

## **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, 2007 and 2006**  
**(in thousands)**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and investments.....	\$ 738,650	\$ 663,547
Receivables:		
Property taxes.....	20,694	21,401
Motor vehicle / boat excise.....	74,520	62,328
Intergovernmental.....	218,856	239,719
Departmental and other.....	42,999	33,146
Tax title and possession.....	78,105	76,178
Total receivables.....	<u>435,173</u>	<u>432,772</u>
Allowance:		
Property Tax.....	(823)	(3,891)
Tax title and possession.....	(78,105)	(76,178)
Motor vehicle / boat excise.....	(58,280)	(56,876)
Other.....	(20,279)	(20,217)
Total allowances.....	<u>(157,487)</u>	<u>(157,162)</u>
Net Receivable.....	277,687	275,610
Due from other funds.....	22,773	24,221
Due from component units.....	8,279	9,021
Other assets.....	-	-
Total assets.....	<u>\$ 1,047,389</u>	<u>\$ 972,399</u>
<b>LIABILITIES</b>		
Warrants and accounts payable.....	\$ 39,735	\$ 36,295
Accrued liabilities:		
Payroll and related costs.....	106,741	88,189
Deposits and other.....	8,278	9,653
Deferred revenue.....	153,341	173,349
Due to other funds.....	6,989	3,266
Due to component units.....	256	250
Total liabilities.....	<u>315,340</u>	<u>311,002</u>
<b>FUND BALANCE</b>		
Reserved for:		
Encumbrances.....	38,617	44,573
Unreserved:		
Designated for subsequent year expenditures.....	198,098	178,157
Undesignated.....	495,334	438,667
Total fund balance.....	<u>732,049</u>	<u>661,397</u>
Total liabilities and fund balance.....	<u>\$ 1,047,389</u>	<u>\$ 972,399</u>

**City of Boston, Massachusetts**

Exhibit A-2

**GENERAL FUND**

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance  
Years Ended June 30, 2007 and 2006  
(in thousands)

	<u>2007</u>		<u>2006</u>
<b>REVENUES:</b>			
Local:			
Real and personal property taxes.....	\$ 1,258,878	\$	1,190,347
Excises.....	99,816		107,361
Payments in lieu of taxes.....	56,146		60,584
Fines.....	67,546		67,876
Investment income.....	43,068		32,351
Licenses and permits.....	40,694		40,353
Departmental and other .....	65,661		51,992
Total local revenues.....	<u>1,631,809</u>		<u>1,550,864</u>
Intergovernmental:			
Intergovernmental.....	484,510		557,418
Total intergovernmental revenues.....	<u>484,510</u>		<u>557,418</u>
Total revenues.....	<u>2,116,319</u>		<u>2,108,282</u>
<b>EXPENDITURES:</b>			
Current:			
General government.....	65,223		57,262
Human services.....	26,475		24,875
Public safety.....	477,403		446,784
Public works.....	97,897		101,441
Property and development.....	35,506		33,322
Parks and recreation.....	17,000		15,723
Library.....	31,225		28,365
Schools.....	743,848		719,715
Public Health Programs.....	64,559		61,282
Judgments and claims.....	2,257		11,590
Retirement costs.....	92,873		96,853
Other employee benefits.....	175,862		157,885
State and district assessments.....	124,243		118,817
Capital outlays.....	1,200		815
Debt service.....	113,212		112,600
Total expenditures.....	<u>2,068,783</u>		<u>1,987,329</u>
Excess of revenues over expenditures.....	47,536		120,953
<b>OTHER FINANCING SOURCES (USES):</b>			
Payments to refunded bonds escrow agent.....	(105)		-
Transfers in.....	23,221		(72,580)
Total other financing sources (uses).....	<u>23,116</u>		<u>(72,580)</u>
Net change in fund balances.....	70,652		48,373
Fund balance - beginning.....	<u>661,397</u>		<u>613,024</u>
Fund balance - ending.....	\$ <u>732,049</u>	\$	<u>661,397</u>

Exhibit A-3

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2007

(with comparative actual amounts for 2006)

(in thousands)

