City of Cambridge, Massachusetts

Comprehensive Annual Financial Report

July 1, 1990 – June 30, 1991

CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 1990 through June 30, 1991

Robert W. Healy
City Manager

James P. Maloney, Jr.
Assistant City Manager for Fiscal Affairs
and
Treasurer/Collector

Prepared by:
Finance Department
City of Cambridge, Massachusetts

Cover Photograph: Cambridge City Hall, 795 Massachusetts Avenue. Photograph 1910 on loan to the Cambridge Historical Commission from the Library of Congress.

CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1991

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CITY OF CAMBRIDGE

Finance Department

City Hall, Cambridge, Massachusetts 02139

Administration	**349-4212**
Tax/Utility Coll	**349-4220**
Treasury	**349-4212**
Payroll	**349-4290**

December 20, 1991

Robert W. Healy
City Manager
City of Cambridge
Cambridge, Massachusetts 02139

Dear Mr. Healy:

The Comprehensive Annual Financial Report of the City of Cambridge, Massachusetts for the Fiscal Year ended June 30, 1991 is presented for your review. The report was prepared by the City's Finance Department. The responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. I believe that the data presented is accurate in all material respects; that it is presented in a manner designed to show fairly the financial position and results of operations of the City as measured by the financial activities of its various funds; and that all disclosures deemed necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The financial information in this report is presented in conformance with Generally Accepted Accounting Principles (GAAP).

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Basis of Accounting

The accounting records of the City's general government operations, as reported in the General Fund, Special Revenue Funds, and Capital Projects Fund are maintained on a modified accrual basis. Accordingly, revenues are recorded when measurable and available and expenditures are recorded when the services or goods are received and the liabilities are incurred. Expendable trust funds are accounted for similar to governmental funds. The accrual basis of accounting is followed by the proprietary fund types, nonexpendable trust funds and pension trust funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal accounting control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. It is my belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

The City uses encumbrance accounting in its governmental funds as a method of recording commitments under purchase orders and contracts. Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Fund Types as a significant aspect of budgetary control.

Uncollateralized Deposits

The City of Cambridge does not require collateral for its certificates of deposits, money market accounts, checking or savings accounts when dealing with major banking institutions in the Boston area. However, City officials reserve the right to require collateral when it is in the best interest of the City.

THE REPORTING ENTITY AND ITS SERVICE

The general purpose financial statements present information on organizations and activities of the City of Cambridge, Massachusetts for which the Mayor and the City Council have oversight responsibility. The criteria, as defined by GASB codification 2100, for the inclusion of organizations and activities in the oversight entity's general purpose financial statements are: selection of governing authority; designation of management; ability to significantly influence operations; accountability over fiscal matters; and scope of public service. The inclusion of organizations and activities in the City's general purpose financial statements does not affect their separate legal standing. These organizations and activities include the Cambridge Hospital and its affiliated Neighborhood Health Centers, the City's Water Department, the Cambridge Retirement System, the Neville Manor Nursing Home, the Cambridge Public Library System and the Cambridge Public Schools.

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1990, which is its fiscal period for reporting to the Commissioner of Retirement of the Commonwealth of Massachusetts.

The operations of the Cambridge Housing Authority and the Cambridge Redevelopment Authority are not part of the defined reporting entity and therefore, are not included in the general purpose financial statements of the City. Both organizations are excluded because (1) neither falls within the oversight responsibility of the City, (2) they are not subject to financial controls of the City Manager or the budgetary controls of the Mayor and City Council and (3) no financial interdependency exists.

ACKNOWLEDGEMENTS

The City continues to show strong financial gains through responsible management of financial operations and through improved accounting and financial reporting practices. The financial decisions made during the past fiscal year will continue to pay dividends in the years to come.

In closing, I would like to thank all employees of the City's Finance Department for their dedicated work and support during the past fiscal year.

Respectfully submitted,

James P. Maloney, Jr.
Assistant City Manager
for Fiscal Affairs

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CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

December 20, 1991

To the Honorable Members of the City Council:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Cambridge, Massachusetts for the fiscal year ending June 30, 1991. Each year the City's Finance Department prepares this report, which presents comprehensive financial and operating information about the City's activities during the preceding fiscal year. The Comprehensive Annual Financial Report is a detailed report that goes beyond the requirements of applicable statutes, regulations and generally accepted accounting principles in order to present all of the information necessary to meet the needs of many persons and groups with an interest in the financial affairs of the City of Cambridge.

The report is divided into three major sections:

1. The **Introductory Section,** including this letter, which provides an overview of the City's organizational structure, a summary of the financial condition of the City and an analysis of the City's general government operations.

2. The **Financial Section,** which contains the General Purpose Financial Statements and Combining Statements. These statements provide both an overview of the City's entire financial operations and details for the significant individual funds.

3. The **Statistical Section,** which presents historical financial data, debt statistics and miscellaneous social and economic data about the City.

This letter will present a review of the City's significant achievements, and an analysis of its financial operations, economic climate and future outlook. It is divided into the following sections: Fiscal Year 1991 In Review, Financial Summary, Economic Condition, and Future Outlook and Conclusion.

FISCAL YEAR 1991 IN REVIEW: MAJOR INITIATIVES

Several important accomplishments occurred during fiscal year 1991 which enhanced Cambridge's strong financial position and its role as an innovative and efficient provider of municipal services. The most significant of these are as follows:

- Completion of the cover over the Payson Park Reservoir. This project, which was financed through a $15 million bond issue, was required under State Drinking Water Regulations and will enhance water quality in Cambridge for many years to come.

- Issuance of $7,310,000 in general obligation bonds for the construction of a cover over the City's finished water reservoir, various building renovations and open space improvements.

- An upgrade in the City's bond rating by Moody's Investors Service from Aa to Aa1, the highest rating in the City's history. This action taken by Moody's was particularly significant because it came at a time when many cities and towns in the Commonwealth were receiving downgrades in their credit ratings. The ability to withstand a three-year trend of reduced state aid and the effects of the current economic downturn combined with, as cited in the Moody's Municipal Credit Report issued in conjunction with the June 15, 1991 bond issue, "the availability of substantial reserves, excess levy capacity under Proposition 2 1/2, and management commitment to sound financial operations provide Cambridge with operating margins and flexibility not available to many other communties".

- Receipt of the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award from the Government Finance Officers Association.

FINANCIAL SUMMARY

The City continues to be in sound financial condition as demonstrated by the financial statements and schedules included in this report. Throughout the year, the City maintained a strong cash and investment position and once again did not issue any tax anticipation notes. The following information pertains to the revenues and expenditures of the General and Enterprise Funds. This data is included in the ***Statement of Revenues and Expenditures-Budgetary Basis - Budget and Actual,*** which presents financial information on the budget basis of accounting. Budget basis of accounting includes Hospital, Neville Manor, and Water Department revenues and expenditures as part of the General Fund.

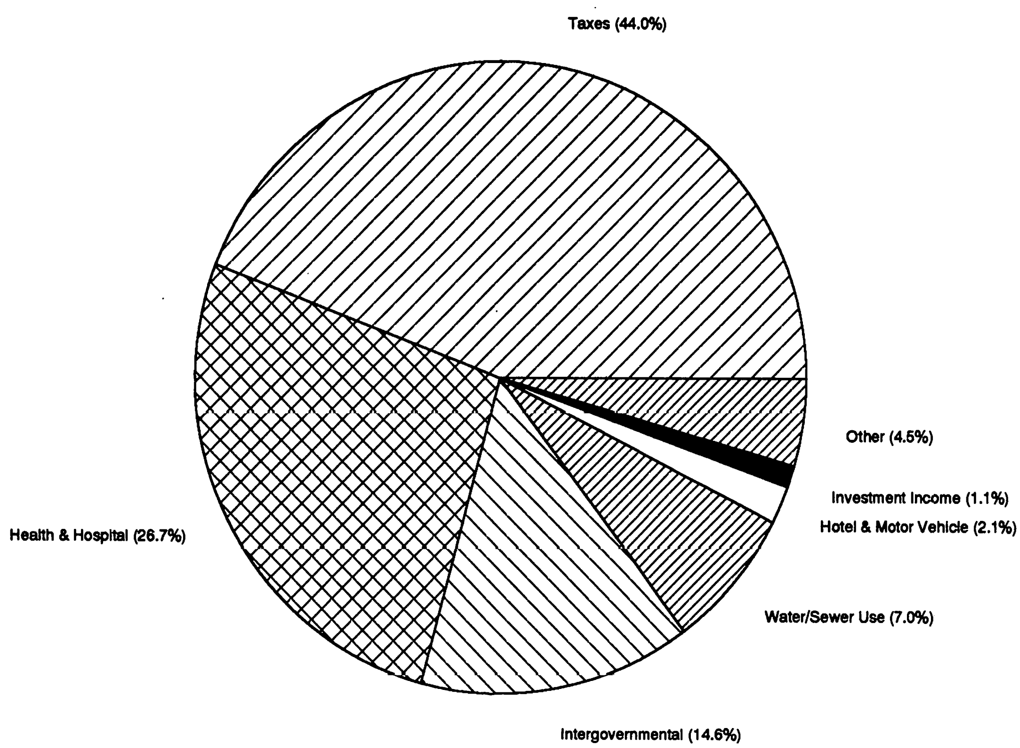
Revenues

Fiscal year 1991 revenues totalled $261,081,926. This represents an increase of $25.8 million in revenue or 11 percent over fiscal year 1990. Property taxes are the single largest revenue source, representing approximately 44 percent of General Fund revenues. Real and personal property tax revenues, net of abatements, increased $8.4 million to $115,000,000 during fiscal year 1991. Health and Hospital receipts comprise the City's next largest revenue source, representing more than 26 percent of the General Fund. These revenues increased 40.2 percent to $69.8 million, primarily due to a higher volume of service, a better collection rate and increased reimbursements from Medicaid. Intergovernmental revenues, which totalled $38.1 million during fiscal year 1991, comprised 14.6 percent of General Fund revenues during fiscal year 1991, as compared to 18.2 percent during 1990. This revenue source may decrease further during the next several fiscal years due to cutbacks in state aid to cities and towns.Water and sewer receipts rose approximately 10 percent to $18.2 million during fiscal year 1991 largely due to higher sewer rates, which were increased to offset both state charges and improvements to the City's water supply system. The Massachusetts Water Resources Authority (MWRA), which is charged with the responsibility of cleaning up Boston Harbor, levies a fee on communities that use its water or sewer systems. Although the City operates its own water supply system, the sewer system is linked to the MWRA sewer system. The annual MWRA charge is passed on to Cambridge sewer customers in the sewer rates. Because of the high cost of cleaning Boston Harbor and building water and sewer treatment facilities, the MWRA levy has increased steadily during the past several years and is expected to continue to rise.

The following table and graph display the dollar amount in thousands received from various sources of revenue for fiscal year 1991 and compares these amounts to those received in fiscal year 1990.

Fiscal Year 1991 General Fund Revenues
Budget Basis
(In Thousands)

Revenue Source	Amount	Percent	Increase (Decrease) From Fiscal Year 1990 Amount	Increase (Decrease) From Fiscal Year 1990 Percent
Taxes-Net of Abatements	$ 115,000	44.0%	$ 8,348	7.8%
Health & Hospital	69,799	26.7	20,013	40.2
Intergovernmental	38,129	14.6	(4,707)	(11.0)
Water/Sewer Use	18,205	7.0	1,663	10.1
Hotel/Motel & Motor Vehicle Excise	5,499	2.1	161	3.0
Investment Income	2,743	1.1	563	25.8
Other	11,707	4.5	(192)	(1.6)
TOTAL	261,082	100%	25,849	11.0%
Net Transfers In (Out)	2,870		1,836	
Free Cash Appropriation	4,725		(2,389)	
GRAND TOTAL	$268,677		$ 25,296	



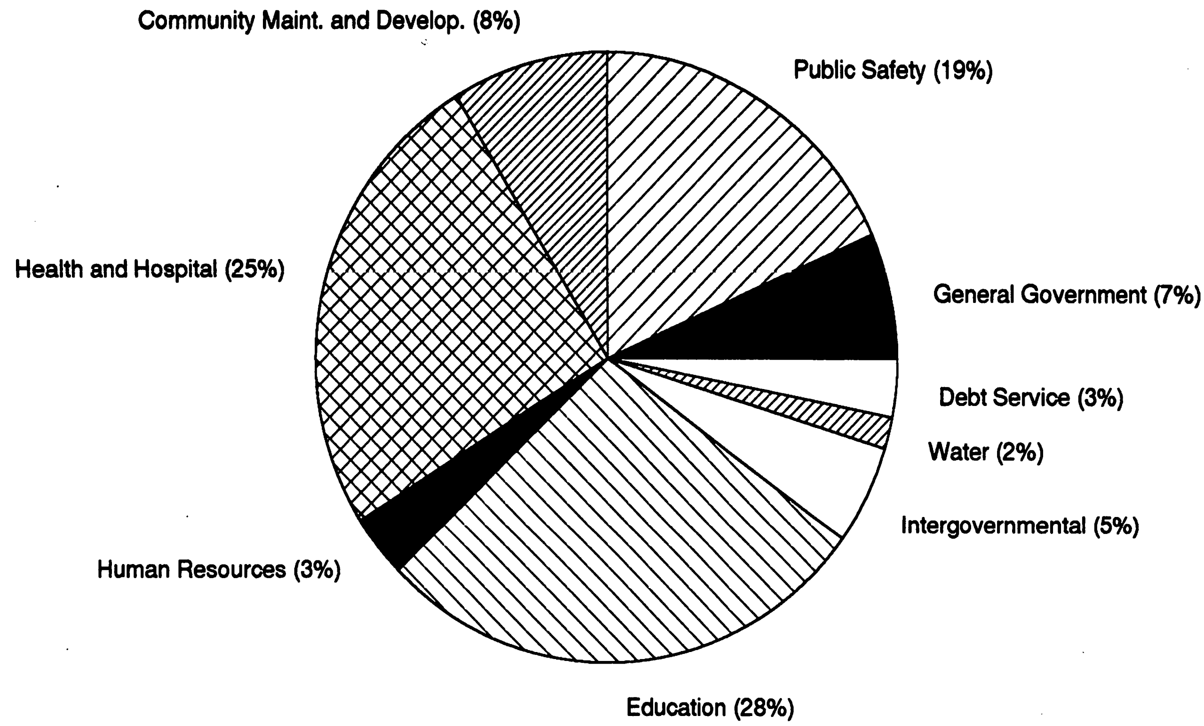
Expenditures

During fiscal year 1991, total expenditures increased 8.5 percent, from $228,869,410 to $248,349,686. The increase of $19,480,276 is spread across all functions, with percentage increases ranging from 4.0 percent in Community Maintenance and Development to 33.2 percent in Debt Service. Cost-of-living increases for most city employees, combined with the increasing cost of health and pension benefits, were a significant part of the overall increase of 8.5%. In addition, increased service volume and new programs contributed to a 10.8% rise in Health and Hospital Services expenditures. A debt issue of $20,000,000 in June, 1990, with the impact of debt service first being felt in fiscal year 1991, is responsible for the largest percentage increase in expenditures of 33.2 percent.

The following table and graph present dollar expenditures in thousands by function for fiscal year 1991 and the variance from fiscal year 1990.

Fiscal Year 1991 General Fund Expenditures
Budget Basis
(In Thousands)

			Increase (Decrease) From Fiscal Year 1990	
Expenditure Function	Amount	Percent	Amount	Percent
General Government	$ 16,041	6.5%	$ 2,573	19.1%
Public Safety	45,900	18.5	2,275	5.2
Community Maintenance and Development	20,907	8.4	797	4.0
Health and Hospital Services	63,015	25.4	6,142	10.8
Human Resource Development	8,292	3.3	770	10.2
Education	68,797	27.7	3,859	5.9
Intergovernmental	13,337	5.4	851	6.8
Water	4,262	1.7	270	6.8
Debt Service	7,799	3.1	1,944	33.2
Total	$ 248,350	100%	$ 19,481	8.5%



General Fund Balances and Cash Position

The City ended fiscal year 1991 with a total General Fund fund balance of $26,509,467 which represents 15 percent of General Fund revenues. Each year, a portion of fund balance is allocated to reserve accounts. A total of $4,045,015 was transferred to reserve accounts in fiscal year 1991, leaving an unreserved fund balance of $22,464,452. General Fund cash and short term investments totalled $38,552,545, while the balance of all funds totalled $96,519,704. Because of aggressive cash management and timely issuance of tax bills, the City did not issue tax anticipation notes to assist with cash flow management during the fiscal year.

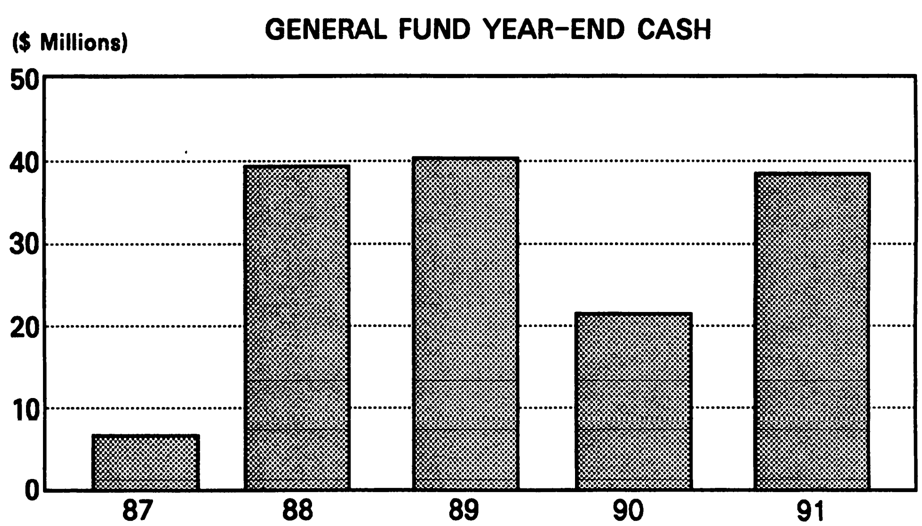
The following table presents the changes in the City's unreserved General Fund fund balance for fiscal years 1986 through 1991.

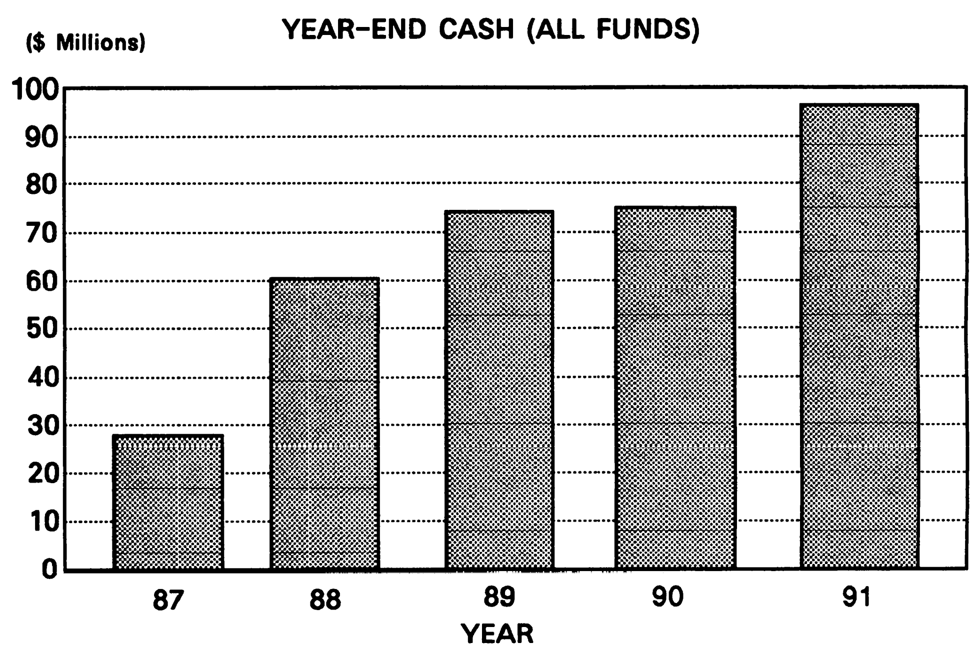
Fiscal Year	Unreserved General Fund Balance
1986	$ 20,226,662
1987	14,290,415
1988	17,973,421
1989	24,144,794
1990	26,839,940
1991	22,464,452

The table and charts displayed below present the changes in year-end General Fund cash and total cash for all funds for the past five fiscal years. The fiscal year 1991 cash balance does not include a fiscal year 1991 state aid payment totalling $2.1 million that was received by the City one week after the close of the fiscal year.

Cash Position

Fiscal Year	Year-End Cash Balance General Fund	Year-End Cash Balance All Funds
1987	$ 7,136,088	$ 28,094,160
1988	39,364,528	60,300,159
1989	40,236,110	74,094,076
1990	21,470,548	75,014,128
1991	38,552,545	96,519,706





Capital Financing and Debt Management

In conjunction with the operating budget, the City annually prepares both a capital budget for the upcoming fiscal year and a five year capital improvement plan that is used as a guide for capital expenditures in future years. The Capital Improvement Program for the five year period from fiscal year 1992 through fiscal year 1996, which was approved by the City Council in May of 1991, has an estimated cost of $73,994,250. Financing for the fiscal year 1992 portion of the capital plan was appropriated with the adoption of the fiscal year 1992 operating budget in May of 1991. Implementation of the program in the following four years, however, is contingent upon the City's continued strong financial position.

In June of 1991, Moody's Investors Service upgraded its rating of the City's credit from Aa to Aa1 while Standard and Poor's corporation reaffirmed its rating of AA-. These high ratings enable the City to finance its aggressive capital improvement programs at a reasonable cost. Both agencies cited the following factors as contributing to the City's rating: a comfortable margin between the actual property tax levy and legal levy limits; a sound debt management plan; improved liquidity; and carefully managed investment practices.

The City maintains a policy of issuing debt with a ten-year retirement schedule, which requires higher debt service payments in the short-term, but results in sizable interest savings. In addition, since fiscal year 1985, the City has funded a portion of its Capital Improvement Program on a "pay-as-you-go" basis out of current revenues. As a result of these measures, the City's debt burden is relatively low in relation to the amount expended during the past 10 years. Outstanding general obligation bonds as of June 30, 1991 totalled $63,985,000.

