

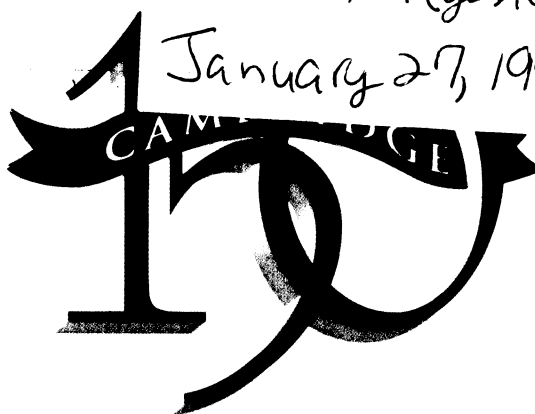
City of Cambridge, Massachusetts

Comprehensive Annual Financial Report

July 1, 1995 — June 30, 1996

Consent Agenda #12

January 27, 1997



YEARS AS A CITY

Founded 1630 • Incorporated 1846

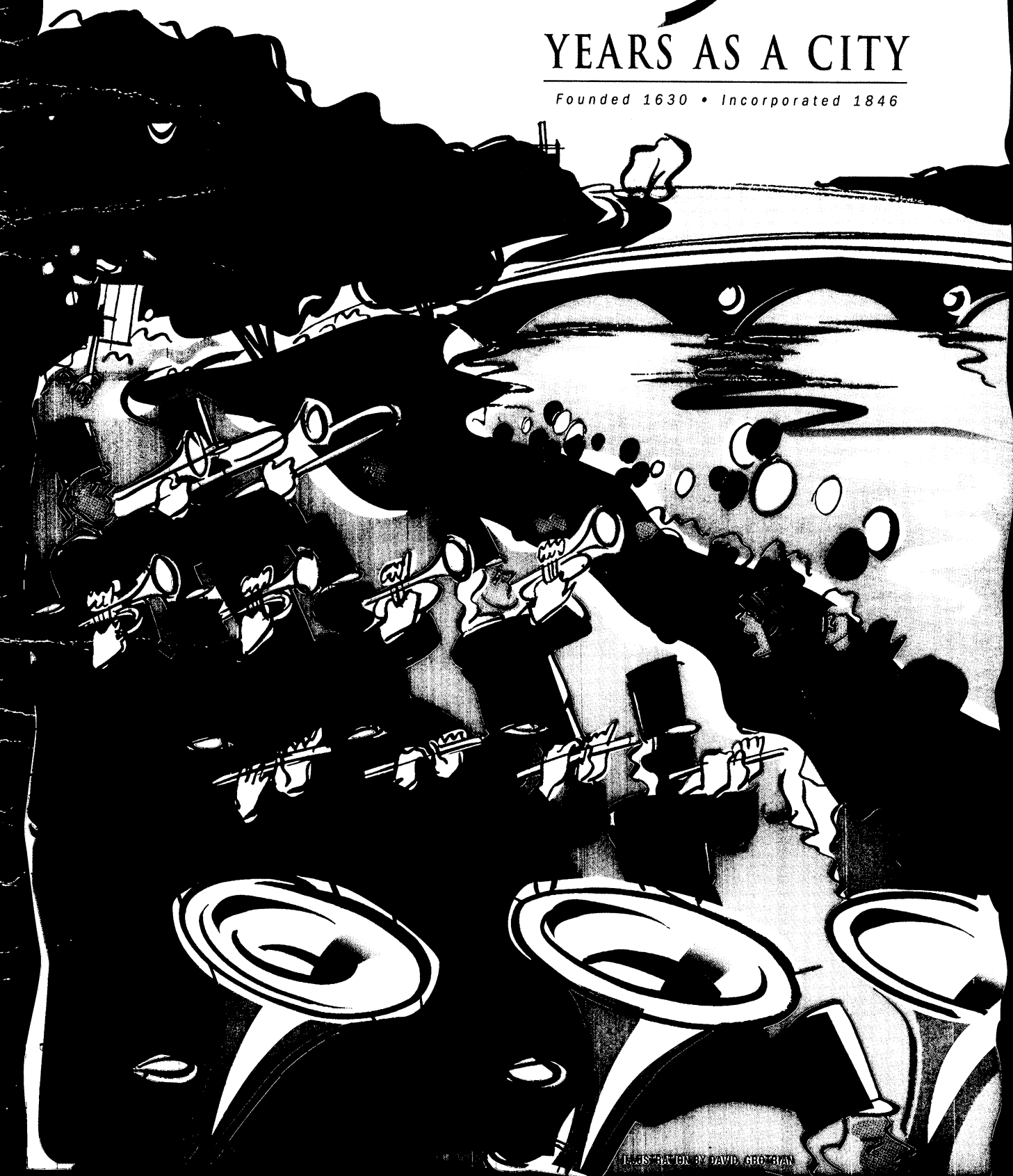


ILLUSTRATION BY DAVID GROSSMAN

CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 1995 through June 30, 1996

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

Front cover: The City of Cambridge, while founded in 1630, was not incorporated as a city until 1846. The cover depicts the parade which began near City Hall and ended near the Charles River to celebrate the 150th anniversary of its incorporation.

The illustration is courtesy of David Grotrian and the Cambridge Chronicle.

City of Cambridge, Massachusetts

Comprehensive Annual Financial Report

For the Year Ended June 30, 1996

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Introductory Section



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 18, 1996

Mr. 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, 1996 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.

Unlike prior years' reports, this year's financial report does not include Cambridge Hospital and the Neville Manor Nursing Home. Effective July 1, 1996, ownership of these assets was transferred to the newly formed Cambridge Public Health Commission. Adjustments were made to prior year results where it was necessary for comparison purposes.

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 deposit, 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 the City of Cambridge, Massachusetts (the "primary government") and its component units as required by generally accepted accounting principles. Component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The inclusion of component units in the City's general purpose financial statements does not affect their legal standing.

The City has one component unit which is the Cambridge Retirement System.

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1995, which is its fiscal period for reporting to the Public Employee Retirement Administration of the Commonwealth of Massachusetts.

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

James A. Lindstrom
City Auditor


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CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307



EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

December 18, 1996

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 ended June 30, 1996. 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.

Unlike prior years' reports, this year's financial report does not include Cambridge Hospital and the Neville Manor Nursing Home. Effective July 1, 1996, ownership of these assets was transferred to the newly formed Cambridge Public Health Commission. Adjustments were made to prior year results where it was necessary for comparison purposes.

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 and Schedules. These statements and schedules 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.

FISCAL YEAR 1996 IN REVIEW: MAJOR INITIATIVES

Several important advances were made during fiscal year 1996 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:

- The GAAP basis fund equity in the General Fund shows an increase of \$2,149,349 from its previous year's level of \$34,057,692 to \$36,207,041 at June 30, 1996. The City anticipated using \$1.5 million to fund operations; however, due to actual receipts exceeding

revenue estimates, the actual use of unreserved fund balance was not necessary. As highlighted in the Statement of Revenues and Expenditures - Budgetary Basis, expenditures from all operating funds exceeded revenues by approximately \$9.5 million, before operating transfers. The deficiency of revenues and operating transfers over expenditures and operating transfers does not equal the GAAP change in equity because of accounting differences between its budgetary and GAAP bases.

- We continued our recent successes in collecting delinquent real estate, personal property and motor vehicle excise taxes. Delinquent collections, including those from properties in tax title were \$4,766,465 in fiscal year 1996. This figure includes interest and fees.
- The City instituted a performance-based budget which identifies criteria which will provide performance benchmarks for various City programs. The revised budget format will provide management with better tools to evaluate results and set goals.
- The City received 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 Fund. 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.

Revenues

Fiscal year 1996 revenues totalled \$219,587,563. This represents an increase of \$3.9 million or 1.8% from fiscal year 1995. Property taxes are the single largest revenue source, representing approximately 63.8% of General Fund revenues. Real and personal property tax revenues, net of abatements were virtually unchanged from last year. Intergovernmental receipts comprise the City's next largest revenue source, representing 16.1% of the General Fund. These revenues increased 0.9% to \$35.5 million.

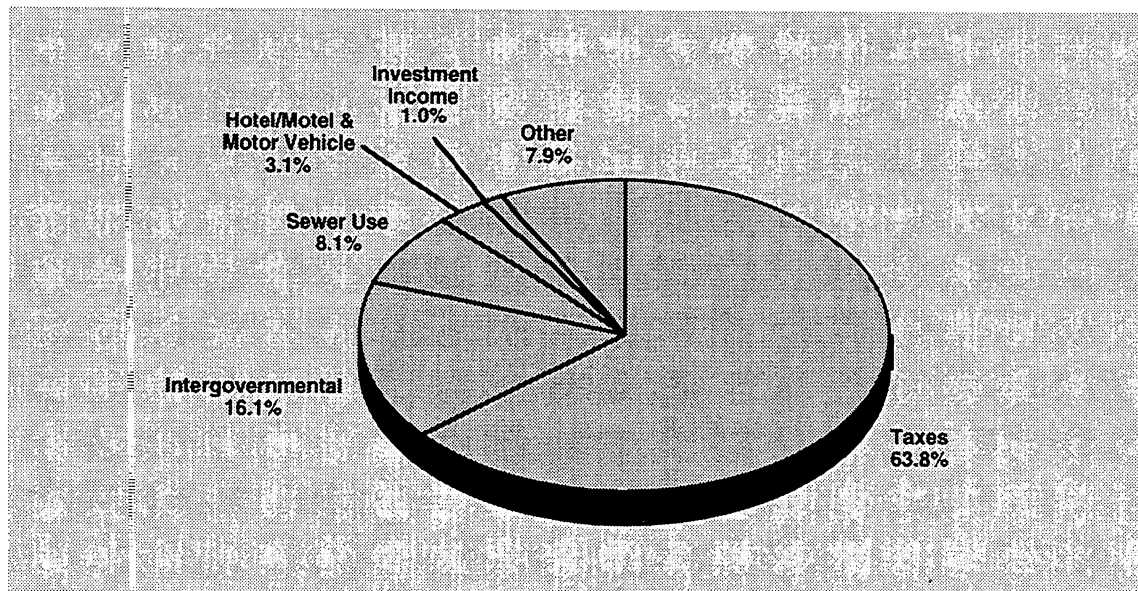
Sewer receipts increased approximately 6.6% to \$17.7 million during fiscal year 1996 because of higher rates.

The 26.8% increase in investment income from \$1.7 million to \$2.1 million was largely due to the City making more efficient use of cash and investment balances. Short-term investment rates were also slightly higher than in fiscal year 1995.

The following table and graph display the dollar amount in thousands received from various sources of revenue for fiscal year 1996 and compares these amounts to those received in fiscal year 1995.

**Fiscal Year 1996 General Fund Revenues
Budgetary Basis
(In Thousands)**

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent</u>	<u>Increase (Decrease) From Fiscal Year 1995</u>	
			<u>Amount</u>	<u>Percent</u>
Taxes-Net of Abatements	\$ 140,192	63.8	\$ <4>	<0.0>%
Intergovernmental	35,465	16.1	311	.9
Sewer Use	17,692	8.1	1,100	6.6
Hotel/Motel & Motor Vehicle Excise	6,757	3.1	7	.1
Investment Income	2,143	1.0	453	26.8
Other	<u>17,339</u>	<u>7.9</u>	<u>2,005</u>	<u>11.6</u>
Total	219,588	<u>100.0%</u>	3,872	<u>1.8%</u>
Net Transfers In (Out)	<u>7,704</u>		<u>24</u>	
Grand Total	\$ <u>227,292</u>		\$ <u>3,896</u>	



Expenditures

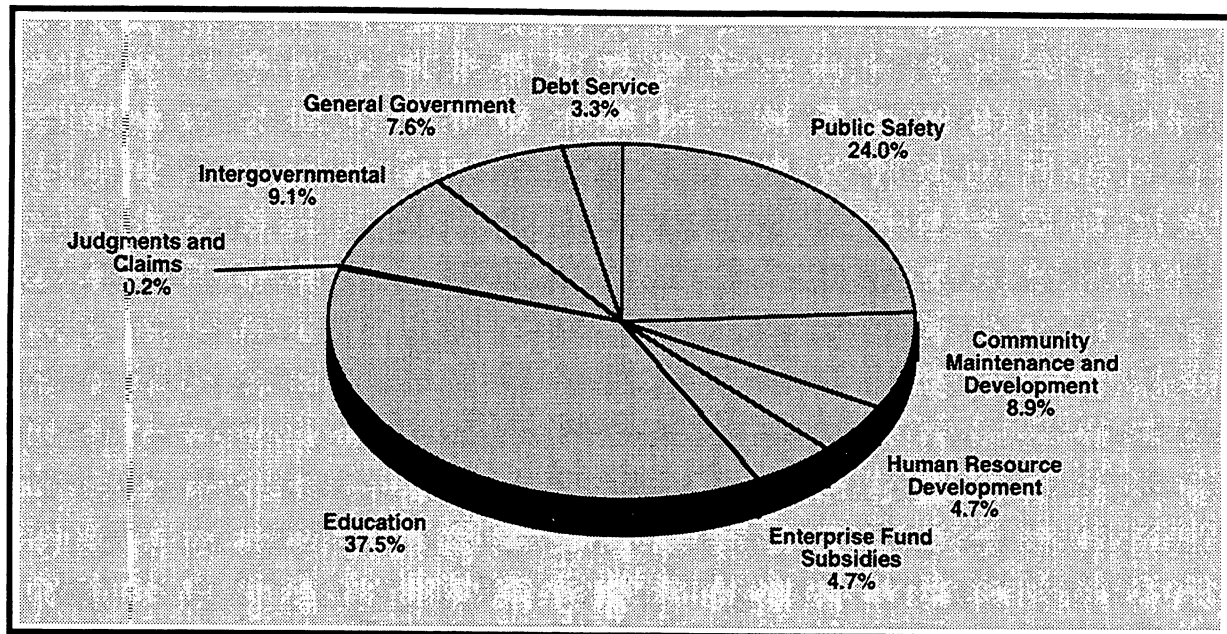
During fiscal year 1996, total expenditures increased 4.6% from \$218,908,615 to \$229,060,939.

General Government expenditures decreased 5.9% to 17.4 million primarily because of favorable variances in health insurance costs. Human Resource Development costs rose \$805,000 to \$10.7 million because of one-time bonus payments of \$1,500 per employee paid as part of contract settlements. The 4.6 million increase in educational spending is the result of salary increases and debt service on bonds issued in November, 1994. Judgments and claims rose 48.0%, but at \$402,000 are still well below historical levels.

Enterprise funds subsidies rose \$1.2 million because the Health department previously included in the general fund was reported as Hospital expenditures and the \$1.2 million represents the tax support for this department.

Fiscal Year 1996 General Fund Expenditures Budgetary Basis (In Thousands)

<u>Expenditure Function</u>	<u>Amount</u>	<u>Percent</u>	<u>Increase (Decrease) From Fiscal Year 1995</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 17,352	7.6	\$ <1,088>	<5.9%>
Public Safety	54,986	24.0	1,278	2.4
Community Maintenance and Development	20,318	8.9	607	3.1
Human Resource Development	10,714	4.7	805	8.1
Education	85,953	37.5	4,601	5.7
Judgments and Claims	402	0.2	130	47.8
Intergovernmental	20,953	9.1	1,201	6.1
Enterprise fund subsidies	10,896	4.7	1,222	6.1
Debt Service	<u>7,487</u>	<u>3.3</u>	<u>1,396</u>	<u>22.9</u>
Grand Total	\$ <u>229,061</u>	<u>100.0%</u>	\$ <u>10,152</u>	<u>4.6%</u>



General Fund Balances and Cash Position

The City ended fiscal year 1996 with a total General Fund fund balance of \$36,207,041, which represents more than 16% of General Fund revenues, up from 15% in fiscal year 1995. Each year, a portion of fund balance is allocated to reserve accounts. A total of \$10,127,364 was transferred to reserve accounts in fiscal year 1996, leaving an unreserved fund balance of \$26,079,677. General Fund cash and short-term investments totaled \$40,436,647, while the balance of unrestricted cash and short-term investments for all funds totaled \$84,569,214. Cash balances are below prior years because of the divestiture of the Hospital and Neville Manor, described earlier. 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 balance in the City's unreserved General Fund fund balance for fiscal years 1991 through 1996.

