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.

Exhibit A-1

GENERAL FUND
Comparative Balance Sheets
June 30, 2006 and 2005
(in thousands)

		2006		2005
ASSETS				
Cash and investments	$	663,547	$	692,679
Receivables:				
Property taxes		21,401		32,666
Motor vehicle / boat excise		62,328		73,855
Intergovernmental		239,719		343,686
Departmental and other		33,146		31,742
Tax title and possession		76,178		75,379
Total receivables		432,772		557,328
Allowance:				
Property Tax		(3,891)		(16,950)
Tax title and possession		(76,178)		(75,379)
Motor vehicle / boat excise		(56,876)		(56,179)
Other		(20,217)		(20,336)
Total allowances		(157,162)		(168,844)
Net Receivable		275,610		388,484
Due from other funds		24,221		20,690
Due from component units		9,021		10,065
Other assets		-		-
Total assets	$	972,399	$	1,111,918
LIABILITIES				
Warrants and accounts payable	$	36,295	$	94,107
Accrued liabilities:				
Payroll and related costs		88,189		100,798
Deposits and other		9,653		4,508
Deferred revenue		173,349		297,452
Due to other funds		3,266		1,945
Due to component units		250		84
Total liabilities		311,002		498,894
FUND BALANCE				
Reserved for:				
Encumbrances		44,573		33,155
Unreserved:				
Designated for subsequent year expenditures		178,157		164,621
Undesignated		438,667		415,248
Total fund balance		661,397		613,024
Total liabilities and fund balance	$	972,399	$	1,111,918

Exhibit A-2

GENERAL FUND
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Years Ended June 30, 2006 and 2005
(in thousands)

	2006	2005
REVENUES:		
Local:		
Real and personal property taxes	$ 1,190,347	$ 1,138,254
Excises	107,361	93,906
Payments in lieu of taxes	60,584	42,218
Fines	67,876	65,280
Investment income	32,351	17,970
Licenses and permits	40,353	33,491
Departmental and other	51,992	60,704
Total local revenues	1,550,864	1,451,823
Intergovernmental:		
Intergovernmental	557,418	460,898
Total intergovernmental revenues	557,418	460,898
Total revenues	2,108,282	1,912,721
EXPENDITURES:		
Current:		
General government	57,262	57,471
Human services	24,875	23,821
Public safety	446,784	457,541
Public works	101,441	106,749
Property and development	33,322	29,836
Parks and recreation	15,723	15,708
Library	28,365	27,594
Schools	719,715	673,009
Public Health Programs	61,282	60,586
Judgments and claims	11,590	6,620
Retirement costs	96,853	59,419
Other employee benefits	157,885	142,721
State and district assessments	118,817	115,894
Capital outlays	815	2,683
Debt service	112,600	115,769
Total expenditures	1,987,329	1,895,421
Excess of revenues over expenditures	120,953	17,300
OTHER FINANCING SOURCES (USES):		
Payments to refunded bonds ecrow agent	-	(1,025)
Transfers in	(72,580)	23,529
Total other financing sources (uses)	(72,580)	22,504
Net change in fund balances	48,373	39,804
Fund balance - beginning	613,024	573,220
Fund balance - ending	$ 661,397	$ 613,024

Exhibit A-3

GENERAL FUND
Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

Classification		2006 Original Budget	2006 Final Budget	2006 Actual	2006 Variance Favorable (Unfavorable)	2005 Actual
PROPERTY TAXES						
Real and Personal Property Taxes		$ 1,166,783	1,166,783	$ 1,167,342	$ 559	$ 1,106,336
	Revenue class total	1,166,783	1,166,783	1,167,342	559	1,106,336
MOTOR VEHICLE EXCISE						
Motor Vehicle Excise - Current		37,500	38,500	41,201	2,701	24,323
Motor Vehicle Excise - Prior Years		-	-	8,903	8,903	20,374
Boat Excise - Current and Prior Years		50	50	74	24	66
	Revenue class total	37,550	38,550	50,178	11,628	44,763
OTHER EXCISE TAXES						
Hotel / Motel Room Excise		19,000	19,000	18,000	(1,000)	18,000
Aircraft Fuel Excise		14,000	14,000	19,944	5,944	18,404
Condominium Conv Excise		400	400	1,558	1,158	1,348
Urban Redevelopment Ch 121A		33,500	33,500	36,528	3,028	36,142
	Revenue class total	66,900	66,900	76,030	9,130	73,894
COMMONWEALTH OF MASSACHUSETTS						
State Owned Lands		340	340	349	9	267
Exemption - Elderly		617	617	570	(47)	617
Exemption - Other		468	468	464	(4)	202
Lottery		60,544	60,544	60,546	2	53,968
Veterans Services - Local Aid		1,933	1,933	2,209	276	1,783
Pensions - Retired Teachers		76,521	76,521	85,164	8,643	76,521