Key Debt Ratios

Ratio	1991	1990	1989	1988	1987
Ratio of Bonded Debt to Assessed Value	.7	.8	.8	.9	1.0
Bonded Debt Per Capita	$ 668	$ 750	$ 624	$ 592	$ 664
Ratio of Bonded Debt Per Capita to Per Capita Income	4.30	4.80	4.62	4.38	4.92
Ratio of Debt Service to Total Expenditures	6.2	5.6	5.8	6.4	6.0

Property Valuations

Based on valuations of all real and personal property as of January 1, 1990, the total value of all property in the City is $8,662,906,830. Of that total, approximately $4,010,503,233, or 46.3 percent, consists of industrial/commercial and personal property. Fiscal year 1991 assessments include an increase of approximately $340,000,000 due to new construction. The table below compares fiscal year 1991 property valuations and tax rates to fiscal year 1990 valuations and tax rates.

Comparison of Property Valuation and Tax Rates

	Property Valuations (In Thousands)		Tax Rates	
	FY 1991	FY 1990	FY 1991	FY 1990
Commercial/Industrial	$ 3,830,403	$ 3,737,489	$19.15	$ 18.16
Personal Property	180,100	168,500	19.15	18.16
Residential	4,652,404	4,622,780	10.13	9.51
Total Value	$8,662,907	$8,528,769		

Fiduciary and Reserve Funds

The City administers more than 60 trust funds (excluding the Retirement Trust Fund and the City's Debt Stabilization Fund), the total fund balance of which was $10,423,535 on June 30, 1991. All interest earned by these funds accrues to each trust. Funds from the trusts are used for a variety of purposes including awarding scholarships and prizes to Cambridge school children, providing entertainment for residents at the City-operated nursing home, purchasing books and materials for the public library, providing dental hygiene for school age children, and rehabilitating affordable housing. The single largest trust fund is the Health Claims Trust, established by the City during fiscal year 1985 to act as a contingency against possible deficits in health insurance allotments due to higher than anticipated claims in a given year. The balance of this trust fund on June 30, 1991 was $7,972,614. Employee health care deductions plus interest earnings will add approximately $1 million to this fund during fiscal year 1992.

The City's Debt Stabilization Fund had a balance of $4,042,526 on June 30, 1991. This fund is a statutory reserve account which may only be used for purposes for which debt would ordinarily be used. It is anticipated that the Stabilization Fund monies will be used to finance capital projects in the future. All interest earned by this fund accrues to it.

Pension Liability

As of January 1, 1991, the City's unfunded pension benefit obligation is approximately $140 million. In January 1990, the City established a state approved funding schedule that will eliminate the City's unfunded actuarial liabilities by June 30, 2028. The City is now eligible to receive State funding grants during the next 15 years that would offset some of the resulting increases in annual costs of the pension system.

Independent Audit

The City's financial records, books of accounts, and financial transactions are audited each year by an independent firm of certified public accountants. The City's annual audits since fiscal year 1979 have been performed by the independent public accounting firm of KPMG Peat Marwick. The independent auditors' report on the financial statements for the year ended June 30, 1991 is included herein.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cambridge, Massachusetts for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1990.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ECONOMIC CONDITION

The City has been successful at maintaining a strong fiscal condition despite the pressures placed upon it by the slow regional economy. While the City's economy continues to perform slightly better than the region, several indicators reveal the softening of the Cambridge economy. Unemployment in the City, which was below 3% for much of the mid and late 1980's, increased to 5.3% as of June 1991. Tied to the increase in unemployment was an increase in the commercial office vacancy rate to an estimated 20% as of June 1991, up from 15% at the close of the fiscal year 1990. While the assessed value of existing commercial property fell by 3% between fiscal year 1990 and fiscal year 1991, further declines during calendar year 1990, upon which the fiscal year 1992 valuations are based, resulted in an additional 10% decrease in real and personal values for fiscal year 1992. It is anticipated that in future years the increase in the unemployment rate and the decrease in residential values will stabilize. However, commercial values are expected to continue their decline until the regional economy improves.

FUTURE OUTLOOK AND CONCLUSION

The economic expansion of the 1980's allowed Cambridge to restore its financial well-being. The City chose to increase its reserves and carefully managed its budget to position itself for the eventual slow-down in the local economy. Because of these policies, Cambridge has been able to respond to cutbacks in state aid and decreases in property values without cutting services or relying upon reserves to offset operating costs. However, Cambridge is approaching the point where a prolonged weak economy and further reductions in state aid could result in cutbacks in City services.

Future capital projects include Phases VI and VII of the Sewer Separation Project, improvements to the water treatment facility, renovations to several elementary schools, continuation of the street and sidewalk reconstruction program, open space improvmenets, and further renovations to public buildings.

As we address the attendant pressures placed upon our budget in the coming year, the City must continue to adhere to the policies that have enabled the City to respond to the current downturn in the economy. Chief among these policies is the practice of avoiding the use of reserves or non-recurring revenues to offset operating expenses. If the weak economy continues and the state reduces state aid further, and I believe that both of these are likely occurrences, then the City must respond with cutbacks of its own. Our goal during the coming years will be to manage our budget in a manner that will enable us to provide vital services to our citizens while at the same time protecting the financial condition of the City. I am confident that by working together as a community, Cambridge can continue to demonstrate that an active, caring government and a sound financial management policy need not be mutually exclusive even in the difficult economic times that face us over the next few years.

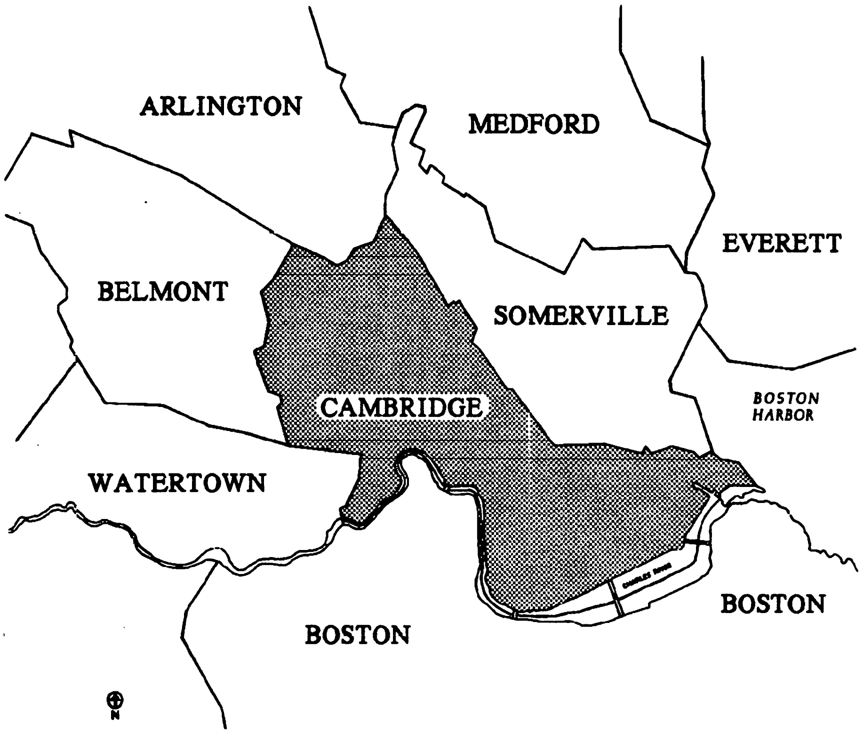
ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also like to thank the members of the City Council for their concern and support in planning and constructing the financial operations of the City in a responsible and progressive manner. Finally, I would like to thank the City's delegation to the State Legislature, who have continually offered strong support on state fiscal matters that impact the City.

Very truly yours,

Robert W. Healy
City Manager

A FEW WORDS ABOUT CAMBRIDGE



The City of Cambridge, Massachusetts is located in southeast Middlesex County across the Charles River from the City of Boston. The City is bordered by the Towns of Watertown and Belmont on the West, and the Town of Arlington and the City of Somerville on the north, and occupies a land area of 6.26 square miles. The City's estimated population was 95,802 in 1991.

Cambridge, first settled in 1630 by a group from the Massachusetts Bay Company, was originally incorporated as a town in 1636 and became a city in 1846. The City has a Council-Manager form of government. The legislative and policy making body of the City is the nine-member City Council, whose members are elected at-large for two-year terms. The City Council elects a Mayor and Vice-Mayor from among its members with the Mayor also serving as Chairman of the School Committee.

The City Manager is the chief administrative officer and carries out the policies of the City Council. With the assistance of a Deputy City Manager and three Assistant City Managers, the Manager coordinates the functions of 41 municipal departments and is responsible for the delivery of services to residents. The City Manager is appointed by the City Council and serves at the pleasure of the Council. The present City Manager is employed under a contract which expires June 30, 1993.

The City Council also appoints members to certain boards and commissions as it deems necessary to assist in the operation of the City.

The School Committee is comprised of six elected members plus the Mayor, all of whom are elected for two-year terms. The School Superintendent is responsible for the day-to-day activities of the School Department and serves at the pleasure of the School Committee.

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DIRECTORY OF OFFICIALS

CITY COUNCIL

Alice K. Wolf, Mayor

Kenneth E. Reeves, Vice Mayor	Sheila T. Russell
Edward N. Cyr	Walter J. Sullivan
Francis H. Duehay	Timothy J. Toomey, Jr.
Jonathan S. Myers	William H. Walsh

SCHOOL COMMITTEE

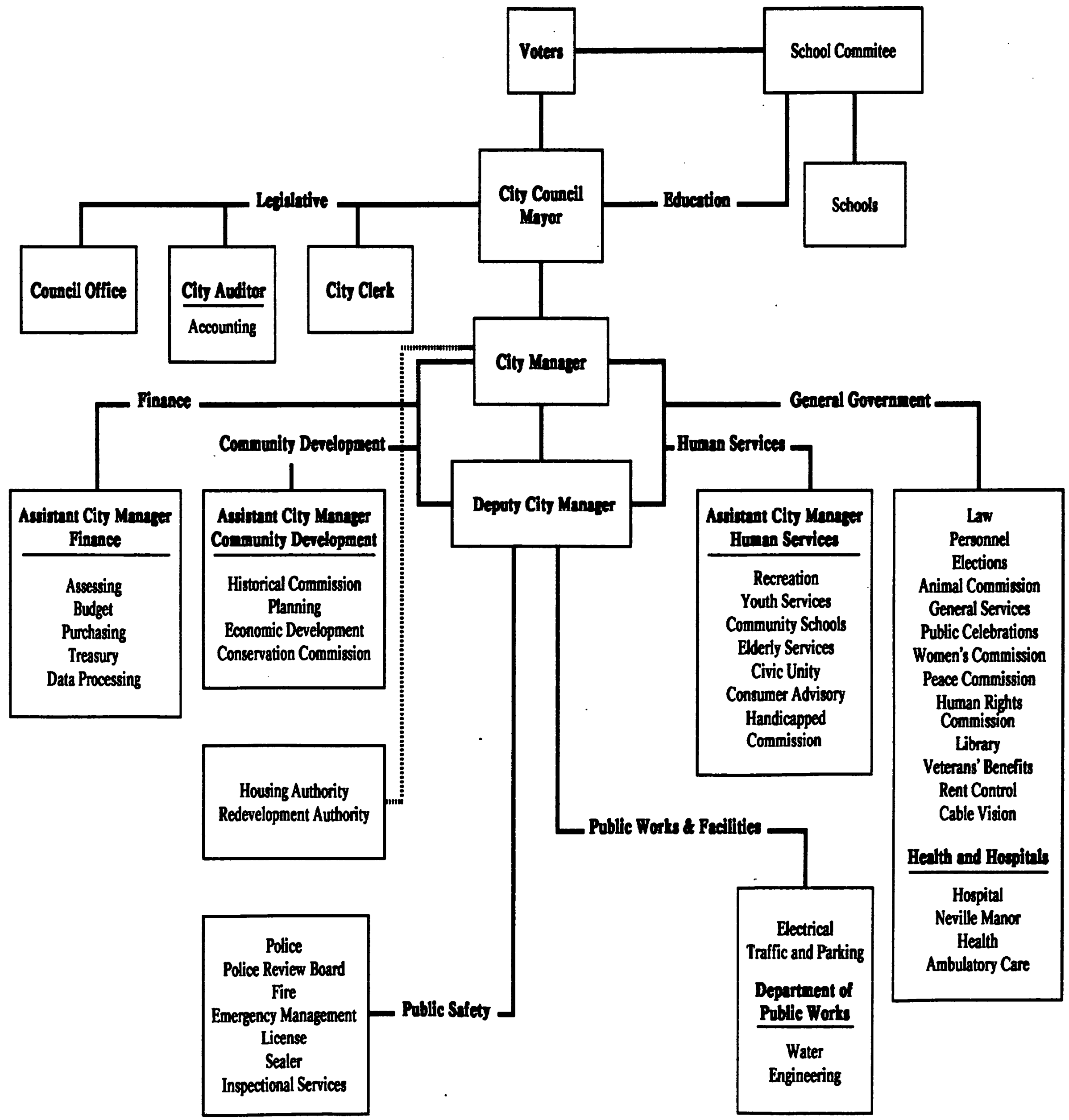
Alice K. Wolf, Chairman

Frances H. Cooper	James J. Rafferty
Henrietta Davis	Alfred E. Vellucci
Alfred B. Fantini	Larry Weinstein

PRINCIPAL EXECUTIVE OFFICERS

City Manager	Robert W. Healy
Deputy City Manager	Richard C. Rossi
Assistant City Manager for Fiscal Affairs and Treasurer/Collector	James P. Maloney, Jr.
Assistant City Manager for Community Development	Michael T. Rosenberg
Assistant City Manager for Human Services	Jill M. Herold
City Auditor	Arthur F. Libitz
City Solicitor	Russell B. Higley
City Clerk	Joseph E. Connarton

Organizational Chart
City of Cambridge, Massachusetts



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cambridge, Massachusetts

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1990

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

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Financial Section

INDEPENDENT AUDITORS' REPORT

The City's financial statements and accounting systems are examined each fiscal year by an independent public accounting firm. The audits are conducted in accordance with generally accepted auditing standards.

The auditors' report on their audit of the City's financial statements is contained in this section.

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KPMG Peat Marwick

Certified Public Accountants

One Boston Place
Boston, Ma. 02108

Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

INDEPENDENT AUDITORS' REPORT

The City Manager and Honorable Members of the City Council
City of Cambridge, Massachusetts:

We have audited the general purpose financial statements of the City of Cambridge, Massachusetts, as of and for the year ended June 30, 1991, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Cambridge, Massachusetts, at June 30, 1991, and the results of its operations and cash flows of its proprietary and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Cambridge, Massachusetts. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick

December 20, 1991

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GENERAL PURPOSE FINANCIAL STATEMENTS

These "general purpose financial statements" provide a broad financial overview for users requiring less detailed information than is presented in the individual statements for each separate fund and account group.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Balance Sheet
All Fund Types and Account Groups

June 30, 1991

Assets and Other Debits	Governmental Fund Types: General	Governmental Fund Types: Special Revenue	Governmental Fund Types: Capital Projects	Proprietary Fund Types: Enterprise (note 10)	Proprietary Fund Types: Internal Service	Fiduciary Fund Types: Trust and Agency	Account Groups: General Fixed Assets	Account Groups: General Long-term Obligations	Totals (Memorandum Only)
Cash and short-term investments (note 4)	$38,552,545	$ 5,494,128	$ 2,515,452	$ 16,652,997	$ 495,826	$ 32,808,758	$ -	$ -	$ 96,519,706
Other investments, at cost (note 4)	-	-	-	-	-	91,347,036	-	-	91,347,036
Receivables:									
Property taxes	9,895,079	-	-	-	-	-	-	-	9,895,079
Tax titles and possessions	6,351,368	-	-	-	-	-	-	-	6,351,368
Motor vehicle excise	2,165,519	-	-	-	-	-	-	-	2,165,519
Accounts	1,575,010	-	-	18,529,176	-	826,661	-	-	20,930,847
Allowance for uncollectible receivables	(12,017,395)	-	-	(8,393,688)	-	-	-	-	(20,411,083)
Due from other funds (note 11)	-	-	-	3,092,979	-	-	-	-	3,092,979
Due from other governments (note 5)	2,120,763	374,724	4,403,449	-	-	797,870	-	-	7,696,806
Fixed assets (net, where applicable, of accumulated depreciation)(note 6)	-	-	-	93,063,337	58,278	-	261,117,225	-	354,238,840
Other assets	-	-	963,614	312,376	-	1,630,779	-	-	2,906,769
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	158,582,319	158,582,319
Total assets	$48,642,889	$ 5,868,852	$ 7,882,515	$123,257,177	$ 554,104	$ 127,411,104	$ 261,117,225	$ 158,582,319	$733,316,185

See accompanying notes to general purpose financial statements.

(continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Balance Sheet (Continued)
All Fund Types and Account Groups

June 30, 1991

Liabilities, Fund Equity and Other Credits	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise (note 10)	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	
Liabilities:									
Warrants payable	$ 2,558,916	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,558,916
Accrued liabilities:									
Tax abatement refunds	3,410,842	-	-	-	-	-	-	-	3,410,842
Guarantee deposits and amounts due to other taxing authorities	-	-	-	-	-	887,174	-	-	887,174
Compensated absences (note 8)	-	-	-	1,858,636	-	-	-	7,518,801	9,377,437
Pension costs (notes 8 and 13)	-	-	-	-	-	-	-	112,483,518	112,483,518
Other	11,769,208	138,300	1,186,832	3,190,657	-	121,887	-	-	16,406,884
Due to third parties	-	-	-	576,547	-	-	-	-	576,547
Due to other funds (note 11)	229,733	-	1,298,083	1,565,163	-	-	-	-	3,092,979
Capital lease obligation (note 7)	-	-	-	1,265,713	-	-	-	-	1,265,713
Deferred revenue	4,164,723	-	-	-	-	-	-	-	4,164,723
General obligation bonds payable (note 8)	-	-	-	25,405,000	-	-	-	38,580,000	63,985,000
Total liabilities	22,133,422	138,300	2,484,915	33,861,716	-	1,009,061	-	158,582,319	218,209,733
Fund equity and other credits:									
Investment in general fixed assets	-	-	-	-	-	-	261,117,225	-	261,117,225
Retained earnings	-	-	-	83,184,070	554,104	-	-	-	83,738,174
Contributed capital	-	-	-	6,211,391	-	-	-	-	6,211,391
Fund balances:									
Reserved for encumbrances	3,648,743	493,238	4,433,986	-	-	-	-	-	8,575,967
Reserved for specific purposes (note 9)	396,272	558,068	963,614	-	-	126,402,043	-	-	128,319,997
Unreserved	22,464,452	4,679,246	-	-	-	-	-	-	27,143,698
Total fund equity and other credits	26,509,467	5,730,552	5,397,600	89,395,461	554,104	126,402,043	261,117,225	-	515,106,452
Commitments and contingencies (note 12)									
Total liabilities, fund equity and other credits	$48,642,889	$ 5,868,852	$ 7,882,515	$123,257,177	$ 554,104	$ 127,411,104	$ 261,117,225	$158,582,319	$ 733,316,185

See accompanying notes to general purpose financial statements

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Statement of Revenues, Expenditures, and Changes in Fund Equity
All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1991

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Revenues:					
Property taxes	$111,658,587	$ -	$ -	$ -	$ 111,658,587
Payments in lieu of tax receipts	2,408,383	-	-	-	2,408,383
Hotel/Motel excise tax	2,795,249	-	-	-	2,795,249
Intergovernmental	38,128,708	14,572,916	1,686,264	-	54,387,888
Sewer use	11,212,092	-	-	-	11,212,092
Motor vehicle excise	2,703,722	-	-	-	2,703,722
Investment income	2,579,552	685,826	-	708,630	3,974,008
Other	8,440,130	11,472,520	-	1,078,861	20,991,511
Total revenues	179,926,423	26,731,262	1,686,264	1,787,491	210,131,440
Expenditures:					
Current:					
General government	14,551,990	-	-	-	14,551,990
Public safety	45,308,492	-	-	-	45,308,492
Community maintenance and development	20,254,130	-	-	-	20,254,130
Health department	815,771	-	-	-	815,771
Human resource development	8,142,782	-	-	-	8,142,782
Education	69,824,051	5,264,959	-	-	75,089,010
Fuel assistance	-	1,564,000	-	-	1,564,000
Judgements and claims	1,884,637	-	-	-	1,884,637
State Assessments	13,335,482	-	-	-	13,335,482
Other	-	5,476,683	-	498,731	5,975,414
Capital outlay	-	-	11,006,616	-	11,006,616
Debt service:		-			
Principal retirement	4,510,000	-	-	-	4,510,000
Interest	1,809,115	-	-	-	1,809,115
Total expenditures	180,436,450	12,305,642	11,006,616	498,731	204,247,439
Excess (deficiency) of revenues over expenditures	(510,027)	14,425,620	(9,320,352)	1,288,760	5,884,001
Other financing sources (uses):					
Operating transfers from other funds (note 17)	13,598,501	-	6,055,016	1,014,794	20,668,311
Operating transfers to other funds (note 17)	(16,720,645)	(13,928,862)	-	(140,525)	(30,790,032)
Issuance of bonds	-	-	3,310,000	-	3,310,000
Total other financing sources (uses)	(3,122,144)	(13,928,862)	9,365,016	874,269	(6,811,721)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,632,171)	496,758	44,664	2,163,029	(927,720)
Cumulative effect of change in accounting principle (note 15)	-	-	(2,224,474)	-	(2,224,474)
	(3,632,171)	496,758	(2,179,810)	2,163,029	(3,152,194)
Fund equity at beginning of year	30,555,040	5,233,794	7,577,410	12,139,005	55,505,249
Equity transfer (note 16)	(413,402)	-	-	-	(413,402)
Fund equity at end of year	$ 26,509,467	$ 5,730,552	$ 5,397,600	$ 14,302,034	$ 51,939,653

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Revenues and Expenditures - Budgetary Basis
General Fund - Budget and Actual

Year ended June 30, 1991
(with comparative totals for 1990)