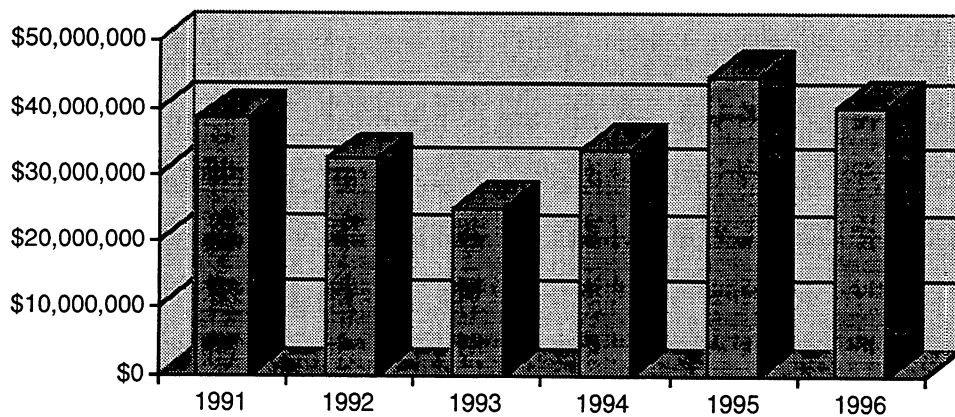
<u>Fiscal Year</u>	<u>Unreserved General Fund Balance</u>
1991	\$ 22,464,452
1992	10,943,916
1993	7,595,682
1994	15,634,070
1995	26,362,257
1996	26,079,677

Cash Position

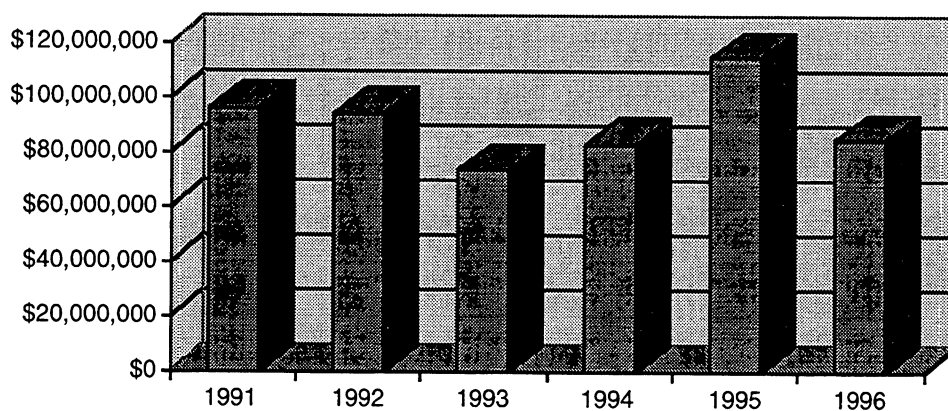
The table and charts displayed below present the changes in year-end General Fund cash and total cash for all funds for the past five fiscal years. The table and charts reflect the Hospital and Neville Manor changes described earlier.

<u>Fiscal Year</u>	<u>Year-End Cash Balance General Fund</u>	<u>Year-End Cash Balance All Funds</u>
1991	\$ 38,552,545	96,519,706
1992	32,213,743	94,222,372
1993	25,180,624	73,584,280
1994	33,567,749	82,918,319
1995	44,855,049	114,915,503
1996	40,436,647	84,569,214

Year-End Cash Balance – General Fund



Year-End Cash Balance – All Funds



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 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 1996 through fiscal year 2001, which was approved by the City Council in May 1995, has an estimated cost of \$198,583,030. Financing for the fiscal year 1996 portion of the capital plan was appropriated with the adoption of the fiscal year 1996 operating budget in May 1995. Implementation of the program in the following four years, however, is contingent upon the City's continued strong financial position.

The City maintains a policy of issuing debt with a ten-year or shorter 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. Outstanding debt as of June 30, 1996 totalled \$66,777,165.

Key Debt Ratios

<u>Ratio</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Ratio of Bonded Debt to Assessed Value	1.1	1.1	.9	.7	.8
Bonded Debt Per Capita	\$ 807	\$ 808	\$ 645	\$ 539	\$ 656
Ratio of Bonded Debt Per Capita to Per Capita Income	4.1	4.1	3.2	2.7	3.3
Ratio of Debt Service to Total Expenditures	5.4	4.7	4.6	5.2	5.6

Property Valuations

Based on valuations of all real and personal property as of January 1, 1995, the total value of all property in the City is \$7,010,030,307. Of that total, approximately \$2,708,808,768 or 38.6%, consists of industrial/commercial and personal property. Fiscal year 1996 assessments include an increase of \$74,331,271 due to new construction. The table below compares fiscal year 1996 property valuations and tax rates to fiscal year 1995 valuations and tax rates.

	<u>Property Valuations</u> <u>(In Thousands)</u>		<u>Tax Rates</u>	
	<u>FY 1996</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1995</u>
Commercial/Industrial	\$ 2,481,769	\$ 2,490,498	\$ 34.89	\$ 34.86
Personal Property	227,040	221,500	34.89	34.86
Residential	<u>4,301,221</u>	<u>4,042,948</u>	13.32	14.17
Total Value	\$ <u>7,010,030</u>	\$ <u>6,754,946</u>		

Fiduciary and Reserve Funds

The City administers more than 70 trust funds (excluding the Retirement Trust Fund and the City's Stabilization Funds), the total fund balance of which was \$16,593,492 on June 30, 1996. 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 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 increased from \$10,214,462 at June 30, 1995 to \$10,633,892 at June 30, 1996. The increase was due to interest earnings and employee health care deductions, exceeding the transfers and expenses to fund 1996 health care costs by \$414,430.

The City's Stabilization Fund had a balance of \$5,372,859 on June 30, 1996. This fund is a statutory reserve account. Interest earned by this fund accrues to this trust.

Pension Liability

As of January 1, 1996, the City's unfunded actuarial accrued liability is approximately \$108 million. In January, 1991, the City established a State approved funding schedule that will eliminate the City's unfunded actuarial liabilities by June 30, 2028.

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 LLP. The independent auditors' report on the financial statements for the year ended June 30, 1996 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, 1995.

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 continued to improve its strong financial condition and has been helped by an improved regional economy.

City unemployment has decreased from 3.4% as of June 30, 1995, to 3.1% on June 30, 1996, compared with 5.3% for the state and 5.5% for the United States. Inflation continues at its slow pace while property values are firming. Property sales activity is up in all market sectors, and we are seeing activity in local real estate development.

FUTURE OUTLOOK AND CONCLUSION

While the City maintains its policy of controlled budget growth, it has also maintained its tradition of providing a high level of service to its residents and the business community. In fact, the overall property tax levy was virtually unchanged from the prior fiscal year. There continues to be many reasons to be optimistic about the fiscal future of Cambridge.

Real estate development activity has increased in all market sectors. Development will result in new real estate tax growth. New growth is important because it is not subject to Proposition 2-1/2. Low vacancy rates in the local lodging industry have spurred several new hotel projects in the Boston metropolitan area, and Cambridge will soon have its first new hotel in recent years. All sectors of the commercial and residential real estate markets are performing well, boosting real estate sales prices in Cambridge as well.

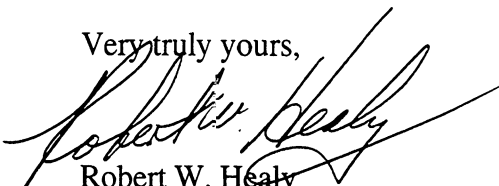
As of July 1, 1996, Cambridge Hospital and the Neville Manor Nursing Home have begun operating within the framework of the Cambridge Public Health Commission, an independent authority. Since there is still uncertainty over strategic factors affecting the health care delivery system and enormous fluctuation in the cost of providing quality health care, this divestiture will allow Cambridge to better forecast the fiscal needs of our municipal government. Cambridge will continue to provide a financial commitment to the Cambridge Public Health Commission in return for assurances that it will serve the health needs of our City and strive for fiscal independence.

The City will continue to look for ways to expand its non-property tax revenue, encourage expansion of the tax base and exercise restraint on expenditures. These factors will enable Cambridge to maintain its high level of municipal services and remain fiscally strong.

ACKNOWLEDGMENTS

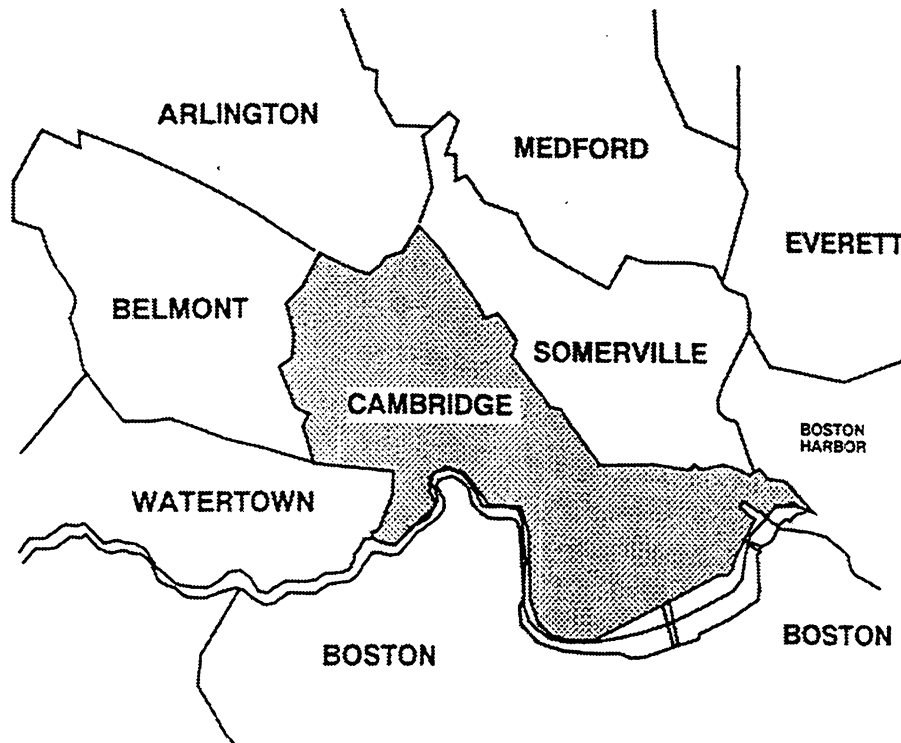
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also 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, 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 99,890 in 1996.

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 City 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, 1997.

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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FISCAL YEAR 1996

DIRECTORY OF OFFICIALS

City Council

Sheila T. Russell, Mayor

Kathleen A. Born, Vice Mayor

Henrietta Davis

Kenneth E. Reeves

Michael A. Sullivan

Francis H. Duehay

Timothy J. Toomey, Jr.

Anthony Galluccio

Katherine Triantafillou

School Committee

Sheila T. Russell, Chairwoman

Susana M. Segat

Alice L. Turkel

Alfred B. Fantini

David P. Maher

Joseph G. Grassi

E. Denise Simmons, Vice Chairman

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

Susan B. Schlesinger

Assistant City Manager for Human Services

Jill M. Herold

City Auditor

James A. Lindstrom

City Solicitor

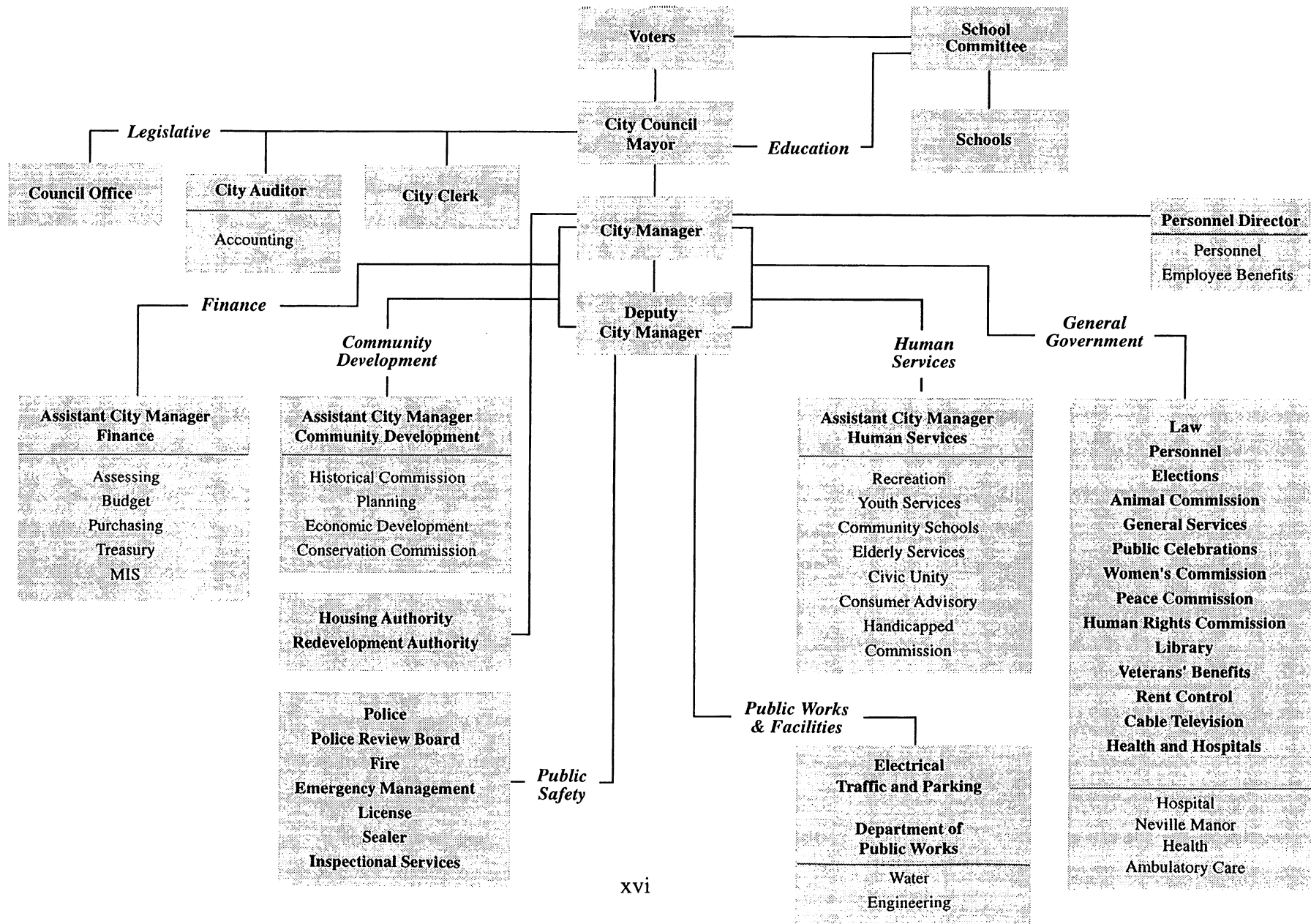
Russell B. Higley

City Clerk

D. Margaret Drury

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, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Esser
Executive Director

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Financial Section

INDEPENDENT AUDITORS' REPORT

The City's general purpose financial statements are audited each fiscal year by an independent public accounting firm. The audits are conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" issued by the Comptroller General of the United States.

