
ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of _____, (the “[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the City of New Bedford, Massachusetts (the “Issuer”).

1. Sale of the Notes. As of the date of this certificate, [except as set forth in the following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met or all of the Notes have not been sold for one or more Maturities of Notes as of the Closing Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Notes, until at least 10% of each such Maturity of the Notes is sold to the Public (the “10% Test”) or all of the Notes are sold to the Public, the [Successful Bidder][Representative] agrees to promptly report to the Issuer’s financial advisor, Hilltop Securities Inc. (the “Financial Advisor”) the prices at which the unsold Notes of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% Test has been satisfied for each Maturity of the Notes or until all the Notes of a Maturity have been sold. The [Successful Bidder][Representative] shall continue to report each sale of Notes to the Financial Advisor until notified by email or in writing by the State or the Financial Advisor that it no longer needs to do so.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Notes to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinions, and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the Notes, which certificates, opinions, and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2023

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

**SALE PRICES
(To be Attached)**

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Not Met and the Hold the Price Rule Is Used]

**City of New Bedford, Massachusetts
\$16,375,551 General Obligation Bond Anticipation Notes dated April 13, 2023**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the (“[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]]hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the City of New Bedford, Massachusetts (the “Issuer”).

1. **Sale of the Notes.** As of the date of this certificate, [except as set forth in following paragraph,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% Test has not been met as of the Sale Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Notes, the [Successful Bidder][Representative] and any other Underwriter did not [and will not] reoffer the Unsold Maturities at a price higher than the initial offering price to the public until the earlier of (i) _____, 2023 or (ii) the date on which the [Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Notes to the Public).

3. **Receipt.** The [Successful Bidder][Representative] hereby acknowledges receipt of the Notes and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of the Notes, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder’s][Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: _____, 2023

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

SCHEDULE A
SALE PRICES
(To be Attached)

OFFICIAL STATEMENT

CITY OF NEW BEDFORD, MASSACHUSETTS

\$16,375,551 GENERAL OBLIGATION BOND ANTICIPATION NOTES

The purpose of this Official Statement is to furnish certain information regarding the City of New Bedford, Massachusetts (hereafter referred to as the "City") and the \$16,375,551 principal amount of the City's General Obligation Bond Anticipation Notes (the "Notes"). The information contained herein has been furnished by the City, except information attributed to another source.

The Notes

The Notes will be dated April 13, 2023 and will mature on April 11, 2024 without the option of prior redemption. The Notes will bear interest payable at maturity at the rate(s) determined in accordance with the Notice of Sale and Official Statement dated March 7, 2023. The Notes will be issued by means of a book-entry-transfer system, evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with the exception of one \$1,551 amount, with transfers of ownership effected on the records of The Depository Trust Company (DTC) and its participants pursuant to the rules and procedures adopted by DTC, unless the delivery of a fully registered note certificate is requested by the winning bidder and the issuance of such certificate is approved by the City. (See "Book-Entry-Transfer System" herein.)

Authorization of the Notes and Use of Proceeds

The following table sets forth the principal amounts, purposes, original bond authorizations, notes outstanding, statutory references, and dates of approval for the current issues of Notes.

This Issue	Purpose	Original Bond Authorization	Bond Anticipation Notes Outstanding (1)	Statutory Reference	Date of Authorization
\$ 1,436,318	Hannigan School Construction	\$ 36,747,197	\$ 1,436,318	Ch. 70B	9/18/2015
210,991	Elizabeth Carter Brooks Elementary School Repairs	4,100,334	210,991	Ch. 70B	3/22/2018
3,700,000	City Yard Campus Renovation	3,700,000	3,700,000	C. 44 s. 7(1)	6/1/2021
1,000,000	Sassaquin Pond Water Quality Improvements	1,500,000	1,000,000	C. 44 s. 7(7)	6/1/2021
700,000	DeValles & Congdon Elementary School Feasibility Study	1,200,000	700,000	Ch. 70B	9/21/2021
4,500,000	Elwyn G. Campbell Elementary School Repairs	7,924,694	500,000	Ch. 70B	12/7/2021
1,700,000	Water	71,800,000	10,900,000 (2)	C. 44 s. 8(4) & 8(5)	12/7/2021
100,000	DFFM - Wilks Library	570,000	-	C. 44 s. 7(1)	9/15/2022
150,000	DFFM - Emergency Management Offices	380,000	-	C. 44 s. 7(1)	9/15/2022
850,000	DPI - Fleet Maintenance Facility Improvements	850,000	-	C. 44 s. 7(1)	9/15/2022
700,000	MIS - Communications Radio Tower	700,000	-	C. 44 s. 7(1)	9/15/2022
778,242	MIS - Public Safety Management Software	1,500,000	-	C. 44 s. 7(9)	9/15/2022
550,000	Police - Public Safety Equipment	550,000	-	C. 44 s. 7(1)	9/15/2022
\$ 16,375,551			\$ 18,447,309		

(1) Payable April 13, 2023. To be retired with the proceeds of the Notes, except as noted.

(2) Payable April 15, 2022. To be retired, in part, with the proceeds of the Notes and \$9,200,000 bond proceeds to be issued concurrent with the Notes.

The City anticipates that the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes and other available funds of the City, or a combination of such sources. The ability of the City to retire the Notes from the proceeds of the sale of either renewal notes or long-term bonds will be dependent on the marketability of such notes or long-term bonds under market conditions prevailing at the time they are offered for sale, which are subject to change due to factors beyond the control of the Town, such as the current COVID-19 pandemic.

Tax Exemption

In the opinion of Locke Lord LLP, Bond Counsel to the City (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is of the further opinion that interest on the Notes will not be included in computing the alternative minimum taxable income of Noteholders who are individuals. For tax years beginning after December 31, 2022, however, interest on the bonds will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes. The Notes will not be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The City has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Notes or the income therefrom or any other tax consequences arising with respect to the Notes under the laws of any state other than Massachusetts.

The difference between the issue price of each Note and the sum of all amounts to be paid with respect to such Note (including all of the amounts stated to be interest) constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Notes is sold to the public, as applicable. The original issue discount with respect to the Notes (including the stated interest amounts paid thereon) accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. In addition, because all of the interest on the Notes is determined under the original issue discount rules described in this paragraph, a subsequent purchaser of any Notes will be subject to the market discount rules established under the Code if such purchaser’s acquisition price for such Notes is less than the adjusted issue price therefor, even if that purchase price is at or above the stated par amount of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount and/or accrued market discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes (“Premium Notes”), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder’s basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible

consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Book-Entry Transfer System

The following section shall apply to the Notes unless the Successful Bidder requests and the City approves the delivery of a fully registered physical certificate to such bidder.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered Note certificate will be issued for each interest rate, each in the aggregate principal amount bearing such interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's AA+ rating. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests

in the securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with DTC; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities held by DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The issuer of securities may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Security and Remedies

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" as described (see "*Serial Bonds and Notes*" under "TYPES OF OBLIGATIONS" below) and setoffs of state distributions as described below (see "*State Distributions*" below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for and all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid, if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "*Tax Limitations*" Under "PROPERTY TAXATION" below.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "DEBT LIMITS" below.) Upon certification by the city solicitor or town council that no appeal can or will be taken, or as otherwise required by a municipality's charter, ordinances, or by-laws, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made. Any such payments shall be reported to the city or town's assessors by the city or town's auditor or accountant (or other officer having similar duties). The assessors shall include amounts of such payments in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate.

Court Proceedings. Cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law. (See "Tax Limitations" under "PROPERTY TAXATION" below.) In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" (See "Serial Bonds and Notes" under "TYPES OF OBLIGATIONS" below) and any other sums due and payable by the city or town to the Commonwealth or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resources Authority if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth's Clean Water and Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not generally authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, however, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

Opinion of Bond Counsel

The unqualified approving opinion as to the validity of the Notes will be rendered by Locke Lord LLP, Boston, Massachusetts, Bond Counsel. The opinion will be dated the date of original delivery of the Notes and will speak only as of such date.

Except as to matters expressly set forth in their opinion, the scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statement made in this Official Statement, and they make no representation that they have independently verified the same other than matters expressly set forth as their opinion.

Financial Advisory Services of Hilltop Securities Inc.

Hilltop Securities Inc., Boston, Massachusetts, serves as financial advisor to the City.

Disclosure of Significant Events

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") applicable to municipal securities having a stated maturity of 18 months or less, the City will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board (the "MSRB"), notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the City; (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; (o) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the City to comply with any provision of the certificate shall be an action for specific performance of the City's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

The City believes that, in the past five years, it has complied in all material respects with all previous undertakings to provide annual reports or notices of significant events in accordance with the Rule.

CITY OF NEW BEDFORD, MASSACHUSETTS

General

The City of New Bedford is located in Southern Massachusetts, approximately 56 miles from Boston. It is bordered by Dartmouth on the west, Freetown on the north, Acushnet and Fairhaven on the east and Buzzard's Bay on the south. The City has a population of 101,079 (2020 U.S. Bureau Census estimate) and occupies a land area of 30.1 square miles. Established in 1787, New Bedford was incorporated as a City in 1847. The City is governed by an elected Mayor and an eleven member City Council.

The following table sets forth the principal executive officers of the City.

Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>First Took Office</u>	<u>Term Expires</u>
Mayor	Jonathan F. Mitchell	January 2012	January 2024
Chief Financial Officer	Michael Gagne	June 1, 2021	June 2023
Treasurer/Tax Collector	Ray DeBarros	January 2023	(1)
City Clerk	Dennis Farias	August 2014	(1)
City Auditor	Emily Arpke	August 2022	(1)
Assistant City Auditor	Brennan Morsette	December 1993	(1)

(1) Employee-at-will and not under contract.

Municipal Services

The City provides general governmental services for the territory within its boundaries including police and fire protection, disposal of garbage and rubbish, public education in grades K-12, including vocational-technical education at the high school level, water and sewer services, parking, street maintenance, parks, recreational and historical and cultural facilities.

The principal services provided by the county are a jail and house of correction, a registry of deeds, and an agricultural extension service.

Corona Virus (COVID-19) Disclosure

COVID-19 is a respiratory disease caused by a novel coronavirus not previously been in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which enabled disaster funds to be made available to states to fight the pandemic. The Governor removed the remaining COVID-19 restrictions and the state of emergency in The Commonwealth expired on June 15, 2021.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. For example, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") which includes various forms of financial relief. The City has incurred \$8,340,616 in COVID expenses to date and has received \$8,253,227 for eligible funds from the CARES Act.

Pursuant to M.G.L. Chapter 4, Section 31, and under a directive issued to Massachusetts communities by the State's Department of Revenue, the City established two separate funds specifically related to COVID-19 expenses. One fund aggregates all costs eligible for 75% reimbursement from FEMA administered through MEMA. The second fund aggregates all costs eligible for reimbursement under the CARES Act. Aggregated costs related to the COVID-19 pandemic include, but are not limited to, overtime, cleaning and medical supplies, and IT equipment. New legislation has also given the City the ability to amortize any additional costs not funded through these grants over a period of up to three years.

Another action at the federal level was the American Rescue Plan Act of 2021 ("ARPA"). Among other provisions, one of the key components of ARPA is the Coronavirus State and Local Fiscal Recovery Fund ("CSLFR"), which commits \$350

billion to state and local governments to mitigate the fiscal disruptions created by the pandemic. A portion of these funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other purposes. The City was directly allocated \$64,729,754; to date \$2,367,549 has been spent, \$11,028,235 has been contractually obligated but not spent, and \$11,111,404 has been approved for spending but is not currently contractually obligated. Additionally, the City expects to receive an estimated \$17,243,480 from the county government, which represents the City's per capita share of Bristol County's CSLFRF allocation, less administrative costs. Of the City's county allocation, the City has received and spent \$1,417,903. In total, the City will be receiving and applying approximately \$82 million in CSLFRF grant funds for the statutory purposes of responding to the COVID-19 public health crisis, hastening the city's economic recovery from the pandemic, making improvements to public infrastructure, and placing the City on improved financial footing.

Funding priorities have been set in a collaborative process involving:

- An extensive review of the City's many strategic planning documents;
- Input from Department Heads with purview over areas such as Public Health, Housing and Community Development, Parks, Recreation, & Beaches, Public Infrastructure, Environmental Stewardship, and Emergency Management;
- Public forum hosted by community partners;
- A public survey; and
- Review and approval by the City Council.

New Bedford has opted to take advantage of the standard \$10 million revenue replacement provision that was added to the U.S. Treasury's Final Rule regulating the expenditure of CSLFRF funds as an alternative to calculating revenue loss. The standard amount of \$10 million far exceeds any anticipated revenue loss over the reporting period. CSLFRF funds must be obligated by the end of December 2024 and expended by the end of December 2026.

The City has managed the economic situation without cash flow concerns. At the onset of the pandemic, the City implemented significant cost containment measures that restricted expenditures to ensure a positive cash flow. The Fiscal Year 2021 budget incorporated conservative assumptions by eliminating 40 vacant positions, including 36 supported by the General Fund, and incorporated a significant reduction in local receipts. The impact of projected revenue reductions is carried forward through the long-range planning period.

The Fiscal Year 2022 budget was the second budget developed since the start of the pandemic. The impacts on revenues and expenditures continue to be broadly felt across City government; the City has continued a cautious, conservative approach to budgeting. At the same time, there is reason for cautious optimism. The City has been able to successfully manage the fiscal emergency because of its willingness to make tough decisions that are in the interest of the City's long-term fiscal health.

Working together with the City Council, the City has taken a surgical approach to expenditure reductions that has not jeopardized public safety or decimated essential services relied on by its residents. In addition, the ongoing distribution of an effective vaccine means that the City can begin to take measures aimed at rejuvenating the local economy, and the Federal government has appropriated significant aid to state and local governments to aid in that process.

The Fiscal Year 2022 budget included the addition of 11 positions in the General Fund and five positions in the Enterprise Funds, restoring less than half of the positions that were eliminated from the budget during the Fiscal Year 2021 budget cycle. These positions are specifically targeted at maintaining operations, enabling the City government to respond effectively to the gradual return of tourism, economic development and business activity, and to maintain compliance with Federal directives regarding the maintenance of the City's utility infrastructure.

The City's unaudited Statements of Revenue, Expenditures, and Changes in Fund Balance for its governmental funds for the fiscal year ended June 30, 2022 incorporate management's most recent expectations for a \$0.90 million excess of General Fund revenues and other financing sources over expenditures. This would bring the General Fund's fund balance to \$33.62 million as of June 30, 2022, of which \$25.04 million is unassigned and an additional \$5.89 million is held in stabilization funds. However, approximately \$2.7 million of unassigned fund balance is expected to be reclassified as assigned once carryovers of encumbrances are finalized. After this reclassification, stabilization and unassigned fund balances will aggregate to \$28.2 million, or 7.3% of annual expenditures, a modest improvement over 7.1% reported a year earlier.

While the City's Fiscal Year 2021 and 2022 results improved from the effects of COVID-19 experienced in Fiscal Year 2020, the pandemic, the virus and the resulting actions by national, state and local governments have altered and continue to alter the behavior of businesses and people in a manner that may have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19, or any other national health crisis or pandemic, will impact

the national and state economies and, accordingly, how it will adversely impact municipalities, including the City. These negative impacts could include reduced collections of property taxes and other revenues, including room occupancy taxes and local meals tax revenue, motor vehicle excise taxes and other fees and charges collected by the City. The City may also be affected by any reductions in state aid resulting from reduced revenues at the State level. In addition, stock markets in the United States and globally could see significant instability attributable to the coronavirus pandemic or any other national health crisis or pandemic and such instability could adversely affect the funding status of the City's pension funds and resulting funding schedules. The City cannot quantify these effects at this time.

Education

The City's school facilities include 19 elementary schools, 3 middle schools, 1 high school, and 2 alternate high schools (grades 11-12), one of which is located at the administration building.

All three middle schools were originally junior high schools (grades 7 and 8), and were replaced as middle schools (grades 6-8). In September 2001, Roosevelt Junior High School was replaced by Roosevelt Middle School. In September 2003, Normandin Junior High School was replaced by Normandin Middle School. In December 2006, Keith Junior High School was replaced by Keith Middle School. The Massachusetts School Building Authority (MSBA) increased the 90% funding for the Keith Middle School to include the additional costs associated with the environmental remediation of the contamination at the Keith Middle School site and surrounding area.

The MSBA also supported the John Hannigan elementary school construction project, which is currently 100% in use, and partially funded the construction project for William H. Taylor School at Sea Lab, which was completed in December 2016. Additionally, the City expects to receive MSBA partial funding for accelerated repairs to several elementary schools.

The City also has 3 charter schools: Alma del Mar Charter School, City on a Hill Charter Public School, and Global Learning Charter Public School. Charter school enrollment for the school year beginning October 1, 2021 was 1,677 students.

Public School Enrollments – October 1

	Actual				
	2018	2019	2020	2021	2022
Pre-School	551	481	286	500	538
Elementary	6,879	6,670	6,334	6,120	6,112
Middle School (6-8)	3,104	3,166	3,073	2,885	2,797
High School (9-12)	2,311	2,563	2,872	2,999	3,075
Total	12,845	12,880	12,565	12,504	12,522

Economic Overview

New Bedford's beautiful coastal setting has been gradually shaped over 200 years by land use patterns tied to the whaling, fishing, and textile industries. In the mid-1850s, New Bedford's whaling fleet launched more whaling voyages than all other American ports combined and was the wealthiest city per-capita in the United States. At the same time investment in the textile industry had already begun. When the whale fishery declined, the looms in the mills continued to drive the City's economy. However, by the mid-20th century, New Bedford, like many mid-size American cities, struggled to meet daunting challenges in adapting its largely textile based economy in a post-industrial and post-war era.

New Bedford has proven resilient and adaptable in an ever-changing economic landscape for mid-sized American cities. Today, the City remains the number one commercial fishing port in America and is home to nearly 3,700 businesses. Prior to the COVID-19 driven economic shut down, those businesses supported more than 45,000 jobs with an unemployment rate that ranged between 4.1% and 5.5%. While New Bedford's unemployment rate spiked to 24.2% at the height of the pandemic, it fell back to 5.8% by December 2022. And by the close of 2021 the City's labor force stood at 44,237—putting it nearly on track to its high before the COVID-19 pandemic began and gaining back more than 3,000 of the jobs lost during the pandemic.

There is significant private sector interest in New Bedford—from real estate development, to expanding businesses, and entrepreneurs alike. During the past year the City's pipeline of 84 business and real estate development projects is now stronger than ever. In total, this pipeline represents more than \$402 million in development value, as many as 3,111 jobs being created or retained, and as many as 684 new residential units to be constructed. While many of these projects have had to deal with supply-chain delays or early inflationary pressures, they continued nonetheless throughout the City. Highlights from the past year include:

- The City celebrated the groundbreaking and ribbon cutting of the state-of-the-art Tonix Pharmaceuticals Advanced Development Center for accelerated research, development and analytical capabilities. The 45,000 square foot facility will employ up to 70 researchers, scientists, manufacturing and technical support staff.
- Efforts to reimagine New Bedford State Pier in partnership with MassDevelopment and the City lead to the release

of a request for proposals for comprehensive redevelopment in the spring 2022. Several proposals were submitted to MassDevelopment and an award is expected in FY23.

- Eighteen & Union is a redevelopment project on the lower block of Union Street facing Route 18 that began construction in 2022. This \$10 million investment by LaFrance Hospitality will rehabilitate three historic structures and create 28 units of new housing and two commercial spaces.
- In 2022 City hosted a delegation of Belgian companies to explore opportunities for investment in the region’s growing offshore wind market. The Belgian delegation was the third foreign trade mission to visit New Bedford this year with an interest in forging relationships with local stakeholders and learning about the City’s marketplace assets and advantages in offshore wind. City representatives also visited the UK as part of the Northern Powerhouse Trade Mission organized by the Department of International Trade. The trip provided an opportunity to tour several locations in northern England key to the UK’s thriving offshore wind industry and deepen business relationships.
- With all state and local approvals in hand, in the spring of 2022 the City released a request for proposals for a new 100-acre advanced manufacturing campus on a portion of the municipal golf course at the strategic intersection of I-195 and Route 140.
- As a result of planning work undertaken in fiscal year 2022, two city-owned properties, long associated with the New Bedford Harbor Superfund Site, could soon be the key anchors of the Upper Harbor River Walk project.
- TOD district zoning efforts for SouthCoast Rail were begun as construction activities in the Church Street area also continued. Planning for the new pedestrian bridge over Route 18 also was in full swing as a signature element serving as a gateway to the downtown.
- The City launched NBForward! and NB100! – two new programs to help finance the dreams of existing and aspiring small businesses in New Bedford. In total, \$3.3 million in SBA and municipal ARPA funding was made available to the NBEDC to support local businesses and entrepreneurs.
- During fiscal year 2022, the \$107,600 from the City’s Arts, Culture, and Tourism fund leveraged an additional total amount of \$1,173,816 from Arts Midwest, Barr Foundation, Bristol County Savings Bank, MassDevelopment/TDI, Mass Cultural Council, New Bedford Local Cultural Council, New England Foundation for the Arts, SouthCoast Community Foundation, Southeastern Massachusetts Visitors Bureau, and grantees of Wicked Cool Places and Art is Everywhere!

The City has accomplished this by employing a balanced and aggressive strategy that builds on assets that include a diverse waterfront industry, a vibrant downtown, significant infrastructure capacity, wonderful historic buildings and neighborhoods, and a hard-working and culturally diverse citizenry. The City’s strategic approach is to support existing business, attract emerging industries, communicate a positive message, develop strategic sites, prepare a ready workforce, and capture long-term catalytic opportunities for growth.

New Bedford has also developed a successful business assistance program through its economic development council that offers a variety of loan programs and incentives to aid businesses in their decisions to relocate, maintain or expand their operations. Funded with a combination of Community Development Block Grants, U.S. Department of Commerce Economic Development Administration funds and participation agreements with local and regional banks, these programs provide more than \$1 million annually in loans to new and existing businesses for working capital, inventory, equipment, façade and building improvements, vessel rehabilitation and general economic development needs for those enterprises not able to gain traditional financing.

New Bedford receives in excess of \$5 million annually in U.S. Department of Housing and Urban Development Community Development Block Grants and Federal HOME Investment Partnership Program funds. These programs are used, in part, to support a master development plan of the City to revitalize its infrastructure, housing stock and public facilities.

Tourism

The City of New Bedford tracks visitation data at the City’s major attractions consisting of museums, ferries, theatres, arts & culture, visitor centers including venues within and adjacent to the New Bedford Whaling National Historical Park. The data below is indicative of the popularity of New Bedford as a tourism destination:

Fiscal Year	Number of Visits (1)
2022	424,616
2021	207,573 (2)
2020	420,779 (3)
2019	593,326
2018	586,563

Source: City Director of Tourism and Marketing.

(1) Visitation data is an aggregate of visitor numbers at all City attractions, subject to change as data become available.

- (2) Incomplete data due to recording issues.
- (3) Reflects impact of the COVID-19 pandemic.

Population, Income and Wealth Levels

According to the 2010 federal census, median family income for the City of New Bedford was \$45,347 compared with \$81,165 for the state as a whole. The median age for the City was 36.6 years as compared to 39.1 for the state as a whole. The following table compares the 2010, 2000, 1990, and 1980 averages for New Bedford, the state and the country.

	<u>City of New Bedford</u>	<u>Massachusetts</u>	<u>U.S.</u>
Median Age			
2010	36.6	39.1	36.8
2000	35.9	36.5	35.3
1990	35.3	35.1	33.3
1980	33.2	31.2	30.0
Median Family Income			
2010	\$45,347	\$81,165	\$63,331
2000	35,708	61,664	50,046
1990	28,373	44,367	35,225
1980	14,930	21,166	19,908
Per Capita Income			
2010	\$20,447	\$33,966	\$27,270
2000	15,602	25,952	21,587
1990	10,923	17,224	14,420
1980	5,431	7,457	7,313

SOURCE: Federal Census.

Population Trends

<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
101,079	95,072	93,768	99,922	98,478

SOURCE: Federal Census.

Industry and Commerce

Due to the reclassification of economic data by industry, the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

Industry	Calendar Year Average				
	2017	2018	2019	2020	2021
Natural Resources and Mining	992	1,005	887	930	1,037
Construction	1,261	1,189	1,213	1,168	1,271
Manufacturing	5,639	5,441	5,059	4,263	4,528
Trade, Transportation and Utilities	6,050	5,964	6,094	5,644	5,700
Information	186	181	180	212	208
Financial Activities	1,056	1,044	1,049	990	932
Professional and Business Services	3,285	3,259	3,618	3,505	3,932
Education and Health Services	13,283	12,674	12,904	12,094	12,116
Leisure and Hospitality	3,074	3,076	3,140	2,660	3,066
Other Services	1,179	1,160	1,198	1,063	1,150
Public Administration	1,891	1,972	1,992	2,078	1,811
Total Employment	37,896	36,965	37,334	34,605	35,751
Number of Establishments	3,600	3,698	3,654	3,675	3,741
Average Weekly Wages	\$ 914	\$ 955	\$ 937	\$ 995	\$ 1,061
Total Wages	\$ 1,800,229,801	\$ 1,834,840,253	\$ 1,819,165,816	\$ 1,790,558,520	\$ 1,972,977,284

SOURCE: Massachusetts Department of Labor and Workforce Development. Data based upon place of employment, not place of residence.

The following table lists the largest employers in New Bedford, exclusive of federal, state and City employees.

Largest Employers

Name	Product/Function	Number of Employees
South Coast Health System	Hospital	1,500 - 2,500
Acushnet Company	Manufacturing	500 - 999
Joseph Abboud (1)	Manufacturing	250 - 499
Ahead Inc.	Apparel	250 - 499
Bristol County Savings Bank	Bank	250 - 499
Brittany Dyeing & Printing Co.	Printing	250 - 499
Community Health Center	Hospital	250 - 499
Sacred Heart Home	Nursing Home	250 - 499
Sid Wainer & Son Specialty	Specialty Foods	250 - 499
Symmetry Medical	Medical	250 - 499
Tremblay Bus Co. LLC	Busing	250 - 499
Precix Inc.	Manufacturing	250 - 499
Market Basket	Supermarket	250 - 499

SOURCE: City, February 2023.

(1) In August 2020 the parent company of Joseph Abboud filed for Chapter 11 bankruptcy. The New Bedford plant remains in operation with a significantly reduced workforce.

Labor Force, Employment and Unemployment Rate

The Massachusetts Executive Office of Labor and Workforce Development reported that, in December 2022, the City had a total labor force of 45,847, of which 43,197 were employed and 2,650, or 5.8% were unemployed, as compared with 3.2% for the Commonwealth (unadjusted).

Year	City of New Bedford		Massachusetts	U.S.
	Labor Force	Unemployment Rate	Unemployment Rate	Unemployment Rate
2021	47,461	8.8%	5.7%	5.4%
2020	46,998	13.2	8.9	8.1
2019	47,944	5.1	2.9	3.5
2018	45,036	6.1	3.3	3.9
2017	46,916	6.5	3.7	4.4

SOURCE: Massachusetts Executive Office of Labor and Workforce Development. Data based upon place of residence, not place of employment. All data is unadjusted.

Building Permits

The following table sets forth the trend in total number and value of building permits issued for new construction as well as additions and alterations for residential and non-residential public and private projects in the City.

Fiscal Year	Building Permits Issued	
	No.	Value
2022	3,523	\$156,994,431
2021	3,742	112,133,793
2020	3,068	72,100,844
2019	3,353	134,528,719
2018	3,261	61,506,446

Transportation

New Bedford is located 56 miles south of Boston and 33 miles east of Providence, Rhode Island. Major roadways serving the City are State Route 140 and Interstate Route I-195 connecting with State Route 24 and Interstate 95. Rail freight service is provided by the CSX Railroad. Commuter bus service is available to Boston. Regional bus service is provided by the South Eastern Regional Transit Authority ("SRTA"). Commuter flights to Martha's Vineyard and Nantucket are available from the New Bedford Municipal Airport and full scheduled commercial flights are available 40 miles from New Bedford in Warwick, Rhode Island at T. F. Green Airport. New Bedford Harbor is an international deep water port and home to a fishing fleet of over 250 vessels. Ferry service is available from New Bedford to Martha's Vineyard and Cuttyhunk year round. Service from New Bedford to Martha's Vineyard began in May 2000 from a new \$4.7 million ferry terminal.

Climate Resiliency

The City of New Bedford's Climate Action and Adaptation Plan: 'NB Resilient', is a proactive plan to address climate change and sea level rise from both mitigative and adaptive approaches. The 'NB Resilient Dashboard' is an interactive tool that the public can use to learn about each of the plan's focus areas and the importance of action to shape outcomes. The 'NB Resilient Action Plan' outlines specific goals and actions that the city is taking and or will take to maximize resilience. Since 2018, the Commonwealth of Massachusetts has awarded the City over \$1M to implement many of the actions outlined in NB Resilient including conducting a Designated Port Area Vulnerability Assessment and Structural Evaluation. New Bedford was the first municipality in the Commonwealth to utilize the Massachusetts Coastal Flood Risk Model (MC-FRM) to evaluate the implications of sea level rise relative to its fishing port which has been rated #1 in the nation for the past 20 years. The New Bedford/Fairhaven Coastal Viewer projects sea level rise and coastal inundation probabilities to 2070.

The international group CDP Cities (the Carbon Disclosure Project) recently awarded the City of New Bedford a score of A-citing that "Your city has demonstrated best practice standards across adaptation and mitigation, has set ambitious but realistic goals and made progress towards achieving those goals. Your city has strategic, holistic plans in place to ensure

the actions being taken will reduce climate impacts and vulnerabilities of the citizens, businesses and organizations residing in your city.”

Cybersecurity

The City’s IT department continues to implement several cyber security solutions that have greatly improved the security of the City’s network, servers, and end users. With remediation practices in place, the City’s network and security team, along with its managed security service provider (“MSSP”) and virtual Chief Information Security Officer (“vCISO”), can detect and eliminate suspicious activities and malicious attacks in the form of malware, ransomware, phishing before they can cause damage.

Economic Development Initiatives

Industry and Developer Recruitment

In 2022 the City has had 41 active pipeline projects in the recruitment and pre-development phase, with a total investment value of \$128 million, an estimated 2,439 new jobs, and 467 new housing units. This recruitment pipeline represents a wide variety of project type, investment value, and location.

Notable examples of the City’s efforts to bring in future development include:

- The redevelopment of New Bedford State Pier in partnership with MassDevelopment and the City led to the release of an RFP for comprehensive redevelopment in the spring. Several proposals were submitted to MassDevelopment and review of those proposal is currently ongoing.
- The Quest Center & Armory District as a key area within a new TOD district, specifically the redevelopment of the Glaser Glass site by New Bedford Research and Robotics who entered into a P&S for the site.

Existing Business Expansion Support

The City continued to see that much of its potential new growth is attributable to the expansion of existing businesses that already call New Bedford home. In 2022 the City actively worked with 29 such businesses or developers on projects with a total value of just over \$114 million. These projects created more than 633 new jobs and added 217 new housing units.

Examples include:

- Eighteen & Union is a redevelopment project on the lower block of Union Street facing Route 18. This \$10 million investment by LaFrance Hospitality began construction in fiscal year 2022 and will rehabilitate three historic structures, create 28 units of new housing, and two commercial spaces.
- Shoreline Marine’s redevelopment of the former Revere Copper site created a 13-acre marine industrial complex on a long vacant and blighted waterfront site. The City worked closely with the Quinn family in permitting, incentives for investment and critical grant support.

Start-up Cultivation and Assistance

In 2022 the City worked with 14 new business ventures ready to bring ideas to reality in New Bedford. With a combined investment value of \$300,000, these start-ups will also bring more than 39 new jobs into the City. The launch of the NB100! program is expected to drive this growth to all-time highs in the year ahead.

New Bedford Ocean Cluster

The New Bedford Ocean Cluster’s (NBOC) mission is to leverage New Bedford’s coastal position, marine knowledge base, and landside capacity to drive employment and wealth creation for residents. The NBOC seeks to leverage and enhance the City and Port of New Bedford’s existing maritime strengths, while advancing innovative programs, start-ups, and technology partnerships. In 2022 the NBOC recruited its first executive director, began implementing robust business-to-business events, and hosted several foreign delegations to the port, underscoring the City’s position as the epicenter of offshore wind in America.

- In late 2021, the NBOC announced the launch of the Act Local program in partnership with Vineyard Wind. The program is designed to maximize the positive economic impacts of the growing offshore wind industry in greater New Bedford by connecting Original Equipment Manufacturers (OEMs) and Tier 1 companies with local businesses interested and able to participate in the offshore wind industry supply chain.

- To develop further economic growth and address gaps in the local supply chain, the NBOC works to attract businesses and foreign direct investment to New Bedford. Serving as a one-stop-shop and first point of contact, the NBOC is providing information and support to both domestic and international companies interested in expanding their business to New Bedford. The NBOC hosted a delegation of Belgian companies to explore opportunities for investment in the region's growing offshore wind market. The Belgian delegation was the third foreign trade mission to visit New Bedford this year with an interest in forging relationships with local stakeholders and learning about the City's marketplace assets and advantages in offshore wind. The NBOC also visited the UK as part of the Northern Powerhouse Trade Mission organized by the Department of International Trade. The trip provided an opportunity to tour several locations in northern England key to the UK's thriving offshore wind industry and deepen business relationships.
- In front of Gov. Charlie Baker, Her Royal Highness Princess Astrid of Belgium and Flanders Minister-President Jan Jambon, the NBOC signed a Memorandum of Understanding with the Belgium Blue Cluster to formally express both parties' intent to explore collaboration, and foster innovation and international trade. The signing was part of an event at the Greentown Labs in Somerville to celebrate leadership in offshore wind development in Massachusetts.

The Advanced Manufacturing Campus at the Golf Course

With all state and local approvals in hand, in the spring of 2022 the City released the request for proposals for a new 100-acre advanced manufacturing campus on a portion of the municipal golf course located at the strategic intersection of I-195 and Route 140. Proposals were due fall of 2022. This new campus would support 1,000 new jobs that would yield more than \$33 million in total wages. The first release of the RFP for site resulted in more than 60 requests for the RFP from the regional development community, but no formal proposals were submitted by the fall deadline. After a comprehensive review of why there was such high interest but no formal responses, it became clear that the unexpected and dramatic changes in economic conditions played a role (i.e., war in Ukraine, spiked inflation, rising interest rates, political uncertainties). A full market analysis is currently underway with the support of MassDevelopment and a revised RFP will be released in 2023 to best time greater stability in market conditions.

Upper Harbor Site Redevelopment Planning

As a result of planning work undertaken in 2022, two City-owned properties long associated with the New Bedford Harbor Superfund Site could soon be the key anchors of the Upper Harbor River Walk project. The former AVX site at 740 Belleville Avenue was the source of much of the harbor contamination, but is more than half-way through a remediation process that will enable City to reuse the 10-acre site. EPA, which has been the City's tenant at the Sawyer Street facility near Market Basket, is nearing the end of its decade's long cleanup of the harbor and is slated to turn the site back over to the City by 2025.

With funding from the City's settlement with AVX, it has worked with the architecture and planning firm Utile to develop potential reuse concepts for both sites that will enhance the River Walk project with added public access that will complement each neighborhood.

SouthCoast Rail Transit Oriented Development

Gateway cities such as New Bedford, Fall River, and Taunton offer excellent and cost-effective investment opportunities for new growth and entrepreneurship from which the whole Commonwealth can benefit. Rail service is critical to enhancing two-way commerce and tourism, addressing a portion of the state's housing shortage and improving the quality of life for residents from the SouthCoast to Boston.

The TOD district zoning efforts of both areas were begun this year as construction activities in the Church Street area also continued. Planning for the new pedestrian bridge over Route 18 was a signature element serving as a gateway to the downtown. Commuter rail service to Boston is scheduled to begin by the end of 2023.

Tax Increment Financing Program

Since the City's inception of the Tax Increment Financing Program in 1996, a total of 119 projects have been certified. These projects ensure a certain level of investment and job creation by the private sector while the Commonwealth and the City have provided a measure of incentive on new short-term taxes.

- 12 such agreements remained active and compliant with the program's reporting requirements. These projects have added more than \$81 million in new private sector investment, have created more than 462 new jobs, and have ensured that more than 826 jobs have been retained in the City.

- While several companies seeking expansion had inquired about the program, one project for Island Creek Oysters was submitted to participate in the program this past year with final approval expected in fiscal year 2023. This project represents nearly \$1 million in new investment and would create as many as 10 new jobs.

COVID-19 Aid for Small Businesses

In 2020 the City and the NBEDC developed a program designed specifically to provide working capital for existing businesses to assist in surviving the unknown duration of and recovering from the COVID-19 crisis. Utilizing federal CARES Act funding, the City offered grant financing through the NBEDC COVID-19 Business Assistance program. The program offered grants of up to \$10,000 in conjunction with matching financing to businesses operating in the City that have been negatively affected by the outbreak of the COVID-19 virus.

In fiscal year 2022, the NBEDC funded 18 grants to small businesses for \$180,000. Over the past two years, a total of 45 businesses received grant funding for \$440,000. Funding for this vital program was provided by COVID-19 Community Development Block Grant Program and Office of Attorney General Maura Healey. In fiscal year 2022 the program ended pending the City's receiving new ARPA funding.

Newly Launched NB100! and NBForward! Business Support Programs

With the firm belief that strong entrepreneurial ecosystems strengthen businesses, close access gaps and help build community wealth, in June 2022 the City launched NBForward! and NB100! – two new programs to help finance the dreams of existing and aspiring small businesses in New Bedford. The new programs had dozens of early applications submitted at the close of the year and are made possible through the US Small Business Administration (SBA) Community Navigator Program supported by the City's American Rescue Plan Act (ARPA) funding package. In total, \$3.3 million in funding was made available to the NBEDC to support local businesses and entrepreneurs.

NBForward!

This program offers at least 100 grants of up to \$20,000 in conjunction with matching loan financing from other, non-ARPA sources, and with payments deferred for three months – along with technical assistance including business planning, resource guidance, and best practices. This program provides resources for businesses to get through the challenges of the next phase of our pandemic recovery, while looking toward investing in and preparing for greater future success.

NB100!

This new program aims to promote entrepreneurship, grow local wealth, and strengthen community bonds by helping 100 new businesses get off the ground while having positive impacts on the City's neighborhoods. NB100! will be specifically tailored to the spirit of innovation and creativity which characterizes entrepreneurship in New Bedford. Indeed, a critical part of NB100! is activating the network of partners who have founded New Bedford SourceLink in order to create connections which will set businesses up for greater success in both the near and long-term. Through NB100!, one hundred eligible businesses may receive grants up to a maximum of \$10,000 – but engagement and support will continue long after grant awards are made.

Quest Center Collaborative Workspace

The New Bedford Quest Center for Innovation is an initiative by the City to provide a focus for entrepreneurial training and a supportive environment for start-up activity.

- The incubator spaces at Quest Center are at full functional capacity with 83 entrepreneurs that are associated with Groundwork and 38 public sector employees from various agencies.
- There are three entrepreneurial/workforce/economic development agencies with a presence at the Quest Center that hosted dozens of workshops, training sessions, and partnership meetings both online and in person throughout the year.
- Fiscal year 2022 activity generated income of \$23,400 to the City and the construction was completed for the MassDevelopment funded build-out of the expansion of the Groundwork program in unfinished space in the rear of the second floor. The work was largely accomplished by the talented City craftsmen of the Department of Facilities and Fleet management with assistance from local suppliers and contractors. At the close of fiscal year 2022 this new space was already at near capacity.
- The NBEDC and City began exploring opportunities for the re-use of the vacant areas of the third floor, as the building's close location to the waterfront, downtown, and South Coast Rail proved to be attractive assets sought by private sector interests.

Arts + Culture Plan

The 24-member volunteer leaders of New Bedford Creative Consortium oversee the execution of the City's first-ever arts and culture strategic plan, New Bedford Creative: Our Art, Our Culture, Our Future. Fiscal year 2022, the third year of the approximate 10-year plan, included dozens of projects, three of which are highlighted below:

- Facilitating the final year of being the pilot city for MassDevelopment's TDI Creative Cities to support arts-based economic development, enrich urban life, and expedite the strategies in New Bedford's arts and culture plan.
- Implementing the fourth round of the City's creative placemaking and placekeeping grant program Wicked Cool Places, which aims to make or keep a place where things are happening and people want to be that involve and impact residents, visitors and/or businesses in New Bedford's neighborhoods.
- Launching the first-ever place-based pilot of Creating Connection, a national initiative to make creative expression a recognized, valued, and expected part of everyday life.

TDI Creative Cities

Funded by MassDevelopment and the Barr Foundation, highlights of the final year of TDI Creative Cities included:

- The City's first-ever citywide arts festival 20mi2, a call to co-create, activate, and celebrate all twenty square miles of New Bedford, with a focus on creative entrepreneurship.
- Launching the professional training and development series Peer-to-Peer Sessions, which focused on grant finding, grant writing, marketing, and promotion.
- The third round of the grant program Art Is Everywhere, whereby projects directly impact a current challenge facing residents, visitors and/or businesses in New Bedford's neighborhoods by mobilizing its arts, creativity and culture. Upon receiving 28 applications, the City invested \$70,000 in seven projects city-wide.

Wicked Cool Places

2022 also brought about the completion of the fourth round of the creative placemaking and placekeeping grant program Wicked Cool Places. These projects were funded by the City's Arts, Culture and Tourism Fund, with additional support from Bristol County Savings Bank, Mass Cultural Council, and MassDevelopment. After receiving 35 applications, the City invested \$70,000 in 16 projects city-wide.

Creating Connection

New Bedford Creative was selected as the lead partner on a year-long training and grant program supported by the Barr Foundation. Creating Connection, a national initiative directed by Minneapolis-based Arts Midwest, draws on data-driven strategies to expand audiences and support for the arts by helping organizations deepen relevance and learn new messaging strategies.

Since January 2022, eight New Bedford nonprofit organizations have been learning how to connect their messages and programs to existing community values. Those organizations include 3rd Eye Youth Empowerment, BuyBlackNB, Cape Verdean Association in New Bedford, the Co-Creative Center, Massachusetts Design Art & Technology Institute (DATMA), New Bedford Art Museum/Artworks!, New Bedford Historical Society, and New Bedford Symphony Orchestra.

Activities of the Seaport Cultural District

Since 2014 the downtown Seaport Cultural District, an official designation by the Massachusetts Cultural Council, has served as a center of cultural, artistic and economic activity. In fiscal year 22, the activities of the district included:

- Seaport Art Walk, the district's annual temporary public art installation, partnered with DATMA's SHELTER 2022 to present five new artworks along the waterfront with the theme "Open Spaces."
- Maintained a strong 160+ partnership with four successful partner meetings in collaboration with the New Bedford Whaling National Historical Park and AHA!
- Press for the partnership organizations included features in Art New England, Artscope Magazine, The Arts Fuse, The Boston Globe, Boston Magazine, Boston Public Radio, CommonWealth Magazine, The National Review, The New York Times, The Public's Radio, SouthCoast Today, The South Coast Insider, The South Coast Almanac, The Wall Street Journal, WGBH Radio and TV, and many more.

PROPERTY TAXATION

Tax Levy Computation

After state aid, the principal revenue source of the City is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations" below. As to the inclusion of debt service and final judgments, see "Security and Remedies" above.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see "Abatements and Overlay," below), no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits," below).

The following table illustrates the manner in which the tax levy is determined.

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Appropriations (1)	\$ 356,862,641	\$ 379,473,123	\$ 391,443,063	\$ 405,261,717	\$ 435,515,529
Other Local Expenses	237,067	288,935	402,963	705,235	703,989
State & County Assessments	19,439,487	23,579,011	22,288,574	26,918,021	31,526,652
Overlay for Current Year	1,186,867	1,162,176	988,110	317,635	2,204,899
Gross Amount to be Raised	<u>377,726,062</u>	<u>404,503,245</u>	<u>415,122,710</u>	<u>433,202,608</u>	<u>469,951,069</u>
Offsets:					
Estimated Receipts from State (2)	176,207,545	193,194,759	198,203,283	206,823,902	237,128,127
Local Estimated Receipts	73,943,358	77,076,748	77,840,128	81,203,045	82,166,216
Free Cash	2,289,000	4,534,264	1,322,511	1,058,000	-
Other	-	144,244	3,503,036	2,643,104	3,795,642
Total Offsets	<u>252,439,903</u>	<u>274,950,015</u>	<u>280,868,958</u>	<u>291,728,051</u>	<u>323,089,985</u>
Tax Levy	<u>\$ 125,286,159</u>	<u>\$ 129,553,230</u>	<u>\$ 134,253,752</u>	<u>\$ 141,474,557</u>	<u>\$ 146,861,084</u>

(1) Includes water and sewer department budgets, each of which is self-supporting.

(2) Estimated by the State Department of Revenue and required by law to be used in setting the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the State deducts from semi-annual distributions the State assessments, which are appropriated automatically as a component of the gross amount to be raised.

Assessed Valuations and Tax Levies

Property is classified for the purpose of taxation according to its use. The legislature has in substance created four classes of taxable property: (1) residential real property, (2) open space land, (3) commercial and (4) industrial. Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 35 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes his own redetermination of the fair cash value of the taxable property in each municipality. This is known as the “equalized value”. See “DEBT LIMITS” above.

The City has used multiple tax rates under classifications since fiscal 1986 when it revalued all real and personal property in the City to full value. Professional updates of the valuation were completed for use most recently in fiscal years 2004, 2007, 2010, 2014, 2017, and 2021. The next professional update of the valuation is scheduled to take place in fiscal year 2025.

The following table sets forth the trend in the City’s assessed valuations, tax levies and tax rates.

Fiscal Year	Real Estate Valuation	Personal Property Valuation	Total Assessed Valuation	Tax Levy	Tax Rates	
					Residential	Other (1)
2023	\$ 8,194,386,618	\$ 406,097,440	\$ 8,600,484,058	\$ 146,861,084	\$ 14.29	\$ 29.88
2022	6,993,344,479	395,020,130	7,388,364,609	141,474,557	15.54	33.51
2021 (2)	6,729,007,701	361,481,590	7,090,489,291	134,253,752	15.59	32.76
2020	6,421,543,400	251,194,130	6,672,737,530	129,553,230	16.16	33.59
2019	6,014,074,500	242,332,960	6,256,407,460	125,286,159	16.47	34.84

(1) Commercial, industrial and personal property.

(2) Revaluation year.

Classification of Property

The following is a breakdown of the City’s total assessed valuation in fiscal years 2023, 2022, and 2021.

Classification	Assessed Valuation		Assessed Valuation		Assessed Valuation	
	Fiscal 2023	%	Fiscal 2022	%	Fiscal 2021 (1)	%
Real Estate:						
Residential	\$ 7,063,590,736	82.1 %	\$ 5,904,815,861	79.9 %	\$ 5,709,416,255	80.5 %
Commercial	757,454,232	8.8	721,683,418	9.8	685,825,596	9.7
Industrial	373,341,650	4.3	366,845,200	5.0	333,765,850	4.7
Total Real Estate	8,194,386,618	95.3	6,993,344,479	94.7	6,729,007,701	94.9
Personal Property Valuation	406,097,440	4.7	395,020,130	5.3	361,481,590	5.1
	\$ 8,600,484,058	100.0 %	\$ 7,388,364,609	100.0 %	\$ 7,090,489,291	100.0 %

(1) Revaluation year.

Largest Taxpayers

The following table sets forth the ten largest taxpayers in the City of New Bedford based on assessed valuations for fiscal 2023. All the taxpayers listed are current with their payments, except as noted below.

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2023 Assessed Valuation</u>	<u>% of Total Assessed Value</u>
NSTAR Electric Company (1)	Utility	\$ 173,878,810	2.02 %
NSTAR Gas Company	Utility	156,250,230	1.82
Wamsutta LLC	Housing Development	94,923,200	1.10
Cedar-Fieldstone, LLC	Retail Properties	23,009,200	0.27
AFC Cable Systems Inc.	Manufacturing	18,325,700	0.21
Melville HSG Asso-Lessee	Housing Development	18,116,500	0.21
Rockdale West LLC	Housing Development	17,142,200	0.20
Comcast of Southern N.E. Inc.	Utility	16,557,580	0.19
Bayberry @ New Bedford	Housing Development	14,985,200	0.17
Verizon New England, Inc.	Utility	14,579,300	0.17
Total		<u>\$ 547,767,920</u>	<u>6.37 %</u>

(1) Personal property tax bill due February 1, 2023 for approximately \$1.1 million has not been paid.

State Equalized Valuation

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality as of January 1 of even numbered years. This is known as the "equalized value". The following table sets forth the trend in equalized valuations of the City of New Bedford.

<u>January 1,</u>	<u>State Equalized Valuation</u>
2022 (proposed)	\$ 8,074,839,600
2020	6,947,603,100
2018	6,079,471,600
2016	5,618,295,200
2014	5,366,953,500
2012	5,818,718,300

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1. The City's most recent revaluation was completed for use in setting the 2021 fiscal year's tax rate and levy. The most recent prior reevaluations were completed for use in setting the fiscal 2001, 2004, 2007, 2010, 2014, and 2017 tax rates and levies. On the basis of said revaluations, the City's local tax rates for fiscal years 2001, 2004, 2007, 2010, 2014, 2017, and 2021 are believed to have approximated "full value" tax rates.

Abatements and Overlay

A city or town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an “overlay” to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal “tax titles” by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

In 2016, the Commonwealth enacted the Municipal Modernization Act which, among other things, provided for the establishment of a single overlay reserve account, effective as of November 7, 2016 and thereafter. Previously, a municipality had to maintain separate overlay reserves for each fiscal year and could not use the surplus from one year to cover another year’s deficit without undergoing a multistep approval process. With a single overlay reserve, municipalities may now cover the costs of potential abatements or exemptions across multiple fiscal years, thereby avoiding deficits that formerly occurred when abated or exempted amounts exceeded the balance in the overlay account for a particular fiscal year.

The following table sets forth the trend in the overlay reserve and exemption and abatement activity.

Fiscal Year	Overlay Reserve		As a % of Net Levy	Exemptions and Abatements Granted Through June 30, 2022
	Net Tax Levy (1)	Dollar Amount (3)		
2022	\$ 141,156,922	\$ 317,635	0.23 %	\$ 815,781
2021 (2)	133,265,642	988,110	0.74	430,916
2020	128,391,054	1,162,176	0.91	704,971
2019	124,099,292	1,186,867	0.96	1,102,273
2018	118,770,443	1,184,701	1.00	910,433

(1) Tax levy prior to addition of overlay reserve.

(2) Revaluation year.

(3) In approving the City’s annual tax rate, the Commissioner of Revenue must determine whether the current overlay reserve account balance is reasonable (i.e., adequate to cover anticipated abatements and exemptions and property tax receivables for all fiscal years). See Chapter 59, Section 25 of the Massachusetts General Laws. In making this determination, the Commissioner considers the following factors: (i) the account balance as of the previous fiscal year; (ii) abatements and exemptions granted and payments made for prior fiscal years; (iii) the average of granted abatements and exemptions and outstanding receivables for the five previous fiscal years; (iv) whether local assessments are scheduled for review and certification before the Department of Revenue; (v) the potential abatement liability in any pending cases; and (vi) other significant factors known to the Commissioner. As of June 30, 2022, the balance in the City’s overlay reserve account was \$2,826,858.

Tax Collections

The City adopted quarterly tax billing beginning in fiscal 1992. Property taxes are payable in four installments on August 1, November 1, February 1 and May 1. Interest accrues on delinquent taxes currently at the rate of 14 percent per annum the day after the due date. Real property (land and buildings) is subject to a lien for the taxes assessed upon it, subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws.) In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

The following table compares the City's net tax collections with its net (gross tax levy less overlay reserve for abatements) tax levies.

TAX LEVIES AND COLLECTIONS

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatements	Net Tax Levy (1)	Collections During Fiscal Year Payable(2)		Collections as of June 30, 2022 (2)	
				\$ Amount	% of Net	\$ Amount	% of Net
2022	\$ 141,474,557	\$ 317,635	\$ 141,156,922	\$ 136,649,632	96.8 %	\$ 136,649,632	96.8 %
2021	134,253,752	988,110	133,265,642	129,819,685	97.4	131,407,648	98.6
2020	129,553,230	1,162,176	128,391,054	122,619,312	95.5	122,619,312	95.5
2019	125,286,159	1,186,867	124,099,292	120,533,421	97.1	121,718,750	98.1
2018	119,955,144	1,184,701	118,770,443	115,662,256	97.4	115,662,584	97.4

(1) Net after deductions of overlay for abatements.

(2) Actual dollar collections less refunds.

Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

The following table sets forth the trend in tax titles and possessions as of the end of the fiscal year.

Fiscal Year End	Total Tax Titles and Possessions
2022	\$15,199,326
2021	20,459,718
2020	19,402,597
2019	18,718,181
2018	18,862,758

Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk. The City's most recent tax lien auction was in May, 2019.

Taxation to Meet Deficits

As noted elsewhere (see “Abatements and Overlay” above) overlay deficits, i.e. tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e. those resulting from non property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

Tax Limitations

Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non recurring events which occurred during the base year”.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures or for the city or town’s apportioned share for certain capital outlay expenditures by a regional governmental unit. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality’s sewer or water charges are reduced accordingly.

The City has been in full compliance with Proposition 2 ½ since fiscal 1983 following the completion of a professional revaluation of all real and personal property in the City to full value.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two thirds vote of the district’s governing body and either approval of the local appropriating authorities (by two thirds vote in districts with more than two members or by majority vote in two member districts) or approval of the registered voters in a local election (in the case of two member districts). Under Proposition 2½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

The following table sets forth the trend in the City’s tax levies and levy limits under Proposition 2 ½.

Fiscal Year	Estimated Full Valuation (1)	Primary Levy Limit	Maxium Levy Limit	Actual Levy	Under (Over) Primary Levy Limit	Under (Over) Maximum Levy Limit
2023	\$ 8,600,484,058	\$ 215,012,101	\$ 150,317,691	\$ 146,861,084	\$ 68,151,017	\$ 3,456,607
2022	7,388,364,609	184,709,115	144,944,059	141,474,557	43,234,558	3,469,502
2021	7,090,489,291	177,262,232	139,232,805	134,253,752	43,008,480	4,979,053
2020	6,256,407,460	166,818,438	134,165,825	129,553,230	37,265,208	4,612,595
2019	6,256,407,460	156,410,187	129,211,894	125,286,159	31,124,028	3,925,735

(1) Reflects local assessed valuations.

Pledged Taxes

Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes (see “Economic Development Initiatives – Tax Increment Financing Program” above).

Community Preservation Act

The Massachusetts Community Preservation Act (the “CPA”) permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than 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 community housing, and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see “Tax Limitations” under “PROPERTY TAX” above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may

change the amount of the surcharge or the exemptions to the surcharge at any time, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge on the real property tax levy and any other revenue dedicated pursuant to the CPA. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on real property taxes, the amounts of other dedicated revenues and the amounts received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for community housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and other dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The City has adopted the CPA, effective July 1, 2015, at a 1.50% surcharge. The City appointed members to a Community Preservation Committee on May 26, 2016.

The trend in CPA collections is shown in the table below.

Fiscal Year	CPA Surcharge Revenue	State Matching Funds
2022	\$ 1,279,090	\$ 526,711
2021	1,200,732	331,059
2020	1,124,171	257,800
2019	1,109,398	190,505
2018	1,163,638	159,226

The balance in the CPA Fund as of June 30, 2022 was \$2,690,103.

CITY FINANCES

Budget and Appropriation Process

Within 170 days after the annual organization of the city government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on the next July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the City Council may not make any appropriation for a purpose not included in the proposed budget, except by a two-thirds vote in case of a failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the City Council. The City Council may not increase any item without the recommendation of the Mayor (except as provided by legislation, subject to local acceptance, under which the school budget or regional school district assessment can be increased upon recommendation of the school committee or regional district school committee and by two-thirds vote of the City Council, provided that such increase does not cause the total annual budget to exceed property tax limitations). If the City Council fails to act on any item of the proposed budget within 45 days, that item takes effect.

