MOODY'S INVESTORS SERVICE, INC.
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March 30, 1979

Mr. James L. Sullivan
City Manager
City of Cambridge
City Hall
Cambridge, Massachusetts 02139

Dear Mr. Sullivan:

We wish to inform you that our Rating Committee has reviewed and confirmed the Aa rating on the Cambridge, Massachusetts General Obligation ULT Bonds.

We are enclosing a copy of the writeups sent to our credit survey subscribers on this subject.

Sincerely yours,

Freda Stern Ackerman

Freda Stern Ackerman
Senior Vice President

HM/cs

Municipal Credit Report

CAMBRIDGE, MASSACHUSETTS

March 14, 1979
CG

Rating: General Obligation Bonds: Aa

Opinion: Reflected in the rating is the City's movement towards standardized accounting practices and its position as a nationally prominent educational and research center though recognition is given to the high burden of debt, increasing use of TANs and static tax base.

Rating History
1938 - present Aa

Summary: Cambridge is a nationally prominent educational and research center located immediately north of Boston in Middlesex County. A densely populated and mature city, Cambridge is an integral part of the Boston metropolitan area with well defined economic resources of its own, particularly in service industries. Approximately a fourth of the City's labor force is employed in educational services, with Harvard University and M.I.T. providing some 14,000 positions and an annual payroll reportedly in excess of $188 million. The City has experienced a 16.1% decline in population since 1950, a shrinking manufacturing sector and long static tax base, the latter being partly attributable to the considerable amount of tax exempt land. Lack of significant tax base growth is reflected in high debt burden, though somewhat ameliorated by partial state reimbursement of school debt and a rapid rate of debt retirement. Borrowing in anticipation of taxes has become an increasingly important element in the City's cash flow. Historically poor reporting practices have improved since 1976-77 when significant accounting changes were instituted to conform more closely to nationally accepted standards.

Population (1976 est.): 101,315
Area, sq. mi.: 6.3
Density, per sq. mi.: 16,082
Personal inc. per cap. (Co., 1976): $7,301

County: Middlesex
SMSA: Boston
Full val. per cap.: $9,051
Overall debt per cap.: $802.62 (620.30)

ECONOMIC: Approximately 52% of total real estate is tax exempt. Per capita measures of trade are high. Bulk of commercial office space used in research and development, engineering consulting and architecture.

GOVERNMENT: Operates under council-manager charter. City financial statements will undergo first independent audit in its history at the close of current fiscal year.

DEBT: Tax anticipation borrowing has increased in recent years; $16 million issued in 1975 rising to $50 million in 1978. Two-thirds of outstanding bonds mature in 10 years. Authorized but unissued debt totals nearly $11 million.

FINANCE: Heavy dependence on property taxes (57.8% of 1978 general fund). Tax collections are fair; tax base growth has averaged below 1% annually in this decade.

Recent Trends (000):	1976	1977	1978	% Change 1977	1978
Assessed valuation	$329,636	$334,869	$339,400	1.6	1.4
State equalized valuation	875,000	-	917,000	-	4.8
Gross bonded debt 6/30	25,445	29,355	49,760	15.4	69.5
Debt burden	9.3% (7.3)	-	8.9% (6.9)	-	-
General fund rev.	95,231	101,412	104,843	6.5	3.4
General fund exp.	94,529	98,787	107,184	4.5	8.5
Yr.-end cash surplus	3,326	860	(3,657)	-74.1	-

ECONOMIC AND SOCIAL FACTORS: Cambridge is a densely settled City covering an area of 6.3 square miles immediately north of Boston. Though closely integrated with the Boston metropolitan area, the City has well-defined economic resources of its own and is particularly noted as an educational and research oriented center. Cambridge is the home of Harvard University and the Massachusetts Institute of Technology, the City's largest employers, as well as Arthur D. Little, Inc., a major research and development consulting firm. The City has emerged as a heavily services oriented center focused on education, health, finance and consulting. The bulk of commercial office use is involved in research and development, engineering, consulting and architecture. Construction activity has fluctuated in recent years and has included the Charles Stark Draper Laboratory and the Hyatt Regency Hotel. Several downtown renewal projects are underway totalling about 150 acres, including the $100 mil. Kendall Square Development project, which is being planned to incorporate some light industrial development. The City has a considerable amount of tax-exempt land (nearly 52%) which results in the relatively static tax base. Total payments by tax exempt institutions in lieu of taxes amounted to less than $1 million in 1977.