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

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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 for the City of Cambridge, Massachusetts, as of and for the year ended June 30, 1996, 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 general purpose 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, 1996, and the results of its operations and cash flows of its proprietary and similar 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.

The required supplementary information on page 37 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board ("GASB"). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation, to the supplementary information. However, we did not audit the information and express no opinion on it.

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

As discussed in Note 10 to the general purpose financial statements, the City changed its method of accounting for retirement costs to adopt the provisions of Governmental Accounting Standards Board Statements No. 25 and 27.

In accordance with *Government Auditing Standards*, we have also issued reports on our consideration of the City's internal control structure and its compliance with laws and regulations, both dated December 18, 1996.

KPMG Peat Marwick LLP

December 18, 1996

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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, 1996

<u>Assets and Other Debits</u>	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-term Obligations</u>	
Cash and investments (note 5)	\$ 40,436,647	14,117,042	-	2,829,753	714,889	279,248,089	-	-	337,346,420
Receivables:									
Property taxes	4,447,397	-	-	-	-	-	-	-	4,447,397
Tax titles and possessions	12,746,521	-	-	-	-	-	-	-	12,746,521
Motor vehicle excise	2,553,717	-	-	-	-	-	-	-	2,553,717
Accounts	1,957,497	50,823	-	2,578,068	-	285,515	-	-	4,871,903
Accounts receivable - developer	-	1,000,000	-	-	-	-	-	-	1,000,000
Allowance for uncollectible receivables	-	-	-	(262,966)	-	-	-	-	(262,966)
Due from other funds (note 8)	9,278,696	1,749	-	-	-	-	-	-	9,280,445
Due from other governments	-	2,300,189	1,616,946	-	-	1,627,559	-	-	5,544,694
Fixed assets (net, where applicable, of accumulated depreciation) (note 6)	-	-	-	65,014,694	2,838	-	324,330,085	-	389,347,617
Other assets	803,000	-	-	-	-	7,655,726	-	-	8,458,726
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	68,745,278	68,745,278
Total assets and other debits	\$ 72,223,475	17,469,803	1,616,946	70,159,549	717,727	288,816,889	324,330,085	68,745,278	844,079,752

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

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

June 30, 1996

<u>Liabilities, Fund Equity and Other Credits</u>	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Types</u>	<u>Account Groups</u>		<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Capital</u> <u>Projects</u>	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Trust and</u> <u>Agency</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-term</u> <u>Obligations</u>	
Liabilities:									
Warrants payable	\$ 1,042,235	10,106,921	-	-	-	-	-	-	11,149,156
Accrued liabilities:									
Tax abatement refunds	6,433,453	-	-	-	-	-	-	-	6,433,453
Guarantee deposits and amounts due to other taxing authorities	-	-	-	-	-	1,489,105	-	-	1,489,105
Compensated absences (note 7)	-	-	-	178,646	-	-	-	8,942,982	9,121,628
Claims (notes 7 and 14)	-	-	-	-	-	-	-	2,734,131	2,734,131
Other	13,845,763	453,552	1,435,726	229,441	-	467,745	-	-	16,432,227
Due to other funds (note 8)	-	1,193,731	7,205,959	880,755	-	-	-	-	9,280,445
Deferred compensation (note 12)	-	-	-	-	-	25,161,990	-	-	25,161,990
Deferred revenue	14,694,983	354,679	-	-	-	-	-	-	15,049,662
General obligation bonds and notes payable (note 7)	-	-	-	9,709,000	-	-	-	57,068,165	66,777,165
Total liabilities	<u>36,016,434</u>	<u>12,108,883</u>	<u>8,641,685</u>	<u>10,997,842</u>	<u>-</u>	<u>27,118,840</u>	<u>-</u>	<u>68,745,278</u>	<u>163,628,962</u>
Fund equity (deficit) and other credits:									
Investments in general fixed assets	-	-	-	-	-	-	324,330,085	-	324,330,085
Retained earnings	-	-	-	59,161,707	717,727	-	-	-	59,879,434
Fund balance (deficit):									
Reserved for encumbrances	5,181,502	3,379,713	27,515,094	-	-	-	-	-	36,076,309
Reserved for specific purposes (note 8)	4,945,862	3,373,214	-	-	-	261,698,049	-	-	270,017,125
Unreserved	<u>26,079,677</u>	<u>(1,392,007)</u>	<u>(34,539,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,852,163)</u>
Total fund equity, (deficit) and other credits	<u>36,207,041</u>	<u>5,360,920</u>	<u>(7,024,739)</u>	<u>59,161,707</u>	<u>717,727</u>	<u>261,698,049</u>	<u>324,330,085</u>	<u>-</u>	<u>680,450,790</u>
Commitments and contingencies (note 14)									
Total liabilities, fund equity (deficit) and other credits	\$ <u>72,223,475</u>	<u>17,469,803</u>	<u>1,616,946</u>	<u>70,159,549</u>	<u>717,727</u>	<u>288,816,889</u>	<u>324,330,085</u>	<u>68,745,278</u>	<u>844,079,752</u>

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, 1996

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Revenues:					
Property taxes	\$ 141,530,307	-	-	-	141,530,307
Payments in lieu of tax receipts	3,334,571	-	-	-	3,334,571
Hotel/motel excise tax	3,261,967	-	-	-	3,261,967
Intergovernmental	35,464,750	14,714,938	3,333,223	-	53,512,911
Sewer use	17,691,787	-	-	-	17,691,787
Motor vehicle excise	3,494,905	-	-	-	3,494,905
Investment income	2,112,448	1,403,977	907,956	1,174,894	5,599,275
Other	<u>16,169,190</u>	<u>11,079,780</u>	<u>-</u>	<u>2,486,402</u>	<u>29,735,372</u>
Total revenues	<u>223,059,925</u>	<u>27,198,695</u>	<u>4,241,179</u>	<u>3,661,296</u>	<u>258,161,095</u>
Expenditures:					
Current:					
General government	17,841,754	-	-	-	17,841,754
Public safety	55,362,097	-	-	-	55,362,097
Community maintenance and development	19,228,871	5,368,758	-	-	24,597,629
Human resource development	10,153,097	-	-	-	10,153,097
Education	85,836,373	7,687,344	-	-	93,523,717
Fuel assistance	-	837,360	-	-	837,360
Judgments and claims	846,400	-	-	-	846,400
State assessments	21,066,948	-	-	-	21,066,948
Other	-	-	-	645,691	645,691
Operating subsidy to Cambridge Hospital and Neville Manor	10,896,015	1,686,897	-	670,815	13,253,727
Capital outlay	-	-	22,943,640	-	22,943,640
Debt service:					
Principal retirement (note 7)	5,705,099	-	-	-	5,705,099
Interest	<u>1,677,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,677,773</u>
Total expenditures	<u>228,614,427</u>	<u>15,580,359</u>	<u>22,943,640</u>	<u>1,316,506</u>	<u>268,454,932</u>
Excess (deficiency) of revenues over expenditures	<u>(5,554,502)</u>	<u>11,618,336</u>	<u>(18,702,461)</u>	<u>2,344,790</u>	<u>(10,293,837)</u>
Other financing sources (uses):					
Operating transfers from other funds (note 13)	16,306,040	166,532	9,434,397	4,081,162	29,988,131
Operating transfers to other funds (note 13)	(8,602,189)	(14,574,872)	(2,060,000)	(4,287,307)	(29,524,368)
Proceeds from debt (note 7)	-	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Total other financing sources (uses)	<u>7,703,851</u>	<u>(12,908,340)</u>	<u>7,374,397</u>	<u>(206,145)</u>	<u>1,963,763</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,149,349	(1,290,004)	(11,328,064)	2,138,645	(8,330,074)
Fund equity at beginning of year	<u>34,057,692</u>	<u>6,650,924</u>	<u>4,303,325</u>	<u>20,660,813</u>	<u>65,672,754</u>
Fund equity at end of year	\$ <u>36,207,041</u>	<u>5,360,920</u>	<u>(7,024,739)</u>	<u>22,799,458</u>	<u>57,342,680</u>

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, 1996

	1996 Budget (note 4)	1996 Actual	Variance Favorable (Unfavorable)	1995 Actual
Revenues:				
Property taxes	\$ 144,441,845	144,441,845	-	144,445,748
Provisions for tax abatements and adjustments	(4,250,381)	(4,250,381)	-	(4,250,000)
Payments in lieu of tax receipts	3,198,000	3,334,571	136,571	2,907,983
Hotel/motel excise tax	2,686,000	3,261,967	575,967	3,179,026
Intergovernmental	35,402,517	35,464,750	62,233	35,154,075
Sewer use	17,437,145	17,691,787	254,642	16,591,548
Motor vehicle excise	2,905,000	3,494,905	589,905	3,571,220
Investment income	1,100,000	2,143,441	1,043,441	1,690,237
Other	<u>11,211,028</u>	<u>14,004,678</u>	<u>2,793,650</u>	<u>12,426,018</u>
Total revenues	<u>214,131,154</u>	<u>219,587,563</u>	<u>5,456,409</u>	<u>215,715,855</u>
Expenditures:				
Current:				
General government	18,087,738	17,352,067	735,671	18,439,681
Public safety	55,248,935	54,986,388	262,547	53,707,656
Community maintenance and development	20,431,834	20,317,721	114,113	19,711,035
Human resource development	10,822,851	10,713,945	108,906	9,909,005
Education	85,958,704	85,952,725	5,979	81,351,321
Judgments and claims	402,400	402,368	32	271,804
Intergovernmental	21,533,025	20,952,766	580,259	19,752,268
Enterprise fund subsidies	10,896,015	10,896,015	-	9,674,315
Debt service:				
Principal retirement	5,806,674	5,805,474	1,200	4,797,090
Interest	<u>1,791,612</u>	<u>1,681,470</u>	<u>110,142</u>	<u>1,294,440</u>
Total expenditures	<u>230,979,788</u>	<u>229,060,939</u>	<u>1,918,849</u>	<u>218,908,615</u>
Deficiency of revenues over expenditures	<u>(16,848,634)</u>	<u>(9,473,376)</u>	<u>7,375,258</u>	<u>(3,192,760)</u>
Other financing sources (uses):				
Operating transfers in (out):				
Special revenue funds	13,281,872	11,427,298	(1,854,574)	11,049,167
Capital projects funds	(6,956,355)	(6,393,355)	563,000	(3,681,341)
Trust funds	3,613,923	2,304,858	(1,309,065)	(4,540)
Enterprise fund	<u>365,050</u>	<u>365,050</u>	<u>-</u>	<u>365,050</u>
Total other financing sources	<u>10,304,490</u>	<u>7,703,851</u>	<u>(2,600,639)</u>	<u>7,728,336</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>(6,544,144)</u>	<u>(1,769,525)</u>	<u>4,774,619</u>	<u>4,535,576</u>
Other budget items:				
Free cash appropriations	7,384,550			
Prior year deficits raised	<u>(840,406)</u>			
Total other budget items	<u>6,544,144</u>			
Net budget and actual	\$ <u>-</u>			

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year ended June 30, 1996

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- expendable Trust</u>	
Operating revenues:				
Charges for services	\$ 9,262,252	74,615	-	9,336,867
Donations	-	-	27,210	27,210
Investment income	-	-	99,053	99,053
Other	819,889	-	-	819,889
Total operating revenues	<u>10,082,141</u>	<u>74,615</u>	<u>126,263</u>	<u>10,283,019</u>
Operating expenses:				
Administration	2,175,079	-	-	2,175,079
Service and support programs	1,346,570	37,996	-	1,384,566
Depreciation	1,405,209	11,088	-	1,416,297
Total operating expenses	<u>4,926,858</u>	<u>49,084</u>	<u>-</u>	<u>4,975,942</u>
Operating income	5,155,283	25,531	126,263	5,307,077
Nonoperating revenues and expenses:				
Interest expense	<u>671,937</u>	<u>-</u>	<u>-</u>	<u>671,937</u>
Income before operating transfers and discontinued operations	4,483,346	25,531	126,263	4,635,140
Operating transfers from other funds (note 13)	-	-	147	147
Operating transfers to other funds (note 13)	<u>(365,050)</u>	<u>-</u>	<u>(98,860)</u>	<u>(463,910)</u>
Income before discontinued operations	4,118,296	25,531	27,550	4,171,377
Discontinued operations (note 16):				
Income from operations of Cambridge Hospital and Neville Manor	9,375,805	-	-	9,375,805
Loss on disposal of Cambridge Hospital and Neville Manor	<u>(85,223,969)</u>	<u>-</u>	<u>-</u>	<u>(85,223,969)</u>
Net income (loss) after discontinued operations	(71,729,868)	25,531	27,550	(71,676,787)
Retained earnings/fund equity:				
Beginning of year	<u>130,891,575</u>	<u>692,196</u>	<u>1,463,494</u>	<u>133,047,265</u>
End of year	\$ <u>59,161,707</u>	<u>717,727</u>	<u>1,491,044</u>	<u>61,370,478</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Changes in Plan Net Assets - Pension Trust Fund

Year ended June 30, 1996

Additions:

Contributions:

Employer	\$ 18,422,494
Employee	<u>9,159,199</u>
Total contributions	<u>27,581,693</u>

Investment income:

Realized and unrealized gains on investments	26,470,897
Investment income	<u>24,567,026</u>
Total investment income	<u>51,037,923</u>

Intergovernmental

Total additions	<u>2,246,847</u>
	<u>80,866,463</u>

Deductions:

Benefits	21,895,955
Refunds of contributions	2,073,835
Administrative expenses	<u>318,323</u>
Total deductions	<u>24,288,113</u>

Net increase	<u>56,578,350</u>
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Net assets held in trust for pension benefits:

Beginning of year	175,178,693
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Adjustment to beginning net assets (note 10)	<u>5,650,504</u>
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End of year	\$ <u>237,407,547</u>
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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, 1996

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	Totals
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- expendable Trust</u>	<u>(Memorandum Only)</u>
Cash flows from operating activities:				
Operating income	\$ 5,155,283	25,531	126,263	5,307,077
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	1,405,209	11,088	-	1,416,297
Provision for bad debts	109,103	-	-	109,103
Change in assets and liabilities:				
Accounts receivable	(1,076,961)	-	-	(1,076,961)
Accrued liabilities	74,672	-	-	74,672
Interfund payables	(223,519)	-	-	(223,519)
Net cash provided by operating activities	<u>5,443,787</u>	<u>36,619</u>	<u>126,263</u>	<u>5,606,669</u>
Cash flows from noncapital financing activities:				
Discontinued operations	(27,858,838)	-	-	(27,858,838)
Operating transfer - in	-	-	147	147
Operating transfer - out	(365,050)	-	(98,860)	(463,910)
Net cash used for non-capital financing activities	<u>(28,223,888)</u>	<u>-</u>	<u>(98,713)</u>	<u>(28,322,601)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(2,316,912)	-	-	(2,316,912)
Principal paid on revenue bonds	(2,238,000)	-	-	(2,238,000)
Interest paid on revenue bonds	(671,937)	-	-	(671,937)
Net cash used for capital and related financing activities	<u>(5,226,849)</u>	<u>-</u>	<u>-</u>	<u>(5,226,849)</u>
Cash flows from investing activities:				
Sales of investments	-	-	4,914	4,914
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>4,914</u>	<u>4,914</u>
Net increase (decrease) in cash and cash equivalents	(28,006,950)	36,619	32,464	(27,937,867)
Cash and cash equivalents at beginning of year	<u>30,836,703</u>	<u>678,270</u>	<u>448,772</u>	<u>31,963,745</u>
Cash and cash equivalents at end of year	\$ <u><u>2,829,753</u></u>	<u><u>714,889</u></u>	<u><u>481,236</u></u>	<u><u>4,025,878</u></u>
Supplemental disclosures:				
Cash and cash equivalents - Non expendable Trust			481,236	
Cash and cash equivalents - Pension Trust			11,591,277	
Cash and cash equivalents - Expendable Trust			<u>14,398,369</u>	
Total cash and cash equivalents			26,470,882	
Investments			252,777,207	
Total cash and investments per B/S			<u><u>279,248,089</u></u>	

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 general purpose financial 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, 1996

(1) The Financial Reporting Entity

In accordance with the requirements of the Governmental Accounting Standards Board ("GASB") Statement No. 14, the general purpose financial statements present information on the City of Cambridge, Massachusetts (the "primary government"), and its component units. The component unit, discussed below, is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. The inclusion of the component unit in the City's general purpose financial statements does not affect its legal standing.