City department heads are generally required to submit their budget requests to the Mayor between January 1 and February 1. This does not apply to the school department, which must submit its requests in time for the Mayor to include them in his submission to the City Council.

If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the City Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Water, wastewater, airport and the Commission for Citizens with Disabilities (CCw/D) are included in the budget adopted by the City Council. Under certain legislation any town or city which accepts the legislation may provide that the appropriations for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. The school budget is limited to the total amount appropriated by the City Council, but the school committee retains full power to allocate the funds appropriated.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy.

Budget Trends

The table below sets forth the trend in operating budgets in the format recommended by the Mayor and voted by the City Council. As such, the budgets are inclusive of expenditures made from state local distribution monies but do not estimate revenues, do not reflect expenditures for state and county assessments, overlay for tax abatements and certain other mandatory items and do not reflect supplemental appropriations and transfers between appropriation items made during the course of the fiscal year.

	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget
EXPENDITURES:					
Debt	\$ 11,779,220	\$ 11,992,826	\$ 11,771,047	\$ 8,562,757	\$ 8,562,757
Insurance and Pension	73,092,471	73,699,072	50,565,056 (1)	52,276,502	55,522,172
General Government	27,284,736	27,338,857	28,712,543	30,023,779	32,032,525
Public Safety	47,067,157	48,412,893	47,399,545	48,423,772	52,274,957
Highways and Streets	5,804,833	5,775,569	5,728,405	5,599,418	5,508,360
Sanitation	713,962	741,999	744,680	734,556	749,865
Inspectional Services	1,010,026	1,034,640	1,046,292	1,168,917	1,108,726
Education - School Dept. NSS	137,030,000	146,750,000	179,162,500 (1)	192,237,500	215,072,811
Education - Vocational	5,632,744	5,789,401	5,877,970 (1)	6,400,222	6,072,764
Human Services	5,204,280	4,933,851	4,948,463	4,677,218	4,731,407
Culture and Recreation	4,915,316	5,083,825	5,031,907	5,346,930	5,180,811
CCw/D	-	-	-	-	-
TOTAL APPROPRIATIONS	\$ 319,534,745	\$ 331,552,933	\$ 340,988,408	\$ 355,451,571	\$ 386,817,155
Airport	979,267	1,025,350	1,019,221	1,067,429	1,126,892
Arts & Cultural Special Revenue	102,000	104,244	106,433	107,604	113,953
CCw/D Special Revenue	30,996	40,000	41,000	33,500	30,000
Water	15,336,628	16,800,704	17,176,817	17,548,635	17,631,337
Wastewater	23,277,200	24,176,843	25,089,972	27,704,020	28,579,887
Downtown Parking	878,341	1,033,588	997,329	1,046,314	997,669
Cable Access Enterprise Fund	-	1,362,558	1,198,069	1,297,754	1,298,116
TOTAL APPROPRIATIONS - ALL FUNDS	\$ 360,139,177	\$ 376,096,220	\$ 386,617,249	\$ 404,256,827	\$ 436,595,009

(1) Beginning in FY2021, health insurance premiums are directly billed to the school department, resulting in a reduction in the insurance and pension line and an increase in the education line.

Room Occupancy Tax: Under this tax, local governments may tax the provision of hotel, motel and lodging house rooms at a rate not to exceed six percent (6%) of the cost of renting such rooms. The tax is paid by the operator of the hotel, motel or lodging house to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions. On January 1, 2013, the rate increased to 6% by a City Council vote. The trend in room occupancy tax revenue collections is shown in the table below.

Fiscal Year	Room Occupancy Tax Revenue
2022	\$ 456,631
2021	275,469
2020	355,533
2019	366,743
2018	295,246

In January, 2017 the City established an Arts, Culture and Tourism Promotion Fund to promote the City’s artistic and cultural assets and to attract tourists to the City, effective beginning fiscal year 2018. The Fund constitutes a portion of the total local room occupancy tax collected by the City. The City shall annually deposit not more than 50% of the local room occupancy tax revenue in the Fund. In the first year after the establishment of the Fund not more than \$100,000 shall be deposited into the Fund and future allocations shall be adjusted annually in proportion to the prior year’s average consumer price index, as measured by the Bureau of Labor Statistics all items index. All interest earned from the Fund shall be treated as General Fund revenue of the City. The balance in the Arts, Culture and Tourism Promotion Fund as of June 30, 2022 was \$0. As part of the FY2023 budget, the City appropriated \$107,604 to this fund.

Local Option Meals Tax: The City adopted the local meals tax excise tax to be effective October 1, 2010. The local meals excise tax is a 0.75% tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The trend in meals tax revenue collections is shown in the table below.

Fiscal Year	Meals Tax Revenue
2022	\$ 1,550,778
2021	1,221,572
2020	1,186,432
2019	1,287,332
2018	1,194,201

Marijuana Excise Tax: In November 2016, voters of the Commonwealth approved a law legalizing and regulating the cultivation, manufacture, processing, distribution, sale, possession, testing and use of recreational marijuana, which was amended by the legislature in July 2017. The local adoption statute permits a municipality to impose an excise tax of up to 3% on local sales of marijuana and marijuana products by marijuana retailers operating within the community. The City adopted this local option in July 2018. The City’s first marijuana dispensary opened in early 2023.

Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. Since the inception of the Act, the City has exceeded the minimum required funding each year.

State School Building Assistance Program

Under its school building assistance program, The Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the “Authority”) to finance and administer the school building assistance program. The Authority has

assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

The range of reimbursement rates for new project grant applications submitted to the Authority is between 31% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Investment of City Funds

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, §55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. According to the State Treasurer the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with §54 of Chapter 44, which permits a broader range of investments than §55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by §§54 and 55 do not apply to city and town retirement systems.

A breakdown of such investments may be obtained from the City Treasurer.

Long Range Forecasting

The City maintains a long-range financial forecast. The forecast is built on a rolling five-year window, with the current version providing an overview of anticipated trends governing the General Fund through FY2028.

Category	FY 2023 Budget	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Beginning Fund Balance:	\$ 33,923,362	\$ 32,723,362	\$ 32,751,515	\$ 32,549,223	\$ 32,921,361	\$ 32,911,673
Revenue						
Property Taxes	\$ 145,082,945	\$ 150,710,019	\$ 154,477,769	\$ 158,339,713	\$ 162,298,206	\$ 166,355,661
Local Receipts	27,811,949	28,311,949	28,811,949	29,311,949	29,811,949	30,311,949
State Aid	236,200,196	244,467,203	253,023,555	261,879,379	271,045,158	280,531,738
Other Financing Sources	9,606,901	6,937,246	7,284,108	7,648,314	8,030,729	8,432,266
Offsets	(504,252)	(504,252)	(504,252)	(504,252)	(504,252)	(504,252)
Total Revenue:	\$ 418,197,739	\$ 429,922,165	\$ 443,093,129	\$ 456,675,103	\$ 470,681,790	\$ 485,127,362
Expenditures						
Salaries & Wages	\$ 69,687,351	\$ 71,777,972	\$ 74,290,201	\$ 76,890,358	\$ 79,581,520	\$ 81,968,966
Charges & Services	22,866,861	23,324,198	23,790,682	24,266,496	24,751,826	25,246,862
Supplies & Materials	4,872,104	4,920,825	4,970,033	5,019,734	5,069,931	5,120,630
Capital Outlay	2,608,215	2,708,215	2,808,215	2,908,215	3,008,215	3,108,215
Snow Removal	450,000	450,000	450,000	450,000	450,000	450,000
Education	215,072,811	219,374,267	224,858,624	231,604,383	238,552,514	245,709,090
Debt Service	8,562,757	8,837,042	9,911,259	9,086,712	9,186,712	9,336,712
Health, Life Insurance & OPEB	19,655,048	20,637,800	21,669,690	22,753,175	23,890,834	25,085,375
Pension Contribution	35,867,124	37,660,480	39,543,504	41,520,679	43,596,713	45,776,549
Voke Tech/Refuse Assessments	6,822,629	6,922,629	7,022,629	7,122,629	7,222,629	7,322,629
State & County Assessments	31,380,584	32,080,584	32,780,584	33,480,584	34,180,584	34,880,584
Other Financing Sources	352,255	-	-	-	-	-
Total Expenditures:	\$ 418,197,739	\$ 428,694,012	\$ 442,095,421	\$ 455,102,965	\$ 469,491,478	\$ 484,005,612
Reserve for Abatements	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Ending Fund Balance	\$ 32,723,362	\$ 32,751,515	\$ 32,549,223	\$ 32,921,361	\$ 32,911,673	\$ 32,833,423

Notes:

- (1) Long range plan incorporates conservative assumptions regarding state revenue and local receipts.
- (2) Health insurance expenses projected at +5% annual increase.
- (3) Debt service estimates correlate with Hilltop financial model.
- (4) Pension assessment increases per New Bedford Retirement Board actuarial schedule, adopted August 2020.

Fiscal Policies

The City Council has adopted a series of policies relative to debt issuance, fund balance management, the investment of City funds, and management of the Other Post-Employment Benefits liability. Copies may be found in Appendix C, "City of New Bedford Fiscal Policies".

Program Performance Measurement

The City of New Bedford embarked on an organization-wide initiative aimed at improving government operations in 2012. Initial efforts were supported by a contract with the Collins Center at the University of Massachusetts and involved program-specific evaluations of various functions. The hiring of a chief financial officer allowed the City to implement program performance management throughout the organization. The fiscal 2015 budget incorporated narrative information, goals, objectives and performance measures for all departments, utilizing a combination of dedicated staff resources and targeted assistance from the Collins Center. In fiscal year 2017, the budget included historical, current and projected performance measurement information, and the fiscal 2019 budget document built upon that progress with the addition of graphically depicted trending data and the utilization of verified data to inform management decision. The same year, the City also expanded the reach of the performance management program by developing an online dashboard of performance measures that appears on the City's website.

In concert with the performance management program, the City submitted its adopted fiscal budget to the Government Finance Officers' Association ('GFOA') for its Distinguished Budget Presentation Award program, every year since 2017. GFOA's budget presentation award is the gold standard for municipal, state and district budgets: only 29 Massachusetts municipalities, and 1,739 entities nationwide, received the award in the last six years including 2020. New Bedford has received the award every year of participation, with the highest marks provided for the document's consolidated financial summaries, and organizational goals and objectives. GFOA's program provides a useful tool for encouraging more effective management throughout the organization.

Annual Audits

The City's accounts were most recently audited for fiscal 2022 by Hague, Sahady & Co., P.C., Certified Public Accountants, New Bedford, Massachusetts.

The attached report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Financial Statements

Set forth on the following pages are Governmental Funds Balance Sheets for the fiscal years ended June 30, 2022, June 30, 2021 and June 30, 2020 and Statements of Revenues, Expenditures and Changes in Fund Balances for the fiscal years ended June 30, 2022, through June 30, 2018. Said statements are excerpts from the City's audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Balance Sheet

Governmental Funds

June 30, 2022 (1)

	General Fund	Wastewater	HOME Investment Program	American Rescue Plan Act (ARPA)	West End Pressure 2nd Treatment	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments, unrestricted	\$ 45,213,659	\$ 9,718,612	\$ 3,040,261	\$ 64,483,433	\$ 11,078,451	\$ 68,795,304	\$ 202,329,720
Cash, restricted	5,832,967	3,769,083	-	-	-	5,127,411	14,729,461
Receivables, net:							
Real estate and personal property taxes	4,439,404	-	-	-	-	-	4,439,404
Tax liens and foreclosures	15,192,379	-	-	-	-	-	15,192,379
Motor vehicle and boat excise	3,632,648	-	-	-	-	-	3,632,648
User charges receivables	-	2,697,813	-	-	-	-	2,697,813
Departmental and other	7,054,806	103,246	-	-	-	-	7,158,052
Loans receivable	-	-	17,493,326	-	-	1,515,284	19,008,610
Other receivables	1,144,396	2,237	-	-	-	1,030,240	2,176,873
Special assessments	45,823	123,869	-	-	-	-	169,692
Due from federal or state government	-	-	-	-	-	14,050,728	14,050,728
Intraentity receivable	1,250,790	-	-	-	-	-	1,250,790
Inventories	-	26,373	-	-	-	-	26,373
Prepaid Assets	260,000	-	-	-	-	-	260,000
Land inventory	1,527,775	-	-	-	-	246,918	1,774,693
Total assets	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants, accounts and accrued expenses payable	\$ 27,187,072	\$ 1,667,254	\$ 1,221	\$ 1,131,270	\$ -	\$ 9,062,822	\$ 39,049,639
Retainage payable	-	-	-	-	-	506,649	506,649
Bonds and notes payable	-	-	-	-	10,900,000	26,922,432	37,822,432
Deposits held	457,041	78,834	-	-	-	-	535,875
Due to other governments	-	-	-	-	-	209	209
Payroll withholdings	62,431	-	-	-	-	-	62,431
Other liabilities	841,563	28,071	-	-	-	8,632,879	9,502,513
Total liabilities	28,548,107	1,774,159	1,221	1,131,270	10,900,000	45,124,991	87,479,748
Deferred Inflows Of Resources							
Deferred Property and excise tax revenues	21,726,569	-	-	-	-	-	21,726,569
Deferred departmental and other receipts	6,305,873	-	-	-	-	326,404	6,632,277
Deferred user fees, fines and charges for services	-	2,955,208	-	-	-	-	2,955,208
Unearned grant income	-	-	-	63,352,163	-	10,311,296	73,663,459
Unearned loan income	-	-	17,493,326	-	-	1,515,284	19,008,610
Total Deferred Inflows of Resources	28,032,442	2,955,208	17,493,326	63,352,163	-	12,152,984	123,986,123
Fund Balance							
Nonspendable	2,778,565	26,373	-	-	-	5,374,329	8,179,267
Restricted	-	5,298,939	3,039,040	-	178,451	39,998,212	48,514,642
Committed	5,832,967	5,083,837	-	-	-	1,666,533	12,583,337
Assigned	1,779,756	1,302,717	-	-	-	-	3,082,473
Unassigned	18,622,810	-	-	-	-	(13,551,164)	5,071,646
Total Fund Balance	29,014,098	11,711,866	3,039,040	-	178,451	33,487,910	77,431,365
Total Liabilities, Deferred Inflows of Resources and fund balance	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
Balance Sheet
Governmental Funds
June 30, 2021 (1)

ASSETS	General Fund	Wastewater	HOME Investment Program	American Rescue Plan Act (ARPA)	South Public Safety Center	Non-Major Governmental Funds	Total Governmental Funds
Cash and investments, unrestricted	\$ 49,291,907	\$ 9,294,033	\$ 3,176,741	\$ 32,368,105	\$ 2,214,913	\$ 46,087,651	\$ 142,433,350
Cash, restricted	11,967,948	3,814,198	-	-	-	5,127,411	20,909,557
Receivables, net:							
Real estate and personal property taxes	4,538,114	-	-	-	-	-	4,538,114
Tax liens and foreclosures	14,487,007	-	-	-	-	-	14,487,007
Motor vehicle and boat excise	1,927,709	-	-	-	-	-	1,927,709
User charges receivables	-	3,177,070	-	-	-	-	3,177,070
Departmental and other	6,264,535	88,740	-	-	-	-	6,353,275
Loans receivable	-	-	17,504,453	-	-	1,422,860	18,927,313
Other receivables	1,952,717	2,237	-	-	-	693,139	2,648,093
Special assessments	41,162	123,929	-	-	-	-	165,091
Due from federal or state government	-	-	-	-	-	10,896,215	10,896,215
Due from other funds	1,181,414	195,163	-	-	-	2,872,539	4,249,116
Intraentity receivable	1,300,790	-	-	-	-	-	1,300,790
Inventories	-	26,373	-	-	-	-	26,373
Prepaid Assets	260,000	-	-	-	-	-	260,000
Land inventory	3,045,431	-	-	-	-	246,918	3,292,349
Total assets	\$ 96,258,734	\$ 16,721,743	\$ 20,681,194	\$ 32,368,105	\$ 2,214,913	\$ 67,346,733	\$ 235,591,422
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 96,258,734	\$ 16,721,743	\$ 20,681,194	\$ 32,368,105	\$ 2,214,913	\$ 67,346,733	\$ 235,591,422
LIABILITIES AND FUND BALANCES							
Liabilities:							
Warrants, accounts and accrued expenses payable	\$ 34,365,061	\$ 1,779,710	\$ 4,253	\$ -	\$ 1,143,470	\$ 7,580,681	\$ 44,873,175
Retainage payable	-	-	-	-	326,611	915,426	1,242,037
Bonds and notes payable	-	-	-	-	4,500,000	13,745,363	18,245,363
Due to other funds	2,944,289	1,304,390	-	-	-	437	4,249,116
Deposits held	383,937	57,482	-	-	-	-	441,419
Due to other governments	-	-	-	-	-	209	209
Payroll withholdings	90,457	-	-	-	-	-	90,457
Other liabilities	1,059,739	27,536	-	-	-	570	1,087,845
Total liabilities	38,843,483	3,169,118	4,253	-	5,970,081	22,242,686	70,229,621
Deferred Inflows Of Resources							
Deferred Property and excise tax revenues	19,235,703	-	-	-	-	-	19,235,703
Deferred departmental and other receipts	5,456,186	-	-	-	-	288,824	5,745,010
Deferred user fees, fines and charges for services	-	3,300,999	-	-	-	-	3,300,999
Unearned grant income	-	-	-	32,368,105	-	5,875,456	38,243,561
Unearned loan income	-	-	17,504,453	-	-	1,422,860	18,927,313
Total Deferred Inflows of Resources	24,691,889	3,300,999	17,504,453	32,368,105	-	7,587,140	85,452,586
Fund Balance							
Nonspendable	4,346,221	26,373	-	-	-	5,374,329	9,746,923
Restricted	-	5,288,335	3,172,488	-	-	41,861,616	50,322,439
Committed	11,967,948	4,236,134	-	-	-	1,578,075	17,782,157
Assigned	1,975,081	700,784	-	-	-	-	2,675,865
Unassigned	14,434,112	-	-	-	(3,755,168)	(11,297,113)	(618,169)
Total Net Position	32,723,362	10,251,626	3,172,488	-	(3,755,168)	37,516,907	79,909,215
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 96,258,734	\$ 16,721,743	\$ 20,681,194	\$ 32,368,105	\$ 2,214,913	\$ 67,346,733	\$ 235,591,422

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS

Balance Sheet

Governmental Funds

June 30, 2020 (1)

	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Non-Major Governmental Funds	Total Governmental Funds
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
LIABILITIES AND FUND BALANCES						
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 services	-	3,211,200	-	-	-	3,211,200
Unearned grant income	-	-	-	-	1,044,984	1,044,984
Unearned 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 Net Position	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

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2022 (1)

	General Fund	Wastewater	HOME Investment Program	American Rescue Plan Act (ARPA)	West End Pressure 2nd Treatment	Non-major Governmental Funds	Total Governmental Funds
REVENUE							
Real estate and personal property taxes	\$ 138,325,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,325,449
Motor vehicle and other excise taxes	10,196,929	-	-	-	-	-	10,196,929
MSBA assistance	-	-	-	-	-	808,755	808,755
Tax liens and foreclosures	2,040,212	165,497	-	-	-	-	2,205,709
Penalties and interest on taxes	1,373,894	-	-	-	-	-	1,373,894
Licenses and permits	2,734,951	-	-	-	-	-	2,734,951
Fines and forfeitures	169,704	-	-	-	-	-	169,704
Investment income	201,582	140,083	6,217	43,560	-	164,434	555,876
Intergovernmental - operating grants	54,706,755	-	144,636	1,439,469	-	60,557,286	116,848,146
Intergovernmental - operating grant - Chapter	173,746,586	-	-	-	-	-	173,746,586
Intergovernmental - capital grants	-	4,458,648	-	-	-	11,360,760	15,819,408
Charges for services	14,281,581	26,397,294	-	-	-	1,493,110	42,171,985
Other - indirects	542,862	-	-	-	-	-	542,862
Special assessments and betterments	-	11,219	-	-	-	-	11,219
Payment in lieu of taxes	353,869	-	-	-	-	-	353,869
Miscellaneous	298,670	63,055	335,561	-	-	20,679,151	21,376,437
TOTAL REVENUES	398,973,044	31,235,796	486,414	1,483,029	-	95,063,496	527,241,779
EXPENDITURES							
General Government	9,659,427	-	-	1,483,029	-	20,428,141	31,570,597
Public Safety	54,720,894	-	-	-	-	5,429,994	60,150,888
Education	221,325,644	-	-	-	-	47,229,718	268,555,362
Public works	15,448,367	14,713,642	-	-	-	2,372,136	32,534,145
Community and economic development	-	-	619,862	-	-	7,136,834	7,756,696
Health and human services	4,049,185	-	-	-	-	2,297,150	6,346,335
Culture and recreation	5,125,450	-	-	-	-	1,165,316	6,290,766
Pension benefits	33,887,885	-	-	-	-	-	33,887,885
Health and other insurance	18,173,137	-	-	-	-	-	18,173,137
Miscellaneous	13,068,476	-	-	-	-	-	13,068,476
Intergovernmental:							
State and county charges	26,493,234	-	-	-	-	-	26,493,234
Capital outlay:							
General government	-	-	-	-	-	2,658,327	2,658,327
Public Safety	-	-	-	-	-	3,146,904	3,146,904
Education	-	-	-	-	-	715,719	715,719
Public works	-	764,925	-	-	-	9,605,731	10,370,656
Culture and creation	-	-	-	-	-	218,767	218,767
Debt service:							
Principal payments	4,735,200	9,608,065	-	-	-	-	14,343,265
Short-term note interest	397,280	-	-	-	-	-	397,280
Bond interest costs	3,416,408	2,509,981	-	-	-	-	5,926,389
TOTAL EXPENDITURES	410,500,587	27,596,613	619,862	1,483,029	-	102,404,737	542,604,828
Excess (deficiency) of Revenues Over Expenditures	(11,527,543)	3,639,183	(133,448)	-	-	(7,341,241)	(15,363,049)
OTHER FINANCING SOURCES (Uses)							
Bond issuance	-	-	-	-	-	7,235,000	3,178,524
Bond premiums	3,553	-	-	-	178,451	1,010,673	602,553
Insurance proceeds	-	-	-	-	-	92,678	92,678
Issuance of capital leases	774,505	-	-	-	-	-	774,505
Transfers in	13,211,911	6,701,805	-	-	-	41,805	19,955,521
Transfers out	(6,171,690)	(8,880,748)	-	-	-	(1,312,744)	(16,365,182)
Total Other Financing Sources and Uses	7,818,279	(2,178,943)	-	-	178,451	7,067,412	3,792,797
Change in Fund Balance	(3,709,264)	1,460,240	(133,448)	-	178,451	(273,829)	60,215,820
Fund Balance - beginning of year (restated)	32,723,362	10,251,626	3,172,488	-	-	33,761,739	79,909,215
Fund Balance - end of year	\$ 29,014,098	\$ 11,711,866	\$ 3,039,040	\$ -	\$ 178,451	\$ 33,487,910	\$ 77,431,365

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2021 (1)

	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Non-major Governmental Funds	Total Governmental Funds
REVENUE						
Real estate and personal property taxes	\$ 131,700,885	\$ -	\$ -	\$ -	\$ -	\$ 131,700,885
Motor vehicle and other excise taxes	10,258,304	-	-	-	-	10,258,304
MSBA assistance	2,459,561	-	-	-	336,716	2,796,277
Tax liens and foreclosures	1,928,602	281,620	-	-	-	2,210,222
Penalties and interest on taxes	1,700,421	-	-	-	-	1,700,421
Licenses and permits	2,549,131	-	-	-	-	2,549,131
Fines and forfeitures	133,675	-	-	-	-	133,675
Investment income	424,926	266,662	4,280	-	1,405,854	2,101,722
Intergovernmental - operating grants	73,401,442	-	227,657	-	50,167,775	123,796,874
Intergovernmental - capital grant - Chapter 70	166,091,901	-	-	-	-	166,091,901
Intergovernmental - capital grants	-	4,598,022	-	-	15,879,381	20,477,403
Charges for services	11,761,353	23,112,720	-	-	1,960,922	36,834,995
Other - indirects	588,019	-	-	-	-	588,019
Special assessments and betterments	-	12,367	-	-	-	12,367
Payment in lieu of taxes	479,275	-	-	-	-	479,275
Miscellaneous	241,738	73,664	711,456	-	6,135,578	7,162,436
TOTAL REVENUES	403,719,233	28,345,055	943,393	-	75,886,226	508,893,907
EXPENDITURES						
General Government	9,641,356	-	-	-	2,042,136	11,683,492
Public Safety	50,255,289	-	-	-	11,472,896	61,728,185
Education	230,614,144	-	-	-	32,964,866	263,579,010
Public works	17,858,445	14,917,802	-	-	2,550,950	35,327,197
Community and economic development	-	-	356,115	-	5,163,159	5,519,274
Health and human services	3,962,970	-	-	-	1,624,580	5,587,550
Culture and recreation	4,911,793	-	-	-	1,340,606	6,252,399
Pension benefits	32,201,554	-	-	-	-	32,201,554
Health and other insurance	16,564,506	-	-	-	-	16,564,506
Miscellaneous	11,600,717	-	-	-	-	11,600,717
Intergovernmental:						
State and county charges	22,763,165	-	-	-	-	22,763,165
Capital outlay:						
General government	-	-	-	-	6,987,490	6,987,490
Public Safety	-	-	-	-	178,330	178,330
Education	-	-	-	-	2,579,189	2,579,189
Public works	-	217,238	-	9,185,550	29,818,987	39,221,775
Culture and recreation	-	-	-	-	34,176	34,176
Debt service:						
Principal payments	8,505,400	8,884,813	-	-	-	17,390,213
Short-term note interest	384,065	-	-	-	-	384,065
Bond interest costs	2,672,821	2,719,432	-	-	-	5,392,253
TOTAL EXPENDITURES	411,936,225	26,739,285	356,115	9,185,550	96,757,365	544,974,540
Excess (deficiency) of Revenues Over Expenditures	(8,216,992)	1,605,770	587,278	(9,185,550)	(20,871,139)	(36,080,633)
OTHER FINANCING SOURCES (Uses)						
Bond issuance	-	-	-	14,500,000	25,846,617	40,346,617
Bond premiums	6,136	-	-	90,098	1,744,115	1,840,349
Insurance proceeds	-	-	-	-	516,814	516,814
Issuance of capital leases	4,031,233	-	-	-	-	-
Transfers in	5,985,932	7,649,212	-	-	255,620	13,890,764
Transfers out	(565,797)	(9,734,327)	-	-	(157,371)	(10,457,495)
Total Other Financing Sources and Uses	9,457,504	(2,085,115)	-	14,590,098	28,205,795	50,168,282
Change in Fund Balance	1,240,512	(479,345)	587,278	5,404,548	7,334,656	14,087,649
Fund Balance - beginning of year (restated)	31,482,850	10,730,971	2,585,210	(9,159,716)	30,182,251	65,821,566
Fund Balance - end of year	\$ 32,723,362	\$ 10,251,626	\$ 3,172,488	\$ (3,755,168)	\$ 37,516,907	\$ 79,909,215

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2020 (1)

	General Fund	Wastewater	HOME Investment Program	South Public Safety Center	Non-major Governmental Funds	Total Governmental Funds
REVENUE						
Real estate and personal property taxes	\$ 126,083,676	\$ -	\$ -	\$ -	\$ -	\$ 126,083,676
Motor vehicle and other excise taxes	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 - capital grant - Chapter 70	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
Payment 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						
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	-	-	-	-	-	-
Education	-	-	-	-	5,765,093	5,765,093
Public works	-	214,456	-	7,492,757	22,106,697	29,813,910
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 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
Special item - insurance proceeds	-	-	-	-	543,858	543,858
Issuance of capital leases	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	<u>\$ 31,482,850</u>	<u>\$ 10,730,971</u>	<u>\$ 2,585,210</u>	<u>\$ (9,159,716)</u>	<u>\$ 30,182,251</u>	<u>\$ 65,821,566</u>

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2019 (1)

	General Fund	Wastewater	HOME Investment Program	Non-major Governmental Funds	Total Governmental Funds
REVENUE					
Real estate and personal property taxes	\$ 122,238,616	\$ -	\$ -	\$ -	\$ 122,238,616
Motor vehicle and other excise taxes	9,762,254	-	-	-	9,762,254
MSBA assistance	2,459,561	-	-	2,806,745	5,266,306
Tax liens and foreclosures	1,823,442	146,389	-	-	1,969,831
Penalties and interest on taxes	1,409,963	-	-	-	1,409,963
Licenses and permits	2,876,492	-	-	-	2,876,492
Fines and forfeitures	156,988	-	-	-	156,988
Investment income	1,221,339	306,959	28,039	817,539	2,373,876
Intergovernmental - operating grants	57,380,502	-	748,124	41,264,123	99,392,749
Intergovernmental - capital grant - Chapter 70	145,404,876	-	-	-	145,404,876
Intergovernmental - capital grants	-	4,847,516	-	24,561,381	29,408,897
Charges for services	15,279,480	23,952,265	-	1,581,637	40,813,382
Other - indirects	813,895	-	-	-	813,895
Special assessments and betterments	143	18,870	-	-	19,013
Payment in lieu of taxes	364,357	-	-	-	364,357
Miscellaneous	(595,299)	6,742	881,527	8,839,639	9,132,609
TOTAL REVENUES	360,596,609	29,278,741	1,657,690	79,871,064	471,404,104
EXPENDITURES					
General Government	9,060,015	-	-	2,414,337	11,474,352
Public Safety	48,851,876	-	-	3,292,909	52,144,785
Education	171,318,903	-	-	28,572,835	199,891,738
Public works	13,689,367	13,408,851	-	4,417,990	31,516,208
Community and economic development	-	-	1,170,013	4,953,689	6,123,702
Health and human services	4,870,591	-	-	1,280,296	6,150,887
Culture and recreation	4,836,877	-	-	1,964,224	6,801,101
Pension benefits	28,817,471	-	-	-	28,817,471
Health and other insurance	40,277,703	-	-	-	40,277,703
Miscellaneous	10,574,534	-	-	-	10,574,534
Intergovernmental:					
State and county charges	19,063,095	-	-	-	19,063,095
Capital outlay:					
General government	-	-	-	6,462,647	6,462,647
Public Safety	-	-	-	194,000	194,000
Education	-	-	-	3,514,060	3,514,060
Public works	-	638,978	-	24,723,414	25,362,392
Municipal airport	-	-	-	5,138,490	5,138,490
Culture and recreation	-	-	-	47,031	47,031
Debt service:					
Principal payments	8,385,415	8,469,820	-	49,000	16,904,235
Short-term note interest	491,187	-	-	-	491,187
Bond interest costs	2,949,033	3,347,639	-	-	6,296,672
TOTAL EXPENDITURES	363,186,067	25,865,288	1,170,013	87,024,922	477,246,290
Excess (deficiency) of Revenues Over Expenditures	(2,589,458)	3,413,453	487,677	(7,153,858)	(5,842,186)
OTHER FINANCING SOURCES (Uses)					
Bond proceeds	-	-	-	10,485,000	10,485,000
Bond premiums	3,351	-	-	523,946	527,297
Special item - insurance proceeds	-	-	-	92,649	92,649
Transfers in	5,866,017	7,944,600	-	2,025,601	15,836,218
Transfers out	(1,796,002)	(9,836,726)	-	(185,709)	(11,818,437)
Total Other Financing Sources and Uses	4,073,366	(1,892,126)	-	12,941,487	15,122,727
Fund Balance	1,483,908	1,521,327	487,677	5,787,629	9,280,541
Fund Balance - beginning of year	27,124,231	8,232,690	1,683,067	29,314,146	66,354,134
Fund Balance - end of year	<u>\$ 28,608,139</u>	<u>\$ 9,754,017</u>	<u>\$ 2,170,744</u>	<u>\$ 35,101,775</u>	<u>\$ 75,634,675</u>

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2018 (1)

	General Fund	Wastewater	Non-major Governmental Funds	Total Governmental Funds
REVENUE				
Real estate and personal property taxes	\$ 117,726,504	\$ -	\$ -	\$ 117,726,504
Motor vehicle and other excise taxes	9,579,711	-	-	9,579,711
MSBA assistance	2,415,150	-	9,505,641	11,920,791
Tax liens and foreclosures	2,080,055	177,281	-	2,257,336
Penalties and interest on taxes	1,731,458	-	-	1,731,458
Licenses and permits	2,402,917	-	-	2,402,917
Fines and forfeitures	129,662	-	-	129,662
Investment income	509,946	33,698	187,541	731,185
Intergovernmental - operating grants	57,364,133	-	45,227,165	102,591,298
Intergovernmental - capital grant - Chapter 70	137,925,032	-	-	137,925,032
Intergovernmental - capital grants	-	4,923,862	11,587,812	16,511,674
Charges for services	13,862,640	21,885,369	1,779,151	37,527,160
Other - indirects	1,058,744	-	-	1,058,744
Special assessments and betterments	71	22,014	-	22,085
Payment in lieu of taxes	294,465	-	-	294,465
Miscellaneous	(891,854)	19,159	10,511,744	9,639,049
TOTAL REVENUES	346,188,634	27,061,383	78,799,054	452,049,071
EXPENDITURES				
General Government	8,154,151	-	1,970,843	10,124,994
Public Safety	47,364,612	-	4,840,951	52,205,563
Education	165,174,490	-	25,404,509	190,578,999
Public works	14,869,355	11,545,073	5,877,630	32,292,058
Community and economic development	-	-	6,072,128	6,072,128
Health and human services	4,000,886	-	1,119,057	5,119,943
Culture and recreation	4,957,716	-	1,978,708	6,936,424
Pension benefits	27,741,711	-	-	27,741,711
Health and other insurance	41,119,096	-	-	41,119,096
Miscellaneous	9,673,308	-	-	9,673,308
Intergovernmental:				
State and county charges	17,759,974	-	-	17,759,974
Capital outlay:				
General government	-	-	7,421,064	7,421,064
Education	-	-	16,803,753	16,803,753
Public works	-	1,155,476	10,274,436	11,429,912
Municipal airport	-	-	3,812,339	3,812,339
Culture and recreation	-	-	489,979	489,979
Debt service:				
Principal payments	8,010,000	8,231,857	49,000	16,290,857
Short-term note interest	650,530	-	-	650,530
Bond interest costs	2,588,129	3,675,190	980	6,264,299
TOTAL EXPENDITURES	352,063,958	24,607,596	86,115,377	462,786,931
Excess (deficiency) of Revenues Over Expenditures	(5,875,324)	2,453,787	(7,316,323)	(10,737,860)
OTHER FINANCING SOURCES (Uses)				
Bond proceeds	-	-	21,555,000	21,555,000
Bond premiums	5,179	-	409,806	414,985
Special item - insurance proceeds	-	-	78,630	78,630
Transfers in	9,376,251	5,786,675	973,373	16,136,299
Transfers out	(4,359,960)	(7,959,601)	(29,338)	(12,348,899)
Total Other Financing Sources and Uses	5,021,470	(2,172,926)	22,987,471	25,836,015
Change in Fund Balance	(853,854)	280,861	15,671,148	15,098,155
Fund Balance - beginning of year	27,978,085	7,951,829	15,326,065	51,255,979
Fund Balance - end of year	<u>\$ 27,124,231</u>	<u>\$ 8,232,690</u>	<u>\$ 30,997,213</u>	<u>\$ 66,354,134</u>

(1) Extracted from audited financial statements.

CITY OF NEW BEDFORD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

June 30, 2017 (1)

	General Fund	Wastewater	Non-major Governmental Funds	Total Governmental Funds
REVENUE				
Real estate and personal property taxes	\$ 111,158,506	\$ -	\$ -	\$ 111,158,506
Motor vehicle and other excise taxes	9,328,894	-	-	9,328,894
MSBA assistance	2,415,573	-	28,775,728	31,191,301
Tax liens and foreclosures	3,473,296	499,316	-	3,972,612
Penalties and interest on taxes	2,575,776	-	-	2,575,776
Licenses and permits	2,653,606	-	-	2,653,606
Fines and forfeitures	98,528	-	-	98,528
Investment income	390,836	55,624	420,716	867,176
Intergovernmental - operating grants	53,860,003	-	41,497,454	95,357,457
Intergovernmental - capital grant - Chapter 70	132,385,625	-	-	132,385,625
Intergovernmental - capital grants	-	5,214,642	6,359,224	11,573,866
Charges for services	15,790,498	21,120,721	1,697,175	38,608,394
Other - indirects	959,384	-	-	959,384
Special assessments and betterments	71	17,160	-	17,231
Payment in lieu of taxes	304,394	-	-	304,394
Miscellaneous	15,441	128,441	6,631,029	6,774,911
TOTAL REVENUES	335,410,431	27,035,904	85,381,326	447,827,661
EXPENDITURES				
General Government	7,440,154	-	1,310,078	8,750,232
Public Safety	45,910,534	-	3,892,817	49,803,351
Education	160,139,955	-	27,564,765	187,704,720
Public works	14,140,751	11,144,049	3,354,885	28,639,685
Community and economic development	-	-	6,227,151	6,227,151
Health and human services	4,129,869	-	2,558,630	6,688,499
Culture and recreation	4,513,546	-	1,578,940	6,092,486
Pension benefits	26,724,377	-	-	26,724,377
Health and other insurance	39,767,304	-	-	39,767,304
Miscellaneous	9,670,903	-	-	9,670,903
Intergovernmental:				
State and county charges	15,141,498	-	-	15,141,498
Capital outlay:				
General government	-	-	2,898,627	2,898,627
Education	-	-	40,560,983	40,560,983
Public works	-	1,088,060	9,136,170	10,224,230
Municipal airport	-	-	1,323,943	1,323,943
Culture and recreation	-	-	711,058	711,058
Debt service:				
Principal payments	8,040,000	8,029,765	50,000	16,119,765
Short-term note interest	558,602	-	-	558,602
Bond interest costs	2,817,117	3,905,569	1,960	6,724,646
TOTAL EXPENDITURES	338,994,610	24,167,443	101,170,007	464,332,060
Excess (deficiency) of Revenues Over Expenditures	(3,584,179)	2,868,461	(15,788,681)	(16,504,399)
OTHER FINANCING SOURCES (Uses)				
Bond proceeds	-	-	3,960,954	3,960,954
Bond premiums	-	-	357,323	357,323
OFS - issuance of refunding bonds	-	-	14,430,000	14,430,000
Special item - loan forgiveness	-	-	716,768	716,768
Special item - insurance proceeds	-	-	66,167	66,167
Transfers in	4,865,588	5,492,287	3,514,902	13,872,777
Transfers out	(1,213,364)	(7,083,867)	(284,959)	(8,582,190)
Total Other Financing Sources and Uses	3,652,224	(1,591,580)	22,761,155	24,821,799
Change in Fund Balance	68,045	1,276,881	6,972,474	8,317,400
Fund Balance - beginning of year	27,910,040	6,674,948	8,353,591	42,938,579
Fund Balance - end of year	<u>\$ 27,978,085</u>	<u>\$ 7,951,829</u>	<u>\$ 15,326,065</u>	<u>\$ 51,255,979</u>

(1) Extracted from audited financial statements.

Free Cash and General Fund Balance

Under the Massachusetts Uniform System of Accounting an amount known as "free cash" is certified as of the beginning of each fiscal year by the Massachusetts Department of Revenue, Bureau of Accounts. This unrestricted fund balance (known as "free cash") is generated when actual revenue collections exceed budget estimates and/or unexpended appropriation balances lapse at year end to the general treasury.

The following table sets forth the trend in Free Cash as certified by the Bureau of Accounts and Unassigned and Total General Fund Balance as contained in the City's annual audited financial statements.

Year	Free Cash as of July 1				General Fund Balance as of June 30	
	General	Water	Airport	Downtown Parking	Unassigned General Fund Balance	Total General Fund Balance
2022	\$ 7,000,000 (est.)	\$ 1,000,000 (est.)	\$ (300,000) (est.)	\$ 100,000 (est.)	\$ 18,622,810	\$ 29,014,098
2021	7,306,456	1,084,049	(332,419)	174,460	14,434,112	32,723,362
2020	2,297,796	1,274,520	(226,528)	(129,128)	12,312,126	31,482,850
2019	3,893,036	1,686,699	(18,154)	489,174	9,476,753	28,608,139
2018	4,534,264	439,358	14,209	272,834	9,968,585	27,124,231
2017	1,476,004	2,908,031	54,170	157,431	16,662,603	27,978,085

Stabilization Funds

The City maintains a general purpose stabilization fund, a school purpose stabilization fund and a water purpose stabilization fund. The general purpose and school purpose Stabilization Funds are maintained in the Non-major Governmental Funds; the water purpose stabilization funds are maintained in the proprietary funds. Under Massachusetts statutes, funds may be appropriated from the stabilization fund for any municipal purpose by the City Council.

In March 2017 the City Council created an Airport Stabilization Fund with an initial deposit of \$100,000. In November 2018 the City amended its Fund Balance Management Policy to designate a minimum of 25% of certified General Fund Free Cash for deposit into the Stabilization Fund.

The following is the recent trend in the balance in the accounts as of June 30 of a fiscal year.

June 30	City Stabilization	School Stabilization	Water Stabilization	Airport Stabilization
2022	\$ 4,328,426	\$ 1,504,543	\$ 3,546,541	\$ 52,645
2021	10,392,505	1,575,442	5,876,551	51,761
2020	9,840,614	1,483,811	6,677,318	51,756
2019	10,213,327	1,442,276	6,506,368	51,182
2018	7,392,215	1,316,992	5,628,796	50,438

INDEBTEDNESS

Authorization Procedure and Limitations

Serial bonds and notes are authorized by vote of two thirds of all the members of the city council (subject to the mayor's veto where the mayor has a veto power) or a two thirds vote of the town meeting. Provision is made in some cities and towns for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the city council, the selectmen or either the prudential committee or the commissioners of a district if there is no prudential committee. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary debt in anticipation of the revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the treasurer with the approval of the selectmen, mayor or city manager as the case may be.

Debt Limits

The General Debt Limit of a city or town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. A city or town can authorize debt up to this amount without state approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; water bonds, certain school bonds, certain sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, bonds for housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. Revenue bonds are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The special debt limits generally apply at the time the debt is incurred.

Types of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the end of the fiscal year in which any of the bonds or notes being refunded thereby is payable, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as "qualified bonds" with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as “tax credit bonds” to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See “Taxation to Meet Deficits” under “PROPERTY TAXATION” above.) In any event, the period from an original borrowing to its final maturity cannot exceed one year.

The City has not issued revenue anticipation notes since fiscal year 2013.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of five years or longer. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth’s Clean Water or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the Department of Public Utilities.

**General Obligation Direct Debt Summary
As of June 30, 2022,
Including Subsequent Issues**

General Obligation Bonds:

Outstanding as of June 30, 2022, Including Subsequent Issues

School (1)	\$ 46,195,222	
Water (2)	7,737,800	
Sewer (2)	38,598,000	
MCWT (3)	105,290,152	
General (4)	53,936,200	
Airport (5)	1,347,778	
Parking	4,685,000	
Total Outstanding		\$ 257,790,152

Bonds to be dated April 12, 2023 29,550,000 *

Temporary Loans:

Bond Anticipation Notes Outstanding (6)	37,822,432	
Less:		
To Be Retired with Bond Proceeds	(28,350,123)	
To Be Retired with Revenue Funds of the City	(225,000)	
New Money Bond Anticipation Notes (7)	7,128,242	
Total Short-Term Outstanding (7)		16,375,551

Total Direct Debt after This Issue \$ 274,165,703

*Preliminary, subject to change.

- (1) \$28,250,000 is outside the City's debt limit.
- (2) Not subject to the City's general debt limit. Self-supporting.
- (3) Issued to Massachusetts Clean Water Trust (the "Trust"). Not subject to the City's general debt limit. Self-supporting.
- (4) \$5,859,000 principal amount is outside the City's debt limit.
- (5) Outside the City's debt limit.
- (6) Payable April 13, 2023.
- (7) To be payable April 11, 2024.

General Obligation Debt Ratios

The table below sets forth the trend in the ratio of general obligation debt to equalized valuation and per capita general obligation debt ratios at the end of the following fiscal years.

Fiscal Year End	General Obligation Bonds Outstanding	Population (1)	Equalized Valuation (2)	Per Capita Debt	Ratio G.O. Debt To Equalized Valuation
2022	\$ 211,977,135	101,079	\$ 6,947,603,100	\$ 2,097	3.05 %
2021	216,793,767	101,079	6,947,603,100	2,145	3.12
2020	171,993,514	101,079	6,079,471,600	1,702	2.83
2019	154,820,046	101,079	6,079,471,600	1,532	2.55
2018	156,119,668	101,079	5,618,295,200	1,545	2.78

(1) 2020 U.S. Bureau of the Census.

(2) 2016 equalized valuation used for fiscal 2018; 2018 equalized valuation used for fiscal 2019 and 2020; 2020 equalized valuation used for fiscal 2021 and 2022.

General Obligation Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the City, together with grant amounts expected to be received from the Massachusetts Clean Water Trust ("MCWT") to pay portion of such debt service.

**CITY OF NEW BEDFORD
GENERAL OBLIGATION BONDS (1)
As of June 30, 2022,
Including Subsequent Issues**

Fiscal Year	Outstanding		Less MCWT Subsidies	Total Net Debt Service
	Principal	Interest		
2023	\$ 10,548,070	\$ 5,990,645	\$ (237,895)	\$ 16,300,820
2024	10,665,410	8,328,480	(177,060)	18,816,830
2025	11,396,598	7,138,033	(192,756)	18,341,875
2026	11,530,250	6,817,660	(126,885)	18,221,024
2027	10,872,534	6,432,438	(121,471)	17,183,501
2028	10,105,445	6,072,805	(115,847)	16,062,403
2029	10,198,941	5,725,820	(110,065)	15,814,696
2030	10,073,795	5,381,124	(104,073)	15,350,846
2031	10,261,976	5,049,911	(93,138)	15,218,749
2032	10,092,333	4,732,217	-	14,824,550
2033	9,934,925	4,426,657	-	14,361,582
2034	10,045,978	4,138,053	-	14,184,032
2035	10,170,605	3,853,264	-	14,023,870
2036	9,632,568	3,569,110	-	13,201,678
2037	9,637,787	3,291,310	-	12,929,097
2038	9,283,999	3,006,579	-	12,290,578
2039	9,502,276	2,729,356	-	12,231,633
2040	8,920,464	2,459,651	-	11,380,116
2041	8,547,913	2,206,896	-	10,754,809
2042	7,906,736	1,968,312	-	9,875,048
2043	8,166,094	1,735,881	-	9,901,975
2044	7,359,197	1,504,740	-	8,863,937
2045	7,182,830	1,288,205	-	8,471,035
2046	7,072,761	1,069,902	-	8,142,664
2047	5,489,516	854,523	-	6,344,039
2048	5,342,527	690,447	-	6,032,974
2049	5,187,887	532,096	-	5,719,982
2050	4,919,325	380,040	-	5,299,365
2051	3,106,411	249,381	-	3,355,792
2052	2,270,000	140,000	-	2,410,000
2053	2,365,000	47,300	-	2,412,300
	<u>\$ 257,790,152</u>	<u>\$ 101,810,838</u>	<u>\$ (1,279,191)</u>	<u>\$ 358,321,799</u>

(1) Does not include debt service on the \$29,230,000 outstanding sewer revenue bonds issued to the MCWT, the debt service on which is and is expected to be self-supporting.

Principal Payments by Purpose

The following table sets forth the principal payments by purpose on outstanding issues of general obligation bonds of the City as of June 30, 2022, including subsequent issues.

Fiscal Year	School (1)	Water (2)	Sewer (2)	MCWT (3)	General (4)	Airport (5)	Parking	Total
2023	\$ 1,733,722	\$ 719,800	\$ 558,000	\$ 4,963,070	\$ 2,380,700	\$ 77,778	\$ 115,000	\$ 10,548,070
2024	1,781,500	746,000	596,000	5,115,410	2,231,500	75,000	120,000	10,665,410
2025	1,883,000	473,000	1,294,000	5,231,598	2,310,000	80,000	125,000	11,396,598
2026	1,747,000	500,000	1,098,000	4,920,250	3,050,000	80,000	135,000	11,530,250
2027	1,798,000	526,000	1,157,000	4,847,534	2,319,000	85,000	140,000	10,872,534
2028	1,687,000	548,000	815,000	4,560,445	2,265,000	85,000	145,000	10,105,445
2029	1,645,000	560,000	735,000	4,668,941	2,355,000	85,000	150,000	10,198,941
2030	1,740,000	575,000	775,000	4,288,795	2,455,000	85,000	155,000	10,073,795
2031	1,790,000	585,000	810,000	4,386,976	2,425,000	100,000	165,000	10,261,976
2032	1,860,000	600,000	850,000	4,187,333	2,325,000	100,000	170,000	10,092,333
2033	1,815,000	620,000	895,000	4,284,925	2,070,000	75,000	175,000	9,934,925
2034	1,895,000	635,000	950,000	4,265,978	2,095,000	25,000	180,000	10,045,978
2035	1,955,000	650,000	995,000	4,365,605	1,985,000	30,000	190,000	10,170,605
2036	2,005,000	-	1,045,000	4,467,568	1,890,000	30,000	195,000	9,632,568
2037	2,080,000	-	1,095,000	4,292,787	1,940,000	30,000	200,000	9,637,787
2038	2,150,000	-	1,160,000	3,733,999	2,000,000	30,000	210,000	9,283,999
2039	2,220,000	-	1,165,000	3,822,276	2,050,000	30,000	215,000	9,502,276
2040	1,675,000	-	1,220,000	3,850,464	1,925,000	30,000	220,000	8,920,464
2041	1,720,000	-	1,280,000	3,652,913	1,640,000	30,000	225,000	8,547,913
2042	1,770,000	-	1,330,000	2,866,736	1,665,000	35,000	240,000	7,906,736
2043	1,835,000	-	1,390,000	2,936,094	1,725,000	35,000	245,000	8,166,094
2044	1,630,000	-	1,440,000	2,214,197	1,785,000	35,000	255,000	7,359,197
2045	1,645,000	-	1,500,000	2,267,830	1,490,000	20,000	260,000	7,182,830
2046	1,535,000	-	1,560,000	2,322,761	1,365,000	20,000	270,000	7,072,761
2047	590,000	-	1,630,000	1,989,516	1,170,000	20,000	90,000	5,489,516
2048	430,000	-	1,690,000	1,907,527	1,200,000	20,000	95,000	5,342,527
2049	415,000	-	1,760,000	1,952,887	1,060,000	-	-	5,187,887
2050	320,000	-	1,835,000	1,999,325	765,000	-	-	4,919,325
2051	270,000	-	1,910,000	926,411	-	-	-	3,106,411
2052	280,000	-	1,990,000	-	-	-	-	2,270,000
2053	295,000	-	2,070,000	-	-	-	-	2,365,000
	<u>\$ 46,195,222</u>	<u>\$ 7,737,800</u>	<u>\$ 38,598,000</u>	<u>\$ 105,290,152</u>	<u>\$ 53,936,200</u>	<u>\$ 1,347,778</u>	<u>\$ 4,685,000</u>	<u>\$ 257,790,152</u>

- (1) \$28,250,000 is outside the City's debt limit.
- (2) Not subject to the City's general debt limit. Self-supporting.
- (3) Issued to Massachusetts Clean Water Trust (the "Trust"). Not subject to the City's general debt limit. Self-supporting.
- (4) \$5,859,000 principal is outside the City's debt limit.
- (5) Outside the City's debt limit.

Authorized Unissued Debt and Prospective Financing

Following delivery of the Bonds and Notes, the City will have approximately \$388 million of bonds authorized for various school construction/improvement projects (\$16 million), sewer (\$235 million), water (\$90 million), airport (\$15 million), contamination clean-up (\$12 million) and miscellaneous other purposes. The school debt is expected to be eligible for 90% School Building Authority grant funds (however, after ineligible costs are considered, the net effective reimbursement rate is reduced to approximately 75%). The sewer debt authorized is expected to be issued over time to the Massachusetts Clean Water Trust.

In FY 2013, the City developed its initial capital improvement program, which provided a plan for debt issuance and management from FY 2014 through FY 2018. The plan has been updated in each subsequent year. The current iteration (currently in draft form) covers the period from FY 2022 through FY 2026. A copy of the proposed CIP can be found in Appendix B, "City of New Bedford FY 22-26 Capital Improvement Program."

Debt Impact Analysis – Tax Supported Debt Only

FY 2022-2026 Capital Improvement Program Debt Impact Analysis

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Debt Issuance					
Existing Debt	\$92,834,400	\$95,131,422	\$101,151,958	\$121,857,665	\$129,198,633
Plus New Issues	7,032,222	10,127,736	25,099,207	14,472,000	12,527,000
Less Retirement	(4,735,200)	(4,107,200)	(4,393,500)	(7,131,032)	(4,822,000)
Net Outstanding Debt	\$95,131,422	\$101,151,958	\$121,857,665	\$129,198,633	\$136,903,633
Projected Debt Service (1)(2)	8,562,757	8,576,451	8,837,042	9,911,259	9,086,712
Projected Lease Payments (3)	1,617,658	2,091,578	2,406,615	3,011,678	2,999,582
Total Debt Payments:	\$10,180,415	\$10,668,029	\$11,243,657	\$12,922,937	\$12,086,294
Debt to Est. Property Value (2% annual growth): < 3%	1.3%	1.3%	1.5%	1.5%	1.5%
Debt to Per Capita Income (1% annual growth): < 6%	3.7%	3.9%	4.6%	4.8%	5.0%
Debt Payments to GF Expenditures: < 10%	2.2%	2.0%	2.0%	2.1%	1.9%
Assessed Valuation	\$7,445,013,756	\$7,817,264,443	\$8,208,127,665	\$8,618,534,049	\$9,049,460,751
Per Capita Income	26,788	27,324	27,870	28,428	28,996
GF Budget	390,279,576	418,197,699	439,107,584	461,062,963	484,116,111

(1) Includes long-term issues in 2022 (\$7,032,222), 2023 (\$10,127,736), 2024 (\$12,484,207) and 2025 (\$1,200,000) of previously authorized debt.

(2) Includes estimated short-term BAN debt:

FY 2022: \$411,149
FY 2023: \$773,863
FY 2024: \$587,351
FY 2025: \$545,897
FY 2026: \$677,060

(3) Lease purchase payments on capital vehicles are assigned to individual departments.

Coverage of Qualified Debt Service

It is projected that state aid distributions from The Commonwealth of Massachusetts to the City will provide ample coverage of qualified debt service throughout the term of the City's issues of State Qualified Bonds. The following table presents debt service on the City's State Qualified Bonds and the coverage ratio of total state aid to qualified debt service.

Fiscal Year	Existing Qualified Bond Debt Service (1)	Total State Aid (2)	Coverage Ratio
2023	\$ 9,210,732	\$ 237,128,127	25.74
2024	11,648,293	241,870,690	20.76
2025	11,257,514	246,708,103	21.91
2026	11,441,652	251,642,265	21.99
2027	10,585,467	256,675,111	24.25
2028	9,855,233	261,808,613	26.57
2029	9,601,270	267,044,785	27.81
2030	9,617,381	272,385,681	28.32
2031	9,479,572	277,833,394	29.31
2032	9,289,350	283,390,062	30.51
2033	8,820,240	289,057,864	32.77
2034	8,754,040	294,839,021	33.68
2035	8,587,632	300,735,801	35.02
2036	7,759,048	306,750,517	39.53
2037	7,755,823	312,885,528	40.34
2038	7,769,648	319,143,238	41.08
2039	7,704,995	325,526,103	42.25
2040	6,909,198	332,036,625	48.06
2041	6,563,835	338,677,358	51.60
2042	6,547,956	345,450,905	52.76
2043	6,570,132	352,359,923	53.63
2044	6,314,231	359,407,121	56.92
2045	5,917,613	366,595,264	61.95
2046	5,585,438	373,927,169	66.95
2047	4,172,425	381,405,712	91.41
2048	3,987,638	389,033,827	97.56
2049	3,671,525	396,814,503	108.08
2050	3,247,713	404,750,793	124.63
2051	2,409,000	412,845,809	171.38
2052	2,410,000	421,102,725	174.73
2053	2,412,300	429,524,780	178.06
	<u>\$ 225,856,891</u>		

(1) As of June 30, 2022, including subsequent issues. Does not include this issue of State Qualified Bonds.