	1991 Budget (note 14)	1991 Actual	Variance Favorable (Unfavorable)	1990 Actual
Revenues:				
Property taxes	$ 117,995,525	$ 117,995,525	$ -	$ 109,534,486
Provision for tax abatements and adjustments	(2,995,525)	(2,995,525)	-	(2,882,761)
Payments in lieu of tax receipts	1,500,000	2,628,930	1,128,930	2,305,758
Tax title revenue	-	1,015,677	1,015,677	276,435
Hotel/Motel excise tax	2,400,000	2,795,249	395,249	2,597,233
Intergovernmental revenue	38,537,740	38,128,709	(409,031)	42,836,437
Hospital, infirmary and health department	55,848,400	69,799,489	13,951,089	49,785,756
Sewer use	9,660,005	11,212,093	1,552,088	10,182,371
Water use	8,580,690	6,992,719	(1,587,971)	6,359,310
Motor vehicle excise	2,600,000	2,703,707	103,707	2,740,736
Investment income	1,810,000	2,742,970	932,970	2,179,875
Other	8,052,967	8,062,383	9,416	9,317,576
Total revenues	243,989,802	261,081,926	17,092,124	235,233,212
Expenditures:				
Current:				
General government	17,140,267	16,040,748	1,099,519	13,467,497
Public safety	46,318,150	45,900,338	417,812	43,625,473
Community maintenance and development	21,524,306	20.907,100	617,206	20,110,302
Health and hospital services	63,664,865	63,015,281	649,584	56,872,974
Human resource development	8,499,757	8,291,888	207,869	7,522,121
Education	68,823,465	68,796,729	26,736	64,938,390
Intergovernmental	13,869,347	13,336,603	532,744	12,485,533
Water	4,371,970	4,261,520	110,450	3,991,687
Debt Service:				
Principal retirement	5,546,358	5,546,358	0	4,097,681
Interest	2,258,407	2,253,121	5,286	1,757,752
Total expenditures	252,016,892	248,349,686	3,667,206	228,869,410
Excess (deficiency) of revenues over expenditures	(8,027,090)	12,732,240	20,759,330	6,363,802
Operating transfers in (out):				
Special Revenue Funds	13,113,090	11,723,257	(1,389,833)	12,131,713
Capital Project Funds	(9,912,125)	(8,954,000)	958,125	(11,178,829)
Trust Funds	101,125	101,125	-	81,125
Total Operating Transfers	3,302,090	2,870,382	(431,708)	1,034,009
Excess (deficiency) of revenues and operating transfers in over expenditures and operating transfers out	(4,725,000)	15,602,622	20,327,622	7,397,811
Other Budget Items:				
Free Cash Appropriations	4,725,000	4,725,000	-	7,113,750
Net Budget and Actual	$ -	$ 20,327,622	$ 20,327,622	$ 14,511,561

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Equity
All Proprietary Fund Types and Similar Trust Funds

Year ended June 30, 1991

	Proprietary Fund Types		Fiduciary Fund Types		
	Enterprise (note 10)	Internal Service	Pension Trust	Non-Expendable Trust	Totals (Memorandum Only)
Operating revenues:					
Patient service revenue, net of allowances and uncollectible accounts	$ 60,577,657	$ -	$ -	$ -	$60,577,657
Charges for services	6,738,627	127,367	-	-	6,865,994
Income from employer and member contributions	-	-	20,311,341	-	20,311,341
Donations	-	-	-	171	171
Investment income	-	-	1,034,347	14,794	1,049,141
Bond amortization	-	-	626,533	-	626,533
Other	1,458,109	-	-	-	1,458,109
Total operating revenues	68,774,393	127,367	21,972,221	14,965	90,888,946
Operating expenses:					
Administration	6,811,796	-	-	-	6,811,796
Finance	6,414,782	-	-	-	6,414,782
Service and support programs	42,519,111	55,991	-	-	42,575,102
General services	7,833,859	-	-	-	7,833,859
Depreciation	2,608,378	11,088	-	-	2,619,466
Pension plan benefit payments	-	-	17,365,751	-	17,365,751
Net loss on sale of investments	-	-	1,276,677	-	1,276,677
Other	348,269	-	281,050	-	629,319
Total operating expenses	66,536,195	67,079	18,923,478	-	85,526,752
Operating income	2,238,198	60,288	3,048,743	14,965	5,362,194
Non-operating revenues and expenses:					
Interest expense	1,140,458	-	-	-	1,140,458
Net income before operating transfers and cumulative effect of change in accounting principle	1,097,740	60,288	3,048,743	14,965	4,221,736
Operating transfers from other funds (note 17)	10,866,745	-	-	-	10,866,745
Operating transfers to other funds (note 17)	(730,230)	-	-	(14,794)	(745,024)
Cumulative effect of change in accounting principle (note 15)	2,224,474	-	-	-	2,224,474
Net income	13,458,729	60,288	3,048,743	171	16,567,931
Retained Earnings / Fund Equity:					
Beginning of year	69,311,939	493,816	108,887,239	163,856	178,856,850
Equity transfer (note 16)	413,402	-	-	-	413,402
End of year	$ 83,184,070	$ 554,104	$111,935,982	$ 164,027	$195,838,183

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Funds
Year ended June 30, 1991

	Proprietary Fund Types		Fiduciary Fund Types	
	Enterprise (note 10)	Internal Service	Non-expendable Trust	Totals (Memorandum Only)
Cash flows from operating activities:				
Operating income	$ 2,238,198	$ 60,288	$ 14,965	$ 2,313,451
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,608,378	11,088	-	2,619,466
Cumulative effect of change in accounting principle (note 15)	2,224,474	-	-	2,224,474
Equity transfer (note 16)	413,402	-	-	413,402
Provision for uncollectible accounts	17,782	-	-	17,782
Change in assets and liabilities:				
Due from third parties	8,865,355	-	-	8,865,355
Accounts receivable	(1,098,258)	-	-	(1,098,258)
Interfund receivables	17,963	-	-	17,963
Other assets	(48,641)	-	-	(48,641)
Accrued liabilities	644,785	-	-	644,785
Interfund payables	1,565,163	-	-	1,565,163
Capital lease obligations	1,265,713	-	-	1,265,713
Net cash provided by operating activities	18,714,314	71,376	14,965	18,800,655
Cash flows from noncapital financing activities:				
Operating transfer - in from General Fund	10,866,745	-	-	10,866,745
Operating transfer - out to General Fund	(255,820)	-	-	(255,820)
Operating transfer - out to Capital Project Fund	(474,410)	-	-	(474,410)
Operating transfer - out to Expendable Trust Funds	-	-	(14,794)	(14,794)
Net cash provided (used) by noncapital financing activities	10,136,515	-	(14,794)	10,121,721
Cash flows from capital and related financing activities:				
Proceeds from sale of bonds	4,000,000	-	-	4,000,000
Acquisition of capital assets	(14,934,578)	(15,050)	-	(14,949,628)
Principal paid on revenue bonds	(2,915,000)	-	-	(2,915,000)
Interest paid on revenue bonds	(1,140,458)	-	-	(1,140,458)
Net cash used for capital and related financing activities	(14,990,036)	(15,050)	-	(15,005,086)
Net increase in cash and cash equivalents	13,860,793	56,326	171	13,917,290
Cash and cash equivalents at beginning of year	2,792,204	439,500	159,837	3,391,541
Cash and cash equivalents at end of year	16,652,997	495,826	160,008	17,308,831
Supplemental schedule of non-cash investing and financing activities:				
Contribution of fixed assets from government	$ 6,211,391	$ -	$ -	$ 6,211,391

See accompanying notes to general purpose financial statements.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

This section explains the accounting principles used in the preparation of the statements, explains definitions of various terms used in the report, provides detailed breakdowns of certain figures used in the report, and explains how the financial statements prepared under the Budgetary Basis of accounting relate to those prepared under Generally Accepted Accounting Principles as applicable to governmental units.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1991

(1) Definition of Reporting Entity

The combined financial statements present information on organizations and activities of the City of Cambridge, Massachusetts for which the Mayor and City Council have oversight responsibility. The criteria, as defined by GASB codification 2100, for inclusion of organizations and activities in the oversight entity's combined financial statements are: selection of governing authority; designation of management; ability to significantly influence operations; accountability over fiscal matters; and scope of public service. The inclusion of organizations and activities in the City's combined financial statements does not affect their separate legal standing.

These organizations and activities include the Cambridge City Hospital and its affiliated Neighborhood Health Centers, the City's Water Department, the Cambridge Retirement System, the Neville Manor Nursing Home, the Cambridge Public Library System and the Cambridge Public School System since the City controls their operations.

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1990, which is its fiscal period for reporting to the Retirement Law Commission of the Commonwealth of Massachusetts.

The operations of the Cambridge Housing Authority and the Cambridge Redevelopment Authority are not part of the defined reporting entity and therefore, are not included in the combined financial statements of the City. The Housing and Redevelopment Authority's governing board (appointed by the City Manager and the State Legislature) selects management staff, establishes budgets and controls all aspects of each entity's management and development. Both organizations are excluded because (1) neither falls within the oversight responsibility of the City, (2) they are not subject to the financial controls of the City Manager or the budgetary controls of the Mayor and City Council and (3) no financial interdependency exists.

(2) Summary of Significant Accounting Policies

The accounting policies of the City of Cambridge, Massachusetts conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(a) Basis of Presentation—Fund Accounting

The activities of the City are accounted for through the use of several funds and two account groups, each of which is a separate accounting entity. The operations of each fund and account group are accounted for through a separate set of self-balancing accounts which are summarized by type in the financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds and the long-term obligations account group) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

General Fund —This 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.

Special Revenue Funds —These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Fund —This fund is used to account for the financial resources and expenditures for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

PROPRIETARY FUND TYPES

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following are the City's proprietary fund types:

Enterprise Funds —These funds are used to account for City operations (1) that are financed and operated in a manner similar to private business enterprises—where the intent is that the costs (expenses, including depreciation) of providing services to the public be financed or recovered primarily through user charges; or (2) where a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund —This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (1) expendable trust funds, (2) nonexpendable trust funds, (3) pension trust funds, and (4) agency funds. Expendable trust funds are accounted for similar to governmental funds. Nonexpendable trust funds and pension trust funds are accounted for similar to proprietary funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The following are the City's account groups:

General Fixed Assets Account Group —This account group is used to account for all fixed assets of the City, except for fixed assets purchased through proprietary funds.

General Long-term Obligations Account Group —This account group is used to account for all long-term obligations of the City except for debt issued for enterprise funds.

(b) Basis of Accounting by Fund

The basis of accounting used for each fund is as follows:

Governmental Funds, Expendable Trust and Agency Funds

The modified accrual basis of accounting is applied in all governmental fund types and expendable trust and agency funds. Accordingly, revenues are recorded when susceptible to accrual, that is, both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the liability is incurred except for (1) principal and interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued pension costs and accrued vacation and sick leave, which are recorded as liabilities of the general long-term obligations account group.

Those revenues susceptible to accrual are property taxes, investment income and intergovernmental revenue. Motor vehicle excise taxes, licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues: (1) revenues recognized based upon the expenditures recorded and (2) revenues recognized at the time of receipt or earlier, if the susceptible to accrual criteria are met.

Proprietary, Pension and Nonexpendable Trust Funds

The accrual basis of accounting is used by proprietary, pension, and nonexpendable trust funds.

Patient service revenue of the Cambridge Hospital is recorded at established rates charged less provisions for charity allowances and uncollectible accounts which are deducted to arrive at net patient service revenue. Patient service revenue received under certain cost reimbursement agreements is subject to audit and adjustments by third party payors. Provisions for estimated adjustments under these agreements are accrued in the period in which the related services are rendered and adjusted in future periods as final settlements are determined.

Third-Party Reimbursements

Effective July 1, 1983, Massachusetts payment legislation Chapter 372 was enacted to govern the establishment of hospital charges and government rates of payment. Chapter 372 established a prospective payment system for substantially all payors and adopted the Blue Cross basis of payment as the basis for determining the approved level of gross patient service revenue and Medicaid and Medicare rates of payment. Effective July 1, 1986, the payment system established pursuant to the Chapter 372 legislation was amended for a two-year period by Chapter 574. The two principal modifications were the exclusion of Medicare reimbursement from the Massachusetts system and the establishment of an uncompensated care pool to uniformly fund free care and bad debts incurred by hospitals. Effective July 1, 1988, the Massachusetts legislature enacted Chapter 23 to govern hospital charges through June 30, 1992. The system established under Chapter 23 continues the methodology established under Chapters 372/574 with some modifications including a discontinuance of the productivity factors after fiscal 1988 which reduced hospital payments under Chapters 372/574; greater incentives for changes in volume and case mix and a rebasing of the fiscal 1988 inpatient volume allowance; and the establishment of a statewide cap on the amount of uncompensated care costs that can be recovered through hospital charges.

For fiscal 1991, pursuant to Hospital Agreement HA-31, Blue Cross paid the Hospital a proportionate share of the substantially fixed Maximum Allowable Costs (MAC) as well as their share of the statewide uniform uncompensated care allowance. The MAC is based upon base year (fiscal 1981) patient care costs with annual adjustments for inflation, an add-on to inflation and changes in volume and case mix, and, with certain items, principally depreciation, interest and malpractice insurance, reimbursed on a cost basis outside the MAC. The current agreement, HA-31, expires on June 30, 1992. In fiscal 1988, the Blue Cross basis of payment was reduced by a 6% productivity factor as mandated by Chapters 372/574. This reduced basis of payment served as the base for determining the fiscal 1991 Blue Cross basis of payment.

Under Chapters 372/574, Medicaid reimbursement is based upon Medicaid's proportionate share of the Blue Cross MAC basis of payment reduced by a fixed discount to maintain Medicaid's discount at the fiscal 1982 level. In fiscal 1988, the basis of payment for Medicaid was reduced by an 8% productivity factor as mandated by Chapters 372/574. Under Chapter 23, Medicaid reimbursement in fiscal 1991 was based upon approved charges less a discount which reflected the fiscal 1988 relationship between Medicaid reimbursement and approved charges.

The Hospital is reimbursed for services during the year at interim rates by Blue Cross, Medicaid and Medicare with differences between Hospital charges and estimated final reimbursement recorded as contractual adjustments.

Also under Chapter 23 and Chapters 372/574, gross patient service revenue is limited to a maximum level based upon the Blue Cross basis of payment. Any under or over-generation of revenue in one year results in an increase or reduction in approved charges in the succeeding year. Any over-generation is deferred by the Hospital.

The Hospital is required to prepare and file certain compliance reports pursuant to the Blue Cross agreement, Chapters 23 and 372/574, and Medicare regulations. The Hospital is current with respect to all compliance filings.

(c) Investments

Investments, other than those of the Pension Trust Fund, are carried at cost or amortized cost which approximates market value. The accounting policy for investments of the Pension Trust Fund is described in note 13.

(d) Cash Equivalents

For purposes of the statement of cash flows, the proprietary and nonexpendable trust funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(e) Encumbrances and Continuing Appropriations

The City uses encumbrance accounting in its governmental funds as a method of recording commitments under purchase orders and contracts. Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the General Fund as a significant aspect of budgetary control.

Unencumbered appropriations which are carried over to the ensuing fiscal year are reported as "continuing appropriations" and all other appropriations lapse at year end. Continuing appropriations represent amounts appropriated for specific programs or projects which were not completed by the end of the fiscal year.

Encumbrances and continuing appropriations are reported as reservations of fund balances in the accompanying balance sheet because they do not constitute expenditures or liabilities. Encumbrances and continuing appropriations are combined with expenditures for budgetary comparison purposes.

(f) Vacation and Sick Leave

City employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The noncurrent portion of this unused vacation and sick leave which is expected to be paid from future financial resources, is accounted for as a liability of the General Long-term Obligation Account Group. The liability for sick and vacation pay of the Proprietary Funds is recorded as a liability of that fund.

(g) Judgments and Claims

Expenditures for judgments and claims are recorded in the governmental funds to the extent they are expected to be paid from expendable available resources. Estimated liabilities for judgments and claims of Proprietary Funds are recorded as liabilities of those funds.

(h) General Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value at the time received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest been capitalized.

(i) Property, Plant and Equipment - Enterprise and Internal Service Funds

Property, plant and equipment owned by the proprietary funds is stated at historical cost or estimated fair market value at the time received. Net interest costs are capitalized on projects during the construction period. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-50	years
Improvements	10-20	years
Equipment	5-30	years

(j) Self-insurance

The City has established a self-insured medical program for all employees not participating in various Health Maintenance Organizations (HMO's). Both employees and the City contribute to the fund based upon a 99% (City) and 1% (employee) primary care premium formula. The purpose of this program is to pay medical claims of the City's employees and their covered dependents.

(k) Total Columns - Memorandum Only

Total columns on the general purpose financial statements are captioned "Total Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund eliminations have not been made.

(3) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. In fiscal 1991, real estate and personal property taxes were levied on September 21, 1990. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The City has an ultimate right to foreclose on property for which taxes have not been paid. A tax lien is issued on the property when more than one year's tax is overdue. Property taxes levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting described in note 2.

A statewide tax limitation statute known as "Proposition 2-1/2" limits the property tax levy to an amount equal to 2-1/2% of the value of all taxable property in the City. A secondary limitation is that no levy in a fiscal year may exceed the preceding year's allowable tax levy by more than 2-1/2%, plus taxes levied on certain property newly added to the tax rolls. Certain Proposition 2-1/2 taxing limitations can be overridden by a City-wide referendum vote.

(4) Deposits and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

In addition, the City's Pension Trust Fund has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

Deposits

The following summary presents the amount of City deposits which are fully insured or collateralized with securities held by the City or its agent in the City's name (Category 1), those deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name (Category 2) and those deposits which are not collateralized (Category 3) at June 30, 1991.

	Bank Balances			Total	
	Category			Bank	Carrying
	1	2	3	Balance	Amount
Cash	$ 530,243	-	16,961,372	17,491,615	18,884,608
Money Market	17,538,726	-	15,566,777	33,105,503	26,756,795
Total	$ 18,068,969	-	32,528,149	50,597,118	45,641,403

Investments

The City categorizes investments according to the level of risk assumed by the City. Category 1 includes investments that are insured, registered or held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the City's name. Investments in MMDT and insurance contracts, pooled funds, are not categorized.

	Category			Not	Carrying	Estimated Market
	1	2	3	Categorized	Amount	Value
MMDT	$ -	-	-	50,878,303	50,878,303	50,878,303
Common stocks	32,137,651	-	-	-	32,137,651	33,169,140
Corporate bonds	15,161,192	-	3,180,313	-	18,341,505	18,099,151
Insurance contracts	-	-	-	40,867,880	40,867,880	40,484,184
Total	$ 47,298,843	-	3,180,313	91,746,183	142,225,339	142,630,778

Of the investments reflected in the preceding table investments of the City's Pension Fund constitute 99% and 100% of the amount in Category 1 and 3, respectively.

The composition of the City's bank recorded deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

(5) Due From Other Governments

The following is a summary of amounts due from other governments as of June 30, 1991:

Due from Commonwealth of Massachusetts	$ 2,918,633
U.S. Department of Housing and Urban Development	3,338,856
Other Federal and State Agencies	1,439,317
	$ 7,696,806

(6) Fixed Assets

A summary of general fixed assets activity for the year ended June 30, 1991 follows:

	Balance June 30, 1990	Additions	Deletions	Balance June 30, 1991
Land	$ 169,490,535	-	5,552,182	163,938,353
Buildings	68,134,724	-	819,197	67,315,527
Improvements other than buildings	1,493,149	-	-	1,493,149
Equipment	16,442,322	1,695,238	1,125,980	17,011,580
Construction in progress	7,699,310	3,659,306	-	11,358,616
	$ 263,260,040	5,354,544	7,497,359	261,117,225

The City initiated a fixed assets system in fiscal 1986 for its general fixed assets, and arrived at amounts as of the end of the fiscal year. These amounts are based on actual costs wherever possible. Land and building costs are based on current appraised value adjusted to estimated cost at date of purchase. Improvements other than buildings and equipment are valued at estimated cost when actual cost information was impractical to obtain. Construction in progress is valued at cost.

The sources of funds used to acquire the fixed assets were impractical to obtain, therefore, the sources of fixed assets are not presented.

Construction in progress at June 30, 1991 is composed of the following:

	Project Authorization	Expended	Committed
General Fixed Assets:			
Danehy Park	$ 12,015,000	7,533,891	4,481,109
Fire Station Renovations	2,263,155	1,516,141	747,014
Public Works Garage Renovations	2,105,230	1,718,590	386,640
Lechmere Canal Park	600,000	589,994	10,006
	16,983,385	11,358,616	5,624,769
Water Fund:			
Payson Park Reservoir Cover	15,000,000	13,943,746	1,056,254
Water Treatment Plant	3,000,000	-	3,000,000
	18,000,000	13,943,746	4,056,254
	$ 34,983,385	25,302,362	9,681,023

As of June 30, 1991 there is no required future financing for these construction projects.

A summary of proprietary fund type property, plant, and equipment at June 30, 1991 follows:

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total Enterprise	Internal Service
Land	$ -	5,552,182	39,264,325	44,816,507	-
Buildings	17,982,205	858,761	8,527,921	27,368,887	-
Improvements other than buildings	2,855	-	56,863	59,718	-
Equipment	24,007,435	269,762	6,942,533	31,219,730	171,181
Construction in progress	-	-	13,943,746	13,943,746	-
	41,992,495	6,680,705	68,735,388	117,408,588	171,181
Less accumulated depreciation	(14,920,664)	(871,418)	(8,553,169)	(24,345,251)	(112,903)
	$ 27,071,831	5,809,287	60,182,219	93,063,337	58,278

For the year ended June 30, 1991, $507,987 of interest cost has been capitalized in the Water Fund.

(7) Leases

The Cambridge Hospital is obligated under the terms of a lease agreement for office facilities. The components of the capital lease included in fixed assets follow:

Buildings	$ 1,337,389
Accumulated amortization	(71,676)
Total	$ 1,265,713

Future minium lease commitments under the capital lease obligation is as follow:

1992	$ 163,069
1993	187,777
1994	197,660
1995	207,543
1996	213,769
Thereafter	680,561
Net minimum lease payments	1,650,379
Less: imputed interest	(384,666)
Present value of net minimun lease payments	$ 1,265,713

(8) Long-term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Bonds reported in the proprietary funds are expected to be paid from proprietary fund revenues. Bonds reported in the general long-term obligations account group are expected to be paid from general fund revenues.