<u>Classification</u>	2007				2006 <u>Actual</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
<b>PROPERTY TAXES</b>					
Real and Personal Property Taxes.....	\$ 1,223,656	1,223,656	\$ 1,224,171	\$ 515	\$ 1,167,342
Revenue class total	<u>1,223,656</u>	<u>1,223,656</u>	<u>1,224,171</u>	<u>515</u>	<u>1,167,342</u>
<b>MOTOR VEHICLE EXCISE</b>					
Motor Vehicle Excise - Current.....	38,000	38,000	24,081	(13,919)	41,201
Motor Vehicle Excise - Prior Years.....	-	-	10,369	10,369	8,903
Boat Excise - Current and Prior Years.....	50	50	50	-	74
Revenue class total	<u>38,050</u>	<u>38,050</u>	<u>34,500</u>	<u>(3,550)</u>	<u>50,178</u>
<b>OTHER EXCISE TAXES</b>					
Hotel / Motel Room Excise.....	22,000	22,000	20,000	(2,000)	18,000
Aircraft Fuel Excise.....	15,000	18,538	24,338	5,800	19,944
Condominium Conv. Excise.....	600	985	1,327	342	1,558
Urban Redevelopment Ch. 121A.....	34,338	34,337	40,069	5,732	36,528
Revenue class total	<u>71,938</u>	<u>75,860</u>	<u>85,734</u>	<u>9,874</u>	<u>76,030</u>
<b>COMMONWEALTH OF MASSACHUSETTS</b>					
State Owned Lands.....	226	226	227	1	349
Exemption - Elderly.....	570	570	577	7	570
Exemption - Other.....	464	464	458	(6)	464
Lottery.....	70,589	70,589	70,589	-	60,546
Veterans Services - Local Aid.....	2,083	2,083	1,569	(514)	2,209
Pensions - Retired Teachers.....	85,164	85,164	93,330	8,166	85,164

(continued)

Exhibit A-3 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2007

(with comparative actual amounts for 2006)

(in thousands)

Classification	2007			Variance	2006
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	Actual
Additional Assitance.....	164,211	164,211	164,211	-	164,211
Police Career Incentive.....	9,025	9,025	9,589	564	8,325
Local Share of Racing Taxes.....	609	609	549	(60)	454
Municipal Relief Aid.....	-	-	-	-	-
School Construction - State.....	13,816	13,816	15,134	1,318	15,464
Charter School Reimbursement.....	15,035	15,035	9,599	(5,436)	3,241
Chapter 70 Education Aid.....	210,540	210,540	210,540	-	203,635
Charter School Capital Facility.....	-	-	-	-	5,145
School Transportation Programs.....	-	-	-	-	-
Revenue class total	<u>572,332</u>	<u>572,332</u>	<u>576,372</u>	<u>4,040</u>	<u>549,777</u>
<b>DEPARTMENTAL &amp; OTHER REVENUE</b>					
Penalties & Interest - Property Taxes.....	1,850	1,850	2,587	737	2,093
Penalties & Interest - Motor Vehicle.....	3,000	3,000	3,496	496	3,683
Penalties & Interest - Tax Title.....	3,200	3,200	2,616	(584)	3,404
Penalties & Interest - Boat Excise.....	-	-	5	5	7
Penalties & Interest - 121A.....	10	10	7	(3)	3
Sidewalk Paid in Advance.....	-	-	-	-	5
Unapportioned Assessments.....	-	-	46	46	11
Other Departmental Fees & Charges.....	430	430	761	331	453
Registry Division Fees.....	1,600	1,600	1,626	26	1,610
Liens.....	800	800	720	(80)	756
Other Departmental.....	4,435	4,435	5,520	1,085	6,548
City Clerk Fees.....	500	500	416	(84)	537
Muni Medicaid Reimbursement.....	9,800	12,315	18,423	6,108	13,522
Police Services.....	825	825	950	125	967
Fire Services.....	2,700	2,700	3,490	790	3,086
Parking Facilities.....	800	800	1,130	330	817
Street Occupancy.....	2,025	2,025	2,414	389	2,418

(continued)

Exhibit A-3 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2007

(with comparative actual amounts for 2006)

(in thousands)

Classification	2007				2006 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Street, Sidewalk and Curb Repairs.....	-	-	-	-	613
Street, Sidewalk Permit/A.....	-	-	1,507	1,507	-
Administrative Fees.....	-	-	1,490	1,490	-
Demolition of Abandoned Structures.....	-	-	36	36	36
Property Mgmt - Building Rents.....	1,675	1,675	1,733	58	2,008
St.Furniture Program Fixed Fees.....	750	750	750	-	750
St.Furniture Program Adm Fees.....	625	625	715	90	658
Fiber Optics Access Fees.....	300	300	168	(132)	1,073
Public Works - Other Charges.....	-	-	2	2	-
Tuition and Transportation - Schools.....	450	450	540	90	585
Library Fees.....	175	175	389	214	374
Other Penalties & Interest.....	-	-	1	1	4
Cobra/selfpay.....	900	900	1,138	238	1,206
Affirmative Recovery Unit.....	-	596	799	203	1,177
Fringe-Retirement	-	-	4,613	4,613	-
Pensions and Annuities.....	2,500	2,500	470	(2,030)	3,468
Indirect Costs Reimbursement	-	-	930	930	-
Third Party payments	-	-	6	6	-
Prior Year Reimbursements.....	-	-	192	192	(196)
Police Detail Admin. Fee.....	2,300	2,300	2,975	675	2,431
Rental Income.....	-	-	9	9	8
Adm. Fee 3rd Party Payments	-	-	6	6	-
Tellers Adjustment Account.....	-	-	-	-	1
Revenue class total	<u>41,650</u>	<u>44,761</u>	<u>62,676</u>	<u>17,915</u>	<u>54,116</u>
<b>FINES</b>					
Parking Fines.....	62,700	62,700	62,804	104	63,987
Court Fines.....	100	100	102	2	104
Moving Violation Fines - Court.....	3,000	3,000	3,505	505	3,247
Fire Safety Fines.....	-	-	5	5	4
ISD - Fines.....	10	10	-	(10)	-
Code Enforcement.....	200	200	559	359	269
Revenue class total	<u>66,010</u>	<u>66,010</u>	<u>66,975</u>	<u>965</u>	<u>67,611</u>