(2) Includes total state aid available for coverage based on the City's estimated FY 2023 state aid receipts. State aid is increased at a rate of 2% each year after FY 2023. The State aid figures above exclude school building assistance grants as such grants are no longer paid by the Commonwealth and are now paid by the Massachusetts School Building Authority. Therefore, such payments no longer constitute "distributable aid" of the Commonwealth under the Qualified Bond Act.

Overlapping Debt

The City is located in Bristol County and is a member of the Greater New Bedford Regional Refuse Management District, the Southeastern Regional Transportation Authority and the Greater New Bedford Regional Vocational Technical High School District. The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of the County, the Authority and the Districts as of June 30, 2022, the City's gross share of such debt and the fiscal 2023 dollar assessment to the City by each entity.

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>New Bedford Estimated Share (1)</u>	<u>2023 Dollar Assessment (2)</u>
Greater New Bedford Regional Refuse Management District (3)	\$0	84.96%	\$749,865
Bristol County (4)	\$48,924,361	11.89%	\$713,115
Southeastern Regional Transportation Authority (5)	\$0	N.A.	\$1,337,267
Greater New Bedford Regional Vocational Technical High School District (6)	\$2,250,000	77.00%	\$6,072,764

(1) Estimated share based upon debt service and operating costs.

(2) Estimated dollar assessment based upon total net operating expenses, inclusive (where applicable) of debt service.

(3) SOURCE: Greater New Bedford Regional Refuse Management District.

(4) SOURCE: Bristol County Treasurer. County expenses including debt service on county bonds are assessed upon the cities and towns within the county in proportion to their taxable valuation as last equalized by the State Commissioner of Revenue. Estimated share and dollar assessment shown here are based on the 2002 equalized valuation. Legislation enacted in 1997 abolished the county governments of Franklin and Middlesex Counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the County in the payment of general obligation notes of the County. Legislation has also abolished the county governments of Hampden, Worcester, Hampshire, Essex and Berkshire counties. The state secretary for administration and finance established a plan to recover the Commonwealth's expenditures for liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county governments in all the remaining counties.

(5) SOURCE: Southeastern Regional Transit Authority. It has been state practice in recent years to absorb up to approximately 50 per cent of the net cost of service of the Authority, including debt service on the Authority's bonds, if any. The remainder of the net cost of service is assessed on the member municipalities within the territory of the Southeastern Regional Transit Authority.

(6) SOURCE: Greater New Bedford Regional Vocational Technical High School District. Towns may organize regional school districts to carry out general or specialized educational functions. Pursuant to special laws a number of cities may also participate in regional school districts, primarily for vocational education. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the districts. The municipal share is based on the ratio of that member's pupil enrollment to the total pupil enrollment from all the member municipalities in the regional school district as of October 1 of the year proceeding the year for which the apportionment is being determined.

Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long term contracts in aid of housing and renewal projects. There may be implied authority to make other long term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases. Pursuant to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The City currently has two long term contracts to operate and manage its newly constructed wastewater facility. The City and Veolia (formerly Professional Services Group, Inc., "PSG"), a division of Air & Water Technologies, Inc. and Vivendi, formerly Compagnie Generale des Eaux, entered into a contract effective July 1, 1998 for a ten-year term with options for renewal for two additional five-year terms at the sole option of the City. The ten-year term ended July 1, 2008, and the five-year options have been renewed with no changes to the contract terms, beginning July 1, 2008 and expiring June 30, 2018. The contract has been extended and expires on October 31, 2023. The cost of the contract in fiscal 2022 was \$6,087,764 and the budgeted cost for fiscal 2023 is \$6,689,465.

The City also has an agreement with Synagro to provide long-term disposal of sludge for a period of ten years with options for renewal. The Synagro contract has been renewed to September 20, 2021, with an option to renew for 10 years and a second option to renew another 5 years after that for a total of 20 years. The price of the contract increased by \$46.45 per dry ton of sludge (from \$444.00 to \$490.45). The cost of this contract in fiscal 2022 was \$3,713,760 and the budgeted cost for fiscal 2023 is \$4,489,800.

The City has a contract for solid waste collection with ABC Corporation that is effective through June 30, 2023. The cost of this contract in fiscal 2022 was \$45,353,203 and the budgeted cost for fiscal 2023 is \$5,477,172.

The City has three 7-year contracts with PNC Equipment Finance and thirteen contracts with All American Investment Group, ranging in length from 2 to 5 years, all for various equipment leases. In the aggregate, the City has approximately \$9.5 million in principal outstanding associated with the various leases, with fiscal 2022 payments of \$1,908,705 and fiscal 2023 payments of \$2,237,759.

As of October 30, 2015, the City entered into a 15-year master lease agreement with First Niagara Leasing, Inc. in the amount of \$13.505 million for financing the costs of energy conservation measures and facility improvement measures to various municipal buildings and facilities pursuant to a Master Energy Management Services Agreement between the City and Siemens Industry, Inc. The lease payments are subject to annual appropriation by the City Council. The amortization schedule for the \$13.505 million lease, which reflects semi-annual payments at a 2.68% interest rate, is shown in the table below.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
10/1/2016	\$ -	\$ 332,778.21	\$ 332,778.21
4/1/2017	250,000.00	180,967.00	430,967.00
10/1/2017	350,000.00	177,617.00	527,617.00
4/1/2018	370,000.00	172,927.00	542,927.00
10/1/2018	375,000.00	167,969.00	542,969.00
4/1/2019	385,000.00	162,944.00	547,944.00
10/1/2019	395,000.00	157,785.00	552,785.00
4/1/2020	405,000.00	152,492.00	557,492.00
10/1/2020	415,000.00	147,065.00	562,065.00
4/1/2021	425,000.00	141,504.00	566,504.00
10/1/2021	430,000.00	135,809.00	565,809.00
4/1/2022	455,000.00	130,047.00	585,047.00
10/1/2022	455,000.00	123,950.00	578,950.00
4/1/2023	475,000.00	117,853.00	592,853.00
10/1/2023	480,000.00	111,488.00	591,488.00
4/1/2024	495,000.00	105,056.00	600,056.00
10/1/2024	500,000.00	98,423.00	598,423.00
4/1/2025	525,000.00	91,723.00	616,723.00
10/1/2025	530,000.00	84,688.00	614,688.00
4/1/2026	545,000.00	77,586.00	622,586.00
10/1/2026	545,000.00	70,283.00	615,283.00
4/1/2027	560,000.00	62,980.00	622,980.00
10/1/2027	560,000.00	55,476.00	615,476.00
4/1/2028	575,000.00	47,972.00	622,972.00
10/1/2028	575,000.00	40,267.00	615,267.00
4/1/2029	590,000.00	32,562.00	622,562.00
10/1/2029	590,000.00	24,656.00	614,656.00
4/1/2030	605,000.00	16,750.00	621,750.00
10/1/2030	645,000.00	8,643.00	653,643.00
Total	<u>\$ 13,505,000.00</u>	<u>\$ 3,230,260.21</u>	<u>\$ 16,735,260.21</u>

Additionally, as of November 16, 2017, the City entered into a 17-year ESCO Phase II lease agreement with T.D. Equipment Finance, Inc. in the amount of \$3.684 million for financing the costs of energy conservation measures and facility improvement measures to various municipal buildings and facilities, also pursuant to the Master Energy Management Services Agreement with Siemens Industry, Inc. The lease payments are subject to annual appropriation by the City Council. The amortization schedule for the \$3.684 million lease, which reflects semi-annual payments at a 2.61% interest rate, is shown in the table below.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
10/1/2018	\$ 87,330.70	\$ 84,802.65	\$ 172,133.35
4/1/2019	88,030.76	46,897.04	134,927.80
10/1/2019	60,030.20	45,749.20	105,779.40
4/1/2020	61,029.93	44,966.47	105,996.40
10/1/2020	65,029.65	44,170.70	109,200.35
4/1/2021	66,029.33	43,322.77	109,352.10
10/1/2021	71,028.98	42,461.82	113,490.80
4/1/2022	71,028.58	41,535.67	112,564.25
10/1/2022	76,028.18	40,609.52	116,637.70
4/1/2023	78,027.71	39,618.19	117,645.90
10/1/2023	82,027.21	38,600.79	120,628.00
4/1/2024	84,026.67	37,531.23	121,557.90
10/1/2024	90,026.09	36,435.61	126,461.70
4/1/2025	89,025.44	35,261.76	124,287.20
10/1/2025	96,024.80	34,100.95	130,125.75
4/1/2026	96,024.07	32,848.88	128,872.95
10/1/2026	102,023.33	31,596.82	133,620.15
4/1/2027	103,022.51	30,266.54	133,289.05
10/1/2027	110,021.67	28,923.23	138,944.90
4/1/2028	110,020.75	27,488.65	137,509.40
10/1/2028	118,019.81	26,054.09	144,073.90
4/1/2029	117,018.77	24,515.23	141,534.00
10/1/2029	125,017.73	22,989.42	148,007.15
4/1/2030	125,016.59	21,359.31	146,375.90
10/1/2030	134,015.44	19,729.21	153,744.65
4/1/2031	133,014.16	17,981.79	150,995.95
10/1/2031	142,012.89	16,247.41	158,260.30
4/1/2032	142,011.50	14,395.70	156,407.20
10/1/2032	151,010.09	12,544.01	163,554.10
4/1/2033	151,008.56	10,574.99	161,583.55
10/1/2033	160,007.01	8,605.99	168,613.00
4/1/2034	160,005.35	6,519.65	166,525.00
10/1/2034	170,003.66	4,433.34	174,437.00
4/1/2035	170,001.88	2,216.62	172,218.50
Total	\$ 3,684,000.00	\$ 1,015,355.25	\$ 4,699,355.25

RETIREMENT PLAN

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. A system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

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

The employee contributions to the System are 5% of regular compensation for employees who entered service before January 1, 1975 and 7% for those who entered on or after that date through December 31, 1983 and 8% for those who entered after January 1, 1984. As of July 1, 1996 the employee contribution rate for those entering service is 9%. All employees hired after January 1, 1979 pay an additional 2% for earnings greater than \$30,000 per year. Group I (general employees including clerical, administrative, technical, and all other employees not technically classified) hired on or after April 1, 2012 contribute 6% of salary with 30 or more years of creditable service.

Investments of system assets in bonds are valued at amortized cost and equity investments are valued in the manner determined by the state Commissioner of Insurance.

As of January 1, 2022 there were 1,519 retired persons and surviving beneficiaries and 294 disabled members currently receiving pensions in the system.

The following tables show the trend in contributions to the System.

Fiscal Year Ending June 30	City Contributions
2023 (budgeted)	\$35,867,124
2022 (unaudited)	33,861,558
2021	32,201,554
2020	30,527,351
2019	28,817,471
2018	27,741,711
2017	26,724,377

The City's unfunded actuarial accrued liability at January 1, 2022 is estimated at \$389,467,952 assuming a 7.0% rate of return. The amortization of the City's unfunded pension benefit obligation (as of the January 1, 2022 valuation) is shown below.

Appropriation Forecast

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2023	\$8,351,870	\$30,975,819	\$1,500,000	\$40,827,689		\$389,467,952
2024	8,595,415	33,655,425	1,100,000	43,350,840	6.18%	385,138,176
2025	8,874,766	36,055,156	1,100,000	46,029,922	6.18%	377,772,361
2026	9,163,197	38,611,374	1,100,000	48,874,571	6.18%	367,443,430
2027	9,461,000	41,334,020	1,100,000	51,895,020	6.18%	353,784,362
2028	9,768,482	44,233,650	1,100,000	55,102,132	6.18%	336,392,307
2029	10,085,958	47,321,486	1,100,000	58,507,444	6.18%	314,825,448
2030	10,413,752	50,609,452	1,100,000	62,123,204	6.18%	288,599,596
2031	10,752,199	54,110,219	1,100,000	65,962,418	6.18%	257,184,507
2032	11,101,645	57,837,250	1,100,000	70,038,895	6.18%	219,999,896
2033	11,462,449	61,804,850	1,100,000	74,367,299	6.18%	176,411,128
2034	11,834,978	66,028,220	1,100,000	78,963,198	6.18%	125,724,553
2035	12,219,614	70,481,973	1,100,000	83,801,587	6.13%	67,182,462
2036	12,616,752	-	1,100,000	13,716,752	-83.63%	-
2037	13,026,797	-	1,100,000	14,126,797	2.99%	-
2038	13,450,167	-	1,100,000	14,550,167	3.00%	-
2039	13,887,298	-	1,100,000	14,987,298	3.00%	-
2040	14,338,635	-	1,100,000	15,438,635	3.01%	-
2041	14,804,641	-	1,100,000	15,904,641	3.02%	-
2042	15,285,791	-	1,100,000	16,385,791	3.03%	-
2043	15,782,580	-	1,100,000	16,882,580	3.03%	-
2044	16,295,514	-	1,100,000	17,395,514	3.04%	-
2045	16,825,118	-	1,100,000	17,925,118	3.04%	-
2046	17,371,935	-	1,100,000	18,471,935	3.05%	-
2047	17,936,522	-	1,100,000	19,036,522	3.06%	-
2048	18,519,460	-	1,100,000	19,619,460	3.06%	-
2049	19,121,342	-	1,100,000	20,221,342	3.07%	-
2050	19,742,785	-	1,100,000	20,842,785	3.07%	-
2051	20,384,425	-	1,100,000	21,484,425	3.08%	-
2052	21,046,919	-	1,100,000	22,146,919	3.08%	-

SOURCE: January 1, 2022 Actuarial Valuation of the New Bedford Contributory Retirement System, KMS Actuaries, LLC.

Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis. The Governmental Accounting Standards Board (“GASB”) promulgated accounting standards that require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The recent trend in the City’s annual contributions for its other post-employment benefits is as follows:

Fiscal Year	Benefit Costs (1)
2023 (estimated)(2)	\$ 17,092,009
2022 (unaudited)	15,731,140
2021	14,714,575
2020	15,742,454
2019	16,320,791
2018	16,720,767

(1) Excludes annual life insurance costs of approximately \$250,000 to \$275,000 appropriated annually for this purpose.

(2) Benefits provided to retirees are not discretely budgeted. This estimate is based on the average actual costs from the last six fiscal years plus the percentage increase that occurred from fiscal year 2021 into fiscal year 2022 to be conservative.

The Governmental Accounting Standards Board (“GASB”) Statement No. 75, “Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions,” replaces the requirements of Statement No. 45, “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.” GASB Statement No. 75 introduces a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures.

During fiscal 2015, the City Council voted to establish an OPEB Trust Fund, and elected to participate in the Massachusetts State Retiree Benefits Trust. An initial appropriation to the Fund of \$759,483 was approved on December 21, 2015.

The City adopted an OPEB Trust Fund policy on November 30, 2016. The policy establishes a minimum annual funding expectation equivalent to 10% of certified General Fund Free Cash. The OPEB Trust Fund balance as of June 30, 2022 was \$3,346,678.

The City recently completed an exhaustive review of its health care program, with the objective of reducing retiree health care costs. Changes were made to plan features, including adjustments to copayments, deductibles and other elements of coverage. The City subsequently hired Sherman Actuarial Services, LLC to perform an actuarial valuation of non-pension, post-employment benefits. As of June 30, 2021, the City’s OPEB liability was \$641,753,739, assuming a 2.50% investment return on a pay-as-you-go basis, and the actuarially determined contribution was \$17,530,168. Over the past several years, the City has adopted a number of measures to begin funding the unfunded liability. The City has established an OPEB Trust Fund and adopted financial policies that mandate contribution of a minimum 10% of annually certified Free Cash and 33% of the previous year’s annual marijuana excise tax revenue toward the Trust. In addition, the City is committed to working with employees and its plan administrator to implement steps to further reduce the OPEB liability and develop pathways toward prefunding.

EMPLOYEE RELATIONS

As of January 6, 2023, the City employed approximately 3,899 full- and part-time workers, of whom 2,708 are employed by the School Department, 292 by the Police Department, 236 by the Fire Department, 66 by the Department of Facilities and Fleet Management, 153 by the Department of Public Infrastructure and the balance of 444 by various other Departments of the City. City employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. Of the City's 3,899 employees, approximately 95% are represented by unions in seven separate bargaining units: police, fire, teachers, school administrators, school paraprofessionals, school support staff (clerks, custodians) and general municipal employees.

The City of New Bedford has collective bargaining contracts with its police union, fire union, and two AFSCME units. AFSCME Local 851 Unit A, representing general municipal government employees, has a contract in effect through June 30, 2022, and is in negotiations for a successor contract. AFSCME Local 851, Unit B, which represents EMS employees, had a contract in effect through June 30, 2023. The New Bedford Firefighters union, Local 841, has a contract through June 30, 2025. The New Bedford Police Union had a contract through June 30, 2021, as a result of an interest arbitration award, and is in negotiations for a successor contract.

The New Bedford School Committee has collective bargaining contracts with its five school unions. AFSCME Local 641, representing building custodians, clerks, and certain food service workers, has a contract with the School Committee through June 30, 2023. The New Bedford Support Specialists Union (NBSSU), representing behavioral assistants, speech language pathologist assistants, wraparound coordinators, student mentors, and certified occupational therapy assistants, has a contract through June 30, 2023. The American Federation of Teachers, representing paraprofessionals and certain food service workers, had a contract through July 31, 2022, and is currently in mediation for a successor contract. The New Bedford Educators Association (NBEA) Unit A representing teachers, and the NBEA Unit B representing school administrators, have contracts through June 30, 2025.

LITIGATION

At present, there are various claims and cases pending against the City in courts or administrative bodies throughout the Commonwealth. In the opinion of the City Solicitor, none of these cases or claims are likely to affect the City's financial position.

The City notes that late in calendar year 2022 the Zoning Board of Appeals (ZBA) denied a special permit application filed by Recovery Connection Centers of America (RCCA) relative to property on Union Street. RCCA filed a suit against the City in state Land Court seeking a reversal of the decision (but no money damages). It is anticipated this action will be dismissed voluntarily. However, counsel for RCCA has indicated an intention to file a separate civil rights action for alleged violations of the Americans With Disabilities Act in Federal Court. The City maintains a policy of insurance for Civil Rights claims.

The City also notes that in 2021, it received a Notice of Responsibility from the Massachusetts Department of Environmental Protection ("DEP") and a Notice of Potential Liability and Invitation to Perform or Finance Proposed Removal Actions for the Bliss Corner Neighborhood Site in Dartmouth, Massachusetts from the United States Environmental Protection Agency ("EPA")(collectively "the Notices"). The Notices informed the City of its potential liability for lead and PCB soil contamination in the Bliss Corner neighborhood in Dartmouth and invited it to perform or finance removal actions. Upon information and belief, the Town of Dartmouth also received Notices. The City informed DEP and EPA that it was not in a position to assume responsibility for performing the removal actions and stated that the City had not received any specific information to support a reliable determination of liability. EPA and DEP are currently undertaking removal actions at the Bliss Corner site and could seek to recover costs from the City. The City does not know the amount of potential liability, if any, for such removal actions and would, if necessary and appropriate, avail itself all ability to pay policies and any other policies that might offer relief and protection from any cost recovery claims.

CITY OF NEW BEDFORD, MASSACHUSETTS
/s/ Ray DeBarros, City Treasurer

March 7, 2023



City of New Bedford Massachusetts

Fiscal Year Ended June 30, 2022

Annual Comprehensive Financial Report



CITY OF NEW BEDFORD, MASSACHUSETTS

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

Jonathan F. Mitchell
Mayor

Michael J. Gagne
Interim Chief Financial Officer

Emily A. Arpke
City Auditor

*Prepared by:
Office of the City Auditor*

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(Unaudited)

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About the Cover

Pictured on the cover are dory boats. A dory is a small, shallow-draft boat, about 16 to 23 feet long. It is usually a lightweight boat with high sides, a flat bottom, and sharp bows. Dory boats were used on the Massachusetts coast as early as 1726. The word Dory comes from the name of a Portuguese Town.

During the nineteenth century, dories were used in the fisheries near New Bedford, Massachusetts. Dories were also carried nested on the decks of fishing vessels, especially schooners in the later nineteenth century.

Despite their simplicity of design, dories were known for their seaworthiness and rowing ease. Traditionally, they were designed to carry large amounts of wet fish — often over a ton. They were commonly rowed by experienced seamen who understood the characteristics of the design and could compensate for the limitations.

Dories exhibit high ultimate stability, tipping to a point and then stiffening up significantly and resisting further heel. By design they are quite voluminous and can carry a heavy load for their size. The ease of use, dependability and stability made the dory boat a favorite of New Bedford fisherman.

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Introductory Section



CITY OF NEW BEDFORD

January 31, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of New Bedford (City) as of June 30, 2022 and for the year then ended. The ACFR 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 ACFR 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 2022 through 2024. 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 ACFR 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 government-wide 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 by fund-type. 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.

Demographics

According to the U.S. Census Bureau, New Bedford's population has grown 6.3% over the past decade, from 95,072 in 2010 to 101,079 in 2020, making it the ninth largest city in Massachusetts. The City has earned the designation as an original Gateway city for being an urban center that anchors the regional economy with industry jobs that has offered immigrants a "gateway" to the American Dream since its whaling days. Based on American Community Surveys conducted by the Census Bureau over the most recent five-year period, 20% of New Bedford's inhabitants were born in a foreign country and 38% speak a language other than English at home, compared to across Massachusetts having 17% inhabitants being foreign born and 24% speaking a language other than English at home. Photo of dancers from the New Bedford Day of Portugal celebration.



Survey results also indicate that 76% of inhabitants aged 25 years or older graduated high school and 17% graduated college with a bachelor's degree or higher, with another 25% having some college or an associate's degree.

Data from the U.S. Census Bureau 2021 ACS 5-year estimates show the average household has 2.4 inhabitants; 60.9% are renter-occupied with a median monthly rent of \$936, approximately 65% of the state's median rent. The median household income for the City of New Bedford is \$50,581, with a 6% increase from the previous year, and is 56.8% of the statewide median of \$89,026. Per capita income is at \$27,583, which is 56.7% of the statewide per capita income for the last 12 months of \$48,617. 18.6% of individuals are at or below the poverty level, compared to 10.4% of the state inhabitants as a whole living at or below the poverty level.

The City's labor force, as tracked by the Massachusetts Executive Office of Labor and Workforce Development, was at 51,203 in the 2021 ACS 1-Year Estimates Data, of which 45,926 were employed. Which shows that the labor force has now not only returned to pre-pandemic size but is now the largest it has been the last ten years. 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, has begun to normalize again falling to 5.7% by the close of fiscal year 2022.

Local Economy

Positioned for Success

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 the base for sustained growth and an ability to quickly adapt in an ever-changing economic climate. The City remains a preeminent commercial, industrial, and recreational center in southeastern Massachusetts. Tourists revel in New Bedford's historical charm with its 11 combined miles of coastline and riverfront and its cultural significance as one of the largest Portuguese-American communities in America.

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. Additionally, 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 the end of 2023. The project will include a layover yard and two platforms located within the City, one of which will be in the downtown area and connected to inner-city foot traffic by a recently announced \$21 million pedestrian bridge to be constructed by the MBTA.

Diversity of Industries and Workforce

Although it is best-known for its role in the seafood industry, New Bedford's 3,795 businesses (as of March 2022) offer jobs across multiple industries, with 82% in the services sector and 18% in manufacturing. Among service sector industries, healthcare and social assistance accounts for 34% of the City's workforce, followed by trade, transportation, and utilities at 16%, professional and business services at 12%, and leisure and hospitality at 9%. The average weekly salary in manufacturing is \$1,728, while in the services sector it is \$985.

The Port of New Bedford

For the twenty-first 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. With a landed value of \$377 million in 2020 (the most recent year reported), of which 84% comes from scallops, New Bedford’s volume is 56% 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. This growth has also fostered the development of a host of skilled labor professions that support the maritime economy.

Expanding Tax Base

New Bedford’s residential real estate market has continued a steady increase in values since the steep increase that began in 2020. The median sales price of a single-family residence reached \$346,000, by fiscal year-end, a 10.9% increase over the \$312,000 median sales price a year earlier according to market data published by the Massachusetts Association of Realtors. A rising real estate market has translated into increased assessed values across each of the City’s property classes. Residential properties, which account for 80% of the City’s total assessed value base, increased 3.4%, primarily due to a spike in single-family valuations based on sales trends. Commercial properties, the next largest class at 10% of total valuations, increased 5.2%, while industrial, which accounts for 5% of total valuations, increased by 9.9%. The remaining 5% of valuations are in personal property, which rose 9.2% due to new growth, particularly in public utilities revaluations that were driven more by methodology changes than through economic activity.

In total, New Bedford’s property tax base assessed valuations reached \$7.39 billion for fiscal year 2022, the highest in City history and a 4.2% increase from the year before, its eighth consecutive annual increase. Assessed valuations are now 43% higher than they were eight years ago, a compounded annual growth rate of 4.5%. While the City issued only 3,523 building permit applications in fiscal year 2022, a 5.8% decrease over 2021, the construction value of those applications was \$157 million which is a 40% increase from fiscal year 2021.

Economic Recovery from the Pandemic

As in every metropolitan city in the United States, the COVID-19 pandemic adversely affected citizens and businesses within New Bedford, but the ensuing recovery has been testament to the community’s resilience and the diversity of its economy. The table to the right compares selected economic measures for the quarter ended June 30, 2020 – the first following the pandemic’s outbreak, to June 30, 2021 and June 30, 2022.

	2020	2022	Change
Businesses	3,639	3,795 ⁽¹⁾	4.3%
Workforce	31,528	36,443 ⁽¹⁾	15.6%
Unemployment	20.7%	7.3% ⁽¹⁾	-64.7%
Payroll (millions)	\$ 419.7	\$ 527.5	25.7%
Lodging Tax Revenue	\$ 251,289	\$ 349,207	39.0%
Meals Tax Revenue	\$ 1,186,432	\$ 1,550,778	30.7%

(1) Data provided by MA DOR is for six months ending March 2022

Financial Overview and Policy Compliance

Many of the City's expenditures are governed by State law. 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. The City eliminated a net school spending deficit of (\$1.1) million during fiscal year 2022 and was compliant with all MGL expenditure requirements as of June 30, 2022.

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 DOR commissioner, which is done through the DLS's Bureau of Accounts. The director of accounts must certify any General Fund funds available at the end of each fiscal year, commonly known as 'free cash,' before they can be further appropriated. Although utility rates and fees do not require the director's approval, enterprise fund retained earnings must be similarly certified as available, which are referred to as 'excess retained earnings.'

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, as well as the preservation of fund balance. The latter policy is partially achieved through the establishment of stabilization funds within its General Fund, its Wastewater 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 Other Post-Employment Benefits (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, 2022, General Fund stabilization funds totaling \$5.8 million represented 1.4% of FY 2023's operating budget.

In March 2022, S&P Global Ratings assigned its 'SP-1+' rating to the City's most recent sale of general obligation bond anticipation notes (BANs). This short-term rating reflects S&P's opinion of New Bedford's general creditworthiness and market-risk profile, which they consider low, citing the City's strong legal authority to issue long-term debt to retire the notes and its ongoing disclosure to market participants.

Also in March 2022, and again in September 2022, S&P Global Ratings affirmed its 'AA-' underlying rating on the city's general obligation debt outstanding. The outlook on the long-term rating is stable, reflecting the outlook on the state of Massachusetts, and the outlook on the underlying rating is also stable. S&P cited several factors contributing to the affirmation, including assessments of "Very Strong" in both management and liquidity, and "Strong" in institutional framework. The City's AA-/Stable bond rating was first awarded in 2014. The City's last rating from Moody's was A1/Stable, which was affirmed 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 2022-2026 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 2022-2026 update identifies 24 capital projects with aggregated expenditures of \$121.1 million, highlighted by \$53.7 million for future school replacement or renovation projects that will be leveraged by grants from the Massachusetts School Building Authority (MSBA). Another \$21.0 million will be set aside as part of the City's capital asset preservation program, of which \$15.0 million will be spent on roadway and public infrastructure improvements. Nearly 90% of the 2022-2026 CIP will be financed through bonded debt, with the remainder financed by anticipated grants and lease-purchase debt.

During fiscal year 2022, the City Council authorized \$10.3 million in new debt to finance the current year's portion of the 2022-2026 CIP, which includes renovations to police headquarters, upgrades in public safety communication systems, and roads and infrastructure improvements. As of June 30, 2022, \$13.8 million of CIP-related bond authorizations remain unissued.

The 2022-2026 CIP provides \$53 million, or 44% of the five-year total, toward the City's local share of school renovation and replacement projects costing a combined \$158 million. Among the largest projects, \$70 million is for replacement of both the James B. Congdon Elementary School, art work at the school pictured (*right, above*), a 2019 and 2020 recipient of the U.S. Department of Education's National Blue-Ribbon School award, and the John B. DeValles Elementary School, students at the school pictured (*right, below*). Constructed in 1907 and 1913, respectively, Congdon and DeValles are among the oldest of 19 public elementary schools in the city. An estimated \$72 million in high school renovations has been included for 2026, the final year of the current CIP.



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, whose members were appointed in May 2016. The City began collecting the CPA surcharge in fiscal year 2016. Total collections through June 30, 2022, were \$9.1 million, including \$1.6 million from state matching funds, all of which are recorded in a separate special revenue fund. Fund balance was \$3.9 million as of June 30, 2022.

Other Relevant Financial Information

The City of New Bedford had 3,013 City employees at fiscal year-end. Approximately 94% of its total workforce, are represented by one of eight collective bargaining units, five having agreements in place that expired on June 30, 2022 or were still to be settled at that time. Two municipal collective bargaining agreements have since been settled, while negotiations are in progress with one school and two municipal units. Additionally, a reclassification study of salaries for the non-union municipal management unit, which are set by City ordinance, has recently been adopted.

The City of New Bedford has a dedicated history of focusing on performance and results. In 2013, the City developed and implemented a city-wide performance management program. Over the last several years, the Office of the Chief Financial Officer and the finance team has sought to increase New Bedford's use of performance data in and out of the budgeting process. In 2016, the City furthered its transparency efforts by instituting Open Checkbook; accessible via the City Auditor's Office webpage: www.newbedford-ma.gov/auditors-office/opencheckbook. This public-facing portal enhances accountability and builds trust with the community by allowing the general public visual access to most City expenditures. Thanks to improvements in department technology, data collection, and the increased attention to performance outcomes, the City has made strides toward governing with data and understanding the impacts of our programs and services. In doing so, New Bedford is part of a greater movement of forward-thinking governments that are optimizing the power of data and transparency to create better results for their communities.

Awards

The City received its seventh consecutive GFOA Award for Distinguished Budget Presentation for its fiscal year ending June 30, 2023. 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 1,740 entities nationwide, received the award for 2020, 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.

Following the success of its budget document, management prepared its fifth ACFR for the fiscal year ended June 30, 2021 in accordance with the rigorous standards published by the GFOA and was awarded its second consecutive Certificate of Achievement for Excellence in Financial Reporting award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting.

Acknowledgements

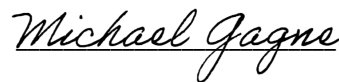
We would like to express our combined offices' appreciation to the administration of the City of New Bedford for providing the support and resources to make the preparation of this ACFR possible, and to the Finance team and individual departments within the City, as well as to the staffs of each component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

The City's general-purpose financial statements for fiscal years 2009 through 2016 and its Annual Comprehensive Financial Reports for fiscal years 2017 through 2021 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,



Emily A. Arpke
City Auditor



Michael J. Gagne
Interim Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in
Financial
Reporting

Presented to

City of New Bedford Massachusetts

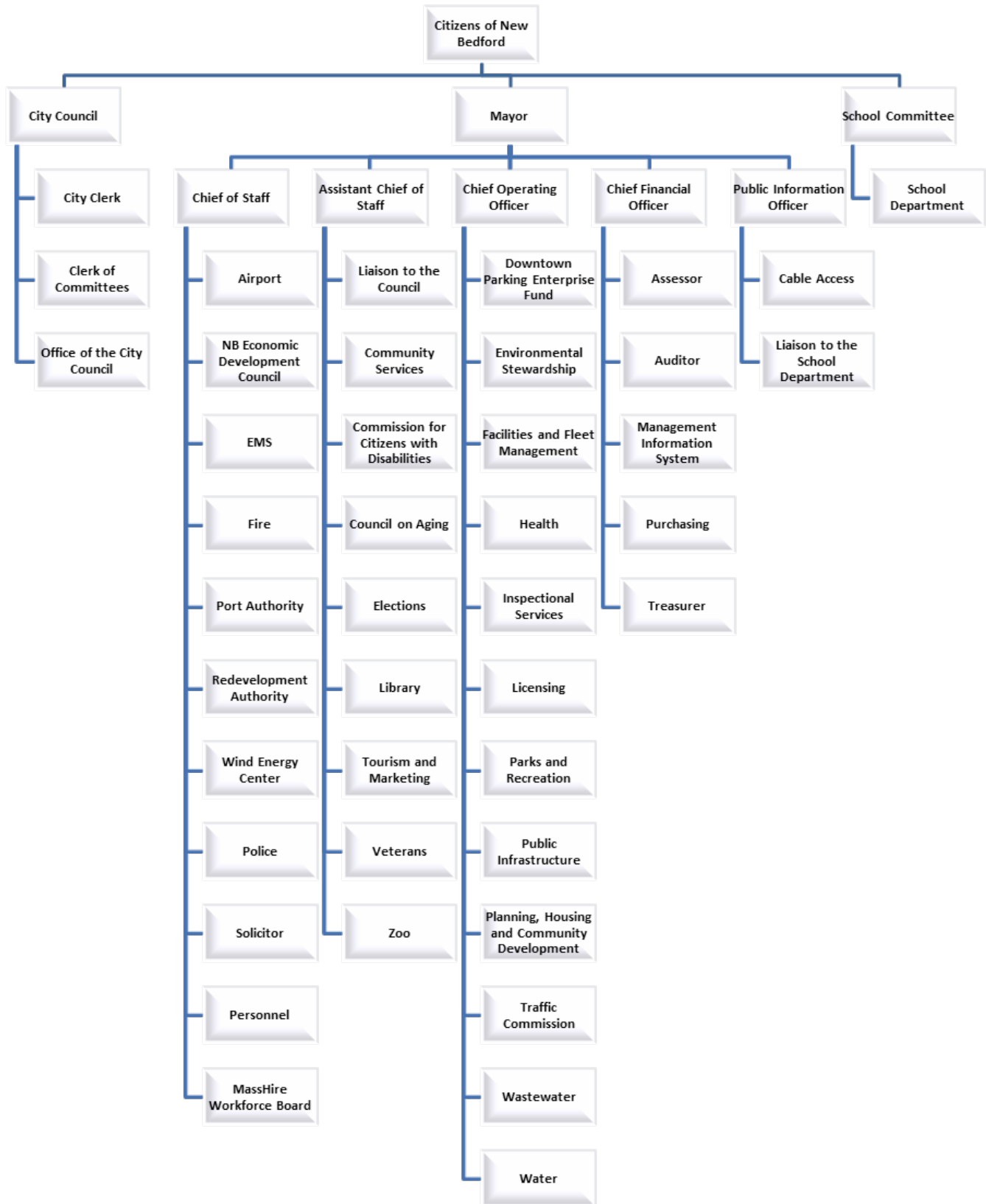
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Organizational Chart of City Government



List of Elected and Appointed Officials

as of December 31, 2022

Mayor

Jonathan F. Mitchell

City Council Members

Ian Abreu	City Council President, Councilor at Large
Shane Burgo	Councilor at Large
Naomi R.A. Carney	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
Open	Councilor, Ward 3
Derek Baptiste	Councilor, Ward 4
Scott J. Lima	Councilor, Ward 5
Ryan J. Pereira	Councilor, Ward 6

School Committee Members

Jonathan F. Mitchell	Chairperson, Ex-officio
Colleen Dawicki	Vice Chairperson
Melissa Costa	Committee Member
Christopher A. Cotter	Committee Member
Ross M. Grace	Committee Member
Joaquim B. Livramento, Jr.	Committee Member
Bruce J. Oliveira	Committee Member

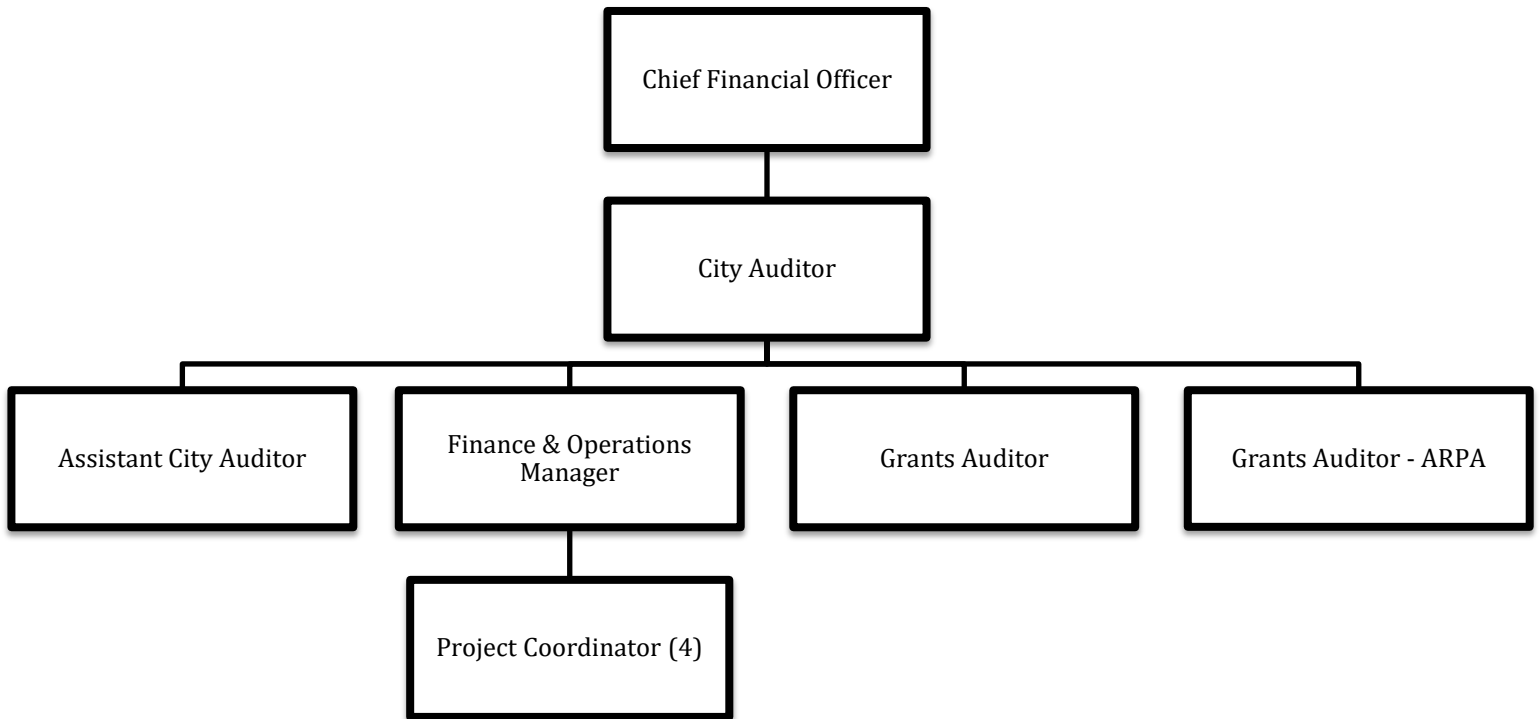
Appointed Administrative Officers, General Government

Michael J. Gagne	Interim Chief Financial Officer
Eric A. Jaikes	City Solicitor
Dennis W. Farias	City Clerk
Emily A. Arpke	City Auditor
Ray de Barros	Deputy City Collector/Treasurer

Appointed Administrative Officers, School Department

Thomas Anderson	Superintendent of Schools
Andrew O'Leary	Assistant Superintendent of Finance and Operations

Organizational Chart of the Office of the City Auditor



List of Office of the City Auditor Personnel

as of December 31, 2022

Emily A. Arpke, City Auditor

Brennan Morsette	Assistant City Auditor
Geraldine Calheta	Finance and Operations Manager
Ana de Barros	Grants Auditor
Molly Kivi	Grants and Contracts Manager
Carissa Frates	Financial Assistant
Cheryl Gundersen	Financial Assistant
Kathleen Savage	Financial Assistant
Brandy Silva	Financial Assistant

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Financial Section

HAGUE, SAHADY & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS
126 President Avenue
Fall River, MA 02720
TEL. (508) 675-7889
FAX (508) 675-7859
www.hague-sahady.com

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

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during fiscal year 2022 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

Hague, Sahady & Co., CPAs, P.C.
Fall River, Massachusetts
January 31, 2023

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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, 2022. This discussion should be read in conjunction with the information presented within the City's Annual Comprehensive Financial Report (ACFR).

Financial Highlights:

- On a government-wide basis, primary government net position decreased (\$28.3) million during fiscal year 2022, to a deficit of (\$405.1) million as of June 30, 2022. Aggregated component units net position increased \$6.5 million to \$99.8 million at June 30, 2022, which is principally comprised of \$55.2 million of New Bedford Harbor Development Commission capital assets and \$28.9 million in restricted cash held by the Greater New Bedford Regional Refuse Management District.
- The General Fund, which comprises 74.5% of all governmental fund expenditures, reported a (\$3.7) million decrease in its fund balance to close at \$29 million at June 30, 2022. During fiscal year 2022, the General Fund had a \$2.4 million increase in fund balance on the GAAP basis. However, the City's Stabilization funds, which are required to be combined with the General Fund under GASB Statement No. 54 standards for financial statement presentation, recorded a (\$6.1) million decrease in fund balance as a result of the payment of retroactive payments to police and fire personnel, which net with the \$2.4 million increase mentioned above, equate to a GAAP decrease in net position of (\$3.7) million.
- Enterprise funds net position increased \$5.5 million, to \$25.5 million at June 30, 2022, driven primarily by the Water Fund increasing \$2.6 million and the Airport Fund increasing \$2.8 million.

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 22-25), fund financial statements (pages 26-37), and notes to the financial statements (pages 38-84). This report also contains other required supplementary information in addition to the basic financial statements (pages 86-102), unaudited combining and individual funds statements (pages 105-130), and unaudited statistical information (pages 132-158).

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 much like 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 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 five major governmental funds are the General, Wastewater, HOME Investment Partnership Program, American Rescue Plan Act (ARPA), and the West End Pressure 2nd Treatment 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 26-31. Combining schedules discretely presented non-major governmental funds are included as non-required supplementary information on pages 108-113.

The General Fund and Wastewater Fund are the only governmental funds for which a budget is legally adopted. These budgets are 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 86-92, followed by a reconciliation of budgetary to GAAP financial statements on page 93.

- **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 32-35.
- **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 36-37.

Notes to the Financial Statements: The notes on pages 38-84 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 primary government net position was in deficit balances of (\$405.1) million and (\$433.4) million as of June 30, 2022 and 2021, respectively. The table below summarizes net position for both governmental and business-type activities.

Summary of Net Position as of June 30, 2022 and 2021 (in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS:						
Current	\$ 285.7	\$ 231.0	\$ 13.6	\$ 14.1	\$ 299.3	\$ 245.1
Non-current	15.1	18.5	6.0	0.2	21.2	18.7
Capital	424.0	446.7	127.0	124.9	550.9	571.6
Total assets	<u>724.8</u>	<u>696.2</u>	<u>146.6</u>	<u>139.2</u>	<u>871.3</u>	<u>835.4</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>75.3</u>	<u>97.1</u>	<u>3.9</u>	<u>5.1</u>	<u>79.2</u>	<u>102.2</u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>800.1</u>	<u>793.3</u>	<u>150.5</u>	<u>144.2</u>	<u>950.6</u>	<u>937.6</u>
LIABILITIES:						
Current	118.0	94.7	5.6	5.2	123.7	99.9
Non-current	967.5	1,091.2	105.8	115.9	1,073.3	1,207.1
Total liabilities	<u>1,085.5</u>	<u>1,185.9</u>	<u>111.4</u>	<u>121.0</u>	<u>1,196.9</u>	<u>1,306.9</u>
DEFERRED INFLOWS OF RESOURCES	<u>145.2</u>	<u>60.8</u>	<u>13.6</u>	<u>3.2</u>	<u>158.8</u>	<u>64.1</u>
TOTAL LIABILITIES & DEFERRED INFLOWS	<u>1,230.7</u>	<u>1,246.8</u>	<u>125.0</u>	<u>124.2</u>	<u>1,355.7</u>	<u>1,371.0</u>
NET POSITION:						
Net investment in capital assets	209.9	246.3	59.0	52.5	268.8	298.8
Restricted	53.6	55.4	3.5	5.9	57.2	61.3
Unrestricted	(694.2)	(755.2)	(37.0)	(38.4)	(731.2)	(793.6)
Total net position	<u>\$ (430.6)</u>	<u>\$ (453.5)</u>	<u>\$ 25.5</u>	<u>\$ 20.0</u>	<u>\$ (405.1)</u>	<u>\$ (433.4)</u>

(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 \$268.8 million in 2022 and \$298.8 million in 2021. 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 net position balances reported in the City's unrestricted net position for both its governmental and business-type activities as of June 30, 2022 and 2021 are mainly the result of recording liabilities for its proportionate share of the New Bedford Contributory Retirement System's Net Pension Liability (NPL) as prescribed by GASB Statement No. 68 and described further in Note 9 to the financial statements (which begins on page 59), and its Net Other Post-Employment Benefits Liability (NOL) in accordance with GASB Statement No. 75, described in Note 10 (which begins on page 66).

Changes in Net Position:

Governmental activities increased the City's net position by \$22.8 million and (\$0.5) million in fiscal years 2022 and 2021, respectively, as summarized in the table below. Business-type activities increased net position by \$5.5 million in fiscal year 2022 following a 2021 decrease of (\$2.9) million, as summarized in the table below.

Summary of Changes in Net Position as of June 30, 2022 and 2021 (in millions)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program revenues:						
Charges for services	\$ 57.5	\$ 58.1	\$ 20.5	\$ 18.4	\$ 78.0	\$ 76.5
Operating grants & contributions	302.0	301.1	0.1	0.1	302.1	301.2
Capital grants & contributions	14.6	18.8	6.4		21.0	18.8
General revenues:					-	-
Property taxes	141.7	133.8			141.7	133.8
Motor vehicle excise taxes	12.1	10.0			12.1	10.0
Tax liens, fines, and other	2.9	3.1			2.9	3.1
Intergovernmental	23.2	24.4			23.2	24.4
Earnings on investments	0.7	2.1	(0.3)	0.5	0.4	2.6
Other	19.3	4.4	1.0	0.0	20.3	4.5
Total revenues	<u>574.0</u>	<u>555.7</u>	<u>27.6</u>	<u>19.0</u>	<u>601.6</u>	<u>574.7</u>
PROGRAM EXPENSES:						
General government	54.5	29.4			54.5	29.4
Public safety	74.1	74.9			74.1	74.9
Public works	36.1	55.8			36.1	55.8
Health and human services	6.8	6.9			6.8	6.9
Education	358.9	370.0			358.9	370.0
Community & economic development	7.9	5.5			7.9	5.5
Culture and recreation	10.2	11.1			10.2	11.1
Interest on debt service	6.3	6.2			6.3	6.2
Water			13.6	13.4	13.6	13.4
Municipal airport			3.1	3.1	3.1	3.1
Traffic			0.9	1.1	0.9	1.1
Cable access			0.9	0.8	0.9	0.8
Total program expenses	<u>554.8</u>	<u>559.7</u>	<u>18.5</u>	<u>18.4</u>	<u>573.3</u>	<u>578.1</u>
Change in net position before transfers and special items	19.2	(3.9)	9.1	0.5	28.3	(3.4)
TRANSFERS AND SEPCIAL ITEMS:						
Transfers	3.6	3.4	(3.6)	(3.4)	-	-
Changes in net position	22.8	(0.5)	5.5	(2.9)	28.3	(3.4)
Net position, beginning of year	(453.5)	(453.0)	20.0	22.9	(433.5)	(430.1)
Net position, end of year	<u>\$ (430.7)</u>	<u>\$ (453.5)</u>	<u>\$ 25.5</u>	<u>\$ 20.0</u>	<u>\$ (405.2)</u>	<u>\$ (433.5)</u>

(Differences may exist due to rounding)

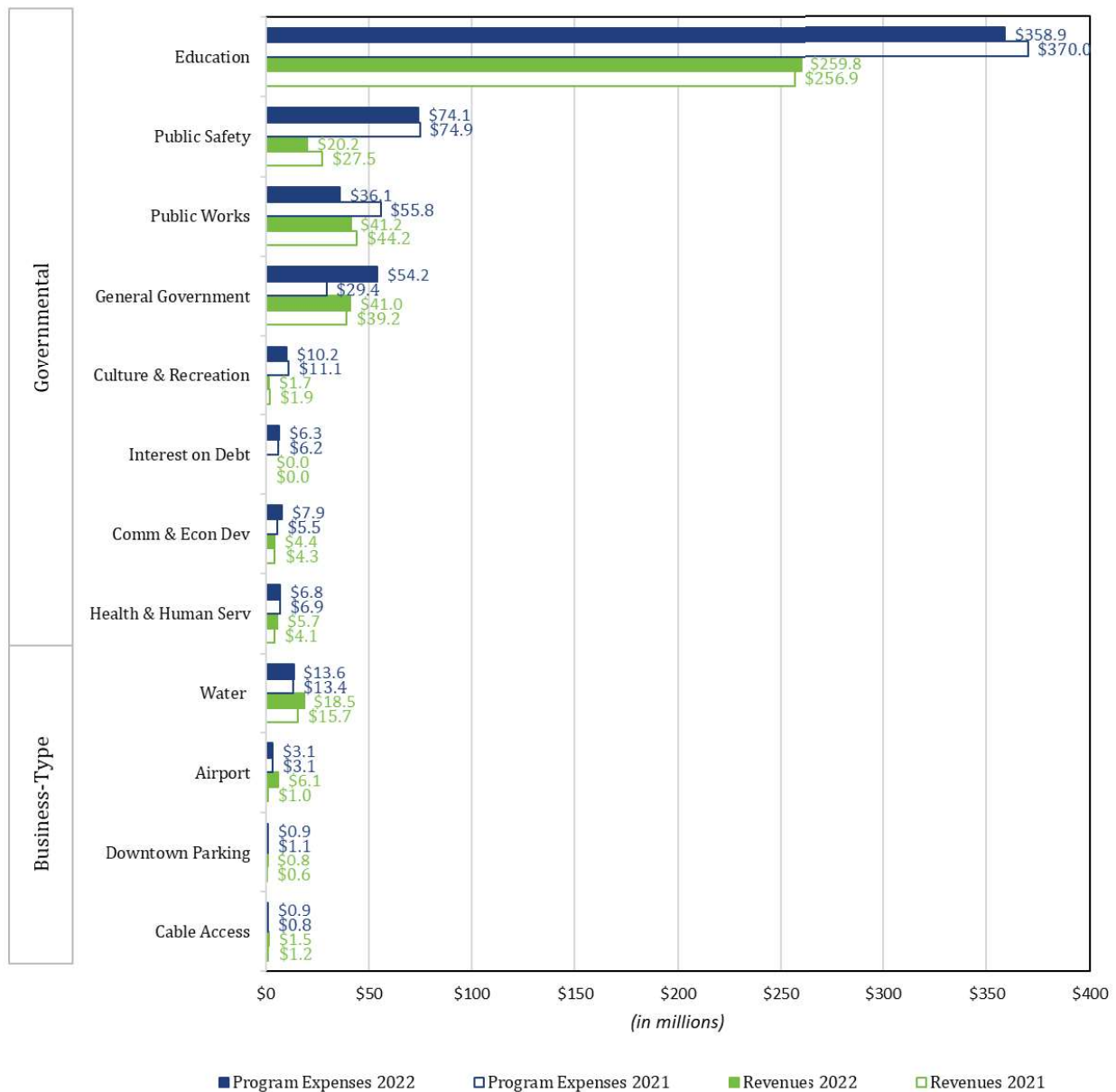
The fiscal year 2022 increase (at the Government-Wide level) is primarily due to the net change in deferred revenues, principal payments on long-term debt that exceeded current year debt issuances, and reductions in the GASB Statement No. 68 (NPL) and GASB Statement No. 75 (NOL) estimates net of the changes in related deferred outflows and deferred inflows based on revised actuarial assumptions.

Activities by Function:

Education continues to be the largest function of City government, accounting for \$358.9 million, or 62.6%, of primary government program expenses. It’s also the largest beneficiary of non-tax revenue sources, receiving \$259.8 million, or 72.4% of expenses, from user fees, contributions, and grants. Fiscal year 2022 net program expenses were \$99.1 million, a decrease of (\$14.0) million, or 12.4%, from 2021. Contributions to the Massachusetts Teachers Retirement System were (\$19.8) million below last year, and were partially offset by increases across operating expenditures, led by a \$3.3 million hike in transportation costs.

Program expenses for all other governmental activities totaled \$195.6 million, of which \$114.3 million, or 58.4% of expenses, was funded through non-tax sources. Net program expenses of \$81.3 million was a 18.5% increase from last year. This is primarily due to a reduction in capital grants and contributions of 28.7% versus the prior year.

Business-type activities are intended to be self-sufficient. In fiscal year 2022, program and general revenues exceeded program expenses by \$8.5 million.



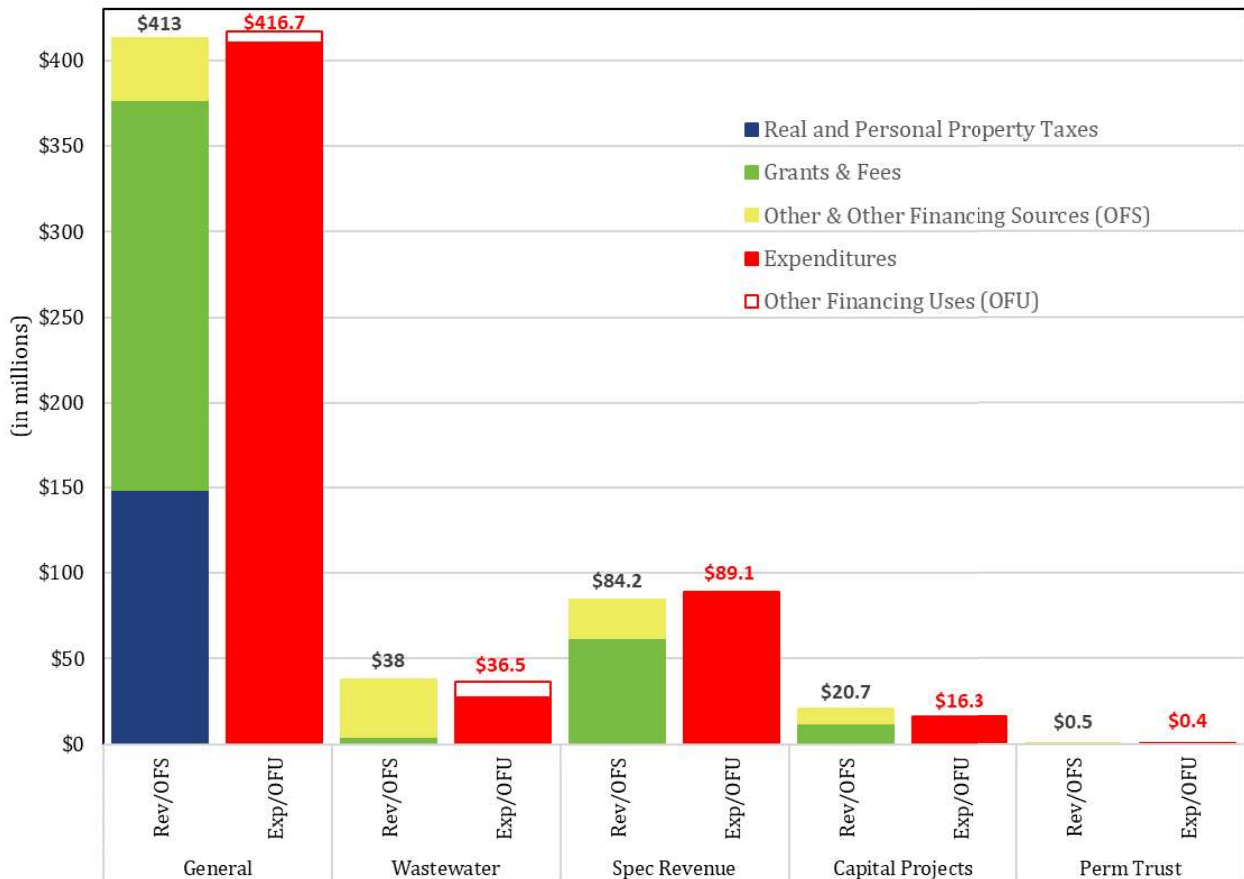
GOVERNMENT FUNDS FINANCIAL ANALYSIS

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 decreased \$2.5 million during the year to close at \$77.4 million as of June 30, 2022. Total revenues and other financing sources (OFS) of \$556.4 million were \$13.1 million, or 2.3%, lower than in 2021, while expenditures and other financing uses (OFU) rose \$3.6 million, or 0.6%, to \$559 million. The table below shows fiscal year 2022 activity for each governmental fund.