The following is a summary of general obligation bond transactions of the City for the year ended June 30, 1991:

	General Obligation	Enterprise Funds	Total
Bonds payable at June 30, 1990	$ 43,385,000	24,320,000	67,705,000
New debt issued: Municipal Purpose Loans	3,310,000	4,000,000	7,310,000
Debt retired: Serial bonds	8,115,000	2,915,000	11,030,000
Bonds payable at June 30, 1991	$ 38,580,000	25,405,000	63,985,000

Principal retirement of general obligation bonds is recorded in the financial statements as debt service expenditures of $4,510,000 and education expenditures of $3,605,000, totalling $8,115,000 of principal retirement costs.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1991

The following is a summary of the composition of general long-term obligations outstanding at June 30, 1990 and 1991:

Description and Repayment Terms	Date of Obligation	Original Issue	Maturity Date	Interest Rates	Outstanding June 30, 1990	Additions	Retirements	Outstanding June 30, 1991
Bonds:								
General purpose, serial maturities through June 15, 2001	6/15/87 to 6/15/91	$ 7,060,000	6/15/01	5.6% to 6.0%	$ 2,120,000	3,085,000	720,000	4,485,000
Urban redevelopment, serial maturities through June 15, 2001	6/1/82 to 6/15/91	21,135,000	6/15/01	5.9% to 11.6%	15,145,000	225,000	2,235,000	13,135,000
Schools, serial maturities through June 15, 1998	9/1/70 to 6/15/87	50,075,000	6/15/98	5.3% to 11.6%	17,095,000	-	3,605,000	13,490,000
Street reconstruction, serial maturities through June 15, 1999	6/15/87 to 6/15/89	6,500,000	6/15/99	5.6% to 6.5%	5,150,000	-	650,000	4,500,000
Water, serial maturities through October 15, 1996	9/1/72 to 12/15/82	13,165,000	10/15/96	4.7% to 9.2%	3,875,000	-	905,000	2,970,000
Total bonds		$97,935,000			43,385,000	3,310,000	8,115,000	38,580,000
Accrued compensated absences					7,665,483	-	146,682	7,518,801
Accrued pension costs					95,096,761	17,386,757	-	112,483,518
Total general long-term obligations					$146,147,244	20,696,757	8,261,682	158,582,319

The annual requirements to amortize all general long-term obligation debt outstanding as of June 30, 1991 are as follows:

Year Ending June 30	Principal	Interest	Total
1992	$ 7,555,000	2,344,098	9,899,098
1993	6,860,000	1,831,298	8,691,298
1994	6,160,000	1,398,398	7,558,398
1995	4,770,000	1,053,006	5,823,006
1996	4,300,000	778,549	5,078,549
Thereafter	8,935,000	1,065,717	10,000,717
	$ 38,580,000	8,471,066	47,051,066

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, and minimum revenue bond coverages. The City is in compliance with all such significant limitations and restrictions.

The City is subject to the Municipal Finance Law of Massachusetts which limits the amount of net bonded debt the City may have outstanding to 2-1/2 percent of assessed property value. The City may incur debt outside this limit for purposes as described in Section 8 of Chapter 44 of the Massachusetts Municipal Finance Laws. At June 30, 1991, the City had available borrowings inside the debt margin of $172,168,125. Authorized and unissued debt at June 30, 1991 was $30,530,000.

At June 30, 1991, the City had grants receivable from the School Building Assistance Bureau (SBAB) of $8,383,573 to defray principal and interest costs related to $13,490,000 of school bonds outstanding. Grants are subject to annual appropriation by the State legislature. The amount of the grants is based on estimated construction costs of school projects which may be revised upon audit by the SBAB. Assuming satisfactory audit results and annual appropriations by the State legislature, $2,413,200 will be received in 1992, $1,707,476 in 1993 and the balance will be received in subsequent years.

Enterprise Fund Serial bond issues outstanding at June 30, 1991 were $13,405,000 and $12,000,000 for the Cambridge Hospital and Water Fund, respectively. Interest rates range from 5.6% to 7.0% for the Hospital and 5.8% to 6.6% for the Water Fund. The Hospital and Water weighted average interest rates were 6.4%. Outstanding debt matures in subsequent fiscal years as follows:

	Principal	Interest	Total
1992	$ 3,290,000	1,611,678	4,901,678
1993	2,990,000	1,403,353	4,393,353
1994	2,990,000	1,211,778	4,201,778
1995	2,765,000	1,028,353	3,793,353
1996	2,765,000	852,638	3,617,638
Thereafter	10,605,000	1,687,722	12,292,722
	$ 25,405,000	7,795,552	33,200,522

The Massachusetts Water Resources Authority (MWRA), the Massachusetts Bay Transportation Authority (MBTA), and Middlesex County assess the City a net cost of service, including debt service requirements, in accordance with various formulas. The following summary sets forth the unaudited amount of long-term debt of each entity as well as the City's share of the debt at June 30, 1991 and the City's 1991 assessment from each entity:

	Long-term debt outstanding	The City's estimated share	The City's estimated indirect debt	FY 1991 Assessment including debt service
MBTA	$ 1,535,075,000	4.9%	$ 75,218,675	5,636,416
MWRA	952,589,679	4.1	39,056,177	6,894,662
Middlesex County	2,425,000	7.1	172,175	156,169

(9) Fund Balances Reserved for Specific Purposes

Fund balances are reserved for the following purposes as of June 30, 1991:

General Fund:		
Sale of Real Estate (section 63 of Chapter 44 Massachusetts General Laws)	$	48,157
Other		348,115
	$	396,272
Special Revenue Funds:		
School Grants	$	143,736
Fuel Assistance Grants		287,663
Other Grants		126,669
	$	558,068
Capital Project Fund:		
Long-term Loan Receivable	$	963,614
Trust Funds:		
Retirement	$	111,935,982
Stabilization		4,042,526
Cemetery Perpetual Care		1,334,285
Health Claims		7,972,614
School		62,031
Neville Manor		73,792
Library		115,028
Bridge Charitable		16,682
Charles Bullock		205,810
Facade Preservation		24,765
Housing		454,888
Smith-Hughes		6,181
John Kinnear		13,725
Melville Shoe		1,045
Bridget McGuire		7,264
Cambridge Plant and Garden		21,533
Molly Ramsey		17,727
Soldier's Monument		1,064
Sheehan War Memorial		8,127
Daniel White/Warren Merrill		23,776
Mary Conlon Park		4,744
Special Law Enforcement		58,454
	$	126,402,043

(10) Segment Information for Enterprise Funds

The City maintains Enterprise Funds which provide hospital, nursing home and water services. Segment information for the year ended June 30, 1991 follows:

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Operating revenues	$54,480,166	7,139,965	7,154,262	68,774,393
Operating income (loss)	1,169,632	(1,480,974)	2,549,540	2,238,198
Net operating transfers in (out)	9,490,485	1,376,260	(730,230)	10,136,515
Depreciation Expense	2,141,341	26,814	440,223	2,608,378
Net income (loss)	11,815,046	(104,714)	1,748,397	13,458,729
Fixed assets	27,071,831	5,809,287	60,182,219	93,063,337
Net working capital	21,919,387	189,781	893,669	23,002,837
Total assets	54,193,259	6,272,610	62,791,308	123,257,177
Long-term obligations	13,405,000	-	12,000,000	25,405,000
Retained earnings	$33,799,494	308,688	49,075,888	83,184,070

(11) Individual Fund Receivables/Payables and Deficits

Individual balances of amounts due from and to other funds at June 30, 1991 are as follows:

	Due from other funds	Due to other funds
General Fund	S -	229,733
Capital Projects Fund	-	1,298,083
Enterprise Funds:		
Hospital and Neighborhood		
Health Centers Fund	3,037,460	-
Neville Manor Fund	55,519	-
Water Fund	-	1,565,163
	$ 3,092,979	3,092,979

There were no individual fund deficits or significant operating deficits for fiscal year 1991.

(12) Commitments and Contingencies

See note 8 for a discussion of commitments by the City to the MWRA, MBTA, and Middlesex County.

There are numerous cases pending in courts throughout the Commonwealth where the City of Cambridge is a defendant. In the opinion of the City Solicitor, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgments against the City that would materially affect its financial position.

The Cambridge Hospital self-insures against losses from claims for alleged malpractice. In the opinion of counsel for the Hospital, no asserted or unasserted claims for malpractice are likely to result in final judgments that would materially affect the financial condition of the Hospital.

The City participates in a number of federal financial assistance programs, principal of which are the Community Development Block Grant, Low Income Home Energy Assistance, National School Lunch, and numerous Education Grant programs. Although the City's grant programs have been audited in accordance with the provisions of the Single Audit Act through June 30, 1991, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

(13) Pension Plan

(a)Plan Description

The City contributes to the City of Cambridge Employees' Retirement System ("System"), a single employer public employee retirement system that acts as the investment and administrative agent for the City. The City's payroll for employees covered by the System for the year ended June 30, 1991 was $102,591,894. Public school teachers are covered by the Commonwealth of Massachusetts Teachers' Retirement System (TRS) to which the City of Cambridge, Massachusetts does not contribute. The City's payroll for teachers covered by the TRS for the year ended June 30, 1991 was $35,632,866. The total payroll for the City was $138,224,760.

The System and the TRS are contributory defined benefit plans covering all City employees and teachers deemed eligible.

Instituted in 1939, the System is a member of the Massachusetts Contributory System and is governed by M.G.L. Chapter 32 of the Massachusetts General Laws (MGL). Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. Current members of the System consist of the following:

Retired and Inactive	1,577
Active:	
Vested	1,227
Nonvested employees covered by the Plan	1,226
Total	4,030

The System and TRS provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification. Members joining the System after January 1, 1979 were subject to a cap of $30,000 on the level of compensation upon which their benefit is calculated. Effective January 2, 1990, the $30,000 salary cap was removed.

Members of both systems become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The System and the TRS also provide for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the City payroll on January 1,1973, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the fund. Active members contribute either 5, 7, or 8% of their gross regular compensation depending on the date upon which their membership began. With the removal of the $30,000 cap on January 2, 1990, employees hired after January 1, 1979 earning more than $30,000 annually, must contribute an additional 2% above these base amounts. The City is required to contribute the remaining amounts necessary to pay benefits when due.

The System also provides death and disability benefits.

(b) Significant Accounting Policies and Plan Assets

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration (PERA).

The investments of the System are valued as follows:

Bonds are valued at amortized cost which is the original cost of the investment plus or minus any bond discount or bond premium calculated ratably to maturity.

Stocks are reflected at the lower of cost or market.

The value of insurance contracts, consisting of pooled separate accounts, is determined by the insurance company on each valuation date.

Cash and investments of the System at December 31, 1990, are summarized as follows:

	Book Value	Market Value
Cash	$ 17,700,542	17,700,542
Bonds	18,327,486	18,085,132
Stocks	32,137,651	33,169,140
Insurance contracts	40,867,880	40,484,184
Total	109,033,559	109,438,998

(c) Funding Status and Progress

The amount shown below as the "Pension Benefit Obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1991. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8% a year compounded annually, (b) projected salary increases of 2% a year compounded annually, attributed to inflation, (c) additional projected salary increases of 4% a year, attributable to seniority/merit, and (d) no post-retirement benefit increases.

Total unfunded pension benefit obligation applicable to the City's employees was $139,605,000 at December 31, 1990 as follows (in thousands):

Pension Benefit Obligation	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 108,407
Current employees:	
Accumulated employee contributions, including allocated investment earnings	51,555
Employer-financed vested	57,382
Employer-financed nonvested	34,197
Total pension benefit obligation	251,541
Net assets available for benefits, at cost	111,936
Unfunded pension benefit obligation	$ 139,605

(d)Contribution Requirements and Contribution Made

The system's funding policy is governed by Section 22D of Chapter 32. Accordingly, the minimum contribution through June 30, 1994, is an amount approximating the pension benefit expected to be paid during the year ("pay-as-you-go" method) as determined by PERA. Subsequent to June 30, 1994, the members of the system are required to fund each year the acturially determined normal cost plus an amount to amortize the unfunded liability by June 30, 2028. The Commonwealth of Massachusetts currently reimburses the system on a quarterly basis for the portion of benefits payments owing to cost-of-living increases granted after the implementation of Proposition 2-1/2.

The City's required minimum contribution to the system was $11,935,982 for the year ended December 31, 1990. The City actually contributed $11,928,786 (12% of covered payroll) and the employees contributed $5,972,699 (6% of covered payroll) for a total contribution of $17,901,485.

(e)Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found in the required supplementary schedules on pages 35 and 36 of the City's Comprehensive Annual Financial Report. For the years ended December 31, 1990, 1989 and 1988, available assets were sufficient to fund $111,935,282, $108,887,239 and $96,323,970 or 45%, 46% and 45% of the Pension Benefit Obligation, respectively. Unfunded Pension Benefit Obligation represented 136%, 129% and 132% of the annual payroll for employees covered by the system for 1991, 1990, 1989, respectively. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended June 30, 1991, 1990 and 1989, the City's contributions to the system, all made in accordance with the above requirements, were $11,928,786, $11,439,460 and $10,877,135 which is 12%, of each years annual covered payroll.

It is the City's policy to charge expenditures with the amount of pension costs actually funded. The City records the unfunded accumulated benefit obligation as a liability of the general long-term obligations account group.

All retired employees eligible for pension benefits as well as teachers covered under the Commonwealth of Massachusetts Teacher's Retirement System receive certain post-retirement benefits including major health, dental, and life insurance. The cost of the health insurance premiums is the City's responsibility. The City funds 75% of life insurance premiums, with the remaining 25% paid by the retiree. Dental insurance premiums are the retiree's responsibility but are available at the reduced group rate. The City's cost of these post-retirement benefits for fiscal 1991 was $4,588,457 and is funded and accounted for on a pay-as-you-go basis.

(14) Budget Basis of Accounting

The City's budget as presented in the statement of Revenues and Expenditures Budgetary Basis - General Fund was developed as follows:

City Council authorizations	$ 247,329,346
Supplemental appropriations and budget transfers	4,687,546
	$ 252,016,892

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the City adopts an annual budget for the General Fund for which the level of expenditure may not legally exceed appropriations for each department or undertaking classified in the following categories:

(1) Salaries and wages,

(2) Other ordinary maintenance,

(3) Travel and training, and

(4) Extraordinary expenditures.

Proposed expenditure appropriations for all departments and operations of the City, except that of public schools, are prepared under the direction of the City Manager. School Department appropriations are acted upon directly by the School Committee up to the level of certain prior year school appropriations. The City Manager may recommend additional sums for school purposes. In addition, the City Manager may submit to the City Council such supplementary appropriation orders as are deemed necessary. The City Manager may amend appropriations within the above mentioned categories for a department without seeking city council approval.

The City Council may reduce or reject any item in budgets submitted by the City Manager but may not increase or add items without the recommendation of the City Manager. Supplemental appropriations for the year ended June 30, 1991, after the setting of the tax rate, were $3,682,990 and are included in the budgetary comparison financial statements.

The City follows a gross budgeting concept pursuant to which expenditures financed by special revenue funds and trust funds are budgeted as general fund expenditures and are financed by transfers from these funds to the general fund.

The City's General Fund budget is prepared on a basis other than generally accepted accounting principles (GAAP basis). The actual results of operations in the statement of Revenues and Expenditures Budgetary Basis - General Fund, are presented on a "budget basis" to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis are that:

(a) Revenues are recorded when cash is received except for real estate and personal property taxes, which are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);

(b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP).

(c) The Cambridge City Hospital and its affiliated Neighborhood Health Centers, Neville Manor Nursing Home and the Water Department are budgeted departments of the City's General Fund. However, for financial statement purposes, these entities are reported in enterprise funds and not as a part of the General Fund.

A summary of the differences between the results of operations presented on a budgeted basis and those presented in accordance with generally accepted accounting principles is as follows:

	Revenues	Expenditures	Other Financing Sources (Uses)
As reported on a budgetary basis	$ 261,081,926	248,349,686	2,870,382
To reclassify Hospital operations to enterprise fund	(62,134,653)	(53,706,138)	(9,490,485)
To reclassify Neville Manor operations to enterprise fund	(7,553,367)	(8,460,524)	(1,376,260)
To reclassify Water Department operations to enterprise fund	(6,992,719)	(4,261,520)	2,354,820
To record revenue and other financing sources on a modified accrual basis of accounting	(4,474,764)	-	2,519,399
To adjust for encumbrances and continuing appropriations	-	(1,485,054)	-
As reported on GAAP basis	179,926,423	180,436,450	(3,122,144)

(15) Change in Accounting Principle

The City changed its method of accounting for the financing of hospital related capital expenditures wherein unexpended funds have been transferred to the Cambridge City Hospital. This change was made to more accurately reflect availability of such funds.

(16) Equity Transfer

Continuing appropriation balances related to the Neville Manor Nursing Home were reclassified by the City in 1991 from the General Fund to the Proprietary Fund.

(17) Operating transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows:

	Transfers In (Out)					
	General	Special Revenue	Capital Projects	Expendable Trust	Enterprise	Non-Expendable Trust
Water overhead costs	$ 1,734,720	-	-	-	(1,734,720)	-
Parking receipts	10,477,045	(11,019,670)	542,625	-	-	-
Ramsey trust	525	-	-	(525)	-	-
Capital improvements	(3,000,000)	-	3,000,000	-	-	-
Capital/Water improvements	-	-	474,410	-	(474,410)	-
Capital/Sewer improvements	(375,000)	-	375,000	-	-	-
Cemetary perpetual care	100,000	-	-	(100,000)	-	-
Block grant	1,246,211	(2,909,192)	1,662,981	-	-	-
Hospital subsidy	(9,490,485)	-	-	-	9,490,485	-
Neville Manor subsidy	(1,376,260)	-	-	-	1,376,260	-
Water debt service	(1,478,900)	-	-	-	1,478,900	-
Health Claims trust	(1,000,000)	-	-	1,000,000	-	-
Law Enforcement trust	40,000	-	-	(40,000)	-	-
Expendable interest earnings	-	-	-	14,794	-	(14,794)
	$ (3,122,144)	(13,928,862)	6,055,016	874,269	10,136,515	(14,794)

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REQUIRED SUPPLEMENTARY INFORMATION

The following two schedules present historical trend information for the City of Cambridge, Massachusetts Employees' Retirement System. The information is presented in accordance with the requirements of Statement No. 5 of the Governmental Accounting Standards Board, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers."

CITY OF CAMBRIDGE, MASSACHUSETTS

Employees' Retirement System

Required Supplementary Information

Analysis of Funding Progress
(in thousands)

June 30, 1991

Fiscal year	(1) Net assets available for benefits	(2) Pension benefit obligation	(3) Percentage funded (1)/(2)	(4) Unfunded pension benefit obligation (2)-(1)	(5) Annual covered payroll	(6) Unfunded Pension benefit obligation as a percentage of covered payroll (4)/(5)
1991	$ 111,936	$ 251,541	45%	$139,605	$ 102,592	136%
1990	108,887	231,800	46	122,913	95,138	129
1989	96,324	212,083	45	115,759	87,919	132
1988	89,362	202,771	44	113,409	69,965	162

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides an indication of the City's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System (PERS). Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

Note: Information prior to 1988 not available.

CITY OF CAMBRIDGE, MASSACHUSETTS

Employees' Retirement System

Required Supplementary Information
Revenues by Source and Expenses by Type
(unaudited)

June 30, 1991

	Revenues by Source				
		Employer Contributions			
Year	Employee contributions	Dollar amount	Percentage of annual covered payroll	Other income	Total
1991	$ 5,972,699	$ 11,928,786	12%	$ 2,794,060	$20,695,545
1990	5,352,653	11,439,460	12	10,000,534	26,792,647
1989	4,788,252	10,877,135	12	5,792,612	21,457,999
1988	4,530,895	10,315,154	15	8,316,275	23,162,324
1987	4,128,139	10,867,977	12	8,383,230	23,379,346
1986	3,902,428	8,871,703	-	6,092,556	18,866,687
1985	3,496,863	8,975,097	-	4,930,030	17,401,990
1984	3,268,040	8,016,833	-	4,218,225	15,503,098
1983	2,875,600	7,153,573	-	3,410,962	13,440,135
1982	2,718,565	6,578,758	-	2,844,091	12,141,414

	Expenses by Type			
Fiscal year	Benefits	Administrative expenses	Refunds	Total
1991	$ 15,895,406	$ 281,051	$ 1,470,345	$ 17,646,802
1990	14,874,275	183,625	1,234,895	16,292,795
1989	14,724,007	177,040	1,515,602	16,416,649
1988	13,429,757	180,155	1,303,227	14,913,139
1987	13,164,057	163,714	1,211,495	14,539,266
1986	11,539,930	164,664	898,077	12,602,671
1985	10,720,775	148,425	972,267	11,841,467
1984	9,930,933	139,281	832,712	10,902,926
1983	9,170,655	112,309	885,179	10,168,143
1982	8,201,743	95,335	1,240,296	9,537,374

Note: Annual covered payroll information is not available for years prior to 1987.