Standard Metropolitan Statistical Area (SMSA): Cambridge, located in Middlesex County, is part of the redefined Boston-Lowell-Brockton-Lawrence-Haverill, Massachusetts-New Hampshire SMSA. Also included in this SMSA are Essex, Norfolk, Plymouth, Suffolk Counties in Massachusetts and Rockingham County, N.H. Per capita personal income of this SMSA was $6,889 in 1976, 7.7% above the U.S. as a whole and 0.95% above the national SMSA average. The ranking of the SMSA based on per capita income has dropped from 25th to 52nd place during the 1969-75 period. Average annual rate of growth in total personal income lags behind the U.S. at 7.78% as compared to 9.27% from 1969 to 1976. Population in 1975 is estimated at 3,914,600; a change of 66,000 from 1970 representing a 1.7% increase.

		% of U.S.				
Personal Income Per Capita	1976	1959	1969	1972	1975	1976
Middlesex County	$7,301	N.A.	118.9	116.5	114.6	114.1
SMSA	6,889	113.7	113.3	110.6	108.0	107.7
Massachusetts	6,596	109.4	108.7	106.0	103.5	103.1
U.S.	6,396	100.0	100.0	100.0	100.0	100.0
U.S. SMSA Counties	6,824	110.8	108.1	107.3	106.5	106.7

Population Factors: Cambridge, one of the most densely populated cities in the state, completed most of its population growth by 1910. Although the population fluctuated upward through 1950, more than 8,000 of the apparent increase of 9,870 in the decade 1940-50 was due to the inclusion of college students at their place of college residence instead of their home residence. In common with many other metropolitan cities in the U.S., Cambridge has experienced population declines over the past two decades, as have other major cities in the SMSA, including Boston, Chelsea, Somerville, Malden and Medford. Growth in the Boston area has been in the outlying suburbs. The median age of City residents declined over the past decade from 28.9 to 26.8 years, the lowest median of the major cities in the SMSA, and probably attributable to the large university population here.

		% Change		
	Population	City	State	U.S.
1930	113,643	3.6	10.1	16.7
1940	110,870	-2.4	1.6	7.2
1950	120,740	8.9	8.7	14.5
1960	107,716	-10.8	9.8	18.5
1970	100,361	-6.8	10.5	13.3
1975	102,420a	2.1	2.3	4.8
1976	101,315a	-1.1	-	-

	1950	1960	1970
Land area-sq. mi.	6.2	6.3	6.3
Pop.per sq. mi.	19,474	17,098	15,930
% Pop. white	95.3	98.7	91.1
% Pop. Negro	4.3	5.3	6.8

a. U.S. Census estimate.

1970 Census	Cambridge	St.Urb.
Median family income	$9,815	$10,749
% bel. poverty level	8.6	6.5
% above $15,000	22.6	19.3
Median school years	12.5	12.2
% white collar	66.6	53.2
% service	57.8	33.8
% manufacturing	17.1	28.9
% trade	12.8	20.5
% government	16.0	14.9

1970 Housing	Cambridge	St.Urb.
% owner occupied	19.2	53.5
% 1-unit structures	10.7	44.5
% Negro hd. hsehld.	6.3	3.3
% blt. before 1939	79.7	64.3
% blt. since 1959	8.9	14.1
Owner occ.med.val.	$24,000	$20,700
Median contract rent	$ 119	$ 89

Employment and Earnings: The number of employed persons has seen little change between 1950 and 1970. Cambridge, closely integrated with the Boston metropolitan area, has a considerable exchange of labor force with other sections, but well defined economic resources of its own. Manufacturing is of decreasing importance in the City in terms of employment with service industries, especially those involved in educational and research activities, providing a significantly large proportion of the total. However, as of 1975, manufacturing contributed the largest portion of countywide non-farm earnings (30.7%). Service industries employ the largest percentage of Cambridge's labor force, 57.8% in 1970, with 25.9% employed in educational services. Harvard and MIT reportedly employ approximately 14,000 with an annual combined payroll in excess of $188 million.