Governmental Funds, FY 2022

Of total fund balance, \$56.7 million is either nonspendable or restricted. Fund balances committed - which represent stabilization funds, assigned, and unassigned total \$20.7 million at June 30, 2022. A breakdown of the components within each category of fund balance is presented in Note 16 on page 80 of the financial statements.

The General Fund is the main operating fund of the City, so it accounts for 74.2% of all governmental funds revenue and OFS and 74.5% of all expenditures and OFU. General Fund revenues and OFS of \$413 million was (\$0.7) million less than the prior year. This was led by grants revenue being down (\$11) million, returning to a more normal rate after two fiscal years of COVID recovery funds going to local governments at abnormally high increments. While real and personal property taxes increased by \$6.6 million and charges for services proceeds increased \$2.5 million. Expenditures and OFU of \$416.7 million increased \$4.2 million, or 1%. This is largely driven by a \$4.5 million increase in public safety expenditures due to police and fire union contract settlements that included multiple years of retroactive pay. Employee medical and insurance costs has continued to increase by another \$1.5 million as utilization has rebounded after the pandemic, COVID treatment costs are still present, and medical costs continue to soar. State and county assessments, primarily in charter school assessments, rose \$3.8 million and pension plan contributions were \$1.7 million higher. Over the course of 2022, total fund balance decreased (\$3.7) million to \$29 million, which represents 7% of expenditures and OFU. This decrease in General Fund fund balance as of June 30, 2022, can be attributed to the estimated \$6.1 million cost to cover the retroactive pay for police and fire union contracts which was paid out of the City's stabilization funds. These costs did not have budgeted revenues to balance them as the timing of the settlement and amounts were unknown and for prior fiscal years salaries, however, since the City had some higher than anticipated revenues, the decrease to fund balance was less than the cost of the settlement.

The Wastewater Fund is for the collection and treatment of wastewater throughout the City and some surrounding towns. Revenues and OFS of \$38 million were \$2 million, or 5.5%, higher than in 2021, as usage rose by 8.5% in fiscal year 2022, while a 12.5% across-the-board rate increase was approved and took effect on July 1, 2021 to remediate the risk of revenue shortages. Expenditures and OFU of \$36.5 million were level from fiscal year 2021. Fund balance increased \$1.5 million after a decrease of (\$0.5) million last year, to close at \$11.7 million on June 30, 2022.

Special Revenue funds had \$84.2 million in revenues and OFS, up \$25 million, or 42.2%, from fiscal year 2021, while expenditures and OFU of \$89.1 million rose \$31.9 million, or 55.8%, over the prior year. The increase in revenues came from additional ARPA funds and also the one-time reclassification of the employee health withholding fund from a custodial fund to a special revenue fund as required by GASB Statement No. 84. The increase in expenditures came from providing more of those support funds to the community along with the above-mentioned one-time reclassification of the employee health withholding fund. In total, fund balances decreased (\$4.8) million, to \$29.8 million at June 30, 2022. Fund balances of substantially all special revenue funds are restricted for uses intended by grantors, donors, or revolving fund purposes.

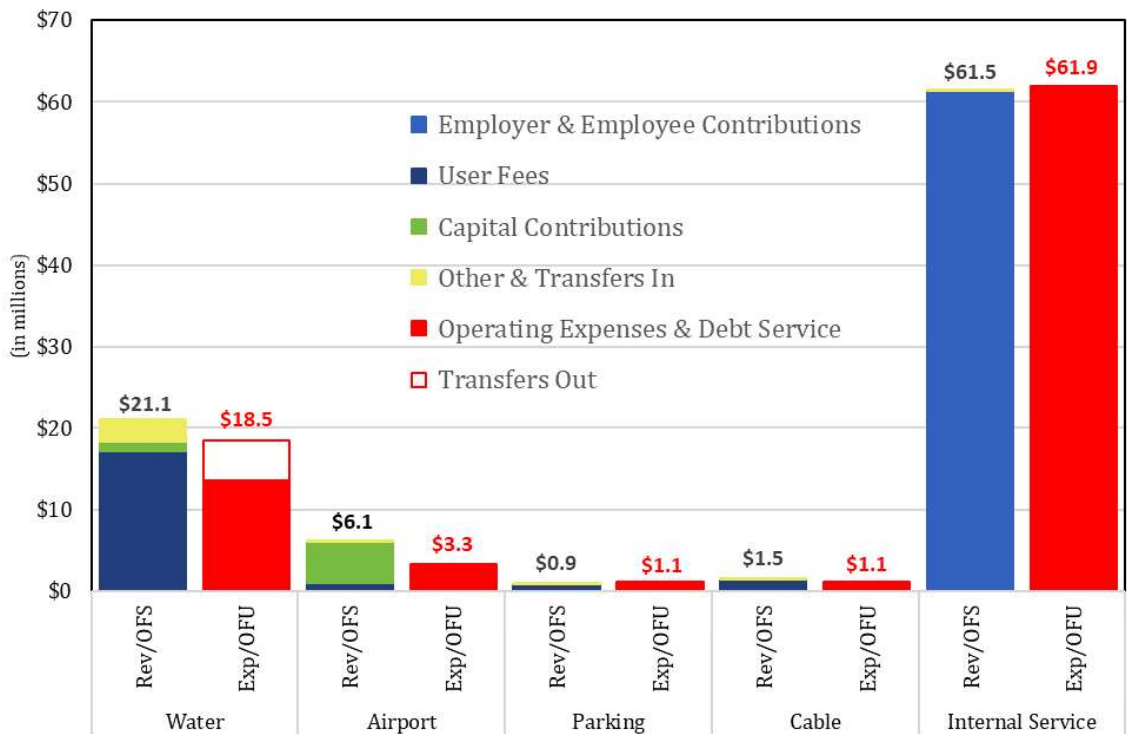
Capital projects funds reported revenues and OFS totaling \$20.7 million, which was (\$37.8) million, or 64.6%, below the prior year. Expenditures and OFU of \$16.3 million were (\$32.6) million, or 66.7%, higher. Aggregated fund balances increased \$4.4 million, reducing their aggregated deficit to (\$4.6) million at June 30, 2022. Capital fund balances can fluctuate substantially since proceeds from permanent financing, which are recognized as OFS, generally are not secured until the end of a multi-year project. Each project will ultimately balance before it is closed and transferred to the General Fixed Assets Account Group or to a beneficiary enterprise fund.

Permanent trust funds reported revenue and OFS of \$0.5 million, and expenditures and OFU of \$0.4 million. These funds struggled to generate investment earnings in the current market conditions that lead to a nominal the increase of \$0.2 million for fund balance to \$11.6 million as of June 30, 2022. 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, 2022, net position in enterprise funds of \$25.5 million was a \$5.5 million, or 27.5%, increase from a year ago. The internal service fund’s net position of \$3.3 million was (\$0.5) million, or (12.6%), below the prior year. Changes in each fund’s net position are summarized in the table below.



Proprietary Funds, FY 2022

The increase in enterprise funds was primarily attributable to the Water Fund and Airport Fund having \$2.6 million and \$2.8 million increases. The Water Fund saw an increase in usage locally and with the other communities we service of \$1.6 million, while salaries and benefits expense saw a decrease. The Airport saw user rates begin to recover post-COVID and received \$5.1 million for capital improvements, resulting in the \$2.8 million increase to its net position. The Downtown Parking fund was the only net position decrease at (\$0.2) million, as parking receipts have yet to return to pre-pandemic rates.

The City’s internal services fund is its medical claims trust fund, which accounts for all medical claims incurred in its self-insured health plan and all premiums from other indemnity plans. User funds are then invoiced for their specific share of expenditures. The (\$0.5) million decrease in net position is the result of timing differences between the accrual of certain year-end expenditures and recognition of revenue from user funds.

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 its share of the net pension liability (NPL) in the multi-employer pension plan of which it is a member, and the net OPEB liability (NOL) of its OPEB Trust Fund. Neither of these obligations are presented in fiduciary fund financial statements, but they are integral in gaining an understanding of the City's overall financial health. 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, 2021. 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 \$815.6 million, an increase of \$56.9 million, or 7.5%, over the previous year, while its net position increased \$65 million, or 15.9%, to \$475.4 million. The Plan's net pension liability on December 31, 2021 was \$340.3 million, of which \$297.4 million, or 87.4%, represented the City's proportionate share.

Plan assets returned 17.1% during calendar year 2021 compared to a 14% return in 2020. Equity markets, in which 52.5% of plan assets are invested, continued to perform strongly as emerging markets, international, and domestic equities posted respective returns of 3.3%, 11.5%, and 26.2% in 2021 compared to 18.6%, 8.2%, and 20.6%, respectively, the year before. With its strong performance in 2021, the plan's fiduciary net position rose to 58.3% of total pension liability as of December 31, 2021, its highest funded ratio since comparable data meeting the parameters of GASB 68 could be collected. Note 9 to the financial statements (which begins on page 59) and the required supplementary information on pages 94-98 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. During fiscal year 2022, no free cash was transferred into the OPEB Trust Fund and investment earnings were down creating a decrease in net position of (\$0.1) million, bringing fiduciary net position to \$3.2 million.

Over the course of the fiscal year, total OPEB liability decreased (\$112.3) million, or (17.5%), to \$529.5 million due predominantly to increases in the discount rate assumption used in an unfunded plan as required by GASB Statement No. 75. The plan's assets now stand at 0.6% of total OPEB liability as of June 30, 2022, up from 0.1% a year earlier despite the additions. Note 10 to the financial statements (which begins on page 66) and the required supplementary information on pages 100-102 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 2022 General Fund budget totaling \$382.4 million, which was \$18.5 million, or 5.1%, higher than in fiscal year 2021. The 2022 adopted budget consisted of \$355.4 million in City Council appropriations and \$27 million in State and county assessments.

During the year, adjustments of \$7.9 million increased the revised budget to \$390.3 million. Those adjustments are summarized as follows:

- Increase of \$6.2 million in supplemental appropriations funded by transfers from the Stabilization Fund to support collective bargaining agreements with the Police and Fire unions.
- Increase of \$1.2 million to fund the carryover of encumbrances against fiscal year 2021 appropriations.
- Increase of \$1.5 million in General Government Unclassified, split between charges and services for legal costs in defense against ABC Disposal Services and consultant fees due to staffing shortages in our legal department and other financing uses for covering the Airport enterprise fund prior year deficit per DOR requirements.
- Decrease in State and county assessments, with a corresponding reduction in the required tax levy resulting from completion of the annual Tax Rate Recapitulation used by the DOR to approve the City's real and personal property tax rates.

The DOR conducts a review of each Massachusetts municipality's year-end balance sheets to determine how much of its General Fund unassigned fund balance may be available for local government appropriations. The amount so determined is certified as free cash. As of June 30, 2021, the City's General Fund reported \$16.5 million of unassigned fund balance, of which \$7.3 million was certified as free cash. As noted previously, free cash was not appropriated during the 2022 fiscal year as we did not have time to appropriate the \$7.3 million by June 30, 2022. It will now become part of the July 1, 2022 balance sheet review.

General Fund Actual Results vs. Revised Budget:

General Fund operations generated a budgetary surplus of \$2.2 million in fiscal year 2022. This is the result of favorability of \$3.6 million in expenditures and other financing uses making up for the (\$1.4) million short fall in revenues and other financing sources.

Revenue shortfalls were the result of unfavourability in several categories including Real Estate and Personal Property taxes, Motor Vehicle Excise, Interest and Penalties, one-time non-recurring receipts, governmental revenues, and transfers from other funds.

Several departments ended the fiscal year underbudget, the largest ones include the Police Department, the Department of Public Infrastructure, the Veterans Department, and the City's Health Insurance Account. The savings in the City's Health Insurance costs are the result of eligible COVID claim reimbursements from ARPA (American Rescue Plan Act) and CARES (Coronavirus Aid, Relief and Economic Security Act). The City's Police Department and Department of Public Infrastructure suffered multiple, long-term vacancies resulting in savings in salary expenditures in fiscal year 2022. The Veterans Department continues to experience a declining veterans population reducing the amount of monthly support paid to eligible veterans living in New Bedford.

Capital Assets and Debt Administration

Capital Assets:

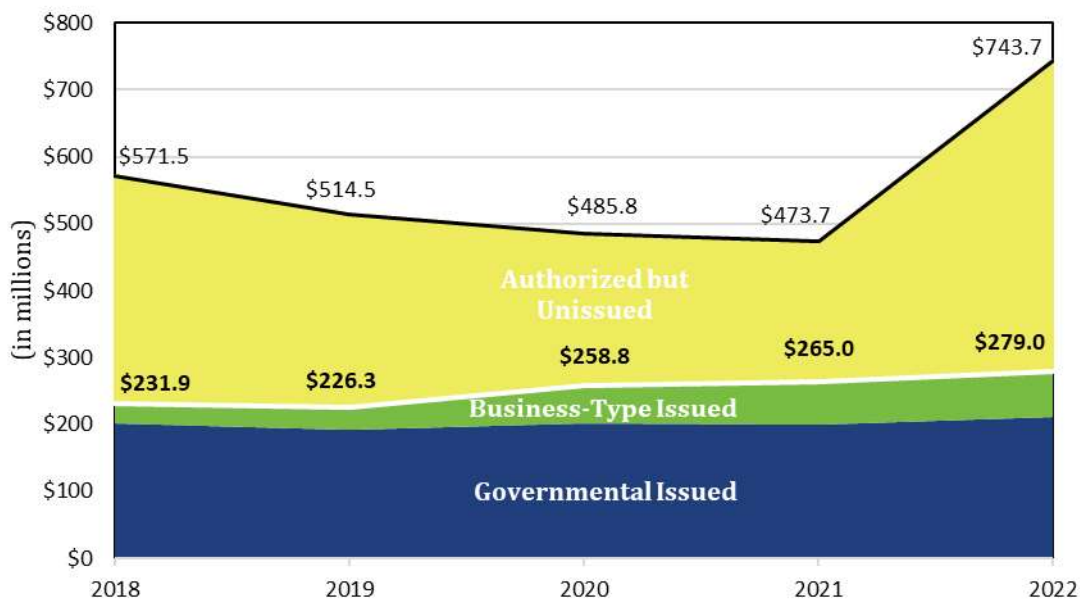
At June 30, 2022, capital assets totaled \$551 million net of accumulated depreciation, an decrease of (\$20.7) million, or 3.6%, over the prior year. Net capital assets used in governmental activities decreased (\$22.7) million, comprised of \$62.1 million in new additions and offset by \$34 million in depreciation, \$45.7 million in land released and items in progressed being placed into service, and \$5 million in capital asset retirements for a total of \$424 million at the end of fiscal year 2022. Business-type capital assets increased \$1.8 million, the net effect of \$7.3 million in new construction in progress projects and capital asset additions offset by \$5.4 million in depreciation and retirements. Additional information on the City’s capital assets can be found in Note 8 to the financial statements (page 58-59).

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 \$312.8 million at June 30, 2022, of which \$244.2 million is for governmental activities and \$68.6 million is for business-type activities. Total debt increased \$7.4 million, or 2.4%, over last year. Governmental activities debt increased \$11.4 million, while debt for business-type activities decreased (\$4) million.

Bonded debt, including State agency loans and BANs, totaled \$279 million as of June 30, 2022. As the graph below illustrates, this is the highest level of outstanding bonded debt in the past five years, reflecting the City’s continued commitment to replacing aged infrastructure within affordable parameters. Outstanding bonded debt has remained at 3.8% of assessed property values, keeping ratio under 4% for the past five years now.

**Bonded Debt Issued and Unissued
(FY 2018 - 2022)**



As of June 30, 2022, the City had \$464.6 million of remaining bond authorizations. Additional information on long-term debt is included in Note 15 on page 75-79 of the financial statements.

Economic Factors and Next Year's Budget and Rates

The City of New Bedford's economy is expected to continue growth beyond fiscal year 2022, generating revenue streams sufficient to fund 2023 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 since spending is capped to available revenue sources, so these funds will not be discussed further.

General Fund:

In June 2022, the City Council adopted a fiscal year 2023 expenditure budget of \$418.2 million, \$27.9 million, or 7.2%, higher than the prior year's revised budget. This increase was primarily driven by \$22.6 million in school spending, \$4.5 million in state and county assessments, \$2 million in pension plan contributions, \$1.4 million in employee benefits to help prevent shortfalls in contract settlements that hasn't been done before, and \$1.2 million in health insurance. In addition to expenditure increases, \$29.2 million more in revenue is expected from state aid, \$3 million from ARPA, and \$3.9 million in real estate and personal property tax revenue. This leaves the City with a tax levy increase of \$5.4 million.

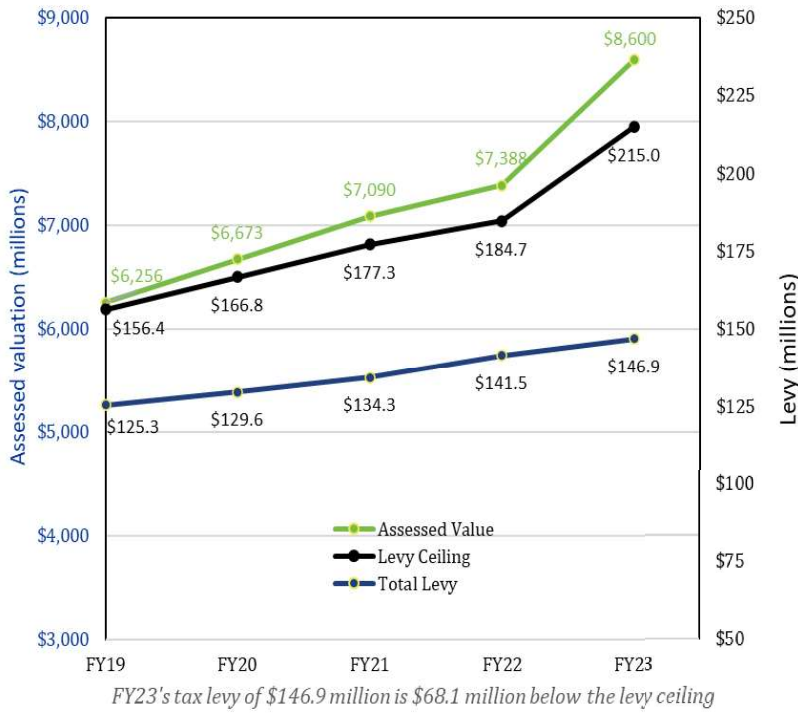
Under Proposition 2½, Massachusetts communities generally cannot levy taxes in excess of 2.5% of assessed value (levy ceiling). Growth in property values is a key factor in the City's ability to finance government activities. As of December 31, 2022, assessed value of real and personal property reached \$8.6 billion, an all-time high and 16.4% increase over the previous year. Assessed values have now increased in each of the last nine years with a compounded annual growth rate of 5.7% over that period. This trend has been fueled by a strong real estate market and new growth, which has remained steady over the past five years which can be seen in the chart on the facing page.

Additionally, municipalities cannot increase tax levies by more than 2.5% each year, excluding new growth, 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. Fiscal year 2023 new growth in real estate had an assessed value of \$60.4 million, along with another \$17 million in personal property growth that added \$1.7 million to the levy limit. While the number of new building permits issued has decreased, the values of the permits continue to grow, which is a healthy indicator of continued new growth into 2023 and beyond.

The tax levy for fiscal year 2023 was set at \$146.9 million, which is \$5.4 million or 3.8% increase from the prior year, while remaining (\$68.2) million below the City's levy ceiling and (\$3.4) million below its levy limit. Preservation of excess levy capacity has been a key objective in establishing each year's tax levy, while the economic constraints caused by the pandemic required the City to tap into the excess levy capacity in fiscal year 2022, in fiscal year 2023 we were able to start widening the excess capacity again by \$0.5 million.

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 is mitigated. Management remains confident the sources of non-levy revenue will be healthy in 2023 as the economy continues to rebound.

Prop 2 1/2: Levy Ceiling



Prop 2 1/2: Levy Limit



... while FY 23's tax levy is \$3.4 million below the levy limit.

Wastewater Fund:

Fiscal year 2023 budgeted expenditures of \$28.6 million represent a \$0.9 million, or 3.1%, increase above the 2022 revised budget. The largest increases are \$0.9 million in purchase of services and \$0.3 million in payments on long-term debt used to finance the local share of completed projects, with slight decreases in personnel services and capital outlay.

There has been an increase in revenue projections in Wastewater from an unexpected uptick in use locally and by some surrounding communities for fiscal year 2023 that leads us to believe this fund will have a healthy year of returns. The 2023 budget was balanced without any appropriation from fund balance, so current year excess revenues will be able to continue to support growth in Wastewater stabilization fund.

Enterprise Funds:

Water:

Budgeted expenditures in the Water Fund, which accounts for 83.7% of all enterprise funds appropriations, total \$17.6 million, a decrease of (\$2.3) million, or (11.6%), from the 2022 revised budget. This was from a (\$1.5) million decrease in purchase of services and (\$0.8) million in capital outlay as projects were competed on internal repairs at High Hill Reservoir and Quittacas Treatment Plant Phase I upgrades. This fiscal year the final plan for Quittacas Treatment Plant will be used to prepare and prioritize upgrades for Phase II.

Airport:

Fiscal year 2023 budgeted expenditures of \$1.1 million rather level funding from the prior fiscal year with only a \$0.06 increase to personnel services. This slight increase comes with an anticipated subsidy of \$0.08 to balance the budget. However, following a December 2017 FAA Part 139 certification that allows the airport to expand passenger service, fees for all services that benefit lessees and passengers were increased in July 2020. Although fiscal year 2021 actual revenues fell (\$0.1) million short of budget, 2022 revenues were nearly on budget again and projections show fiscal year 2023 revenues coming in just over budget. These increases can also be attributed to the enhanced use of private and smaller commercial flights becoming more appetizing during the pandemic, while the New Bedford Municipal Airport continues to make improvements to the airport and works on marketing strategies to optimize usage.

Downtown Parking:

Budgeted expenditures will decrease (5.1%), or less than (\$0.1) million, to maintain rather level budgeting of \$1.0 million. This decrease was achieved through the reduction of purchase of services in the coming year. Among all enterprise funds, Downtown Parking was hit hardest by the pandemic, as the City offered free parking through June 30, 2020. Although there has been a steady upward trend since the free parking ended, revenues have struggled to return to normal. To compensate, rates were increased for downtown meters and at public garages, but a \$0.3 million subsidy is anticipated to be needed in balancing this year's budget.

Cable:

For 2023, expenditures are budgeted at \$1.3 million, which is level funding from the prior year budget. The City recently entered a new contract with Comcast that increases the City's share of subscription fees from 4% to 5% that provided Cable with revenues just under \$0.2 million over the 2022 revised budget. The resulting revenue increase is sufficient to continue to fully fund their own budget without a need for subsidy.

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.

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Statement of Net Position

June 30, 2022

	<i>Primary Government</i>			<i>Component Units</i>			Total Component Units
	Governmental Activities	Business-Type Activities	Total	Greater New Bedford Regional Refuse Management District	New Bedford Harbor Development Commission	Non Major Component Units	
ASSETS							
Current assets							
Unrestricted cash and investments	\$ 209,706,056	\$ 7,783,110	\$ 217,489,166	\$ 1,147,929	\$ 4,145,922	\$ 271,120	\$ 5,564,971
Restricted cash and investments	14,729,461	3,546,541	18,276,002	28,912,910	5,092,659	-	34,005,569
Accounts receivable, net of allowance	22,256,128	2,155,915	24,412,043	464,254	-	17,700	481,954
Taxes receivable, net	22,350,492	-	22,350,492	-	-	-	-
Loans receivable, net	14,567,129	-	14,567,129	-	-	-	-
Due from other governments	-	-	-	-	1,393,534	906,831	2,300,365
Due from component units	1,250,790	-	1,250,790	-	-	-	-
Receivable from external parties	-	-	-	-	300,610	-	300,610
Inventories and prepaid expenses	286,374	-	286,374	434,166	-	9,799	443,965
Lease receivable	-	-	-	261,360	-	-	261,360
Other assets - current	529,525	93,701	623,226	-	26,174	-	26,174
Total current assets	285,675,955	13,579,267	299,255,222	31,220,619	10,958,899	1,205,450	43,384,968
Non-current assets							
Other assets - noncurrent	-	-	-	239,453	-	-	239,453
Net OPEB Asset (NOA)	-	-	-	2,721,938	-	-	2,721,938
MWPAT debt subsidy receivable	15,114,243	112,674	15,226,917	-	-	-	-
Lease receivable	-	5,925,607	5,925,607	6,873,485	-	-	6,873,485
Capital assets:							
Not being depreciated:							
Land and easements	12,185,849	2,087,793	14,273,642	5,960,162	42,000	669,134	6,671,296
Landfill in progress	-	-	-	9,880,003	-	-	9,880,003
Construction in progress	49,715,253	-	49,715,253	-	-	-	-
Infrastructure in progress	3,651,931	42,390,904	46,042,835	-	26,247,818	-	26,247,818
Depreciable capital assets:							
Land improvements, net	7,111,636	5,092,688	12,204,324	18,765	25,699,701	-	25,718,466
Infrastructure, net	87,046,827	70,747,874	157,794,701	-	-	-	-
Building and improvements, net	245,509,397	6,198,270	251,707,667	447,353	2,787,607	-	3,234,960
Office equipment and furniture, net	555,260	-	555,260	25,758	-	49,496	75,254
Computer equipment, net	4,817,367	25,148	4,842,515	-	-	-	-
Automobiles, net	7,196,824	217,798	7,414,622	-	241	-	241
Machinery and equipment, net	6,169,548	206,976	6,376,524	1,766,850	506,847	-	2,273,697
Animals, net	2,518	-	2,518	-	-	-	-
Total capital assets	423,962,410	126,967,451	550,929,861	18,098,891	55,284,214	718,630	74,101,735
Total non-current assets	439,076,653	133,005,732	572,082,385	27,933,767	55,284,214	718,630	83,936,611
Total assets	724,752,608	146,584,999	871,337,607	59,154,386	66,243,113	1,924,080	127,321,579
DEFERRED OUTFLOWS OF RESOURCES							
GASB 68 - deferred outflows of resources	37,624,399	1,980,232	39,604,631	574,566	-	-	574,566
GASB 75 - deferred outflows of resources	36,769,515	1,935,238	38,704,753	436,107	-	-	436,107
Deferred asset advance refunding, net of amortization	907,995	-	907,995	-	-	-	-
Total deferred outflows of resources	75,301,909	3,915,470	79,217,379	1,010,673	-	-	1,010,673
Total assets and deferred outflows of resources	\$ 800,054,517	\$ 150,500,469	\$ 950,554,986	\$ 60,165,059	\$ 66,243,113	\$ 1,924,080	\$ 128,332,252

See accompanying notes to the basic financial statements

	Primary Government			Component Units			Total Component Units
	Governmental Activities	Business-Type Activities	Total	Greater New Bedford Regional Refuse Management District	New Bedford Harbor Development Commission	Non Major Component Units	
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	\$ 40,662,785	\$ 1,135,132	\$ 41,797,917	\$ 163,650	\$ 1,949,079	\$ 484,859	\$ 2,597,588
Retainage payable	506,649	-	506,649	-	-	-	-
Due to other governments	209	-	209	-	-	-	-
Due to primary government	-	-	-	-	50,000	650,905	700,905
Accrued interest	1,583,233	565,548	2,148,781	-	-	-	-
Deposits held	535,875	-	535,875	5,531	5,131,343	15,000	5,151,874
Payroll withholdings	62,431	-	62,431	-	-	-	-
Other liabilities	9,502,513	416	9,502,929	-	-	-	-
Claims incurred but not reported	2,800,000	-	2,800,000	-	-	-	-
Bonds and notes payable	52,261,437	3,333,131	55,594,568	-	-	-	-
Capital leases	2,969,915	83,418	3,053,333	-	-	-	-
Workers' compensation claims	112,683	-	112,683	-	-	-	-
Compensated absences	7,043,705	515,146	7,558,851	-	44,445	26,866	71,311
Total current liabilities	118,041,435	5,632,791	123,674,226	169,181	7,174,867	1,177,630	8,521,678
Non-current liabilities							
Accrued closure/post-closure costs	-	-	-	6,188,831	-	-	6,188,831
Due to primary government	-	-	-	-	549,885	-	549,885
Bonds and notes payable	158,851,133	64,583,870	223,435,003	-	-	-	-
Net OPEB liability (NOL)	499,947,694	26,313,036	526,260,730	-	1,083,879	-	1,083,879
Net pension liability (NPL)	282,482,073	14,867,477	297,349,550	3,164,376	-	-	3,164,376
Capital leases	16,032,865	-	16,032,865	-	-	-	-
Workers' compensation claims	3,106,826	-	3,106,826	-	-	-	-
Compensated absences	7,042,199	28,212	7,070,411	-	161,510	-	161,510
Total non-current liabilities	967,462,790	105,792,595	1,073,255,385	9,353,207	1,795,274	-	11,148,481
Total liabilities	1,085,504,225	111,425,386	1,196,929,611	9,522,388	8,970,141	1,177,630	19,670,159
DEFERRED INFLOWS OF RESOURCES							
GASB 68 - deferred inflows of resources	47,398,895	2,494,678	49,893,573	595,525	-	-	595,525
GASB 75 - deferred inflows of resources	97,793,255	5,147,014	102,940,269	295,419	-	-	295,419
Related to leases	-	5,925,607	5,925,607	7,134,845	-	-	7,134,845
Deferred dockage revenues (component unit)	-	-	-	-	694,556	127,580	822,136
Total deferred inflows of resources	145,192,150	13,567,299	158,759,449	8,025,789	694,556	127,580	8,847,925
NET POSITION							
Net investment in capital assets	209,869,298	58,967,032	268,836,330	18,098,891	54,684,329	669,134	73,452,354
Restricted							
Nonexpendable:							
Corpus of endowment funds	5,127,411	-	5,127,411	-	-	-	-
Expendable:							
General government grants and gifts	10,349,531	-	10,349,531	-	-	-	-
Educational grants and gifts	10,112,133	-	10,112,133	-	-	-	-
Public works grants and gifts	3,754,303	-	3,754,303	-	-	-	-
Culture and recreation grants and gifts	9,158,559	-	9,158,559	-	-	-	-
Other expendable	15,140,116	3,546,541	18,686,657	22,720,444	7,844	-	22,728,288
Unrestricted	(694,153,209)	(37,005,789)	(731,158,998)	1,797,547	1,886,243	(50,264)	3,633,526
Total net position	(430,641,858)	25,507,784	(405,134,074)	42,616,882	56,578,416	618,870	99,814,168
Total liabilities, deferred inflows of resources and net position	\$ 800,054,517	\$ 150,500,469	\$ 950,554,986	\$ 60,165,059	\$ 66,243,113	\$ 1,924,080	\$ 128,332,252

See accompanying notes to the basic financial statements

Statement of Activities
Year Ended June 30, 2022

	Program Revenues					Primary Government		Total
	Expenses	Indirect Expense Allocation	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:								
General government	\$ 53,674,376	\$ 791,058	\$ 6,111,600	\$ 34,487,781	\$ 414,481	\$ (13,451,572)	\$ -	\$ (13,451,572)
Public safety	66,355,268	7,781,447	13,898,636	6,315,157	-	(53,922,922)	-	(53,922,922)
Public works	35,354,478	777,085	27,157,710	748,593	13,333,153	5,107,893	-	5,107,893
Health and human services	6,444,356	366,106	1,201,758	4,479,340	-	(1,129,364)	-	(1,129,364)
Education	336,871,608	21,994,540	10,633,212	248,317,387	808,755	(99,106,794)	-	(99,106,794)
Community and economic development	7,914,979	-	(2,661,404)	7,095,456	-	(3,480,927)	-	(3,480,927)
Culture and recreation	9,517,012	661,487	1,114,526	596,741	20,000	(8,447,232)	-	(8,447,232)
Health and other insurance	33,657,078	(33,657,078)	-	-	-	-	-	-
Debt service:								
Interest expense	6,305,143	-	-	-	-	(6,305,143)	-	(6,305,143)
Total governmental activities	556,094,298	(1,285,355)	57,456,038	302,040,455	14,576,389	(180,736,061)	-	(180,736,061)
Business-Type Activities:								
Water	13,554,428	-	17,206,745	55,839	1,286,004	-	4,994,160	4,994,160
Airport	3,116,320	-	1,011,205	-	5,113,433	-	3,008,318	3,008,318
Downtown Parking	940,302	-	828,436	-	-	-	(111,866)	(111,866)
Cable Access	882,168	-	1,457,424	-	-	-	575,256	575,256
Total business-type activities	18,493,218	-	20,503,810	55,839	6,399,437	-	8,465,868	8,465,868
Total primary government	574,587,516	(1,285,355)	77,959,848	302,096,294	20,975,826	(180,736,061)	8,465,868	(172,270,193)
Component Units:								
Greater NB Regional Refuse Management District	4,262,957	-	5,624,084	-	-	-	-	-
New Bedford Harbor Development Commission	5,121,745	-	3,183,919	6,903,500	488,959	-	-	-
Non-major component units	4,452,608	-	10	4,497,101	-	-	-	-
Total component units	13,837,310	-	8,808,013	11,400,601	488,959	-	-	-
Total City of New Bedford	\$ 588,424,826	\$ (1,285,355)	\$ 86,767,861	\$ 313,496,895	\$ 21,464,785	(180,736,061)	8,465,868	(172,270,193)
General revenues:								
Property taxes, net abatements						141,743,942	-	141,743,942
Motor vehicle and other excise taxes						12,062,276	-	12,062,276
Grants and contributions not restricted						23,175,537	-	23,175,537
Tax foreclosures						1,819,172	-	1,819,172
Penalties and interest on taxes						1,126,668	-	1,126,668
Earnings on investments						710,947	(332,337)	378,610
Payments in lieu of taxes						353,869	-	353,869
Miscellaneous						18,966,698	950,231	19,916,929
Total general revenues						199,959,109	617,894	200,577,003
Transfers/special items:								
Transfers, net						3,590,339	(3,590,339)	-
Change in net position						22,813,387	5,493,423	28,306,810
Net position - beginning						(453,455,245)	20,014,361	(433,440,884)
Net position - ending						\$ (430,641,858)	\$ 25,507,784	\$ (405,134,074)

See accompanying notes to the basic financial statements

Balance Sheet - Governmental Funds
 June 30, 2022

	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>		<u>Total</u>
	<u>General</u>	<u>Wastewater</u>	<u>HOME</u>	<u>American Rescue</u>	<u>West End</u>	<u>Non-Major</u>	<u>Governmental</u>
	<u>Fund</u>		<u>Investment</u>	<u>Plan</u>	<u>Pressure</u>	<u>Governmental</u>	<u>Governmental</u>
			<u>Program</u>	<u>Act (ARPA)</u>	<u>2nd Treatment</u>	<u>Funds</u>	<u>Funds</u>
ASSETS							
Cash and investments, unrestricted	\$ 45,213,659	\$ 9,718,612	\$ 3,040,261	\$ 64,483,433	\$ 11,078,451	\$ 68,795,304	\$ 202,329,720
Cash, restricted	5,832,967	3,769,083	-	-	-	5,127,411	14,729,461
Receivables, net:							
Real estate and personal property taxes	4,439,404	-	-	-	-	-	4,439,404
Tax liens and foreclosures	15,192,379	-	-	-	-	-	15,192,379
Motor vehicle and boat excise	3,632,648	-	-	-	-	-	3,632,648
User charges receivables	-	2,697,813	-	-	-	-	2,697,813
Departmental and other	7,054,806	103,246	-	-	-	-	7,158,052
Loans receivable	-	-	17,493,326	-	-	1,515,284	19,008,610
Other receivables	1,144,396	2,237	-	-	-	1,030,240	2,176,873
Special assessments	45,823	123,869	-	-	-	-	169,692
Due from federal or state government	-	-	-	-	-	14,050,728	14,050,728
Intraentity receivable	1,250,790	-	-	-	-	-	1,250,790
Inventories	-	26,373	-	-	-	-	26,373
Prepaid assets	260,000	-	-	-	-	-	260,000
Land inventory	1,527,775	-	-	-	-	246,918	1,774,693
Total assets	85,594,647	16,441,233	20,533,587	64,483,433	11,078,451	90,765,885	288,897,236
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236

See accompanying notes to the basic financial statements

	Major Fund	Major Fund	Major Fund	Major Fund	Major Fund		Total
	General	Wastewater	HOME	American Rescue	West End	Non-Major	Governmental
	Fund		Investment	Plan	Pressure	Governmental	Governmental
			Program	Act (ARPA)	2nd Treatment	Funds	Funds
LIABILITIES							
Warrants, accounts and accrued expenses payable	\$ 27,187,072	\$ 1,667,254	\$ 1,221	\$ 1,131,270	\$ -	\$ 9,062,822	\$ 39,049,639
Retainage payable	-	-	-	-	-	506,649	506,649
Bonds and notes payable	-	-	-	-	10,900,000	26,922,432	37,822,432
Deposits held	457,041	78,834	-	-	-	-	535,875
Due to other governments	-	-	-	-	-	209	209
Payroll withholdings	62,431	-	-	-	-	-	62,431
Other liabilities	841,563	28,071	-	-	-	8,632,879	9,502,513
Total liabilities	28,548,107	1,774,159	1,221	1,131,270	10,900,000	45,124,991	87,479,748
DEFERRED INFLOWS OF RESOURCES							
Deferred property and excise tax revenues	21,726,569	-	-	-	-	-	21,726,569
Deferred departmental and other receipts	6,305,873	-	-	-	-	326,404	6,632,277
Deferred user fees, fines and charges for services	-	2,955,208	-	-	-	-	2,955,208
Deferred grant income	-	-	-	63,352,163	-	10,311,296	73,663,459
Deferred loan income	-	-	17,493,326	-	-	1,515,284	19,008,610
Total deferred inflows of resources	28,032,442	2,955,208	17,493,326	63,352,163	-	12,152,984	123,986,123
FUND BALANCE							
Nonspendable	2,778,565	26,373	-	-	-	5,374,329	8,179,267
Restricted	-	5,298,939	3,039,040	-	178,451	39,998,212	48,514,642
Committed	5,832,967	5,083,837	-	-	-	1,666,533	12,583,337
Assigned	1,779,756	1,302,717	-	-	-	-	3,082,473
Unassigned	18,622,810	-	-	-	-	(13,551,164)	5,071,646
Total fund balance	29,014,098	11,711,866	3,039,040	-	178,451	33,487,910	77,431,365
Total liabilities, deferred inflows of resources and fund balance	\$ 85,594,647	\$ 16,441,233	\$ 20,533,587	\$ 64,483,433	\$ 11,078,451	\$ 90,765,885	\$ 288,897,236

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, 2022

Total governmental fund balances	\$ 77,431,365
Allowances for doubtful accounts that are financial resources for the governmental funds	(10,957,451)
Advance refunding and related amortization that are not reported in the governmental funds	907,995
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	423,962,410
Long-term assets related to MWPAT and MSBA subsidies of principal for which revenue has been earned on the accrual basis	15,114,243
Deferred outflows of resources related to pensions and OPEB that are not reported in the funds	(70,798,236)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	123,986,123
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	3,323,023
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(1,583,233)
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	(173,290,138)
Compensated absences	(14,085,903)
Capital leases	(19,002,780)
Workers' compensation claims	(3,219,509)
Net pension liability (NPL)	(282,482,073)
Net OPEB liability (NOL)	<u>(499,947,694)</u>
Net position of governmental activities	<u>\$ (430,641,858)</u>

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	Major Fund	Major Fund	Major Fund	Major Fund	Major Fund	Non-Major	Total
	General	Wastewater	HOME	American Rescue	West End	Governmental	Governmental
	Fund		Investment	Plan	Pressure	Funds	Funds
			Program	Act (ARPA)	2nd Treatment		
REVENUES							
Real estate and personal property taxes	\$ 138,325,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,325,449
Motor vehicle and other excise	10,196,929	-	-	-	-	-	10,196,929
MSBA assistance	-	-	-	-	-	808,755	808,755
Tax liens and foreclosures	2,040,212	165,497	-	-	-	-	2,205,709
Penalties and interest on taxes	1,373,894	-	-	-	-	-	1,373,894
Licenses and permits	2,734,951	-	-	-	-	-	2,734,951
Fines and forfeitures	169,704	-	-	-	-	-	169,704
Investment income	201,582	140,083	6,217	43,560	-	164,434	555,876
Intergovernmental - operating grants	54,706,755	-	144,636	1,439,469	-	60,557,286	116,848,146
Intergovernmental - operating grant - Chapter	173,746,586	-	-	-	-	-	173,746,586
Intergovernmental - capital grants	-	4,458,648	-	-	-	11,360,760	15,819,408
Charges for services	14,281,581	26,397,294	-	-	-	1,493,110	42,171,985
Other - indirects	542,862	-	-	-	-	-	542,862
Special assessments and betterments	-	11,219	-	-	-	-	11,219
Payments in lieu of taxes	353,869	-	-	-	-	-	353,869
Miscellaneous	298,670	63,055	335,561	-	-	20,679,151	21,376,437
Total revenues	398,973,044	31,235,796	486,414	1,483,029	-	95,063,496	527,241,779
EXPENDITURES							
Current:							
General government	9,659,427	-	-	1,483,029	-	20,428,141	31,570,597
Public safety	54,720,894	-	-	-	-	5,429,994	60,150,888
Education	221,325,644	-	-	-	-	47,229,718	268,555,362
Public works	15,448,367	14,713,642	-	-	-	2,372,136	32,534,145
Community and economic development	-	-	619,862	-	-	7,136,834	7,756,696
Health and human services	4,049,185	-	-	-	-	2,297,150	6,346,335
Culture and recreation	5,125,450	-	-	-	-	1,165,316	6,290,766
Pension benefits	33,887,885	-	-	-	-	-	33,887,885
Health and other insurance	18,173,137	-	-	-	-	-	18,173,137
Miscellaneous	13,068,476	-	-	-	-	-	13,068,476
Intergovernmental:							
State and county charges	26,493,234	-	-	-	-	-	26,493,234
Capital outlay:							
General government	-	-	-	-	-	2,658,327	2,658,327
Public safety	-	-	-	-	-	3,146,904	3,146,904
Education	-	-	-	-	-	715,719	715,719
Public works	-	764,925	-	-	-	9,605,731	10,370,656
Culture and recreation	-	-	-	-	-	218,767	218,767
Debt service:							
Principal payments	4,735,200	9,608,065	-	-	-	-	14,343,265
Short-term note interest	397,280	-	-	-	-	-	397,280
Bond interest costs	3,416,408	2,509,981	-	-	-	-	5,926,389
Total expenditures	410,500,587	27,596,613	619,862	1,483,029	-	102,404,737	542,604,828
Excess (deficiency) of revenues							
over (under) expenditures	(11,527,543)	3,639,183	(133,448)	-	-	(7,341,241)	(15,363,049)
OTHER FINANCING SOURCES (USES)							
Bond issuance	-	-	-	-	-	7,235,000	7,235,000
Bond premiums	3,553	-	-	-	178,451	1,010,673	1,192,677
Insurance proceeds	-	-	-	-	-	92,678	92,678
Issuance of capital leases	774,505	-	-	-	-	-	774,505
Transfers in	13,211,911	6,701,805	-	-	-	41,805	19,955,521
Transfers out	(6,171,690)	(8,880,748)	-	-	-	(1,312,744)	(16,365,182)
Total other financing sources and uses	7,818,279	(2,178,943)	-	-	178,451	7,067,412	12,885,199
Change in fund balance	(3,709,264)	1,460,240	(133,448)	-	178,451	(273,829)	(2,477,850)
Fund balance - beginning of year	32,723,362	10,251,626	3,172,488	-	-	33,761,739	79,909,215
Fund balance - end of year	\$ 29,014,098	\$ 11,711,866	\$ 3,039,040	\$ -	\$ 178,451	\$ 33,487,910	\$ 77,431,365

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, 2022

Net change in fund balances - total governmental funds	\$ (2,477,850)
The allowance for doubtful accounts that are resources for governmental funds	(3,349,866)
Advance refunding and related amortization that are not reported in the governmental funds	(114,777)

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:	11,297,377
Increase in Depreciation:	<u>(34,030,655)</u>
Capital Outlays in Excess of Depreciation:	(22,733,278)

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.	38,533,537
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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>(3,400,473)</u>
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Net change in fund balances - total governmental funds (subtotal) - to next page	\$ 6,457,293
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Net change in fund balances - total governmental funds (subtotal) - from previous page \$ 6,457,293

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.	9,441,216
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	133,303
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	3,773,028
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	7,467,679
To record deferred outflows of resources related to GASB 68 actual versus expected experience not reported in the funds	(3,264,734)
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.	(717,471)
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	<u>(476,927)</u>
Change in net position of governmental activities	<u><u>\$ 22,813,387</u></u>

See accompanying notes to the basic financial statements

Statement of Net Position - Proprietary Funds
 June 30, 2022

	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	Service Fund
ASSETS						
Current assets:						
Cash	\$ 7,037,476	\$ 34,911	\$ 121,454	\$ 589,269	\$ 7,783,110	\$ 7,376,336
Cash - restricted (stabilization)	3,546,541	-	-	-	3,546,541	-
User charges receivable, net	1,525,895	-	-	-	1,525,895	-
Other receivables, net	293,215	4,552	-	332,253	630,020	359,833
Other assets	93,701	-	-	-	93,701	-
Total current assets	12,496,828	39,463	121,454	921,522	13,579,267	7,736,169
Non-current assets:						
Lease receivable	-	5,925,607	-	-	5,925,607	-
MWPAT debt subsidy	112,674	-	-	-	112,674	-
Capital assets:						
Land and easements	1,562,500	525,293	-	-	2,087,793	-
Infrastructure in progress	42,188,126	202,778	-	-	42,390,904	-
Infrastructure, net	42,272,816	28,475,058	-	-	70,747,874	-
Land improvements, net	-	5,092,688	-	-	5,092,688	-
Building and improvements, net	300,790	1,242,600	4,654,880	-	6,198,270	-
Machinery and equipment, net	151,401	55,575	-	-	206,976	-
Computer equipment, net	-	-	-	25,148	25,148	-
Automobiles, net	217,798	-	-	-	217,798	-
Total capital assets	86,693,431	35,593,992	4,654,880	25,148	126,967,451	-
Total non-current assets	86,806,105	41,519,599	4,654,880	25,148	133,005,732	-
Total assets	99,302,933	41,559,062	4,776,334	946,670	146,584,999	7,736,169
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of resources (pension)	1,584,185	158,419	237,628	-	1,980,232	-
Deferred outflows of resources (OPEB)	1,548,190	154,819	232,229	-	1,935,238	-
Total deferred outflows of resources	3,132,375	313,238	469,857	-	3,915,470	-
Total assets and deferred outflows of resources	\$ 102,435,308	\$ 41,872,300	\$ 5,246,191	\$ 946,670	\$ 150,500,469	\$ 7,736,169

See accompanying notes to the basic financial statements

	Business-Type Activities					Governmental
	Enterprise Funds				Total Enterprise Funds	Activities
	Major Fund	Major Fund	Major Fund	Major Fund		Internal Service Fund
Water	Airport	Downtown Parking	Cable Access			
LIABILITIES						
Current liabilities:						
Warrants, accounts and accrued expenses payable	\$ 1,051,969	\$ 23,507	\$ 36,748	22,908	\$ 1,135,132	\$ 1,613,146
Accrued interest	565,548	-	-	-	565,548	-
Bonds payable	3,140,353	77,778	115,000	-	3,333,131	-
Capital leases	83,418	-	-	-	83,418	-
Compensated absences	415,299	29,089	17,526	53,232	515,146	-
Other liabilities	416	-	-	-	416	-
Claims incurred but not reported	-	-	-	-	-	2,800,000
Total current liabilities	5,257,003	130,374	169,274	76,140	5,632,791	4,413,146
Non-current liabilities:						
Bonds payable	58,743,870	1,270,000	4,570,000	-	64,583,870	-
Compensated absences	-	-	5,792	22,420	28,212	-
Net OPEB liability (NOL)	21,050,429	2,105,043	3,157,564	-	26,313,036	-
Net pension liability (NPL)	11,893,982	1,189,398	1,784,097	-	14,867,477	-
Total non-current liabilities	91,688,281	4,564,441	9,517,453	22,420	105,792,595	-
Total liabilities	96,945,284	4,694,815	9,686,727	98,560	111,425,386	4,413,146
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources (leases)	-	5,925,607	-	-	5,925,607	-
Deferred inflows of resources (pension)	1,995,743	199,574	299,361	-	2,494,678	-
Deferred inflows of resources (OPEB)	4,117,611	411,761	617,642	-	5,147,014	-
Total deferred inflows of resources	6,113,354	6,536,942	917,003	-	13,567,299	-
NET POSITION						
Net investment in capital assets	24,725,790	34,246,214	(30,120)	25,148	58,967,032	-
Restricted - water stabilization fund	3,546,541	-	-	-	3,546,541	-
Unrestricted - airport operating fund	-	(3,605,671)	-	-	(3,605,671)	-
Unrestricted - water operating fund	(28,895,661)	-	-	-	(28,895,661)	-
Unrestricted - downtown parking operating fund	-	-	(5,327,419)	-	(5,327,419)	-
Unrestricted - cable access operating fund	-	-	-	822,962	822,962	-
Unrestricted - internal service fund	-	-	-	-	-	3,323,023
Total net position	(623,330)	30,640,543	(5,357,539)	848,110	25,507,784	3,323,023
Total liabilities, deferred inflows of resources and net position	\$ 102,435,308	\$ 41,872,300	\$ 5,246,191	\$ 946,670	\$ 150,500,469	\$ 7,736,169

See accompanying notes to the basic financial statements

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities				Total Enterprise Funds	Governmental
	Enterprise Funds					Activities
	Major Fund	Major Fund	Major Fund	Major Fund		Internal Service Fund
	Water	Airport	Downtown Parking	Cable Access		
OPERATING REVENUES						
Charges for services	\$ 17,116,755	\$ 1,011,205	\$ 828,436	\$ 1,457,424	\$ 20,413,820	\$ -
Utility liens and penalties	89,990	-	-	-	89,990	-
Intergovernmental	55,839	-	-	-	55,839	-
Contributions (employee and employer)	-	-	-	-	-	61,391,987
Capital contributions	1,286,004	5,113,433	-	-	6,399,437	-
Miscellaneous	928,553	-	21,678	-	950,231	-
Total operating revenues	19,477,141	6,124,638	850,114	1,457,424	27,909,317	61,391,987
OPERATING EXPENSES						
Salaries and benefits	4,759,743	337,232	189,767	804,006	6,090,748	71,605
Services and supplies	4,655,919	306,858	291,385	17,144	5,271,306	44,572
Capital outlay	-	-	-	55,989	55,989	-
Depreciation expense	2,628,398	2,407,323	281,962	5,029	5,322,712	-
Health and other insurance	-	-	-	-	-	61,819,586
Total operating expenses	12,044,060	3,051,413	763,114	882,168	16,740,755	61,935,763
Operating income (loss)	7,433,081	3,073,225	87,000	575,256	11,168,562	(543,776)
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	(340,249)	1,576	3,597	2,739	(332,337)	66,849
Debt administrative costs	(79,387)	-	-	-	(79,387)	-
Debt service - interest payments	(1,430,981)	(64,907)	(177,188)	-	(1,673,076)	-
Total nonoperating revenue (expenses)	(1,850,617)	(63,331)	(173,591)	2,739	(2,084,800)	66,849
Income (loss) before transfers	5,582,464	3,009,894	(86,591)	577,995	9,083,762	(476,927)
TRANSFERS IN (OUT)						
Transfers in	2,003,486	281	585	914	2,005,266	-
Transfers out	(2,989,246)	(207,759)	(149,825)	(248,775)	(3,595,605)	-
Transfers out - water stabilization fund	(2,000,000)	-	-	-	(2,000,000)	-
Total transfers	(2,985,760)	(207,478)	(149,240)	(247,861)	(3,590,339)	-
Change in net position	2,596,704	2,802,416	(235,831)	330,134	5,493,423	(476,927)
Total net position - beginning of year	(3,220,034)	27,838,127	(5,121,708)	517,976	20,014,361	3,799,950
Total net position - end of year	\$ (623,330)	\$ 30,640,543	\$ (5,357,539)	\$ 848,110	\$ 25,507,784	\$ 3,323,023

See accompanying notes to the basic financial statements

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,152,671
Cash received from customers	17,808,949	1,288,833	854,896	1,447,054	21,399,732	-
Payments from/(to) suppliers	(8,834,024)	(926,296)	(504,186)	(857,289)	(11,121,795)	(61,444,710)
Internal activity-payments from (to) other funds	-	-	-	-	-	466,000
Net cash provided (used) by operating activities	8,974,925	362,537	350,710	589,765	10,277,937	1,173,961
Cash flows from noncapital financing activities:						
Transfers in (out)	(1,699,755)	(207,478)	(149,240)	(247,861)	(2,304,334)	-
Net cash provided by noncapital financing activities	(1,699,755)	(207,478)	(149,240)	(247,861)	(2,304,334)	-
Cash flows from capital and related financing activities:						
Purchases and construction of capital assets	(2,005,521)	(199,595)	-	(30,177)	(2,235,293)	-
Principal paid on capital debt	(4,295,001)	142,778	(110,000)	-	(4,262,223)	-
Interest paid on capital debt	(1,430,981)	(64,907)	(177,188)	2,739	(1,670,337)	-
Debt administrative costs	(79,387)	-	-	-	(79,387)	-
Net cash used by capital and related financing activities	(7,810,890)	(121,724)	(287,188)	(27,438)	(8,247,240)	-
Cash flows from investing activities:						
Interest and dividends	(340,249)	1,576	3,597	-	(335,076)	66,849
Net cash used by investing activities	(340,249)	1,576	3,597	-	(335,076)	66,849
Net increase in cash and cash equivalents	(875,969)	34,911	(82,121)	314,466	(608,713)	1,240,810
Balances-beginning of the year	11,459,986	-	203,575	274,803	11,938,364	6,135,526
Balances-end of the year	\$ 10,584,017	\$ 34,911	\$ 121,454	\$ 589,269	\$ 11,329,651	\$ 7,376,336
Cash and short-term investments	\$ 10,584,017	\$ 34,911	\$ 121,454	\$ 589,269	\$ 11,329,651	\$ 7,376,336
Total cash and short-term investments	\$ 10,584,017	\$ 34,911	\$ 121,454	\$ 589,269	\$ 11,329,651	\$ 7,376,336

	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)	\$ 7,433,081	\$ 3,073,225	\$ 87,000	\$ 575,256	\$ 11,168,562	\$ (543,776)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,628,398	2,407,323	281,962	5,029	5,322,712	-
Capital contributions from governmental activities	(1,286,004)	(5,113,433)	-	-	(6,399,437)	-
Effect of the change in assets and liabilities:						
User charges receivables, net	(295,010)	-	-	-	(295,010)	-
Other receivables, net	(100,821)	277,629	4,782	(10,369)	171,221	760,684
Deferred outflows	914,181	91,417	137,127	2,252	1,144,977	-
Warrants and accounts payable	294,006	(262,513)	13,246	(16,210)	28,529	491,053
Net OPEB liability (NOL)	(4,086,880)	(448,688)	(673,032)	-	(5,208,600)	-
Net pension liability (NPL)	(314,429)	(31,443)	(47,165)	-	(393,037)	-
Deferred inflows	3,551,298	355,129	532,695	-	4,439,122	-
Compensated absences	236,809	13,891	14,095	33,807	298,602	-
Other liabilities	296	-	-	-	296	-
Incurred but not reported	-	-	-	-	-	466,000
Net cash provided (used) by operating activities	\$ 8,974,925	\$ 362,537	\$ 350,710	\$ 589,765	\$ 10,277,937	\$ 1,173,961

See accompanying notes to the basic financial statements

Statement of Fiduciary Net Position - Fiduciary Funds and Similar Component Units

June 30, 2022

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Cash and short-term investments	\$ 3,567,245	\$ 401,553	\$ 1,452,892
Investments:			
Fixed income securities	74,791,424	-	-
Stocks / equities	171,078,762	-	-
International equities	39,407,505	-	-
Pooled funds	90,946,824	-	-
Real estate	43,539,666	-	-
Alternative investments	52,275,985	-	-
Invested in the PRIT fund	3,196,175	-	-
Receivables, net of allowance or uncollectibles:			
Employee	140,395	-	-
Total assets	<u>478,943,981</u>	<u>401,553</u>	<u>1,452,892</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>\$ 478,943,981</u>	<u>\$ 401,553</u>	<u>\$ 1,452,892</u>
LIABILITIES			
Warrants, accounts, and accrued expenses payable	\$ 377,925	\$ 4,700	\$ 47,050
Other liabilities	-	-	16,992
Total liabilities	<u>377,925</u>	<u>4,700</u>	<u>64,042</u>
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - other purposes	-	396,853	-
Restricted - custodial funds	-	-	1,388,851
Restricted - OPEB benefits	3,196,175	-	-
Restricted - pension benefits	475,369,881	-	-
Total net position	<u>478,566,056</u>	<u>396,853</u>	<u>1,388,851</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 478,943,981</u>	<u>\$ 401,553</u>	<u>\$ 1,452,893</u>

(1) The Pension Trust Fund is as of December 31, 2021.