(a) Primary Government

Settled in 1630 by a group from the Massachusetts Bay Company, the City of Cambridge was incorporated as a town in 1636 and became a city in 1846. Since 1940, the City has operated under a Council Manager form of government. The legislative body of the City is the City Council, consisting of nine members elected at large every two years; the Mayor and Vice-Mayor are elected by the Council from among its members for a two-year term. Executive authority resides with the City Manager, who is appointed by the Council and is responsible for the delivery of services to its residents.

The Mayor also serves as Chair of the School Committee. The School Committee, whose members are elected, have full authority for operations of the school system and appoint a superintendent to administer the system's day to day operations.

(b) Discontinued Operations

On July 1, 1996, operations of the Cambridge Hospital and Neville Manor Nursing Home were reorganized into a separate legal entity. Accordingly, these Enterprise Funds have been reported as discontinued operations using a measurement date of June 30, 1996. This transaction is further described in note 16 under subsequent events.

(c) Individual Component Unit Disclosure

The Cambridge Retirement System (the "System") is a defined benefit contributory retirement system created under state statute. It is administered by a Retirement Board comprised of three members: the City Auditor who serves as ex-officio; an individual elected by participants in the System; and an individual chosen by the other two members. The System provides pension benefits to retired City employees. Although legally separate, the System provides services entirely or almost entirely to the City and thus has been reported as if it were part of the primary government; a method of inclusion known as blending.

Financial statements for the system are included herein for its fiscal year ended December 31, 1995 and are available from its offices in Cambridge City Hall, 795 Massachusetts Avenue, Cambridge, Massachusetts.

(d) Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The City is a participant in a joint venture to operate the Massachusetts Bay Transportation Authority (MBTA), a

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

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component unit of the Commonwealth of Massachusetts (the "Commonwealth"). The City is indirectly liable for debt (see note 7) and other expenses incurred by the MBTA. The MBTA, created in 1964 as a body politic and corporate and political subdivision of the Commonwealth, provides rapid transit and other mass transportation services to the City and to 78 other cities and towns within its jurisdiction. The City's annual assessment, including debt service, from the MBTA for 1996 amounted to \$6,615,479. The City does not have an equity interest in the MBTA.

Complete financial statements for the MBTA can be obtained from the MBTA administrative offices at 10 Park Plaza, Boston, Massachusetts 02116.

The Massachusetts Water Resources Authority (the "Authority"), a public instrumentality of the Commonwealth, provides water supply services and sewage collection, treatment and disposal services to various cities and towns within the Commonwealth, including the City.

The Authority is governed by an eleven-member Board of Directors chaired by the Commonwealth's Secretary of Environmental Affairs. Four board members are appointed by the Governor, three by the Mayor of Boston, Massachusetts, three by the Authority's Advisory Board and one upon the recommendation of the Mayor of Quincy, Massachusetts and Board of Selectmen of Winthrop, Massachusetts.

While the City does not have an equity interest in the Authority, it is indirectly liable for its debt (see note 7) and certain other Authority expenses. The City's annual assessment for 1996, including debt service from the Authority was \$13,196,458.

Complete financial statements for the Authority can be obtained at the Authority's administrative offices at 100 First Avenue, Boston, Massachusetts 02129.

(e) Related Organization

The Manager is responsible for appointing four of five board members to the Cambridge Housing Authority, subject to confirmation by the Council. However, the City's accountability for this organization does not extend beyond making these appointments.

(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 followed by the City:

(a) Basis of Presentation - Fund Accounting

The operations of the City are recorded in the following funds and account groups:

GOVERNMENTAL FUND TYPES

Governmental Funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary funds and non expendable trust funds). The measurement focus is based upon determination of changes in financial position and the flow of current financial resources. The following are the City's governmental fund types:

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

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 based 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 to other departments of the City, 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.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

(b) Basis of Accounting

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave, and self-insured claims, which are recorded in the general long-term obligations account group.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Other revenues are recorded when received in cash, except investment earnings which are recorded as earned.

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds. The City has elected to apply to these funds accounting principles applicable to the private sector issued through November 30, 1989, unless those principles conflict with or contradict pronouncements of the Governmental Accounting Standards Board.

(c) Investments

Investments of pension trust funds and deferred compensation plans are presented in the accompanying general purpose financial statements at fair market value. All other investments are stated at cost or amortized cost, which approximates market.

(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.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

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 combined balance sheet because they do not constitute expenditures or liabilities. Encumbrances and continuing appropriations are combined with expenditures for budgetary comparison purposes.

(f) Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specified payment rates established by contract, regulation or policy. The cost of compensated absences for employees of proprietary funds is recorded as earned. For other funds, the noncurrent portion of the liability for compensated absences is reported in the general long-term obligations account group.

The liabilities for accrued sick leave are determined based on the number of allowable days accumulated at the balance sheet (vesting method).

(g) 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 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 because it is not material.

(h) 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 other than buildings	10-20 years
Equipment	5-30 years

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

(i) 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. 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 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) Budget Basis of Accounting

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.

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

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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, 1996, after the setting of the tax rate, were \$2,753,621 and are reflected in the budgetary basis 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).

A summary of the differences between the results of operations presented on a budgetary basis and those presented in accordance with GAAP is as follows:

	<u>Revenues</u>	<u>Expenditures</u>
As reported on a budgetary basis	\$ 219,587,563	229,060,939
Adjustments:		
To record revenue and other financing sources on a modified accrual basis of accounting	3,472,362	-
To adjust for encumbrances and continuing appropriations	-	(446,512)
As reported on GAAP basis	\$ <u>223,059,925</u>	<u>228,614,427</u>

(5) 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").

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

In addition, the Cambridge Retirement System and administrators of the Employees Deferred Compensation plan have 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, 1996.

	<u>Bank Balances</u>			Total	
	<u>Category</u>			Bank	Carrying
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Cash	\$ 300,000	-	4,953,837	5,253,837	5,654,279
Money market	<u>401,905</u>	<u>11,591,277</u>	<u>7,088,135</u>	<u>19,081,317</u>	<u>13,716,132</u>
Total	\$ <u>701,905</u>	<u>11,591,277</u>	<u>12,041,972</u>	<u>24,335,154</u>	<u>19,370,411</u>

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, mutual funds and insurance contracts, pooled funds, are not categorized.

	<u>Category</u>			<u>Not Categorized</u>	<u>Carrying Amount</u>	<u>Estimated Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
MMDT	\$ -	-	-	65,198,803	65,198,803	65,198,803
Mutual funds	-	-	-	25,161,988	25,161,988	25,161,988
Common stocks	-	107,095,250	-	-	107,095,250	107,095,250
Corporate bonds	-	78,197,091	-	-	78,197,091	80,197,091
U.S. Treasury notes	-	35,379,431	-	-	35,379,431	35,400,410
Insurance contracts	-	-	-	6,943,446	6,943,446	6,943,446
Total	\$ -	<u>220,671,772</u>	-	<u>97,304,237</u>	<u>317,976,009</u>	<u>319,996,988</u>

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.

Of the investments reflected in the preceding table, investments of the Cambridge Retirement System constitute 68% of the amount in Category 2.

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

(6) Fixed Assets

A summary of general fixed assets activity in the general fixed assets account group for the year ended June 30, 1996 follows:

	Balance June 30, 1995	Additions	Disposals	Balance June 30, 1996
Land	\$ 172,062,238	-	-	172,062,238
Buildings	106,049,481	909,681	(125,773)	106,833,389
Improvements other than buildings	11,037,189	541,917	(3,519)	11,575,587
Equipment	22,729,416	5,867,506	(1,700,723)	26,896,199
Construction in progress	<u>4,323,448</u>	<u>2,639,224</u>	<u>-</u>	<u>6,962,672</u>
	<u>\$ 316,201,772</u>	<u>9,958,328</u>	<u>(1,830,015)</u>	<u>324,330,085</u>

The City initiated a fixed assets system in fiscal 1986 for its general fixed assets and adjusts these records for additions and disposals as of the end of each fiscal year. These amounts are based on actual historical 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 fixed assets were impractical to obtain; therefore, the sources of fixed assets are not presented.

A summary of proprietary fund type property, plant, and equipment at June 30, 1996 follows:

	Enterprise	Internal Service
Land	\$ 39,264,325	-
Buildings	9,349,880	-
Improvements other than buildings	15,509,289	-
Equipment	<u>10,271,059</u>	<u>171,181</u>
Less accumulated depreciation	<u>(9,379,859)</u>	<u>(168,343)</u>
	<u>\$ 65,014,694</u>	<u>2,838</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

Construction in progress at June 30, 1996 is comprised of the following:

	Project <u>Authorization</u>	<u>Expended</u>	<u>Committed</u>
General Fixed Assets:			
Senior center	\$ 4,280,000	3,981,976	298,024
City hall renovations	5,350,000	440,570	4,909,430
Geographic information	1,500,000	771,676	728,324
East Cambridge youth center	345,085	308,685	36,400
Morse school	9,830,000	533,337	9,296,663
Fitzgerald school	<u>14,432,000</u>	<u>926,428</u>	<u>13,505,572</u>
	\$ <u>35,737,085</u>	<u>6,962,672</u>	<u>28,774,413</u>
Water Fund:			
Water treatment plant	\$ <u>3,550,000</u>	<u>-</u>	<u>-</u>

(7) 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 and notes payable transactions of the City for the year ended June 30, 1996:

	<u>General Obligation *</u>	<u>Enterprise Fund</u>	<u>Total</u>
Bonds and notes payable at June 30, 1995	\$ 58,935,264	11,947,000	70,882,264
Debt retired: Serial bonds	9,257,099	2,238,000	11,495,099
Additional debt	1,500,000	-	1,500,000
Cambridge Hospital and Neville Manor debt	<u>5,890,000</u>	<u>-</u>	<u>5,890,000</u>
Bonds and notes payable at June 30, 1996	\$ <u>57,068,165</u>	<u>9,709,000</u>	<u>66,777,165</u>

*Note: Cambridge Hospital and Neville Manor debt included as part of the Public Health System reorganization (see note 16).

Principal retirement of general obligation bonds and notes payable has been reflected in the general purpose financial statements as debt service expenditures of \$5,705,099 and education expenditures of \$3,552,000 totaling \$9,257,099 of principal costs.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

The following is a summary of the composition of general long-term obligations outstanding at June 30, 1995 and 1996:

<u>Description and Repayment Terms</u>	<u>Date of Obligation</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Outstanding June 30, 1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding June 30, 1996</u>
General purpose, serial maturities through June 15, 2006	6/15/87 to 6/15/96	\$ 5,585,000	6/15/06	4.3% to 6.0%	\$ 2,595,000	-	560,000	2,035,000
Urban redevelopment, serial maturities through February 1, 2004	7/1/85 to 2/1/94	29,865,000	2/1/04	3.75% to 6.6%	13,845,000	-	2,740,000	11,105,000
Schools, serial maturities through February 1, 2004	6/15/78 to 6/15/96	47,900,000	2/1/06	3.75% to 5.75%	24,863,000	-	3,552,000	21,311,000
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%	1,900,000	-	650,000	1,250,000
Sewer, serial maturities through August 1, 2008	9/1/72 to 6/15/96	16,874,180	8/1/08	2.35% to 5.75%	14,732,264	-	1,755,099	12,977,165
Section 108 HUD notes payable		2,500,000			1,000,000	1,500,000	-	2,500,000
*Hospital, serial maturities through June 15, 2000	6/15/87 to 6/15/90	14,850,000	6/16/00	5.6% to 6.6%	-	4,990,000	-	4,990,000
*Neville Manor, serial maturities through June 15, 2002	6/15/92	<u>1,500,000</u>	6/15/02	4.3% to 5.3%	<u>-</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>
Total bonds and notes payable		\$ <u>125,574,180</u>			<u>58,935,264</u>	<u>7,390,000</u>	<u>9,257,099</u>	<u>57,068,165</u>
Accrued compensated absences					9,056,361		113,379	8,942,982
Accrued claims					<u>2,445,000</u>	<u>1,103,981</u>	<u>814,850</u>	<u>2,734,131</u>
Total general long-term obligations					\$ <u>70,436,625</u>	<u>8,493,981</u>	<u>10,185,328</u>	<u>68,745,278</u>

*Note: Cambridge Hospital and Neville Manor debt included as part of the Public Health System reorganization (see note 16).

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

The annual requirements to amortize all general long-term obligation bonds and notes payable outstanding as of June 30, 1996, are as follows:

Year ending June 30,	Principal	Interest	Total
1997	\$ 10,472,828	2,877,993	13,350,821
1998	8,755,176	2,328,357	11,083,533
1999	7,281,631	1,869,118	9,150,749
2000	6,356,045	1,492,333	7,848,378
2001	5,489,582	1,147,805	6,637,387
Thereafter	<u>18,712,903</u>	<u>2,188,126</u>	<u>20,901,029</u>
	<u>\$ 57,068,165</u>	<u>11,903,732</u>	<u>68,971,897</u>

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 has entered into loan agreements with the Massachusetts Water Pollution Abatement Trust (MWPAT). The loans provide funding for the Sewer Separation Project. According to the loan agreements, the City will be subsidized on a periodic basis for debt and interest costs. Loan repayments commenced on February 1, 1995 and end on August 1, 2008, with interest rates ranging from 2.35% to 5.25%.

The City is subject to a dual level general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1996, the City may issue approximately \$154,415,180 additional general obligation debt under the normal debt limit. The City has approximately \$33,490,000 of debt exempt from the debt limit.

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

Authorized and unissued debt at June 30, 1996, is as follows:

School Renovations	\$ 2,400,000
City Hall Renovations	5,050,000
Hospital Construction	30,000,000
Sewer Separation Project	29,408,456
Section 103 Biotechnology	3,500,000
Engineering/New Water Treatment Plan	3,600,000
806 Mass Avenue Renovations	230,000
Water Main Replacement	2,000,000
Fitzgerald School Renovations	14,432,000
Morse School Renovations	9,830,000
Central Square enhancements	3,550,000
Building Renovations	500,000
Emergency Communications	3,300,000
East Cambridge Youth Center	3,562,000
Area IV Youth Center	200,000
One Per Cent for the Arts	134,000
Agassiz School	640,000
FiberOptic Network Infrastructure	1,000,000
Acquisition of Personal Computers	<u>600,000</u>
	<u>\$ 113,936,456</u>

At June 30, 1996, the City had grants receivable from the School Building Assistance Bureau (SBAB) of \$17,200,278 to defray principal and interest costs related to \$23,706,000 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. During 1996, the City received \$2,558,516 of such assistance. Assuming satisfactory audit results and annual appropriations by the State legislature, \$2,921,959 will be received in 1997, \$2,316,282 in 1998 and the balance will be received in subsequent years.