(continued)

Exhibit A-3 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2007

(with comparative actual amounts for 2006)

(in thousands)

Classification	2007			Variance Favorable (Unfavorable)	2006 Actual
	Original Budget	Final Budget	Actual		
<b>PAYMENTS IN LIEU OF TAXES</b>					
Mass Port Authority.....	12,342	12,342	15,232	2,890	17,500
Misc PILOTS.....	15,000	15,000	17,131	2,131	14,563
Misc Chapter 121B Section 16.....	1,250	1,250	982	(268)	1,227
Misc Chapter 121A Section 6A.....	18,962	18,962	22,801	3,839	27,294
Revenue class total	47,554	47,554	56,146	8,592	60,584
<b>INVESTMENT INCOME</b>					
Interest on Investments.....	24,000	32,800	43,471	10,671	30,049
Revenue class total	24,000	32,800	43,471	10,671	30,049
<b>LICENSES AND PERMITS</b>					
Building Structures and Permits.....	20,000	20,634	27,861	7,227	26,253
Weights and Measures.....	235	235	224	(11)	235
Street and Curb Permits.....	1,500	1,500	1,761	261	2,020
Pre-rental Inspections.....	75	75	136	61	132
Other Dept Licenses & Permits.....	690	690	811	121	820
Health Inspections.....	1,200	1,200	1,138	(62)	1,245
Alcoholic Beverages and Licenses.....	2,350	3,103	3,189	86	2,359
Entertainment Licenses.....	1,400	1,400	1,585	185	1,512
Police Firearm Permits.....	50	50	41	(9)	(65)
Other Business Licenses and Permits.....	90	90	105	15	91
Cable Television.....	3,750	3,750	4,581	831	4,153
Revenue class total	31,340	32,727	41,432	8,705	38,755

(continued)

Exhibit A-3 (continued)

**GENERAL FUND**

Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 2007

(with comparative actual amounts for 2006)

(in thousands)

Classification	2007				2006 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>TRANSFERS AND OTHER AVAILABLE FUNDS</b>					
Surplus Property Fund.....	5,331	5,331	-	(5,331)	-
Appropriated Cemetery Trustee.....	2,220	2,220	2,221	1	2,110
Appropriated Parking Meter Receipts.....	10,000	10,000	1,000	(9,000)	1,000
Appropriated Fund Balance.....	8,000	11,651	7,500	(4,151)	6,700
Revenue class total	<u>25,551</u>	<u>29,202</u>	<u>10,721</u>	<u>(18,481)</u>	<u>9,810</u>
Total Revenues and Other Financing Sources	\$ <u>2,142,081</u>	\$ <u>2,162,952</u>	\$ <u>2,202,198</u>	\$ <u>39,246</u>	\$ <u>2,104,252</u>



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Exhibit A-4

GENERAL FUND  
 Schedule of Expenditures Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2007  
 (with comparative actual amounts for 2006)  
 (in thousands)

	2007				2006 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>GENERAL GOVERNMENT</b>					
Costs of Issuance - RANS.....	\$ 500	256	256	-	\$ 219
Annual Audit Costs.....	600	461	461	-	521
Mayor's Office.....	2,152	2,145	2,112	33	1,843
City Council.....	4,222	4,503	4,417	86	4,126
Office of New Bostonians.....	318	328	317	11	84
Consumer Affairs and Licensing.....	442	450	438	12	430
Election Department - Election Division.....	2,290	2,445	2,371	74	2,208
Election Department - Listing Board.....	318	270	243	27	272
Auditing Department.....	2,133	2,143	2,136	7	1,965
Assessing Department.....	6,142	5,996	5,969	27	5,769
Treasury Department - Collecting Division.....	2,380	2,392	2,197	195	2,265
Treasury Department - Treasury Division.....	1,995	2,010	2,005	5	1,927
Office of Budget Management.....	2,534	3,169	3,167	2	2,893
Human Resources.....	2,348	2,345	2,344	1	2,127
Purchasing Division.....	1,362	1,365	1,364	1	1,283
Office of Chief Operating Officer.....	885	758	754	4	769
Graphic Arts.....	1,523	1,460	1,460	-	1,452
Office Labor Relations.....	1,284	1,331	1,327	4	1,110
Management Information System.....	16,211	18,000	18,001	(1)	14,155
Intergovernmental Relations.....	980	994	988	6	803
Small & Local Business.....	585	578	575	3	550
Office of Boston Residents Job Policy.....	495	470	458	12	454
Risk Retention Reserve.....	1,000	1,000	1,000	-	1,000
Law Department.....	4,773	4,866	4,848	18	4,472
City Clerk.....	883	897	879	18	855
Registry Division.....	866	875	871	4	802
Finance Commission.....	184	186	182	4	181