(continued)

Exhibit A-3 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

Classification	2006 Original Budget	2006 Final Budget	2006 Actual	2006 Variance Favorable (Unfavorable)	2005 Actual
Additional Assitance	164,211	164,211	164,211	-	164,211
Police Career Incentive	7,938	7,938	8,325	387	7,848
Local Share of Racing Taxes	630	630	454	(176)	736
Municipal Relief Aid	-	-	-	-	4,635
School Construction - State	15,464	15,464	15,464	-	16,145
Charter School Reimbursement	10,359	10,359	3,241	(7,118)	7,089
Chapter 70 Education Aid	203,635	203,635	203,635	-	200,498
Charter School Capital Facility	3,502	3,502	5,145	1,643	3,135
School Transporation Programs				-	-
Revenue class total	546,162	546,162	549,777	3,615	537,655
DEPARTMENTAL & OTHER REVENUE					
Penalties & Interest - Property Taxes	1,675	1,675	2,093	418	2,009
Penalties & Interest - Motor Vehicle	2,850	2,850	3,683	833	3,113
Penalties & Interest - Tax Title	3,750	3,750	3,404	(346)	4,627
Penalties & Interest - Boat Excise	10	10	7	(3)	1
Penalties & Interest - 121A	-	-	3	3	-
Sidewalk Paid in Advance	-	-	5	5	1
Unapportioned Assessments	-	-	11	11	10
Other Departmental Fees & Charges	300	300	453	153	601
Registry Division Fees	1,500	1,500	1,610	110	1,648
Liens	800	800	756	(44)	845
Other Departmental	2,300	2,300	6,548	4,248	5,152
City Clerk Fees	535	535	537	2	748
Muni Medicaid Reimbursement	11,500	11,500	13,522	2,022	14,150
Police Services	650	650	967	317	982
Fire Services	2,700	2,700	3,086	386	2,763
Parking Facilities	1,450	1,450	817	(633)	1,444
Street Occupancy	2,000	2,000	2,418	418	1,987

(continued)

Exhibit A-3 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

	2006				
Classification	**Original Budget**	**Final Budget**	**Actual**	**Variance Favorable (Unfavorable)**	**2005 Actual**
Street, Sidewalk and Curb Repairs	-	-	613	613	483
Demolition of Abandoned Structures	10	10	36	26	25
Property Mgmt - Building Rents	1,448	1,448	2,008	560	1,420
St Furniture Program Fixed Fees	750	750	750	-	750
St Furniture Program Adm Fees	300	300	658	358	565
Fiber Optics Access Fees	200	200	1,073	873	1,470
Public Works - Other Charges	-	-	-	-	-
Tuition and Transportation - Schools	400	400	585	185	786
Library Fees	175	175	374	199	333
Other Penalties & Interest	-	-	4	4	-
Cobra/selfpay	750	750	1,206	456	1,182
Police Detail Payroll	-	-	-	-	-
Affirmative Recovery Unit	450	450	1,177	727	634
Pensions and Annuities	2,250	2,250	3,468	1,218	2,962
Prior Year Reimbursements	235	235	(196)	(431)	448
Police Detail Admin Fee	2,000	2,000	2,431	431	2,003
Rental Income	-	-	8	8	
Tellers Adjustment Account	-	-	1	1	-
Revenue class total	40,988	40,988	54,116	13,128	53,142
FINES					
Parking Fines	61,300	61,300	63,987	2,687	62,208
Court Fines	100	100	104	4	125
Moving Violation Fines - Court	2,890	2,890	3,247	357	2,637
Fire Safety Fines	-	-	4	4	-
ISD - Fines	10	10	-	(10)	-
Code Enforcement	300	300	269	(31)	310
Revenue class total	64,600	64,600	67,611	3,011	65,280