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, 2022

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds	Custodial Funds
<u>ADDITIONS:</u>			
Contributions:			
Employer contributions	\$ 38,735,948	\$ -	\$ -
Plan member contributions	11,017,886	-	-
Funds received on behalf of others	-	-	5,055,173
Miscellaneous income	91,096	-	-
Total contributions	<u>49,844,930</u>	<u>-</u>	<u>5,055,173</u>
Net investment income:			
Dividends and interest	2,217,001	5,798	3,742
Net appreciation in fair value of investments	69,912,913	(37,966)	-
Total investment income	<u>72,129,914</u>	<u>(32,168)</u>	<u>3,742</u>
Less: investment expense	<u>3,517,389</u>	<u>-</u>	<u>-</u>
Net investment income	68,612,525	(32,168)	3,742
Intergovernmental	<u>722,961</u>	<u>-</u>	<u>-</u>
Total additions	<u>119,180,416</u>	<u>(32,168)</u>	<u>5,058,915</u>
<u>DEDUCTIONS:</u>			
Retirement benefits	50,245,812	-	-
Administration	537,474	2,200	-
Funds distributed on behalf of others	-	-	5,050,916
Transfers, reimbursements and refunds	<u>3,481,086</u>	<u>-</u>	<u>-</u>
Total deductions	<u>54,264,372</u>	<u>2,200</u>	<u>5,050,916</u>
Change in net position	64,916,044	(34,368)	7,999
Net position - beginning of year	<u>413,650,012</u>	<u>431,221</u>	<u>1,380,852</u>
Net position - ending of year	<u>\$ 478,566,056</u>	<u>\$ 396,853</u>	<u>\$ 1,388,851</u>

(1) The Pension Trust Fund is as of December 31, 2021.

Notes to the Basic Financial Statements

June 30, 2022

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 \$5,684,185 at June 30, 2022. 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 (New Bedford Port Authority)* 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 2022. 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

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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 2022, 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 2022. 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) **Custodial funds** are used to account for assets held in a purely custodial capacity. The City's custodial funds mainly consist of payroll withholdings and fees collected on behalf of other governments. Custodial funds apply the accrual basis of accounting and use the economic resources 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 **American Rescue Plan Act Fund** accounts for the proceeds from the Federally funded COVID-19 stimulus package passed by the US Congress and signed into law by President Biden on March 11, 2021.
5. The **West End Pressure 2nd Treatment Capital Project Fund** accounts for the resources used for financing the capital planning, construction, and all associated costs for implementation of water distribution and treatment systems improvements, including but not limited to, the Quittacas Water Treatment Plan Upgrades.

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.

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 custodial). 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, 2022, the City implemented GASB Statement No. 87, Leases. The effects of the implementation of this statement were material to these financial statements. Please see Note 12 for more information.

The City also implemented GASB Statement Nos. 89, 93 and 97, which had no material reporting impact on these financial statements.

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

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, 2022 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.

Leases

A lease is a contract that conveys the control of the right to use another entity’s nonfinancial asset (the Underlying asset) for a period of time in an exchange or exchange like transaction. The City has contracts in which it is a lessor and lessee. *Lessors* recognize a lease receivable and a deferred inflow of resources. *Lessees* recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the City uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than 1 year and an initial present value over \$50,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

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 acquisition 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 2022. 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.

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.

Continued

- 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.

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

Continued

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, 2022 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, 2022. 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.

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 2022 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 2022 the various departments listed in the chart below incurred appropriation deficits. The School Department did 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 2022, expenditures exceeded appropriations at the Legal Level for the following departments within the City:

<u>Department</u>	<u>Category Name</u>	<u>Appropriation</u> <u>Deficit</u>
General Government Unclassified	Charges & Services	\$ 444,636
Management Information Services	Charges & Services	47,960
Management Information Services	Capital Outlay	70,044
Planning & Community Development	Charges & Services	1,524
Planning Board	Charges & Services	1,210
Fire Department	Charges & Services	7,786
Emergency Medical Services	Salaries & Wages	376,634
Emergency Medical Services	Charges & Services	25,110
Facilities & Fleet Management	Charges & Services	73,478
Facilities & Fleet Management	Supplies & Materials	144,282
School Department	Total Level	194,651
Health	Salaries & Wages	138,241
Library	Charges & Services	42,261
Recreation and Parks	Charges & Services	4,128
Tourism / Marketing	Charges & Services	5,143
Zoo	Charges & Services	10,027
Total General Fund Appropriation Deficits		\$ 1,587,115

Interfund Transactions

The interfund activity presented below is for the fund statement level only. These balances include interfund transfers (i.e. other financing sources and other financing uses):

	<u>Other</u> <u>Financing</u> <u>Sources</u>	<u>Other</u> <u>Financing</u> <u>Uses</u>
<u>Major Governmental Funds</u>		
General Fund	\$ 13,211,911	\$ 6,171,690
Wastewater Fund	6,701,805	8,880,748
<u>Non-Major Governmental Funds</u>		
Total Non-Major Governmental Funds	41,805	1,312,744
<u>Major Enterprise Funds</u>		
Water	2,003,486	4,989,246
Airport	281	207,759
Downtown Parking	585	149,825
Cable	914	248,775
Totals	<u>\$ 21,960,787</u>	<u>\$ 21,960,787</u>

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

Note 3. Cash, Cash Equivalents and Investments

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Governmental Activities	\$ 224,435,517
Business-Type Activities	<u>11,329,651</u>
Total Cash and Investments - Primary Government	<u>\$ 235,765,168</u>
Private Purpose Trust Funds	401,553
OPEB Trust Fund	3,196,175
Custodial Funds	<u>1,452,892</u>
Total Cash and Investments - Fiduciary Funds	<u>\$ 5,050,620</u>
Pension Trust Funds - Cash	\$ 3,567,245
Pension Trust Funds - Investments	<u>472,040,166</u>
Total Cash and Investments - New Bedford Contributory Retirement	<u>\$ 475,607,411</u>
Total Cash and Investments - City of New Bedford	<u>\$ 716,423,199</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 \$10,790 on June 30, 2022.

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 custodial funds was \$240,815,788, including \$10,790 of petty cash and the bank balance was \$247,495,889. Of the bank balance \$3,598,147 was covered by Federal Depository Insurance, \$61,398,282 was covered by Depositors Insurance Fund and \$133,864,822 was held in collateralized accounts. The remaining balance of \$48,634,638 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 \$1,591,378 and the bank balance was \$2,208,662. Of the bank balance \$250,000 was covered by Federal Depository Insurance. The remaining balance of \$1,958,662 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.

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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.

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, 2022 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 Custodial Funds

Investment Type	Fair Value	S&P Rating							Not Rated
		AAA	AA+	A+	A	A-	BBB+	BBB	
Government Securities	\$ 8,042,687	\$ -	\$ 5,064,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,977,960
Corporate Bonds	9,456,297	16,913	-	1,188,726	1,149,576	1,531,324	2,524,418	2,164,146	881,194
Fixed Income	-	-	-	-	-	-	-	-	-
Total Debt Securities	\$ 17,498,984	\$ 16,913	\$ 5,064,727	\$ 1,188,726	\$ 1,149,576	\$ 1,531,324	\$ 2,524,418	\$ 2,164,146	\$ 3,859,154

Other Investments:

Equity	\$ 15,802,971
Equity/Real Estate	-
Equity-Foreign	-
Certificate of Deposits	58,509
Cash and Cash Equivalents	379,591
Total Investments	\$ 33,740,055

Pension Trust Fund (at December 31, 2021)

Investment Type	Fair Value	S&P Rating							Not Rated
		AAA	AA	A	BBB	BB	B	CCC	
Bank Loans	\$ 590,405	\$ -	\$ -	\$ -	\$ -	\$ 301,619	\$ 288,786	\$ -	\$ -
Bond Mutual Fund	2,639,984	-	-	-	-	-	-	-	2,639,984
CMBS	1,204,924	171,960	161,122	137,446	47,275	7,556	-	-	679,565
Convertible Corporate Bond	2,121,360	-	-	-	233,999	-	-	571,930	1,315,431
Convertible Corporate Bond - Zero Coupon	474,627	-	-	-	3,089	-	-	101,004	370,534
Convertible Preferred Stock	920,344	-	-	-	263,807	341,265	-	-	315,272
Corp. Asset Backed - Paydown	8,041,753	1,166,594	582,990	1,486,742	2,272,600	63,918	112,564	-	2,356,345
Corporate Bond	33,024,220	-	401,127	330,437	17,449,037	9,627,769	3,477,892	362,827	1,375,131
Corporate Bond - Paydowns	607,419	-	-	-	406,144	-	-	-	201,275
Corporate Preferred	1,046	-	-	-	-	-	1,046	-	-
Equipment Trust - Paydown	109,054	-	-	-	45,274	-	-	-	63,780
Global Tip Bond	38,712	-	-	-	-	-	-	21,729	16,983
Non Agency RMBS	3,553,418	-	-	32,873	3,774	-	-	-	3,516,771
Taxable Muni	26,733	-	-	-	-	-	26,733	-	-
US Treasury Bonds	82,460	-	82,460	-	-	-	-	-	-
US Treasury Notes	7,931,115	-	7,931,115	-	-	-	-	-	-
Yankee Bonds	10,973,421	54,256	-	351,725	5,154,025	3,048,710	1,357,616	85,323	921,766
Yankee Convertible Bonds	179,812	-	-	-	-	-	-	-	179,812
Yankee DPI Bonds	271,086	-	-	-	49,684	-	-	-	221,402
Total Debt Securities	\$ 72,791,893	\$ 1,392,810	\$ 9,158,814	\$ 2,339,223	\$ 25,928,708	\$ 13,390,837	\$ 5,264,637	\$ 1,142,813	\$ 14,174,051

Other Investments:

Equities	\$ 1,999,531
Pooled Emerging Market/Other Equities	90,946,824
Pooled Domestic Equities	171,078,762
Pooled International Equities	39,407,505
Pooled Alternative Investments	52,275,985
Pooled Real Estate Funds	43,539,666
Total Investments	\$ 472,040,166

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

Investment Type	Fair Value	Remaining Maturity (in years)					Not Available
		0-1 years	1-2 years	2-5 year	5-10 years	More than 10 years	
Government Securities	\$ 8,042,688	\$ 2,117,003	\$ 461,060	\$ 2,010,476	\$ 476,188	\$ -	\$ 2,977,961
Corporate Bonds	9,456,297	985,027	3,226,226	4,363,850	-	-	881,194
Certificates of Deposit	58,508	9,976	48,532	-	-	-	-
Total Debt Securities	\$ 17,557,493	\$ 3,112,006	\$ 3,735,818	\$ 6,374,326	\$ 476,188	\$ -	\$ 3,859,155

Other Investments:

Equity	\$ 15,802,971
Equity/Real Estate	-
Equity-Foreign	-
Cash and Cash Equivalents	379,591
Total Investments	\$ 33,740,055

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Pension Trust Fund (at December 31, 2021)

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	\$ 590,404	\$ -	\$ -	\$ 261,213	\$ 329,191	\$ -	\$ -
Bond Mutual Fund	2,639,984	-	-	-	-	-	2,639,984
CMBS	1,204,924	-	80,399	-	117,371	1,007,154	-
Convertible Corporate Bond	2,121,359	-	343,640	1,777,719	-	-	-
Convertible Corporate Bond - Zero Coupon	474,627	-	-	424,579	50,048	-	-
Convertible Preferred Stock	920,344	-	315,272	16,484	-	588,588	-
Corp. Asset Backed - Paydown	8,041,754	10,328	138,689	3,312,260	1,363,336	3,217,141	-
Corporate Bond	33,024,222	-	991,377	6,188,306	18,608,596	7,235,943	-
Corporate Bond - Paydowns	607,420	-	-	30,022	38,714	538,684	-
Corporate Preferred	1,046	-	-	-	-	1,046	-
Equipment Trust - Paydown	109,053	-	-	-	109,053	-	-
Global Tip Bond	38,712	10,708	6,275	21,729	-	-	-
Non Agency RMBS	3,553,418	-	103,211	545,244	146,941	2,758,022	-
Taxable Muni	26,733	-	-	-	-	26,733	-
US Treasury Bonds	82,460	-	-	-	-	82,460	-
US Treasury Notes	7,931,114	831,809	6,133,168	966,137	-	-	-
Yankee Bonds	10,973,420	-	669,307	2,704,843	5,598,273	2,000,997	-
Yankee Convertible Bonds	179,812	-	-	179,812	-	-	-
Yankee DPI Bonds	271,087	-	-	-	125,732	145,355	-
Total Debt Securities	\$ 72,791,893	\$ 852,845	\$ 8,781,338	\$ 16,428,348	\$ 26,487,255	\$ 17,602,123	\$ 2,639,984

Other Investments:

Equities	\$ 1,999,531
Pooled Emerging Market/Other Equities	90,946,824
Pooled Domestic Equities	171,078,762
Pooled International Equities	39,407,505
Pooled Alternative Investments	52,275,985
Pooled Real Estate Funds	43,539,666
Total Investments	\$ 472,040,166

The following represent foreign assets the City has invested in (primary government, private purpose and custodial funds were immaterial):

Investment Type	Currency	Total Amount	Maximum Maturity (in years)	S&P Rating
Foreign Currency Risk				
<i>Pension Trust Fund (at December 31, 2021)</i>				
Corporate Bond	INR	\$ 401,127	2	AA
Corporate Bond	INR	160,086	2	NR
Corporate Bond	MXN	576,747	18	BBB+
Global Tip Bond	ARP	21,729	3	CCC+
Global Tip Bond	ARP	16,983	1	NR
Other Asset Backed Securities	CAD	64,918	3	AAA
Other Asset Backed Securities	CAD	90,045	9	NR
Other Investments (Hedge - CAD - USD, 3/16/2022)	CAD	(106,914)	0	NR
Total		\$ 1,224,721		

Continued

Note 4. Fair Value Disclosures – Primary Government, Private Purpose and Custodial 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, 2022:

Debt Securities:

- US Treasury and Other Government Securities of \$8,042,687 are valued using quoted market prices (Level 1 inputs)
- Corporate Bonds and Other Fixed Income Securities totaling \$9,456,297 are valued using quoted market prices (Level 1 inputs)
- Certificates of Deposit totaling \$58,508 are valued using quoted market prices (Level 1 inputs)

Equity Securities:

- Equities of \$15,802,971 are valued using quoted market prices (Level 1 inputs)

The City had no nonrecurring fair value measurements as of June 30, 2022.

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 \$3,196,175 as of June 30, 2022. 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, 2022 and BBB+ at June 30, 2021, per the most recently issued Pension Reserves Investment Trust Fund Annual Comprehensive Financial Report (ACFR).

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 ACFR, 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 ACFR.

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, 2021:

	December 31, 2021	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)
Investments by Fair Value Level:				
Equity Securities:				
BNY Mellon EB Dynamic Equity Pooled Fund	\$ 40,585,975	\$ 40,585,975	\$ -	\$ -
BNY Mellon EB US Small-Mid Cap Equity Fund	8,985,020	8,985,020	-	-
SSgA Russell 3000 Index NL Fund	69,016,086	69,016,086	-	-
Westfield All Cap Equity Collective Fund	52,491,681	52,491,681	-	-
SSgA MSCI EAFE Index NL Fund	39,407,505	39,407,505	-	-
Pooled Funds:				
Aberdeen Emerging Markets Equity Fund	15,829,919	15,829,919	-	-
Acadian Emerging Markets Equity II Fund LLC	22,305,404	22,305,404	-	-
PIMCO All Asset Collective Trust	52,811,501	52,811,501	-	-
Alternative Investments:				
NB Crossroads Fund XXI	12,787,841	-	-	12,787,841
Hamilton Lane Private Equity Fund IX LP	9,946,345	-	-	9,946,345
Hancock Timberland and Farmland Fund LP	10,583,811	-	-	10,583,811
Ironsides Co-Investment Fund VI LP	4,696,614	-	-	4,696,614
Ironsides Partnership Fund VI LP	60,933	-	-	60,933
Lexington Capital Partners VIII LP	7,511,076	-	-	7,511,076
Mesirow Financial Private Equity Partnership Fund V, LP	6,670,862	-	-	6,670,862
Wilton Private Equity Fund	18,503	-	-	18,503
Total investments by fair value level	<u>\$ 353,709,076</u>	<u>\$ 301,433,091</u>	<u>\$ -</u>	<u>\$ 52,275,985</u>
Total investments measured at fair value	<u>\$ 353,709,076</u>	<u>\$ 301,433,091</u>	<u>\$ -</u>	<u>\$ 52,275,985</u>
Other investments held:				
Investments Measured at Net Asset Value (NAV):				
UBS Asset Management - Trumbull Property Fund	\$ 19,354,549			
Loomis Multisector Full Discrn Tr B	74,791,424			
US Real Estate Investment Fund, LLC	<u>24,185,117</u>			
Total other investments held:	<u>118,331,090</u>			
Total investments held by the				
New Bedford Contributory Retirement System:	<u>\$ 472,040,166</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⁾	\$ 19,354,549	--	--	30 - 60 day
Loomis Multisector Full Discern Tr B ⁽²⁾	74,791,424	--	--	30 - 60 day
US Real Estate Investment Fund, LLC ⁽³⁾	24,185,117	--	--	30 - 60 day
Total investments measured at the NAV:	<u>\$ 118,331,090</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”),

Continued

- Futures contracts on foreign equity indices (“Foreign Equity Index Futures”),
- 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, 2022, \$1,097,136 and \$1,527,775 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, 2022, land inventory with an original basis of \$6,906,822 has been reported as \$1,527,775, net of amortization, and has been fully reserved as nonspendable fund balance. During fiscal year 2022, \$1,517,656 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			Non-Major Governmental	Total Governmental Activities	Major Funds				Total Business-Type Activities
	General	Wastewater	HOME Investment Program			Water	Airport	Downtown Parking	Cable	
Receivables:										
Real estate and personal property taxes	\$ 4,439,404	\$ -	\$ -	\$ -	\$ 4,439,404	\$ -	\$ -	\$ -	\$ -	\$ -
Tax liens and foreclosures	15,192,379	-	-	-	15,192,379	-	-	-	-	-
Motor vehicle and boat excise	3,632,648	-	-	-	3,632,648	-	-	-	-	-
User charges receivables	-	2,697,813	-	-	2,697,813	1,698,532	-	-	-	1,698,532
Departmental and other	7,054,806	103,246	-	-	7,158,052	-	-	-	-	-
Loans receivable	-	-	17,493,326	1,515,284	19,008,610	-	-	-	-	-
Other receivables	1,144,396	2,237	-	1,030,240	2,176,873	293,215	14,357	-	332,253	639,825
Special assessments	45,823	123,869	-	-	169,692	-	-	-	-	-
Due from federal or state government	-	-	-	14,050,728	14,050,728	-	-	-	-	-
Gross receivables (governmental and proprietary funds)	31,509,456	2,927,165	17,493,326	16,596,252	68,526,199	1,991,747	14,357	-	332,253	2,338,357
Less: allowance for uncollectable	(4,741,277)	-	-	(4,441,481)	(9,182,758)	(172,637)	(9,805)	-	-	(182,442)
Net total receivables (GWFS)	\$ 26,768,179	\$ 2,927,165	\$ 17,493,326	\$ 12,154,771	\$ 59,343,441	\$ 1,819,110	\$ 4,552	\$ -	\$ 332,253	\$ 2,155,915

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, 15 projects were active at fiscal year ended June 30, 2021 and compliant with the program's reporting requirements, which together have added \$38.1 million in new private-sector investment, while creating and retaining thousands of jobs in New Bedford. For the fiscal year ended June 30, 2022, the City abated property taxes totaling \$776,611 under this program.

Continued

Note 8. Capital Assets and Depreciation

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

	Governmental Activities:				Business-Type Activities:			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:								
Not Being Depreciated:								
Land	\$ 11,328,514	\$ 1,441,249	\$ 583,914	\$ 12,185,849	\$ 2,087,793	\$ -	\$ -	\$ 2,087,793
Construction in progress	73,667,840	16,157,221	40,109,808	49,715,253	-	423,515	-	423,515
Infrastructure in progress	6,310,051	2,352,761	5,010,881	3,651,931	41,764,611	-	-	41,764,611
Subtotal	91,306,405	19,951,231	45,704,603	65,553,033	43,852,404	423,515	-	44,275,919
Other Capital Assets:								
Infrastructure	211,865,881	18,961,774	237,286	230,590,369	150,417,264	1,714,701	392,264	151,739,701
Land improvements	10,460,112	17,413	146,293	10,331,232	621,822	5,036,248	8,312	5,649,758
Buildings and improvements	482,632,381	18,212,686	149,363	500,695,704	8,484,140	18,685	19,669	8,483,156
Machinery and equipment	53,130,213	1,384,378	1,662,958	52,851,633	6,384,669	91,049	95,723	6,379,995
Office equipment and furniture	12,554,987	366,954	337,069	12,584,872	26,649	-	26,649	-
Computer equipment	23,107,848	1,809,817	1,982,594	22,935,071	87,149	30,177	23,483	93,843
Library books and textbooks	5,880,745	-	(6,785)	5,887,530	-	-	-	-
Automobiles	24,435,161	1,342,098	535,593	25,241,666	2,227,057	-	27,950	2,199,107
Animals	51,857	-	-	51,857	-	-	-	-
Subtotal	824,119,185	42,095,120	5,044,371	861,169,934	168,248,750	6,890,860	594,050	174,545,560
Accumulated Depreciation:								
Infrastructure	139,509,800	4,139,255	105,513	143,543,542	76,682,652	4,560,143	250,968	80,991,827
Land improvements	2,589,003	710,889	80,296	3,219,596	406,251	156,882	6,062	557,071
Buildings and improvements	229,579,429	25,647,676	40,798	255,186,307	1,933,527	356,963	5,603	2,284,887
Machinery and equipment	45,456,452	2,602,611	1,376,978	46,682,085	6,155,868	102,058	84,906	6,173,020
Office equipment and furniture	12,073,556	257,642	301,586	12,029,612	26,649	-	26,649	-
Computer equipment	17,835,971	2,171,037	1,889,304	18,117,704	87,149	5,029	23,483	68,695
Library books and textbooks	5,771,045	108,350	(8,132)	5,887,527	-	-	-	-
Automobiles	15,865,987	2,665,094	486,236	18,044,845	1,867,621	141,639	27,950	1,981,310
Animals	48,659	680	-	49,339	-	-	-	-
Subtotal	468,729,902	38,303,234	4,272,579	502,760,557	87,159,717	5,322,714	425,621	92,056,810
Net other capital assets	355,389,283	3,791,886	771,792	358,409,377	81,089,033	1,568,146	168,429	82,488,750
Net capital assets	\$ 446,695,688	\$ 23,743,117	\$ 46,476,395	\$ 423,962,410	\$ 124,941,437	\$ 1,991,661	\$ 168,429	\$ 126,764,669

The total amount of net capital assets obtained through capital leases totaled \$28,507,464 at June 30, 2022. Total accumulated depreciation against these assets totaled \$15,537,288 at June 30, 2022. Under GASB Statement No. 87, *Leases*, these assets are considered an intangible “right-to-use” asset and are offset by a lease liability. These assets are included in the above note within their respective categories. For more information on the leases, please see Note 12 to the financial statements.

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

Governmental Activities:

General Government	\$ 2,259,187
Public Safety	3,194,759
Education	21,073,564
Public Works	8,613,988
Community and Economic Development	247,217
Health and Human Services	143,399
Culture and Recreation	<u>2,771,120</u>

Total Governmental Activities	<u>\$ 38,303,234</u>
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Business-Type Activities:

Water	2,628,399
Cable	5,029
Airport	2,407,324
Downtown Parking	<u>281,962</u>

Total Business-Type Activities	<u>\$ 5,322,714</u>
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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 \$22,682,509 for the fiscal year ended June 30, 2022 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 the individual’s creditable service. The amount determined by the benefit formula 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

Continued

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, 2022 (the most recent actuarial valuation date) the following employees were covered by the benefit terms:

Active plan members	2,217
Inactive employees or beneficiaries currently receiving benefits	1,813
Inactive employees entitled to a return of contributions	677
Subtotal	4,707
Number of participating employers	5

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 \$38,735,948 for the fiscal year ended June 30, 2022 as determined by PERAC. Of the \$38,735,948 contributed, \$33,851,345 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, 2022, the City's average contribution rate was approximately 35 percent of annual payroll.

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, 2021 (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, 2022 performed by KMS Actuaries, LLC. Update procedures were used to roll forward the total pension liability to the measurement date.

At June 30, 2022 (i.e. the "reporting date" as defined by GASB Statement No. 68), the System reported a net pension liability of \$340,255,806 while the City of New Bedford reported a liability of \$297,349,550 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. 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 2022 Actual Employer Contributions	Employer Allocation Percentage
City of New Bedford	\$ 33,851,345	87.3900%
New Bedford Housing Authority	2,603,056	6.7200%
Greater NB Regional Voc. Tech HS	1,692,761	4.3700%
Greater NB Regional Refuse Mgmt. District	360,244	0.9300%
Southeastern Regional Transit Authority	228,542	0.5900%
	\$ 38,735,948	100.0000%

At December 31, 2021, the City's proportion was 87.39 percent, which was a decrease of 0.23 percent from its proportion measured as of December 31, 2020.

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, 2021 measurement date is \$282.7 million based on an employer allocation percentage of 1.244833%. The Commonwealth contributed \$22.6 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, 2022, *the System* recognized pension expense of \$33,203,518. Of that amount, *the City* recognized pension expense of \$29,427,191. At June 30, 2022, *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	\$ 1,406,775	\$ 5,214,412
Changes of assumptions	42,370,576	-
Net difference between projected and actual earnings on pension plan investments	-	51,064,443
Changes in proportion and differences between System contributions and proportionate share of contributions	3,070,784	3,070,784
	\$ 46,848,135	\$ 59,349,639

Continued

At June 30, 2022, *the City* reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,229,381	\$ 4,556,875
Changes of assumptions	37,027,646	-
Net difference between projected and actual earnings on pension plan investments	-	44,625,217
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,347,603</u>	<u>711,482</u>
	<u>\$ 39,604,630</u>	<u>\$ 49,893,574</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:	
2022	\$ 334,640
2023	(11,591,886)
2024	(4,590,318)
2025	(305,498)
2026	<u>3,651,558</u>
Subtotal - all years	<u>\$ (12,501,504)</u>

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:	
2023	\$ 809,860
2024	(9,857,758)
2025	(3,966,102)
2026	(392,496)
2027	<u>3,117,552</u>
Subtotal - all years	<u>\$ (10,288,944)</u>

Actuarial assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- | | |
|------------------------------|--|
| 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, 2022 |
| 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 7.0% per annum. |
| 5. Salary Scale | It is assumed that salaries including longevity will increase at a rate between 4.25% and 7% per year dependent on years of service. |
| 6. Cost-of-Living Increases | Cost-of-living increases have been assumed to be 3.25% 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-2020. 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-2020. |

The actuarial assumptions used in the January 1, 2022 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 2022.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return (Average)</u>
Domestic Equities	32.00%	4.80%
International Equities	9.00%	5.00%
Emerging Markets Equities	9.00%	5.80%
Private Equity	10.00%	7.90%
Fixed Income	18.00%	0.30%
Real Estate	11.00%	3.10%
Alternatives (GTAA)	7.00%	2.60%
Timber	4.00%	2.70%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.0 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.

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, 2020	\$ 758,663,007	\$ 410,328,991	\$ 348,334,016
Changes for the year:			
Service cost	13,853,254	-	13,853,254
Interest on liability and service cost	55,923,961	-	55,923,961
Differences between expected and actual experience	(6,375,751)	-	(6,375,751)
Contributions - employer	-	38,735,948	(38,735,948)
Contributions - employee	-	11,017,886	(11,017,886)
Other payments	-	722,961	(722,961)
Net investment income	-	68,828,467	(68,828,467)
Change in assumptions	47,288,114	-	47,288,114
Benefit payments, including refunds of employee contributions	(53,726,898)	(53,726,898)	-
Administrative expense	-	(537,474)	537,474
Net changes	56,962,680	65,040,890	(8,078,210)
Balances at December 31, 2021	\$ 815,625,687	\$ 475,369,881	\$ 340,255,806

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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
New Bedford Contributory Retirement System's net pension liability	\$ 430,756,271	\$ 340,255,806	\$ 263,627,254

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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$ 376,437,906	\$ 297,349,550	\$ 230,383,858

Pension plan fiduciary net position. The market value of the pension trust fund at December 31, 2021 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, 2021.

Payables to the pension plan

At June 30, 2022, 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, 2022. The City paid-in 100% of its required appropriation.

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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, 2022 (the most recent valuation date), the following employees were covered by the benefit terms:

Active plan members	3,458
Retirees and Beneficiaries	<u>3,258</u>
Subtotal	<u><u>6,716</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 2022 fiscal year, total City premiums plus implicit costs for the retiree medical program are \$16,181,439. The City did make a current year contribution to the OPEB Trust.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions. The total OPEB liability in the June 30, 2022 actuarial valuation (rolled forward to the measurement date) was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2022
Reporting Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Investment Rate of Return:	3.5% (partial prefunding, rate is net of investment expenses) - <i>Prior Period was 2.5%</i>
Healthcare Cost Trend Rate:	Ultimate trend rate of 4.5% for 2022 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

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, 2022 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:

<u>Asset Class</u>	<u>Target Range %</u>	<u>Current Allocation</u>	<u>Long Term Expected Rate of Return (Average)</u>
Global equities	33 - 43%	37.3%	9.5%
Core fixed income	12 - 18%	14.5%	5.6%
Value-added fixed income	5 - 11%	6.8%	5.3%
Private equity	12 - 18%	18.4%	16.9%
Real estate	7 - 13%	10.6%	10.4%
Timberland	1 - 7%	3.2%	4.9%
Portfolio completion strategies	7 - 13%	8.6%	3.8%
Overlay	0%	0.6%	N/A
Liquidating portfolios	0%	0.0%	N/A
Total	N/A	100.0%	

Continued

Discount rate. The discount rate used to measure the total OPEB liability was 3.5 percent. In the prior year, the discount rate was 2.5 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.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at the beginning of the period	\$ 641,753,739	\$ 3,321,021	\$ 638,432,718
Changes for the year:			
Service cost	26,218,547	-	26,218,547
Interest	16,498,288	-	16,498,288
Differences between expected and actual experience	(34,967,753)	-	(34,967,753)
Changes in assumptions	(103,864,477)	-	(103,864,477)
Contributions - employer	-	16,181,439	(16,181,439)
Net investment income	-	(124,846)	124,846
Benefit payments, including refunds of employee contributions	(16,181,439)	(16,181,439)	-
Net changes	(112,296,834)	(124,846)	(112,171,988)
Balances at the end of the period	\$ 529,456,905	\$ 3,196,175	\$ 526,260,730

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB Liability	\$ 633,321,382	\$ 529,456,905	\$ 449,943,737
Less: Plan Fiduciary Net Position	(3,196,175)	(3,196,175)	(3,196,175)
Net OPEB Liability	\$ 630,125,207	\$ 526,260,730	\$ 446,747,562

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	\$ 441,498,210	\$ 529,456,905	\$ 647,263,078
Less: Plan Fiduciary Net Position	(3,196,175)	(3,196,175)	(3,196,175)
Net OPEB Liability	\$ 438,302,035	\$ 526,260,730	\$ 644,066,903

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.

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$34,448,762. At June 30, 2022, 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	\$ 38,704,753	\$ -
Changes of assumptions	-	102,728,252
Net difference between projected and actual earnings on pension plan investments	-	212,016
	<u>\$ 38,704,753</u>	<u>\$ 102,940,268</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:	
2023	\$ (12,453,981)
2024	(9,338,932)
2025	(4,255,011)
2026	(25,109,191)
2027	(13,078,400)
Thereafter	<u>-</u>
Subtotal - all years	<u>\$ (64,235,515)</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, 2021)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and short-term investments	\$ 3,567,245	\$ -	\$ 3,567,245
Investments:			
Fixed income securities	74,791,424	-	74,791,424
Stocks / equities	171,078,762	-	171,078,762
International equities	39,407,505	-	39,407,505
Pooled funds	90,946,824	-	90,946,824
Real estate	43,539,666	-	43,539,666
Alternative investments	52,275,985	-	52,275,985
Invested in the PRIT fund	-	3,196,175	3,196,175
Receivables, net of allowance or uncollectibles:			
Employee	140,395	-	140,395
Total assets	<u>475,747,806</u>	<u>3,196,175</u>	<u>478,943,981</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>\$ 475,747,806</u>	<u>\$ 3,196,175</u>	<u>\$ 478,943,981</u>
LIABILITIES			
Warrants, accounts, and accrued expenses payable	\$ 377,925	\$ -	\$ 377,925
Total liabilities	<u>377,925</u>	<u>-</u>	<u>377,925</u>
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted - other purposes	-	-	-
Restricted - OPEB benefits	-	3,196,175	3,196,175
Restricted - pension benefits	475,369,881	-	475,369,881
Total net position	<u>475,369,881</u>	<u>3,196,175</u>	<u>478,566,056</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 475,747,806</u>	<u>\$ 3,196,175</u>	<u>\$ 478,943,981</u>

Continued

	Pension Trust Fund (As of December 31, 2021)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
<u>ADDITIONS:</u>			
Contributions:			
Employer contributions	\$ 38,735,948	\$ -	\$ 38,735,948
Plan member contributions	11,017,886	-	11,017,886
Miscellaneous income	91,096	-	91,096
Total contributions	<u>49,844,930</u>	<u>-</u>	<u>49,844,930</u>
Net investment income:			
Dividends and interest	2,151,950	65,051	2,217,001
Net appreciation in fair value of investments	<u>70,102,810</u>	<u>(189,897)</u>	<u>69,912,913</u>
Total investment income	<u>72,254,760</u>	<u>(124,846)</u>	<u>72,129,914</u>
Less: investment expense	<u>3,517,389</u>	<u>-</u>	<u>3,517,389</u>
Net investment income	68,737,371	(124,846)	68,612,525
Intergovernmental	<u>722,961</u>	<u>-</u>	<u>722,961</u>
Total additions	<u>119,305,262</u>	<u>(124,846)</u>	<u>119,180,416</u>
<u>DEDUCTIONS:</u>			
Retirement benefits	50,245,812	-	50,245,812
Administration	537,474	-	537,474
Transfers, reimbursements and refunds	<u>3,481,086</u>	<u>-</u>	<u>3,481,086</u>
Total deductions	<u>54,264,372</u>	<u>-</u>	<u>54,264,372</u>
Change in net position	65,040,890	(124,846)	64,916,044
Net position - beginning of year	<u>410,328,991</u>	<u>3,321,021</u>	<u>413,650,012</u>
Net position - ending of year	<u>\$ 475,369,881</u>	<u>\$ 3,196,175</u>	<u>\$ 478,566,056</u>

Continued

Note 12. Commitments and Leases

The City has committed \$1,115,706 in encumbrances for purchase orders, contract, and judgments and claims in the General Fund and \$1,302,717 in the wastewater special revenue fund.

Capital Leases

In 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a *lessee* is required to recognize a lease liability and an intangible right to use lease asset, and a *lessor* is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The effective date was deferred to fiscal years beginning after June 15, 2021, or fiscal year 2022.

Right to Use Lease Assets

The City, through its Airport Enterprise Fund, has entered into various long-term lease agreements for the purpose of the right to the use of land and other space at its Municipal Airport. The initial term for these leases vary dependent on the terms and conditions of the lease. The leases expire at various dates through 2064 if all renewal options are exercised. For accounting purposes, the right to use lease asset is reported at the present value of the future minimum lease payments using a 3.5% interest rate. This rate was estimated based on the S&P 20-year high grade municipal bond index as of June 30, 2022.

The annual payments were used to calculate the present value of these leases. The leases do not convey ownership at the end of the lease, provide a purchase option or guaranteed residual value.

At June 30, 2022, the estimates of future payments to be received are as follows:

<u>Year Ended</u>		<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30</u>				
2023	\$	751,011	\$ 725,614	\$ 25,396
2024		542,453	506,386	36,067
2025		494,698	446,189	48,509
2026		504,484	439,628	64,855
2027		430,519	362,485	68,033
2028 - 2032		1,660,721	1,261,408	399,313
2033 - end		4,700,142	2,183,897	2,516,248
	\$	9,084,028	\$ 5,925,607	\$ 3,158,421

Right to Use Lease Liabilities

The City has entered into various lease agreements for the purpose of the right to use tangible assets, which consist primarily of public safety and public works vehicles and other equipment, and its Master Energy Management Services agreement with Siemens Industry Inc. (mentioned in further detail below). The initial term for these leases vary dependent on the terms and conditions of the lease. For accounting purposes, the right to use lease liability is reported at the present value of the future minimum lease payments using a 3.5% interest rate. This rate was estimated based on the S&P 20-year high grade municipal bond index as of June 30, 2022. These “right-to-use” lease assets are accounted for as capital assets within their respective categories as seen on the capital asset note (Note 8).

The annual payments were used to calculate the present value of these leases.

At June 30, 2022, the principal and interest requirements to maturity for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government</u>
2023	\$ 3,503,152	\$ 85,745	\$ 3,588,897
2024	3,239,814	-	3,239,814
2025	2,688,123	-	2,688,123
2026	2,406,800	-	2,406,800
2027	2,018,026	-	2,018,026
2028-2035	<u>7,521,986</u>	<u>-</u>	<u>7,521,986</u>
Minimum lease payments for all capital leases	\$ 21,377,901	\$ 85,745	\$ 21,463,646
Less: amount representing interest	<u>(2,375,121)</u>	<u>(2,327)</u>	<u>(2,377,448)</u>
Present value of net minimum lease payments	<u>\$ 19,002,780</u>	<u>\$ 83,418</u>	<u>\$ 19,086,198</u>

Additional Disclosure for 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.

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

Continued

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 \$1,118,762 as of June 30, 2022.

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, 2022, 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, 2022, however are 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.

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When profits are generated from the parking lot operations, the Harbor Development Commission will begin to pay back the City of New Bedford for the fixtures and equipment that the City placed into service to operate the parking lot. Five percent of any revenue over budgeted expenditures will be remitted to the Redevelopment Authority for their involvement in the project.

Note 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 14, 2022 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 2022, the total deferred asset (now classified as a “deferred outflow of resources”) related to debt refunding is \$907,995 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, 2022:

	<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 2021 Issuance	\$ 18,245,364	\$ -	\$ 18,245,364	\$ -	02/16/21	04/15/22	2.00%	\$ 424,712
BAN - Fiscal Year 2022 Issuance	-	37,822,432	-	37,822,432	04/14/22	04/13/23	3.00%	-
Total Capital Projects	<u>\$ 18,245,364</u>	<u>\$ 37,822,432</u>	<u>\$ 18,245,364</u>	<u>\$ 37,822,432</u>				<u>\$ 424,712</u>
Total Primary Government	<u>\$ 18,245,364</u>	<u>\$ 37,822,432</u>	<u>\$ 18,245,364</u>	<u>\$ 37,822,432</u>				<u>\$ 424,712</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 2023
Governmental Activities								
4.00-5.25% Revenue Bond	02/01/98-02/01/99	\$ 36,040,000	\$ -	\$ -	\$ 3,466,553	\$ 3,343,447	\$ 29,230,000	\$ 7,005,000
4.00-6.00% Revenue Bond	08/01/01-08/01/31	2,570,000	-	-	162,974	57,026	2,350,000	225,000
HUD 108 - 2003-A	02/01/04-08/01/22	215,000	-	-	105,000	-	110,000	110,000
.85% Revenue Bond	07/15/06-07/15/25	173,906	-	-	33,404	-	140,502	34,079
.85% Revenue Bond	02/15/07-02/15/27	3,113,291	-	-	175,726	-	2,937,565	179,828
Pool 11 MWPAT 03-36A	03/18/09-07/15/35	382,084	-	-	21,384	-	360,700	21,908
2.4 % Revenue Bond	07/08/10-07/15/40	4,923,544	-	-	194,121	-	4,729,423	196,837
General Obligation State Series A Bonds	06/14/12-06/30/32	1,190,000	-	-	105,000	-	1,085,000	110,000
General Obligation State Series B Series	06/14/12-06/30/32	2,955,000	-	-	220,000	-	2,735,000	225,000
MWPAT Series 16 CWS-09-12-A	06/13/12-01/15/43	8,351,241	-	-	287,654	-	8,063,587	294,996
General Obligation State Qualified	02/07/13-06/30/33	2,045,000	-	-	210,000	-	1,835,000	215,000
GO State Qualified School Project Loan, Ch 70B	02/06/14-06/30/39	8,185,000	-	-	330,000	-	7,855,000	345,000
General Obligation State Qualified	03/05/15-12/01/42	4,675,000	-	-	580,000	-	4,095,000	590,000
General Obligation Bonds Refunding	10/16/14-02/15/27	4,555,100	-	-	1,025,100	-	3,530,000	1,025,000
MCWT CWP-14-19	02/11/16-01/16/46	7,108,862	-	-	205,892	-	6,902,970	211,210
Municipal Purpose Loan of 2016 Bonds	02/04/16-06/30/44	9,415,000	-	-	940,000	-	8,475,000	970,000
Municipal Purpose Loan of 2017 Bonds	09/01/17-06/30/45	4,475,000	-	-	210,000	-	4,265,000	215,000
\$14.430M GO State Qualified Refunding Bonds	08/10/16-06/30/35	4,651,400	-	-	1,104,200	-	3,547,200	805,200
MCWT CW-13-04	07/15/17-01/15/37	1,744,809	-	-	92,356	-	1,652,453	94,363
MCWT CWP-14-19-A	07/15/17-01/15/47	2,431,287	-	-	66,759	-	2,364,528	68,483
SQ GO Bonds 2018 (General Fund)	09/1/18 - 06/30/46	17,520,000	-	-	540,000	-	16,980,000	530,000
General Obligation State Qualified 2019	09/01/19-03/01/48	8,160,000	-	-	150,000	-	8,010,000	195,000
\$1M MWPAT Fed Ln CW-16-37	9/12/18-7/15/2036	918,219	-	-	42,229	-	875,990	43,146
MCWT CW 17-10	01/15/20-7/15/39	4,458,640	-	-	195,464	-	4,263,176	196,071
Municipal Purpose Loan of 2020 Bonds	09/01/21-6/30/50	28,640,000	-	-	20,000	-	28,620,000	60,000
MCWT CW 17-09	05/11/21-7/15/26	474,700	-	-	90,901	-	383,799	92,878
MCWT CWP 17-16	05/11/21-1/15/51	6,158,058	-	-	143,015	-	6,015,043	146,416
MCWT CWP 17-17	05/11/21-7/15/41	1,387,889	-	-	56,142	-	1,331,747	57,362
MCWT CWP 17-16-A	5/11/21-1/15/51	926,670	-	-	21,521	-	905,149	22,033
MCWT CW 18-31	5/11/21-7/15/41	2,500,000	-	-	101,128	-	2,398,872	103,325
MCWT CWA 19-17	5/11/21-7/15/26	260,000	-	-	49,788	-	210,212	50,870
Municipal Purpose Loan of 2022	4/13/22-4/1/50	-	7,032,222	-	-	-	7,032,222	7,222
Compensated absences	N/A	12,826,229	7,007,775	-	5,748,100	-	14,085,904	7,043,705
Capital leases	N/A	21,129,435	711,839	-	2,838,494	-	19,002,780	2,969,915
Total Governmental Activities		\$ 214,560,364	\$ 14,751,836	\$ -	\$ 19,532,905	\$ 3,400,473	\$ 206,378,822	\$ 24,459,847

The Municipal Purpose Loan of 2022 was issued for the Carter Brooks Elementary School Repairs, Radio Communication Upgrades, Road Improvements, Buttonwood Park Zoo Improvements, Hillman Complex Improvements, Police Headquarters Renovations, City Hall Repairs and Airport Taxiway A Reconstruction.

	<u>Maturity Dates</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Advance Refunding Net of Refunding</u>	<u>City Retirements</u>	<u>State Subsidies</u>	<u>Ending Balance</u>	<u>Balance Due in 2023</u>
Business-Type Activities								
General Obligation State Qualified	02/07/13-06/30/33	\$ 530,000	\$ -	\$ -	\$ 40,000	\$ -	\$ 490,000	\$ 40,000
Municipal Purpose Loan of 2016 Bonds	02/04/16-06/30/44	280,000	-	-	10,000	-	270,000	10,000
General Obligation State Qualified 2019	09/01/19-03/01/48	395,000	-	-	10,000	-	385,000	10,000
Municipal Purpose Loan of 2022	4/13/22-4/1/50	-	202,778	-	-	-	202,778	17,778
Compensated absences	N/A	15,199	23,374	-	9,484	-	29,089	23,712
Total Airport Enterprise		<u>1,220,199</u>	<u>226,152</u>	<u>-</u>	<u>69,484</u>	<u>-</u>	<u>1,376,867</u>	<u>101,490</u>
Compensated absences	N/A	41,842	51,793	-	17,982	-	75,653	53,232
Total Cable Enterprise		<u>41,842</u>	<u>51,793</u>	<u>-</u>	<u>17,982</u>	<u>-</u>	<u>75,653</u>	<u>53,232</u>
SQ GO Bonds 2018 (Parking Fund)	09/1/18 - 06/30/46	3,080,000	-	-	75,000	-	3,005,000	75,000
General Obligation State Qualified 2019	09/01/19-03/01/48	1,715,000	-	-	35,000	-	1,680,000	40,000
Compensated absences		9,223	17,526	-	3,431	-	23,318	17,526
Total Downtown Parking Enterprise		<u>4,804,223</u>	<u>17,526</u>	<u>-</u>	<u>113,431</u>	<u>-</u>	<u>4,708,318</u>	<u>132,526</u>
.85% Revenue Bond	08/01/03-08/01/24	103,485	-	-	35,605	17,747	50,133	52,591
.85% Revenue Bond	08/01/03-08/01/24	205,000	-	-	69,005	30,995	105,000	105,000
.85% Revenue Bond	02/01/05-08/01/24	550,000	-	-	130,000	-	420,000	135,000
.85% Revenue Bond	02/01/05-08/01/24	1,074,414	-	-	252,403	-	822,011	264,855
2% MWPAT Bond	12/14/06 - 7/15/26	140,261	-	-	22,223	-	118,038	22,673
2% MWPAT Bond	12/14/06-07/15/26	2,077,595	-	-	329,186	-	1,748,409	335,836
.85% Revenue Bond	12/14/06-07/15/26	3,593,087	-	-	418,331	-	3,174,756	426,782
MWPAT Series 16 DW-09-23	06/13/12-01/15/33	1,243,299	-	-	91,800	-	1,151,499	93,795
Water Systems Improvements	8/10/16 - 3/1/35	3,308,600	-	-	185,800	-	3,122,800	94,860
Water Meter System	8/10/16 - 3/1/35	4,295,000	-	-	240,000	-	4,055,000	123,218
MCWT DWP-14-05	07/15/17-01/15/37	3,720,160	-	-	196,915	-	3,523,245	201,194
MCWT DWP-15-03	07/15/17-01/15/37	3,361,609	-	-	177,936	-	3,183,673	181,802
MCWT DWP 17-03	01/15/20-07/15/49	9,497,763	-	-	258,006	-	9,239,757	236,004
MCWT DWP 16-14	01/15/20-07/15/49	14,855,827	-	-	1,378,223	-	13,477,604	344,247
MCWT DWP 17-06	05/11/21-7/15/41	5,109,695	-	-	206,692	-	4,903,003	211,184
MCWT DWP 17-07	05/11/21-1/15/51	13,093,376	-	-	304,081	-	12,789,295	311,312
Compensated absences	N/A	178,490	303,035	-	66,226	-	415,299	306,072
Capital leases	N/A	164,573	-	-	81,154	-	83,419	83,419
Total Water Enterprise		<u>66,572,234</u>	<u>303,035</u>	<u>-</u>	<u>4,443,586</u>	<u>48,742</u>	<u>62,382,941</u>	<u>3,529,844</u>
Total Business-Type Activities		<u>\$ 72,638,498</u>	<u>\$ 598,506</u>	<u>\$ -</u>	<u>\$ 4,644,483</u>	<u>\$ 48,742</u>	<u>\$ 68,543,779</u>	<u>\$ 3,817,092</u>
Total Government-Wide		<u>\$ 287,198,862</u>	<u>\$ 15,350,342</u>	<u>\$ -</u>	<u>\$ 24,177,388</u>	<u>\$ 3,449,215</u>	<u>\$ 274,922,601</u>	<u>\$ 28,276,939</u>

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, cable access, downtown parking and water).

Debt service requirements to maturity:

Fiscal Year Ended June 30,	Total Principal	Total Interest	Total Debt	Less: Total Subsidized Payments MWPAT	Less: Total Subsidized Payments MWPAT	Less: Total Subsidized Payments MWPAT	Total City Debt Service (including interest cost less MWPAT interest)
				Principal (Sewer)	Principal (Water)	Interest (Total)	
2023	\$ 17,553,071	\$ 6,994,818	\$ 24,547,889	\$ 3,498,309	\$ 61,375	\$ 826,496	\$ 23,721,393
2024	17,655,371	6,328,959	23,984,330	3,604,095	22,062	563,845	23,420,485
2025	17,827,430	5,613,751	23,441,181	3,785,750	29,237	252,083	23,189,098
2026	18,131,860	5,161,269	23,293,129	3,848,606	-	220,333	23,072,796
2027	9,804,827	4,641,160	14,445,987	66,255	-	55,216	14,390,771
2028	8,988,338	4,329,957	13,318,295	70,758	-	45,091	13,273,204
2029	9,152,334	4,030,734	13,183,068	75,345	-	34,723	13,148,345
2030	8,977,588	3,733,452	12,711,040	80,099	-	23,973	12,687,067
2031	9,121,069	3,453,160	12,574,229	85,026	-	8,112	12,566,117
2032	8,901,625	3,185,100	12,086,725	-	-	-	12,086,725
2033	8,684,316	2,933,684	11,618,000	-	-	-	11,618,000
2034	8,730,354	2,702,192	11,432,546	-	-	-	11,432,546
2035	8,799,859	2,477,367	11,277,226	-	-	-	11,277,226
2036	8,196,591	2,256,026	10,452,617	-	-	-	10,452,617
2037	8,141,462	2,044,025	10,185,487	-	-	-	10,185,487
2038	7,712,209	1,828,315	9,540,524	-	-	-	9,540,524
2039	7,909,908	1,622,353	9,532,261	-	-	-	9,532,261
2040	7,257,395	1,426,012	8,683,407	-	-	-	8,683,407
2041	6,814,021	1,242,710	8,056,731	-	-	-	8,056,731
2042	6,106,887	1,069,196	7,176,083	-	-	-	7,176,083
2043	6,295,164	904,425	7,199,589	-	-	-	7,199,589
2044	5,714,197	741,853	6,456,050	-	-	-	6,456,050
2045	5,467,830	593,901	6,061,731	-	-	-	6,061,731
2046	5,292,761	445,900	5,738,661	-	-	-	5,738,661
2047	3,629,516	303,324	3,932,840	-	-	-	3,932,840
2048	3,412,526	215,047	3,627,573	-	-	-	3,627,573
2049	3,177,886	135,634	3,313,520	-	-	-	3,313,520
2050	2,824,333	65,483	2,889,816	-	-	-	2,889,816
2051	926,411	20,390	946,801	-	-	-	946,801
2052	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-
	<u>\$ 241,207,139</u>	<u>\$ 70,500,197</u>	<u>\$ 311,707,336</u>	<u>\$ 15,114,243</u>	<u>\$ 112,674</u>	<u>\$ 2,029,872</u>	<u>\$ 309,677,464</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 \$15,226,917 and interest costs totaling \$2,029,872. The principal subsidies are guaranteed and therefore a \$15,226,917 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, 2022, principal and interest subsidies from the MCWT totaled \$3,450,419 and \$1,087,486, 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, 2021, the principal and interest subsidies from the MCWT totaled \$3,282,267 and \$1,401,051, respectively.

The following is a summary of MCWT principal subsidies at June 30, 2022 by loan agreement:

	Wastewater Special Revenue	Water Enterprise	Total
Federal Loan 1998	\$ 14,429,309	\$ -	\$ 14,429,309
Series 6 99-26	441,506	-	441,506
Series 6 98-141	243,428	-	243,428
Total Governmental Activities	15,114,243	-	15,114,243
Series 8 DW 00-12	-	16,121	16,121
Pool 9 DW 00-12A	-	32,731	32,731
Pool 10 DW 02-13	-	21,491	21,491
Pool 10 DW 02-20	-	42,331	42,331
Total Business-Type Activities	-	112,674	112,674
Total Government-Wide	\$ 15,114,243	\$ 112,674	\$ 15,226,917

Authorized & Unissued Debt:

The City had debt authorized but unissued at June 30, 2022 as follows:

Purpose	Amount
Governmental Projects	\$ 27,657,957
School Projects	36,588,863
Airport Projects	15,298,524
Water & Sewer Projects	385,092,689
Total Authorized & Unissued:	\$ 464,638,033

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, 2022 is \$700,845,168, of which \$241,207,135 is outstanding and \$459,638,033 remains authorized but not yet issued. Gross debt includes \$393,882,036 exempt from the debt limit and \$306,963,132 subject to the normal debt limit. As of June 30, 2022, the City's normal debt limit is \$347,380,155.