(continued)

Exhibit A-4 (continued)

**GENERAL FUND**  
 Schedule of Expenditures Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2007  
 (with comparative actual amounts for 2006)  
 (in thousands)

	2007				2006 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
Office of Civil Rights.....	305	316	314	2	301
Emergency Shelter Commission.....	536	541	508	33	520
Public Information.....	973	897	890	7	935
Neighborhood Services.....	1,181	1,198	1,170	28	1,090
Arts & Cultural Development.....	1,625	1,653	1,634	19	1,617
Women's Commission.....	151	153	151	2	150
Housing Trust Fund.....	330	330	329	1	328
Tregor Reserve Fund.....	-	2,230	2,230	-	1,457
Reserve For Collective Bargaining.....	-	10,000	10,000	-	-
Function total	64,506	79,011	78,366	645	60,933
<b>HUMAN SERVICES</b>					
Rental Housing Resource Center.....	-	-	-	-	-
Boston Center/Youth & Families.....	19,198	19,285	19,284	1	18,497
Elderly Commission.....	2,677	2,739	2,732	7	2,556
Veterans Services Department.....	3,784	4,389	4,378	11	3,897
Function total	25,659	26,413	26,394	19	24,950
<b>PUBLIC SAFETY</b>					
Police Department.....	252,165	256,034	268,701	(12,667)	245,222
Fire Department.....	153,780	153,816	162,216	(8,400)	160,515
Mayor's Office - Homeland Security.....	192	248	228	-	192
Transportation - Traffic Division.....	17,537	18,636	18,634	2	18,667
Transportation - Parking Clerk.....	9,509	8,939	8,939	-	9,145
Licensing Board.....	593	597	502	95	508
Inspectional Services Department.....	14,485	14,625	14,566	59	13,946
Youth Fund.....	3,807	3,810	3,809	1	3,802
Function total	452,068	456,705	477,595	(20,890)	451,997

(continued)

Exhibit A-4 (continued)

GENERAL FUND  
 Schedule of Expenditures Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2007  
 (with comparative actual amounts for 2006)  
 (in thousands)

	2007				2006 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>PUBLIC WORKS</b>					
Public Works Department.....	87,485	88,576	88,572	4	87,806
Central Maintenance Facility.....	2,183	2,222	2,182	40	2,258
Snow Removal.....	12,242	7,994	7,994	-	11,932
Function total	<u>101,910</u>	<u>98,792</u>	<u>98,748</u>	<u>44</u>	<u>101,996</u>
<b>PROPERTY AND DEVELOPMENT</b>					
Boston Housing Authority.....	0	2,150	2,150	-	0
Property Management.....	21,980	24,547	24,547	-	25,947
Neighborhood Development.....	3,015	3,068	2,963	105	2,778
Leading the Way.....	4,331	4,331	4,331	-	7,500
Function total	<u>29,326</u>	<u>34,096</u>	<u>33,991</u>	<u>105</u>	<u>36,225</u>
<b>PARKS AND RECREATION</b>					
Parks and Recreation Department.....	12,459	13,417	13,416	1	12,564
Environment Department.....	1,316	1,335	1,295	40	1,170
Cemetery Division.....	2,220	2,220	1,996	224	1,895
Function total	<u>15,995</u>	<u>16,972</u>	<u>16,707</u>	<u>265</u>	<u>15,629</u>
<b>LIBRARY</b>					
Library Department.....	28,448	28,607	28,550	57	27,712
Function total	<u>28,448</u>	<u>28,607</u>	<u>28,550</u>	<u>57</u>	<u>27,712</u>
<b>SCHOOLS</b>					
Boston Public Schools.....	734,500	747,486	747,462	24	717,793
Function total	<u>734,500</u>	<u>747,486</u>	<u>747,462</u>	<u>24</u>	<u>717,793</u>

(continued)

Exhibit A-4 (continued)

**GENERAL FUND**  
 Schedule of Expenditures Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2007  
 (with comparative actual amounts for 2006)  
 (in thousands)