(continued)

Exhibit A-3 (continued)

GENERAL FUND
Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

Classification		2006 Original Budget	2006 Final Budget	2006 Actual	2006 Variance Favorable (Unfavorable)	2005 Actual
PAYMENTS IN LIEU OF TAXES						
Mass Port Authority		14,753	14,753	17,500	2,747	11,129
Misc PILOTS		10,027	12,027	14,563	2,536	12,319
Misc Chapter 121B Section 16		1,035	1,535	1,227	(308)	1,050
Misc Chapter 121A Section 6A		17,500	18,500	27,294	8,794	17,720
	Revenue class total	43,315	46,815	60,584	13,769	42,218
INVESTMENT INCOME						
Interest on Investments		16,000	22,806	30,049	7,243	17,787
	Revenue class total	16,000	22,806	30,049	7,243	17,787
LICENSES AND PERMITS						
Building Structures and Permits		17,000	17,000	26,253	9,253	23,212
Weights and Measures		230	230	235	5	239
Street and Curb Permits		1,300	1,300	2,020	720	1,328
Pre-rental Inspections		75	75	132	57	146
Other Dept Licenses & Permits		675	675	820	145	660
Health Inspections		1,100	1,100	1,245	145	1,228
Alcoholic Beverages and Licenses		2,300	2,300	2,359	59	2,361
Entertainment Licenses		1,350	1,350	1,512	162	1,432
Police Firearm Permits		50	50	(65)	(115)	64
Other Business Licenses and Permits		100	100	91	(9)	101
Cable Television		3,000	3,000	4,153	1,153	3,050
	Revenue class total	27,180	27,180	38,755	11,575	33,821

(continued)

Exhibit A-3 (continued)

GENERAL FUND
Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

Classification	2006 Original Budget	2006 Final Budget	2006 Actual	2006 Variance Favorable (Unfavorable)	2005 Actual
TRANSFERS AND OTHER AVAILABLE FUNDS					
Surplus Property Fund	9,226	9,226	-	(9,226)	-
Appropriated Cemetery Trustee	2,110	2,110	2,110	-	2,029
Appropriated Parking Meter Receipts	10,000	10,000	1,000	(9,000)	3,500
Appropriated Fund Balance	20,000	20,000	6,700	(13,300)	-
Revenue class total	41,336	41,336	9,810	(31,526)	5,529
Total Revenues and Other Financing Sources	$ 2,050,814	$ 2,062,120	$ 2,104,252	$ 42,132	$ 1,980,425

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Exhibit A-4

GENERAL FUND
Schedule of Expenditures Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

	2006				
	Original Budget	**Final Budget**	**Actual**	**Variance Favorable (Unfavorable)**	**2005 Actual**
GENERAL GOVERNMENT					
Costs of Issuance - RANS	$ 500	500	219	$ 281	$ 72
Annual Audit Costs	600	600	521	79	276
Mayor's Office	1,851	1,851	1,843	8	1,618
City Council	4,140	4,140	4,126	14	3,949
Office of New Bostonians	84	84	84	-	86
Consumer Affairs and Licensing	437	437	430	7	410
Election Department - Election Division	2,284	2,284	2,208	76	1,903
Election Department - Listing Board	278	278	272	6	202
Auditing Department	1,987	1,987	1,965	22	1,867
Assessing Department	5,251	5,795	5,769	26	5,733
Treasury Department - Collecting Division	2,378	2,378	2,265	113	2,264
Treasury Department - Treasury Division	1,933	1,933	1,927	6	1,980
Office of Budget Management	2,893	2,893	2,893	-	2,555
Human Resources	2,219	2,219	2,127	92	2,109
Purchasing Division	1,286	1,286	1,283	3	1,241
Office of Chief Operating Officer	855	855	769	86	844
Graphic Arts	1,456	1,456	1,452	4	1,328
Office Labor Relations	1,279	1,279	1,110	169	1,213
Management Information System	12,156	14,156	14,155	1	13,267
Intergovernmental Relations	832	832	803	29	855
Small & Local Business	579	579	550	29	540
Office of Boston Residents Job Policy	468	468	454	14	445
Risk Retention Reserve	1,000	1,000	1,000	-	2,744
Law Department	3,625	4,625	4,472	153	4,013
City Clerk	875	875	855	20	784
Registry Division	843	843	802	41	781
Finance Commission	183	183	181	2	168