Distribution of Employment of Civilian Residents

	1950		1960		1970	
	City	U.S.	City	U.S.	City	U.S.
Manufacturing	28.9	25.9%	26.1	27.1%	17.1	24.4%
(Durable goods)	(10.1)	(13.8	(12.8)	(15.2)	(8.7)	(14.4)
(Non-durable goods)	(18.8)	(11.9)	(13.3)	(11.9)	(8.4)	(10.0)
Mining	0.03	1.7	0.04	1.0	-	0.8
Agriculture	0.3	12.5	0.2	6.6	0.2	3.5
Construction	4.5	6.1	2.7	5.9	2.6	5.5
Transport, Comm.Utils.	7.7	7.8	5.4	7.0	4.3	6.3
Wholesale and retail trade	18.8	18.8	13.3	18.2	12.8	18.9
Services industries	32.7	21.4	39.9	25.1	57.8	29.2
(FIRE)	(5.0)	(3.4)	(4.5)	(4.2)	(5.8)	(4.7)
Public Administration	6.1	4.4	5.3	5.0	5.1	5.2
All other	0.9	1.4	7.0	4.1	0.0	6.2
Employed persons		47,354		46,278		47,024

County Non-farm Earnings by Place of Work-1975

	Middlesex County	U.S.
Manufacturing	30.7	26.5%
Wholesale and retail trade	17.3	17.4
Services	24.3	16.6
Finance, insurance, real estate	3.2	5.5
Government	13.4	18.9
Other	11.1	15.1

Trade: Cambridge enjoys rather substantial commercial development for a satellite city adjacent to Boston. Per capita measures of trade are high: wholesale trade more than double and retail sales nearly 44% above comparable statewide figures. The City reports that retail sales in the Harvard Square area exceed $50 million annually. The above average retail sales per capita figure can at least partially be attributed to the large non-resident student population and tourism.

1972 Wholesale Trade[a]		1972 Retail Trade[a]	
No. estabs	263	No. estabs.	1,180
Employment	4,557	Employment	9,986
Whse. sales (000)	$684,106	Retail sales (000)	$337,766
Sales P.C. (approx.)	$6,816	Sales p.c. (approx.)	$3,366
State P.C. (approx.)	$3,395	State p.c. (approx.)	$2,338

a. 1970 population used

Manufacturing: The 1972 Census of Manufactures indicates that manufacturing has declined as a major contributor to the City's overall economic structure. The number of establishments and employees have been declining since the early sixties. Value added experienced a drop of nearly 20% between 1967 and 1972. In comparison, Middlesex County, overall, continued to experience good growth in establishments and value added through 1972 and declines in employment were below the SMSA and State average. Manufacturing activity is principally concentrated in instruments, electrical equipment, fabricated metals, food and kindred products, printing and publishing.

	Census of Manufactures Data			1972/67 % Change		
Cambridge	1963	1967	1972	City	State	U.S.
No. establishments	368	311	257	-17.4	-1.7	3.5
All employees	24,556	24,200	20,000	-17.4	-12.4	-1.5
Value added by mfg.(000)	$240,298	$332,400	$268,300	-19.3	21.5	35.1

Unemployment: The Commonwealth of Massachusetts Division of Employment Security reports that the City of Cambridge's unemployment rate for the month of November, 1978 was 5.2%, up from the 4.6% rate of October. During October and November, 1977, the unemployment rates were 7.6% and 7.7%, respectively. During November, 1977, the Commonwealth's unemployment rate was 6.9% which dropped to 5.2% in November, 1978.

Building Permits: Building permit activity has been erratic with permit values in 1975 and 1976 very sharply declined from the values reported in the earlier part of the decade. Activity in 1977 and 1978 show some improvement though not to previous levels.