	2007				2006 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>PUBLIC HEALTH</b>					
Public Health Commission.....	63,571	63,798	63,798	-	61,300
Function total	63,571	63,798	63,798	-	61,300
<b>JUDGMENTS AND CLAIMS</b>					
Execution of Courts.....	3,500	3,500	7,107	(3,607)	10,497
Function total	3,500	3,500	7,107	(3,607)	10,497
<b>OTHER EMPLOYEE BENEFITS</b>					
Medicare Payments.....	4,926	5,113	5,113	-	4,651
Human Resources-Health Insurance.....	494	503	503	-	468
Health Benefits & Insurance.....	168,525	168,525	168,525	-	151,575
Unemployment Compensation.....	50	50	32	18	14
Workers' Compensation Fund.....	2,200	2,200	2,914	(714)	2,350
Function total	176,195	176,391	177,087	(696)	159,058
<b>PENSION COSTS</b>					
State - Boston Retirement System.....	192,926	192,926	192,926	-	186,285
Pensions and Annuities - City.....	4,600	4,600	4,600	-	4,600
Pensions and Annuities - County.....	100	48	48	-	-
Function total	197,626	197,574	197,574	-	190,885

(continued)

Exhibit A-4 (continued)

**GENERAL FUND**  
 Schedule of Expenditures Compared to Budget (Budgetary Basis)  
 Year Ended June 30, 2007  
 (with comparative actual amounts for 2006)  
 (in thousands)

	2007				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	2006 Actual
<b>DEBT REQUIREMENTS</b>					
Redemption of City Loans.....	76,625	76,601	76,601	-	74,613
City Debt and Interest Payments.....	36,139	32,186	32,186	-	35,962
Temporary Notes.....	6,000	-	-	-	-
MWPAT Principal.....	446	446	446	-	448
MWPAT Interest.....	131	131	131	-	130
BAN Interest.....	-	-	0	-	1,446
Function total	<u>119,341</u>	<u>109,364</u>	<u>109,364</u>	-	<u>112,599</u>
<b>STATE &amp; DISTRICT ASSESSMENTS</b>					
Health Insurance/Retirement.....	272	272	272	-	347
Parking Surcharge.....	3,557	3,557	3,565	(8)	3,557
Mosquito Control Projects.....	212	212	212	-	185
Special Education Chapter 766.....	541	541	580	(39)	513
Metropolitan Air Pollution Center.....	160	160	159	1	157
Metropolitan Area Planning.....	159	159	159	-	158
M.B.T.A. Assessments.....	66,211	66,211	66,211	-	65,185
School Choice.....	227	227	310	(83)	298
Charter School Sending Tuition.....	53,697	48,504	48,375	129	43,923
M.D.C. Assessments.....	11	11	11	-	11
Suffolk County Jail.....	4,389	4,389	4,389	-	4,483
Function total	<u>129,436</u>	<u>124,243</u>	<u>124,243</u>	-	<u>118,817</u>
Total Expenditures	\$ <u>2,142,081</u>	\$ <u>2,162,952</u>	\$ <u>2,186,986</u>	(24,034)	\$ <u>2,090,391</u>

## **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, 2007 and 2006  
 (in thousands)

	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Cash and investments.....	\$ 153,759	\$ 158,601
Receivables (net):		
Intergovernmental.....	102,359	103,307
Departmental and other.....	55,264	73,689
Total receivables.....	157,623	176,996
Due from other funds.....	4,863	2,682
Other assets.....	-	-
Total assets.....	\$ 316,245	\$ 338,279
<b>LIABILITIES</b>		
Warrants and accounts payable.....	\$ 14,549	\$ 11,452
Accrued liabilities:		
Payroll and related costs.....	1,345	1,366
Deposits and other.....	21,963	28,646
Deferred Revenue.....	55,264	73,689
Due to other funds.....	2,792	6,219
Total liabilities.....	95,913	121,372
<b>FUND BALANCE</b>		
Reserved for:		
Encumbrances.....	65,928	67,116
Unreserved:		
Undesignated.....	154,404	149,791
Total fund balance.....	220,332	216,907
Total liabilities and fund balance.....	\$ 316,245	\$ 338,279

Exhibit B-2

**SPECIAL REVENUE FUND**

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance  
Years Ended June 30, 2007 and 2006  
(in thousands)