(continued)

Exhibit A-4 (continued)

GENERAL FUND
Schedule of Expenditures Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

	2006				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2005 Actual
Office of Civil Rights	305	305	301	4	294
Emergency Shelter Commission	535	535	520	15	531
Public Information	944	944	935	9	855
Neighborhood Services	1,156	1,156	1,090	66	1,014
Arts & Cultural Development	1,660	1,660	1,617	43	1,542
Women's Commission	150	150	150	-	146
Housing Trust Fund	328	328	328	-	1,121
Tregor Reserve Fund	1,457	1,457	1,457	-	1,087
Reserve For Collective Bargaining	-	-	-	-	-
Function total	58,807	62,351	60,933	1,418	59,837
HUMAN SERVICES					
Rental Housing Resource Center	-	-	-	-	523
Boston Center/Youth & Families	18,008	18,521	18,497	24	17,467
Elderly Commission	2,601	2,601	2,556	45	2,503
Veterans Services Department	3,897	3,897	3,897	-	3,360
Function total	24,506	25,019	24,950	69	23,853
PUBLIC SAFETY					
Police Department	232,966	235,456	245,222	(9,766)	234,581
Fire Department	148,010	148,010	160,515	(12,505)	150,731
Mayor's Office - Homeland Security	192	192	192	-	-
Transportation - Traffic Division	18,669	18,669	18,667	2	17,385
Transportation - Parking Clerk	9,170	9,170	9,145	25	8,774
Licensing Board	597	597	508	89	584
Inspectional Services Department	14,281	14,281	13,946	335	13,601
Youth Fund	3,807	3,807	3,802	5	3,720
Function total	427,692	430,182	451,997	(21,815)	429,376

(continued)

Exhibit A-4 (continued)

GENERAL FUND
Schedule of Expenditures Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

	2006 Original Budget	2006 Final Budget	2006 Actual	2006 Variance Favorable (Unfavorable)	2005 Actual
PUBLIC WORKS					
Public Works Department	80,958	87,818	87,806	12	82,616
Central Maintenance Facility	2,258	2,258	2,258	-	2,112
Snow Removal	10,596	10,596	11,932	(1,336)	21,971
Function total	93,812	100,672	101,996	(1,324)	106,699
PROPERTY AND DEVELOPMENT					
Property Management	21,924	25,948	25,947	1	23,228
Neighborhood Development	2,927	2,927	2,778	149	2,197
Leading the Way	7,500	7,500	7,500	-	-
Function total	32,351	36,375	36,225	150	25,425
PARKS AND RECREATION					
Parks and Recreation Department	11,840	12,565	12,564	1	12,268
Environment Department	1,184	1,184	1,170	14	1,045
Cemetery Division	2,110	2,110	1,895	215	1,866
Function total	15,134	15,859	15,629	230	15,179
LIBRARY					
Library Department	26,694	27,713	27,712	1	26,600
Function total	26,694	27,713	27,712	1	26,600
SCHOOLS					
Boston Public Schools	712,683	717,809	717,793	16	680,181
Function total	712,683	717,809	717,793	16	680,181

(continued)

Exhibit A-4 (continued)

GENERAL FUND
Schedule of Expenditures Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

		2006				
		Original Budget	**Final Budget**	**Actual**	**Variance Favorable (Unfavorable)**	**2005 Actual**
PUBLIC HEALTH						
Public Health Commission		61,300	61,300	61,300	-	60,568
	Function total	61,300	61,300	61,300	-	60,568
JUDGMENTS AND CLAIMS						
Execution of Courts		3,500	3,500	10,497	(6,997)	10,884
	Function total	3,500	3,500	10,497	(6,997)	10,884
OTHER EMPLOYEE BENEFITS						
Medicare Payments		4,671	4,671	4,651	20	4,314
Human Resources-Health Insurance		505	505	468	37	458
Health Benefits & Insurance		151,576	151,576	151,575	1	139,105
Unemployment Compensation		50	50	14	36	10
Workers' Compensation Fund		2,200	2,200	2,350	(150)	3,916
	Function total	159,002	159,002	159,058	(56)	147,803
PENSION COSTS						
State - Boston Retirement System		186,285	186,285	186,285	-	146,563
Pensions and Annuities - City		4,600	4,600	4,600	-	4,600
Pensions and Annuities - County		100	100	-	100	300
	Function total	190,985	190,985	190,885	100	151,463