Continued

Note 16. Fund Balance Classification Details

The components of fund balance for the City’s governmental funds as of June 30, 2022 are as follows:

	Major Funds				Non-Major Funds			Total
	General Fund	Wastewater	HOME Investment Program	West End Pressure 2nd Treatment	Special Revenue	Capital Projects	Permanent Trusts	
Fund Balances:								
Nonspendable:								
Long-term receivable - discretely presented component units	\$ 1,250,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250,790
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	1,527,775	-	-	-	246,918	-	-	1,774,693
Restricted for:								
General government activity	-	-	-	-	6,127,085	4,214,275	8,171	10,349,531
Public safety operations	-	-	-	-	2,628,360	-	-	2,628,360
Educational purposes	-	-	-	-	8,709,869	382,060	1,020,204	10,112,133
Public works	-	-	-	178,451	1,983,708	1,568,867	23,277	3,754,303
Community housing and development	-	-	3,039,040	-	582,109	-	-	3,621,149
Culture and recreational purposes	-	-	-	-	6,494,027	75,792	2,588,740	9,158,559
Health and human services	-	-	-	-	776,265	-	2,815,403	3,591,668
Wastewater debt service	-	2,939,752	-	-	-	-	-	2,939,752
Wastewater renewal and replacement	-	2,359,187	-	-	-	-	-	2,359,187
Committed to:								
Economic stabilization	5,832,967	-	-	-	-	-	-	5,832,967
General government activity	-	-	-	-	150,861	-	-	150,861
Public safety	-	-	-	-	377,861	-	-	377,861
Public works	-	-	-	-	1,137,811	-	-	1,137,811
Wastewater special projects	-	831,568	-	-	-	-	-	831,568
Wastewater operations	-	4,252,269	-	-	-	-	-	4,252,269
Assigned to:								
General government purposes	349,084	-	-	-	-	-	-	349,084
Police detail	621,051	-	-	-	-	-	-	621,051
Public works	311,745	1,302,717	-	-	-	-	-	1,614,462
Public safety operations	266,621	-	-	-	-	-	-	266,621
Health and human services	4,603	-	-	-	-	-	-	4,603
Educational purposes	226,652	-	-	-	-	-	-	226,652
Unassigned:	18,622,810	-	-	-	(2,503,051)	(11,048,113)	-	5,071,646
Total Net Position (Governmental Funds):	\$ 29,014,098	\$ 11,711,866	\$ 3,039,040	\$ 178,451	\$ 26,711,823	\$ (4,807,119)	\$ 11,583,206	\$ 77,431,365

At June 30, 2022, the balance of the stabilization funds (City and School) was \$5,832,967 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 as outlined in MGL Chapter 40 Section 5B. The additions to and conditions for appropriating the amounts within the stabilization funds rest with the City Council. A two-thirds vote is required by the City Council to add to or appropriate funds to or from the stabilization funds. At June 30, 2021 (the prior year), the balance of the stabilization funds was \$11,967,948.

At June 30, 2022, 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.

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	10,349,531
Public safety operations	2,628,360
Educational purposes	10,112,133
Public works	3,754,303
Community housing and development	3,621,149
Culture and recreational purposes	9,158,559
Health and human services	3,591,668
Wastewater debt service	2,939,752
Wastewater renewal and replacement	<u>2,359,187</u>
Total restricted net position - governmental activities	<u>\$ 53,642,053</u>
Water enterprise - restricted for stabilization fund	<u>3,546,541</u>
Total restricted net position - business-type activities	<u>\$ 3,546,541</u>
Total restricted net position - government-wide financial statements	<u>\$ 57,188,594</u>

In addition, at fiscal year ended June 30, 2022, management has designated within the water, airport, downtown parking and cable access enterprise funds amounts of \$118,216, \$0, \$5,050 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, 2021 and June 30, 2022 totaled \$3,761,714 and \$3,219,509 (respectively) and were recorded as a liability in the government-wide financial statements. The City estimated a current liability at June 30, 2022 of \$112,683 (3.5% of the estimated June 30, 2022 liability) based on historical analysis.

Continued

Note 19. Fund Deficits

The City had deficit fund balances present at June 30, 2022 in the following funds:

Capital Project Funds:

Parker Street Waste Site	\$ 205,581
South Public Safety Center	4,323,985
Communication Equipment \$1M Bond	2,545,004
Capital Project Initiative	2,409,834
Equipment \$3.3M Bond	418,278
Department Capital Uses	868,336
CSO & Integrated Capital Improvements	164,614
Hannigan Feasibility / Construction	45,000
Lincoln Elementary	21,881
DeValles Congdon	5,814
Airport Terminal	<u>39,786</u>
Total Capital Project Fund Deficits:	<u>\$ 11,048,113</u>
Deficits to be funded by future long-term debt issuances:	10,843,712
Deficits to be funded by future Federal and State grant funding:	<u>-</u>
Net Capital Project Fund Deficits at June 30, 2022:	<u>\$ 204,401</u>

Additionally, the city grants, other special revenue and school grant funds had total deficits of \$1,550,838 (predominantly the COVID-19 FEMA fund), \$439,292 and \$512,921, 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, 2022 is as follows:

	<u>2022</u>	<u>2021</u>
Health Claims - beginning of year	\$ 2,334,000	\$ 1,925,000
Incurred Claims	61,819,586	60,363,169
Payments of Health Claims	<u>(61,353,586)</u>	<u>(59,954,169)</u>
Health Claims - end of year	<u>\$ 2,800,000</u>	<u>\$ 2,334,000</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, 2022.

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, 2022, and through January 31, 2023, the date on which the financial statements were available to be issued.

On July 21, 2022, the City Council authorized leases for the purchase of two ambulances (a six year lease) and thirteen Police vehicles and six staff vehicles for the Fire Department (a five year lease). On that same date, the City Council also approved a loan order for \$5,000,000 to pay costs of acquiring the land and building at 449 North Street and for the remodeling, reconstruction and making of extraordinary repairs to the building and property for use as a central kitchen for the New Bedford Public Schools. The purchase and sale agreement was later authorized in November of 2022 for this property.

On August 18, 2022, the City Council authorized leases for the purchase of ten vehicles and two sander inserts (a five year lease).

On September 8, 2022, the City Council appropriated \$119,000,000 for the purpose of financing the cost of projects outlined in the City's Long Term CSO Control and Integrated Capital Improvements plan. On that same date, the City Council also appropriated \$10,270,000 for the purpose of making critically needed repairs to City-owned buildings, including but not limited to, projects for the repair and renovation of public safety facilities, recreational facilities, general office space and roads and infrastructure and all costs incidental and related thereto.

On December 6, 2022, the City Council appropriated \$1,705,504 for the purpose of purchasing and equipping two pumper trucks for the Fire Department.

Continued

Note 23. Future Implementation of GASB Pronouncements

The GASB has issued the following statements:

- GASB Statement No. 91, *Conduit Debt Obligations*, which is required to be implemented during fiscal year 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 92, *Omnibus 2020*, which is required to be implemented during fiscal year 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented during fiscal year 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented during fiscal year 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which is required to be implemented during fiscal year 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 99, *Omnibus 2022*, which is required to be implemented during fiscal years 2023 and 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is required to be implemented during fiscal year 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 101, *Compensated Absences*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

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. Restatement Note

In accordance with GASB Statement No. 84, *Fiduciary Activities*, the Employee Withholding fund, which was previously accounted for as a custodial fund, has been reclassified to the governmental funds (special revenue). The effect of this reclassification increased the governmental funds fund balance at July 1, 2021 by \$8,632,527 and decreased the custodial funds fund balance at July 2, 2021 by the same amount.

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Required Supplementary Information (Unaudited):

**General Fund – Schedule of Revenues and Expenditures – Budget and Actual – Budgetary Basis
Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>	<u>Variance</u>
<u>Revenues and other financing sources:</u>					
Tax collections net of refunds:					
Real estate and personal property taxes	\$ 139,054,313	\$ 141,206,922	\$ 140,571,494	\$ -	\$ (635,428)
Local Receipts:					
Motor vehicle excise	7,500,000	8,870,000	8,287,096	-	(582,904)
Other excise collections	1,323,000	1,627,924	1,909,833	-	281,909
Penalties and interest	1,203,275	1,525,000	1,415,574	-	(109,426)
Payments in lieu of taxes	479,000	479,000	353,869	-	(125,131)
Charges for services	1,163,451	1,129,398	880,005	-	(249,393)
Departmental revenues	10,758,850	8,679,600	10,012,577	-	1,332,977
Fines and forfeitures	132,000	134,000	163,604	-	29,604
Licenses and permits	3,769,492	3,415,002	3,757,948	-	342,946
Indirect charges	20,000	588,000	542,862	-	(45,138)
Earnings on investments	350,000	258,000	184,873	-	(73,127)
Miscellaneous recurring	-	-	1,121	-	1,121
Miscellaneous non-recurring	100,000	150,000	3,553	-	(146,447)
Governmental revenue	210,027,009	209,219,102	208,398,852	-	(820,250)
Other financing sources:					
Transfers from other funds	6,414,467	13,769,219	13,211,911	-	(557,308)
Transfers from free cash	120,000	(771,590)	(771,590)	-	-
Total revenues and other financing sources:	\$ 382,414,857	\$ 390,279,577	\$ 388,923,582	\$ -	\$ (1,355,995)
<u>Expenditures and other financing uses:</u>					
Current:					
<u>General Government</u>					
Assessors					
Salaries & Wages	\$ 609,596	\$ 594,596	\$ 576,034	\$ -	\$ 18,562
Charges & Services	161,051	161,051	148,486	-	12,565
Supplies & Materials	1,140	1,140	940	-	200
Total Assessors	771,787	756,787	725,460	-	31,327
Auditor					
Salaries & Wages	505,316	415,316	387,522	-	27,794
Charges & Services	30,182	120,182	117,099	-	3,083
Supplies & Materials	2,411	2,411	2,400	-	11
Total Auditor	537,909	537,909	507,021	-	30,888
Chief Financial Officer					
Salaries & Wages	331,162	258,162	214,787	-	43,375
Charges & Services	5,215	10,215	6,831	-	3,384
Supplies & Materials	950	950	419	-	531
Capital Outlay	800	800	-	-	800
Total Chief Financial Officer	338,127	270,127	222,037	-	48,090
City Clerk					
Salaries & Wages	388,540	388,540	380,179	-	8,361
Charges & Services	22,329	22,329	21,349	-	980
Supplies & Materials	2,600	2,600	1,868	-	732
Total City Clerk	\$ 413,469	\$ 413,469	\$ 403,396	\$ -	\$ 10,073

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
City Council					
Salaries & Wages	\$ 550,605	\$ 544,105	\$ 517,514	\$ -	\$ 26,591
Charges & Services	23,046	23,046	14,531	-	8,515
Supplies & Materials	9,500	9,500	3,318	-	6,182
Total City Council	583,151	576,651	535,363	-	41,288
Clerk of Committees					
Salaries & Wages	146,964	153,464	153,180	-	284
Charges & Services	8,766	8,766	4,506	-	4,260
Supplies & Materials	900	900	371	-	529
Total Clerk of Committees	156,630	163,130	158,057	-	5,073
Elections					
Salaries & Wages	393,621	323,621	309,294	-	14,327
Charges & Services	99,017	111,017	75,320	-	35,697
Supplies & Materials	3,008	10,608	9,422	-	1,186
Capital Outlay	2,545	52,945	19,319	33,125	501
Total Elections	498,191	498,191	413,355	33,125	51,711
Environmental Stewardship					
Salaries & Wages	456,098	456,098	426,111	-	29,987
Charges & Services	94,545	94,545	84,764	-	9,781
Supplies & Materials	2,025	2,025	1,284	-	741
Total Environmental Stewardship	552,668	552,668	512,159	-	40,509
General Government Unclassified					
Salaries & Wages	220,000	220,000	194,032	-	25,968
Charges & Services	10,271,488	11,098,928	11,356,787	186,777	(444,636)
Other Financing Uses	-	712,104	-	-	712,104
Total General Government Unclassified	10,491,488	12,031,032	11,550,819	186,777	293,436
Labor Relations					
Salaries & Wages	413,063	412,063	405,994	-	6,069
Charges & Services	7,295	8,295	7,788	-	507
Supplies & Materials	1,895	1,895	1,902	-	(7)
Total Labor Relations	422,253	422,253	415,684	-	6,569
Licensing					
Salaries & Wages	121,825	121,825	121,760	-	65
Charges & Services	11,692	11,692	11,674	-	18
Supplies & Materials	1,150	1,150	1,149	-	1
Total Licensing	134,667	134,667	134,583	-	84
Management Information System					
Salaries & Wages	872,440	803,121	799,614	-	3,507
Charges & Services	1,285,825	1,404,648	1,422,675	29,933	(47,960)
Supplies & Materials	8,590	8,590	7,571	-	1,019
Capital Outlay	141,000	141,000	151,479	59,565	(70,044)
Other Financing Uses	-	70,176	-	-	70,176
Total Management Information Systems	\$ 2,307,855	\$ 2,427,535	\$ 2,381,339	\$ 89,498	\$ (43,302)

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
Mayor					
Salaries & Wages	\$ 611,003	\$ 619,003	\$ 617,290	\$ -	\$ 1,713
Charges & Services	61,882	61,882	61,712	-	170
Supplies & Materials	3,600	3,600	3,511	-	89
Total Mayor	<u>676,485</u>	<u>684,485</u>	<u>682,513</u>	<u>-</u>	<u>1,972</u>
Planning & Community Development					
Salaries & Wages	439,758	379,758	379,593	-	165
Charges & Services	36,905	62,354	30,842	33,036	(1,524)
Supplies & Materials	250	250	244	-	6
Total Planning & Community Development	<u>476,913</u>	<u>442,362</u>	<u>410,679</u>	<u>33,036</u>	<u>(1,353)</u>
Planning Board					
Charges & Services	11,400	11,400	12,610	-	(1,210)
Total Planning Board	<u>11,400</u>	<u>11,400</u>	<u>12,610</u>	<u>-</u>	<u>(1,210)</u>
Purchasing					
Salaries & Wages	233,215	208,215	204,578	-	3,637
Charges & Services	105,308	105,308	84,702	-	20,606
Supplies & Materials	1,390	1,390	845	-	545
Total Purchasing	<u>339,913</u>	<u>314,913</u>	<u>290,125</u>	<u>-</u>	<u>24,788</u>
Solicitor					
Salaries & Wages	946,533	846,533	823,270	-	23,263
Charges & Services	95,173	104,194	78,528	6,648	19,018
Supplies & Materials	23,500	23,500	23,488	-	12
Total Solicitor	<u>1,065,206</u>	<u>974,227</u>	<u>925,286</u>	<u>6,648</u>	<u>42,293</u>
Treasurer					
Salaries & Wages	729,670	729,670	723,042	-	6,628
Charges & Services	283,318	283,318	200,313	-	83,005
Supplies & Materials	6,500	6,500	6,408	-	92
Total Treasurer	<u>1,019,488</u>	<u>1,019,488</u>	<u>929,763</u>	<u>-</u>	<u>89,725</u>
Total General Government	<u>\$ 20,797,600</u>	<u>\$ 22,231,294</u>	<u>\$ 21,210,249</u>	<u>\$ 349,084</u>	<u>\$ 671,961</u>
Public Safety					
Fire Department					
Salaries & Wages	17,736,137	21,692,137	20,293,967	-	1,398,170
Charges & Services	347,639	347,639	355,425	-	(7,786)
Supplies & Materials	203,025	203,025	202,811	-	214
Capital Outlay	836,452	836,452	834,989	-	1,463
Total Fire Department	<u>19,123,253</u>	<u>23,079,253</u>	<u>21,687,192</u>	<u>-</u>	<u>1,392,061</u>
Inspectional Services					
Salaries & Wages	1,100,605	965,605	948,376	-	17,229
Charges & Services	33,732	33,732	31,709	-	2,023
Supplies & Materials	10,180	10,180	5,983	-	4,197
Capital Outlay	24,400	24,400	24,400	-	-
Total Inspectional Services	<u>\$ 1,168,917</u>	<u>\$ 1,033,917</u>	<u>\$ 1,010,468</u>	<u>\$ -</u>	<u>\$ 23,449</u>

See accompanying independent auditor's report

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
Police					
Salaries & Wages	\$ 23,805,210	\$ 25,956,899	\$ 25,646,198	\$ -	\$ 310,701
Charges & Services	1,256,596	1,258,500	1,131,647	-	126,853
Supplies & Materials	143,665	158,389	139,112	5,178	14,099
Capital Outlay	520,324	1,070,324	808,881	261,443	-
Total Police	<u>25,725,795</u>	<u>28,444,112</u>	<u>27,725,838</u>	<u>266,621</u>	<u>451,653</u>
Traffic Commission					
Salaries & Wages	294,043	234,043	227,975	-	6,068
Charges & Services	142,685	129,685	81,228	-	48,457
Supplies & Materials	35,900	35,900	30,964	-	4,936
Capital Outlay	20,000	-	-	-	-
Other Financing Uses	-	20,000	20,000	-	-
Total Traffic Commission	<u>492,628</u>	<u>419,628</u>	<u>360,167</u>	<u>-</u>	<u>59,461</u>
Emergency Medical Services					
Salaries & Wages	2,842,101	2,725,101	3,101,735	-	(376,634)
Charges & Services	260,350	337,350	362,460	-	(25,110)
Supplies & Materials	209,575	249,575	235,877	-	13,698
Capital Outlay	262,698	262,698	257,158	-	5,540
Total Emergency Medical Services	<u>3,574,724</u>	<u>3,574,724</u>	<u>3,957,230</u>	<u>-</u>	<u>(382,506)</u>
Total Public Safety	<u>\$ 50,085,317</u>	<u>\$ 56,551,634</u>	<u>\$ 54,740,895</u>	<u>\$ 266,621</u>	<u>\$ 1,544,118</u>
Public Works					
Facilities & Fleet Management					
Salaries & Wages	3,873,946	3,235,946	3,173,110	-	62,836
Charges & Services	2,981,443	3,265,893	3,242,891	96,480	(73,478)
Supplies & Materials	1,592,250	1,842,250	1,981,766	4,766	(144,282)
Capital Outlay	778,540	804,898	758,046	27,595	19,257
Total Facilities & Fleet Management	<u>9,226,179</u>	<u>9,148,987</u>	<u>9,155,813</u>	<u>128,841</u>	<u>(135,667)</u>
Greater New Bedford Refuse Management District					
Charges & Services	734,556	734,556	734,556	-	-
Total Greater New Bedford Refuse Management District	<u>734,556</u>	<u>734,556</u>	<u>734,556</u>	<u>-</u>	<u>-</u>
Public Infrastructure					
Salaries & Wages	3,037,650	2,837,650	2,681,542	-	156,108
Charges & Services	713,204	1,027,333	770,289	170,667	86,377
Supplies & Materials	773,214	773,214	698,963	3,732	70,519
Capital Outlay	132,722	287,947	256,464	8,505	22,978
Total Public Infrastructure	<u>4,656,790</u>	<u>4,926,144</u>	<u>4,407,258</u>	<u>182,904</u>	<u>335,982</u>
Snow Removal					
Salaries & Wages	450,000	387,000	376,234	-	10,766
Total Snow Removal	<u>450,000</u>	<u>387,000</u>	<u>376,234</u>	<u>-</u>	<u>10,766</u>
Total Public Works	<u>\$ 15,067,525</u>	<u>\$ 15,196,687</u>	<u>\$ 14,673,861</u>	<u>\$ 311,745</u>	<u>\$ 211,081</u>
Education					
Greater NB Regional Vocational Technical High School					
Charges & Services	6,400,222	6,400,222	6,221,825	-	178,397
Total Greater NB Regional Vocational Technical High School	<u>\$ 6,400,222</u>	<u>\$ 6,400,222</u>	<u>\$ 6,221,825</u>	<u>\$ -</u>	<u>\$ 178,397</u>

See accompanying independent auditor's report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>	<u>Variance</u>
School Department					
Salaries & Wages	\$ 125,451,417	\$ 125,079,886	\$ 126,222,439	\$ -	\$ (1,142,553)
General Expenses	66,786,083	67,373,426	66,198,872	226,652	947,902
Total School Department	<u>192,237,500</u>	<u>192,453,312</u>	<u>192,421,311</u>	<u>226,652</u>	<u>(194,651)</u>
Total Education	<u>198,637,722</u>	<u>198,853,534</u>	<u>198,643,136</u>	<u>226,652</u>	<u>(16,254)</u>
<u>Health & Human Services</u>					
Community Services					
Salaries & Wages	879,346	879,346	830,192	-	49,154
Charges & Services	303,851	303,851	286,651	-	17,200
Supplies & Materials	19,140	19,140	16,928	-	2,212
Total Community Services	<u>1,202,337</u>	<u>1,202,337</u>	<u>1,133,771</u>	<u>-</u>	<u>68,566</u>
Health					
Salaries & Wages	954,588	634,588	772,829	-	(138,241)
Charges & Services	103,395	138,395	109,575	-	28,820
Supplies & Materials	25,190	25,190	24,639	-	551
Capital Outlay	8,618	8,618	1,331	-	7,287
Total Health	<u>1,091,791</u>	<u>806,791</u>	<u>908,374</u>	<u>-</u>	<u>(101,583)</u>
Veterans					
Salaries & Wages	254,241	257,241	257,011	-	230
Charges & Services	2,112,550	2,107,050	1,732,825	-	374,225
Supplies & Materials	16,300	18,800	17,204	-	1,596
Total Veterans	<u>2,383,091</u>	<u>2,383,091</u>	<u>2,007,040</u>	<u>-</u>	<u>376,051</u>
Total Health & Human Services	<u>4,677,219</u>	<u>4,392,219</u>	<u>4,049,185</u>	<u>-</u>	<u>343,034</u>
<u>Culture & Recreation</u>					
Library					
Salaries & Wages	1,700,557	1,700,557	1,698,391	-	2,166
Charges & Services	798,113	798,113	840,374	-	(42,261)
Supplies & Materials	104,700	104,700	103,605	-	1,095
Total Library	<u>2,603,370</u>	<u>2,603,370</u>	<u>2,642,370</u>	<u>-</u>	<u>(39,000)</u>
Recreation and Parks					
Salaries & Wages	604,078	604,078	476,761	-	127,317
Charges & Services	20,550	20,550	20,075	4,603	(4,128)
Supplies & Materials	3,120	3,120	2,971	-	149
Total Recreation and Parks	<u>627,748</u>	<u>627,748</u>	<u>499,807</u>	<u>4,603</u>	<u>123,338</u>
Tourism / Marketing					
Salaries & Wages	135,323	85,323	68,678	-	16,645
Charges & Services	290,000	290,000	295,143	-	(5,143)
Supplies & Materials	3,000	3,000	132	-	2,868
Total Tourism / Marketing	<u>\$ 428,323</u>	<u>\$ 378,323</u>	<u>\$ 363,953</u>	<u>\$ -</u>	<u>\$ 14,370</u>

	Original Budget	Final Budget	Actual	Encumbrances Carried Forward	Variance
Zoo					
Salaries & Wages	\$ 1,332,998	\$ 1,273,298	\$ 1,200,295	\$ -	\$ 73,003
Charges & Services	102,146	121,983	132,010	-	(10,027)
Supplies & Materials	244,700	286,700	281,507	-	5,193
Capital Outlay	7,645	5,508	5,508	-	-
Total Zoo	<u>1,687,489</u>	<u>1,687,489</u>	<u>1,619,320</u>	<u>-</u>	<u>68,169</u>
Total Culture & Recreation	<u>5,346,930</u>	<u>5,296,930</u>	<u>5,125,450</u>	<u>4,603</u>	<u>166,877</u>
Other					
Debt					
Other Charges	<u>8,562,757</u>	<u>8,562,757</u>	<u>8,548,887</u>	<u>-</u>	<u>13,870</u>
Total Debt	<u>8,562,757</u>	<u>8,562,757</u>	<u>8,548,887</u>	<u>-</u>	<u>13,870</u>
Health Insurance					
Charges & Services	<u>18,088,617</u>	<u>18,088,617</u>	<u>18,007,794</u>	<u>-</u>	<u>80,823</u>
Total Health Insurance	<u>18,088,617</u>	<u>18,088,617</u>	<u>18,007,794</u>	<u>-</u>	<u>80,823</u>
Life Insurance					
Charges & Services	<u>300,000</u>	<u>300,000</u>	<u>165,343</u>	<u>-</u>	<u>134,657</u>
Total Life Insurance	<u>300,000</u>	<u>300,000</u>	<u>165,343</u>	<u>-</u>	<u>134,657</u>
Pension Contribution					
Charges & Services	<u>33,887,885</u>	<u>33,887,885</u>	<u>33,887,885</u>	<u>-</u>	<u>-</u>
Total Pension Contribution	<u>33,887,885</u>	<u>33,887,885</u>	<u>33,887,885</u>	<u>-</u>	<u>-</u>
State Assessments					
Cherry Sheet Assessments	<u>26,963,285</u>	<u>26,918,020</u>	<u>26,493,234</u>	<u>-</u>	<u>424,786</u>
Total State Assessments	<u>26,963,285</u>	<u>26,918,020</u>	<u>26,493,234</u>	<u>-</u>	<u>424,786</u>
Total Other	<u>87,802,544</u>	<u>87,757,279</u>	<u>87,103,143</u>	<u>-</u>	<u>654,136</u>
Total expenditures and other financing uses:	<u>\$ 382,414,857</u>	<u>\$ 390,279,577</u>	<u>\$ 385,545,919</u>	<u>\$ 1,158,705</u>	<u>\$ 3,574,953</u>
Excess (deficiency) of revenues and other financing sources over (under) of expenditures and other financing uses:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,377,663</u>	<u>\$ (1,158,705)</u>	<u>\$ 2,218,958</u>
Budgetary fund balance - beginning of year			<u>26,072,737</u>		
Budgetary fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,450,400</u>		

See accompanying independent auditor's report

**Wastewater Special Revenue Fund – Schedule of Revenues and Expenditures – Budget and Actual – Budgetary Basis
Year Ended June 30, 2022**

	<u>Original Budget</u>					
	<u>Encumbrances Carried Forward</u>	<u>Budget As Adopted</u>	<u>Available for Current Year Expenditures</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>	<u>Variance</u>
Revenues and other:						
Charges for services	\$ -	\$ 27,381,558	\$ 27,381,558	\$ 26,418,205	\$ -	\$ (963,353)
Liens and penalties	-	150,000	150,000	165,497	-	15,497
Departmental and other	-	13,561	13,561	89,593	-	76,032
Special assessments	-	9,178	9,178	11,219	-	2,041
Earnings on investments	-	149,723	149,723	139,683	-	(10,040)
Transfers in	-	-	-	1,137	-	1,137
Total Revenues and other:	-	27,704,020	27,704,020	26,825,334	-	(878,686)
Expenditures:						
Salaries and Wages	-	2,104,809	2,104,809	1,707,523	-	397,286
Purchase of Services	405,184	14,167,030	14,572,214	12,491,531	1,173,665	907,018
Materials and Supplies	-	397,000	397,000	390,638	-	6,362
Capital Outlay	295,600	722,969	1,018,569	764,925	129,052	124,592
Debt Service / Other Charges	-	10,312,212	10,312,212	9,942,954	-	369,258
Total Expenditures	700,784	27,704,020	28,404,804	25,297,571	1,302,717	1,804,516
Excess (deficiency) of revenues over expenditures	\$ (700,784)	\$ -	\$ (700,784)	\$ 1,527,763	\$ (1,302,717)	\$ 925,830

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, 2022 are as follows:

	<u>Governmental Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Wastewater</u>
Revenues and other financing sources:		
GAAP Basis	\$ 412,963,014	\$ 26,804,423
Adjustments:		
Change in real estate and personal property taxes 60 day accruals	205,881	-
MTRB on-behalf payments	(22,682,509)	-
Issuance of capital leases at NPV	(774,505)	-
Stabilization fund - income statement activity	(16,709)	-
Free cash utilized for budgetary basis	(771,590)	-
Increases to deferred revenues		
GAAP basis only	-	20,912
Budgetary Basis	<u>\$ 388,923,582</u>	<u>\$ 26,825,335</u>
Expenditures and other financing uses:		
GAAP Basis	\$ 416,672,279	\$ 25,297,572
Adjustments:		
MTRB on-behalf payments	(22,682,509)	-
Issuance of capital leases	(774,505)	-
Unbudgeted deferral of tax possessions reclassified for FS presentation	(1,517,655)	-
Stabilization fund - income statement activity	(6,151,689)	-
Budgetary Basis	<u>\$ 385,545,921</u>	<u>\$ 25,297,572</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability					
Service cost	\$ 13,853,254	\$ 13,384,786	\$ 13,299,628	\$ 12,788,104	\$ 10,287,007
Interest on liability and service cost	55,923,961	54,766,734	53,440,073	52,379,302	47,620,499
Differences between expected and actual experience	(6,375,751)	-	427,538	-	24,494,556
Changes in assumptions	47,288,114	-	2,746,110	-	49,300,676
Benefit payments, including refunds of employee contributions	(53,726,898)	(52,653,704)	(51,965,670)	(51,104,978)	(49,437,397)
Interest on benefit	-	-	-	-	-
Net change in total pension liability	56,962,680	15,497,816	17,947,679	14,062,428	82,265,341
Total pension liability - beginning	<u>758,663,007</u>	<u>743,165,191</u>	<u>725,217,512</u>	<u>711,155,084</u>	<u>628,889,743</u>
Total pension liability - ending (a)	\$ 815,625,687	\$ 758,663,007	\$ 743,165,191	\$ 725,217,512	\$ 711,155,084
Plan fiduciary net position					
Contributions - employer	\$ 38,735,948	\$ 36,751,374	\$ 34,868,476	\$ 33,082,046	\$ 32,069,145
Contributions - employee	11,017,886	10,803,311	10,839,234	9,977,696	9,620,489
Other payments	722,961	887,124	871,534	981,322	956,887
Net investment income	68,828,467	49,669,473	59,077,910	(16,458,511)	52,511,151
Benefit payments, including refunds of employee contributions	(53,726,898)	(52,653,704)	(51,965,670)	(51,104,978)	(49,437,397)
Administrative expense	(537,474)	(457,153)	(557,897)	(582,690)	(546,865)
Adjust assets to market value	-	-	-	-	-
Net change in plan fiduciary net position	65,040,890	45,000,425	53,133,587	(24,105,115)	45,173,410
Plan fiduciary net position - beginning	<u>410,328,991</u>	<u>365,328,566</u>	<u>312,194,979</u>	<u>336,300,094</u>	<u>291,126,684</u>
Plan fiduciary net position - ending (b)	\$ 475,369,881	\$ 410,328,991	\$ 365,328,566	\$ 312,194,979	\$ 336,300,094
System's net pension liability - ending (a) - (b)	\$ 340,255,806	\$ 348,334,016	\$ 377,836,625	\$ 413,022,533	\$ 374,854,990
Plan fiduciary net position as a percentage of the total pension liability	58.28%	54.09%	49.16%	43.05%	47.29%
Covered payroll	\$ 103,231,391	\$ 101,040,225	\$ 97,431,898	\$ 93,827,452	\$ 90,685,169
System's net pension liability as a percentage of covered payroll	329.60%	344.75%	387.80%	440.19%	413.36%

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>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 9,987,385	\$ 10,680,565	\$ 10,369,481
Interest on liability and service cost	46,957,922	48,758,434	47,840,671
Differences between expected and actual experience	-	10,187,503	-
Changes in assumptions	-	(21,419,864)	-
Benefit payments, including refunds of employee contributions	(47,075,331)	(45,901,874)	(44,969,104)
Interest on benefit	-	(1,745,509)	(1,710,039)
Net change in total pension liability	9,869,976	559,255	11,531,009
Total pension liability - beginning	619,019,767	618,460,512	606,929,503
Total pension liability - ending (a)	<u>\$ 628,889,743</u>	<u>\$ 619,019,767</u>	<u>\$ 618,460,512</u>
Plan fiduciary net position			
Contributions - employer	\$ 30,810,829	\$ 29,758,906	\$ 28,253,951
Contributions - employee	9,042,514	9,305,456	8,457,273
Other payments	969,196	1,025,323	1,057,391
Net investment income	23,322,337	(3,014,143)	16,227,627
Benefit payments, including refunds of employee contributions	(47,075,331)	(45,901,874)	(44,969,104)
Administrative expense	(617,024)	(562,794)	(547,593)
Adjust assets to market value	-	1,576,360	(1,992,203)
Net change in plan fiduciary net position	16,452,521	(7,812,766)	6,487,342
Plan fiduciary net position - beginning	274,674,163	282,486,929	275,999,587
Plan fiduciary net position - ending (b)	<u>\$ 291,126,684</u>	<u>\$ 274,674,163</u>	<u>\$ 282,486,929</u>
System's net pension liability - ending (a) - (b)	<u>\$ 337,763,059</u>	<u>\$ 344,345,604</u>	<u>\$ 335,973,583</u>
Plan fiduciary net position as a percentage of the total pension liability	46.29%	44.37%	45.68%
Covered payroll	\$ 92,695,007	\$ 89,560,393	\$ 84,425,116
System's net pension liability as a percentage of covered payroll	364.38%	384.48%	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.

See accompanying independent auditor's report

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability (asset)	87.3900%	87.6200%	87.5500%	87.1091%	86.5059%
City's proportionate share of the net pension liability (asset)	\$ 297,349,550	\$ 305,210,265	\$ 330,795,970	\$ 359,780,192	\$ 324,271,782
City's covered payroll	\$ 90,961,757	\$ 88,502,258	\$ 85,231,809	\$ 82,151,215	\$ 79,019,735
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	326.90%	383.55%	388.11%	437.95%	410.37%
Plan fiduciary net position as a percentage of the total pension liability	58.28%	54.09%	49.16%	43.05%	47.29%
	<u>2017</u>	<u>2016</u>	<u>2015</u>		
City's proportion of the net pension liability (asset)	86.7370%	86.2969%	86.4768%		
City's proportionate share of the net pension liability (asset)	\$ 292,965,416	\$ 299,409,245	\$ 288,816,402		
City's covered payroll	\$ 80,400,833	\$ 77,287,856	\$ 73,420,569		
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	364.38%	387.39%	393.37%		
Plan fiduciary net position as a percentage of the total pension liability	46.29%	44.37%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 38,735,948	\$ 36,751,374	\$ 34,868,476	\$ 33,082,046	\$ 32,069,145
System contributions in relation to the actuarially determined contribution	<u>38,735,948</u>	<u>36,751,374</u>	<u>34,868,476</u>	<u>33,082,046</u>	<u>32,069,145</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 103,231,391	\$ 101,040,225	\$ 97,431,898	\$ 93,827,452	\$ 90,685,169
Contributions as a percentage of covered payroll	37.52%	36.37%	35.79%	35.26%	35.36%

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 30,810,829	\$ 29,758,906	\$ 28,253,951
System contributions in relation to the actuarially determined contribution	<u>30,810,829</u>	<u>29,821,401</u>	<u>28,253,951</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (62,495)</u>	<u>\$ -</u>
Covered payroll	\$ 92,695,007	\$ 89,560,393	\$ 84,425,116
Contributions as a percentage of covered payroll	33.24%	33.30%	33.47%

Notes to Schedule**Valuation Date:**

The January 1, 2022 actuarial valuation was rolled forward, in accordance with the parameters of GASB Statement No. 68, to December 31, 2021, 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's contractually required contribution	\$ 33,851,345	\$ 32,201,554	\$ 30,527,351	\$ 28,817,471	\$ 27,741,711
City's contributions in relation to the contractually required contribution	<u>33,851,345</u>	<u>32,201,554</u>	<u>30,527,351</u>	<u>28,817,471</u>	<u>27,741,711</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 100,987,191	\$ 90,819,339	\$ 87,540,589	\$ 85,934,427	\$ 85,226,392
Contributions as a percentage of covered payroll	33.52%	35.46%	34.87%	35.08%	35.11%

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's contractually required contribution	\$ 26,724,377	\$ 25,734,949	\$ 24,433,112
City's contributions in relation to the contractually required contribution	<u>26,724,377</u>	<u>25,734,949</u>	<u>24,433,112</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 79,718,484	\$ 79,184,083	\$ 77,533,906
Contributions as a percentage of covered payroll	33.24%	33.30%	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

Annual money-weighted rate of return, net of investment expense	<u>12/31/2021</u> 17.16%	<u>12/31/2020</u> 13.97%	<u>12/31/2019</u> 19.47%	<u>12/31/2018</u> -5.75%	<u>12/31/2017</u> 18.34%
Annual money-weighted rate of return, net of investment expense	<u>12/31/2016</u> 9.21%	<u>12/31/2015</u> -0.46%	<u>12/31/2014</u> 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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Schedule of Changes in the City's Net OPEB Liability and Related Ratios – Other Post-Employment Benefits

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 26,218,547	\$ 19,793,758	\$ 18,941,395	\$ 18,125,737	\$ 17,345,203
Interest on liability and service cost	16,498,288	15,859,229	20,229,162	19,426,065	18,258,007
Differences between expected and actual experience	(34,967,753)	-	(46,043,123)	-	(9,785,838)
Changes in assumptions	(103,864,477)	-	117,449,904	-	22,318,271
Benefit payments, including refunds of employee contributions	(16,181,439)	(16,845,353)	(16,119,955)	(17,767,957)	(17,767,957)
Net change in total OPEB liability	(112,296,834)	18,807,634	94,457,383	19,783,845	30,367,686
Total OPEB liability - beginning	<u>\$ 641,753,739</u>	<u>\$ 622,946,105</u>	<u>528,488,722</u>	<u>508,704,877</u>	<u>478,337,191</u>
Total OPEB liability - ending (a)	<u>\$ 529,456,905</u>	<u>\$ 641,753,739</u>	<u>\$ 622,946,105</u>	<u>\$ 528,488,722</u>	<u>\$ 508,704,877</u>
Plan fiduciary net position					
Contributions - employer	\$ 16,181,439	\$ 16,092,210	\$ 14,843,263	18,222,957	150,000
Net investment income	(124,846)	696,466	43,912	97,711	119,070
Benefit payments, including refunds of employee contributions	(16,181,439)	(15,511,210)	(14,843,263)	(17,767,957)	-
Administrative expense	-	-	(4,488)	-	(4,487)
Net change in plan fiduciary net position	(124,846)	1,277,466	39,424	552,711	264,583
Plan fiduciary net position - beginning	<u>3,321,021</u>	<u>2,043,555</u>	<u>2,004,131</u>	<u>1,451,420</u>	<u>1,186,837</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,196,175</u>	<u>\$ 3,321,021</u>	<u>\$ 2,043,555</u>	<u>\$ 2,004,131</u>	<u>\$ 1,451,420</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 526,260,730</u>	<u>\$ 638,432,718</u>	<u>\$ 620,902,550</u>	<u>\$ 526,484,591</u>	<u>\$ 507,253,457</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.60%	0.52%	0.33%	0.38%	0.29%
Covered-employee payroll*	\$ 199,826,025	\$ 189,303,824	\$ 182,902,245	\$ 180,556,037	\$ 174,450,277
City's net OPEB liability as a percentage of covered employee payroll	263.36%	337.25%	339.47%	291.59%	290.77%

* - 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 Changes in the City's Net OPEB Liability and Related Ratios – Other Post-Employment Benefits
(Continued)**

	<u>2017</u>
Total OPEB liability	
Service cost	\$ 14,481,690
Interest on liability and service cost	17,592,103
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of employee contributions	<u>(16,602,496)</u>
Net change in total OPEB liability	15,471,297
Total OPEB liability - beginning	462,865,894
Total OPEB liability - ending (a)	<u>\$ 478,337,191</u>
Plan fiduciary net position	
Contributions - employer	270,000
Net investment income	112,330
Benefit payments, including refunds of employee contributions	-
Administrative expense	<u>(2,561)</u>
Net change in plan fiduciary net position	379,769
Plan fiduciary net position - beginning	807,068
Plan fiduciary net position - ending (b)	<u>\$ 1,186,837</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 477,150,354</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.25%
Covered-employee payroll*	\$ 158,014,676
City's net OPEB liability as a percentage of covered employee payroll	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.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 42,716,862	\$ 17,530,168	\$ 39,170,557	\$ 19,231,134	\$ 16,018,219
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>581,000</u>	<u>-</u>	<u>455,000</u>	<u>270,000</u>
Contribution deficiency (excess)	<u>\$ 42,716,862</u>	<u>\$ 16,949,168</u>	<u>\$ 39,170,557</u>	<u>\$ 18,776,134</u>	<u>\$ 17,497,957</u>
Covered-employee payroll*	\$ 199,826,025	\$ 189,303,824	\$ 182,902,245	\$ 180,556,037	\$ 174,450,277
Contributions as a percentage of covered-employee payroll	0.00%	0.31%	0.00%	0.25%	0.15%
	<u>2017</u>				
Actuarially determined contribution	\$ 17,102,496				
Contributions in relation to the actuarially determined contribution	<u>270,000</u>				
Contribution deficiency (excess)	<u>\$ 16,832,496</u>				
Covered-employee payroll*	\$ 158,014,676				
Contributions as a percentage of covered-employee payroll	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>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Annual money-weighted rate of return, net of investment expense	-2.95%	29.90%	2.40%	6.12%	7.89%
	<u>6/30/2017</u>				
Annual money-weighted rate of return, net of investment expense	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.

See accompanying independent auditor's report

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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, 2022

	<u>Operating</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total Wastewater</u>
ASSETS				
Cash	\$ 9,718,612	\$ 829,331	\$ 2,939,752	\$ 13,487,695
User charges receivable	2,470,028	-	-	2,470,028
Utility liens receivable	227,785	-	-	227,785
Special assessments receivable	123,869	-	-	123,869
Department receivables	103,246	-	-	103,246
Other receivables	-	2,237	-	2,237
Inventory	26,373	-	-	26,373
Total assets	<u>12,669,913</u>	<u>831,568</u>	<u>2,939,752</u>	<u>16,441,233</u>
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 12,669,913</u>	<u>\$ 831,568</u>	<u>\$ 2,939,752</u>	<u>\$ 16,441,233</u>
LIABILITIES:				
Warrants, accounts and accrued expenses payable	1,667,254	-	-	1,667,254
Deposits held	78,834	-	-	78,834
Other liabilities	28,071	-	-	28,071
Total liabilities	<u>1,774,159</u>	<u>-</u>	<u>-</u>	<u>1,774,159</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred user fees, fines and charges for services	2,955,208	-	-	2,955,208
Total deferred inflows of resources	<u>2,955,208</u>	<u>-</u>	<u>-</u>	<u>2,955,208</u>
FUND BALANCE				
Nonspendable	26,373	-	-	26,373
Restricted	2,359,187	-	2,939,752	5,298,939
Committed	4,252,269	831,568	-	5,083,837
Assigned	1,302,717	-	-	1,302,717
Unassigned	-	-	-	-
Total fund balance	<u>7,940,546</u>	<u>831,568</u>	<u>2,939,752</u>	<u>11,711,866</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 12,669,913</u>	<u>\$ 831,568</u>	<u>\$ 2,939,752</u>	<u>\$ 16,441,233</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, 2022

	<u>Operating</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Total Wastewater</u>
Revenues:				
Utility usage charges	\$ 26,397,294	\$ -	\$ -	\$ 26,397,294
Liens and penalties	165,497	-	-	165,497
Departmental	2,387	-	-	2,387
Intergovernmental revenues	26,537	-	4,432,111	4,458,648
Special assessments	11,219	-	-	11,219
Investment income	139,683	243	157	140,083
Other	60,668	-	-	60,668
	<u>26,803,285</u>	<u>243</u>	<u>4,432,268</u>	<u>31,235,796</u>
Total revenues				
Expenditures:				
Current:				
Salaries	1,707,523	-	-	1,707,523
Charges and services	12,491,531	-	-	12,491,531
Supplies and materials	390,638	-	-	390,638
Capital outlay:				
Capital outlay	764,925	-	-	764,925
Debt service:				
Debt admin fees	123,950	-	-	123,950
Principal paid on debt	804,000	-	8,804,065	9,608,065
Interest paid on debt	134,256	-	2,375,725	2,509,981
	<u>16,416,823</u>	<u>-</u>	<u>11,179,790</u>	<u>27,596,613</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	10,386,462	243	(6,747,522)	3,639,183
Transfers in	1,137	-	6,700,668	6,701,805
Transfers (out)	<u>(8,880,748)</u>	<u>-</u>	<u>-</u>	<u>(8,880,748)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,506,851	243	(46,854)	1,460,240
Fund balance - beginning of year	<u>6,433,695</u>	<u>831,325</u>	<u>2,986,606</u>	<u>10,251,626</u>
Fund balance - end of year	<u>\$ 7,940,546</u>	<u>\$ 831,568</u>	<u>\$ 2,939,752</u>	<u>\$ 11,711,866</u>

See accompanying independent auditor's report

Non-Major Governmental Funds - Combining Balance Sheets – June 30, 2022

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	\$ (468,492)	\$ 12,119,270	\$ 9,122,136	\$ 9,157,055	\$ 5,601,123	\$ 5,713,015	\$ 666,096	\$ 41,910,203
Federal and state grants receivable	806,614	704,384	-	-	3,142,453	4,891,953	881,323	10,426,727
Loan receivables	-	-	-	-	-	-	1,515,284	1,515,284
Receivable, other	-	179,182	207,320	249,428	204,008	190,302	-	1,030,240
Land inventory	-	-	-	-	-	-	246,918	246,918
Total assets	338,122	13,002,836	9,329,456	9,406,483	8,947,584	10,795,270	3,309,621	55,129,372
DEFERRED OUTFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	338,122	13,002,836	9,329,456	9,406,483	8,947,584	10,795,270	3,309,621	55,129,372
LIABILITIES								
Warrants, accounts and accrued expenses payable	\$ 265,650	\$ 1,137,091	2,293,402	\$ 35,976	\$ 974,022	\$ 1,960,046	\$ 965,290	\$ 7,631,477
Due to state or federal government	-	-	-	-	-	209	-	209
Other liabilities	-	-	-	8,632,527	332	-	20	8,632,879
Total liabilities	265,650	1,137,091	2,293,402	8,668,503	974,354	1,960,255	965,310	16,264,565
DEFERRED INFLOWS OF RESOURCES								
Deferred departmental and other receipts	-	114,292	212,112	-	-	-	-	326,404
Unearned grant income	-	-	-	-	1,965,429	8,345,867	-	10,311,296
Unearned loan income	-	-	-	-	-	-	1,515,284	1,515,284
Total deferred inflows of resources	-	114,292	212,112	-	1,965,429	8,345,867	1,515,284	12,152,984
FUND BALANCE								
Nonspendable	-	-	-	-	-	-	246,918	246,918
Restricted	72,472	10,631,672	6,673,081	781,381	7,558,639	1,002,069	582,109	27,301,423
Committed	-	1,515,672	150,861	-	-	-	-	1,666,533
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(395,891)	-	(43,401)	(1,550,838)	(512,921)	-	(2,503,051)
Total fund balance	72,472	11,751,453	6,823,942	737,980	6,007,801	489,148	829,027	26,711,823
Total liabilities, deferred inflows of resources and fund balance	\$ 338,122	\$ 13,002,836	\$ 9,329,456	\$ 9,406,483	\$ 8,947,584	\$ 10,795,270	\$ 3,309,621	\$ 55,129,372

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	\$ 11,191,396	\$ 1,197,069	\$ 5,308,671	\$ (183,412)	\$ 2,899,564	\$ 20,413,288
Receivables, net:						
Federal & state grants receivable	294,484	395,446	2,482,361	451,710	-	3,624,001
Total assets	<u>11,485,880</u>	<u>1,592,515</u>	<u>7,791,032</u>	<u>268,298</u>	<u>2,899,564</u>	<u>24,037,289</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 11,485,880</u>	<u>\$ 1,592,515</u>	<u>\$ 7,791,032</u>	<u>\$ 268,298</u>	<u>\$ 2,899,564</u>	<u>\$ 24,037,289</u>
LIABILITIES						
Warrants, accounts and accrued expenses payable	759,020	272,206	28,358	69,386	286,357	1,415,327
Retainage payable	-	506,649	-	-	-	506,649
Bonds and notes payable	19,769,123	-	7,153,309	-	-	26,922,432
Total liabilities	<u>20,528,143</u>	<u>778,855</u>	<u>7,181,667</u>	<u>69,386</u>	<u>286,357</u>	<u>28,844,408</u>
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	1,728,755	978,274	682,060	238,698	2,613,207	6,240,994
Assigned	-	-	-	-	-	-
Unassigned	<u>(10,771,018)</u>	<u>(164,614)</u>	<u>(72,695)</u>	<u>(39,786)</u>	<u>-</u>	<u>(11,048,113)</u>
Total fund balance	<u>(9,042,263)</u>	<u>813,660</u>	<u>609,365</u>	<u>198,912</u>	<u>2,613,207</u>	<u>(4,807,119)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 11,485,880</u>	<u>\$ 1,592,515</u>	<u>\$ 7,791,032</u>	<u>\$ 268,298</u>	<u>\$ 2,899,564</u>	<u>\$ 24,037,289</u>

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		
ASSETS						
Cash and investments, unrestricted	\$ 1,809,342	\$ 2,822,151	\$ 1,188,627	\$ 651,693	\$ 6,471,813	\$ 68,795,304
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	-	-	-	-	-	14,050,728
Loans receivable	-	-	-	-	-	1,515,284
Other receivables	-	-	-	-	-	1,030,240
Land inventory	-	-	-	-	-	246,918
Total assets	2,070,005	6,838,899	1,438,627	1,251,693	11,599,224	90,765,885
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 2,070,005	\$ 6,838,899	\$ 1,438,627	\$ 1,251,693	\$ 11,599,224	\$ 90,765,885
LIABILITIES						
Warrants, accounts and accrued expenses	9,274	6,744	-	-	16,018	9,062,822
Retainage payable	-	-	-	-	-	506,649
Bonds and notes payable	-	-	-	-	-	26,922,432
Due to other governments	-	-	-	-	-	209
Other liabilities	-	-	-	-	-	8,632,879
Total liabilities	9,274	6,744	-	-	16,018	45,124,991
DEFERRED INFLOWS OF RESOURCES						
Deferred departmental and other receipts	-	-	-	-	-	326,404
Unearned grant income	-	-	-	-	-	10,311,296
Unearned loan income	-	-	-	-	-	1,515,284
Total deferred inflows of resources	-	-	-	-	-	12,152,984
FUND BALANCE						
Nonspendable	260,663	4,016,748	250,000	600,000	5,127,411	5,374,329
Restricted	1,800,068	2,815,407	1,188,627	651,693	6,455,795	39,998,212
Committed	-	-	-	-	-	1,666,533
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(13,551,164)
Total fund balance	2,060,731	6,832,155	1,438,627	1,251,693	11,583,206	33,487,910
Total liabilities, deferred inflows of resources and fund balance	\$ 2,070,005	\$ 6,838,899	\$ 1,438,627	\$ 1,251,693	\$ 11,599,224	\$ 90,765,885

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, 2022

	Special Revenue Funds							Total Special Revenue
	Highway Improvements	Revolving	Reserve for Appropriation	Donations	City Grants	School Grants	Other Community Development	
REVENUES								
Federal grants	\$ -	\$ 11,210,488	\$ -	\$ -	\$ 4,068,135	\$ 22,872,264	\$ 6,869,523	\$ 45,020,410
State grants	1,208,702	3,249,900	526,711	-	5,332,219	5,219,344	-	15,536,876
Investment income	73	3,504	13,859	14,286	338	(11,516)	680	21,224
Charges for services	-	1,174,104	319,006	-	-	-	-	1,493,110
Miscellaneous and other revenues	-	1,215,733	1,326,526	15,713,930	709,919	999,406	213,993	20,179,507
Total revenues	1,208,775	16,853,729	2,186,102	15,728,216	10,110,611	29,079,498	7,084,196	82,251,127
EXPENDITURES								
Current:								
General government	-	456,559	3,613,400	15,410,080	947,952	-	-	20,427,991
Public safety	-	222,794	-	22,852	5,184,348	-	-	5,429,994
Public works	1,185,314	129,568	-	10,292	850,936	-	-	2,176,110
Education	-	18,527,559	-	30,029	-	28,635,830	-	47,193,418
Community and economic development	-	-	-	-	-	-	7,136,834	7,136,834
Health and human services	-	179,555	29,198	3,253	2,085,144	-	-	2,297,150
Culture and recreation	-	253,371	-	98,858	685,134	-	-	1,037,363
Total expenditures	1,185,314	19,769,406	3,642,598	15,575,364	9,753,514	28,635,830	7,136,834	85,698,860
Excess (deficiency) of revenue over (under) expenditures	23,461	(2,915,677)	(1,456,496)	152,852	357,097	443,668	(52,638)	(3,447,733)
OTHER FINANCING SOURCES (USES)								
Proceeds from insurance recovery	-	92,678	-	-	-	-	-	92,678
Transfers in	-	-	-	-	15,983	-	-	15,983
Transfers out	-	-	-	-	(1,312,744)	-	-	(1,312,744)
Total other financing sources (uses)	-	92,678	-	-	(1,296,761)	-	-	(1,204,083)
Change in fund balance	23,461	(2,822,999)	(1,456,496)	152,852	(939,664)	443,668	(52,638)	(4,651,816)
Fund balance - beginning of year	49,011	14,574,452	8,280,438	585,128	6,947,465	45,480	881,665	31,363,639
Fund balance - end of year	\$ 72,472	\$ 11,751,453	\$ 6,823,942	\$ 737,980	\$ 6,007,801	\$ 489,148	\$ 829,027	\$ 26,711,823

See accompanying independent auditor's report

	Capital Project Funds					
	Other Funds	Public Works Funds	Education Funds	Airport Funds	City-Owned Building Funds	Total Capital Project Funds
REVENUE						
MSBA assistance	\$ -	\$ -	\$ 808,755	\$ -	\$ -	\$ 808,755
Intergovernmental - capital grants	294,484	9,089,657	-	1,976,619	-	11,360,760
Miscellaneous	119,997	-	-	-	-	119,997
Total revenues	<u>414,481</u>	<u>9,089,657</u>	<u>808,755</u>	<u>1,976,619</u>	<u>-</u>	<u>12,289,512</u>
EXPENDITURES						
Capital outlay:						
General government	2,276,088	-	82,456	-	299,783	2,658,327
Public safety	3,146,904	-	-	-	-	3,146,904
Education	137,987	-	577,732	-	-	715,719
Public works	1,677,722	7,248,892	-	678,911	206	9,605,731
Culture and recreation	181,237	-	-	-	37,530	218,767
Total expenditures	<u>7,419,938</u>	<u>7,248,892</u>	<u>660,188</u>	<u>678,911</u>	<u>337,519</u>	<u>16,345,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,005,457)</u>	<u>1,840,765</u>	<u>148,567</u>	<u>1,297,708</u>	<u>(337,519)</u>	<u>(4,055,936)</u>
OTHER FINANCING SOURCES (USES)						
Bond issuance	6,687,000	-	345,222	202,778	-	7,235,000
Bond premiums	885,114	-	100,935	24,624	-	1,010,673
Transfers in	20,000	-	-	5,822	-	25,822
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>7,592,114</u>	<u>-</u>	<u>446,157</u>	<u>233,224</u>	<u>-</u>	<u>8,271,495</u>
Change in fund balance	586,657	1,840,765	594,724	1,530,932	(337,519)	4,215,559
Fund balance - beginning of year	<u>(9,628,920)</u>	<u>(1,027,105)</u>	<u>14,641</u>	<u>(1,332,020)</u>	<u>2,950,726</u>	<u>(9,022,678)</u>
Fund balance - end of year	<u>\$ (9,042,263)</u>	<u>\$ 813,660</u>	<u>\$ 609,365</u>	<u>\$ 198,912</u>	<u>\$ 2,613,207</u>	<u>\$ (4,807,119)</u>