	2007	2006
<b>REVENUES:</b>		
Fines.....	\$ 11	\$ 18
Investment income.....	482	351
Licenses and permits.....	65	71
Departmental and other .....	48,699	45,894
Intergovernmental .....	348,816	377,471
Total revenues.....	398,073	423,805
<b>EXPENDITURES:</b>		
Current operations:		
General government.....	7,394	4,684
Human services.....	8,556	10,009
Public safety.....	28,578	30,004
Public works.....	9,042	8,961
Property & development.....	66,893	71,749
Parks and recreation.....	354	384
Library.....	5,166	5,670
Schools.....	154,774	149,685
Public health programs.....	774	1,985
County.....	114,218	106,270
Capital outlays.....	2,353	1,695
Debt service.....	-	-
Total expenditures.....	398,102	391,096
Excess (deficiency) of revenues over expenditures.....	(29)	32,709
<b>OTHER FINANCING SOURCES (USES):</b>		
Long-term debt and capital leases issued.....	76	-
Payments to refunded bonds escrow agent.....	-	-
Premiums on long-term debt issued.....	4,378	3,872
Transfers out.....	(1,000)	(1,000)
Total other financing sources.....	3,454	2,872
Net change in fund balances.....	3,425	35,581
Fund balance - beginning.....	216,907	181,326
Fund balance - ending.....	\$ 220,332	\$ 216,907



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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, 2007 and 2006

(in thousands)

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and investments.....	\$ 25,926	\$ 24,221
Cash and investments held by trustees.....	2,828	4,209
Intergovernmental receivables.....	11,578	4,016
Due from other funds.....	1,591	-
Total assets.....	<u>\$ 41,923</u>	<u>\$ 32,446</u>
<b>LIABILITIES</b>		
Warrants and accounts payable.....	\$ 11,677	\$ 5,786
Accrued liabilities:		
Deposits and other.....	6,352	8,510
Deferred revenue.....	11,578	3,306
Total liabilities.....	<u>29,607</u>	<u>17,602</u>
<b>FUND BALANCE</b>		
Reserved for:		
Encumbrances.....	121,437	71,727
Future appropriations.....	35,756	43,756
Unreserved:		
Undesignated (deficit).....	<u>(144,877)</u>	<u>(100,639)</u>
Total fund balance.....	<u>12,316</u>	<u>14,844</u>
Total liabilities and fund balance.....	<u>\$ 41,923</u>	<u>\$ 32,446</u>

**Exhibit C-2**

**CAPITAL PROJECTS FUND**

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance  
 Years Ended June 30, 2007 and 2006  
 (in thousands)

	2007	2006
<b>REVENUES:</b>		
Departmental and other.....	\$ 0	\$ 3,864
Intergovernmental.....	10,177	9,538
Total revenues.....	10,177	13,402
<b>EXPENDITURES:</b>		
Capital outlays.....	127,860	103,305
Debt service.....	0	97,446
Total expenditures.....	127,860	200,751
Excess (deficiency) of revenues over expenditures.....	(117,683)	(187,349)
<b>OTHER FINANCING SOURCES (USES):</b>		
Long-term debt and capital leases issued.....	114,975	89,871
Refunding bonds issued.....	85,425	
Payments to refunded bonds escrow agent.....	(85,245)	-
Operating transfers out.....		93,690
Total other financing sources.....	115,155	183,561
Net change in fund balances.....	(2,528)	(3,788)
Fund balance - beginning.....	14,844	18,632
Fund balance - ending.....	\$ 12,316	\$ 14,844



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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, 2007  
 (with comparative totals for 2006)  
 (in thousands)

	Permanent Funds			Total Other Governmental Funds	
	Pool 1	Pool 2	Pool 7	2007	2006
<b>ASSETS</b>					
Cash and investments.....	229	-	-	229	-
Cash and investments held by trustees.....	\$ 46,494	619	864	\$ 47,977	\$ 45,290
Receivables, net.....	464	1	6	471	218
Total assets.....	\$ <u>47,187</u>	<u>620</u>	<u>870</u>	\$ <u>48,677</u>	\$ <u>45,508</u>
<b>LIABILITIES</b>					
Warrants and accounts payable.....	\$ 372	4	-	\$ 376	\$ 490
Total liabilities.....	<u>372</u>	<u>4</u>	<u>-</u>	<u>376</u>	<u>490</u>
<b>FUND BALANCE</b>					
Reserved for encumbrances.....	151	-	48	200	149
Unreserved, reported in permanent funds.....	46,664	616	822	48,101	44,869
Total fund balance.....	<u>46,815</u>	<u>616</u>	<u>870</u>	<u>48,301</u>	<u>45,018</u>
Total liabilities and fund balance.....	\$ <u>47,187</u>	<u>620</u>	<u>870</u>	\$ <u>48,677</u>	\$ <u>45,508</u>

Exhibit D-2

**OTHER GOVERNMENTAL FUNDS**  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Year Ended June 30, 2007  
 (with comparative totals for 2006)  
 (in thousands)