Trend of Building Permits (000)

1960	$19,232	1967	$24,969	1974	$42,054
1961	17,651	1968	47,140	1975	7,942
1962	24,583	1969	10,350	1976	6,543
1963	45,647	1970	72,764	1977	22,833
1964	19,935	1971	37,731	1978 (6 months)	9,283
1965	26,626	1972	33,807	1977 (6 months)	7,527
1966	33,045	1973	57,719		

Major Taxpayers	Business	A.V. (000)	Largest Employers	No. Employees
Cambridge Elec. Light Co.	utility	$28,191	Harvard University	6,965
New Eng. Tel. & Tel. Co.	utility	23,982	M.I.T.	6,507
M.I.T.	education	9,123	City of Cambridge	3,797
Cabot, Cabot & Forbes	land trust	7,825	Polaroid Corp.	3,700
Commonwealth Gas Co.	utility	5,612	Charles Stark Draper Lab.	1,781
Harvard College	education	5,051		
			Mt. Auburn Hosp.	1,503
			Arthur D. Little Inc.	1,173

GOVERNMENTAL FACTORS: First settled in 1630 and incorporated as a City in 1846, Cambridge has operated under a council-manager charter since 1942. The City Council is composed of nine members elected at large for two-year terms. It selects one of its members as mayor and appoints a manager who has charge of city administrative functions. The mayor presides over the City Council and acts as chairman of a separately elected school committee. Fiscal year commences July 1.

Services: Cambridge maintains its own water supply system which includes four reservoirs. In order to supplement this supply it occasionally draws upon the supplies of the Metropolitan District Commission. Current water rates are $.46 per 100 cubic feet of water with a 1½% per month delinquency charge. The City operates a sewer system and constructs laterals in conjunction with the sewage treatment facilities operated by the Metropolitan Sewer District. In March, 1977, the City Council adopted a sewer service charge in order to be eligible for sewer construction grants from the Environmental Protection Agency. The $.27 per 100 cubic foot charge is based on metered water consumption. In the past, sewer expenditures were completely funded by property taxes. The City operates its own school system, for which a program of updating and rehabilitation of out-of-date and overcrowded facilities is underway, coupled with the construction of new facilities.

Property Tax Administration: The City levies taxes on real and personal property, as assessed by the City with no rate limit. There is also a motor vehicle excise tax at a statewide rate of $66.00 per $1,000 on the valuation of the vehicle as determined by a statutory formula. The amount to be levied in each year is the amount appropriated or required by law to be provided for city expenditures less estimated receipts from other sources and less voted appropriations from available funds. The City collects its own tax as well as the county tax (which must be paid in full annually). An "In Lieu of Tax Payment" program was instituted in 1971 to help offset the loss of tax revenue due to the significant amounts of tax-exempt city property. Taxes are due half on November 1 and half on May 1. A 10% penalty is imposed per annum retroactive to October 1 and April 1. The City is attempting to accelerate its delinquent collection program and has expanded its staff. For the first time, civil suits will be initiated against delinquent property owners with a goal of collecting 25% of the total dollar value of delinquent accounts.

Pensions: Pension benefits are provided by the City in accordance with Massachusetts General Laws. Under these laws, the City provides its share of pension costs on a pay-as-you-go basis annually, contributing and providing as pension expense an amount determined by the State Division of Insurance. The amount determined is an estimate of pensions actually payable during the accounting period. The City's contribution for 1977-78 was $4,337,055, up 9.0% from $3,979,700 in 1976-77. City employees contributed salary deductions of $1,889,001 in 1976-77. A total of 3,024 active and 893 retired employees were members of the pension system as of 12/31/77. The Cambridge Housing Authority contributed $228,780 and the Cambridge Redevelopment Authority $84,165 to the retirement fund during 1977-78. As of January 1, 1976, the total estimated actuarial liability of the system was $109,614,000 and its assets were $17,303,345, leaving an unfunded actuarial liability of $92,310,655. A report was issued by the Retirement Law Commission and Funding Advisory Committee on October 19, 1976 which recommended that unfunded actuarial liabilities of state and local systems be funded over a 40 year period with a five year gradual phase in. Although preliminary action was taken on the state level, no action has been taken with respect to the Cambridge system. A non-contributory pension system exists for certain retired employees (389 in 1977-78) employed prior to establishment of the pension system. City contributions to this system totaled $2,130,000 during 1977-78.