Enterprise Fund serial bond issues outstanding at June 30, 1996 for the Water Fund were \$9,709,000. The interest rates ranged from 3.75% to 6.6%. Outstanding debt matures in subsequent fiscal years as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$ 2,278,000	713,645	2,991,645
1998	2,078,000	568,526	2,646,526
1999	2,080,000	431,981	2,511,981
2000	1,693,000	294,688	1,987,688
2001	667,000	173,376	840,376
Thereafter	<u>913,000</u>	<u>298,176</u>	<u>1,211,176</u>
	<u>\$ 9,709,000</u>	<u>2,480,392</u>	<u>12,189,392</u>

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

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, 1996 and the City's 1996 assessment from each entity:

	Long-term debt <u>outstanding</u> (unaudited)	The City's estimated <u>share</u>	The City's estimated <u>indirect debt</u>	1996 Assessment including <u>debt service</u>
MBTA	\$ 2,727,335,000	4.93%	\$ 134,413,244	\$ 6,615,479
MWRA	2,908,475,000	5.06%	134,114,306	13,196,458
Middlesex County	1,990,000	10.00%	199,000	222,300

(8) Individual Fund Receivables, Payables and Fund Balances Reserved for Specific Purposes

Individual balances of amounts due from and to other funds at June 30, 1996 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 9,278,696	-
Capital Projects Fund	-	7,205,959
Enterprise Funds:		
Water Fund	-	880,755
Special Revenue Funds:		
Other Grants	1,749	-
CDBG Grants	-	1,000,000
School Grants	-	175,663
Fuel Assistance Grants	-	18,068
	<u>\$ 9,280,445</u>	<u>9,280,445</u>

Fund balances are reserved for the following purposes as of June 30, 1996:

General Fund:	
Fiscal 1997 appropriations	\$ 4,395,862
One Percent for the Arts	25,000
Public works/equipment	55,000
Preventive Park Maintenance Program	75,000
Transportation Studies	150,000
War Memorial Renovations	100,000
Building Improvements	<u>145,000</u>
	\$ <u>4,945,862</u>
Special Revenue Funds:	
CDBG Grants	82,517
Fuel Assistance Grants	169,141
Parking Funds	<u>3,121,556</u>
	\$ <u>3,373,214</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

Trust Funds:

Retirement System	237,407,547
City Stabilization	5,372,859
School Stabilization	2,324,151
Health Claims	10,633,892
Housing	3,340,680
Cemetery Perpetual Care	1,569,601
School	169,190
Neville Manor	74,007
Library	158,414
Other Trust Funds	<u>647,708</u>

\$ 261,698,049

(9) 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, 1996 follows:

	<u>Hospital and Neighborhood Health Centers</u>	<u>Neville Manor</u>	<u>Water</u>	<u>Total</u>
Operating revenues	\$ -	-	10,082,141	10,082,141
Operating income	-	-	5,155,283	5,155,283
Net operating transfers (out)	-	-	(365,050)	(365,050)
Depreciation expense	-	-	1,405,209	1,405,209
Net income before discontinued operations	-	-	4,118,296	4,118,296
Discontinued operations:				
Income (loss) from operations	10,800,978	(1,425,173)	-	9,375,805
(Loss) on disposal	(82,598,539)	(2,625,430)	-	(85,223,969)
Net income after discontinued operations	(71,797,561)	(4,050,603)	4,118,296	71,729,868
Fixed assets	-	-	65,014,694	65,014,694
Net working capital	-	-	3,856,013	3,856,013
Total assets	-	-	70,159,549	70,159,549
Long-term obligations	-	-	9,709,000	9,709,000
Total retained earnings	-	-	59,161,707	59,161,707

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

(10) Retirement Plan

In 1996, the City of Cambridge Retirement System and the City adopted the requirements of the Governmental Accounting Standards Board's, Statement No. 25 and No. 27 which resulted in the elimination of accrued retirement costs of \$117 million in the General Long-Term Obligations Account Group at July 1, 1995, an adjustment to beginning net assets of \$5.6 million, and a change in content of the Required Supplementary information on page 37 and in disclosures which are as follows:

(a) Plan Description

The City contributes to the Cambridge Retirement System ("System"), a cost sharing, multi-employer public employee retirement system that acts as the investment and administrative agent for the city and Cambridge Housing Authority. The system provides retirement, disability, and death benefits to plan members and beneficiaries. The System is a member of the Massachusetts Contributory System which is governed by Chapter 32 of the Massachusetts General laws ("MGL").

(b) Membership

Membership in the System consisted of the following at January 1, 1996, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,561
Terminated plan members entitled to but not receiving benefits	17
Active plan members	<u>3,504</u>
Total membership	<u>5,082</u>
 Total number of participating employers	 <u>2</u>

(c) Contribution

Plan members are required to contribute to the System, depending on their employment date. Active members must contribute between 5% and 10% of their regular gross compensation depending on the date upon which their membership began. Participating employers are required to pay into the System, their share of the remaining system-wide actuarially determined contribution and plan administration costs. The Commonwealth reimburses the City for a portion of the benefit payments for cost-of-living increases. The contributions of plan members and the participating employers are governed by Chapter 32 of the MGL. The City's contributions to the system for the years ended June 30, 1996, 1995 and 1994 were \$18,422,494, \$16,101,989 and \$14,702,794, respectively, which equaled its required contribution for each year.

(d) Legally Required Reserve Accounts

The balances in the System's legally required reserves (on the statutory basis of accounting) at December 31, 1995 are as follows:

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
Annuity Saving Fund	\$ 82,275,928	Active members' contribution balance
Annuity Reserve Fund	22,814,894	Retired members' contribution account
Military Service Credit	588	Members' contribution account while on military leave
Expense Account	123,758	Balance of amount appropriated for administering the system
Pension Reserve Fund	59,369,176	Amounts appropriated to fund future retirement benefits
Pension Fund	<u>69,298,716</u>	Remaining net assets
Total	\$ <u>233,883,060</u>	

All reserve accounts are funded at levels required by State statute.

(e) Investment Concentration

There were no investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of plan net assets.

(11) Other Post-employment Benefit Disclosures

All retired employees eligible for pension benefits as well as teachers covered under the Commonwealth of Massachusetts Teachers' Retirement System ("TRS") receive certain post-retirement benefits including major health, dental, and life insurance under Chapter 32 of the MGL. The City funds 90% of health insurance premiums, with the remaining 10% paid by the retiree. The City also funds 75% of life insurance premiums, with the remaining 25% paid by the retiree. The City funds 100% of dental and vision premiums. The number of employees covered was 1,561 at June 30, 1996. The City's cost of these post-retirement benefits for fiscal 1996 was \$4,023,278 and is funded and accounted for on a pay-as-you-go basis.

(12) Deferred Compensation Plan

The City has a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. The Plan, available to all City employees, permits them to defer a portion of their current salary to future years. The deferred compensation is not available to the participants until termination, retirement, death or unforeseeable emergency.

In accordance with Section 457 of the Internal Revenue Code, all amounts of compensation deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are (until made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the City's general creditors.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

Participants' rights created under the Plan are equivalent to those of general creditors of the City and only in an amount equal to the fair market value of the deferred account maintained with respect to each participant. Plan assets have been used for no purpose other than to pay benefits. In addition, the City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The City records the plan assets and the related liability to plan participants as an agency fund.

The City and its agent have no liability for losses under the Plan, but do have the duty of care that would be required of an ordinary prudent investor.

The Plan allows its participants to direct their contributions among several publicly traded mutual funds and other pooled investment vehicles, as provided by the Plan. These investment vehicles routinely use derivatives in varying degrees to achieve their overall performance objectives, however, these investments are immaterial in total. The Plan's investments are not subject to review or approval by the City.

The assets and liabilities of the City's deferred compensation plan with a market value of \$25,161,990 are included in Agency Funds at June 30, 1996.

(13) Operating Transfers, Net

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:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Expendable Trust</u>	<u>Non- Expendable Trust</u>
Parking Receipts	\$ 11,427,298	(12,114,298)	687,000	-	-	-
Capital Improvements	(5,423,355)	-	5,423,355	-	-	-
Sewer Reconstruction	(970,000)	-	970,000	-	-	-
Water Overhead	365,050	-	-	(365,050)	-	-
Health Claims Trust	1,943,337	-	-	-	(1,943,337)	-
Miscellaneous Trusts	-	-	-	-	12,980	(12,980)
Cemetery Perpetual Care	45,000	-	-	-	40,733	(85,733)
School Stabilization	316,521	-	-	-	(316,521)	-
Housing Trust	-	-	(2,000,000)	-	2,000,000	-
Community Development Block Grant	-	(2,294,042)	2,294,042	-	-	-
	<u>\$ 7,703,851</u>	<u>(14,408,340)</u>	<u>7,374,397</u>	<u>(365,050)</u>	<u>(206,145)</u>	<u>(98,713)</u>

(14) Risk Management

The City is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, unemployment and employee health insurance claims.

Police Department vehicles are insured through an outside agency and all other vehicle damage and loss is self-insured. The City is self-insured for other general liability; however, Chapter 258 of the MGL limits the liability to a maximum of \$100,000 per claim in all

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

matters except actions relating to federal/civil rights, eminent domain and breach of contract. The City is also self-insured for workers' compensation and unemployment claims.

The City has a Blue Cross/Blue Shield PPO (Preferred Provider Organization) medical plan under which it makes actual claims payments. In this case, Blue Cross/Blue Shield acts as a claims processor and a transfer of risk does not occur. Approximately 70% of the City's employees participate in the self insured plan with the remainder electing preferred provider plans that are premium based.

Employees contribute approximately 10% of the cost of healthcare with the remainder paid by the City. These costs are amounted for in the general fund. The contribution rate for retirees is 1% for those who qualify for Medicare and 10% for those who do not. While the City does not carry stop-loss insurance, it has set aside \$10,633,892 in a trust fund for this purpose. The City maintains a working deposit with Blue Cross/Blue Shield of \$803,000 at June 30, 1996.

Liabilities for claims incurred but not paid or reported are recorded in the general long-term obligations account group.

Changes in the self insurance liability for the fiscal year ended June 30, 1996 are as follows:

	<u>General Long-Term Obligations Account Group</u>	
	<u>1996</u>	<u>1995</u>
Accrued claims, beginning of year	\$ 2,445,000	2,165,584
Incurred claims	1,103,981	1,486,442
Payments of claims attributable to events of both current and prior fiscal years	<u>814,850</u>	<u>1,207,026</u>
Accrued claims, end of year	\$ <u>2,734,131</u>	<u>2,445,000</u>

There are numerous cases pending in courts throughout the Commonwealth where the City of Cambridge is a defendant. In addition, the City has been named as a defendant in a legal action with a general contractor of the Haggerty School. In regards to this action the City has filed counterclaims against several subcontractors. Legal counsel is unable to determine the likelihood of an unfavorable decision, if any. 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.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1996

(15) Fund Deficits

The following funds had deficit equity balances at June 30, 1996:

Special Revenue:	
Other Grants	\$ <u>(74,603)</u>
*Capital Projects	\$ <u>(7,024,739)</u>

*Note: Capital projects deficits will be raised through future bond issues and federal and state grants.

(16) Subsequent Events

(a) Reorganization of Public Health System

On June 30, 1996, the Cambridge Public Health Commission (the "Commission") was created as the successor to the City's Department of Health and Hospitals ("Department"). Beginning July 1, 1996 the Commission is authorized to enter into agreements with the City and Somerville Hospital, a non-profit organization, to effect the creation of a new public health system, including Cambridge Hospital, Neville Manor Nursing Home, and the operations and facilities of Somerville Hospital.

All cash, accounts receivable, personal property and inventory of the Department have been transferred to the Commission. The transfer of real property to the Commission was effected by a lease agreement. All debt and obligations of the Department will be assumed by the Commission; provided, however, that City bonds and notes will remain general obligations of the City.

The City and the Commission will enter into a contract whereby the City will provide funding for a portion of public health costs.

(b) Bond Issuance

On July 8, 1996, the City issued \$13,790,000 in General Obligation bonds carrying an average interest rate of 4.90%. The bonds mature 6/15/06 and will be used to finance the costs of projects in the City's capital improvement plan.

REQUIRED SUPPLEMENTARY INFORMATION

The following schedule presents historical trend information for the Cambridge Retirement System. The information is presented in accordance with the requirements of Statement Nos. 25 and 27 of the Governmental Accounting Standards Board.

CITY OF CAMBRIDGE, MASSACHUSETTS

Required Supplementary Information

(In Thousands)

Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability B	Unfunded AAL (UAAL) B-A	Funded Ratio A/B	Covered Payroll C	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/96	233,883	341,531	107,648	68.48%	114,387	94.11%
1/1/94	182,632	323,644	141,012	56.43%	109,775	128.46%
1/1/93	158,595	279,715	121,120	56.70%	99,063	122.27%
1/1/91	118,507	251,035	132,528	47.21%	83,460	158.79%

Information prior to 1/1/91 is not available.