	Permanent Funds			Total Other Governmental Funds	
	Pool 1	Pool 2	Pool 7	2007	2006
<b>REVENUES:</b>					
Investment income.....	\$ 232	7	29	268	\$ 190
Departmental and other.....	8,920	89	1,000	10,009	8,018
Total revenues.....	<u>9,152</u>	<u>96</u>	<u>1,029</u>	<u>10,277</u>	<u>8,208</u>
<b>EXPENDITURES:</b>					
General government.....	<u>3,750</u>	<u>66</u>	<u>957</u>	<u>4,773</u>	<u>5,379</u>
Total expenditures.....	<u>3,750</u>	<u>66</u>	<u>957</u>	<u>4,773</u>	<u>5,379</u>
Excess (deficiency) of revenue over expenditures.....	5,402	30	72	5,504	2,829
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out.....	<u>(2,221)</u>			<u>(2,221)</u>	<u>(2,110)</u>
Total other financing (uses) sources.....	<u>(2,221)</u>	-	-	<u>(2,221)</u>	<u>(2,110)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses.....	3,181	30	72	3,283	719
Fund balance - beginning.....	43,634	586	798	45,018	44,299
Fund balance - ending.....	<u>\$ 46,815</u>	<u>616</u>	<u>870</u>	<u>\$ 48,301</u>	<u>\$ 45,018</u>



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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, 2007 and 2006  
 (in thousands)

	2007	2006
<b>ASSETS</b>		
Cash and investments.....	\$ 43,417	\$ 34,624
Receivables, net.....	283	107
Due from other funds.....	554	582
Due from component units.....	115	54
Other assets.....	3,910	1,825
Total assets.....	\$ 48,279	\$ 37,192
<b>LIABILITIES</b>		
Warrants and accounts payable.....	\$ 46	\$ 32
Accrued liabilities.....	6,827	6,593
Total liabilities.....	6,873	6,625
<b>NET ASSETS</b>		
Unrestricted.....	41,406	30,567
Total net assets.....	\$ 41,406	\$ 30,567

**Exhibit E-2**

**INTERNAL SERVICE FUND**

Comparative Statements of Revenues, Expenses and Changes in Net Assets  
 Years Ended June 30, 2007 and 2006  
 (in thousands)

	<u>2007</u>	<u>2006</u>
<b>REVENUES:</b>		
Employer contributions.....	\$ 73,650	\$ 67,786
Employee contributions.....	<u>25,860</u>	<u>22,379</u>
Total operating revenues.....	<u>99,894</u>	<u>90,165</u>
<b>EXPENSES:</b>		
Health benefits.....	<u>89,055</u>	<u>86,258</u>
Total operating expenses.....	<u>89,055</u>	<u>86,258</u>
Changes in net assets.....	10,839	3,907
Net assets, beginning.....	<u>30,567</u>	<u>26,660</u>
Net assets, ending.....	<u>\$ 41,406</u>	<u>\$ 30,567</u>

**Exhibit E-3**

**INTERNAL SERVICE FUND**  
 Comparative Statements of Cash Flows  
 Year Ended June 30, 2007 and 2006  
 (in thousands)

	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Cash received from employees and employer.....	\$ 99,685	\$ 90,165
Cash paid to vendors.....	<u>(90,892)</u>	<u>(86,096)</u>
Net cash provided by operating activities.....	8,793	4,069
Cash and cash equivalents, beginning of year.....	34,624	30,555
Cash and cash equivalents, end of year.....	<u>\$ 43,417</u>	<u>\$ 34,624</u>
<b>Cash Flows From Operating Activities:</b>		
Operating income.....	\$ 10,839	\$ 3,907
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable.....	(176)	(60)
Other assets.....	(2,085)	49
Due (to) from other funds.....	-	-
Due (to) from component units.....	(33)	54
Accounts payable and accrued liabilities.....	248	119
Net cash provided by operating activities.....	<u>\$ 8,793</u>	<u>\$ 4,069</u>

## 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, 2006**  
**(with comparative totals for 2005)**  
**(in thousands)**

	<b>Total</b>	
	<b>State-Boston Retirement System</b>	
	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>		
Cash and investments.....	\$ 4,510,782	\$ 3,923,451
Receivables:		
Interest and dividends.....	18,532	27,223
Securities sold.....	49,458	81,845
Other.....	111,626	106,087
Total receivables.....	179,616	215,155
Total assets.....	\$ 4,690,398	\$ 4,138,606
<b>LIABILITIES</b>		
Accounts payable.....	\$ 14,011	\$ 13,681
Securities purchased.....	70,299	105,225
Collateral held on securities lending.....	339,602	228,073
Refunds payable and other.....	491	-
Total liabilities.....	424,403	346,979
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes.....	\$ 4,265,995	\$ 3,791,627

Exhibit F-2

PRIVATE PURPOSE TRUST FUNDS  
 Combining Statement of Net Assets  
 June 30, 2007  
 (with comparative totals for 2006)  
 (in thousands)