Fiscal Aid: The City receives a large amount of revenue from state and federal sources. This revenue represents approximately 18.2% of the 1978-79 budget. During fiscal year 1978 the City was in receipt of $8.1 million in state grants and revenue sharing. Federal revenue sharing allotments totaled $2.9 million and federal grants for community development, CETA, antirecession and UMTA accounted for an additional $12 million. Together, intergovernmental revenue of $22.1 million received by the general fund in 1978 accounted for 21.0% of total revenues.

DEBT FACTORS: Debt burden remains high reflecting a static tax base and the sizeable amount of tax exempt properties. Bonds are structured for a rapid rate of retirement and are partly reimburseable by state school construction grants. Tax anticipation note borrowing has increased in recent years, with $16 million issued in 1975, $23 million in 1976, $42 million in 1977 and $50 million in 1978. The City has authorized the issuance of $50 million TANs for the 1979 fiscal year. To date, $30 million of this amount has been issued, of which $20 million has been redeemed. The remaining $10 million outstanding is due on 5/11/79.

Debt Statement as of 6/30/78 (000):

Schools			$33,520
Health and hospital			5,720
Library			630
Departmental equipment			220
Sewer/surface drainage			7,495
Community development			2,175
Gross bonded debt			$49,760
Unfunded debt: BANs			650
TANs			10,000[c]
Gross direct debt			$60,410
Less: TANs			10,000
Direct net debt			$50,410[a]
Overlapping debt:	Net debt[b]	%	
Middlesex County	$ 21,758	5.42	1,179
M.B.T.A	398,511	5.6	22,317
M.D.C. (parks and sewers)	136,764	var.	7,411
Overall net debt			$81,317[a]

a. After allowance for estimated state school reimbursements, direct net and overall net debt total $31,939,000 and $62,846,000, respectively.
b. as of 12/15/78.
c. TANs as of 11/20/78.

Debt Structure: All City bonds are general obligations, serial and payable from unlimited ad valorem taxes. The City no longer has water debt outstanding as the final $40,000 matured in 1971. The largest proportion of outstanding bonded debt, 67.4%, has been issued for school purposes. After the most recent bond sale in June, 1978, there remained $650,000 bond anticipation notes for site acquisition of the Riverside Press Site Project. As of November 20, 1978, the City had $10,000,000 tax anticipation notes outstanding. The notes mature on May 11, 1979. Bonds mature through 1998 at a rapid rate with principal maturities peaking in 1979 and declining steadily thereafter.

Bond Principal Maturiities (000)

1979	$3,825	1984	$3,405	1989	$2,470	1994	$1,445
1980	3,715	1985	2,950	1990	2,255	1995	1,445
1981	3,480	1986	2,950	1991	2,050	1996	1,445
1982	3,480	1987	2,880	1992	1,750	1997	1,445
1983	3,405	1988	2,650	1993	1,560	1998	1,155

Bonds maturing after 6/30/78:	Amount (000)	%
Due in 5 years	$17,905	36.0
Due in 10 years	32,740	65.8

Adequacy of Taxing Power: All taxable property in the City is subject to the levy of unlimited ad valorem taxes to pay both principal and interest.

Debt Limit: The City's general debt limit is 2.5% of the valuation of taxable property as last equalized by the State Department of Corporations and Taxation. With the special approval of the State Emergency Finance Board, the City can authorize up to 5% of this valuation. Many categories of debt are exempted from this limit including: certain school and sewer bonds, urban renewal bonds, water projects, temporary loans in anticipation of current revenues, grants or reimbursements.

Debt Load: Debt ratios were calculated using the 1976 U.S. Census estimate of population of 101,315, 1978 assessed valuation of $339,400,000 and 1978 State equalized valuation of $917,000,000.