Schedules of Contributions from Employers

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
1995	20,669	100.00%
1994	19,029	100.00%
1993	16,843	100.00%
1992	16,507	100.00%
1991	15,814	100.00%

Notes to Schedules

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/96
Actuarial cost method	Entry Age Normal Cost
Amortization method	Approximate level percent of payroll-open
Remaining amortization period	Varied based upon Active or Retired status 12 yr. Retirees/Early 28 yr. Active members
Asset valuation method	Market Value
Actuarial assumption:	
Investment rate of return	8.00%
Projected salary increases	6.00%
Cost-of-living adjustments	None (funded by Commonwealth of Massachusetts)

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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. Information on real, personal, and excise tax collections, and schedules of the long-term debt obligations and general fixed assets of the City is also provided in this section.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government:			
Mayor:			
Salaries and wages	\$ 669,245	669,096	149
Other ordinary maintenance	92,235	89,692	2,543
Travel and training	19,200	14,821	4,379
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Mayor	<u>780,680</u>	<u>773,609</u>	<u>7,071</u>
City Manager:			
Salaries and wages	1,144,535	1,139,402	5,133
Other ordinary maintenance	441,775	435,659	6,116
Travel and training	30,290	27,265	3,025
Extraordinary expenditures	<u>21,715</u>	<u>21,715</u>	<u>-</u>
Total City Manager	<u>1,638,315</u>	<u>1,624,041</u>	<u>14,274</u>
City Council:			
Salaries and wages	502,530	502,528	2
Other ordinary maintenance	26,330	26,238	92
Travel and training	36,000	23,727	12,273
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total City Council	<u>564,860</u>	<u>552,493</u>	<u>12,367</u>
City Clerk:			
Salaries and wages	457,375	443,396	13,979
Other ordinary maintenance	37,660	37,585	75
Travel and training	750	750	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total City Clerk	<u>495,785</u>	<u>481,731</u>	<u>14,054</u>
Law:			
Salaries and wages	750,355	750,347	8
Other ordinary maintenance	149,125	139,105	10,020
Travel and training	412,335	412,230	105
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Law	<u>1,311,815</u>	<u>1,301,682</u>	<u>10,133</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Finance:			
Salaries and wages	\$ 3,836,405	3,769,820	66,585
Other ordinary maintenance	1,248,173	1,189,330	58,844
Travel and training	157,520	129,184	28,336
Extraordinary expenditures	<u>29,000</u>	<u>28,864</u>	<u>136</u>
Total Finance	<u>5,271,098</u>	<u>5,117,198</u>	<u>153,900</u>
Employment Benefits:			
Salaries and wages	5,453,290	5,011,212	442,078
Other ordinary maintenance	796,970	756,810	40,160
Travel and training	-	-	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Employment Benefits	<u>6,250,260</u>	<u>5,768,022</u>	<u>482,238</u>
General Services:			
Salaries and wages	302,885	302,882	3
Other ordinary maintenance	382,410	369,691	12,719
Travel and training	14,650	14,650	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total General Services	<u>699,945</u>	<u>687,223</u>	<u>12,722</u>
Election Commission:			
Salaries and wages	385,783	385,779	4
Other ordinary maintenance	180,827	167,592	13,235
Travel and training	3,520	510	3,010
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Election Commission	<u>570,130</u>	<u>553,881</u>	<u>16,249</u>
Public Celebrations:			
Salaries and wages	138,460	138,453	7
Other ordinary maintenance	199,260	186,850	12,410
Travel and training	1,125	1,085	40
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Celebrations	<u>338,845</u>	<u>326,388</u>	<u>12,457</u>
Reserve:			
Salaries and wages	-	-	-
Other ordinary maintenance	-	-	-
Travel and training	-	-	-
Extraordinary expense	<u>-</u>	<u>-</u>	<u>-</u>
Total Reserve	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Animal Commission:			
Salaries and wages	\$ 154,375	154,369	6
Other ordinary maintenance	11,415	11,230	185
Travel and training	215	200	15
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Animal Commission	<u>166,005</u>	<u>165,799</u>	<u>206</u>
Total General Government	<u>18,087,738</u>	<u>17,352,067</u>	<u>735,671</u>
Public Safety:			
Fire:			
Salaries and wages	20,247,090	20,181,239	65,851
Other ordinary maintenance	423,390	395,595	27,795
Travel and training	141,750	138,625	3,125
Extraordinary expenditures	<u>45,000</u>	<u>44,883</u>	<u>117</u>
Total Fire	<u>20,857,230</u>	<u>20,760,342</u>	<u>96,888</u>
Police:			
Salaries and wages	21,795,265	21,795,260	5
Other ordinary maintenance	745,375	740,463	4,912
Travel and training	125,000	123,699	1,301
Extraordinary expenditures	<u>172,960</u>	<u>172,960</u>	<u>-</u>
Total Police	<u>22,838,600</u>	<u>22,832,382</u>	<u>6,218</u>
Traffic and Parking:			
Salaries and wages	3,682,010	3,641,569	40,441
Other ordinary maintenance	2,384,470	2,383,245	1,225
Travel and training	36,900	27,763	9,137
Extraordinary expenditures	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Total Traffic and Parking	<u>6,131,380</u>	<u>6,080,577</u>	<u>50,803</u>
Police Review and Advisory Board:			
Salaries and wages	47,720	47,717	3
Other ordinary maintenance	10,270	10,066	204
Travel and training	1,500	1,446	54
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Police Review and Advisory Board	<u>59,490</u>	<u>59,229</u>	<u>261</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Inspectional Services:			
Salaries and wages	1,443,985	1,443,981	4
Other ordinary maintenance	69,355	67,021	2,334
Travel and training	38,000	35,789	2,211
Extraordinary expenditures	-	-	-
Total Inspectional Services	<u>1,551,340</u>	<u>1,546,791</u>	<u>4,549</u>
License:			
Salaries and wages	479,805	479,802	3
Other ordinary maintenance	44,905	43,491	1,414
Travel and training	7,000	6,599	401
Extraordinary expenditures	-	-	-
Total License	<u>531,710</u>	<u>529,892</u>	<u>1,818</u>
Weights and Measures:			
Salaries and wages	67,535	60,839	6,696
Other ordinary maintenance	2,280	789	1,491
Travel and training	295	-	295
Extraordinary expenditures	-	-	-
Total Weights and Measures	<u>70,110</u>	<u>61,628</u>	<u>8,482</u>
Electrical:			
Salaries and wages	664,255	642,144	22,111
Other ordinary maintenance	1,499,995	1,434,275	65,720
Travel and training	10,470	5,698	4,772
Extraordinary expenditures	-	-	-
Total Electrical	<u>2,174,720</u>	<u>2,082,117</u>	<u>92,603</u>
Emergency Management:			
Salaries and wages	73,140	73,053	87
Other ordinary maintenance	13,830	13,074	756
Travel and training	100	100	-
Extraordinary expenditures	-	-	-
Total Emergency Management	<u>87,070</u>	<u>86,227</u>	<u>843</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Emergency Communications:			
Salaries and wages	916,380	916,375	5
Other ordinary maintenance	17,005	16,950	55
Travel and training	11,400	11,383	17
Extraordinary expenditures	<u>2,500</u>	<u>2,495</u>	<u>5</u>
Total Emergency Communications	<u>947,285</u>	<u>947,203</u>	<u>82</u>
Total Public Safety	<u>55,248,935</u>	<u>54,986,388</u>	<u>262,547</u>
Community Maintenance and Development:			
Public Works:			
Salaries and wages	9,827,625	9,827,615	10
Other ordinary maintenance	6,534,215	6,492,129	42,086
Travel and training	172,625	154,090	18,535
Extraordinary expenditures	<u>262,500</u>	<u>261,702</u>	<u>798</u>
Total Public Works	<u>16,796,965</u>	<u>16,735,536</u>	<u>61,430</u>
Community Development:			
Salaries and wages	2,157,073	2,157,064	9
Other ordinary maintenance	110,031	108,722	1,309
Travel and training	34,000	33,967	33
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Community Development	<u>2,301,104</u>	<u>2,299,753</u>	<u>1,351</u>
Historical Commission:			
Salaries and wages	186,835	186,826	9
Other ordinary maintenance	8,490	8,490	-
Travel and training	800	760	40
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Historical Commission	<u>196,125</u>	<u>196,076</u>	<u>49</u>
Conservation Commission:			
Salaries and wages	42,590	42,579	11
Other ordinary maintenance	2,005	1,517	488
Travel and training	390	315	75
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Conservation Commission	<u>44,985</u>	<u>44,411</u>	<u>574</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Peace Commission:			
Salaries and wages	49,125	49,118	7
Other ordinary maintenance	6,830	6,830	-
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Peace Commission	<u>55,955</u>	<u>55,948</u>	<u>7</u>
Rent Control:			
Salaries and wages	760,240	760,238	2
Other ordinary maintenance	64,000	13,587	50,413
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Rent Control	<u>824,240</u>	<u>773,825</u>	<u>50,415</u>
Cable Television:			
Salaries and wages	173,810	173,807	3
Other ordinary maintenance	11,200	11,037	162
Travel and training	700	700	-
Extraordinary expenditures	<u>26,750</u>	<u>26,628</u>	<u>122</u>
Total Cable Television	<u>212,460</u>	<u>212,172</u>	<u>287</u>
Total Community Maintenance and Development	<u>20,431,834</u>	<u>20,317,721</u>	<u>114,113</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Human Resource Development:			
Library:			
Salaries and wages	2,810,311	2,810,304	7
Other ordinary maintenance	586,416	586,415	1
Travel and training	14,000	13,984	16
Extraordinary expenditures	-	-	-
Total Library	<u>3,410,727</u>	<u>3,410,703</u>	<u>24</u>
Human Services:			
Salaries and wages	5,320,106	5,318,275	1,831
Other ordinary maintenance	1,426,293	1,352,842	73,451
Travel and training	20,435	19,351	1,084
Extraordinary expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Human Services	<u>6,791,834</u>	<u>6,715,468</u>	<u>76,366</u>
Human Rights:			
Salaries and wages	126,860	126,854	6
Other ordinary maintenance	4,305	3,740	565
Travel and training	950	940	10
Extraordinary expenditures	-	-	-
Total Human Rights	<u>132,115</u>	<u>131,534</u>	<u>581</u>
Veterans Benefits:			
Salaries and wages	181,370	170,867	10,503
Other ordinary maintenance	189,510	168,119	21,391
Travel and training	2,860	2,855	5
Extraordinary expenditures	-	-	-
Total Veterans Benefits	<u>373,740</u>	<u>341,841</u>	<u>31,899</u>
Women's Commission:			
Salaries and wages	105,775	105,768	7
Other ordinary maintenance	8,160	8,131	29
Travel and training	500	500	-
Extraordinary expenditures	-	-	-
Total Women's Commission	<u>114,435</u>	<u>114,399</u>	<u>36</u>
Total Human Resource Development	<u>10,822,851</u>	<u>10,713,945</u>	<u>108,906</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Education:			
Salaries and wages	65,275,835	65,272,675	3,160
Other ordinary maintenance	15,329,643	15,328,665	978
Travel and training	354,465	352,978	1,487
Extraordinary expenditures	204,040	203,686	354
Debt: Principal payments	3,552,000	3,552,000	-
Interest payments	<u>1,242,721</u>	<u>1,242,721</u>	<u>-</u>
Total Education	<u>85,958,704</u>	<u>85,952,725</u>	<u>5,979</u>
Judgments and claims:			
Salaries and wages			
Other ordinary maintenance			
Travel and training			
Extraordinary expenditures	<u>402,400</u>	<u>402,368</u>	<u>32</u>
Total Judgements and Claims	<u>402,400</u>	<u>402,368</u>	<u>32</u>
Debt Retirement:			
Salaries and wages	-	-	-
Other ordinary maintenance	-	-	-
Travel and training	-	-	-
Principal payments: Bonded debt	<u>5,806,674</u>	<u>5,805,474</u>	<u>1,200</u>
Total Principal Retirement	<u>5,806,674</u>	<u>5,805,474</u>	<u>1,200</u>
Interest:			
Salaries and wages	-	-	-
Other ordinary maintenance	-	-	-
Travel and training	-	-	-
Extraordinary expenditures	<u>1,791,612</u>	<u>1,681,470</u>	<u>110,142</u>
Total Interest	<u>1,791,612</u>	<u>1,681,470</u>	<u>110,142</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Intergovernmental:			
MBTA:			
Salaries and wages	-	-	-
Other ordinary maintenance	6,424,575	6,429,989	(5,414)
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total MBTA	<u>6,424,575</u>	<u>6,429,989</u>	<u>(5,414)</u>
County Tax:			
Salaries and wages	-	-	-
Other ordinary maintenance	230,085	222,298	7,785
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total County Tax	<u>230,085</u>	<u>222,298</u>	<u>7,785</u>
MWRA:			
Salaries and wages	-	-	-
Other ordinary maintenance	14,070,025	13,550,924	519,101
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total MWRA	<u>14,070,025</u>	<u>13,550,924</u>	<u>519,101</u>
Other State Assessments:			
Salaries and wages	-	-	-
Other ordinary maintenance	808,340	749,555	58,785
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Other State Assessments	<u>808,340</u>	<u>749,555</u>	<u>58,785</u>
Total Intergovernmental	<u>21,533,025</u>	<u>20,952,766</u>	<u>580,259</u>
Enterprise Funds:			
Enterprise Fund Subsidies	<u>10,896,015</u>	<u>10,896,015</u>	-
Total General Fund	\$ <u>230,979,788</u>	<u>229,060,939</u>	<u>1,918,849</u>

SPECIAL REVENUE FUNDS

Community Development Block Grant

Revenues from the Community Development Block Grant Program are recorded in this fund. A transfer of revenues is made at the end of the fiscal year to the Capital Projects Funds to cover Block Grant-related expenditures in these funds during that fiscal year. All operating expenditures are recorded within this Fund.

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 to 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, and Library. 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, 1996

<u>Assets</u>	<u>CDBG Grants</u>	<u>School Grants</u>	<u>Fuel Assistance</u>	<u>Parking Fund</u>	<u>Other Grants</u>	<u>Total</u>
Cash and short-term investments	\$ 1,441,603	-	-	3,070,733	9,604,706	14,117,042
Accounts receivable	-	-	-	50,823	-	50,823
Accounts receivable-developer	1,000,000	-	-	-	-	1,000,000
Due from other funds	-	-	-	-	1,749	1,749
Due from other governments	<u>319,168</u>	<u>1,048,235</u>	<u>255,119</u>	<u>-</u>	<u>677,667</u>	<u>2,300,189</u>
Total assets	\$ <u>2,760,771</u>	<u>1,048,235</u>	<u>255,119</u>	<u>3,121,556</u>	<u>10,284,122</u>	<u>17,469,803</u>
<u>Liabilities and Fund Equity</u>						
Warrants payable	-	-	-	-	10,106,921	10,106,921
Accrued liabilities - other	178,254	-	23,494	-	251,804	453,552
Due to other funds	1,000,000	175,663	18,068	-	-	1,193,731
Deferred revenue	<u>-</u>	<u>354,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,679</u>
Total liabilities	<u>1,178,254</u>	<u>530,342</u>	<u>41,562</u>	<u>-</u>	<u>10,358,725</u>	<u>12,108,883</u>
Fund equity:						
Reserved for encumbrances	1,500,000	631,140	44,416	-	1,204,157	3,379,713
Reserved for specific purposes	82,517	-	169,141	3,121,556	-	3,373,214
Unreserved	<u>-</u>	<u>(113,247)</u>	<u>-</u>	<u>-</u>	<u>(1,278,760)</u>	<u>(1,392,007)</u>
Total fund equity	<u>1,582,517</u>	<u>517,893</u>	<u>213,557</u>	<u>3,121,556</u>	<u>(74,603)</u>	<u>5,360,920</u>
Total liabilities and fund equity	\$ <u>2,760,771</u>	<u>1,048,235</u>	<u>255,119</u>	<u>3,121,556</u>	<u>10,284,122</u>	<u>17,469,803</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Special Revenue Funds

Year ended June 30, 1996

	Community Development Block Grants	School Grants	Fuel Assistance	Parking Fund	Other Grants	Total
Revenues:						
Intergovernmental	\$ 3,095,094	7,013,402	1,366,685	-	3,239,757	14,714,938
Investment income	52,152	830,920	5,720	515,185	-	1,403,977
Other:						
Permits	-	-	-	22,535	153,167	175,702
Fines	-	-	-	6,386,187	-	6,386,187
Charges for services	-	-	-	4,515,511	-	4,515,511
Miscellaneous	-	-	-	2,380	-	2,380
Total revenues	<u>3,147,246</u>	<u>7,844,322</u>	<u>1,372,405</u>	<u>11,441,798</u>	<u>3,392,924</u>	<u>27,198,695</u>
Expenditures:						
Cambridge Hospital Operations						
Subsidy	-	-	-	-	1,686,897	1,686,897
Education	-	7,687,344	-	-	-	7,687,344
Fuel assistance	-	-	837,360	-	-	837,360
Community maintenance and development	<u>1,820,222</u>	<u>-</u>	<u>398,989</u>	<u>-</u>	<u>3,149,547</u>	<u>5,368,758</u>
Total expenditures	<u>1,820,222</u>	<u>7,687,344</u>	<u>1,236,349</u>	<u>-</u>	<u>4,836,444</u>	<u>15,580,359</u>
Excess (deficiency) of revenues over expenditures	1,327,024	156,978	136,056	11,441,798	(1,443,520)	11,618,336
Other financing (uses) sources:						
Operating transfers from other funds	-	-	-	166,532	-	166,532
Operating transfers to other funds	(2,294,042)	-	-	(12,280,830)	-	(14,574,872)
Proceeds of debt	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Excess (deficiency) of revenues over expend- itures and transfers	532,982	156,978	136,056	(672,500)	(1,443,520)	(1,290,004)
Fund equity at beginning of year	<u>1,049,535</u>	<u>360,915</u>	<u>77,501</u>	<u>3,794,056</u>	<u>1,368,917</u>	<u>6,650,924</u>
Fund equity at end of year	\$ <u>1,582,517</u>	<u>517,893</u>	<u>213,557</u>	<u>3,121,556</u>	<u>(74,603)</u>	<u>5,360,920</u>