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SUPPLEMENTARY STATEMENTS AND SCHEDULES

The following section provides detailed information on the General, Special Revenue, Enterprise, and Trust and Agency Funds included in the general purpose financial statements. Also, information on real, personal, and excise tax collections, as well as a schedule of the long-term debt obligations and general fixed assets of the City is provided in this section.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
General Government:			
Mayor:			
Salaries and wages	$ 269,555	264,028	5,527
Other ordinary maintenance	62,340	53,831	8,509
Travel and training	16,760	12,541	4,219
Extraordinary expenditures	-	-	-
Total Mayor	348,655	330,400	18,255
City Manager:			
Salaries and wages	423,310	423,309	1
Other ordinary maintenance	84,820	82,986	1,834
Travel and training	23,165	22,910	255
Extraordinary expenditures	-	-	-
Total City Manager	531,295	529,205	2,090
City Council:			
Salaries and wages	414,105	408,551	5,554
Other ordinary maintenance	31,600	30,031	1,569
Travel and training	23,040	22,023	1,017
Extraordinary expenditures	-	-	-
Total City Council	468,745	460,605	8,140
City Clerk:			
Salaries and wages	317,390	309,761	7,629
Other ordinary maintenance	41,625	40,356	1,269
Travel and training	675	185	490
Extraordinary expenditures	-	-	-
Total City Clerk	359,690	350,302	9,388
Law:			
Salaries and wages	556,880	556,880	-
Other ordinary maintenance	882,690	881,580	1,110
Travel and training	709,435	706,068	3,367
Extraordinary expenditures	-	-	-
Total Law	2,149,005	2,144,528	4,477

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Finance:			
Salaries and wages	$ 3,244,351	3,120,132	124,219
Other ordinary maintenance	1,184,860	1,153,826	31,034
Travel and training	120,312	106,670	13,642
Extraordinary expenditures	24,000	23,866	134
Total Finance	4,573,523	4,404,494	169,029
Employee Benefits:			
Salaries and wages	2,534,906	1,720,513	814,393
Other ordinary maintenance	4,342,275	4,336,275	6,000
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Employee Benefits	6,877,181	6,056,788	820,393
General Services:			
Salaries and wages	345,226	342,004	3,222
Other ordinary maintenance	419,509	417,147	2,362
Travel and training	-	-	-
Extraordinary expenditures	17,500	15,121	2,379
Total General Services	782,235	774,272	7,963
Election Commission:			
Salaries and wages	319,730	309,182	10,548
Other ordinary maintenance	126,920	122,622	4,298
Travel and training	3,750	1,814	1,936
Extraordinary expenditures	-	-	-
Total Election Commission	450,400	433,618	16,782
Public Celebrations:			
Salaries and wages	92,425	92,422	3
Other ordinary maintenance	320,063	287,109	32,954
Travel and training	375	369	6
Extraordinary expenditures	-	-	-
Total Public Celebrations	412,863	379,900	32,963
Reserve:			
Salaries and wages	-	-	-
Other ordinary maintenance	7,000	-	7,000
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Reserve	7,000	-	7,000

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Animal Commission:			
Salaries and wages	$ 119,550	119,550	-
Other ordinary maintenance	59,875	56,836	3,039
Travel and training	250	250	-
Extraordinary expenditures	-	-	-
Total Animal Commission	179,675	176,636	3,039
Total General Government	17,140,267	16,040,748	1,099,519
Public Safety:			
Fire:			
Salaries and wages	16,553,565	16,553,565	-
Other ordinary maintenance	381,020	334,606	46,414
Travel and training	194,900	190,100	4,800
Extraordinary expenditures	33,000	32,326	674
Total Fire	17,162,485	17,110,597	51,888
Police:			
Salaries and wages	17,851,335	17,685,151	166,184
Other ordinary maintenance	679,820	641,813	38,007
Travel and training	291,500	291,119	381
Extraordinary expenditures	186,000	186,000	-
Total Police	19,008,655	18,804,083	204,572
Traffic and Parking:			
Salaries and wages	3,022,915	2,932,139	90,776
Other ordinary maintenance	2,417,375	2,416,954	421
Travel and training	24,400	18,662	5,738
Extraordinary expenditures	22,000	22,000	-
Total Traffic and Parking	5,486,690	5,389,755	96,935

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Police Review and Advisory Board:			
Salaries and wages	$ 43,955	38,692	5,263
Other ordinary maintenance	19,105	809	18,296
Travel and training	1,000	100	900
Extraordinary expenditures	-	-	-
Total Police Review and Advisory Board	64,060	39,601	24,459
Inspectional Services:			
Salaries and wages	1,211,270	1,211,266	4
Other ordinary maintenance	89,775	87,297	2,478
Travel and training	42,175	34,616	7,559
Extraordinary expenditures	-	-	-
Total Inspectional Services	1,343,220	1,333,179	10,041
License:			
Salaries and wages	370,935	370,001	934
Other ordinary maintenance	47,980	42,077	5,903
Travel and training	5,490	5,488	2
Extraordinary expenditures	-	-	-
Total License	424,405	417,566	6,839
Weights and Measures:			
Salaries and wages	113,120	112,126	994
Other ordinary maintenance	2,600	2,336	264
Travel and training	285	285	-
Extraordinary expenditures	-	-	-
Total Weights and Measures	116,005	114,747	1,258

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Electrical:			
Salaries and wages	$ 1,206,775	1,206,771	4
Other ordinary maintenance	1,356,695	1,338,993	17,702
Travel and training	7,070	5,045	2,025
Extraordinary expenditures	42,760	41,150	1,610
Total Electrical	2,613,300	2,591,959	21,341
Emergency Management:			
Salaries and wages	74,460	74,457	3
Other ordinary maintenance	22,570	22,171	399
Travel and training	100	23	77
Extraordinary expenditures	2,200	2,200	-
Total Emergency Management	99,330	98,851	479
Total Public Safety	46,318,150	45,900,338	417,812
Community Maintenance and Development:			
Public Works:			
Salaries and wages	9,699,705	9,548,409	151,296
Other ordinary maintenance	6,652,635	6,593,447	59,188
Travel and training	300,990	292,611	8,379
Extraordinary expenditures	220,500	220,299	201
Total Public Works	16,873,830	16,654,766	219,064
Community Development:			
Salaries and wages	1,905,274	1,905,270	4
Other ordinary maintenance	933,662	550,826	382,836
Travel and training	10,200	10,153	47
Extraordinary expenditures	-	-	-
Total Community Development	2,849,136	2,466,249	382,887
Historical Commission:			
Salaries and wages	133,715	133,714	1
Other ordinary maintenance	55,490	50,490	5,000
Travel and training	800	800	-
Extraordinary expenditures	-	-	-
Total Historical Commission	190,005	185,004	5,001

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Conservation Commission:			
Salaries and wages	$ 51,155	50,032	1,123
Other ordinary maintenance	6,305	6,142	163
Travel and training	515	410	105
Extraordinary expenditures	-	-	-
Total Conservation Commission	57,975	56,584	1,391
Peace Commission:			
Salaries and wages	37,305	37,304	1
Other ordinary maintenance	2,450	2,406	44
Travel and training	150	-	150
Extraordinary expenditures	-	-	-
Total Peace Commission	39,905	39,710	195
Rent Control:			
Salaries and wages	1,206,260	1,204,623	1,637
Other ordinary maintenance	104,637	104,412	225
Travel and training	2,093	1,828	265
Extraordinary expenditures	6,590	6,590	-
Total Rent Control	1,319,580	1,317,453	2,127
Cable Vision:			
Salaries and wages	85,770	85,768	2
Other ordinary maintenance	75,400	69,221	6,179
Travel and training	1,500	1,415	85
Extraordinary expenditures	31,205	30,930	275
Total Cable Vision	193,875	187,334	6,541
Total Community Maintenance and Development	21,524,306	20,907,100	617,206

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Health and Hospital Services:			
Health:			
Salaries and wages	$ 748,150	709,472	38,678
Other ordinary maintenance	116,090	114,951	1,139
Travel and training	2,150	522	1,628
Extraordinary expenditures	23,675	23,675	-
Total Health	890,065	848,620	41,445
Neville Manor:			
Salaries and wages	5,552,135	5,537,017	15,118
Other ordinary maintenance	2,832,325	2,801,419	30,906
Travel and training	111,100	110,875	225
Extraordinary expenditures	11,375	11,212	163
Total Neville Manor	8,506,935	8,460,523	46,412
Hospital:			
Salaries and wages	32,740,585	32,740,583	2
Other ordinary maintenance	18,176,110	17,653,138	522,972
Travel and training	369,170	336,145	33,025
Extraordinary expenditures	2,982,000	2,976,272	5,728
Total Hospital	54,267,865	53,706,138	561,727
Total Health and Hospital Services	63,664,865	63,015,281	649,584

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Human Resource Development:			
Library:			
Salaries and wages	$ 2,164,333	2,164,333	-
Other ordinary maintenance	492,700	490,255	2,445
Travel and training	3,437	2,975	462
Extraordinary expenditures	-	-	-
Total Library	2,660,470	2,657,563	2,907
Human Services:			
Salaries and wages	3,799,220	3,792,435	6,785
Other ordinary maintenance	1,394,892	1,264,970	129,922
Travel and training	12,135	10,815	1,320
Extraordinary expenditures	46,526	46,526	-
Total Human Services	5,252,773	5,114,746	138,027
Human Rights:			
Salaries and wages	86,820	86,815	5
Other ordinary maintenance	21,595	5,450	16,145
Travel and training	2,500	1,176	1,324
Extraordinary expenditures	-	-	-
Total Human Rights	110,915	93,441	17,474
Veterans Benefits:			
Salaries and wages	191,105	165,073	26,032
Other ordinary maintenance	197,295	174,783	22,512
Travel and training	3,105	2,522	583
Extraordinary expenditures	-	-	-
Total Veterans Benefits	391,505	342,378	49,127
Women's Commission:			
Salaries and wages	73,744	73,481	263
Other ordinary maintenance	9,850	9,849	1
Travel and training	500	430	70
Extraordinary expenditures	-	-	-
Total Women's Commission	84,094	83,760	334
Total Human Resource Development	8,499,757	8,291,888	207,869

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
Education:			
Salaries and wages	$52,171,535	52,156,107	15,428
Other ordinary maintenance	11,277,145	11,266,223	10,922
Travel and training	258,000	257,624	376
Extraordinary expenditures	5,116,785	5,116,775	10
Total Education	68,823,465	68,796,729	26,736
Water:			
Salaries and wages	2,886,980	2,833,851	53,129
Other ordinary maintenance	1,436,990	1,380,582	56,408
Travel and training	18,000	17,087	913
Extraordinary expenditures	30,000	30,000	-
Total Water	4,371,970	4,261,520	110,450
Debt Principal:			
Salaries and wages	-	-	-
Other ordinary maintenance	-	-	-
Travel and training	-	-	-
Extraordinary expenditures	5,546,358	5,546,358	-
Total Debt Principal	5,546,358	5,546,358	-
Interest:			
Salaries and wages	-	-	-
Other ordinary maintenance	80,000	76,185	3,815
Travel and training	-	-	-
Extraordinary expenditures	2,178,407	2,176,936	1,471
Total Interest	2,258,407	2,253,121	5,286
Intergovernmental:			
MBTA:			
Salaries and wages	-	-	-
Other ordinary maintenance	5,636,416	5,636,416	-
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total MBTA	5,636,416	5,636,416	-

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1991

	Budget	Actual	Variance-Favorable (Unfavorable)
County Tax:			
Salaries and wages	$ -	-	-
Other ordinary maintenance	156,169	156,169	-
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total County Tax	156,169	156,169	-
MWRA:			
Salaries and wages	-	-	-
Other ordinary maintenance	7,427,406	6,894,662	532,744
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total MWRA	7,427,406	6,894,662	532,744
Other State Assessments:			
Salaries and wages	-	-	-
Other ordinary maintenance	649,356	649,356	-
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Other State Assessments	649,356	649,356	-
Total Intergovernmental:	13,869,347	13,336,603	532,744
Total General Fund	$252,016,892	248,349,686	3,667,206

SPECIAL REVENUE FUNDS

Community Development Block Grant

Revenues from the Community Development Block Grant Program, which are used to support both operating and capital improvement programs, are recorded in this fund. A transfer is made at the end of the fiscal year to the General and Capital Projects Funds to cover Block Grant-related expenditures in these funds during that fiscal year.

School Grants

This fund accounts for both the receipt and expenditure of funds received from numerous Federal and State agencies to support a wide range of elementary and secondary school programs.

Fuel Assistance

This fund is used to account for revenues and expenditures for a federal program designed to provide low-income families with assistance in purchasing fuel supplies.

Parking Fund

Receipts from the Parking Fund, which consist primarily of meter collections, parking fines, and miscellaneous revenues, are recorded in this fund and support a wide range of City programs in accordance with Chapter 844 of the Massachusetts General Laws. In a similar manner to the Block Grant Funds, an amount equal to that which is appropriated in the General and Capital Projects Funds, is transferred to those funds at the end of the fiscal year.

Other Grants

Funds from a wide range of federal and state grants provide additional support to several City programs, including the Arts Council, Historical Commission, Library, and Hospital. Both the receipt and expenditure of these funds are accounted for in this fund.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Special Revenue Funds

June 30, 1991

Assets	School Grants	Fuel Assistance	Parking Fund	Other Grants	Total
Cash and short-term investments	$ 400,241	306,547	4,679,246	108,094	5,494,128
Due from other governments	-	-	-	374,724	374,724
Total assets	400,241	306,547	4,679,246	482,818	5,868,852
Liabilities and Fund Equity					
Accrued liabilities	98,300	-	-	40,000	138,300
Total liabilities	98,300	-	-	40,000	138,300
Fund equity:					
Reserved for encumbrances	158,205	18,884	-	316,149	493,238
Reserved for specific purposes	143,736	287,663	-	126,669	558,068
Unreserved	-	-	4,679,246	-	4,679,246
Total fund equity	301,941	306,547	4,679,246	442,818	5,730,552
Total liabilities and fund equity	$ 400,241	306,547	4,679,246	482,818	5,868,852

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Equity

Special Revenue Funds

Year ended June 30, 1991

	Community Development Block Grants	School Grants	Fuel Assistance	Parking Fund	Other Grants	Total
Revenues:						
Intergovernmental	$ 2,909,192	4,490,388	1,729,704	-	5,443,632	14,572,916
Investment income	-	-	9,988	675,838	-	685,826
Other	-	578,005	-	10,894,515	-	11,472,520
Total revenues	2,909,192	5,068,393	1,739,692	11,570,353	5,443,632	26,731,262
Expenditures:						
Education	-	5,264,959	-	-	-	5,264,959
Fuel assistance	-	-	1,564,000	-	-	1,564,000
Other	-	-	-	-	5,476,683	5,476,683
Total expenditures	-	5,264,959	1,564,000	-	5,476,683	12,305,642
Excess (deficiency) of revenues over expenditures	2,909,192	(196,566)	175,692	11,570,353	(33,051)	14,425,620
Other financing (uses):						
Operating transfers to other funds	(2,909,192)	-	-	(11,019,670)	-	(13,928,862)
Excess (deficiency) of revenues over expenditures and transfers	-	(196,566)	175,692	550,683	(33,051)	496,758
Fund equity at beginning of year	-	498,507	130,855	4,128,563	475,869	5,233,794
Fund equity at end of year	$ -	301,941	306,547	4,679,246	442,818	5,730,552

ENTERPRISE FUNDS

Hospital and Neighborhood Health Centers Fund
This fund is used to account for the operations of the Cambridge City Hospital and its affiliated Neighborhood Health Centers. The accrual basis of accounting requires that Hospital revenues be recorded at established rates charged less certain allowances and uncollectible amounts. Expenses are recorded as liabilities as incurred. Debt Service on general obligation bonds issued to finance the construction of the hospital as well as building renovations and the acquisition of medical equipment is also included in this fund.

Neville Manor Fund
This fund is used to account for the operations of the Neville Manor Nursing Home. The accrual basis of accounting requires that Nursing Home Revenues be recorded at established rates charged less certain allowances and uncollectible amounts. Expenses are recorded as liabilities as incurred.

Water Fund
This fund is used to account for the operations and maintenance of the City's water system. Revenues are recorded primarily on the basis of charges issued for water services. Expenses for water department capital improvements as well as debt service on any bonds issued to finance those improvements are included in the Water Enterprise Fund.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Enterprise Funds

June 30, 1991

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Assets				
Cash and short-term investments	$ 14,562,951	407,804	1,682,242	16,652,997
Accounts receivable	17,488,109	-	1,041,067	18,529,176
Allowance for uncollectible receivables	(8,279,468)	-	(114,220)	(8,393,688)
Due from other funds	3,037,460	55,519	-	3,092,979
Property, plant and equipment, net of accumulated depreciation	27,071,831	5,809,287	60,182,219	93,063,337
Other assets	312,376	-	-	312,376
Total assets	54,193,259	6,272,610	62,791,308	123,257,177
Liabilities and Retained Earnings/Fund Equity				
Accrued liabilities:				
Compensated absences	1,858,636	-	-	1,858,636
Other	2,766,858	273,542	150,257	3,190,657
Due to third party	576,547	-	-	576,547
Due to other funds	-	-	1,565,163	1,565,163
Capital lease obligation	1,265,713	-	-	1,265,713
General obligation bonds payable	13,405,000	-	12,000,000	25,405,000
Total liabilities	19,872,754	273,542	13,715,420	33,861,716
Retained earnings/fund equity	33,799,494	308,688	49,075,888	83,184,070
Contributed capital	521,011	5,690,380	-	6,211,391
Total Liabilities and Retained Earnings/Fund Equity	$ 54,193,259	6,272,610	62,791,308	123,257,177

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Equity

Enterprise Funds

Year ended June 30, 1991

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Operating revenues:				
Patient service revenue, net of allowances and uncollectible accounts	$53,437,692	7,139,965	-	60,577,657
Charges for services	-	-	6,738,627	6,738,627
Other	1,042,474	-	415,635	1,458,109
Total operating revenues	54,480,166	7,139,965	7,154,262	68,774,393
Operating expenses:				
Administration	5,134,604	520,980	1,156,212	6,811,796
Finance	6,414,782	-	-	6,414,782
Service and support programs	33,915,268	5,625,556	2,978,287	42,519,111
General services	5,420,746	2,413,113	-	7,833,859
Depreciation	2,141,341	26,814	440,223	2,608,378
Other	283,793	34,476	30,000	348,269
Total operating expenses	53,310,534	8,620,939	4,604,722	66,536,195
Operating income (loss)	1,169,632	(1,480,974)	2,549,540	2,238,198
Non-operating revenues and expenses:				
Interest expense	1,069,545	-	70,913	1,140,458
Net income (loss) before operating transfers	100,087	(1,480,974)	2,478,627	1,097,740
Operating transfers from other funds	9,490,485	1,376,260	-	10,866,745
Operating transfers to other funds	-	-	(730,230)	(730,230)
Net income before cumulative effect of change in accounting principle	9,590,572	(104,714)	1,748,397	11,234,255
Cumulative effect of change in accounting principle (note 15)	2,224,474	-	-	2,224,474
Net income	11,815,046	(104,714)	1,748,397	13,458,729
Retained Earnings/Fund Equity:				
Beginning of year	21,984,448	-	47,327,491	69,311,939
Equity transfer (note 16)	-	413,402	-	413,402
End of year	$33,799,494	308,688	49,075,888	83,184,070

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Cash Flows

Enterprise Funds

Year ended June 30, 1991

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Cash flows from operating activities:				
Operating Income (Loss)	$ 1,169,632	$ (1,480,974)	$ 2,549,540	$ 2,238,198
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,141,341	26,814	440,223	2,608,378
Cumulative effect of change in accounting principle (note 15)	2,224,474	-	-	2,224,474
Equity transfer (note 16)	-	413,402	-	413,402
Provision for uncollectible accounts	-	-	17,782	17,782
Change in assets and liabilities:				
Due from third parties	8,865,355	-	-	8,865,355
Accounts receivable	(968,486)	-	(129,772)	(1,098,258)
Interfund receivables	(1,882,119)	(55,519)	1,955,601	17,963
Other assets	(48,641)	-	-	(48,641)
Accrued liabilities	348,488	273,542	22,755	644,785
Interfund payables	-	-	1,565,163	1,565,163
Capital lease obligation	1,265,713	-	-	1,265,713
Net cash provided (used) by operating activities	13,115,757	(822,735)	6,421,292	18,714,314
Cash flows from noncapital financing activities:				
Operating transfer-in from General Fund	9,490,485	1,376,260	-	10,866,745
Operating transfer-out to General Fund	-	-	(255,820)	(255,820)
Operating transfer-out to Capital Projects Fund	-	-	(474,410)	(474,410)
Net cash provided (used) for noncapital financing activities	9,490,485	1,376,260	(730,230)	10,136,515
Cash flows from capital and related financing activities:				
Proceeds from sale of bonds	-	-	4,000,000	4,000,000
Acquistion of capital assets	(4,958,746)	(145,721)	(9,830,111)	(14,934,578)
Principal paid on bonds	(2,015,000)	-	(900,000)	(2,915,000)
Interest paid on bonds	(1,069,545)	-	(70,913)	(1,140,458)
Net cash provided (used) for capital and related financing activities	(8,043,291)	(145,721)	(6,801,024)	(14,990,036)
Net increase (decrease) in cash and cash equivalents	14,562,951	407,804	(1,109,962)	13,860,793
Cash and cash equivalents at beginning of year	-	-	2,792,204	2,792,204
Cash and cash equivalents at end of year	14,562,951	$ 407,804	$ 1,682,242	$16,652,997
Supplemental Schedule of non-cash investing and financing activities:				
Contribution of fixed assets from government	$ 521,011	$ 5,690,380	$ -	$ 6,211,391

FIDUCIARY FUNDS

The City's Fiduciary Funds are used to account for the assets received and disbursed by the City acting in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds.