(continued)

Exhibit A-4 (continued)

GENERAL FUND
Schedule of Expenditures Compared to Budget (Budgetary Basis)
Year Ended June 30, 2006
(with comparative actual amounts for 2005)
(in thousands)

	2006				
	Original Budget	**Final Budget**	**Actual**	**Variance Favorable (Unfavorable)**	**2005 Actual**
DEBT REQUIREMENTS					
Redemption of City Loans	80,907	74,613	74,613	-	77,927
City Debt and Interest Payments	35,962	35,962	35,962	-	35,409
Temporary Notes	1	1	-	1	1,536
MWPAT Principal	448	448	448	-	455
MWPAT Interest	130	130	130	-	110
BAN Interest	1,798	1,798	1,446	352	2,893
Function total	119,246	112,952	112,599	353	118,330
STATE & DISTRICT ASSESSMENTS					
Health Insurance/Retirement	347	347	347	-	381
Parking Surcharge	3,109	3,108	3,557	(449)	3,109
Mosquito Control Projects	185	185	185	-	181
Special Education Chapter 766	489	489	513	(24)	411
Metropolitan Air Pollution Center	157	157	157	-	162
Metropolitan Area Planning	158	158	158	-	155
M B T A Assessments	71,885	65,185	65,185	-	65,075
School Choice	331	331	298	33	331
Charter School Sending Tuition	43,947	43,947	43,923	24	41,875
M D C Assessments	11	11	11	-	11
Suffolk County Jail	4,483	4,483	4,483	-	4,203
Function total	125,102	118,401	118,817	(416)	115,894
Total Expenditures	$ 2,050,814	$ 2,062,120	$ 2,090,391	$ (28,271)	$ 1,972,092

SPECIAL REVENUE FUND

The Special Revenue fund is used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects that are legally restricted for specific purposes. This fund accounts for a number of federal and state grants administered by the City's individual departments. This fund provides additional support to department programs and also accounts for money that has been set aside, generally by state statute, that may be used to support the City's general fund operations. This fund is directly linked to a specific activity and is available without further City Council Appropriation.

Exhibit B-1

SPECIAL REVENUE FUND
Comparative Balance Sheets
June 30, 2006 and 2005
(in thousands)

	2006	2005
ASSETS		
Cash and investments	$ 158,601	$ 123,608
Receivables (net):		
Intergovernmental	103,307	103,493
Departmental and other	73,689	75,439
Total receivables	176,996	178,932
Due from other funds	2,682	1,363
Other assets	-	-
Total assets	$ 338,279	$ 303,903
LIABILITIES		
Warrants and accounts payable	$ 11,452	$ 14,752
Accrued liabilities:		
Payroll and related costs	1,366	1,534
Deposits and other	28,646	28,162
Deferred Revenue	73,689	75,439
Due to other funds	6,219	2,690
Total liabilities	121,372	122,577
FUND BALANCE		
Reserved for:		
Encumbrances	67,116	51,090
Unreserved:		
Undesignated	149,791	130,236
Total fund balance	216,907	181,326
Total liabilities and fund balance	$ 338,279	$ 303,903

Exhibit B-2

SPECIAL REVENUE FUND
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2006 and 2005
(in thousands)

	2006	2005
REVENUES:		
Fines	$ 18	$ 17
Investment income	351	282
Licenses and permits	71	74
Departmental and other	45,894	52,882
Intergovernmental	377,471	332,331
Total revenues	423,805	385,586
EXPENDITURES:		
Current operations:		
General government	4,684	22,548
Human services	10,009	8,678
Public safety	30,004	24,338
Public works	8,961	2,719
Property & development	71,749	57,154
Parks and recreation	384	1,001
Library	5,670	5,579
Schools	149,685	134,992
Public health programs	1,985	1,710
County	106,270	101,832
Capital outlays	1,695	805
Debt service	-	3,879
Total expenditures	391,096	365,235
Excess (deficiency) of revenues over expenditures	32,709	20,351
OTHER FINANCING SOURCES (USES):		
Long-term debt and capital leases issued	-	1,381
Payments to refunded bonds escrow agent	-	(6,180)
Premiums on long-term debt issued	3,872	10,409
Transfers out	(1,000)	(3,500)
Total other financing sources	2,872	2,110
Net change in fund balances	35,581	22,461
Fund balance - beginning	181,326	158,865
Fund balance - ending	$ 216,907	$ 181,326

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CAPITAL PROJECTS FUND

This fund is 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. The use of a capital projects fund is especially common for major capital acquisition or construction activities financed through borrowings or contributions. Unless there is a legal requirement to use a capital projects fund, the use of the capital projects fund type is permitted rather than required.