ENTERPRISE FUND

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, 1996

<u>Assets</u>	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Cash and short-term investments	\$ -	-	2,829,753	2,829,753
Accounts receivable	-	-	2,578,068	2,578,068
Allowance for uncollectible receivables	-	-	(262,966)	(262,966)
Fixed assets	<u>-</u>	<u>-</u>	<u>65,014,694</u>	<u>65,014,694</u>
 Total assets	 <u>\$ -</u>	 <u>-</u>	 <u>70,159,549</u>	 <u>70,159,549</u>
 <u>Liabilities and Retained Earnings</u>				
Accrued liabilities:				
Compensated absences and accrued payroll	\$ -	-	178,646	178,646
Accrued liabilities - other	-	-	229,441	229,441
Due to other funds	-	-	880,755	880,755
General obligation bonds payable	<u>-</u>	<u>-</u>	<u>9,709,000</u>	<u>9,709,000</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>10,997,842</u>	<u>10,997,842</u>
 Retained earnings	 -	 -	 59,161,707	 59,161,707
Contributed capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>59,161,707</u>	<u>59,161,707</u>
 Total liabilities and retained earnings	 <u>\$ -</u>	 <u>-</u>	 <u>70,159,549</u>	 <u>70,159,549</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

Year ended June 30, 1996

	Hospital and Neighborhood Health <u>Centers</u>	Neville <u>Manor</u>	<u>Water</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ -	-	9,262,252	9,262,252
Other	-	-	819,889	819,889
Total operating revenues	-	-	10,082,141	10,082,141
Operating expenses:				
Administration	-	-	2,175,079	2,175,079
Service and support programs	-	-	1,346,570	1,346,570
Depreciation	-	-	1,405,209	1,405,209
Total operating expenses	-	-	4,926,858	4,926,858
Operating income	-	-	5,155,283	5,155,283
Nonoperating revenues and expenses:				
Interest expense	-	-	671,937	671,937
Income before operating transfers	-	-	4,483,346	4,483,346
Operating transfers to other funds	-	-	(365,050)	(365,050)
Net income before discontinued operations	-	-	4,118,296	4,118,296
Discontinued operations:				
Income (loss) from discontinued operations	10,800,978	(1,425,173)	-	9,375,805
Loss on disposal of discontinued operations	(82,598,539)	(2,625,430)	-	(85,223,969)
Net income (loss) after discontinued operations	(71,797,561)	(4,050,603)	4,118,296	(71,729,868)
Retained earnings:				
Beginning of year	71,797,561	4,050,603	55,043,411	130,891,575
End of year	\$ -	-	59,161,707	59,161,707

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Cash Flows

Enterprise Funds

Year ended June 30, 1996

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Cash flows from operating activities:				
Operating income	\$ -	-	5,155,283	5,155,283
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	-	-	1,405,209	1,405,209
Provision for bad debts	-	-	109,103	109,103
Change in assets and liabilities:				
Accounts receivable	-	-	(1,076,961)	(1,076,961)
Accrued liabilities	-	-	74,672	74,672
Interfund payables	<u>-</u>	<u>-</u>	<u>(223,519)</u>	<u>(223,519)</u>
Net cash provided by (used for) operating activities	<u>-</u>	<u>-</u>	<u>5,443,787</u>	<u>5,443,787</u>
Cash flows from noncapital financing activities:				
Operating transfer-out	-	-	(365,050)	(365,050)
Discontinued operations	<u>(25,940,472)</u>	<u>(1,918,366)</u>	<u>-</u>	<u>(27,858,838)</u>
Net cash used for noncapital financing activities	<u>(25,940,472)</u>	<u>(1,918,366)</u>	<u>(365,050)</u>	<u>(28,223,888)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	(2,316,912)	(2,316,912)
Principal paid on revenue bonds	-	-	(2,238,000)	(2,238,000)
Interest paid on revenue bonds	<u>-</u>	<u>-</u>	<u>(671,937)</u>	<u>(671,937)</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>-</u>	<u>(5,226,849)</u>	<u>(5,226,849)</u>
Net decrease in cash and cash equivalents	(25,940,472)	(1,918,366)	(148,112)	(28,006,950)
Cash and cash equivalents at beginning of year	<u>25,940,472</u>	<u>1,918,366</u>	<u>2,977,865</u>	<u>30,836,703</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>-</u>	<u>2,829,753</u>	<u>2,829,753</u>

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 Funds. The last sentence of each Trust Fund narrative lists the expendable balances which represent 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, 1996

Assets	Pension Trust Funds	Nonexpendable Trust Funds					Expendable Trust Funds										Total
	Retirement Trust Fund	School Fund	Neville Manor Fund	Library Fund	Cemetery Funds	Other Fund	School Fund	Neville Fund	Library Fund	Cemetery Fund	Health Claims Trust Fund	City Stabilization Trust Fund	School Stabilization Trust Fund	Housing Funds	Other Funds	Agency Fund	
Cash and short-term investments	\$ 11,591,277	35,504	25,733	44,499	314,954	60,546	133,686	48,274	103,741	255,013	3,744,745	3,305,589	2,324,151	2,406,903	587,162	1,489,105	26,470,882
Other investments	217,649,166	-	-	10,000	999,634	-	-	-	-	-	6,889,147	2,067,270	-	-	-	25,161,990	252,777,207
Accounts receivable	285,340	-	-	174	-	-	-	-	-	-	-	-	-	-	-	-	285,514
Due from other governments	1,627,559	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,627,559
Other assets	<u>6,721,950</u>	-	-	-	-	-	-	-	-	-	-	-	-	<u>933,777</u>	-	-	<u>7,655,727</u>
Total assets	\$ <u>237,875,292</u>	<u>35,504</u>	<u>25,733</u>	<u>54,673</u>	<u>1,314,588</u>	<u>60,546</u>	<u>133,686</u>	<u>48,274</u>	<u>103,741</u>	<u>255,013</u>	<u>10,633,892</u>	<u>5,372,859</u>	<u>2,324,151</u>	<u>3,340,680</u>	<u>587,162</u>	<u>26,651,095</u>	<u>288,816,889</u>
Liabilities and Fund Equity																	
Accrued liabilities - other	\$ 467,745	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	467,745
Guarantee deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,489,105	1,489,105
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,161,990	25,161,990
Total liabilities	<u>467,745</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>26,651,095</u>	<u>27,118,840</u>
Fund balance:																	
Reserved for specific purposes	<u>237,407,547</u>	<u>35,504</u>	<u>25,733</u>	<u>54,673</u>	<u>1,314,588</u>	<u>60,546</u>	<u>133,686</u>	<u>48,274</u>	<u>103,741</u>	<u>255,013</u>	<u>10,633,892</u>	<u>5,372,859</u>	<u>2,324,151</u>	<u>3,340,680</u>	<u>587,162</u>	-	<u>261,698,049</u>
Total fund balance	<u>237,407,547</u>	<u>35,504</u>	<u>25,733</u>	<u>54,673</u>	<u>1,314,588</u>	<u>60,546</u>	<u>133,686</u>	<u>48,274</u>	<u>103,741</u>	<u>255,013</u>	<u>10,633,892</u>	<u>5,372,859</u>	<u>2,324,151</u>	<u>3,340,680</u>	<u>587,162</u>	-	<u>261,698,049</u>
Total liabilities and fund equity	\$ <u>237,875,292</u>	<u>35,504</u>	<u>25,733</u>	<u>54,673</u>	<u>1,314,588</u>	<u>60,546</u>	<u>133,686</u>	<u>48,274</u>	<u>103,741</u>	<u>255,013</u>	<u>10,633,892</u>	<u>5,372,859</u>	<u>2,324,151</u>	<u>3,340,680</u>	<u>587,162</u>	<u>26,651,095</u>	<u>288,816,889</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses and Changes in Fund Equity

Nonexpendable Trust Funds

Year ended June 30, 1996

	<u>Nonexpendable Trust Funds</u>					
	<u>School Fund</u>	<u>Neville Manor Fund</u>	<u>Library Fund</u>	<u>Cemetery Funds</u>	<u>Other Funds</u>	<u>Total</u>
Revenues:						
Donations	\$ 2,310	-	50	24,850	-	27,210
Investment income	<u>1,984</u>	<u>1,491</u>	<u>2,954</u>	<u>85,733</u>	<u>6,891</u>	<u>99,053</u>
Total operating income	<u>4,294</u>	<u>1,491</u>	<u>3,004</u>	<u>110,583</u>	<u>6,891</u>	<u>126,263</u>
Operating transfers to other funds	(1,979)	(1,491)	(2,854)	(85,733)	(6,803)	(98,860)
Operating transfers from other funds	<u>147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147</u>
Net income	<u>2,462</u>	<u>-</u>	<u>150</u>	<u>24,850</u>	<u>88</u>	<u>27,550</u>
Retained earnings/fund equity:						
Beginning of year	<u>33,042</u>	<u>25,733</u>	<u>54,523</u>	<u>1,289,738</u>	<u>60,458</u>	<u>1,463,494</u>
End of year	<u>35,504</u>	<u>25,733</u>	<u>54,673</u>	<u>1,314,588</u>	<u>60,546</u>	<u>1,491,044</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Cash Flows

Nonexpendable Trust Funds

Year ended June 30, 1996

	<u>School Fund</u>	<u>Neville Manor Fund</u>	<u>Library Fund</u>	<u>Cemetery Fund</u>	<u>Other Funds</u>	<u>Total</u>
Cash flows from operating activities:						
Operating income	\$ 4,294	1,491	3,004	110,583	6,891	126,263
Net cash (used for) provided by operating activities	<u>4,294</u>	<u>1,491</u>	<u>3,004</u>	<u>110,583</u>	<u>6,891</u>	<u>126,263</u>
Cash flows from noncapital financing activities:						
Operating transfers - in	147	-	-	-	-	147
Operating transfers - out	<u>(1,979)</u>	<u>(1,491)</u>	<u>(2,854)</u>	<u>(85,733)</u>	<u>(6,803)</u>	<u>(98,860)</u>
Net cash used for non-capital non-financing activities	<u>(1,832)</u>	<u>(1,491)</u>	<u>(2,854)</u>	<u>(85,733)</u>	<u>(6,803)</u>	<u>(98,713)</u>
Cash flows from investing activities:						
Proceeds from sale of investment securities	-	-	4,914	-	-	4,914
Net cash provided by investment activities	<u>-</u>	<u>-</u>	<u>4,914</u>	<u>-</u>	<u>-</u>	<u>4,914</u>
Net increase in cash and cash equivalents	2,462	-	5,064	24,850	88	32,464
Cash and cash equivalents at beginning of year	<u>33,042</u>	<u>25,733</u>	<u>39,435</u>	<u>290,104</u>	<u>60,458</u>	<u>448,772</u>
Cash and cash equivalents at end of year	\$ <u>35,504</u>	<u>25,733</u>	<u>44,499</u>	<u>314,954</u>	<u>60,546</u>	<u>481,236</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Expendable Trust Funds

Year ended June 30, 1996

		Expendable Trust Funds									Total
		School Fund	Neville Manor Fund	Library Fund	Cemetery Fund	Health Claims Trust Fund	City Stabilization Trust Fund	School Stabilization Trust Fund	Housing Fund	Other Funds	
Revenues:											
Investment income	\$	6,748	2,629	5,533	10,476	748,988	313,327	-	55,609	31,584	1,174,894
Donations		23,199	-	45,885	-	-	-	-	23,637	1,000	93,721
Employee deduction		-	-	-	-	2,287,294	-	-	-	-	2,287,294
Other		-	-	-	-	-	-	-	4,047	101,340	105,387
Total revenues		<u>29,947</u>	<u>2,629</u>	<u>51,418</u>	<u>10,476</u>	<u>3,036,282</u>	<u>313,327</u>	<u>-</u>	<u>83,293</u>	<u>133,924</u>	<u>3,661,296</u>
Expenditures:											
Other		6,026	2,437	46,233	-	2,700	-	-	476,703	111,592	645,691
Operating health claims subsidy		-	-	-	-	670,815	-	-	-	-	670,815
Total expenditures		<u>6,026</u>	<u>2,437</u>	<u>46,233</u>	<u>-</u>	<u>673,515</u>	<u>-</u>	<u>-</u>	<u>476,703</u>	<u>111,592</u>	<u>1,316,506</u>
Excess (deficiency) of revenues over expenditures		23,921	192	5,185	10,476	2,362,767	313,327	-	(393,410)	22,332	2,344,790
Transfers:											
Operating transfers from other funds		1,979	1,491	2,854	85,733	856,663	-	1,125,639	2,000,000	6,803	4,081,162
Operating transfers to other funds		<u>(147)</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(2,800,000)</u>	<u>-</u>	<u>(1,442,160)</u>	<u>-</u>	<u>-</u>	<u>(4,287,307)</u>
Excess (deficiency) of revenue over expenditures and transfers		25,753	1,683	8,039	51,209	419,430	313,327	(316,521)	1,606,590	29,135	2,138,645
Fund equity at beginning of year		<u>107,933</u>	<u>46,591</u>	<u>95,702</u>	<u>203,804</u>	<u>10,214,462</u>	<u>5,059,532</u>	<u>2,640,672</u>	<u>1,734,090</u>	<u>558,027</u>	<u>20,660,813</u>
Fund equity at end of year	\$	<u>133,686</u>	<u>48,274</u>	<u>103,741</u>	<u>255,013</u>	<u>10,633,892</u>	<u>5,372,859</u>	<u>2,324,151</u>	<u>3,340,680</u>	<u>587,162</u>	<u>22,799,458</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds

Year ended June 30, 1996

<u>Assets</u>	Balance June 30, 1995	<u>Additions</u>	<u>Deductions</u>	Balance June 30, 1996
Contract Bids	\$ 40,189	1,355	150	41,394
Plans	2,065	-	-	2,065
Tree Removals	485	-	-	485
Driveways	580,519	195,129	700,000	75,648
Street Openings	190,879	41,500	157,750	74,629
Sidewalk Openings	150	-	-	150
In Lieu of Bond	70,945	-	-	70,945
License Commission	19,445	735	9,430	10,750
Cambridge Police Detail	(225,190)	2,402,779	2,400,196	(222,607)
Cambridge Fire Detail	961	39,448	40,442	(33)
Dog Licenses	(911)	15,123	-	14,212
Sporting Licenses	(59)	12,906	12,799	48
Dog Officer	570	-	-	570
Constable Fees	4,056	70,467	72,813	1,710
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	2,161	7,209	3,483	5,887
Accident & life Insurance	98,238	100,220	141,955	56,503
Medicare	3,213	11	-	3,224
Car Seat Program	1,539	-	-	1,539
Deferred Compensation	1,410	-	-	1,410
Commonwealth Health	(10,701)	10,701	-	-
Legal Fees	27,000	11,898	29,723	9,175
Retirement Office Payroll	62,801	-	61,295	1,506
New England Life	229,700	124,759	-	354,459
Continental Casualty	(2,753)	5,279	6,338	(3,812)
Teacher Insurance Reimbursement	4,940	-	-	4,940
Teachers Retirement	270,743	68,237	2,054	336,926
Excise Registry Fees	13,857	-	-	13,857
3 Bidglow Contingency Fund	51,025	13,654	25,458	39,221
Retroactive Wages	6	-	-	6
Land Court Fees	23,348	5,810	-	29,158
Choke Program	1,182	-	-	1,182
Unclaimed Checks	319,573	-	131	319,442
Stop Payments	23,138	-	-	23,138
Sewer Abatement Appraisal Fee	5,395	-	-	5,395
Twelve Mt. Auburn	25,000	-	17,316	7,684
Blue Cross	6,112	-	-	6,112
Hackrey Applications	4,746	640	-	5,386
Purchase of Bike Racks	1,386	396	-	1,782
Recycling Bins	267	91	-	358
ERI Funds	-	-	-	-
Levargie/J.P. Construction Co.	45,252	2,550	-	47,802
620 Memorial Dr. YMA	-	81,832	-	81,832
Forty-Three Mt. Auburn Rents	-	2,899	-	2,899
Deferred Compensation	<u>20,921,289</u>	<u>4,552,270</u>	<u>311,569</u>	<u>25,161,990</u>
Total	\$ <u>22,876,099</u>	<u>7,767,898</u>	<u>3,992,902</u>	<u>26,651,095</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds (continued)