The Trust Funds, which are described later in this section of the report, are segregated into four categories: School Trust Funds, Neville Manor Nursing Home Trust Funds, Library Trust Funds, and Other Trust Funds. The last sentence of each Trust Fund narrative lists the expendable balances which represents the income/interest portion of the Trust. In general, the City has a policy to limit expenditures from the Trusts to the total accumulated income/interest amount so that the principal of the Trusts is protected.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Fiduciary Funds

June 30, 1991

	Pension Trust Funds	Nonexpendable Trust Funds				Expendable Trust Funds								
	Retirement Trust Fund	School Fund	Neville Manor Fund	Library Fund	Other Funds	School Fund	Neville Manor Fund	Library Fund	Cemetary Fund	Health Claims Trust Fund	Stabilization Trust Fund	Other Funds	Agency Funds	Total
Assets														
Cash and short-term investments	$ 17,700,542	24,164	25,733	50,011	60,100	37,867	48,059	50,998	1,334,285	7,972,614	4,042,526	574,685	887,174	32,808,758
Other investments	91,333,017	-	-	4,019	-	-	-	10,000	-	-	-	-	-	91,347,036
Accounts receivable	826,661	-	-	-	-	-	-	-	-	-	-	-	-	826,661
Due from other governments	797,870	-	-	-	-	-	-	-	-	-	-	-	-	797,870
Other assets	1,399,779	-	-	-	-	-	-	-	-	-	-	231,000	-	1,630,779
Total assets	112,057,869	24,164	25,733	54,030	60,100	37,867	48,059	60,998	1,334,285	7,972,614	4,042,526	805,685	887,174	127,411,104
Liabilities and Fund Equity														
Accounts Payable	121,887	-	-	-	-	-	-	-	-	-	-	-	-	121,887
Guarantee deposits and amounts due to other taxing authorities	-	-	-	-	-	-	-	-	-	-	-	-	887,174	887,174
Total liabilities	121,887	-	-	-	-	-	-	-	-	-	-	-	887,174	1,009,061
Fund equity - reserved for specific purposes	111,935,982	24,164	25,733	54,030	60,100	37,867	48,059	60,998	1,334,285	7,972,614	4,042,526	805,685	-	126,402,043
Total liabilities and fund equity	$112,057,869	24,164	25,733	54,030	60,100	37,867	48,059	60,998	1,334,285	7,972,614	4,042,526	805,685	887,174	127,411,104

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses, and Changes in Fund Equity

Pension and Nonexpendable Trust Funds

Year ended June 30, 1991

	Pension Trust Funds	Nonexpendable Trust Funds				
	Retirement Trust Fund	School Fund	Neville Manor Fund	Library Fund	Other Funds	Total
Revenues:						
Income from employer and member contributions	$ 20,311,341	-	-	-	-	-
Donations	-	-	-	171	-	171
Investment income	1,034,347	2,537	2,702	3,244	6,311	14,794
Bond amortization	626,533	-	-	-	-	-
Total revenues	21,972,221	2,537	2,702	3,415	6,311	14,965
Expenses:						
Pension plan benefit payments	17,365,751	-	-	-	-	-
Net loss on sale of investments	1,276,677	-	-	-	-	-
Other	281,050	-	-	-	-	-
Income before operating transfers	3,048,743	2,537	2,702	3,415	6,311	14,965
Transfers to other funds	-	(2,537)	(2,702)	(3,244)	(6,311)	(14,794)
Net income	3,048,743	-	-	171	-	171
Fund equity at beginning of year	108,887,239	24,164	25,733	53,859	60,100	163,856
Fund equity at end of year	$ 111,935,982	24,164	25,733	54,030	60,100	164,027

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Cash Flows

Nonexpendable Trust Funds

Year ended June 30, 1991

	Nonexpendable Trust Funds				
	School Fund	Neville Manor Fund	Library Fund	Other Fund	Total
Cash flows from operating activities:					
Operating income	$ 2,537	2,702	3,415	6,311	14,965
Cash flows from noncapital financing activities					
Operating transfer - out to Expendable trusts	(2,537)	(2,702)	(3,244)	(6,311)	(14,794)
Net increase in cash and cash equivalents	-	-	171	-	171
Cash and cash equivalents at beginning of year	24,164	25,733	49,840	60,100	159,837
Cash and cash equivalents at end of year	$ 24,164	25,733	50,011	60,100	160,008

CITY OF CAMBRIDGE

Combining Statement of Revenues, Expenditures, and Changes in Fund Equity

Expendable Trust Funds

Year ended June 30, 1991

	Expendable Trust Funds							
	School Fund	Neville Manor Fund	Library Fund	Cemetery Fund	Health Claims Trust Fund	Stabilzation Trust Fund	Other Funds	Total
Revenues:								
Investment income	$ 9,994	4,512	4,088	53,388	303,904	273,377	59,367	708,630
Donations	10,000	-	7,924	-	-	-	112,260	130,184
Contributions	-	-	-	-	823,773	-	-	823,773
Cemetery deposits	-	-	-	124,904	-	-	-	124,904
	19,994	4,512	12,012	178,292	1,127,677	273,377	171,627	1,787,491
Expenditures:								
Other	58,738	2,812	2,586	65,380	82,370	-	286,845	498,731
Excess (deficiency) of revenues over expenditures	(38,744)	1,700	9,426	112,912	1,045,307	273,377	(115,218)	1,288,760
Operating transfers from other funds	2,537	2,702	3,244	-	1,000,000	-	6,311	1,014,794
Operating transfers to other funds	-	-	-	(100,000)	-	-	(40,525)	(140,525)
Excess (deficiency) of revenue over expenditures and transfers	(36,207)	4,402	12,670	12,912	2,045,307	273,377	(149,432)	2,163,029
Fund equity at beginning of year	74,074	43,657	48,328	1,321,373	5,927,307	3,769,149	955,117	12,139,005
Fund equity at end of year	$37,867	48,059	60,998	1,334,285	7,972,614	4,042,526	805,685	14,302,034

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds

Year ended June 30, 1991

Assets	Balance June 30, 1990	Additions	Deductions	Balance June 30, 1991
Cash:				
Contract bids	$ 11,680	-	-	11,680
Plans	2,165	-	-	2,165
Tree removals	485	-	-	485
Driveways	1,178	153,728	11,480	143,426
Street openings	-	38,500	13,946	24,554
Sidewalk openings	150	-	-	150
In lieu of bond	70,645	-	-	70,645
License commission	45,615	5,160	29,215	21,560
Cambridge police detail	(145,182)	3,630,003	3,607,550	(122,729)
Cambridge fire detail	(910)	64,595	62,197	1,488
Dog licenses	(911)	-	-	(911)
Sporting licenses	(35)	11,759	11,862	(138)
Dog officer	570	-	-	570
Constable fees	(4,321)	80,239	79,481	(3,563)
Meal tax agency	36,619	-	-	36,619
Senior cab	4,279	-	-	4,279
Water service renewal	17,422	-	-	17,422
Undistributed interest	3,808	-	-	3,808
Purchase of trees	15,690	16,508	13,876	18,322
Accident & Life Insurance	146,171	214,012	197,069	163,114
Medicare	2,961	139	-	3,100
Car seat program	1,539	-	-	1,539
Deferred compensation	1,409	-	-	1,409
Commonwealth Health	2	-	10,703	(10,701)
Legal fees	7,353	22,656	30,000	9
Retirement office payroll	128,355	331,180	397,259	62,276
Optional Boston Mutual	(60,457)	184,141	134,960	(11,276)
New England Life	14,154	6,295	2,000	18,449
Continental Casualty	(332)	8,067	8,632	(897)
Teacher Insurance Reimbursement	4,940	-	-	4,940
Teachers Retirement	42,721	26,343	-	69,064
Excise Registry Fees	4,265	9,592	-	13,857
3 Bigelow Contingency Fund	5,811	12,454	-	18,265
Retroactive Wages	1,785	-	-	1,785
Land Court Fees	1,640	10	-	1,650
Choke Program	-	1,190	460	730
Unclaimed checks	-	320,029	-	320,029
Total	$361,264	5,136,600	4,610,690	887,174

(continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds, continued

Year ended June 30, 1991

Liabilities	Balance June 30, 1990	Additions	Deductions	Balance June 30, 1991
Guarantee deposits and amounts due other taxing authorities:				
Contract bids	$11,680	-	-	11,680
Plans	2,165	-	-	2,165
Tree removals	485	-	-	485
Driveways	1,178	153,728	11,480	143,426
Street openings	-	38,500	13,946	24,554
Sidewalk openings	150	-	-	150
In lieu of bond	70,645	-	-	70,645
License commission	45,615	5,160	29,215	21,560
Cambridge police detail	(145,182)	3,630,003	3,607,550	(122,729)
Cambridge fire detail	(910)	64,595	62,197	1,488
Dog licenses	(911)	-	-	(911)
Sporting licenses	(35)	11,759	11,862	(138)
Dog officer	570	-	-	570
Constable fees	(4,321)	80,239	79,481	(3,563)
Meal tax agency	36,619	-	-	36,619
Senior cab	4,279	-	-	4,279
Water service renewal	17,422	-	-	17,422
Undistributed interest	3,808	-	-	3,808
Purchase of trees	15,690	16,508	13,876	18,322
Accident & Life Insurance	146,171	214,012	197,069	163,114
Medicare	2,961	139	-	3,100
Car seat program	1,539	-	-	1,539
Deferred compensation	1,409	-	-	1,409
Commonwealth Health	2	-	10,703	(10,701)
Legal fees	7,353	22,656	30,000	9
Retirement office payroll	128,355	331,180	397,259	62,276
Optional Boston Mutual	(60,457)	184,141	134,960	(11,276)
New England Life	14,154	6,295	2,000	18,449
Continental Casualty	(332)	8,067	8,632	(897)
Teacher Insurance Reimbursement	4,940	-	-	4,940
Teachers Retirement	42,721	26,343	-	69,064
Excise Registry Fees	4,265	9,592	-	13,857
3 Bigelow Contingency Fund	5,811	12,454	-	18,265
Retroactive Wages	1,785	-	-	1,785
Land Court Fees	1,640	10	-	1,650
Choke Program	-	1,190	460	730
Unclaimed checks	-	320,029	-	320,029
Total	$ 361,264	5,136,600	4,610,690	887,174

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DESCRIPTION OF TRUST FUNDS

School Trust Funds

Robert Calef Children Fund

In 1987, the City Council accepted $6,290 to establish the Robert Calef Children's Trust Fund. The initial funding was derived from a roast of Oliver S. Brown, retiring Deputy Superintendent. The purpose of the trust is to provide books for children in kindergarten through grade three including non-graded pupils of comparable age in the Cambridge Public Schools. The funds shall be used at the direction of a board of six trustees to be composed of six primary teachers of the Cambridge Public School system which shall include three designees of the Superintendent of Schools and three of the President of the Cambridge Teachers' Association. Expenditures may be made from principal and interest, except that the balance shall not fall below $2,000. As of June 30, 1991, the expendable balance was $5,245.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 8,590	$ 2,247	$ 903	$ 7,246

Cambridge Public School Fund

In February of 1986, the City accepted a $10,000 gift from Amelia Peabody Foundation to establish the Cambridge Public School Trust. This initial gift was to provide for the expansion of the computer capability at the Graham and Parks Alternative Public School, so that students with limited English speaking ability can be effectively served. Generally, this trust was established to accept special gifts for the Cambridge School Department for specific purposes, with all future gifts being formally accepted by the City Council before expenditures can occur. As of June 30, 1991, the expendable balance was $9,327.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 162	$ 860	$ 10,025	$ 9,327

John Wesley Freese Fund

At the time of his death in 1910, John Wesley Freese willed the sum of $100 to the Houghton School. Of this amount only $89.36 was actually received. The school was subsequently closed and demolished; the trust now provides funds for the purchase of books or works of art for any school. As of June 30, 1991, the expendable balance was $590.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 764	$ 0	$ 80	$ 844

Georgia Hardy Spelling Contest

This fund was a gift from Georgia Hardy which consisted of one share of American Telephone and Telegraph Common Stock. Over the years this stock was split into 6 shares, and recently was redeemed because of the A T & T break-up. The income is to be expended for one or more books, which are to be awarded as prizes to the winners of a spelling contest to be conducted annually among the students of the senior class of Cambridge Rindge and Latin High School. The purpose of the trust is to promote interest in the correct spelling of words of the English language. As of June 30, 1991, the expendable balance was $942.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 898	$ 50	$ 94	$ 942

Charity of Edward Hopkins Fund

This "charity" represents the oldest continuous scholarship in the United States, with the history dating back to 1675. At that time Edward Hopkins, the Royal Governor of Connecticut, bequeathed the sum of 500 pounds for the "encouragement in those foreign plantations for the breeding of hopeful youths both at the grammar school and college levels for the public service of the country in future times." Due to political considerations, the intent of the trust was never carried out. On March 7, 1710, Head Keeper Harcourt decreed that the 500 pounds, with interest from June 10, 1700 to March 7, 1710, should be used to purchase land in New England under the name of the corporation for the propagation of the Gospel. The revenue from the land was to be used for the benefit of the college and grammar school at Cambridge in New England. The trustees and the City have agreed to expend 1/4 of the net income for classical instruction and scholarship prizes at the Cambridge Rindge and Latin High School. As of June 30, 1991, the expendable balance was $(1,026).

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ (1,026)	$ 0	$ 0	$ (1,026)

Edward Kingman Scholarship Fund

The sum of $1,700 was donated to Cambridge to form the Edward Kingman Scholarship. This scholarship fund was established to award a prize during the first year of college to a student who graduated from Cambridge Rindge and Latin High School with the highest grade and who attends college the next year. As of June 30, 1991, the expendable balance was $7,632.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 8,898	$ 500	$ 934	$ 9,332

Longfellow School Fund

The Longfellow School Fund is of unknown origin. It is to be held in trust for the students of the Longfellow School. As of June 30, 1991, the expendable balance was $2,246.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 2,033	$ 0	$ 213	$ 2,246

Massachusetts Society of Cincinnati Fund

In 1969, the Massachusetts Society of Cincinnati gave $300 to the Cambridge School Department staff for training and the purchase of materials related to minorities to be used in United States History and Political Science courses. As of June 30, 1991, the expendable balance was $ 0.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 737	$ 954	$ 217	$ 0

Charles Merrill Fund

On October 2, 1972, the City Council accepted a gift of $25,000 from the Charles E. Merrill Trust. This amount was to be used for the support of the special expenses of the Cambridge Alternative Public School. As of June 30, 1991, the expendable balance was $4,707.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 4,260	$ 0	$ 447	$ 4,707

Thomas McCann Fund

In 1969 the McCann Company established a fund to reimburse teachers who participate in training workshops on minorities and poverty. Part of this money was applied to the purchase of social studies materials. As of June 30, 1991, the expendable balance was $1,376.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 1,245	$ 0	$ 131	$ 1,376

Edward J. Shea Memorial Fund

In June of 1965, the City Council accepted the Edward Shea Memorial Fund. The annual income from the principal of $300 was to be awarded to a member of the graduating class of the Cambridge Rindge and Latin High School "who has shown himself to be cognizant of the obligation of a good citizen; law abiding; a diligent student; respectful to faculty and interested in his associates." The winner is to be chosen by the Headmaster and two members of the faculty. As of June 30, 1991, the expendable balance was $817.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 1,011	$ 0	$ 106	$ 1,117

Webster H. Thierry Historic Prize Fund

This fund was established through a $300 donation by Adelaide R. Thierry. A book is purchased as a prize to the pupil judged by the Headmaster of Cambridge Rindge and Latin High School to have done the best work in the most advanced American History and Government course during the current year. As of June 30, 1991, the expendable balance was $2,340.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 2,389	$ 0	$ 251	$ 2,640

J. Maxwell Joseph Memorial Writing Award Trust Fund

The J. Maxwell Joseph Memorial Writing Award Trust Fund was established to commemorate J. Maxwell Joseph, a 1988 graduate of Cambridge Rindge and Latin High School, who died on August 26, 1988. The purpose of the Trust is to provide an annual Writing Center Award at Cambridge Rindge and Latin High School (CRLS). The CRLS Writing Center provides students with the opportunity to develop writing skills. This award will be granted to the graduating senior who makes the best use of the Writing Center. As of June 30, 1991, the expendable balance was $1,689.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 19,908	$ 1,200	$ 2,090	$ 20,798

School Textbook Trust Fund

This trust fund was established during fiscal year 1990 to provide funds for the purchase of textbooks. As of June 30, 1991, the expendable balance was $1,876.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 47,821	$ 52,927	$ 6,982	$ 1,876

Henry Wise Book Prize Trust Fund

This fund was established during 1990 by the Cambridge Police Association in memory of Henry Wise, who served as legal counsel to the Association for many years. The purpose of the fund is to provide annual book prizes to graduating seniors from Cambridge Rindge and Latin High School who have demonstrated exemplary community or school service. As of June 30, 1991, the expendable balance was $106.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 548	$ 0	$ 58	$ 606

Neville Manor Nursing Home Trust Funds

Anna D. Behlen Fund

Under the terms of Anna D. Behlen's will, accepted by the Council on March 11, 1974, the Neville Manor Nursing Home was the recipient of a gift of $1,800, whose interest is to be used for the enjoyment and recreation of the residents of Neville Manor. As of June 30, 1991, the expendable balance was $(1,095).

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 2,609	$ 2,178	$ 274	$ 705

Anna Burke Fund

In 1971, the City Council accepted $2,500 as a partial distribution of the estate of Anna Burke. The final distribution amounted to $5,028.70. The purpose of the fund is to benefit the residents of Neville Manor and act as a memorial to Mrs. Burke's late husband, Frederick H. Burke, a former City Clerk and City employee for over 50 years. As of June 30, 1991, the expendable balance was $2,936.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 7,207	$ 0	$ 757	$ 7,964

Reverend Patrick H. Callahan Fund

A gift in the amount of $2,000 was willed to the City by Reverend Patrick H. Callahan, Pastor of St. Peter's Church. The interest of the trust is to be spent for a "feast day" on December 18th for the residents of the Neville Manor. As of June 30, 1991, the expendable balance was $4,126.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 5,544	$ 0	$ 582	$ 6,126

John Harty Fund

Margaret A. Harty bequeathed to the City the sum of $5,000 in memory of her brother John Harty. The interest of the trust is to provide "entertainment and comfort" for the residents of the Neville Manor. As of June 30, 1991, the expendable balance was $3,089.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 3,422	$ 634	$ 301	$ 3,089

John W. Hodge Fund

Under the terms of the will of John W. Hodge, Neville Manor received the sum of $1,786.67 to serve as the principal of the John W. Hodge Fund. The income from this fund is used to provide a Christmas of "good cheer" for the residents. As of June 30, 1991, the expendable balance was $3,794.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 4,738	$ 0	$ 556	$ 5,294

Minnie Perry Fund

Miss Minnie Perry donated the residue of her estate to the City to be used "to promote spiritual and material joys" for the residents of Neville Manor. The principal of this fund is $7,590 of which the income can be used for Christmas and Easter parties. As of June 30, 1991, the expendable balance was $14,531.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 20,024	$ 0	$ 2,098	$ 22,122

Frank F. Rogers, Jr. Fund

At the time of the death of the wife of Frank F. Rogers, $50,000 was divided into 10 equal shares, one of which Neville Manor received. The trust stipulates that the annual income should be expended for entertainment and gifts for the residents of Neville Manor. As of June 30, 1991, the expendable balance was $6,529.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 10,495	$ 0	$ 1,034	$ 11,529

Sarah E. Russell Fund

As provided in the will of Sarah E. Russell, who died Oct 6, 1897, the sum of $814.41 was paid to the City, "the income therefrom to be annually expended in or towards providing a Christmas Tree or Christmas gifts and entertainment for the residents of the Neville Manor." As of June 30, 1991, the expendable balance was $2,904.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 3,365	$ 0	$ 353	$ 3,718

John and Catherine Shine Fund

Elizabeth M. Shine bequeathed the sum of $2,000 to Neville Manor. The income is to be used for a celebration on January 9th, in memory of the wedding day of Miss Shine's parents. As of June 30, 1991, the expendable balance was $11,245.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 11,986	$ 0	$ 1,259	$ 13,245

Library Trust Funds

Bookmobile Trust Fund

This fund represents money remaining from citizen contributions after the purchase of a new bookmobile in fiscal year 1984. The fund will be used to develop a special children's book collection and to cover any unbudgeted or unexpected maintenance costs for the bookmobile. As of June 30, 1991, the expendable balance was $ 0.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ (225)	$ 0	$ 225	$ 0

Cambridge Field Branch Library Fund

In May of 1985, the City Council accepted an anonymous gift of $2,000 to establish the Cambridge Field Branch Library Trust. The trust is to be used to purchase materials to expand the Cambridge Field Branch Library's existing holdings and to make improvements to the library beyond the scope of normal maintenance and replacement. In addition, the trust is to be used to fund special projects that are unique to the neighboring community. As of June 30, 1991, the expendable balance was $10,796.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 10,415	$ 2,418	$ 2,799	$ 10,796

Cambridge History Fund

The City Council accepted a gift of $10,000 in February 1979 to be used by the Cambridge Public Library to produce a series of publications whose story constitutes the history of Cambridge. In addition, funds are to be used to expand and preserve the holdings of the Cambridge Memorial Room at the Library. As of June 30, 1991, the expendable balance was $1,505.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 10,753	$ 0	$ 952	$ 11,705

Cambridge Public Library Benefit Fund

The City Council authorized the establishment of a Library Benefit Trust Fund by the Trustees of the Cambridge Library in February 1988. The trust is to be used for general library purposes. As of June 30, 1991, the expendable balance was $2,614.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 1,873	$ 168	$ 909	$ 2,614

Citizens of Cambridge Fund

An anonymous citizen of Cambridge donated $3,000 in 1923 and 1924 and $2,400 in 1926 to the Cambridge Public Library. Income from these gifts was to be used for books on Americanization, the fine arts, general nature, and binding. As of June 30, 1991, the expendable balance was $4,850.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 11,306	$ 0	$ 944	$ 12,250

Citizens Subscription Fund

In 1899, a citizens committee raised funds for books for the newly opened public library. An unexpended balance of $5,000 was placed in trust in a U.S. Treasury Bond, No. 3867, due 1998, with the resulting income to be used for the same purpose. As of June 30, 1991, the expendable balance was $1,241.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 6,544	$ 0	$ 197	$ 6,741

Daniel P. Cummings Fund

Daniel P. Cummings bequeathed to the trustees of the Cambridge Public Library in 1899 the sum of $2,000. Income was to be used for the purchase of non-sectarian books for the library. As of June 30, 1991, the expendable balance was $1,353.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 3,104	$ 0	$ 259	$ 3,363

Isaac Fay Fund

In accordance with the provisions of the will of Isaac Fay who died December 29, 1872, the sum of $1,000 was paid to the trustees of the Cambridge Public Library to be invested and used for the purchase of books. As of June 30, 1991, the expendable balance was $455.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 1,343	$ 0	$ 112	$ 1,455

Harry Futterman Fund

Since 1958, the Cambridge Public Library has been the recipient of a grant from the Harry Futterman Fund. This fund was established to assist existing libraries to lend classical music records to the public. Annually, the Cambridge Public Library submits an application to the Harry Futterman Fund to qualify for the grant, with any proceeds to be used for the purchase of classical records. As of June 30, 1991, the expendable balance was $51.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 47	$ 0	$ 4	$ 51

William Penn Harding Fund

William Penn Harding at the time of his death donated $1,000 to the trustees of the Cambridge Public Library for the purchase of science, art and travel books which are to be stamped "William Penn Harding Library Fund." As of June 30, 1991, the expendable balance was $736.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 1,602	$ 0	$ 134	$ 1,736