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 808,755
Investment income	22,885	190,221	89,719	(159,615)	143,210	164,434
Intergovernmental - operating grants	-	-	-	-	-	60,557,286
Intergovernmental - capital grants	-	-	-	-	-	11,360,760
Charges for services	-	-	-	-	-	1,493,110
Miscellaneous	43,657	335,991	-	(1)	379,647	20,679,151
Total revenues	<u>66,542</u>	<u>526,212</u>	<u>89,719</u>	<u>(159,616)</u>	<u>522,857</u>	<u>95,063,496</u>
EXPENDITURES						
Current:						
General government	150	-	-	-	150	20,428,141
Public safety	-	-	-	-	-	5,429,994
Education	36,300	-	-	-	36,300	47,229,718
Public works	-	196,026	-	-	196,026	2,372,136
Community and economic development	-	-	-	-	-	7,136,834
Health and human services	-	-	-	-	-	2,297,150
Culture and recreation	46,963	-	67,676	13,314	127,953	1,165,316
Capital outlay:						
General government	-	-	-	-	-	2,658,327
Public safety	-	-	-	-	-	3,146,904
Education	-	-	-	-	-	715,719
Public works	-	-	-	-	-	9,605,731
Culture and recreation	-	-	-	-	-	218,767
Total expenditures	<u>83,413</u>	<u>196,026</u>	<u>67,676</u>	<u>13,314</u>	<u>360,429</u>	<u>102,404,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,871)</u>	<u>330,186</u>	<u>22,043</u>	<u>(172,930)</u>	<u>162,428</u>	<u>(7,341,241)</u>
OTHER FINANCING SOURCES (USES)						
Bond issuance	-	-	-	-	-	7,235,000
Bond premiums	-	-	-	-	-	1,010,673
Insurance proceeds	-	-	-	-	-	92,678
Transfers in	-	-	-	-	-	41,805
Transfers out	-	-	-	-	-	(1,312,744)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,067,412</u>
Change in fund balance	(16,871)	330,186	22,043	(172,930)	162,428	(273,829)
Fund balance - beginning of year	2,077,602	6,501,969	1,416,584	1,424,623	11,420,778	33,761,739
Fund balance - end of year	<u>\$ 2,060,731</u>	<u>\$ 6,832,155</u>	<u>\$ 1,438,627</u>	<u>\$ 1,251,693</u>	<u>\$ 11,583,206</u>	<u>\$ 33,487,910</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, 2022

	Original Budget		Additional Appropriations and Transfers	Available for Current Year Expenditures	Actual	Encumbrances Carried Forward	Variance
	Encumbrances Carried Forward	Budget As Adopted					
Revenues:							
Charges for services	\$ -	\$ 17,366,251	\$ -	\$ 17,366,251	\$ 16,838,366	\$ -	\$ (527,885)
Utility liens and penalties	-	126,747	-	126,747	89,990	-	(36,757)
Other	-	55,637	-	55,637	50,430	-	(5,207)
Total Revenues	-	17,548,635	-	17,548,635	16,978,786	-	(569,849)
Expenditures:							
Salaries and wages	-	4,798,181	(150,000)	4,648,181	4,458,764	-	189,417
Purchase of services	-	3,272,323	1,561,377	4,833,700	3,460,458	111,116	1,262,126
Materials and supplies	-	1,110,500	242,510	1,353,010	1,281,206	7,100	64,704
Capital outlay	-	166,791	735,641	902,432	1,022,879	-	(120,447)
Debt service and Other Uses	-	8,200,840	-	8,200,840	7,613,905	-	586,935
Total Expenditures	-	17,548,635	2,389,528	19,938,163	17,837,212	118,216	1,982,735
Excess (deficiency) of revenues over expenditures	-	-	(2,389,528)	(2,389,528)	(858,426)	(118,216)	1,412,886
Other financing sources and (uses):							
From Free Cash	-	-	389,528	389,528	-	-	(389,528)
From Stabilization	-	-	2,000,000	2,000,000	2,003,486	-	3,486
Total other financing sources and (uses)	-	-	2,389,528	2,389,528	2,003,486	-	(386,042)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -	\$ 1,145,060	\$ (118,216)	\$ 1,026,844
Budgetary fund balance - beginning fund balance					6,985,887		
Budgetary fund balance - ending fund balance					<u>\$ 8,130,947</u>		

See accompanying independent auditor's report

Airport Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2022

	<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	\$ -	\$ 1,067,429	\$ -	\$ 1,067,429	#####	\$ -	\$ (56,224)
Earnings on investments	-	-	-	-	692	-	(692)
Other	-	-	-	-	-	-	-
Total Revenues	-	1,067,429	-	1,067,429	1,011,897	-	(56,916)
Expenditures:							
Salaries and wages	-	361,735	-	361,735	356,926	-	4,809
Charges and services	-	288,040	-	288,040	276,151	-	11,889
Materials and supplies	-	27,540	-	27,540	30,707	-	(3,167)
Debt service and other uses	-	390,114	-	390,114	332,666	-	57,448
Total Expenditures	-	1,067,429	-	1,067,429	996,450	-	70,979
Excess (deficiency) of revenues over expenditures	-	-	-	-	15,447	-	14,063
Other financing sources and (uses):							
Operating transfers in	-	-	-	-	281	-	(281)
Operating transfers out	-	-	-	-	-	-	-
Free Cash	-	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	281	-	(281)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -	\$ 15,728	\$ -	\$ 13,782
Budgetary Fund Balance - beginning of year					98,380		
Budgetary Fund Balance - end of year					<u>\$ 114,108</u>		

See accompanying independent auditor's report

Downtown Parking Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2022

	<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>				<u>Encumbrances Carried Forward</u>		
Revenues:								
Charges for services	\$ -	\$ 1,031,314	\$ -	\$ 1,031,314	\$ 828,436	\$ -	\$ (202,878)	
Earnings on investments	-	2,400	-	2,400	3,597	-	1,197	
Other	-	12,600	-	12,600	21,678	-	9,078	
Total Revenues	-	1,046,314	-	1,046,314	853,711	-	(192,603)	
Expenditures:								
Salaries and Wages	-	257,390	-	257,390	226,047	-	31,343	
Purchase of Services	5,050	281,970	-	287,020	267,713	5,050	19,307	
Materials and Supplies	-	25,000	-	25,000	23,671	-	1,329	
Debt Service and Other Uses	-	481,954	-	481,954	437,013	-	44,941	
Total Expenditures	5,050	1,046,314	-	1,051,364	954,444	5,050	96,920	
Excess (deficiency) of revenues over expenditures	(5,050)	-	-	(5,050)	(100,733)	(5,050)	(95,683)	
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	\$ (5,050)	\$ -	\$ -	\$ (5,050)	\$ (100,733)	\$ (5,050)	\$ (95,683)	
Budgetary Fund Balance - beginning					173,500			
Budgetary Fund Balance - ending					<u>\$ 72,767</u>			

Cable Access Enterprise Fund Budgetary Comparison Schedule – For the Year Ending June 30, 2022

	<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>				<u>Encumbrances Carried Forward</u>		
Revenues:								
Charges for services	\$ -	\$ 1,282,854	\$ -	\$ 1,282,854	\$ 1,443,405	\$ -	\$ 160,551	
Other	-	14,900	-	14,900	16,758	-	1,858	
Total Revenues	-	1,297,754	-	1,297,754	1,460,163	-	162,409	
Expenditures:								
Salaries and Wages	-	589,174	-	589,174	546,134	-	43,040	
Purchase of Services	-	276,470	-	276,470	224,062	-	52,408	
Materials and Supplies	-	68,233	-	68,233	17,144	-	51,089	
Capital Outlay	-	100,000	-	100,000	86,166	-	13,834	
Debt Service and Other Uses	-	263,877	-	263,877	248,774	-	15,103	
Total Expenditures	-	1,297,754	-	1,297,754	1,122,280	-	175,474	
Excess (deficiency) of revenues over expenditures	-	-	-	-	337,883	-	337,883	
Other financing sources and (uses):								
Operating Transfers In	-	-	-	-	914	-	914	
Operating Transfers Out	-	-	-	-	-	-	-	
Total other financing sources and (uses)	-	-	-	-	914	-	914	
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -	\$ 338,797	\$ -	\$ 338,797	
Budgetary Fund Balance - beginning					512,947			
Budgetary Fund Balance - ending					<u>\$ 851,744</u>			

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, 2022 are as follows:

	Proprietary Funds			
	Water	Airport	Downtown Parking	Cable Access
Revenues and other financing sources:				
GAAP Basis	\$ 21,140,378	\$ 6,126,495	\$ 853,711	\$ 1,461,077
Adjustments:				
Change in deferred revenue	339,983	-	-	-
MWPAT subsidy payments (GAAP only)	(105,785)	-	-	-
Stabilization fund - income statement activity	340,305	(884)	-	-
Miscellaneous GAAP adjustments	(878,181)	-	-	-
Change in the allowance for bad debts	(618,372)	-	-	-
Change in long-term receivable (MWPAT) - GAAP basis only	49,945	-	-	-
Transfer of governmental fund expenditures to enterprise capital assets - GAAP basis	(1,286,004)	(5,113,433)	-	-
Budgetary Basis	<u>\$ 18,982,269</u>	<u>\$ 1,012,178</u>	<u>\$ 853,711</u>	<u>\$ 1,461,077</u>
Expenditures and other financing uses:				
GAAP Basis	\$ 18,543,673	\$ 3,324,079	\$ 1,089,542	\$ 1,130,942
Adjustments:				
MWPAT subsidy payments (GAAP only)	(105,785)	-	-	-
Stabilization fund - income statement activity	(2,000,000)	-	-	-
Change in compensated absences	(236,809)	(13,891)	(14,095)	(33,809)
Principal paid on long-term debt	3,301,525	60,000	110,000	-
Additions to capital assets	1,108,624	-	-	30,177
Depreciation expense	(2,628,398)	(2,407,323)	(281,962)	(5,029)
Change in accrued interest	(81,450)	-	-	-
Change in net pension liability (GAAP only)	176,966	17,698	26,546	-
Change in net OPEB liability (GAAP only)	(241,136)	15,887	24,413	-
Budgetary Basis	<u>\$ 17,837,210</u>	<u>\$ 996,450</u>	<u>\$ 954,444</u>	<u>\$ 1,122,281</u>

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."

CUSTODIAL 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

Combining Statement of Fiduciary Net Position– Custodial Funds - For the Year Ending June 30, 2022

	School TSA W- H - Local	State Food Sales Tax	Zeiterion Roof - Agency	Auditors Agency	Retirement Salaries	Reserve for Hunting- Fishg	Suspense Fund UnidD Rcpts
ASSETS							
Cash and short-term investments	\$ 14,664	\$ 16,691	\$ 95,111	\$ 9,070	\$ (23,848)	\$ 2	\$ 82
Receivables, net of allowance or uncollectibles:							
Other	-	-	-	-	-	-	-
Total assets	14,664	16,691	95,111	9,070	(23,848)	2	82
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 14,664	\$ 16,691	\$ 95,111	\$ 9,070	\$ (23,848)	\$ 2	\$ 82
LIABILITIES							
Warrants, accounts, and accrued expenses payable	-	-	-	4,657	10,414	-	-
Other liabilities	302	16,691	-	-	-	-	-
Total liabilities	302	16,691	-	4,657	10,414	-	-
DEFERRED INFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
NET POSITION							
Restricted - custodial funds	14,362	-	95,111	4,413	(34,262)	2	82
Total net position	14,362	-	95,111	4,413	(34,262)	2	82
Total liabilities, deferred inflows of resources and net position	\$ 14,664	\$ 16,691	\$ 95,111	\$ 9,070	\$ (23,848)	\$ 2	\$ 82

See accompanying independent auditor's report

	Retired					White
	Police Id Agcy	Engineering	Urban Tax	Colby Village	Land Taking-	Meadows
	Fd	Deposits Held	Services	LLC- Escrow	Solicitors	Perform Bond
ASSETS						
Cash and short-term investments	\$ 190	\$ 495,158	\$ 68,617	\$ 41	\$ 3	\$ 5,844
Receivables, net of allowance or uncollectibles:						
Other	-	-	-	-	-	-
Total assets	<u>190</u>	<u>495,158</u>	<u>68,617</u>	<u>41</u>	<u>3</u>	<u>5,844</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 190</u>	<u>\$ 495,158</u>	<u>\$ 68,617</u>	<u>\$ 41</u>	<u>\$ 3</u>	<u>\$ 5,844</u>
LIABILITIES						
Warrants, accounts, and accrued expenses payable	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Restricted - custodial funds	190	495,158	68,617	41	3	5,844
Total net position	<u>190</u>	<u>495,158</u>	<u>68,617</u>	<u>41</u>	<u>3</u>	<u>5,844</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 190</u>	<u>\$ 495,158</u>	<u>\$ 68,617</u>	<u>\$ 41</u>	<u>\$ 3</u>	<u>\$ 5,844</u>

See accompanying independent auditor's report

	Student Activity	Eminent Domain Checks	Heritage State Park	Savings Bond	CD Redevelopmen t Agency	Bismark Meadows Perf Bond	Registry of Deeds- Webster Agcy	Utility Bills- Webster Agcy Fnd
ASSETS								
Cash and short-term investments	\$ 347,886	\$ 54,916	\$ 109	\$ 4,759	\$ 568	\$ 14,255	\$ 21,578	\$ (10,015)
Receivables, net of allowance or uncollectibles:								
Other	-	-	-	-	-	-	-	-
Total assets	347,886	54,916	109	4,759	568	14,255	21,578	(10,015)
DEFERRED OUTFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 347,886	\$ 54,916	\$ 109	\$ 4,759	\$ 568	\$ 14,255	\$ 21,578	\$ (10,015)
LIABILITIES								
Warrants, accounts, and accrued expenses payable	24,921	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	24,921	-	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
NET POSITION								
Restricted - custodial funds	322,965	54,916	109	4,759	568	14,255	21,578	(10,015)
Total net position	322,965	54,916	109	4,759	568	14,255	21,578	(10,015)
Total liabilities, deferred inflows of resources and net position	\$ 347,886	\$ 54,916	\$ 109	\$ 4,759	\$ 568	\$ 14,255	\$ 21,578	\$ (10,015)

See accompanying independent auditor's report

	Whaler's Woods Surety Fund	City Agency Fund	Whalers Place Surety Fund	Treas Credit Advice Clearg	School Revolving	Deposits Held- Curbing	Total Custodial Funds
ASSETS							
Cash and short-term investments	\$ (1,731)	\$ 622	\$ 42,697	\$ (12,513)	\$ 274,980	\$ 33,155	\$ 1,452,891
Receivables, net of allowance or uncollectibles:							
Other	-	-	-	-	-	-	-
Total assets	(1,731)	622	42,697	(12,513)	274,980	33,155	1,452,891
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ (1,731)	\$ 622	\$ 42,697	\$ (12,513)	\$ 274,980	\$ 33,155	\$ 1,452,891
LIABILITIES							
Warrants, accounts, and accrued expenses payable	-	-	-	-	6,696	360	\$ 47,048
Other liabilities	-	-	-	-	-	-	16,993
Total liabilities	-	-	-	-	6,696	360	64,041
DEFERRED INFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
NET POSITION							
Restricted - custodial funds	(1,731)	622	42,697	(12,513)	268,284	32,795	1,388,850
Total net position	(1,731)	622	42,697	(12,513)	268,284	32,795	1,388,850
Total liabilities, deferred inflows of resources and net position	\$ (1,731)	\$ 622	\$ 42,697	\$ (12,513)	\$ 274,980	\$ 33,155	\$ 1,452,891

See accompanying independent auditor's report

Combining Statement of Changes in Fiduciary Net Position– Custodial Funds - For the Year Ending June 30, 2022

	School TSA W-H - Local	Zeiterion Roof - Agency	Auditors Agency	Retirement Salaries	Reserve for Hunting-Fishg	Suspense Fund Uni(d) Rcpts
<u>ADDITIONS:</u>						
Contributions:						
Funds received on behalf of others	\$ 2,946,377	\$ 24,465	\$ -	\$ 321,303	\$ -	\$ -
Total contributions	2,946,377	24,465	-	321,303	-	-
Net investment income:						
Dividends and interest	-	2,849	219	-	-	-
Total investment income	-	2,849	219	-	-	-
Less: investment expense	-	-	-	-	-	-
Net investment income	-	2,849	219	-	-	-
Total additions	2,946,377	27,314	219	321,303	-	-
<u>DEDUCTIONS:</u>						
Funds distributed on behalf of others	2,950,398	98,514	-	300,861	-	-
Total deductions	2,950,398	98,514	-	300,861	-	-
Change in net position	(4,021)	(71,200)	219	20,442	-	-
Net position - beginning of year	18,383	166,311	4,194	(54,704)	2	82
Net position - ending of year	\$ 14,362	\$ 95,111	\$ 4,413	\$ (34,262)	\$ 2	\$ 82

See accompanying independent auditor's report

	Retired Police Id Agcy Fd	Engineering Deposits Held	Urban Tax Services	Colby Village LLC- Escrow	Land Taking- Solicitors	White Meadows Perform Bond
ADDITIONS:						
Contributions:						
Funds received on behalf of others	\$ -	\$ 70,500	\$ 325,669	\$ -	\$ -	\$ -
Total contributions	-	70,500	325,669	-	-	-
Net investment income:						
Dividends and interest	-	-	-	-	-	5
Total investment income	-	-	-	-	-	5
Less: investment expense						
Net investment income	-	-	-	-	-	5
Total additions	-	70,500	325,669	-	-	5
DEDUCTIONS:						
Funds distributed on behalf of others	-	33,645	332,244	-	-	-
Total deductions	-	33,645	332,244	-	-	-
Change in net position	-	36,855	(6,575)	-	-	5
Net position - beginning of year	190	458,303	75,192	41	3	5,839
Net position - ending of year	\$ 190	\$ 495,158	\$ 68,617	\$ 41	\$ 3	\$ 5,844

See accompanying independent auditor's report

	Student Activity	Eminent Domain Checks	Heritage State Park	Savings Bond	CD Redevelopmen t Agency	Bismark Meadows Perf Bond	Registry of Deeds- Webster Agcy	Utility Bills- Webster Agcy Fnd
ADDITIONS:								
Contributions:								
Funds received on behalf of others	\$ 196,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,651	\$ 1,098,557
Total contributions	196,600	-	-	-	-	-	7,651	1,098,557
Net investment income:								
Dividends and interest	306	47	-	-	-	-	-	6
Total investment income	306	47	-	-	-	-	-	6
Less: investment expense	-	-	-	-	-	-	-	-
Net investment income	306	47	-	-	-	-	-	6
Total additions	196,906	47	-	-	-	-	7,651	1,098,563
DEDUCTIONS:								
Funds distributed on behalf of others	165,883	-	-	-	-	-	-	1,090,522
Total deductions	165,883	-	-	-	-	-	-	1,090,522
Change in net position	31,023	47	-	-	-	-	7,651	8,041
Net position - beginning of year	291,942	54,869	109	4,759	568	14,255	13,927	(18,056)
Net position - ending of year	\$ 322,965	\$ 54,916	\$ 109	\$ 4,759	\$ 568	\$ 14,255	\$ 21,578	\$ (10,015)

See accompanying independent auditor's report

	Whaler's Woods Surety Fund	City Agency Fund	Whalers Place Surety Fund	Treas Credit Advice Clearg	School Revolving	Deposits Held- Curbing	Total Custodial Funds
<u>ADDITIONS:</u>							
Contributions:							
Funds received on behalf of others	\$ -	\$ -	\$ -	\$ -	\$ 55,200	\$ 8,850	\$ 5,055,172
Total contributions	-	-	-	-	55,200	8,850	5,055,172
Net investment income:							
Dividends and interest	-	-	37	-	274	-	3,743
Total investment income	-	-	37	-	274	-	3,743
Less: investment expense	-	-	-	-	-	-	-
Net investment income	-	-	37	-	274	-	3,743
Total additions	-	-	37	-	55,474	8,850	5,058,915
<u>DEDUCTIONS:</u>							
Funds distributed on behalf of others	-	-	-	-	71,996	6,853	5,050,916
Total deductions	-	-	-	-	71,996	6,853	5,050,916
Change in net position	-	-	37	-	(16,522)	1,997	7,999
Net position - beginning of year	(1,731)	622	42,660	(12,513)	284,806	30,798	1,380,851
Net position - ending of year	\$ (1,731)	\$ 622	\$ 42,697	\$ (12,513)	\$ 268,284	\$ 32,795	\$ 1,388,850

See accompanying independent auditor's report

Non-Major Discretely Presented Component Units Combining Statements of Net Position – June 30, 2022

	Greater New Bedford Workforce Investment Board	New Bedford Redevelopment Authority	Total Non Major Component Units
ASSETS			
Current assets			
Unrestricted cash and investments	\$ 148,922	\$ 122,198	\$ 271,120
Accounts receivable, net of allowance	-	17,700	17,700
Due from other governments	906,831	-	906,831
Inventories and prepaid expenses	9,038	761	9,799
Total current assets	<u>1,064,791</u>	<u>140,659</u>	<u>1,205,450</u>
Capital assets			
Land (and investments in property)	-	669,134	669,134
Other capital assets	49,496	-	49,496
Total capital assets	<u>49,496</u>	<u>669,134</u>	<u>718,630</u>
Total assets	<u>1,114,287</u>	<u>809,793</u>	<u>1,924,080</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,114,287</u>	<u>\$ 809,793</u>	<u>\$ 1,924,080</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	\$ 374,184	\$ 110,675	\$ 484,859
Intra-entity payable	-	650,905	650,905
Deposits held	-	15,000	15,000
Compensated absences	26,866	-	26,866
Total current liabilities	<u>401,050</u>	<u>776,580</u>	<u>1,177,630</u>
Non-current liabilities			
None	-	-	-
Total non-current liabilities	-	-	-
Total liabilities	<u>401,050</u>	<u>776,580</u>	<u>1,177,630</u>
DEFERRED INFLOWS OF RESOURCES			
Income not yet earned	127,580	-	127,580
Total deferred inflows of resources	<u>127,580</u>	<u>-</u>	<u>127,580</u>
NET POSITION			
Net investment in capital assets	-	669,134	669,134
Restricted	-	-	-
Unrestricted	585,657	(635,921)	(50,264)
Total net position	<u>585,657</u>	<u>33,213</u>	<u>618,870</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,114,287</u>	<u>\$ 809,793</u>	<u>\$ 1,924,080</u>

See accompanying independent auditor's report

Non-Major Discretely Presented Component Units Combining Statements of Activities – For the Year Ending June 30, 2022

	Greater New Bedford Workforce Investment Board	New Bedford Redevelopment Authority	Total Non Major Component Units
Program Revenues:			
Charges for services	\$ -	\$ 10	\$ 10
Operating grants and contributions	4,497,101	-	4,497,101
Total program revenues	4,497,101	10	4,497,111
Expenses:	4,446,625	5,983	4,452,608
Net (Expense) Revenue and Changes in Net Position	50,476	(5,973)	44,503
General Revenues:			
Investment income	1,088	35	1,123
Total general revenues	1,088	35	1,123
Transfers/Special Items:			
None	-	-	-
Total transfers/special items:	-	-	-
Changes in net position	51,564	(5,938)	45,626
Net position - beginning of year, restated	534,093	39,151	573,244
Net position - end of year	\$ 585,657	\$ 33,213	\$ 618,870

See accompanying independent auditor's report

Statistical Section

(unaudited)

Photograph by Frank Grace



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

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	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.	133 – 146
Revenue capacity These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	147 – 150
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.	151 – 153
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.	154 – 155
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.	156 - 158

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

Function	Fiscal Year:				
	2022	2021	2020	2019	2018
General Government	\$ 9,659,427	\$ 9,641,356	\$ 9,557,523	\$ 9,060,015	\$ 8,154,151
% of Total	2.35%	2.34%	2.47%	2.49%	2.32%
% Change	0.19%	0.88%	5.49%	11.11%	9.60%
Public Safety	54,720,894	50,255,289	49,543,522	48,851,876	47,364,612
% of Total	13.34%	12.20%	12.81%	13.45%	13.45%
% Change	8.89%	1.44%	1.42%	3.14%	3.17%
Education	221,325,644	230,614,144	191,443,945	171,318,903	165,174,490
% of Total	53.96%	55.98%	49.49%	47.17%	46.92%
% Change	-4.03%	20.46%	11.75%	3.72%	3.14%
Public Works	15,448,367	17,858,445	13,944,046	13,689,367	14,869,355
% of Total	3.77%	4.34%	3.60%	3.77%	4.22%
% Change	-13.50%	28.07%	1.86%	-7.94%	5.15%
Health & Human Services	4,049,185	3,962,970	4,751,962	4,870,591	4,000,886
% of Total	0.99%	0.96%	1.23%	1.34%	1.14%
% Change	2.18%	-16.60%	-2.44%	21.74%	-3.12%
Culture & Recreation	5,125,450	4,911,793	4,986,297	4,836,877	4,957,716
% of Total	1.25%	1.19%	1.29%	1.33%	1.41%
% Change	4.35%	-1.49%	3.09%	-2.44%	9.84%
Pension Benefits	33,887,885	32,201,554	30,527,351	28,817,471	27,741,711
% of Total	8.26%	7.82%	7.89%	7.93%	7.88%
% Change	5.24%	5.48%	5.93%	3.88%	3.81%
Health & Other Insurance	18,173,137	16,564,506	38,675,704	40,277,703	41,119,096
% of Total	4.43%	4.02%	10.00%	11.09%	11.68%
% Change	9.71%	-57.17%	-3.98%	-2.05%	3.40%
Miscellaneous	12,764,944	11,600,717	10,764,913	10,574,534	9,673,308
% of Total	3.11%	2.82%	2.78%	2.91%	2.75%
% Change	10.04%	7.76%	1.80%	9.32%	0.02%
State & County Charges	26,493,234	22,763,165	20,990,757	19,063,095	17,759,974
% of Total	6.46%	5.53%	5.43%	5.25%	5.04%
% Change	16.39%	8.44%	10.11%	7.34%	17.29%
Debt Service	8,548,888	11,562,286	11,684,717	11,825,635	11,248,659
% of Total	2.08%	2.81%	3.02%	3.26%	3.20%
% Change	-26.06%	-1.05%	-1.19%	5.13%	-1.46%
Total Expenditures	\$ 410,197,055	\$ 411,936,225	\$ 386,870,737	\$ 363,186,067	\$ 352,063,958
% of Total	100.00%	100.00%	100.00%	100.00%	100.00%
% Change	-0.42%	6.48%	6.52%	3.16%	3.86%

*General fund only

See accompanying independent auditor's report

Fiscal Year:						Function
2017	2016	2015	2014	2013		
\$ 7,440,154	\$ 7,166,581	\$ 7,166,773	\$ 6,813,441	\$ 6,509,251	General Government	
2.19%	2.29%	2.39%	2.22%	2.17%	% of Total	
3.82%	0.00%	5.19%	4.67%	6.30%	% Change	
45,910,534	43,932,773	41,900,942	39,908,731	37,827,386	Public Safety	
13.54%	14.01%	13.96%	13.01%	12.61%	% of Total	
4.50%	4.85%	4.99%	5.50%	5.73%	% Change	
160,139,955	143,733,307	134,364,453	147,876,203	146,979,124	Education	
47.24%	45.84%	44.75%	48.21%	48.99%	% of Total	
11.41%	6.97%	-9.14%	0.61%	5.97%	% Change	
14,140,751	13,493,814	15,338,626	14,461,623	13,042,250	Public Works	
4.17%	4.30%	5.11%	4.71%	4.35%	% of Total	
4.79%	-12.03%	6.06%	10.88%	-1.02%	% Change	
4,129,869	4,215,198	4,325,026	4,230,272	5,163,611	Health & Human Services	
1.22%	1.34%	1.44%	1.38%	1.72%	% of Total	
-2.02%	-2.54%	2.24%	-18.08%	19.85%	% Change	
4,513,546	4,134,050	4,160,382	4,196,196	3,928,783	Culture & Recreation	
1.33%	1.32%	1.39%	1.37%	1.31%	% of Total	
9.18%	-0.63%	-0.85%	6.81%	-7.12%	% Change	
26,724,377	25,734,949	23,204,752	23,692,690	22,629,695	Pension Benefits	
7.88%	8.21%	7.73%	7.72%	7.54%	% of Total	
3.84%	10.90%	-2.06%	4.70%	1.72%	% Change	
39,767,304	37,842,585	38,008,103	36,800,963	36,322,214	Health & Other Insurance	
11.73%	12.07%	12.66%	12.00%	12.11%	% of Total	
5.09%	-0.44%	3.28%	1.32%	2.48%	% Change	
9,670,903	8,972,342	9,599,109	8,822,341	8,572,875	Miscellaneous	
2.85%	2.86%	3.20%	2.88%	2.86%	% of Total	
7.79%	-6.53%	8.80%	2.91%	-4.19%	% Change	
15,141,498	13,624,678	12,149,703	10,252,470	9,581,904	State & County Charges	
4.47%	4.34%	4.05%	3.34%	3.19%	% of Total	
11.13%	12.14%	18.51%	7.00%	11.24%	% Change	
11,415,719	10,723,661	10,031,498	9,693,294	9,456,289	Debt Service	
3.37%	3.42%	3.34%	3.16%	3.15%	% of Total	
6.45%	6.90%	3.49%	2.51%	10.55%	% Change	
\$ 338,994,610	\$ 313,573,938	\$ 300,249,367	\$ 306,748,224	\$ 300,013,382	Total Expenditures	
100.00%	100.00%	100.00%	100.00%	100.00%	% of Total	
8.11%	4.44%	-2.12%	2.24%	4.85%	% Change	

*General fund only

See accompanying independent auditor's report

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

Source	Fiscal Year:				
	2022	2021	2020	2019	2018
Real Estate & Personal Property	\$ 138,325,449	\$ 131,700,885	\$ 126,083,676	\$ 122,238,616	\$ 117,726,504
% of Total	34.70%	32.62%	32.75%	33.90%	34.01%
% Change	5.03%	4.46%	3.15%	3.83%	5.91%
Motor Vehicle & Other Excises	10,196,929	10,258,304	9,531,970	9,762,254	9,579,711
% of Total	2.56%	2.54%	2.48%	2.71%	2.77%
% Change	-0.60%	7.62%	-2.36%	1.91%	2.69%
Tax Liens & Foreclosures	2,040,212	1,928,602	965,719	1,823,442	2,080,055
% of Total	0.51%	0.48%	0.25%	0.51%	0.60%
% Change	5.79%	99.71%	-47.04%	-12.34%	-40.11%
Payment in Lieu of Taxes	353,869	479,275	361,310	364,357	294,465
% of Total	0.09%	0.12%	0.09%	0.10%	0.09%
% Change	-26.17%	32.65%	-0.84%	23.74%	-3.26%
Intergovernmental	228,453,341	241,952,904	229,359,531	205,244,939	197,704,315
% of Total	57.30%	59.93%	59.58%	56.92%	57.11%
% Change	-5.58%	5.49%	11.75%	3.81%	4.79%
Charges For Services	14,281,581	11,761,353	14,436,007	15,279,480	13,862,640
% of Total	3.58%	2.91%	3.75%	4.24%	4.00%
% Change	21.43%	-18.53%	-5.52%	10.22%	-12.21%
Penalties, Interest & Fines	1,543,598	1,834,096	1,221,390	1,566,951	1,861,120
% of Total	0.39%	0.45%	0.32%	0.43%	0.54%
% Change	-15.84%	50.16%	-22.05%	-15.81%	-27.75%
Investment Income	201,582	424,926	1,191,102	1,221,339	509,946
% of Total	0.05%	0.11%	0.31%	0.34%	0.15%
% Change	-52.56%	-64.32%	-2.48%	139.50%	30.48%
Licenses & Permits	2,734,951	2,549,131	2,580,460	2,876,492	2,402,917
% of Total	0.69%	0.63%	0.67%	0.80%	0.69%
% Change	7.29%	-1.21%	-10.29%	19.71%	-9.45%
Other	538,001	829,757	(799,675)	218,739	166,961
% of Total	0.13%	0.21%	-0.21%	0.06%	0.05%
% Change	-35.16%	-203.76%	-465.58%	31.01%	-84.45%
Total Revenues	\$ 398,669,513	\$ 403,719,233	\$ 384,931,490	\$ 360,596,609	\$ 346,188,634
% of Total	100.00%	100.00%	100.00%	100.00%	100.00%
% Change	-1.25%	4.88%	6.75%	4.16%	3.21%

*General fund only

See accompanying independent auditor's report

Fiscal Year:							Source
2017	2016	2015	2014	2013			
\$ 111,158,506	\$ 106,305,255	\$ 97,468,071	\$ 92,959,921	\$ 91,935,611	Real Estate & Personal Property		
33.14%	33.82%	33.21%	30.62%	30.94%	% of Total		
4.57%	9.07%	4.85%	1.11%	0.47%	% Change		
9,328,894	8,651,851	8,312,974	7,676,637	7,495,147	Motor Vehicle & Other Excises		
2.78%	2.75%	2.83%	2.53%	2.52%	% of Total		
7.83%	4.08%	8.29%	2.42%	3.54%	% Change		
3,473,296	4,596,216	2,387,623	2,025,500	2,373,605	Tax Liens & Foreclosures		
1.04%	1.46%	0.81%	0.67%	0.80%	% of Total		
-24.43%	92.50%	17.88%	-14.67%	18.33%	% Change		
304,394	266,764	284,753	321,660	281,810	Payment in Lieu of Taxes		
0.09%	0.08%	0.10%	0.11%	0.09%	% of Total		
14.11%	-6.32%	-11.47%	14.14%	-1.52%	% Change		
188,661,201	174,650,101	164,728,080	180,739,920	171,731,263	Intergovernmental		
56.25%	55.57%	56.13%	59.54%	57.79%	% of Total		
8.02%	6.02%	-8.86%	5.25%	2.48%	% Change		
15,790,498	12,422,024	14,296,798	14,225,613	14,942,109	Charges For Services		
4.71%	3.95%	4.87%	4.69%	5.03%	% of Total		
27.12%	-13.11%	0.50%	-4.80%	-1.92%	% Change		
2,575,776	3,031,422	1,292,527	1,399,610	1,572,860	Penalties, Interest & Fines		
0.77%	0.96%	0.44%	0.46%	0.53%	% of Total		
-15.03%	134.53%	-7.65%	-11.01%	5.84%	% Change		
390,836	172,281	100,500	164,478	160,173	Investment Income		
0.12%	0.05%	0.03%	0.05%	0.05%	% of Total		
126.86%	71.42%	-38.90%	2.69%	1.69%	% Change		
2,653,606	2,576,211	2,312,112	2,178,801	2,228,837	Licenses & Permits		
0.79%	0.82%	0.79%	0.72%	0.75%	% of Total		
3.00%	11.42%	6.12%	-2.24%	-4.65%	% Change		
1,073,424	1,633,833	2,291,209	1,863,119	4,440,628	Miscellaneous and Other		
0.32%	0.52%	0.78%	0.61%	1.49%	% of Total		
-34.30%	-28.69%	22.98%	-58.04%	36.50%	% Change		
\$ 335,410,431	\$ 314,305,958	\$ 293,474,647	\$ 303,555,259	\$ 297,162,043	Total Revenues		
100.00%	100.00%	100.00%	100.00%	100.00%	% of Total		
6.71%	7.10%	-3.32%	2.15%	2.09%	% Change		

*General fund only

Net Position by Component – Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental activities:					
Net investment in capital assets	\$ 209,869,298	\$ 246,253,679	\$ 241,182,284	\$ 279,293,487	\$ 255,849,397
Restricted	53,642,053	55,449,850	48,860,986	43,530,629	48,214,482
Unrestricted	(694,153,208)	(755,158,774)	(742,996,326)	(707,250,456)	(685,846,907)
Total governmental activities net position	(430,641,857)	(453,455,245)	(452,953,056)	(384,426,340)	(381,783,028)
Business-type activities:					
Net investment in capital assets	58,967,032	52,547,696	54,200,777	49,815,556	42,507,626
Restricted	3,546,541	5,886,845	6,677,318	6,506,368	5,815,153
Unrestricted	(37,005,789)	(38,420,180)	(37,978,113)	(37,654,143)	(37,545,649)
Total business-type activities net position	25,507,784	20,014,361	22,899,982	18,667,781	10,777,130
Primary government:					
Net investment in capital assets	268,836,330	298,801,375	295,383,061	329,109,043	298,357,023
Restricted	57,188,594	61,336,695	55,538,304	50,036,997	54,029,635
Unrestricted	(731,158,997)	(793,578,954)	(780,974,439)	(744,904,599)	(723,392,556)
Total primary government net position	\$ (405,134,073)	\$ (433,440,884)	\$ (430,053,074)	\$ (365,758,559)	\$ (371,005,898)

See accompanying independent auditor's report

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental activities:					
Net investment in capital assets	\$223,596,765	\$175,951,450	\$ 168,323,625	\$ 175,040,568	\$ 122,667,159
Restricted	38,790,029	31,303,068	24,738,122	21,614,231	21,214,642
Unrestricted	<u>(381,467,229)</u>	<u>(347,579,168)</u>	<u>(323,855,964)</u>	<u>(51,074,772)</u>	<u>(40,827,126)</u>
Total governmental activities net position	<u>(119,080,435)</u>	<u>(140,324,650)</u>	<u>(130,794,217)</u>	<u>145,580,027</u>	<u>103,054,675</u>
Business-type activities:					
Net investment in capital assets	51,937,955	53,776,776	56,076,992	47,259,222	42,174,987
Restricted	3,665,721	4,490,037	4,832,301	4,740,697	3,885,863
Unrestricted	<u>(13,326,486)</u>	<u>(12,261,169)</u>	<u>(13,525,686)</u>	<u>(132,497)</u>	<u>70,310</u>
Total business-type activities net position	<u>42,277,190</u>	<u>46,005,644</u>	<u>47,383,607</u>	<u>51,867,422</u>	<u>46,131,160</u>
Primary government:					
Net investment in capital assets	275,534,720	229,728,226	224,400,617	222,299,790	164,842,146
Restricted	42,455,750	35,793,105	29,570,423	26,354,928	25,100,505
Unrestricted	<u>(394,793,715)</u>	<u>(359,840,337)</u>	<u>(337,381,650)</u>	<u>(51,207,269)</u>	<u>(40,756,816)</u>
Total primary government net position	<u>\$ (76,803,245)</u>	<u>\$ (94,319,006)</u>	<u>\$ (83,410,610)</u>	<u>\$ 197,447,449</u>	<u>\$ 149,185,835</u>

Changes in Net Position – Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019	2018
Expenses:					
Governmental Activities:					
General government	\$ 54,161,903	\$ 29,374,777	\$ 30,258,436	\$ 34,193,184	\$ 35,071,869
Public safety	74,136,715	74,872,529	95,052,880	75,446,794	70,423,916
Public works	36,131,563	55,768,696	101,339,976	34,251,359	33,305,316
Health and human services	6,810,462	6,902,262	7,345,350	7,471,083	4,109,248
Education	358,866,148	370,004,827	329,758,040	304,672,642	282,997,939
Community and economic development	7,914,979	5,472,898	5,317,553	6,272,336	6,280,645
Culture and recreation	10,178,499	11,057,690	11,952,094	8,626,036	8,809,505
Municipal airport	-	-	-	-	3,812,339
Pension benefits	-	-	-	-	-
Health and other insurance	-	-	-	-	-
Miscellaneous	-	-	-	-	-
State and county charges	-	-	-	-	-
Debt service:					
Interest and fiscal charges	6,305,143	6,218,634	6,595,140	6,667,615	7,344,303
Total governmental activities	<u>554,505,412</u>	<u>559,672,313</u>	<u>587,619,469</u>	<u>477,601,049</u>	<u>452,155,080</u>
Business-type activities:					
Downtown Parking	940,302	1,061,809	1,232,486	873,944	729,847
Water	13,554,428	13,447,727	13,310,385	11,982,764	11,344,596
Airport	3,116,320	3,083,084	2,816,268	2,669,381	2,509,395
Cable Access	882,168	839,382	835,769	-	-
Total business-type activities	<u>18,493,218</u>	<u>18,432,002</u>	<u>18,194,908</u>	<u>15,526,089</u>	<u>14,583,838</u>
Total primary government expenses	<u>\$ 572,998,630</u>	<u>\$ 578,104,315</u>	<u>\$ 605,814,377</u>	<u>\$ 493,127,138</u>	<u>\$ 466,738,918</u>
Program Revenues:					
Governmental activities:					
Fees, fines, and charges for services:					
Public safety	\$ 13,898,636	\$ 16,025,048	\$ 14,002,114	\$ 12,654,176	\$ 12,285,261
Public works	27,157,710	24,428,033	24,264,121	25,076,724	23,394,904
Education	10,633,212	10,789,285	9,120,003	9,366,223	9,897,482
Other	5,766,480	6,863,294	7,411,651	11,425,366	9,483,909
Operating grants and contributions ⁽¹⁾	302,040,455	301,098,433	238,831,856	222,870,636	213,580,397
Capital grants and contributions	14,576,389	18,763,150	26,860,482	31,998,877	28,557,748
Total governmental activities program revenues	<u>374,072,882</u>	<u>377,967,243</u>	<u>320,490,227</u>	<u>313,392,002</u>	<u>297,199,701</u>
Business-type activities:					
Fees, fines, and charges for services:					
Downtown Parking	828,436	575,983	774,748	992,443	874,758
Water	17,206,745	15,678,474	14,980,094	15,480,410	13,880,952
Airport	1,011,205	989,726	889,651	883,065	891,329
Cable Access	1,457,424	1,166,724	1,175,265	-	-
Operating grants and contributions	55,839	67,909	76,339	86,760	94,552
Capital grants and contributions	6,399,437	-	31,814,841	-	-
Total business-type activities program revenues	<u>26,959,086</u>	<u>18,478,816</u>	<u>49,710,938</u>	<u>17,442,678</u>	<u>15,741,591</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				
	2017	2016	2015	2014	2013
Expenses:					
Governmental Activities:					
General government	\$ 30,786,610	\$ 8,839,182	\$ 16,068,463	\$ 15,141,811	\$ 16,153,044
Public safety	70,242,636	73,006,134	67,315,497	74,704,868	76,832,178
Public works	26,467,868	34,771,249	32,245,284	35,035,623	31,476,749
Health and human services	8,154,854	8,155,432	6,946,019	5,711,823	7,692,498
Education	279,231,909	230,778,684	201,478,727	222,311,813	232,119,911
Community and economic development	6,448,382	5,293,557	6,232,160	5,892,790	6,322,976
Culture and recreation	7,662,237	7,795,457	7,664,014	8,273,031	8,553,876
Municipal airport	73,228	3,073,279	-	-	-
Pension benefits	-	-	24,789,517	-	-
Health and other insurance	-	-	-	-	-
Miscellaneous	-	8,972,342	9,599,109	8,822,341	8,572,875
State and county charges	-	13,624,678	12,149,703	10,252,470	9,581,904
Debt service:					
Interest and fiscal charges	7,237,267	7,312,597	7,141,982	7,567,178	8,714,439
Total governmental activities	<u>436,304,991</u>	<u>401,622,591</u>	<u>391,630,475</u>	<u>393,713,748</u>	<u>406,020,450</u>
Business-type activities:					
Downtown Parking	611,024	573,285	713,144	-	-
Water	9,325,716	10,391,744	9,858,365	9,695,886	9,858,564
Airport	2,511,937	2,260,833	2,201,245	1,416,730	1,103,774
Cable Access	-	-	-	-	-
Total business-type activities	<u>12,448,677</u>	<u>13,225,862</u>	<u>12,772,754</u>	<u>11,112,616</u>	<u>10,962,338</u>
Total primary government expenses	<u>\$ 448,753,668</u>	<u>\$ 414,848,453</u>	<u>\$ 404,403,229</u>	<u>\$ 404,826,364</u>	<u>\$ 416,982,788</u>
Program Revenues:					
Governmental activities:					
Fees, fines, and charges for services:					
Public safety	\$ 11,041,992	\$ 6,934,127	\$ 13,204,409	\$ 11,710,026	\$ 11,833,220
Public works	22,092,522	21,753,631	21,056,137	21,145,569	20,683,998
Education	9,266,219	9,927,937	8,937,024	8,969,722	10,055,571
Other	14,443,547	13,148,570	10,674,695	6,283,092	14,749,635
Operating grants and contributions ⁽¹⁾	202,594,871	186,105,062	180,766,856	193,410,279	195,026,746
Capital grants and contributions	39,122,840	16,772,965	19,328,858	9,119,991	18,498,806
Total governmental activities program revenues	<u>298,561,991</u>	<u>254,642,292</u>	<u>253,967,979</u>	<u>250,638,679</u>	<u>270,847,976</u>
Business-type activities:					
Fees, fines, and charges for services:					
Downtown Parking	859,712	856,450	805,292	-	-
Water	12,293,768	12,771,001	11,854,102	11,249,641	11,103,063
Airport	842,110	778,644	686,443	696,532	730,784
Cable Access	-	-	-	-	-
Operating grants and contributions	103,266	112,737	-	-	-
Capital grants and contributions	-	-	-	(30,135)	-
Total business-type activities program revenues	<u>14,098,856</u>	<u>14,518,832</u>	<u>13,345,837</u>	<u>11,916,038</u>	<u>11,833,847</u>

	Fiscal Year				
	2022	2021	2020	2019	2018
Primary Government Net (Expense) Revenue:					
Governmental activities	\$ (180,432,530)	\$ (181,705,070)	\$ (267,129,242)	\$ (164,209,047)	\$ (154,955,379)
Business-type activities	8,465,868	46,814	31,516,030	1,916,589	1,157,753
Total primary government net expense	\$ (171,966,662)	\$ (181,658,256)	\$ (235,613,212)	\$ (162,292,458)	\$ (153,797,626)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Real estate and personal property, net of reserve for abatements	\$ 141,743,942	\$ 133,769,867	\$ 129,588,535	\$ 124,062,114	\$ 118,005,007
Motor vehicle and other excise taxes	12,062,276	9,956,629	9,782,181	8,347,292	9,560,934
School building assistance ⁽¹⁾	-	-	-	-	-
Distribution - school aid ⁽¹⁾	-	-	-	-	-
Grants and contributions not restricted	23,175,537	24,427,447	24,427,447	23,803,946	22,980,913
Distribution - additional aid	-	-	-	-	-
Exemptions	-	-	-	-	2,120,591
State owned land	-	-	-	-	13,658
Earnings on investments	710,947	2,098,991	1,958,533	2,400,940	777,004
Tax foreclosures	1,819,172	1,799,390	909,036	1,743,948	2,045,892
Penalties and interest on taxes	1,126,668	1,278,089	814,668	1,216,014	1,776,721
Fines and forfeitures	-	-	-	-	-
Payments in lieu of taxes	353,869	479,275	361,310	364,357	294,465
Contributions and donations	-	-	-	-	-
Miscellaneous and other	18,663,168	3,959,924	3,223,370	4,911,691	2,116,090
Transfers and special items	3,590,339	-	27,827,822	(5,284,567)	7,353,921
Total governmental activities	203,245,918	177,769,612	198,892,902	161,565,735	167,045,196
Business-type activities:					
Miscellaneous	617,894	37,208	253,617	689,495	39,652
Transfers and special items	(3,590,339)	463,626	(27,827,822)	5,284,567	(11,757,350)
Total business-type activities	(2,972,445)	500,834	(27,574,205)	5,974,062	(11,717,698)
Total primary government	\$ 200,273,473	\$ 178,270,446	\$ 171,318,697	\$ 167,539,797	\$ 155,327,498
Changes in Net Position:					
Primary Government:					
Governmental activities	22,813,388	(3,935,458)	(68,236,340)	(2,643,312)	12,089,817
Business-type activities	5,493,423	547,648	3,941,825	7,890,651	(10,559,945)
Total change in primary government net position	\$ 28,306,811	\$ (3,387,810)	\$ (64,294,515)	\$ 5,247,339	\$ 1,529,872

See accompanying independent auditor's report

	Fiscal Year				
	2017	2016	2015	2014	2013
Primary Government Net (Expense) Revenue:					
Governmental activities	\$ (137,743,000)	\$ (146,980,299)	\$ (137,662,496)	\$ (143,075,069)	\$ (135,172,474)
Business-type activities	1,650,179	1,292,970	573,083	803,422	871,509
Total primary government net expense	\$ (136,092,821)	\$ (145,687,329)	\$ (137,089,413)	\$ (142,271,647)	\$ (134,300,965)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Real estate and personal property, net of reserve for abatements	\$ 108,897,622	\$ 102,644,537	\$ 98,308,125	\$ 92,873,411	\$ 91,591,832
Motor vehicle and other excise taxes	7,878,858	8,491,077	8,376,223	7,805,742	7,712,745
School building assistance ⁽¹⁾	-	-	-	-	-
Distribution - school aid ⁽¹⁾	-	-	-	-	-
Grants and contributions not restricted	22,118,299	21,206,423	20,803,123	19,917,179	19,457,251
Distribution - additional aid	-	-	-	-	-
Exemptions	2,254,878	2,803,303	2,243,702	2,368,153	2,398,844
State owned land	13,670	13,835	13,833	15,765	15,459
Earnings on investments	878,332	668,425	375,916	903,140	802,801
Tax foreclosures	3,458,518	4,596,216	4,891,263	3,597,795	4,842,778
Penalties and interest on taxes	2,510,437	2,596,564	1,136,906	1,200,406	1,389,535
Fines and forfeitures	-	-	-	-	-
Payments in lieu of taxes	304,394	266,764	284,753	321,660	281,810
Contributions and donations	-	-	-	-	-
Miscellaneous and other	4,048,109	3,474,794	4,827,654	5,160,582	6,914,236
Transfers and special items	6,624,098	(9,312,072)	(10,378,058)	(5,271,593)	(6,311,800)
Total governmental activities	158,987,215	137,449,866	130,883,440	128,892,240	129,095,491
Business-type activities:					
Miscellaneous	58,298	112,807	233,578	338,136	248,498
Transfers and special items	(5,436,931)	(2,783,740)	8,898,744	4,137,262	5,925,753
Total business-type activities	(5,378,633)	(2,670,933)	9,132,322	4,475,398	6,174,251
Total primary government	\$ 153,608,582	\$ 134,778,933	\$ 140,015,762	\$ 133,367,638	\$ 135,269,742
Changes in Net Position:					
Primary Government:					
Governmental activities	21,244,215	(9,530,433)	(6,779,056)	(14,182,829)	(6,076,983)
Business-type activities	(3,728,454)	(1,377,963)	9,705,405	5,278,820	7,045,760
Total change in primary government net position	\$ 17,515,761	\$ (10,908,396)	\$ 2,926,349	\$ (8,904,009)	\$ 968,777

See accompanying independent auditor's report

Fund Balances of Governmental Funds – Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019	2018
General Fund:					
Nonspendable	\$ 2,778,565	\$ 4,346,221	\$ 5,610,346	\$ 6,778,230	\$ 7,521,415
Restricted	-	-	-	-	-
Committed	5,832,967	11,967,948	11,324,425	11,655,603	8,709,209
Assigned	1,779,756	1,975,081	2,235,953	697,553	925,022
Unassigned	18,622,811	14,434,112	12,312,126	9,476,753	9,968,585
Total general fund	\$ 29,014,099	\$ 32,723,362	\$ 31,482,850	\$ 28,608,139	\$ 27,124,231
All other Governmental Funds:					
Nonspendable	5,400,702	5,400,702	5,400,702	5,400,702	5,153,784
Restricted	48,514,642	50,322,439	43,733,575	45,544,497	43,087,071
Committed	6,750,370	5,814,209	7,520,718	7,266,911	5,488,710
Assigned	1,302,717	700,784	383,668	113,391	37,646
Unassigned	(13,551,164)	(15,052,281)	(22,699,947)	(11,298,965)	(14,537,308)
Total all other governmental funds	\$ 48,417,267	\$ 47,185,853	\$ 34,338,716	\$ 47,026,536	\$ 39,229,903

See accompanying independent auditor's report

	Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$ 1,500,816	\$ 1,550,816	\$ 1,900,816	\$ 1,900,816	\$ 1,900,816
Restricted	-	-	-	-	-
Committed	9,671,585	9,088,239	9,452,780	9,417,934	8,841,931
Assigned	143,081	26,106	8,505	1,301,724	1,063,133
Unassigned	<u>16,662,603</u>	<u>17,244,879</u>	<u>11,878,945</u>	<u>15,407,340</u>	<u>16,830,138</u>
Total general fund	<u>\$ 27,978,085</u>	<u>\$ 27,910,040</u>	<u>\$ 23,241,046</u>	<u>\$ 28,027,814</u>	<u>\$ 28,636,018</u>
All other Governmental Funds:					
Nonspendable	5,153,784	5,153,784	5,409,660	5,429,761	5,446,189
Restricted	33,662,618	26,175,657	19,610,711	16,486,820	16,087,231
Committed	4,977,177	3,436,877	6,023,049	8,689,775	8,501,817
Assigned	8,623	5,967	-	-	-
Unassigned	<u>(20,524,308)</u>	<u>(19,743,746)</u>	<u>(18,182,553)</u>	<u>(8,996,126)</u>	<u>(14,039,518)</u>
Total all other governmental funds	<u>\$ 23,277,894</u>	<u>\$ 15,028,539</u>	<u>\$ 12,860,867</u>	<u>\$ 21,610,230</u>	<u>\$ 15,995,719</u>

See accompanying independent auditor's report

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Revenues:					
Real estate and personal property taxes	\$ 138,325,449	\$ 131,700,885	\$ 126,083,676	\$ 122,238,616	\$ 117,726,504
Motor vehicle and other excise taxes	10,196,929	10,258,304	9,531,970	9,762,254	9,579,711
School Building Authority Reimbursement	808,755	2,796,277	8,295,874	5,266,306	11,920,791
Tax liens and foreclosures	2,205,709	2,210,222	1,109,423	1,969,831	2,257,336
Penalties interest on taxes	1,373,894	1,700,421	1,074,046	1,409,963	1,731,458
Licenses and permits	2,734,951	2,549,131	2,580,460	2,876,492	2,402,917
Fines and forfeitures	169,704	133,675	147,344	156,988	129,662
Investment income	555,876	2,101,722	1,762,817	2,373,876	731,185
Intergovernmental - operating grants	290,594,732	289,888,775	268,807,805	244,797,625	240,516,330
Intergovernmental - capital grants	15,819,408	20,477,403	21,458,592	29,408,897	16,511,674
Charges for services	42,171,985	36,834,995	38,843,904	40,813,382	37,527,160
Other - indirects	542,862	588,019	17,000	813,895	1,058,744
Special assessments & betterments	11,219	12,367	12,805	19,013	22,085
Payments in lieu of taxes	353,869	479,275	361,310	364,357	294,465
Miscellaneous	21,072,906	7,162,436	5,572,431	9,132,609	9,639,049
Total revenues	526,938,248	508,893,907	485,659,457	471,404,104	452,049,071
Expenditures:					
General government	34,228,924	18,670,982	18,632,825	17,936,999	17,546,058
Public safety	63,297,792	71,092,065	60,008,055	52,338,785	52,205,563
Education	269,271,081	266,158,199	227,928,438	203,405,798	207,382,752
Public works	42,904,801	65,363,422	55,518,638	56,878,600	43,721,970
Community and economic development	7,756,696	5,519,274	5,112,157	6,123,702	6,072,128
Health & human services	6,346,335	5,587,550	6,082,145	6,150,887	5,119,943
Municipal airport	-	-	-	5,138,490	3,812,339
Culture and recreation	6,509,533	6,286,575	6,433,858	6,848,132	7,426,403
Pension benefits	33,887,885	32,201,554	30,527,351	28,817,471	27,741,711
Health and other insurances	18,173,137	16,564,506	38,675,704	40,277,703	41,119,096
Miscellaneous	12,764,944	11,600,717	10,764,913	10,574,534	9,673,308
State and county charges	26,493,234	22,763,165	20,990,757	19,063,095	17,759,974
Debt service:					
Principal payments	14,343,265	17,390,213	16,575,522	16,904,235	16,290,857
Interest and fiscal charges	5,926,389	5,392,253	5,991,828	6,296,672	6,264,299
Debt administrative fees	397,280	384,065	597,164	491,187	650,530
Total Expenditures	542,301,296	544,974,540	503,839,355	477,246,290	462,786,931
Deficiency of revenues under expenditures	(15,363,048)	(36,080,633)	(18,179,898)	(5,842,186)	(10,737,860)
Other Financing Sources (Uses):					
Bond proceeds	7,235,000	40,346,617	4,646,600	11,012,297	21,969,977
Special items	2,059,860	6,388,396	1,115,370	92,649	78,630
Transfers, net	3,590,339	3,433,269	2,895,195	4,017,781	3,787,408
Total other financing sources (uses)	12,885,199	50,168,282	8,657,165	15,122,727	25,836,015
Net change in fund balances	\$ (2,477,849)	\$ 14,087,649	\$ (9,522,733)	\$ 9,280,541	\$ 15,098,155
Debt services as a percentage of noncapital expenditures	3.89%	4.58%	4.98%	5.41%	5.47%