Net Debt	Per Capita	Ratio to Assess. Val.	Ratio to Est. Full Val. (37%)	Group Median[a] Per Cap.	Group Median[a] % EFV
Direct	$497.56 (315.24)	14.9 (9.4)	5.5 (3.5)	$277.05	2.6
Overall	802.62 (620.30)	24.0 (18.5)	8.9 (6.9)	468.10	4.4

a. Cities 100,000 - 200,000 population.
b. Figures in ( ) exclude state supported debt.

Debt History and Trend: The City has never defaulted on any of its obligations. Borrowing for relief in the 1930's was limited to $3,118,000 in 1933-41. The only other non-capital borrowing since 1930 consisted of a $250,000 state tax funding issue of 1938 and $1,319,000 transit assessment bonds in 1950. The City had been a steady annual borrower through 1972 but has sold bonds only three times since then: $4,570,000 in December, 1973, $6,200,000 in September, 1976, and $23,100,000 on June 7, 1978. Bonds authorized and unissued after the most recent sale total $10,941,850 primarily for sewer, surface drainage and school purposes. The City reportedly does not intend to come to market again before the middle of the 1980 fiscal year.

Trend of Gross Bonded Debt (000)

12/31		6/30	
1940	$11,418	1974	$30,540
1945	4,365	1975	27,880
1950	3,600	1976	25,445
1955	7,575	1977	29,355
1960	9,281	1978	49,760
1965	6,166		
1970	19,526		
1971	25,933		

FINANCIAL FACTORS: The City of Cambridge has only recently begun to provide statements of actual financial operations. The City initiated a program in 1974 to up-date its financial and administrative procedures with emphasis on records management. Accounting policies have been modified to conform more closely to nationally accepted standards including adoption of fund accounting and revision of reporting standards. The four existing City funds have been expanded to twelve but do not include debt service or enterprise funds. Unaudited financial reports for 1977 and 1978, while retaining certain accounting policies legally mandated by the Commonwealth, depart from generally accepted accounting principles relating primarily to composition of funds and account groups and revenue recognition. A budgetary allotment for 1979 has been made for an independent audit (the first in the City's history) in order to meet requirements for continued federal revenue sharing.

Heavily dependent on property taxes as the major revenue source (57.8% of 1978 general fund), the City is attempting to strengthen its tax collections with increases in tax titles placed against delinquent accounts. Current year tax collections generally range between 95% and 96%. Tax exempt properties, including the universities, account for approximately 52% of the real property tax base. In 1971, an "In Lieu of Tax Program" was instituted to offset losses of tax revenue due to the large amount of exempted property. To date, these payments have been a minor source of revenue and represented less than 1% of the 1976-77 general fund revenue ($958,262). Short term borrowing in anticipation of taxes is an increasingly important element in the City's cash flow, increasing from $16 million in 1975 to $50 million by 1978.

General Fund Revenue & Expenditures (000)

Revenues	1977	1978	% Change 1978	% of 1978
Taxes	$63,724	$60,631	-4.9	57.8
Licenses & permits	487	536	10.1	0.5
State	6,594	8,140	23.4	7.8
Federal rev. sharing	2,956	2,869	-2.9	2.7
Other federal	6,886	11,052	60.5	10.5
Charges for services	14,082	18,066	28.3	17.2
Fines & forfeits	650	61	-90.6	0.1
Miscellaneous	6,033	3,488	-42.2	3.3
Total	$101,412	$104,843	3.4	100.0
Expenditures and Encumbrances				
General government	$6,527	$6,508	-0.3	6.1
Pensions	6,062	6,243	3.0	5.8
County tax	1,607	1,794	11.6	1.7
Public safety	14,725	15,845	7.6	14.8
Community maintenance	1,597	1,694	6.1	1.6
Public works	8,463	9,732	15.0	9.1
Debt service	4,826	5,442	12.8	5.1
M.B.T.A. assessment	4,156	4,223	1.6	3.9
Human resource development	3,630	3,634	0.1	3.4
Health-hospital	16,185	17,719	9.5	16.5
CETA	3,230	5,793	79.3	5.4
Education	24,682	28,557	15.7	26.6
Other provisions	3,097	-	-	-
Total	$98,787	$107,184	8.5	100.0

General Fund Year End Current Position (000)