Abigail Howe Fund

In her will dated 1917, Abigail Howe bequeathed to the board of trustees of the Cambridge Public Library an unrestricted gift of $3,000. As of June 30, 1991, the expendable balance was $1,749.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 4,383	$ 0	$ 366	$ 4,749

Gertrude E. Kirkley Fund

In January of 1987, the Cambridge Public Library was the recipient of a $1000 gift from a Cambridge citizen who wished to remain anonymous for the establishment of a trust fund to honor the memory of Gertrude E. Kirkley. The gift provides that the interest earned will be used for the purchase of books and materials that will benefit all the residents of Cambridge. As of June 30, 1991 the expendable balance was $446.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 1,335	$ 0	$ 111	$ 1,446

Jeanne Kantor Landon Fund

In August of 1983, the City Council accepted a gift of $500 to establish a Jeanne Kantor Landon Trust Fund, to be used by the Cambridge Public Library to purchase books about art and artists anywhere in the world, and from any historical period, as well as for books concerning serious and light opera. Books purchased from the trust will carry a label bookplate indicating that the source of the gift is in honor of Jeanne Kantor Landon from her family and friends. The principal amount may be used by the Library for book purchases as necessary and interest income from the principal is unrestricted. As of June 30, 1991, the expendable balance was $653.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 603	$ 0	$ 50	$ 653

Maria Murdock Fund

In 1922, Maria Murdock left to the Cambridge Public Library an unrestricted gift of $2,000. As of June 30, 1991, the expendable balance was $1,079.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 2,842	$ 0	$ 237	$ 3,079

Carrie Saunders Fund

A sum of $1,500 was placed in trust by the family of Carrie Saunders with the resulting interest to be used for the purchase of books on art. As of June 30, 1991, the expendable balance was $3,365.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 4,490	$ 0	$ 375	$ 4,865

William E. Saunders Fund

In accordance with the will of Abigail L. Prentiss, the residue of her estate, $7,350.39, was placed in trust for the Cambridge Public Library, principal as well as interest is to be used to purchase books and maintain the William E. Saunders alcove. The Saunders Fund owns a $5,000 Atcheson, Topeka and Sante Fe Railroad Company Bond, due in 1995. As of June 30, 1991, the expendable balance was $5,922.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 12,127	$ 0	$ 795	$ 12,922

Webster H. Thierry Library Fund

In 1956, Adelaide R. Thierry donated the sum of $1,128 to the City of Cambridge to establish the "Webster H. Thierry Shelf." The income is to be used to provide low cost book plates and to purchase books. As of June 30, 1991, the expendable balance was $4,668.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 5,350	$ 0	$ 447	$ 5,797

Edward H. Whorf Fund

Under the terms of his will, Edward R. Whorf gave $1,000 for the benefit of the Library. In addition, Edward J. Whorf donated $3,000 to be invested or expended for the benefit of the library with the requirement that the library catalogue his works concerning Mexico and Latin America and expand the catalogue periodically. As of June 30, 1991, the expendable balance was $8,952.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 11,954	$ 0	$ 998	$ 12,952

Mehitable C.C. Wilson Fund

According to the terms of Mehitable Wilson's will, the Cambridge Public Library received $500. This sum was a gift to be used by the trustees for the benefit of the library. As of June 30, 1991, the expendable balance was $1,124.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 2,422	$ 0	$ 202	$ 2,624

James A. Woolson Fund

At the time of his death in 1905, James A. Woolson donated 50 shares of F. Brigham and Gregory stock to the Cambridge Public Library. This stock was eventually converted to $5,000 cash which was used to purchase an American Telephone and Telegraph Bond, due 2001, No. R-29-872. This trust is to be expended for the purchase of books that are designated by an appropriate plate or card. As of June 30, 1991, the expendable balance was $4,716.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 9,229	$ 0	$ 487	$ 9,716

Eleanor Collins Burke Trust Fund

The Eleanor Collins Burke Trust Fund was established during 1990 by co-workers and friends of Mrs. Burke in recognition of her dedicated service to the City of Cambridge. The purpose of this trust fund is to provide funds to purchase materials and books for the Daniel P. Collins Branch Library. This Library is named in honor of Eleanor Burke's father. As of June 30, 1991, the expendable balance was $118.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 690	$ 0	$ 229	$ 919

P.H. Dolan Lecture Fund

The Philip H. Dolan Lecture Fund was established in 1991 by Mrs. Ruth Brooks Heath in recognition of Philip Hilary Dolan, Librarian of the Cambridge Public Library from 1949 to 1971, for his devoted work in developing the Library's greater potential to serve its Community. The purpose of this fund is to provide funds for an annual lecture on the importance and value of books and libraries. As of June 30. 1991, the expendable balance was $1,000.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 0	$ 0	$ 1,000	$ 1,000

Dorothea J. Petery Memorial Fund

The Dorothea J. Petery Memorial Fund was established in 1991 by relatives and friends of Dorothea J. Petery. The purpose of the trust is to provide funds for the purchasing of children's materials and services benefitting all the children in the Cambridge Community. As of June 30, 1991, the expendable balance was $3,595.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 0	$ 0	$ 3,595	$ 3,595

Other Trust Funds

Bridge Charitable Fund

The Bridge Charitable Fund was founded by Levi Bridge in 1875. In 1877, Samuel Bridge, a relative of the founder, donated a sum sufficient to double Levi Bridge's original gift. The Mayor, City Manager, and Finance Director are trustees and may allow distribution of the funds to referral clients of reputable social services agencies such as the Department of Public Welfare. As of June 30, 1991, the expendable balance was $12,476.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 15,097	$ 0	$ 1,585	$ 16,682

Charles Bullock Fund

In his will dated November 16, 1932, Charles Bullock directed the trustees of his estate, at the time of his wife's death, to turn over the residue of his wife's inheritance to the City of Cambridge to provide school children with proper instruction in dental hygiene. As of June 30, 1991, the expendable balance was $175,810.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
S 191,433	$ 0	$ 14,377	$ 205,810

Facade Preservation Fund

On June 13, 1983, the Cambridge City Council authorized the establishment of an expendable trust for a donation received by the Cambridge Historical Commission from the owner of 1420-1440 Massachusetts Avenue. This expendable trust was established for the deposit of this donation and other similar donations to be received by the Historical Commission. The Historical Commission may use the principal and accrued interest for the administration of its preservation programs within the City of Cambridge from time to time. As of June 30, 1991, the expendable balance was $24,765.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 20,602	$ 0	$ 4,163	$ 24,765

Housing Trust Fund

In fiscal year 1988, the City established an Affordable Housing Trust to facilitate the development and/or rehabilitation of affordable housing units. Developers who obtain a special permit authorizing an increase in the permitted density of population or intensity of a particular use in a proposed development, are required either to create housing or to contribute an amount based on square footage to the Affordable Housing Trust. As of June 30, 1991, the expendable balance was $454,888.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 522,912	$ 145,000	$ 76,976	$ 454,888

Smith Hughes Fund

The Smith Hughes Fund consists of the unexpended balance of the gift the City received some years ago. As of June 30, 1991, the expendable balance was $6,181.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 5,700	$ 118	$ 599	$ 6,181

John Kinnear Fund

In 1873, John Kinnear bequeathed $10,000 to be held in trust to memorialize Company C, Third Regiment, the first unit to respond to President Lincoln's call for volunteers to duty in the War Between the States. As of June 30, 1991, the expendable balance was $3,725.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 12,421	$ 0	$ 1,304	$ 13,725

Melville Shoe Fund

In 1969, the Melville Shoe Company set up a fund to support a program for training retarded young adults. As of June 30, 1991, the expendable balance was $1,045.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 946	$ 0	$ 99	$ 1,045

Bridget McGuire Fund

In 1974, Bridget McGuire bequeathed to the Cambridge Hospital the sum of $2,000 in memory of her late sister, Margaret Mahoney, to be used for the care of needy patients. As of June 30, 1991, the expendable balance was $7,264.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 6,574	$ 0	$ 690	$ 7,264

Cambridge Plant & Garden Club Tree Fund

In the spring of 1963, the City accepted a gift of $300 to establish the Tree Fund. This fund has been used to augment the City's program of tree planting and other various conservation activities. The fund receives occasional deposits from the Cambridge Plant and Garden Club. There are no restrictions on the amount that can be spent, only that it should be used for conservation and horticultural activities. As of June 30, 1991, the expendable balance was $21,533.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 19,186	$ 0	$ 2,347	$ 21,533

Mary "Molly" Ramsey Fund

In October of 1963, the City accepted a gift of $5,000 from the estate of Mary "Molly" Ramsey. The income from this fund is to be used annually to sponsor a competition for junior golfers and a Member-Guest Tournament at the Fresh Pond Golf Course. In the event that the before-mentioned purpose of the fund cannot be served, then it is required that the income of any or all of the principal may be used for other purposes, but only with the unanimous decision of the Chief Executive Officer, Recreation Director, Treasurer of the City of Cambridge and golf professionals at the Fresh Pond Golf Course. As of June 30, 1991, the expendable balance was $12,727.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 16,993	$ 525	$ 1,259	$ 17,727

Completion of the Soldiers Monument Fund

This trust consists of the residue of the funds used to erect the Soldiers Monument on the Old Burying Grounds/Cambridge Common. The City is planning to use the funds from this trust for the refurbishing of the Monument, when necessary. As of June 30, 1991 the expendable balance was $1,064

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 963	$ 0	$ 101	$ 1,064

Sheehan War Memorial Fund

This fund was begun by the students of Cambridge Rindge and Latin High School to install a plaque in the War Memorial in honor of the war dead. However, the City dedicated a plaque before the Cambridge Rindge and Latin High School fund reached its goal. The City is contemplating alternative uses of the trust which will adhere to the intent of the trust. As of June 30, 1991 the expendable balance was $8,127.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 7,355	$ 0	$ 772	$ 8,127

Daniel C. White /J. Warren Merrill Charity Fund

On May 16, 1863, Mr. Daniel C. White made a gift to the Mayor of the City of Cambridge, George C. Richardson, of $5,000 to be held in trust: "to hold and invest the same safely and apply the income thereof from time to time according to the discretion of the trustees to the purchasing and distribution of fuel among worthy and deserving poor of my native city of Cambridge." On February 13, 1890, the trustees recorded the receipt of a legacy under Article 33 of the will of J. Warren Merrill of $5,000 and also 30 shares of Union Hall Association "the income only to be expended in the purchase of fuel and food for native born American persons who have seen better days and are in reduced circumstances from sickness and misfortune." The stock sold for $360. In January of 1959, the City Council combined the trusts. Under the new terms of the fund, the City administers the trust for "deservingly poor of Cambridge who are not recipients of public welfare." As of June 30, 1991, the expendable balance was $12,882.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 21,517	$ 0	$ 2,259	$ 23,776

Mary Conlan Trust Fund

The Trust was established to provide for the beautification and maintenance of the Mary Conlan Park, located in Cambridge. This park was named for Mary Conlan, a long-time civic leader and life-long resident of Cambridge who died in 1990. As of June 30, 1991, the expendable balance was $4,744.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 921	$ 8,134	$ 11,957	$ 4,744

Cambridge Special Law Enforcement Trust Fund

This trust fund was established pursuant to Massachusetts General Laws, Chapter 94, Section 47. The purpose of the trust is to expend funds to defray the costs of protracted investigations, to provide additional technical equipment or expertise to the Cambridge Police Department, to provide matching funds to obtain federal grants or for other such law enforcement purposes as the Chief of Police of the City of Cambridge deems appropriate. As of June 30, 1991, the expendable balance was $58,454.

FY 1991 Opening Balance	FY 1991 Expenditures	FY 1991 Income	FY 1991 Closing Balance
$ 172,597	$ 173,593	$ 59,450	$ 58,454

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Other Schedules

The following schedules present detailed information on the City's real estate, personal property, and motor vehicle excise taxes, bonds payable, and general fixed assets as of June 30, 1991.

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Real Estate, Personal Property, and Motor Vehicle Excise Taxes

Year ended June 30, 1991

	Uncollected June 30, 1990	Commitments	Abatements	Transfers to Tax Title	Refunds	Collections	Adjustments Increase (decrease)	Uncollected June 30, 1991
Real estate taxes:								
1979 and prior	$ 177,276	-	146	-	2,067	1,545	(332)	177,320
1980	54,608	-	108	-	341	3,217	(12,761)	38,863
1981	52,234	-	1,608	-	291	2,866	(3,095)	44,956
1982	54,536	-	180	-	1,253	6,604	(2,531)	46,474
1983	108,702	-	189	-	78	6,026	(17,487)	85,078
1984	64,051	-	4,260	-	7,301	8,227	(5,839)	53,026
1985	56,552	-	1,506	-	5,473	1,989	(3,247)	55,283
1986	28,677	-	331	-	1,372	13,015	(1,072)	15,631
1987	41,853	-	14	-	458	3,478	1,133	39,952
1988	17,503	-	1,085	-	28,101	3,919	(29,322)	11,278
1989	30,034	-	22,710	-	38,710	8,817	(11,869)	25,348
1990	6,631,412	-	885,784	3,736,338	1,125,325	2,707,844	482,970	909,741
1991	-	114,535,739	1,916,875	-	422,561	106,480,345	(94,451)	6,466,629
	$7,317,438	114,535,739	2,834,796	3,736,338	1,633,331	109,247,892	302,097	7,969,579
Personal property taxes:								
1979 and prior	$204,535	-	-	-	-	-	-	204,535
1980	58,528	-	-	-	-	-	-	58,528
1981	71,221	-	-	-	-	-	-	71,221
1982	85,147	-	-	-	-	-	-	85,147
1983	103,931	-	-	-	-	-	-	103,931
1984	81,835	-	-	-	-	-	-	81,835
1985	79,889	-	-	-	-	-	-	79,889
1986	68,456	-	-	-	-	-	-	68,456
1987	470,532	-	-	-	-	-	-	470,532
1988	198,094	-	390	-	4,709	-	(4,153)	198,260
1989	163,966	-	326	-	2,032	89	(2,114)	163,469
1990	211,988	-	2,566	-	20,129	50,814	(13,977)	164,760
1991	-	3,459,786	16,890	-	15	3,288,388	20,414	174,937
	$1,798,122	3,459,786	20,172	-	26,885	3,339,291	170	1,925,500
Motor vehicle excise taxes:								
1979 and prior	$1,244,520	-	1,243,388	-	98	1,150	-	80
1980	317,182	-	314,379	-	43	2,886	63	23
1981	127,231	-	505	-	147	1,706	(244)	124,923
1982	126,745	-	414	-	-	2,928	852	124,255
1983	108,105	-	261	-	-	1,615	155	106,384
1984	102,375	-	123	-	-	1,839	(18)	100,395
1985	138,802	-	48	-	-	2,079	-	136,675
1986	137,608	-	147	-	-	4,866	(61)	132,534
1987	233,672	-	458	-	89	12,987	(19)	220,297
1988	265,876	-	1,462	-	397	21,979	(386)	242,446
1989	322,803	354,200	15,431	-	6,248	366,905	16,172	317,087
1990	283,332	828,648	36,250	-	28,345	842,412	41,608	303,271
1991	-	1,942,376	51,294	-	10,129	1,544,542	480	357,149
	$3,408,251	3,125,224	1,664,160	-	45,496	2,807,894	58,602	2,165,519

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable

June 30, 1991

	Interest Rates	Issue Dates	Final Maturity Date	Balance June 30,1990	Additions	Retired	Balance June 30,1991
Inside Debt Limit:							
Surface drainage loan	4.7%	9/1/72	9/1/92	$ 45,000	-	15,000	30,000
Surface drainage loan	5.38%	10/15/76	10/15/96	525,000	-	75,000	450,000
Multi-purpose	11.4-11.6%	6/1/82	6/1/92	100,000	-	50,000	50,000
Multi-purpose	5.6-5.7%	6/15/87	6/15/97	5,970,000	-	1,210,000	4,760,000
Multi-purpose	6.4-6.5%	6/15/89	6/15/99	10,810,000	-	1,205,000	9,605,000
Multi-purpose	6.4-6.6%	6/15/90	6/15/00	20,000,000	-	2,000,000	18,000,000
Multi-purpose	5.8-6.0%	6/15/91	6/15/01	-	7,310,000	-	7,310,000
Sewer Loan	9.1-9.2%	12/15/82	12/15/92	1,500,000	-	500,000	1,000,000
Lechmere Canal Park Loan	7.0%	7/1/85	7/1/95	2,650,000	-	450,000	2,200,000
Public Building Renovation	7.0%	7/1/85	7/1/90	300,000	-	300,000	-
Hospital loan (Boiler renovations)	7.0%	7/1/85	7/1/93	920,000	-	230,000	690,000
Lechmere Parking Garage	6.1-6.2%	7/1/86	7/1/94	445,000	-	85,000	360,000
Building Renovations	5.9-6.35%	6/15/88	6/15/98	2,415,000	-	305,000	2,110,000
Streets and Sidewalks	5.9-6.35%	6/15/88	6/15/98	800,000	-	100,000	700,000
Radio Equipment	5.9-6.35%	6/15/88	6/15/98	320,000	-	320,000	-
				46,800,000	7,310,000	6,845,000	47,265,000
Outside Debt Limit:							
School Project Loan	5.7%	9/1/70	9/1/90	300,000	-	300,000	-
School Project Loan	5.25%	7/1/71	7/1/91	380,000	-	190,000	190,000
School Project Loan	11.4-11.6%	6/1/82	6/1/92	500,000	-	250,000	250,000
High School Loan	5.7%	6/15/78	6/15/98	9,240,000	-	1,155,000	8,085,000
School Project Loan	7.2%	2/15/84	11/15/93	800,000	-	200,000	600,000
School Project Loan	9%	8/1/84	8/1/93	3,925,000	-	1,000,000	2,925,000
School Building Renovation	5.6-5.7%	6/15/87	6/15/97	1,260,000	-	180,000	1,080,000
				16,405,000	-	3,275,000	13,130,000
Parking:							
Lechmere Parking Garage	7.0%	7/1/85	7/1/93	1,040,000	-	260,000	780,000
Lechmere Parking Garage	6.1-6.2%	7/1/86	7/1/94	1,655,000	-	335,000	1,320,000
				2,695,000	-	595,000	2,100,000
Sewer Projects:							
Sewer Loan	5.38%	10/15/76	10/15/76	1,505,000	-	215,000	1,290,000
Sewer Loan	4.70%	9/1/72	9/1/92	300,000	-	100,000	200,000
				1,805,000	-	315,000	1,490,000
				$67,705,000	7,310,000	11,030,000	63,985,000

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of General Fixed Assets - by Function and Activity

Year Ended June 30, 1991

Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment
General Government:					
Control:					
Legislative	$ 35,267	-	-	-	35,267
Executive	59,167	-	-	-	59,167
Total Control	94,434	-	-	-	94,434
Staff Agencies:					
Elections	33,667	-	-	-	33,667
Finance	1,668,579	-	-	-	1,668,579
Law	52,467	-	-	-	52,467
Employee Benefits	4,396	-	-	-	4,396
Animal Commission	5,429	-	-	-	5,429
Public Celebrations	5,226	-	-	-	5,226
Total Staff Agencies	1,769,764	-	-	-	1,769,764
Total General Government	1,864,198	-	-	-	1,864,198
Public Safety:					
Building Inspection	-	-	-	-	-
License	14,011	-	-	-	14,011
Weights & Measures	10,219	-	-	-	10,219
Emergency Management	6,377	-	-	-	6,377
Fire Protection	8,036,375	3,274,675	1,806,228	-	2,955,472
Police Protection	2,843,331	999,803	483,994	-	1,359,534
Traffic and Parking	20,737,150	1,952,080	18,095,215	-	689,855
Electrical	619,107	50,000	147,315	-	421,792
Total Public Safety	32,266,570	6,276,558	20,532,752	-	5,457,260
Community Maintenance and Development:					
Public Works	25,020,186	15,226,777	5,548,768	-	4,244,641
Community Development	150,275	-	-	-	150,275
Historical Commission	13,889	-	-	-	13,889
Conservation Commission	1,018	-	-	-	1,018
Rent Control	85,238	-	-	-	85,238
Cable Television	92,855	-	-	-	92,855
Total Community Maintenance and Development	25,363,461	15,226,777	5,548,768	-	4,587,916
Human Resource Development:					
Library	1,580,159	125,000	1,098,556	-	356,603
Human Services	88,959,176	87,242,253	327,377	967,281	422,265
Human Rights Commission	7,347	-	-	-	7,347
Women's Commission	4,332	-	-	-	4,332
Health Dept./School Health	8,253	-	-	-	8,253
Veteran's Benefits	4,285	-	-	-	4,285
Total Human Resources	90,563,552	87,367,253	1,425,933	967,281	803,085
Public Schools	99,700,828	55,067,765	39,808,074	525,868	4,299,121
Neville Manor	-	-	-	-	-
Construction in Progress	11,358,616	-	-	-	-
Total General Fixed Assets	$261,117,225	163,938,353	67,315,527	1,493,149	17,011,580

CITY OF CAMBRIDGE MASSACHUSETTS

Schedule of Changes in General Fixed Assets - by Function and Activity

Year Ended June 30, 1991

Function and Activity	General Fixed Assets June 30, 1990	Additions	Deductions	General Fixed Assets June 30, 1991
General Government				
Control:				
Legislative	$ 41,716	1,501	7,950	35,267
Executive	59,333	664	830	59,167
Total Control	101,049	2,165	8,780	94,434
Staff Agencies:				
Elections	18,110	15,557	-	33,667
Finance	1,504,828	314,236	150,485	1,668,579
Law	24,583	27,884	-	52,467
Employee Benefits	1,036	3,360	-	4,396
Animal Commission	5,429	-	-	5,429
Public Celebrations	3,322	1,904	-	5,226
Total Staff Agencies	1,557,308	362,941	150,485	1,769,764
Total General Government	1,658,357	365,106	159,265	1,864,198
Public Safety:				
Building Inspection	10,459	-	10,459	-
License	20,124	750	6,863	14,011
Weights & Measures	10,219	-	-	10,219
Emergency Management	23,351	-	16,974	6,377
Fire Protection	8,483,357	29,510	476,492	8,036,375
Police Protection	2,821,474	40,132	18,275	2,843,331
Traffic and Parking	20,721,047	24,899	8,796	20,737,150
Electrical	500,021	119,086	-	619,107
Total Public Safety	32,590,052	214,377	537,859	32,266,570
Community Maintenance and Development:				
Public Works	24,584,590	501,352	65,756	25,020,186
Community Development	134,197	19,528	3,450	150,275
Historical Commission	13,889	-	-	13,889
Conservation Commission	2,975	1,032	2,989	1,018
Rent Control	59,009	26,229	-	85,238
Cable Television	86,508	11,217	4,870	92,855
Total Community Maintenance and Development	24,881,168	559,358	77,065	25,363,461
Human Resource Development:				
Library	1,559,790	34,897	14,528	1,580,159
Human Services	88,826,897	151,022	18,743	88,959,176
Human Rights Commission	4,129	3,218	-	7,347
Women's Commission	4,332	-	-	4,332
Health Dept./School Health	5,671	2,582	-	8,253
Veteran's Benefits	4,285	-	-	4,285
Total Human Resource	90,405,104	191,719	33,271	90,563,552
Public Schools	99,491,065	209,763	-	99,700,828
Neville Manor	6,534,984	154,915	6,689,899	-
Construction in Progress	7,699,310	3,659,306	-	11,358,616
Total General Fixed Assets	$ 263,260,040	5,354,544	7,497,359	261,117,225

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Statistical Section

STATISTICAL SECTION

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present nonaccounting data. The following tables reflect social and economic data, financial trends, and the fiscal capacity of the City. Some tables may reflect less than the required ten year history due to the unavailability of certain information. However, an attempt to present information on a ten year basis is being made on an on-going basis.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Government Expenditures by Function(1)

General Fund—Budget Basis

Last Ten Fiscal Years

Fiscal Year	General Government and Intergovernmental	Public Safety	Community Maintenance and Development	Health and Hospital	Human Resource Development	Education	Water	Debt Service	Total
1982	17,109,699	19,070,531	18,218,424	25,052,675	6,469,580	36,610,665	3,697,546	3,806,780	130,035,900
1983	24,589,098	20,914,709	18,140,537	28,399,895	3,523,666(2)	38,654,703	3,724,923	5,163,610	143,111,141
1984	27,118,518	23,032,520	17,875,362	30,585,285	3,692,420	43,079,170	4,527,783	4,847,265	154,803,323
1985	25,661,735	24,788,805	18,778,919	32,619,000	3,947,640	46,132,435	3,259,991	3,938,160	159,126,685
1986	21,217,535(3)	28,590,055	20,220,685	39,487,585	4,866,860	48,988,761	3,587,600	4,045,605	171,004,686
1987	20,988,685	32,032,930	22,737,335	42,298,735	5,303,640	51,799,155	3,549,650	3,896,035	182,705,175
1988	22,211,019	33,028,045	22,556,414	45,031,381	6,187,260	56,488,499	3,932,794	4,814,157	194,249,569
1989	24,622,933	41,710,216	19,822,690	52,480,973	6,968,342	61,516,982	3,787,693	5,492,663	216,402,492
1990	25,953,030	43,625,473	20,110,302	56,872,974	7,522,121	64,938,390	3,991,687	5,855,433	228,869,410
1991	29,377,351	45,900,338	20,907,100	63,015,281	8,291,888	68,796,729	4,261,520	7,799,479	248,349,686

(1) Includes expenditures of the General, Hospital, Neville Manor and Water funds.