See accompanying independent auditor's report

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues:					
Real estate and personal property taxes	\$ 111,158,506	\$ 106,305,255	\$ 97,468,071	\$ 92,959,921	\$ 91,935,611
Motor vehicle and other excise taxes	9,328,894	8,651,851	8,312,974	7,676,637	7,495,147
School Building Authority Reimbursement	31,191,301	9,056,821	6,599,997	1,754,667	2,583,007
Tax liens and foreclosures	3,972,612	5,074,797	2,585,724	2,142,591	2,616,215
Penalties interest on taxes	2,575,776	2,820,472	1,136,906	1,200,406	1,389,535
Licenses and permits	2,653,606	2,576,211	2,312,112	2,178,801	2,228,837
Fines and forfeitures	98,528	210,950	155,621	199,204	183,325
Investment income	867,176	681,245	367,181	892,853	792,833
Intergovernmental - operating grants	227,743,082	213,211,658	206,353,407	214,769,403	216,769,916
Intergovernmental - capital grants	11,573,866	10,080,871	15,094,883	12,825,701	15,917,874
Charges for services	38,608,394	34,066,659	35,724,239	35,739,020	36,026,684
Other - indirects	959,384	646,482	1,455,715	1,326,399	1,511,236
Special assessments & betterments	17,231	15,264	30,539	26,752	40,428
Payments in lieu of taxes	304,394	266,764	284,753	321,660	281,810
Miscellaneous	6,774,911	5,854,964	4,831,390	5,238,522	6,887,971
Total revenues	447,827,661	399,520,264	382,713,512	379,252,537	386,660,429
Expenditures:					
General government	11,648,859	11,950,710	11,900,981	9,913,579	8,899,518
Public safety	49,803,351	49,304,433	50,275,256	46,916,727	47,090,156
Education	228,265,703	178,895,302	168,278,869	172,724,226	173,342,593
Public works	38,863,915	48,096,589	42,870,611	31,618,117	33,363,631
Community and economic development	6,227,151	5,066,579	5,986,424	5,728,310	6,048,771
Health & human services	6,688,499	6,290,357	5,838,094	4,913,853	5,939,571
Municipal airport	1,323,943	3,073,277	8,556,574	7,155,263	9,064,427
Culture and recreation	6,803,544	6,213,591	6,209,223	5,899,311	5,512,175
Pension benefits	26,724,377	25,734,949	23,204,752	23,692,690	22,629,695
Health and other insurances	39,767,304	37,842,585	38,008,103	36,800,963	36,322,214
Miscellaneous	9,670,903	8,972,342	9,599,109	8,822,341	8,572,875
State and county charges	15,141,498	13,624,678	12,149,703	10,252,470	9,581,904
Debt service:					
Principal payments	16,119,765	15,117,303	14,287,694	14,034,910	12,846,284
Interest and fiscal charges	6,724,646	6,937,764	7,360,484	7,474,751	8,051,813
Debt administrative fees	558,602	427,189	295,060	226,868	494,872
Total Expenditures	464,332,060	417,547,648	404,820,937	386,174,379	387,760,499
Deficiency of revenues under expenditures	(16,504,399)	(18,027,384)	(22,107,425)	(6,921,842)	(1,100,070)
Other Financing Sources (Uses):					
Bond proceeds	18,748,277	22,325,124	7,948,000	10,000,000	4,373,000
Special items	782,935	230,140	99,416	9,063	80,645
Transfers, net	5,290,587	2,308,786	523,878	1,919,086	2,326,049
Total other financing sources (uses)	24,821,799	24,864,050	8,571,294	11,928,149	6,779,694
Net change in fund balances	\$ 8,317,400	\$ 6,836,666	\$(13,536,131)	\$ 5,006,307	\$ 5,679,624
Debt services as a percentage of noncapital expenditures	5.71%	5.90%	5.87%	5.83%	5.77%

See accompanying independent auditor's report

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		
2022	\$ 5,904,815,861	\$ 721,683,418	\$ 366,845,200	\$ 395,020,130	\$ 7,388,364,609	\$ 19.13
2021	5,709,416,255	685,825,596	333,765,850	361,481,590	7,090,489,291	18.93
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

⁽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

See accompanying independent auditor's report

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

<u>Fiscal Year</u> ⁽¹⁾	<u>Class</u> ⁽²⁾	<u>City General</u>	<u>Total</u>	<u>% Change</u>	<u>Total Direct</u> ⁽³⁾
2022	Residential	\$ 15.54	\$ 15.54	-0.32%	\$ 19.13
	C.P.	33.51	33.51	2.29%	
2021	Residential	15.59	15.59	-3.53%	18.93
	C.P.	32.76	32.76	-2.47%	
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%	

⁽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	2022				2013			
	Taxable Assessed	Rank	% of Total Taxable Assessed	Total Tax Liability	Taxable Assessed	Rank	% of Total Taxable Assessed	Total Tax Liability
	Value		Value		Value		Value	
NSTAR (EVERSOURCE) ELECTRIC	\$ 177,347,770	1	2.40%	\$ 5,809,913				
NSTAR (EVERSOURCE) GAS	156,250,230	2	2.11%	5,118,758				
WAMSUTTA, LLC	24,923,200	3	0.34%	816,484				
CEDAR-FIELDSTONE	23,009,200	4	0.31%	753,781				
AFC CABLE SYSTEMS, INC	18,325,700	5	0.25%	600,350				
MELVILLE HSG ASSOC - LESSEE	18,116,500	6	0.25%	593,497				
ROCKDALE WEST LLC	17,142,000	7	0.23%	561,572				
COMCAST OF SOUTHERN NE	16,557,580	8	0.22%	542,426				
BAYBERRY AT NB	14,985,200	9	0.20%	490,915				
VERIZON NEW ENGLAND, INC	14,579,300	10	0.20%	477,618				
NSTAR (EVERSOURCE) ELECTRIC					\$ 85,782,360	1	1.57%	\$ 2,439,650
NSTAR (EVERSOURCE) GAS					37,406,550	2	0.68%	1,063,842
VERIZON NEW ENGLAND, INC					21,925,600	3	0.40%	623,564
CEDAR-FIELDSTONE					21,020,400	4	0.38%	597,820
WAMSUTTA, LLC					16,943,500	5	0.31%	481,873
AFC CABLE SYSTEMS					15,009,200	6	0.27%	426,862
COMCAST OF SOUTHERN NE					14,484,960	7	0.26%	411,952
DEMOULAS SUPERMARKETS					11,145,700	8	0.20%	316,984
COMPASS BANK					10,571,600	9	0.19%	300,656
ACUSHNET COMPANY					9,627,000	10	0.18%	273,792
Total City Taxable Assessed Valuation:	<u>\$ 7,388,364,609</u>		<u>6.51%</u>		<u>\$ 5,479,569,620</u>		<u>4.45%</u>	

Note: The largest taxpayers table includes entities with a fiscal year 2022 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, 2022		
	Gross	Net ⁽¹⁾	Net % Gross	Gross Amount	% Gross Amount	% Net Levy	Net Amount	% Gross Levy	% Net Levy
2022	\$ 141,474,557	\$ 141,156,922	99.78%	\$ 136,649,632	96.59%	96.81%	\$ 133,649,632	94.47%	94.68%
2021	134,253,764	133,265,642	99.26%	129,961,961	96.80%	97.52%	129,819,685	96.70%	97.41%
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%

* - 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
2022	\$ 173,290,138	\$ 19,002,780
2021	185,624,601	21,129,434
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

Business-Type Activities

Fiscal Year	General & Special Obligation Bonds	Capital Lease Agreements	Total Primary Government	% of Total Personal Income (1)	Per Capita (2)
2022	\$ 67,917,001	\$ 83,418	\$ 260,293,337	7.99%	\$ 2,579
2021	67,209,167	164,572	274,127,774	10.32%	2,712
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

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

(1) – See page 154 for the City's total personal income data

(2) – See page 154 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⁾
2022	\$ 173,290,138	\$ 7,388,364,609	2.35%	\$ 1,717
2021	185,624,601	7,090,489,291	2.62%	1,836
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

⁽¹⁾ – See page 147 for the City’s total assessed value of property

⁽²⁾ – See page 154 for the City’s population data

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
2022	\$ 6,947,603,100	\$ 347,380,155	\$ 241,207,135	\$ 459,638,033	\$(393,882,036)	\$ 306,963,132	\$ 40,417,023	88.37%
2021	6,947,603,100	347,380,155	252,833,767	208,644,877	(333,913,284)	127,565,360	219,814,795	36.72%
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%

⁽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 2022 (MGL Chapter 44 Section 10)

Equalized Valuation at January 1, 2022	\$ 6,947,603,100
Normal Debt Limit (5% of Equalized Valuation)	<u>\$ 347,380,155</u>
Total Outstanding Debt at June 30, 2022	241,207,135
Add: Debt Authorized But Not Yet Issued ⁽²⁾	<u>459,638,033</u>
Equals: Gross Debt	700,845,168
Less: Debt Outside the Debt Limit (MGL Chapter 44 Section 8)	<u>(393,882,036)</u>
Equals: Net Debt Subject to Debt Limit	<u>\$ 306,963,132</u>
Remaining Borrowing Capacity	<u>\$ 40,417,023</u>

⁽²⁾ – The Debt authorized but unissued as of June 30, 2021 and City Council authorizations during fiscal year 2021 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⁾
2022	100,947	51,203	5.1%	3.5%	\$ 32,257	42,743	49,237	61,855
2021	101,079	45,096	24.1%	17.7%	26,278	38,888	46,321	61,328
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

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⁾	2022			Employer ⁽¹⁾	2013		
	Employees ⁽²⁾	Rank	Percentage of Total City Employment		Employees	Rank	% of Total City Employment
Joseph Abboud	500-999	1	3 - 5%	St. Luke's Hospital	5000-9999	1	
Brittany Dyeing & Printing Co	250-499	2	0.5 - 1%	Southcoast Health System	1000-4999	2	
Cintas Uniforms & Apparel	250-499	3	0.5 - 1%	Acushnet Company	500-999	3	
Community Health Center	250-499	4	0.5 - 1%	Community Health Center	500-999	4	
Polaroid Corp	250-499	5	0.5 - 1%	Joseph Abboud	500-999	5	
Sacred Heart Home	250-499	6	0.5 - 1%	Market Basket	500-999	6	
Sid Wainer & Son Specialty	100-149	7	0.5 - 1%	Ahead Inc	250-499	7	
ABC Disposal Service Inc	100-149	8	0.5 - 1%	Brittany Dyeing & Printing Co	250-499	8	
Aerovox Corp	100-249	9	0.5 - 1%	Sacred Heart Home	250-499	9	
AFC Cable Systems	100-249	10	0.5 - 1%	Shaw's Supermarket	250-499	10	
Total Labor Force	<u>45,096</u>				<u>44,560</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⁾									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Education ⁽²⁾ :										
Teachers	1037	991	958	932	922	901	835	849	816	877
Other	947	837	820	772	732	687	602	651	668	686
Total	1,984	1,828	1,778	1,704	1,654	1,588	1,436	1,500	1,484	1,563
Public safety:										
Police	268	288	292	296	297	302	301	307	308	317
Fire	225	207	212	207	218	212	219	226	235	239
Other	58	56	45	48	59	60	59	52	66	74
Total public safety	551	551	549	551	574	574	579	585	609	630
Public works	80	82	88	93	107	110	109	122	121	81
Other governmental-type	300	292	289	309	364	382	367	373	358	405
Total governmental-type	2,915	2,753	2,704	2,657	2,699	2,654	2,491	2,580	2,572	2,679
Business-type:										
Water	78	82	82	79	83	75	71	66	73	67
Airport	5	5	6	6	8	7	6	8	8	7
Cable Access	9	10	9	-	-	-	-	-	-	-
Downtown Parking	6	9	7	7	6	11	9	9	-	-
Total business-type	98	106	104	92	97	93	86	83	81	74
Total City Employees	3,013	2,859	2,808	2,749	2,796	2,747	2,577	2,663	2,653	2,753

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 .

Operating Indicators by Function – Last Ten Fiscal Years

Function/Program	Fiscal Year ⁽¹⁾									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Education:										
Student enrollment as of June 30 ⁽²⁾	12,504	12,565	12,880	12,845	12,626	12,640	12,681	12,565	12,744	12,616
Public safety:										
Violent crimes reported ⁽³⁾	547	501	558	579	633	819	1,094	1,199	1,039	1,030
Property crimes reported ⁽³⁾	1,764	1,615	2,020	2,167	2,752	2,946	3,394	3,382	3,457	3,209
Police calls dispatched	80,850	80,336	84,068	90,212	77,400	90,459	89,914	92,560	86,971	84,937
Police citations issued	2,843	3,824	5,604	7,435	8,341	6,412	6,989	9,312	6,298	5,511
Arrests made ⁽³⁾	2,791	3,381	3,504	3,910	3,819	3,841	3,755	4,328	4,589	4,251
Accidents reported	4,180	3,385	3,260	4,510	5,825	5,627	5,584	5,886	5,166	5,045
Fires reported	330	432	395	456	447	457	471	443	362	n/a
Fire calls responded to	3,344	3,000	619	2,921	2,786	2,632	265	2,463	2,352	n/a
Emergency medical calls responded to ⁽⁴⁾	19,250	19,468	18,860	17,554	15,680	14,938	15,812	14,783	15,184	13,695
Emergency medical calls	20,404	20,422	19,687	19,223	18,582	17,373	18,784	16,681	17,847	16,131
Fire inspections conducted	2,727	2,601	2,717	4,044	4,567	4,376	4,549	(4)	n/a	n/a
Parking tickets issued ⁽⁵⁾	5,376	4,049	2,655	9,826	4,650	7,662	3,631	4,446	5,753	4,841
Inspectional Services										
Building permits issued	3,523	3,742	3,106	3,353	3,430	3,180	3,035	2,691	2,402	2,440
Building permit value (000s)	\$ 156,994	\$ 112,133	\$ 72,101	\$ 134,528	\$ 63,599	\$ 79,168	\$ 69,321	\$ 59,852	\$ 46,194	\$ 46,428
Food establishment inspections conducted ⁽⁴⁾	371	166	1283	758	1669	947	900	987	n/a	n/a
Public Works:										
Municipal solid waste collected (tons)	28,092	31,643	27,721	28,268	27,704	27,275	27,034	25,576	n/a	n/a
Recycled materials collected (tons)	11,160	13,130	11,539	13,075	13,941	13,148	12,898	11,697	n/a	n/a
Facilities work orders completed	987	1,152	1,245	1,560	1,608	1,205	1,521	1,428	(4)	n/a
Fleet work orders completed	3,546	3,014	2,163	2,906	4,703	5,659	4,348	(4)	n/a	n/a
Potholes repaired	2,666	5,035	6,064	10,142	9,886	11,815	12,567	9,961	9,086	3,919
Trees planted	443	138	171	678	470	415	874	468	650	n/a
Culture & recreation:										
Library physical circulation	214,060	156,502	279,957	325,953	237,625	237,756	248,629	257,215	283,728	304,255
Library electronic circulation	97,487	53,088	48,955	30,834	15,343	13,148	15,623	10,038	7,894	5,109
Seasonal parks and recreation staff employed	101	166	212	257	102	116	81	121	120	111
Supportive recreational program participants	2,615	378	969	8,811	1,310	2,602	3,427	1,694	1,466	2,738
Summer recreational program participants	1,717	1,259	1,320	1,422	1,902	2,190	2,550	2,204	2,000	1,799
Summer meals served	48,850	58,428	252,683	95,470	85,458	94,092	92,588	88,146	80,000	76,000
Recreational facility rental contracts	209	79	161	244	153	228	727	769	175	102
Buttonwood Park Zoo attendance	163,186	122,302	101,878	147,057	136,969	129,583	121,868	135,460	141,669	154,453
Water:										
Water treated (CCF)	5,613,569	5,172,606	5,039,824	4,346,919	5,211,697	5,146,406	5,650,558	5,771,195	6,462,535	5,463,197
Water consumed (billed CCF)	4,494,844	4,415,034	4,370,887	3,987,156	4,682,913	4,870,580	5,596,312	4,694,285	4,642,548	4,655,791
Airport:										
Aircraft operations, total	57,171	56,597	49,990	53,204	57,248	47,117	52,115	43,983	49,520	52,837
Aircraft operations, jet service only	1,993	1,593	1,270	1,361	1,269	1,221	1,072	961	392	n/a
Passenger enplanements	3,534	4,058	2,860	6,518	7,057	6,646	7,461	7,068	9,773	11,474
Downtown Parking:										
Parking tickets issued ⁽⁵⁾	34,767	30,647	39,073	51,089	19,239	19,536	28,435	24,536	23,044	21,884

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⁾									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	3	4	4	4	4	4	4	4	4	4
Uniformed police force ⁽²⁾	258	257	257	266	253	255	259	257	261	253
Police vehicles, marked	71	84	80	88	71	69	69	69	63	63
Police vehicles, total fleet	140	141	145	156	146	120	122	124	132	132
Fire stations	5	6	6	7	7	7	7	7	7	7
Uniformed firefighting force ⁽²⁾	216	201	207	216	216	216	215	222	222	236
Total fire apparatus	9	9	9	10	10	10	10	10	10	10
Emergency rescues	7	6	7	8	7	5	4	4	4	4
Metered parking spaces ⁽³⁾	214	214	214	214	214	214	214	214	214	214
Public Works:										
City-owned buildings ⁽⁴⁾	85	89	89	89	89	77	77	77	n/a	n/a
Vehicle fleet ⁽⁴⁾	449	585	607	594	582	389	351	375	n/a	n/a
Public roadways (miles)	331	330	331	331	337	337	336	336	335	335
Sidewalks (miles)	662	360	662	662	674	674	672	672	670	670
Streetlights	11,352	10,549	11,000	11,000	10,664	10,664	n/a	n/a	n/a	n/a
Trees	12,221	12,024	11,000	11,000	10,458	9,988	9,573	8,699	8,231	7,581
Wastewater pump stations	29	29	29	29	29	29	29	29	29	29
Sewage collection system (miles)	463	435	435	435	435	435	434	434	433	433
Culture & recreation:										
Library volumes	325,278	349,152	372,439	435,260	373,267	385,754	380,915	409,786	438,439	451,934
Library special collections	2,983	2,962	2,907	2,181	2,181	2,833	2,852	2,991	2,480	1,479
Total parks & beaches	55	45	44	44	37	37	37	36	35	34
Accessible green space (acres)	812	830	830	830	830	830	722	719	628	614
Walking trails (miles)	9.0	9.5	8.5	8.5	6.5	6.5	4.5	3.5	2.0	2.0
Buttonwood Park Zoo exhibits	33	33	35	32	30	30	24	24	24	24
Buttonwood Park Zoo animals	1,581	1,700	2,381	2,368	976	1,079	769	556	1,030	1,039
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)	283.0	300.0	308.0	308.0	308.0	308.0	287.0	287.0	287.0	287.0
Airport:										
Based Aircraft	107	106	101	108	110	107	102	98	138	100
Runway Length (linear feet)	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	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	879	879	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.

APPENDIX B

City of New Bedford, Massachusetts
FY 22-26 Capital Improvement Program

FY 2022-2026 Capital Improvement Program
City of New Bedford, Massachusetts

Background

The City of New Bedford develops a five-year capital improvement program (CIP) to address its capital needs considering its forecasted financial capacity. The practice of prioritizing the City's capital projects through a multi-year period establishes a roadmap for facility improvement and vehicle replacement, tends to enhance the City's status with rating agencies, and facilitates the City's ability to incorporate capital spending into its fiscal planning. The initial version of the CIP covered the five years from FY 2014 through FY 2018, and the plan has been updated annually as projects have been further refined and updated.

Projects are first identified through the biennial Capital Needs Assessment (CNA), based on the input of operating departments regarding service needs, physical condition and usage requirements that should be considered for funding consideration in the CIP. Potential projects are evaluated in relation to each other to ensure that the highest priority projects receive public funding. The CIP is funded annually through a capital improvement bond authorized by the City Council, and through project-specific authorizations, grants, and lease agreements.

Five-Year Capital Improvement Plan Summary

The Capital Improvement Program covers General Fund-supported projects from FY 2022 through 2026, and totals \$122 million. Of this amount, \$20.9 million would be allocated for capital asset preservation projects for public safety, road repairs, public use buildings and other government facilities, and approximately \$12.7 million would be allocated for ongoing replacement of capital vehicles and general fleet replenishment. \$34.5 million would be allocated for major renovations and/or replacements at general government facilities, while \$53.7 million would be allocated for school projects.

What follows is a summary of the projects proposed to be funded in this year's capital improvement bond and a summary of the projects that would be addressed in the CIP's later years.

Proposed FY 2022 Capital Improvement Bond

The FY 2022 bond, which totals **\$11,170,000** consists of the following projects in the CIP:

- **Continuation of Improvements at the Buttonwood Park Zoo (\$1,700,000)** This project will provide for an upgrade of the Animal Ambassador exhibit and includes the complete renovation of the old domestic barn to improve the experience of guests attending the zoo, new bathrooms, exterior façade, new windows, and an educational space for children.
- **DPI Fleet Maintenance Facility Improvements (\$850,000)** This project would provide for a DPI truck shed on Shawmut Avenue upgrading the current tent that is being used. This structure is necessary to house and repair DPI's fleet, would increase the lifespan of crucial equipment and allow the city mechanics to safely work on vehicles.
- **MIS Communication Equipment (\$700,000):** This project is part of the City's Public Safety Radio System Upgrade and provides for a new self-supporting tower and communications equipment including three antennas at the Kings Highway Salt Shed site to support Fire, Police and EMS radio communications. This tower is critical to providing the coverage needed by our public safety departments.
- **South Public Safety Annex (\$400,000):** This project would fund HVAC improvements and cooling upgrades to the first floor as well as window replacements to the first and second floors, roof and shingle replacements and improved building drainage.
- **Public Safety Management Software Upgrade Police/EMS/Fire (1,500,000):** This project would support the conversion from IMC Records Management Systems and dispatch for the Police, Fire and EMS Departments to the newest technology in public safety records management, Public Safety Suite Pro. The current IMC software is reaching end-of-life and will no longer receive software upgrades.
- **Police Department Public Safety Equipment (\$550,000):** This funding would support the Police Department's replacement of public safety equipment including all tasers and firearms which are critical to our public safety officers.
- **Pleasant Street renovation (\$900,000):** This project provides a build out of working space to accommodate sixteen employees at the (former) Police Station 1 on Pleasant Street including a service counter, conference rooms, bathroom improvements, fire alarm protection, improvements to water infiltration and required ADA access improvements to the front entrance.

- **Wilks Library (\$570,000):** This project replaces the Acushnet Avenue window wall, add an ADA rear entrance ramp and foyer as well as interior electrical service upgrades, exterior doors, alarm improvements, emergency lighting and boiler replacement. This project also addresses drainage issues, repairs to sidewalks and the installation of additional gutters.
- **Emergency Management Offices (\$380,000):** This project provides improvements to (former) Fire Station 6 to allow office and equipment storage for the EMA Division of the Fire Department including roof repairs, hose tower water infiltration, overall envelope improvements, interior office walls and bathrooms, garage door replacement and the installation of data, cable, and communications.
- **Zoo Restrooms (\$380,000):** This project provides for a complete upgrade of the public bathrooms in the Wildlife Education Center to meet ADA standards while providing a facility improvement for the benefit of all zoo guests.
- **Zoo Rainforests, Rivers and Reefs Humidification and HVAC (\$240,000):** This project provides the RRR building with a redesign and replacement of the humidification and air system to properly support the small monkey exhibits and rainforest habitats. As part of this project, HVAC improvements will be made to the Vet Clinic and the animal holding section within this building.
- **Roads & Infrastructure (\$3,000,000):** The Capital Improvement Program includes an ongoing infrastructure program intended to augment State-funded and utility-related improvements to roads and sidewalks. Work is assigned based on conditions as assessed through the City's pavement management program. This program was initiated in FY 2017 and is proposed to continue throughout the five-year planning period. The proposed funding level represents a 20% increase to the annual allocation in comparison with the last several years.

Other FY 2022 Capital Projects

In addition to projects proposed for the capital bond, the Capital Improvement Program includes several projects that will be funded through separate loan orders due to their scale and/or their multiyear funding schedule. Included in this category are the School Department Central Kitchen, Zoo Renovations, Fleet Maintenance Improvements, Sassaquin Pond Improvement Project, Server, and Communications. These projects are discussed individually in the General Government Renovations & Replacements section of this document.

Project Descriptions for the Five-Year CIP

The foregoing projects are proposed to be funded in the Capital Improvement Program. The projects in the entire five-year planning period are summarized in the following pages. The complete CIP may be found at the end of this discussion.

General Government Renovations & Replacements

- **Hillman Street Complex Renovations (FY 2023, \$750,000):** This project continues renovations begun in FY 2014 to the Hillman Street Complex. Activities would include continued renovation of Building 9, including repointing of the exterior walls, and replacement of deteriorated brickwork.
- **Zeiterion Theatre Repairs (FY 2025, \$400,000):** This project serves as a placeholder for the replacement of doors and HVAC control units at the Zeiterion Theatre.
- **Agnes Braz Accessibility Improvements (FY 2024, \$1,350,000):** This project would provide general renovation, including exterior repair, HVAC replacement and accessibility improvements, to the Agnes Braz building located on Coggeshall Street.
- **Zoo Renovations (FY 2022-2026, \$4,892,000):** This project would continue renovations at the Buttonwood Park Zoo, with a focus on renovations to existing exhibits and educational facilities.
- **Sassaquin Pond Remediation (FY 2022-2024, \$1,400,000):** This project funding is for continued improvements to water quality in Sassaquin Pond. The city has a Work Plan for implementing capital improvements, preventive operations, maintenance activities, and programmatic improvements (e.g., public outreach and ordinance updates) which will prioritize the most pressing and cost-effective water quality improvements project in the Sassaquin Pond watershed. The goal of the work plan will be to identify “low hanging fruit” activities that can be implemented in the near term. In addition, the work plan will provide the needed information for the city to apply for grant funding for implementing future projects. This work will be completed in coordination with the Sassaquin Pond Association through a series of reviews and public meetings. With the funding to complete specific projects identified in the Work Plan, the city will be able to improve the water quality at Sassaquin Pond.
- **Buttonwood Pond and Dam Restoration (FY 2023-2024, \$6,800,000):** This project would restore the pond at Buttonwood Park. The pond is created by a dam, originally constructed in 1902, whose repeated failures result in periodic flooding downstream in the park. The state’s Office of Dam Safety has designated this dam as a significant hazard and has urged the city to make structural repairs. The project scope would include reconstruction of the dam, dredging of the pond, and cleanup of the area resulting in enhanced recreational use, permit compliance, and public safety.
- **Server & Communications Equipment (FY 2022-2026, \$1,200,000):** This project is part of the City’s Public Safety Radio System Upgrade and provides for a new self-supporting tower and communications equipment including three antennas at the Kings Highway Salt Shed site to support Fire, Police and EMS radio communications. This tower is critical to providing the coverage needed by our public safety departments. Additionally, a placeholder project is included for the planned replacement of the City’s network server modules, which maintain the City’s business applications and data storage, which will be due within the next several years.

- **North Fire Station (FY 2023-2024, \$11,200,000):** The FY 2021 budget included funding for a feasibility study to determine the appropriate placement and configuration of a replacement fire station to be in the North End. This project is a placeholder for design and construction of the facility once the site has been selected.

School Renovations & Replacements

Projects in this category represent major capital improvement needs for the School Department. The City makes use of construction grants from the Massachusetts School Building Authority (MSBA), when available. The costs reflected in the CIP represent the amounts to be locally financed.

- **School Central Kitchen Project (\$5,000,000):** This project would pay for the purchase of a new Central Kitchen for the New Bedford Public Schools and pay for needed improvements to the roof, windows, plumbing and electrical systems. The current Central Kitchen is in the basement of the Paul Rodrigues Administration Building on County Street and it inadequate for the Food Service Department's needs.
- **MSBA Accelerated Repair Projects (FY 2022-2026, \$5,885,979):** This project provides the local share for renovations to Campbell School, Hathaway School and Pacheco School.
- **MSBA Core Projects (FY 2022-2026, \$42,840,000):** This project would provide the local share for planning studies and construction of replacements for the Congdon and DeValles Elementary Schools in FY 2024 and 2025, the local share for planning studies and construction of replacements for the Ashley and Swift Elementary Schools in FY 2025 and 2026, local share for a feasibility study for the Rodman and Winslow Elementary Schools in FY 2026 and a full renovation of New Bedford High School in FY 2025 and 2026.

Capital Vehicle Replacements

The CIP includes several projects intended to address ongoing replacement needs for the City's vehicle fleet. Projects included during this period were limited to those that could be financed through a lease purchase arrangement.

- **EMS Vehicles (FY 2022-2026, \$4,757,000):** This project provides for the acquisition and outfitting of ten replacement ambulances and six command vehicles for Emergency Medical Services over the course of the planning period. The city instituted a policy beginning in 2013 of acquiring replacement vehicles through a series of capital leases, which in turn provides sufficient flexibility to finance ongoing replacements. Due to supply shortages in the automotive industry vehicles need on average 18-24 months lead time before expected delivery.

- **Fire Apparatus (FY 2022-2026, \$2,846,120):** This project provides for the ongoing replacement of fire apparatus over the course of the planning period. The Fire Department currently operates ten front-line apparatus, which average about ten years in service. Acquisition of the replacement vehicles will involve a series of capital leases, providing sufficient flexibility to finance ongoing replacements. The city has purchased five replacement pumpers and one aerial ladder since FY 2013, as well as a used Quint to maintain service while the North Fire Station project is underway. The Department ordered and acquired one new ladder truck, and a new Pumper in FY22 and a second ladder truck has also been ordered. Decisions regarding the specific apparatus to be replaced in future years will be determined based on operational needs.
- **Mobile Command Center (FY 2023, \$1,300,000):** This project would replace the City's mobile command center. The existing vehicle, which was initially purchased in 2003, is outdated and contains obsolete aspects in terms of design and technology that have been repeatedly identified in post-incident reviews. Acquisition of the replacement vehicle would be financed by a capital lease.
- **Police Department Vehicles (FY 2022, \$350,000):** This funding would supplement the department's annual vehicle funding in the General Fund and would allow the department to accelerate much needed vehicle replacements.
- **Fleet Replenishment (FY 2022-2026, \$3,500,000):** This project addresses deficiencies identified in the condition of the City's general use fleet, which averages about 15 years old and requires significant investment of maintenance resources to maintain operability. The City Council approved an initial purchase in FY 2016, principally to address replacement and improvement needs for snow removal, followed by subsequent appropriations in FY 2017 through 2021. Future allocations will provide for the continued replacement of 6-8 vehicles per year, to ensure that the general fleets are kept in a state of good repair. Financing will be accomplished through a series of capital leases.

Capital Asset Preservation

The Capital Improvement Program includes ongoing funding to address deferred maintenance issues throughout the City's physical plant. The Capital Needs Assessment Process identified \$453 million in deferred maintenance, infrastructure and facility needs for General Fund agencies, largely resulting from a historic insufficiency of resources allocated for that purpose. As a result, the City's physical assets have continued to depreciate, and the capital requirements needed to bring facilities to proper working order have grown.

The Capital Asset Preservation portion of the CIP is intended to provide resources needed to ensure the continuation of basic operability for the City's facilities. Funding estimates are based on the Asset Depreciation Method, which uses nationally promulgated standards as guidelines for the maintenance of aging facilities. For example, the Association of Higher Education Facilities Officers and the International Facility Management Association recommend annual capital asset preservation funding ranges that are equivalent to 1.5%-3.0% of the replacement value for an entity's physical plant. Similarly, the Federal Internal Revenue Service and the Massachusetts

Department of Revenue has established depreciation standards of 2.5% per year on fixed assets. As of FY 2020, the City's outside auditor estimated the City's physical inventory at \$275.6 million.

The Capital Improvement Plan includes \$20.9 million over the five-year planning period for capital asset replacement projects. Funding is assigned according to four functional project categories:

- **Public Safety** – Facilities operated by the Police, Fire & EMS departments.
- **Public Facilities** – Facilities designed principally for public use (parks, community centers, Free Library, Buttonwood Park Zoo).
- **Government Facilities** – Facilities designed to house general government operations (City Hall, City Yard, and other shared use-type facilities).
- **Roads & Infrastructure** – The FY 2022-2026 CIP includes an ongoing infrastructure program intended to augment State-funded and utility-related improvements to roads and sidewalks. Work would be assigned based on conditions as assessed through the City's pavement management program. This year due to increasing costs of supplies and materials used in road and sidewalk improvements, the recommended appropriation is raised from \$2.5 to \$3 million dollars.
- Renovation projects for City schools are included in the **Schools Deferred Maintenance and the MSBA Accelerated Repair Projects** categories.

Projects qualifying for capital asset preservation funding are limited to existing facilities in need of capital-eligible renovation and/or repair. Examples of such projects might include interior and/or exterior renovations, roof replacements, HVAC repairs and measures required to maintain compliance with regulatory and/or licensing requirements, and artificial playing field replacements. The capital asset preservation component constitutes a minimal baseline of funding over the course of the CIP planning period, and specific allocations are determined as part of the annual CIP appropriation.

Project Financing

The CIP will be funded by a combination of general obligation debt for facilities projects and lease purchasing for capital vehicle purchases. The CIP is designed to work within the City's existing debt profile to the greatest extent possible, although the impact of debt issuance for new facilities such as the North End Fire Station, the Public Safety Communications System, the Buttonwood Pond Restoration project, and school renovation projects will contribute to a projected increase in net outstanding debt from \$92.8 million in FY 2022 to \$129 million by FY 2026. Ongoing debt retirement would limit the increase in annual net debt service payments through the end of the five-year planning period, while capital lease payments would increase to support the acquisition of fire apparatus and other public safety vehicles identified in the program.

Projected Operating Costs

The Capital Improvement Program consists of a series of projects intended to rehabilitate and replace existing buildings. While the debt made necessary to fund these projects will result in increased financing costs, there are no additional staffing or operating requirements anticipated as a result. In addition, ongoing savings are projected to result from the consolidation of two fire stations and a police station into the South End Public Safety Center and the construction of the North End Fire Station, as well as the introduction of energy saving modernization activities at several schools, and from the implementation of the City's energy management program.

Affordability Indicators

The City Council adopted an organization-wide debt management policy in November 2013. Included in the policy are a series of indicators intended to determine the appropriateness of assuming additional tax-supported general obligation debt:

- **Outstanding debt as a percentage of per capita income** – The policy target is 6% or less. The projected ratio would increase from 3.7% in FY 2022 to 5.% in FY 2026.
- **Outstanding debt as a percentage of assessed valuation** – The policy target is 3% or less. The projected ratio would increase from 1.3% in FY 2022 to 1.5% in FY 2026.
- **Annual debt service as a percentage of the General Fund operating budget** – The policy target is 10% or less. The projected ratio would decrease from at 2.2% in FY 2022 to 1.9% in FY 2026.

**FY 2022-2026 Capital Improvement Program
City of New Bedford, Massachusetts**

Description	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2022-2026 Total
General Govt. Renovations & Replacements						
Hillman St. Complex Renovations	\$0	\$750,000	\$0	\$0	\$0	\$750,000
Zeitleron Theatre Repairs	0	0	0	400,000	0	400,000
Agnes Braz Accessibility Improvements	0	0	1,350,000	0	0	1,350,000
Zoo Renovations	1,700,000	340,000	797,000	1,450,000	605,000	4,892,000
Fleet Maintenance Improvements	850,000	0	0	0	0	850,000
Sassaquin Pond Remediation	400,000	500,000	500,000	0	0	1,400,000
Buttonwood Pond Restoration	0	3,200,000	3,600,000	0	0	6,800,000
Server & Communications Equipment	700,000	0	0	0	500,000	1,200,000
Pleasant Street renovation (former Police Station 1)	900,000	0	0	0	0	900,000
Public Safety Scheduling & Incident Reporting Software	1,500,000	0	0	0	0	1,500,000
Police Department Public Safety Equipment	550,000	0	0	0	0	550,000
North Fire Station	0	700,000	10,500,000	0	0	11,200,000
Public Safety Communications System²	2,800,000	0	0	0	0	2,800,000
Subtotal:	\$9,400,000	\$5,490,000	\$16,747,000	\$1,850,000	\$1,105,000	\$34,592,000
School Renovations & Replacements						
Central Kitchen Project ¹	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000
MSBA Accelerated Repair Projects ¹	4,625,979	30,000	630,000	600,000	0	5,885,979
MSBA Core Projects ¹	240,000	300,000	13,400,000	10,300,000	18,600,000	42,840,000
Subtotal:	\$9,865,979	\$330,000	\$14,030,000	\$10,900,000	\$18,600,000	\$53,725,979
Capital Vehicle Replacements						
EMS Vehicles	\$875,000	\$857,000	\$1,100,000	\$1,000,000	\$925,000	\$4,757,000
Fire Apparatus	681,120	260,000	865,000	150,000	890,000	2,846,120
Mobile Command Center	0	1,300,000	0	0	0	1,300,000
Police Vehicles	350,000	0	0	0	0	350,000
Fleet Replenishment	700,000	700,000	700,000	700,000	700,000	3,500,000
Subtotal:	\$2,606,120	\$3,117,000	\$2,665,000	\$1,850,000	\$2,515,000	\$12,753,120
Capital Asset Preservation						
Public Safety	\$780,000	\$770,000	\$0	\$360,000	\$0	\$1,910,000
Public Facilities	1,190,000	1,282,000	550,000	0	524,000	3,546,000
Government Facilities	0	500,000	0	0	0	500,000
Roads & Infrastructure	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Subtotal:	\$4,970,000	\$5,552,000	\$3,550,000	\$3,360,000	\$3,524,000	\$20,956,000
Grand Total:	\$26,842,099	\$14,489,000	\$36,992,000	\$17,960,000	\$25,744,000	\$122,027,099
Funding Sources						
General Obligation Debt	\$24,235,979	\$11,372,000	\$34,327,000	\$16,110,000	\$23,229,000	\$109,273,979
Lease Purchase	2,606,120	3,117,000	2,665,000	1,850,000	2,515,000	12,753,120
Total	\$26,842,099	\$14,489,000	\$36,992,000	\$17,960,000	\$25,744,000	\$122,027,099

¹ Local share only. Does not include anticipated funding from the Massachusetts School Building Authority.

² Total appropriation for the Public Safety Communications project is \$7,662,000, including \$1,662,000 in FY 2019, \$1,600,000 in FY 2020 and \$1,600,000 in FY 2021

³ The School Department will be reimbursing the City for the debt on this project on a yearly basis.

City of New Bedford, Massachusetts
Fiscal Policies

CITY OF NEW BEDFORD, MASSACHUSETTS

Policy Title: Debt Issuance and Management

Effective Date: November 27, 2013

1. Introduction

The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the City of New Bedford. This policy reinforces the commitment of the City and its officials to manage the City's financial affairs so as to minimize risks, avoid conflicts of interest and ensure transparency while still meeting the City's capital needs. A debt management policy signals to the public and the rating agencies that the City of New Bedford approaches the financing of capital needs in a deliberate manner and fulfills the requirements of Chapter 44 of the Commonwealth of Massachusetts General Laws regarding the adoption of a debt management policy.

The City shall comply with legal requirements for notice and for public meetings related to debt issuance. All notices shall be posted in the customary and required posting locations including, as required, local newspapers, bulletin boards, and websites. All costs associated with each debt issue as well as, when applicable, a debt service schedule outlining the rate of retirement, shall be clearly presented and disclosed to the citizens, City Council, and other stakeholders in a timely manner.

2. Financing Purposes

The City of New Bedford will consider term financing for the acquisition, replacement, and/or expansion of physical assets, and to refinance existing debt. Short-term issues may be used to finance certain projects and equipment and to support operational borrowing. However, the City will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and effective management of the budgeted expenditures.

While the "pay as you go" means of using current revenues to pay for capital projects is often considered the preferred means of financing because it avoids interest payments, it may not be entirely practical, given the size and timing of projects to meet the City's ongoing needs. However, the inclusion of a robust cash component in capital projects will be pursued whenever possible, provided fund balance and reserve policies are not compromised.

All debt will be issued and managed in accordance with Chapter 44 of the Massachusetts General Laws.

The primary borrowing purposes are summarized below:

a. Long-Term Capital Improvements

The City will prepare a multi-year Capital Improvements Program (CIP) working with individual departments and agencies and prioritize these projects based on a Capital Needs Assessment. The CIP will include projections for the upcoming fiscal years and will be updated at least biennially, or sooner if there are significant changes to the scope and/or cost of projects. Future operations and maintenance costs associated with capital improvement projects will be developed and identified as part of the project submission.

Since the aggregate cost of desired capital projects generally exceeds available funds, the capital planning process prioritizes projects and identifies the funding needs. The City will initially rely on internally-generated funds and/or grants and contributions from other governmental agencies to finance its capital needs. Debt will be issued for a capital project only when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries and if a secure revenue source is identified to repay the debt. Debt service is limited to that portion of a project that is not reimbursable by state, federal or local grants.

The Financial Team, working with City departments within the context of the CIP and the City's Five-Year Financial Outlook, oversees and coordinates the timing, processing, and marketing of the City's borrowing and capital funding activities. Close coordination of capital planning and debt planning will ensure that the maximum benefit is achieved with the limited capital funds. The debt management process will determine the availability of funds which can be raised through debt based upon the debt capacity/affordability analysis.

The City will endeavor to enter the financial markets no more than twice each year, and will analyze market conditions prior to debt issuance to determine the most advantageous terms. Debt financing schedules will be constructed to repay debt within a period not to exceed the expected useful life of the asset, and will attempt to repay debt using a level principal repayment structure.

b. Refinancings/Refunding of Existing Debt

The Chief Financial Officer, working with the Financial Team, will periodically evaluate the City's existing debt and execute refinancings when economically beneficial, legally permissible and prudent. A refinancing may include the issuance of bonds to refund existing debt or the issuance of bonds in order to refund other obligations. Net present value savings over the course of the refunding must be at least 3% (of refunded principal) for consideration.

c. Cash Flow Borrowing

It is understood that expenditure cycles do not always follow the revenue cycle and that short-term debt may be necessary to meet cash flow requirements.

Anticipation notes may include:

- Tax Anticipation Notes (TANs), used in anticipation of future tax collections.
- Revenue Anticipation Notes (RANs) issued with the anticipation that non-tax revenue will be received.
- Tax and Revenue Anticipation Notes (TRANs), which will be paid with a combination of taxes and revenue.

d. Short-Term Borrowing for Capital Needs

The City may from time to time issue short-term debt that serves as interim financing pending the issuance of long-term debt to finance a completed capital project. This approach is particularly applicable in cases where a project depends upon a combination of reimbursable grant funding. Such notes may include:

- Bond Anticipation Notes (BANs), a short term-interest-bearing note issued in advance of a future long-term bond issue.
- Grant Anticipation Notes (GANs), issued for capital projects that are dependent upon reimbursable grant funding from an outside entity, such as the Commonwealth or Federal governments.

e. Capital Leases

The City may enter into a capital lease agreement for the purchase of capital equipment and vehicles so long as the lease period does not exceed 10 years or extend beyond the useful life of the purchase.

f. State Revolving Fund

For projects that are directly related to wastewater and drinking water infrastructure/ construction/improvement or rehabilitation, the City may opt to borrow funding directly from the Massachusetts Water Pollution Abatement Trust revolving fund program.

3. Financing Processes

The City shall employ a financial advisor and bond counsel to review and advise on all matters related to debt authorization and debt issuance. Should a capital project, infrastructure improvement, or capital equipment need require seeking an authorization to borrow funds, the benefitting party must provide comprehensive documentation to the Financial Team outlining the scope of the project, the cost of the project, the cash flow projection to complete the project, and any expected federal, state or local grant awards or other funding sources.

- a. All loan authorizations should be authored by bond counsel or, at a minimum, reviewed by bond counsel prior to submission to the City Council for approval.
- b. Unless market conditions are extremely unfavorable, the City will endeavor to sell all municipal bond and note issues by competitive bid. The competitive bid process guarantees the City adequate exposure in the market and reasonable expectation that interest terms and rates are competitive.
- c. The City seeks to maintain the highest possible credit rating that can be achieved for debt instruments to attract quality investors and reduce interest costs. To enhance creditworthiness, the City is committed to prudent financial management and systematic capital and long-term financial planning.
- d. The City will maintain good communications with bond rating agencies about its financial condition. The City will adhere to a policy of full disclosure on every financial report and bond prospectus (official statement).
- e. Long-term debt service for enterprise fund (business-related) debt, i.e., Water, Wastewater and Airport operations, shall be included in the respective funds' annual budgets. The city will periodically review and adjust rates for each enterprise to ensure sufficient capacity for annual debt service payments.
- f. The City will file application with the Municipal Finance Oversight Board for consideration of acceptance into the State Qualified Bond Act (SQBA) program when appropriate.
- g. Debt maturity is dictated by the limits set forth in MGL Chapter 44 as prescribed by Statutory Authority, Purpose and Maximum Term. The City shall endeavor to retire/refund debt whenever it is financially feasible, legally permissible and advantageous for the City.

- h. The City will monitor all municipal borrowings on a regular basis to insure compliance with federal tax reform legislation and arbitrage limitations.

4. Debt Capacity

The decision whether to assume new tax-supported general obligation debt (total general obligation debt less any enterprise-related, revenue supported general obligation debt) shall be based on the direct cost and benefit of the proposed project, the current conditions in the bond market and the City's ability to afford new debt. The City will apply several indicators to determine the appropriateness of assuming tax-supported general obligation debt. These affordability targets shall include:

- a. Outstanding debt as a percentage of per capita income;
- b. Outstanding debt as a percentage of assessed valuation.
- c. Annual debt service as a percentage of the adopted General Fund operating budget.
- d. Amortization of 60% to 70% of debt, including the prospective debt issuance, in 10 years.

In addition, enterprise fund indebtedness may not exceed 25% of the total assessed valuation of all real and personal property in the City for any given fiscal year, so long as the enterprise fund can support its debt service.

The City shall not assume more tax-supported general obligation debt than it retires each year without conducting an objective analysis regarding the City's ability to assume and support additional debt service payments.

General obligation, net tax-supported debt may not exceed 10% of the total assessed valuation of all real and personal property in the City for any given fiscal year and the City shall strive to maintain its General Fund backed debt service at no more than 10% of the General Fund's annual operating budget.

CITY OF NEW BEDFORD, MASSACHUSETTS

Policy Title: Fund Balance Management

Effective Date: November 20, 2018

1. Purpose

The City of New Bedford recognizes the significance of maintaining an appropriate level of fund balance as one component of sound financial management and, therefore, establishes this policy for management of the City's fund balances. An adequate fund balance level is an essential element in both short and long-term financial planning and serves to mitigate the impact of future risks, sustain operations during economic downturns, and enhance the City's creditworthiness, credit rating, and flexibility. Through the maintenance of adequate levels of fund balance, the City can help stabilize funding for operations and realize cost savings in issuing debt.

2. Scope

This policy establishes the level of fund balance required for the City's General Fund and the various components of the City's fund balance management program. In addition, the policy sets forth the levels deemed appropriate for City operations and protocols for the use and maintenance of the established levels.

3. Fund Balance Definitions

Fund balance is defined as the difference between assets and liabilities as reported in governmental funds. The Government Accounting Standards Board (GASB) prescribes four categories of fund balance: non-spendable, restricted, committed, assigned and unassigned. This policy focuses on the use of unassigned fund balance, which is defined as the portion of unrestricted fund balance that has not been committed or assigned to other uses and is therefore available to spend in future periods.

4. Unassigned Fund Balance

The City's unassigned fund balance functions as a reserve which ensures the continuity of services. The City of New Bedford is committed to maintaining prudent levels of reserves to mitigate against unforeseen events and diminished revenues during economic downturns. In addition to the unassigned fund balance, the City maintains a Stabilization Fund (within the General Fund, included in the assigned/committed portion) which may be utilized to protect against a reduction of service levels and to manage temporary revenue shortfalls and unanticipated one-time expenditures. The desirable level of funding for the Stabilization Fund is between two (2%) and six (6%) of the General Fund operating budget.

5. Free Cash

Free Cash is defined as the City's remaining unrestricted funds available from operations in previous fiscal years, as certified by the Massachusetts Department of Revenue. In addition to a robust Stabilization Fund, the City endeavors to maintain an ample Free Cash balance to provide sufficient financial flexibility and stability on an ongoing basis. Consequently, the City is committed to utilizing a conservative approach in building its annual budget. The desirable available balance for free cash is no less than one (1%) of the General Fund operating budget in any given year. At minimum, the City will seek to designate amounts equivalent to at least 25% of certified General Fund Free Cash for deposit into the Stabilization Fund and 10% into the OPEB Trust Fund on an annual basis.

CITY OF NEW BEDFORD, MASSACHUSETTS

Policy Title: Investment of City Funds

Effective Date: November 3, 2014

1. Introduction

This policy covers investments in the following fund categories: General Funds, Special Revenue Funds, Enterprise Funds, Agency Funds, Capital Project Funds and Trust Funds.

2. Authority

The Treasurer has the authority to invest the City's funds, subject to the statutes of the Commonwealth of Massachusetts, Chapter 44, § 55, 55a and 55b.

The Treasurer has the authority to invest the City's Trust Funds, subject to the statutes of the Commonwealth of Massachusetts, Chapter 44, § 54. All trust funds shall fall under the control of the Treasurer unless otherwise provided or directed by the donor.

Massachusetts General Laws, Chapter 44, § 55B and Chapter 740 of the Acts of 1985 requires the Treasurer to invest all public funds not designated for immediate distribution at the highest possible rate of interest reasonably available, taking into account safety, liquidity and yield.

3. Operational Considerations

The Treasurer shall negotiate for the highest rates possible, consistent with safety principles. Whenever necessary, the Treasurer will seek collateralization for all investments not covered by FDIC and/or DIF.

The Treasurer will utilize a bank rating service (Veribanc, etc.) to ensure dollars are invested with banking institutions of the highest quality.

The Treasurer shall require any brokerage houses, brokers and dealers wishing to do business with the City, to supply the following information:

- a. Audited financial statements;
- b. Proof of National Association of Security Dealers certification;
- c. A statement of compliance with the City's investment policy;
- d. Proof of creditworthiness (minimum of 5 years in operation and capital that exceeds \$10 million).

4. Reporting Requirements

On a regular basis (quarterly, semi-annually, or annually), a report containing the following information will be prepared by the Treasurer and distributed to the Chief Financial Officer:

- a. A listing of the individual accounts and individual securities held at the end of the reporting period;
- b. A listing of the short-term investment portfolio by security type and maturity to ensure compliance with the diversification and maturity guidelines established within the framework of GASB 45;
- c. A summary of the income earned on a monthly and year to date basis;
- d. A brief statement of general market and economic conditions and other factors that may affect the City's cash position.

5. Restrictions

MGL Chapter 44, Section 55 sets forth the several restrictions of which the Treasurer must be aware when making investment selections.

- a. A Treasurer shall not at any one time have on deposit in a bank or trust company an amount exceeding 60% of the capital and surplus of such bank or trust company, or banking company, unless satisfactory security is given to it by such bank or trust company, or banking company for such excess;
- b. The Treasurer shall not make a deposit in any bank, trust company or banking company that he/she is associated as an officer or employee or has been the same for any time during the three years immediately preceding the date of any such deposit;
- c. All securities shall have a maturity from date of purchase of one year or less.

Massachusetts General Laws Chapter 44, Section 54 states that money should be deposited into banking institutions and trust companies incorporated under the laws of the Commonwealth, which are members of the Federal Deposit Insurance Corporation.

The Treasurer may invest funds in securities, other than mortgage and collateral loans, which are legal for the investment of funds under the laws of the Commonwealth provided that not more than fifteen percent of any Trust Fund shall be invested in bank stocks and insurance company stock, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company.

Common and preferred stock as well as other investment vehicles listed on the Commonwealth of Massachusetts List of Legal Investments, are permissible investment vehicles. The List of Legal Investments is maintained by the Office of the Commissioner of Banks.

The Treasurer must apply the “prudent person” standard in the context of managing the overall portfolio. The Treasurer, acting in accordance with the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided the transactions are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation but for investment considering the probable safety of their capital, as well as the probable income to be derived.

The Treasurer shall refrain from any personal activity that may conflict with the proper execution of the investment program or which could impair or appear to impair the ability to make impartial investment decisions. The Treasurer must disclose any material financial interest in financial institutions that do business with the City.

CITY OF NEW BEDFORD, MASSACHUSETTS

Policy Title: Other Post Employment Benefits Trust Fund

Effective Date: November 30, 2016

I. INTRODUCTION

The purpose of this policy is to establish guidelines for the management of the impact of the City's Other Post Employment Benefits (OPEB) liability on the overall budget and credit rating, within the context of the City's long-term obligations to its retirees. The Other Post-Employment Benefits (OPEB) Liability Trust Fund was initially established in 2015, with the acceptance of Chapter 32B, Section 20, of the Massachusetts General Laws, which requires the segregation of funds to address the City's actuarial liability.

The custodian of the OPEB Trust Fund is the City Treasurer. The City of New Bedford utilizes the State Retiree Benefits Trust Fund to invest funds that are designated for addressing the City's OPEB liability. Transfers into, and withdrawals from, the OPEB Trust Fund require an appropriation by the City Council, upon recommendation by the Mayor.

II. FUNDING SOURCES

The OPEB Trust Fund may be supported by transfers from multiple funding sources, potentially including taxation, enterprise fund revenue and/or Free Cash. At minimum, the City will seek to designate an amount equivalent to at least 10% of certified General Fund Free Cash for deposit into the OPEB Trust Fund on an annual basis. In addition, funding will be designated from the individual enterprise funds to offset the funds' overall share of assigned liabilities as determined by the most recent actuarial study. All interest proceeds generated by the accumulated deposits shall accrue to the Trust Fund.

III. MANAGEMENT OF OPEB LIABILITY TRUST FUND

The City's management team, working with union representatives and health care providers, will continue to make every effort to manage the OPEB liability by identifying revisions to benefit delivery and cost assignment that will reduce out year costs. Management of the Trust Fund is subject to the following parameters:

- A. Current retiree health obligations will be funded on a pay-as-you-go basis.
- B. Withdrawals under any circumstances will not occur unless the Trust Fund balance is sufficient to maintain at minimum a two year reserve for the City's share of retiree claims costs.
- C. The City may only draw upon the Trust Fund to offset the impact of unexpected increases in retiree benefit costs once the reserve benchmark has been attained, and only if such increases will stabilize annual expenditures.
- D. The City will evaluate, adopt and implement policies and strategies to limit future OPEB liabilities as legislatively allowed and appropriate.
- E. The City may, as available funds provide, opt to set aside more than the amount required to achieve and maintain the benchmark reserve.