Liabilities:	1977	1978
Accounts payable	-	$3,299
Due to other funds	$ 260	90
Reserve for encumbrances	1,354	473
Total	$1,614	$3,862
Cash	2,474	205
Cash surplus (deficit)	$ 860	$(3,657)
Receivables: property taxes	$5,136	$6,556
Due from water fund	$ -	$ 120

Trend of General Fund Balance (000)

12/31		6/30		6/30	
1970	$667	1974	$4,185	1977	$6,113
1971	593	1975	8,675	1978	3,625
1972	875	1976	9,376		

Trend of General Fund Year End Current Position (000)

12/31		12/31		6/30	
1960	$352	1967	$ (13)	1974	$(2,715)
1961	221	1968	(880)	1975	4,858
1962	350	1970	(1,646)	1976	3,326
1964	763	1971	(2,364)	1977	860
1966	531	1972	(405)	1978	(3,657)

Trend of General Revenues and Expenditures (000)

	Revenue	Expenditures	Difference
1970	$ 49,951	$ 51,267	$ (1,316)
1971	58,777	58,852	(75)
1972	66,128	65,846	282
1974[a]	109,290	105,980	3,310
1975	91,672	87,182	4,490
1976	95,231	94,529	702
1977	101,412	98,787[b]	2,625
1978	104,843	107,184[b]	(2,341)

a. Eighteen month period due to change in fiscal year from January 1 to July 1.
b. Includes Encumbrances.

Trend of "Free Cash" (end of fiscal year)[a]

1972	$(1,543,118)	1975-76	$4,005,697
1973-74	(4,787,353)	1976-77	2,804,402
1974-75	3,148,047	1977-78	(2,931,677)

a. The State Director of Accounts, under state law, certifies an amount known as "free cash" at the beginning of each fiscal year, which together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, and not required for inclusion in the annual tax levy. The free cash figures include surplus revenue less uncollected and overdue property taxes from prior years.

State Tax Commission Equalized Valuation[a]

1968	$495,000,000	1974	$838,300,000
1970	500,000,000	1976	875,000,000
1972	520,000,000	1978	917,000,000

a. Because of discrepancies in assessed valuation procedures between municipalities, the State Tax Commission biennially makes its own redetermination of fair cash value of the taxable property in each municipality. The figure is set biennially as of January 1 of the indicated year and covers a two year period from July 1 of that year. The equalized value is the basis for determination of various types of State aid distributed to cities and towns.

Trend of Assessed Valuation (000)

1945	$170,984	1972	$325,438
1950	209,871	1973	326,053
1955	226,405	1974	327,503
1960	238,458	1975	328,177
1965	271,556	1976	329,636
1969	312,662	1977	334,869
1970	316,300	1978	339,400
1971	319,696	1979	341,500

Average ann. % growth 1950-78: 1.69%
1970-79: 0.87%

Property Tax Rates, Levies and Collections (000)

Fiscal Year	Tax Rate Per $1,000 A.V.	Net Levy	Current Year Net Collections	% Collected
1972	$149.00	$46,795	$45,056	96.3
1973-74[a]	152.30	72,581	65,799	90.7
1974-75	185.30	58,050	55,572	95.7
1975-76	179.80	56,823	54,154	95.3
1976-77	179.50	58,563	56,323	96.2
1977-78	179.30	59,081	56,649	95.9
1978-79	188.60[b]	64,407	N.A.	N.A.

a. Eighteen month fiscal period. The $152.30 tax rate applied to twelve months. Half of this rate, $76.15, applied to remaining six months.

b. Includes $110.30 city and $78.30 schools.

HM

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CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

April 9, 1979

To the Honorable, the City Council:

I transmit herewith for your information a copy of a communication received from Moody's Investors Service, Inc., dated March 30, 1979, confirming the Aa rating for the City of Cambridge.

Very truly yours,

James L. Sullivan
City Manager

JLS/b

Agenda #1 S-211

Transmitting communication from Moody's Investors Service, Inc., dated March 30, 1979, confirming the Aa rating for the City of Cambridge.

In City Council,

April 9, 1979

4/9/79

Placed on File.