(2) Eastern Middlesex Human Resource Development Agency, which was part of the City budget appropriation, became a separate entity which reduced the overall Human Resources budget.

(3) Beginning in fiscal year 1986, the State absorbed within their budget of the City's portion of Metropolitan District Commission (MDC) park assessments. However, the City was made responsible for assessments imposed by the newly established Massachusett's Water Resources Authority (MWRA).

CITY OF CAMBRIDGE, MASSACHUSETTS

General Revenues By Source

Last Ten Fiscal Years

Fiscal Year	Taxes (1)	Licenses and Permits	Inter-Govern-mental Revenue	Charges for Service	Fines and Forfeits	Miscellaneous Revenues	Total
1982	66,288,660	1,103,975	25,077,155	31,874,515	2,350,500	3,341,095	130,035,900
1983	66,252,456	1,636,485	30,971,610	36,351,370	4,256,500	3,642,720	143,111,141
1984	67,414,826	2,442,405	36,633,272	38,657,665	5,447,150	4,208,005	154,803,323
1985	67,804,185	2,456,460	39,310,730	40,654,845	4,903,080	3,997,385	159,126,685
1986	73,559,104	2,509,785	40,396,690	44,595,510	5,364,105	4,579,492	171,004,686
1987	75,528,975	2,708,410	44,158,875	48,729,970	5,849,765	5,729,180	182,705,175
1988	93,735,914	2,962,445	40,679,645	50,972,397	6,566,875 (2)	11,330,614	206,247,890 (2)
1989	100,124,906	3,990,544	42,722,387	57,425,435	7,172,974 (2)	6,870,904	218,307,150 (2)
1990	114,295,452	4,210,888	42,836,437	66,327,437	7,630,193 (2)	7,141,029	242,441,436 (2)
1991	123,127,886	2,796,254	38,128,709	88,004,301	7,503,100 (2)	8,608,149	268,168,339 (2)

(1) Includes property taxes, net of abatements, hotel/motel and motor excise taxes, and payments in-lieu of taxes.

(2) Includes $6,250,555, $6,735,267, $7,208,224, and $7,086,473 for 1988, 1989, 1990, and 1991 respectively, from parking fines reported in the Special Revenue Fund.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Levies and Collections(1)

Last Ten Fiscal Years

Fiscal Year	Net Tax(2) Levy	Current Tax(3) Collections	Percent of Net Levy Collected	Prior Year Tax Collections (4)	Total Tax Collections	Total Collections as a % of Net Levy	Outstanding and/or Delinquent Taxes(5)	Outstanding Delinquent Taxes as a % of Net Levy
1982	66,128,390	64,802,471	97.99	1,507,189	66,309,660	100.27	2,898,372	4.38
1983	66,128,389	63,435,268	95.93	2,262,042	65,697,310	99.35	2,764,035	4.18
1984	67,744,879	64,090,340	94.61	3,390,421	67,480,761	99.61	4,393,372	6.49
1985	70,319,998	67,886,871	96.54	2,285,178	70,172,049	99.79	4,320,173	6.14
1986	72,361,512	71,158,036	98.33	2,408,143	73,566,179	101.66	4,109,527	5.68
1987(6)	80,310,585	40,330,344	50.21	2,038,870	42,369,214	52.76	43,753,074	54.48
1988	85,233,221	82,438,677	96.72	40,680,470(7)	123,119,147	144.35	6,582,533	7.72
1989	92,585,894	89,210,379	96.35	2,050,244	91,260,623	98.57	6,236,064	6.74
1990	106,651,725	100,810,391	94.52	1,716,413	102,526,804	96.13	9,115,560	8.55
1991	115,000,000	109,346,157	95.08	1,580,810	110,926,967	96.46	9,895,076	8.60

(1) Real and personal property taxes.

(2) Total tax levy less overlay reserve for abatements.

(3) Current tax collections reflect the amount of a fiscal year's tax levy collected during that fiscal year, net of related refunds.

(4) Prior year tax collections for any fiscal year exclude interest and penalties, and relate to collections in the current year that relate to prior year levies, net of related refunds.

(5) Outstanding and/or delinquent taxes exclude accrued interest and penalties.

(6) Fiscal year 1987 collections are lower in comparison to other years due to the late issuance of tax bills for the second half of the year. The amount outstanding at fiscal year 1987 was not delinquent since tax bills were due after the fiscal year end.

(7) Prior year tax collections are higher in comparison to previous years due to the late issuance, and correspondingly late collection, of fiscal year 1987 tax bills for the second half of the year.

Source: Audit reports for the City of Cambridge for fiscal years 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, and 1991.

CITY OF CAMBRIDGE, MASSACHUSETTS

Assessed and Equalized Valuation of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Assessed Value(1)	Equalized Valuation(2)	% of Total Assessed Value to Equalized
1982	282,030,000	58,145,236	340,176,236	1,291,000,000	26.3
1983	288,733,100	54,535,600	343,268,700	2,004,000,000	17.1
1984	2,793,448,787	108,181,902	2,901,630,689	2,004,000,000	144.8 (3)(4)
1985	2,973,620,466	109,798,700	3,083,419,166	2,918,829,043	105.6
1986	3,505,211,487	111,000,000	3,616,211,487	2,918,829,043	123.9
1987	5,825,497,020	149,534,722	5,975,031,742	4,192,316,000	142.5
1988	6,000,944,260	147,000,000	6,147,944,260	4,192,316,000	146.6
1989	7,183,753,910	144,093,012	7,327,846,922	7,190,306,000	101.9
1990	8,360,269,144	168,500,000	8,528,769,144	7,190,306,000	118.6
1991	8,482,806,830	180,100,000	8,662,906,830	8,777,325,000	98.7

(1) As of January 1, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, and 1990 respectively.

(2) As of January 1, 1980, 1982, 1984, 1986, 1988, and 1990 respectively. Equalized valuations are determined biennially by the Commissioner of Revenue.

(3) The high percentage of assessed valuation to equalized valuation is the result of equalized valuations being as of January 1, 1982, while assessed valuations are as of January 1, 1983. In addition, estimates determined by the Department of Revenue are more conservative than actual assessments.

(4) Effective fiscal year 1984, assessed valuation was increased to 100 percent of fair market value. Prior year assessments were based on a percentage of market value.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value(2)	Net Bonded Debt(3)	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1982	93,841	340,176,236	38,740,000	11.4	413
1983	93,841	343,268,700	39,780,000	11.6	424
1984	92,535	2,901,630,689	40,450,000	1.4	437
1985	92,535	3,083,419,166	40,935,000	1.3	442
1986	86,868	3,616,211,487	44,830,000	1.2	516
1987	86,868	5,975,031,742	57,665,000	1.0	664
1988	91,260	6,147,944,260	54,070,000	.9	592
1989	91,260	7,327,846,922	56,950,000	.8	624
1990	90,290	8,528,769,144	67,705,000	.8	749
1991	95,802	8,662,906,830	63,985,000	.7	668

(1) Population estimates are from U.S. Department of Commerce, Bureau of Census, Current Population Reports, "Local Population Estimates".

(2) Fiscal year 1984 assessed valuation reflects full market value. Prior year assessed valuations were based on a percentage of full market value.

(3) Includes general obligation bonds that are reported as debt of the Enterprise Funds.

Source: City Department of Finance.

CITY OF CAMBRIDGE

General Governmental Expenditures by Function (1)

General and Special Revenue Funds - GAAP Basis

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Community Maintenance & Development	Infirmary and Health	Human Resources	Education	Fuel Assistance	Judgements and Claims	State Assessments	Other	Debt Service	Totals
1982	8,539	26,509	11,853	2,605	4,779	40,477	2,754	1,083	7,774	3,186	3,337	112,896
1983	7,965	24,726	11,055	3,206	4,458	42,856	2,991	1,010	7,251	2,972	4,717	113,207
1984	8,817	27,373	12,239	4,767	4,935	48,544	3,087	1,119	8,028	3,290	4,276	126,475
1985	9,143	28,384	12,691	4,678	5,117	50,587	2,767	1,160	8,324	3,412	3,251	129,514
1986	10,205	31,682	14,166	5,523	5,712	53,661	2,388	1,295	9,291	3,808	3,477	141,208
1987	11,298	35,076	15,683	5,721	6,324	57,351	2,574	1,433	10,287	4,216	3,130	153,093
1988	11,122	32,909	26,064	6,104	6,010	61,745	2,192	2,956	10,685	6,452	4,817	171,056
1989	11,411	40,809	19,942	7,617	6,905	67,120	1,777	1,490	10,978	7,377	5,469	180,895
1990	12,123	43,624	19,961	8,085	7,398	71,146	1,937	706	12,486	6,103	5,710	189,279
1991	14,552	45,308	20,254	816	8,143	75,089	1,564	1,885	13,335	5,477	6,319	192,742

(1) Includes General and Special Revenue Funds

Note: Certain functions have been reclassifed to conform with the more recent fiscal years' presentation.

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Legal Debt Margin

June 30, 1991

Fiscal year 1991 equalized valuation (1)		$ 8,777,325,000
Normal debt limit (2-1/2% of equalized valuation)		$ 219,433,125
Amount of debt applicable to debt limit:		
Total bonded debt	$ 63,985,000	
Less:		
General obligation bonds exempted by authority of the state legislature	(16,720,000)	
Amount within debt limit		47,265,000
Legal Debt Margin		$ 172,168,125

(1) 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 determination of fair cash value of the taxable property in each municipality. This is known as "equalized valuation". The last redetermination of "equalized valuation" for the City was January 1, 1990.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures

Last Ten Fiscal Years

Fiscal Year	Principal(1)	Interest(1)	Total Debt Service(2)	Total Expenditures(3)	Ratio of Debt Service To Total Expenditures
1982	3,480,000	2,044,970	5,524,970	130,035,900	4.2
1983	4,330,000	2,384,235	6,714,235	143,111,141	4.7
1984	4,830,000	2,537,190	7,367,190	154,803,323	4.7
1985	5,030,000	2,555,095	7,585,095	159,126,685	4.8
1986	5,830,000	2,975,755	8,805,755	171,004,686	5.1
1987	7,500,000	3,414,400	10,914,400	182,705,175	6.0
1988	8,595,000	3,843,586	12,438,586	194,249,569	6.4
1989	9,135,000	3,349,109	12,484,109	216,402,492	5.8
1990	9,245,000	3,568,731	12,813,731	228,869,410	5.6
1991	11,030,000	4,256,198	15,286,198	248,349,686	6.2

(1) Includes principal and interest on all general obligation bonds outstanding, including bonds payable reported in the Enterprise Funds.

(2) Does not include debt service on short-term borrowing, such as revenue anticipation notes which are retired during the fiscal year.

(3) Includes all categories of expenditures as presented in the first table.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Rates (1)

Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property	Vehicles(2)
1982	199.80		199.80	25.00
1983	198.00		198.00	25.00
1984(3)	17.00	Residential	33.12	25.00
	33.12	Commercial		
1985	15.26	Residential	34.69	25.00
	34.60	Commercial		
1986	14.29	Residential	30.83	25.00
	30.83	Commercial		
1987	9.81	Residential	20.76	25.00
	20.76	Commercial		
1988	9.79	Residential	21.15	25.00
	21.15	Commercial		
1989	9.23	Residential	20.06	25.00
	20.06	Commercial		
1990	9.51	Residential	18.16	25.00
	18.16	Commercial		
1991	10.13	Residential	19.15	25.00
	19.15	Commercial		

(1) Real and personal property tax rate applicable to each $1,000 of assessed value.

(2) Motor vehicle excise tax is assessed on a calendar year. The rate was reduced to $25 per 1,000 of assessed value due to the passage of "Proposition 2-1/2".

(3) Beginning in fiscal year 1984 the tax rate on real and personal property was based on 100 percent of fair market value. Tax rates for fiscal years prior to 1984 were established prior to the implementation of property classification. Thus, a single rate was set for all categories of property.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Direct and Overlapping Debt

June 30, 1991

Name of Unit	Direct Debt(1)	Outstanding Overlapping Debt	Percentage Applicable to City of Cambridge	Total City of Cambridge Direct and Overlapping Debt
City of Cambridge	$ 63,985,000	$ -	100%	$ 63,985,000
Middlesex County	-	2,425,000	7.1	172,175
Massachusetts Water Resources Authority				
Sewer	-	776,619,805	5.02	39,003,386
Water	-	175,696,874	.03	52,791
Massachusetts Bay Transportation Authority	-	1,535,075,000	4.9	75,218,675
Total direct and overlapping debt	$ 63,985,000	$ 2,490,089,679		$178,432,027

Source: City Department of Finance.

(1) Includes general obligation bonds that are reported as debt of the Enterprise Funds.

CITY OF CAMBRIDGE, MASSACHUSETTS

Principal Taxpayers(1)

June 30, 1991

Name	Nature of Business	Assessed Valuation	Amount of Tax	% of Total Tax Levy
Commonwealth Energy	Utility	281,817,000	5,394,600	4.6 %
Boston Properties	Commercial	253,286,800	4,850,442	4.1
Massachusetts Institute of Technology	Education	214,206,903	3,945,566	3.3
Asahi Seimei Prudential Associates	Commercial	172,935,700	3,311,719	2.8
Robert A. Jones and K. George Najarian	Commercial	170,644,700	3,267,846	2.8
Spaulding & Slye Corp.	Commercial	162,242,300	3,106,940	2.6
Harvard College	Education	152,896,709	2,380,911	2.0
The Congress Group	Commercial	86,057,300	1,573,631	1.3
EMI Cambridge Limited Partnership	Commercial	76,282,100	1,460,802	1.2
Cabot, Cabot & Forbes	Commercial	63,200,000	1,201,280	1.0
Totals		$1,633,569,512	$ 30,493,737	25.7 %

(1) For fiscal year 1991 (as of January 1, 1990)

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Salaries of Principal Officials

June 30, 1991

Official Title	Annual Salary
City council:	
Chairman (Mayor)	$ 34,313
Members	33,313
City Clerk	56,479
City Auditor	56,479
Executive:	
City Manager	114,407
Deputy City Manager	94,546
Assistant City Manager/Fiscal Affairs	75,305
Assistant City Manager/Community Development	75,305
Assistant City Manager/Human Services	75,305
Budget Director	56,479
Personnel Director	69,917
Director of Assessment	65,036
City Solicitor	56,479
Commissioner of Health, Hospitals and Welfare	82,721
Commissioner of Public Works	77,321
Commissioner of Inspectional Services	68,681
Superintendent of Schools	95,000
Police Commissioner	90,000
Fire Chief	70,740
Director of Libraries/Communications	71,977

(1) Does not include educational incentives.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST EIGHT FISCAL YEARS

(Dollars in thousands)

Fiscal Year	Real Property Assesed Value	Building Permits Issued(1)	Construction Value(1)	% Distribution(1) Residential	Commercial	Bank Deposits(2)
1984	$ 2,796,449	*	$ 127,597	20%	80%	$ 1,353,731
1985	2,973,620	1,845	142,382	27	73	1,476,968
1986	3,505,211	1,866	133,090	44	56	1,655,522
1987	5,825,497	2,982	201,222	46	54	1,929,282
1988	6,000,944	2,021	208,230	22	78	1,232,253
1989	7,183,754	1,590	256,953	14	86	2,288,062
1990	8,360,269	1,964	229,124	27	73	2,283,866
1991	8,662,907	1,979	93,961	33	67	*

* Not available

(1) Source: Inspectional Services Department

(2) Source: Federal Deposit Insurance Corporation

CITY OF CAMBRIDGE, MASSACHUSETTS

Miscellaneous Statistics

Characteristic	Cambridge	Boston SMSA	Massachusetts	United States
Population (1):	95,802	2,870,689	6,029,051	249,632,000
Median age (2):				
1980	28.6	31.3	31.2	30.0
1970	26.8	29.1	29.0	28.0
1960	29.6	32.0	32.1	29.5
Age group (3):				
5-17	11.6 %	19.1 %	20.1 %	20.9 %
25-34	25.5	17.0	16.3	16.4
65 and over	11.4	12.5	12.7	11.3
Median family income (2):				
1988	$ 33,926	$ 45,000	$ 48,296	$ 39,051
1979	17,845	22,848	21,166	19,917
1969	9,815	11,449	10,981	9,590
Per capita income (2):				
1989	$ 15,613	$ *	$ 14,389	$ 11,923
1985	13,494	10,774	16,324	13,908
1983	11,403	9,100	10,517	9,496
1981	9,755	7,881	9,101	8,476
1979	7,957	6,555	7,458	7,313
1969	3,899	3,897	3,425	3,119
Unemployment rates (4):				
1991	6.1 %	8.2 %	9.9 %	7.2 %
1990	3.0	4.1	5.0	5.9
1989	2.8	3.4	4.0	5.3
1988	2.4	2.8	3.3	5.5
1987	2.4	3.1	3.8	6.2
1986	3.2	3.5	3.8	7.0
1985	3.3	3.4	3.9	7.2
1984	4.0	4.1	4.8	7.5
Four or more years of college education 25 years old and over (3)	43.1 %	28.8 %	20.0 %	16.3 %
High school graduates 25 years old and over (3)	76.2 %	76.4 %	72.0 %	66.3 %

	K-8	9-12	Special	Total
Public school enrollments (5):				
1991	4,998	2,078	681	7,757
1990	4,796	2,136	703	7,635
1989	4,657	2,253	743	7,653
1988	4,584	2,400	721	7,705
1987	4,631	2,541	648	7,820
1986	4,686	2,619	582	7,885
1985	4,760	2,671	566	7,997
1984	4,795	2,621	577	7,993

(1) Source: U S. Department of Commerce, Bureau of Census, Current Population Reports, "Local Population Estimates."1990, and City of Cambridge Community Development Department.

(2) Source: U S. Department of Commerce, Bureau of Census, and the Bureau of Economic Analysis, and City of Cambridge Community Development Department.

(3) Source: U S. Department of Commerce, Bureau of Census, 1980 Census of Population.

(4) Source: Department of Labor, Bureau of Labor Statistics and Massachusetts Division of Employment Security.

(5) Enrollments are as of October 1, for the fiscal years shown.

* Unavailable

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CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 1990 through June 30, 1991

Electronic Publishing	Advanced Data Reprographics, Inc.
Paper	70 pound Finch
Covers and Dividers	80 pound coated
Printing - Laser Printing/text	Advanced Data Reprographics, Inc.
Printing - Covers and Dividers	Quality Business Forms
Composing	Finance Department
Cover and Divider Design	Claudia Sharon Chanzit
Photograph	Library of Congress

11.

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

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FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

January 13, 1992

To The Honorable, The City Council:

Enclosed, please find a copy of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 1991. This document, which has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the past five fiscal years, provides a wide range information covering all facets of the city's fiscal operations. The CAFR, which was prepared by the Finance Department, is a useful tool in evaluating the fiscal condition of the city.

Very truly yours,

Robert W. Healy
City Manager

RWH/mev
attachment

CONSENT AGENDA # 11 F-16

Comprehensive Annual Financial
Report (CAFR) for the fiscal
year ending June 30, 1991

In City Council,

January 13, 1992

Referred to the
Finance Committee