	Pool 1	Pool 2	Pool 5	Pool 7	Total Private Purpose Trust Funds	
					2007	2006
<b>ASSETS</b>						
Cash and investments.....	\$ 24,988	469	24,226	34,744	\$ 84,427	\$ 79,725
Receivables:						
Other.....	266	1	81	3,144	3,492	2,192
Total receivables.....	266	1	81	3,144	3,492	2,192
Capital assets, net of accumulated depreciation.....			30		30	30
Total assets.....	\$ 25,254	470	24,337	37,888	\$ 87,949	\$ 81,947
<b>LIABILITIES</b>						
Accounts payable.....	\$ 216	3	372	267	\$ 858	\$ 1,314
Total liabilities.....	216	3	372	267	858	1,314
<b>NET ASSETS</b>						
Held in trust for pension benefits and other purposes.....	\$ 25,038	467	23,965	- 37,621	\$ 87,091	\$ 80,633

Exhibit F-3

**AGENCY FUND**  
Comparative Statement of Net Assets  
June 30, 2007  
(with comparative totals for 2006)  
(in thousands)

	<b>Law Enforcement Trust Fund</b>	
	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and investments.....	\$ 5,244	\$ 1,673
Total assets.....	<u>\$ 5,244</u>	<u>\$ 1,673</u>
<b>LIABILITIES</b>		
Refunds payable and other.....	\$ 5,244	\$ 1,673
Total liabilities.....	<u>\$ 5,244</u>	<u>\$ 1,673</u>

**Exhibit F-4**

**STATE-BOSTON RETIREMENT SYSTEM**  
 Comparative Statement of Changes in Plan Net Assets  
 Year Ended December 31, 2006  
 (with comparative totals for 2005)  
 (in thousands)

	<b>2006</b>	<b>2005</b>
<b>ADDITIONS:</b>		
Contributions:		
Employers.....	\$ 221,747	\$ 212,308
Employees.....	112,135	108,837
Net appreciation (depreciation) in fair value of investments.....	423,715	183,408
Interest and dividends.....	97,159	95,800
Management and related fees.....	(11,920)	(10,925)
Securities lending income.....	15,502	7,733
Borrower rebates and fees.....	(14,610)	(7,284)
Intergovernmental.....	18,207	18,070
Total additions.....	861,935	607,947
<b>DEDUCTIONS:</b>		
Benefits.....	358,719	335,718
Reimbursements to other systems.....	9,192	8,746
Refunds of contributions.....	15,766	16,107
Administration.....	3,890	3,589
Total deductions.....	387,567	364,160
Changes in net assets.....	474,368	243,787
Net assets, beginning of year.....	3,791,627	3,547,840
Net assets, end of year.....	\$ 4,265,995	\$ 3,791,627

Exhibit F-5

**PRIVATE PURPOSE TRUST FUNDS**  
 Combining Statement of Revenues, Expenditures, and Changes in Net Assets  
 Year Ended June 30, 2007  
 (with comparative totals for 2006)  
 (in thousands)

	Pool 1	Pool 2	Pool 5	Pool 7	Total Private Purpose Trust Funds	
					2007	2006
<b>ADDITIONS:</b>						
Investment income.....	\$ 2,939	48	2,723	1,933	\$ 7,643	\$ 24,479
Departmental and other revenue.....	1,809	18	137	15,531	17,495	2,159
Total operating revenues.....	<u>4,748</u>	<u>66</u>	<u>2,860</u>	<u>17,464</u>	<u>25,138</u>	<u>26,638</u>
<b>DEDUCTIONS:</b>						
Administrative and general .....	<u>2,622</u>	<u>45</u>	<u>2,005</u>	<u>14,008</u>	<u>18,680</u>	<u>20,479</u>
Total operating expenses.....	<u>2,622</u>	<u>45</u>	<u>2,005</u>	<u>14,008</u>	<u>18,680</u>	<u>20,479</u>
Net (decrease) increase in net assets.....	2,126	21	855	3,456	6,458	6,159
Net assets, beginning of year.....	<u>22,912</u>	<u>446</u>	<u>23,110</u>	<u>34,165</u>	<u>80,633</u>	<u>74,474</u>
Net assets, end of year.....	<u>\$ 25,038</u>	<u>\$ 467</u>	<u>\$ 23,965</u>	<u>\$ 37,621</u>	<u>\$ 87,091</u>	<u>\$ 80,633</u>

Exhibit F-6

**AGENCY FUND**

Combining Statement of Revenues, Expenditures, and Changes in Net Assets

Year Ended June 30, 2007

(with comparative totals for 2006)

(in thousands)

	Law Enforcement Trust Fund	
	2007	2006
<b>ADDITIONS:</b>		
Donations and other..... \$	4,757	1,517
Total Additions	4,757	1,517
<b>DEDUCTIONS:</b>		
Administrative Expenses and other.....	1,186	1,122
Total Deductions	1,186	1,122
Net (decrease) increase in net assets.....	3,571	395
Net assets, beginning of year.....	1,673	1,278
Net assets, end of year..... \$	5,244	1,673