Exhibit C-1

CAPITAL PROJECTS FUND
Comparative Balance Sheets
June 30, 2006 and 2005
(in thousands)

	2006	2005
ASSETS		
Cash and investments	$ 24,221	$ 31,910
Cash and investments held by trustees	4,209	2,429
Intergovernmental receivables	4,016	3,005
Total assets	$ 32,446	$ 37,344
LIABILITIES		
Warrants and accounts payable	$ 5,786	$ 3,493
Accrued liabilities:		
Deposits and other	8,510	15,219
Deferred revenue	3,306	
Total liabilities	17,602	18,712
FUND BALANCE		
Reserved for:		
Encumbrances	71,727	84,471
Future appropriations	43,756	43,724
Unreserved:		
Undesignated (deficit)	(100,639)	(109,563)
Total fund balance	14,844	18,632
Total liabilities and fund balance	$ 32,446	$ 37,344

Exhibit C-2

CAPITAL PROJECTS FUND

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2006 and 2005
(in thousands)

	2006	2005
REVENUES:		
Departmental and other	$ 3,864	$ 3,065
Intergovernmental	9,538	8,800
Total revenues	13,402	11,865
EXPENDITURES:		
Capital outlays	103,305	87,974
Debt service	97,446	-
Total expenditures	200,751	87,974
Excess (deficiency) of revenues over expenditures	(187,349)	(76,109)
OTHER FINANCING SOURCES (USES):		
Long-term debt and capital leases issued	89,871	136,003
Payments to refunded bonds escrow agent	-	(96,539)
Operating transfers out	93,690	-
Total other financing sources	183,561	39,464
Net change in fund balances	(3,788)	(36,645)
Fund balance - beginning	18,632	55,277
Fund balance - ending	$ 14,844	$ 18,632

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OTHER GOVERNMENTAL FUNDS

Other Governmental Funds are those funds that are not defined as major funds.

Permanent Fund, established by GASB Statement No. 34, the fund is 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.

The permanent fund is composed of the following pools:

Pool#1 is used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

Pool#2 is used for scholarship awards, the purchase of educational equipment and the aid of needy students.

Pool#7 is a co-mingled investment fund of various non-testamentary trust funds of the City of Boston. The non-expendable portion of the fund is composed of donations/contributions from either individuals or organizations. Donations/contributions are to be expended in conformity with their respective trust instruments.

Exhibit D-1

OTHER GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2006
(with comparative totals for 2005)
(in thousands)

	Permanent Funds			Total Other Governmental Funds	
	Pool 1	**Pool 2**	**Pool 7**	**2006**	**2005**
ASSETS					
Cash and investments	-	-	-	-	2
Cash and investments held by trustees	$ 43,853	589	848	$ 45,290	$ 44,544
Receivables, net	212	1	5	218	336
Total assets	$ 44,065	590	853	$ 45,508	$ 44,882
LIABILITIES					
Warrants and accounts payable	$ 431	4	55	$ 490	$ 583
Total liabilities	431	4	55	490	583
FUND BALANCE					
Reserved for encumbrances	149	-	-	149	462
Unreserved, reported in permanent funds	43,485	586	798	44,869	43,837
Total fund balance	43,634	586	798	45,018	44,299
Total liabilities and fund balance	$ 44,065	590	853	$ 45,508	$ 44,882

Exhibit D-2

OTHER GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2006
(with comparative totals for 2005)
(in thousands)

	Permanent Funds			Total Other Governmental Funds	
	Pool 1	Pool 2	Pool 7	2006	2005
REVENUES:					
Investment income	$ 152	5	33	190	$ 70
Departmental and other	6,279	55	1,684	8,018	5,949
Total revenues	6,431	60	1,717	8,208	6,019
EXPENDITURES:					
General government	4,380	80	919	5,379	4,489
Total expenditures	4,380	80	919	5,379	4,489
Excess (deficiency) of revenue over expenditures	2,051	(20)	798	2,829	1,530
OTHER FINANCING SOURCES (USES):					
Transfers out	(2,110)	-	-	(2,110)	(2,029)
Total other financing (uses) sources	(2,110)	-	-	(2,110)	(2,029)
Deficiency of revenues and other financing sources over expenditures and other financing uses	(59)	(20)	798	719	(499)
Fund balance - beginning	43,693	606	-	44,299	44,798
Fund balance - ending	$ 43,634	586	798	$ 45,018	$ 44,299

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INTERNAL SERVICE FUND

Internal Service Fund accounts for the City's self insurance for health benefits provided by Blue Cross/Blue Shield for City employees, their dependents and retirees. The Internal Service Fund is included in the governmental activities columns in the government-wide statements.

Exhibit E-1

INTERNAL SERVICE FUND
Comparative Statements of Net Assets
June 30, 2006 and 2005
(in thousands)

	2006	2005
ASSETS		
Cash and investments	$ 34,624	$ 30,555
Receivables, net	107	154
Due from other funds	582	582
Due from component units	54	-
Other assets	1,825	1,873
Total assets	$ 37,192	$ 33,164
LIABILITIES		
Warrants and accounts payable	$ 32	$ 39
Accrued liabilities	6,593	6,465
Total liabilities	6,625	6,504
NET ASSETS		
Unrestricted	30,567	26,660
Total net assets	$ 30,567	$ 26,660

Exhibit E-2

INTERNAL SERVICE FUND

Comparative Statements of Revenues, Expenses and Changes in Net Assets
Years Ended June 30, 2006 and 2005
(in thousands)

	2006	2005
REVENUES:		
Employer contributions	$ 67,786	$ 68,861
Employee contributions	22,379	23,951
Total operating revenues	90,165	92,812
EXPENSES:		
Health benefits	86,258	82,684
Total operating expenses	86,258	82,684
Changes in net assets	3,907	10,128
Net assets, beginning	26,660	16,532
Net assets, ending	$ 30,567	$ 26,660

Exhibit E-3

INTERNAL SERVICE FUND
Comparative Statements of Cash Flows
Year Ended June 30, 2006 and 2005
(in thousands)

	2006	2005
Cash Flows From Operating Activities:		
Cash received from employees and employer	$ 90,165	$ 92,953
Cash paid to vendors	(86,096)	(82,100)
Net cash provided by operating activities	4,069	10,853
Cash and cash equivalents, beginning of year	30,555	19,702
Cash and cash equivalents, end of year	$ 34,624	$ 30,555
Cash Flows From Operating Activities:		
Operating income	$ 3,907	$ 10,128
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	(60)	141
Other assets	49	107
Due (to) from other funds	-	104
Due (to) from component units	54	-
Accounts payable and accrued liabilities	119	373
Net cash provided by operating activities	$ 4,069	$ 10,853

FIDUCIARY FUNDS

EMPLOYEE RETIREMENT PLANS

State-Boston Retirement System is a defined benefit contributory retirement plan covering employees of the City of Boston and Suffolk County, Boston Public Health Commission, Boston Housing Authority, Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

PRIVATE PURPOSE TRUST FUNDS

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

Pool#1 is used for the maintenance and improvement of the City’s parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

Pool#2 is used for scholarship awards, the purchase of educational equipment and the aid of needy students.

Pool#5 is formed by the will of George R. White dated May 21, 1920. The will requires that the Fund’s income be used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City.

Pool#7 is a co-mingled investment fund of various non-testamentary trust funds of the City of Boston. The non-expendable portion of the fund is composed of donations/contributions from either individuals or organizations. Donations/contributions are to be expended in conformity with their respective trust instruments.

AGENCY FUND

Law Enforcement Trust Fund accounts for proceeds from property seized from illegal drug related activities. Funds can be used to defray the costs of protracted investigations, to provide technical equipment or expertise and provide matching funds for federal grants.

Exhibit F-1

STATE-BOSTON RETIREMENT SYSTEM
Comparative Statement of Net Assets
December 31, 2005
(with comparative totals for 2004)
(in thousands)

	Total State-Boston Retirement System	
	2005	**2004**
ASSETS		
Cash and investments	$ 3,923,451	$ 3,895,104
Receivables:		
Interest and dividends	27,223	7,053
Securities sold	81,845	56,841
Other	106,087	91,286
Total receivables	215,155	155,180
Total assets	$ 4,138,606	$ 4,050,284
LIABILITIES		
Accounts payable	$ 13,681	$ 13,294
Securities purchased	105,225	270,021
Collateral held on securities lending	228,073	219,129
Total liabilities	346,979	502,444
NET ASSETS		
Held in trust for pension benefits and other purposes	$ 3,791,627	$ 3,547,840

Exhibit F-2

PRIVATE PURPOSE TRUST FUNDS
Combining Statement of Net Assets
June 30, 2006
(with comparative totals for 2005)
(in thousands)

	Pool 1	Pool 2	Pool 5	Pool 7	Total Private Purpose Trust Funds 2006	Total Private Purpose Trust Funds 2005
ASSETS						
Cash and investments	$ 23,164	448	23,110	33,003	$ 79,725	$ 74,201
Receivables:						
Other	128	1	77	1,986	2,192	2,452
Total receivables	128	1	77	1,986	2,192	2,452
Capital assets, net of accumulated depreciation			30		30	30
Total assets	$ 23,292	449	23,217	34,989	$ 81,947	$ 76,683
LIABILITIES						
Accounts payable	$ 380	3	107	824	$ 1,314	$ 2,209
Total liabilities	380	3	107	824	1,314	2,209
NET ASSETS						
Held in trust for pension benefits and other purposes	$ 22,912	446	23,110	34,165	$ 80,633	$ 74,474

Exhibit F-3

AGENCY FUND
Comparative Statement of Net Assets
June 30, 2006
(with comparative totals for 2005)
(in thousands)

	Law Enforcement Trust Fund	
	2006	**2005**
ASSETS		
Cash and investments	$ 1,673	$ 1,278
Total assets	$ 1,673	$ 1,278
LIABILITIES		
Refunds payable and other	$ 1,673	$ 1,278
Total liabilities	$ 1,673	$ 1,278

Exhibit F-4

STATE-BOSTON RETIREMENT SYSTEM
Comparative Statement of Changes in Plan Net Assets
Year Ended December 31, 2005
(with comparative totals for 2004)
(in thousands)

	2005	2004
ADDITIONS:		
Contributions:		
Employers	$ 212,308	$ 170,043
Employees	108,837	106,577
Net appreciation (depreciation) in fair value of investments	183,408	292,331
Interest and dividends	95,800	85,043
Management and related fees	(10,925)	(9,740)
Securities lending income	7,733	3,070
Borrower rebates and fees	(7,284)	(2,748)
Intergovernmental	18,070	14,670
Total additions	607,947	659,246
DEDUCTIONS:		
Benefits	335,718	321,603
Reimbursements to other systems	8,746	9,449
Refunds of contributions	16,107	14,042
Administration	3,589	3,128
Total deductions	364,160	348,222
Changes in net assets	243,787	311,024
Net assets, beginning of year	3,547,840	3,236,816
Net assets, end of year	$ 3,791,627	$ 3,547,840

Exhibit F-5

PRIVATE PURPOSE TRUST FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Net Assets
Year Ended June 30, 2006
(with comparative totals for 2005)
(in thousands)

	Pool 1	Pool 2	Pool 5	Pool 7	Total Private Purpose Trust Funds 2006	Total Private Purpose Trust Funds 2005
ADDITIONS:						
Investment income	$ 78	3	62	1,252	$ 1,395	$ 599
Realized and unrealized losses on investments	3,357	39	2,181	17,507	23,084	17,641
Departmental and other revenue	843	-	138	1,178	2,159	3,015
Total operating revenues	4,278	42	2,381	19,937	26,638	21,255
DEDUCTIONS:						
Administrative and general	3,142	47	1,855	15,435	20,479	18,600
Total operating expenses	3,142	47	1,855	15,435	20,479	18,600
Net (decrease) increase in net assets	1,136	(5)	526	4,502	6,159	2,655
Net assets, beginning of year	21,776	451	22,584	29,663	74,474	71,819
Net assets, end of year	$ 22,912	$ 446	$ 23,110	$ 34,165	$ 80,633	$ 74,474