Year ended June 30, 1996

<u>Liabilities</u>	Balance June 30, 1995	<u>Additions</u>	<u>Deductions</u>	Balance June 30, 1996
Guarantee deposits and amounts due other:				
Contract Bids	\$ 40,189	1,355	150	41,394
Plans	2,065	-	-	2,065
Tree Removals	485	-	-	485
Driveways	580,519	195,129	700,000	75,648
Street Openings	190,879	41,500	157,750	74,629
Sidewalk Openings	150	-	-	150
In Lieu of Bond	70,945	-	-	70,945
License Commission	19,445	735	9,430	10,750
Cambridge Police Detail	(225,190)	2,402,779	2,400,196	(222,607)
Cambridge Fire Detail	961	39,448	40,442	(33)
Dog Licenses	(911)	15,123	-	14,212
Sporting Licenses	(59)	12,906	12,799	48
Dog Officer	570	-	-	570
Constable Fees	4,056	70,467	72,813	1,710
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	2,161	7,209	3,483	5,887
Accident & life Insurance	98,238	100,220	141,955	56,503
Medicare	3,213	11	-	3,224
Car Seat Program	1,539	-	-	1,539
Deferred Compensation	1,410	-	-	1,410
Commonwealth Health	(10,701)	10,701	-	-
Legal Fees	27,000	11,898	29,723	9,175
Retirement Office Payroll	62,801	-	61,295	1,506
New England Life	229,700	124,759	-	354,459
Continental Casualty	(2,753)	5,279	6,338	(3,812)
Teacher Insurance Reimbursement	4,940	-	-	4,940
Teachers Retirement	270,743	68,237	2,054	336,926
Excise Registry Fees	13,857	-	-	13,857
3 Bidglow Contingency Fund	51,025	13,654	25,458	39,221
Retroactive Wages	6	-	-	6
Land Court Fees	23,348	5,810	-	29,158
Choke Program	1,182	-	-	1,182
Unclaimed Checks	319,573	-	131	319,442
Stop Payments	23,138	-	-	23,138
Sewer Abatement Appraisal Fee	5,395	-	-	5,395
Twelve Mt. Auburn	25,000	-	17,316	7,684
Blue Cross	6,112	-	-	6,112
Hackney Applications	4,746	640	-	5,386
Purchase of Bike Racks	1,386	396	-	1,782
Recycling Bins	267	91	-	358
ERI Funds	-	-	-	-
Levangie/J.P. Construction Co.	45,252	2,550	-	47,802
620 Memorial Dr. YMA	-	81,832	-	81,832
Forty-three Mt. Auburn Rents	-	2,899	-	2,899
Deferred Compensation	<u>20,921,289</u>	<u>4,552,270</u>	<u>311,569</u>	<u>25,161,990</u>
Total	\$ <u>22,876,099</u>	<u>7,767,898</u>	<u>3,992,902</u>	<u>26,651,095</u>

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Mary A. Blessington Scholarship Fund

This trust fund, established in 1993 for 2,000, is to be used to fund a scholarship to the student with the highest academic achievement at the Fletcher School. The one award will be taken from interest only, not to exceed \$100. No scholarship was awarded in FY96. As of June 30, 1996, the expendable balance was \$257.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 2,133	\$ 124	\$ -	\$ 2,257

Robert Calef Children's Trust 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 are spent under the direction of a board of six trustees composed of six primary teachers of the Cambridge Public School system, three designated by the Superintendent of Schools and three by 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. No books were purchased in FY96. As of June 30, 1996, the expendable balance was \$7,158.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 8,657	\$ 501	\$ -	\$ 9,158

Cambridge Public School Fund

In February of 1986, the City accepted a \$10,000 gift from the Amelia Peabody Foundation to establish the Cambridge Public School Trust. This initial gift was to provide for the expansion of computer capabilities at the Graham and Parks Alternative Public School, so that students with limited English speaking ability could 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. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$7,823.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 7,395	\$ 428	\$ -	\$ 7,823

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

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. Only 75% of the income can be expended with the balance reverting to the principal fund balance. No purchases of books or works were made in FY96. As of June 30, 1996, the expendable balance was \$790.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,008	\$ 58	\$ -	\$ 1,066

Georgia Hardy Spelling Contest

This fund was a gift from Georgia Hardy in 1937. The fund is to be expended for a book, which is to be awarded as a prize to the winner 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. No prize was awarded in FY96. As of June 30, 1996, the expendable balance was \$1,134.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,072	\$ 62	\$ -	\$ 1,134

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. No prizes were awarded in FY96. As of June 30, 1996, the expendable balance was \$754.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 713	\$ 41	\$ -	\$ 754

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

J. Maxwell Joseph Memorial Writing Center Award Trust Fund

The J. Maxwell Joseph Memorial Writing Center Award Trust Fund was established in 1989 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 award may be up to \$1,000 which, beginning in 1996, may be adjusted for inflation but cannot exceed interest income earnings; however, the excess income in any one year may be retained to supplement the award when necessary. 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. In FY96, \$2,310 was donated to the fund. One prize was awarded during the year. As of June 30, 1996, the expendable balance was \$2,102.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 21,301	\$ 3,582	\$ 1,000	\$ 23,883

Edward Kingman Scholarship Fund

The sum of \$1,700 was donated to Cambridge in 1931 to form the Edward L. Kingman Scholarship. This scholarship fund was established to award a prize during the first year of college to the student who graduated from Cambridge Rindge and Latin High School with the highest grade and who attends college the next year. Three prizes were awarded in FY96. As of June 30, 1996, the expendable balance was \$7,249.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 9,043	\$ 506	\$ 600	\$ 8,949

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. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$2,840.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 2,684	\$ 156	\$ -	\$ 2,840

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

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. No social studies materials were purchased in FY96. As of June 30, 1996, the expendable balance was \$1,738.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,643	\$ 95	\$ -	\$ 1,738

Charles E. Merrill Fund

On October 2, 1972, the City Council accepted a gift of \$25,000 from the Charles E. Merrill Trust. This amount is to be used for the support of the special expenses of the Cambridge Alternative Public School. During FY96, supplies were purchased for the Alternative School. As of June 30, 1996, the expendable balance was \$517.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 4,598	\$ 144	\$ 4,225	\$ 517

Pasquale and Mary Reale Trust Fund

This trust in the amount of \$4,000 was established in 1992 by the Cambridge Veterans Organization to honor the Memory of Pasquale Reale and his wife Mary. The purpose of the trust is to provide funds for an annual music award to a graduating senior. One award made during FY96. As of June 30, 1996, the expendable balance was \$27.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 4,001	\$ 226	\$ 200	\$ 4,027

Scholarship Trust Fund

Begun in 1993, this trust provides scholarship aid to residents of the City of Cambridge based on financial need, character, scholastic record, community involvement and extracurricular school activities. Any resident accepted to pursue education beyond the secondary level is eligible to apply. During FY96, \$23,200 was donated to the Fund. Twelve awards were made in FY96, however the scholarships were not disbursed until after June 30, 1996. As of June 30, 1996, the expendable balance was \$99,960.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 71,922	\$ 28,038	\$ -	\$ 99,960

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

School Textbook Trust Fund

This trust fund was established during fiscal year 1991 to provide funds for the purchase of textbooks. No textbooks were purchased during FY96. As of June 30, 1996, the expendable balance was \$11.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 11	\$ -	\$ -	\$ 11

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 is 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. No awards were made in FY96. As of June 30, 1996, the expendable balance was \$891.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,126	\$ 66	\$ -	\$ 1,192

Webster H. Thierry Historic Prize Fund

This fund was established through a \$300 donation by Adelaide R. Thierry in 1925. 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. Out of the income, each year \$1.00 is to be added to the principal balance of the Fund. Also any income not used in the current year should be reported as part of the principal fund balance. Since no prize was awarded during FY96, \$98 was added to the principal balance. As of June 30, 1996, the expendable balance was \$170.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 2,946	\$ 170	\$ -	\$ 3,116

Henry Wise Book Prize Trust Fund

This fund was established during 1991 by the Cambridge Police Association in memory of Henry Wise, who served as legal counsel to the Association for many years. This fund provides annual book prizes to graduating seniors from Cambridge Rindge and Latin High School who demonstrate exemplary community or school service. No prizes were awarded during FY96. As of June 30, 1996, the expendable balance was \$265.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 723	\$ 42	\$ -	\$ 765

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

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. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was (\$704).

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,036	\$ 60	\$ -	\$ 1,096

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. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$2,612.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 7,222	\$ 419	\$ -	\$ 7,641

Reverend Patrick H. Callahan Fund

A gift 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. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$5,174.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 7,320	\$ 424	\$ -	\$ 7,744

John W. Hodge Fund

Under the terms of the will of John W. Hodge, Neville Manor received the sum of \$1,500 to serve as the principal of the John W. Hodge Fund. The income from this fund is to be used to provide a Christmas of "good cheer" for the residents. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$1,849.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 3,166	\$ 183	\$ -	\$ 3,349

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Neville Manor Nursing Home Trust Funds

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; the income can be used for Christmas and Easter parties. During FY96, \$804 was spent for gifts during December. As of June 30, 1996, the expendable balance was \$14,325.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 21,497	\$ 1,222	\$ 804	\$ 21,915

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 was distributed to Neville Manor. The trust stipulates that the annual income be expended for entertainment and gifts for the residents of Neville Manor. During FY96, \$1,633 was spent by the Residents' Council on a picnic for the residents. As of June 30, 1996, the expendable balance was \$6,693.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 12,641	\$ 685	\$ 1,633	\$ 11,693

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." No funds were expended during FY96. As of June 30, 1996, the expendable balance was \$3,011.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 3,616	\$ 210	\$ -	\$ 3,826

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. No funds were expended during FY96. As of June 30, 1996, the expendable balance was \$14,743.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 15,826	\$ 917	\$ -	\$ 16,743

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

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. During FY96, \$250 worth of books were purchased for the children's book collection. As of June 30, 1996, the expendable balance was \$13.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 255	\$ 8	\$ 250	\$ 13

Eleanor Collins Burke Trust Fund

The Eleanor Collins Burke Trust Fund was established during 1991 by co-workers and friends of Mrs. Burke in recognition of her dedicated service to the City of Cambridge, with \$801 as an initial nonexpendable balance. The purpose of this trust fund is to provide funds to purchase materials and books for the Daniel P. Collins Branch Library. During FY96, \$50 in donations were added to the fund and \$150 worth of books were purchased for the Library. This Library is named in honor of Eleanor Burke's father. As of June 30, 1996, the expendable balance was \$131.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,243	\$ 119	\$ 150	\$ 1,212

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. During FY96, \$490 worth of books were purchased and spent on the Manual Rodgers Anniversary Celebration. As of June 30, 1996, the expendable balance was \$3,946.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 3,033	\$ 1,834	\$ 921	\$ 3,946

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Cambridge History Fund

The City Council accepted a gift of \$10,000 in February 1979 to be used by the Cambridge Public Library. Additional donations have been received since the initial gift. Funds are to be used to produce a series of publications whose story constitutes the history of Cambridge as well as to expand and preserve the holdings of the Cambridge Memorial Room at the Library. During FY96, \$981 was spent for the Forum at the Library. As of June 30, 1996, the expendable balance was \$1,740.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 12,242	\$ 679	\$ 981	\$ 11,940

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. During FY96, \$41,800 was received in donations for the fund. Funds were expended for books, supplies and special activities events. As of June 30, 1996, the expendable balance was \$21,747.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 5,717	\$ 42,575	\$ 26,545	\$ 21,747

Citizen of Cambridge Fund

An anonymous citizen of Cambridge donated \$7,400 from 1923 through 1926 to the Cambridge Public Library. Income from these gifts is to be used for books on Americanization, the fine arts, general nature, and binding. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$8,046.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 14,602	\$ 844	\$ -	\$ 15,446

Citizens Subscription Fund

In 1899, a citizens committee raised \$5,675 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. During FY96, approximately \$1,089 worth of books were purchased. As of June 30, 1996, the expendable balance was \$6,944.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 13,265	\$ 618	\$ 1,089	\$ 12,794

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

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. No funds were expended in FY96. As of June 30, 1996, the expendable balance was \$2,241.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 4,010	\$ 231	\$ -	\$ 4,241

P.H. Dolan Lecture Fund

The Philip H. Dolan Lecture Fund was established in 1995 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. No funds were expended in FY96. As of June 30, 1996, the expendable balance was \$1,261.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,192	\$ 69	\$ -	\$ 1,261

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. During FY96, \$648 worth of books were purchased. As of June 30, 1996, the expendable balance was \$(447).

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,153	\$ 48	\$ 648	\$ 553

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. No funds were received or expended in FY96. As of June 30, 1996, the expendable balance was \$11.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 11	\$ -	\$ -	\$ 11

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

William Penn Harding Fund

At the time of his death, William Penn Harding 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." No books were purchased in FY96. As of June 30, 1996, the expendable balance was \$1,189.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 2,069	\$ 120	\$ -	\$ 2,189

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. During FY96, approximately \$360 worth of books were purchased for the Library. As of June 30, 1996, the expendable balance was \$2,415.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 5,662	\$ 311	\$ 558	\$ 5,415

Gertrude E. Kirkley Fund

In January of 1987, the Cambridge Public Library was the recipient of a \$1,000 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. During FY96, approximately \$710 worth of books were purchased for the Library. As of June 30, 1996, the expendable balance was \$90.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,723	\$ 79	\$ 710	\$ 1,092

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. No books were purchased in FY96. As of June 30, 1996, the expendable balance was \$824.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 779	\$ 45	\$ -	\$ 824

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Maria Murdock Fund

In 1922, Maria Murdock left to the Cambridge Public Library an unrestricted gift of \$2,000. During FY96, about \$1,290 of reference materials were purchased for the Library. As of June 30, 1996, the expendable balance was \$555.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 3,670	\$ 175	\$ 1,290	\$ 2,555

George Oenslager Fund

This trust fund, established in 1995, is used for the purchase and lending of standard and miscellaneous books to the patrons of the Cambridge Public Library. Expenditures shall be made from the principal and interest earned or retained. During FY96, about \$7,515 was spent for a printer for the Library. As of June 30, 1996, the expendable balance was \$4,743.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 11,794	\$ 464	\$ 7,515	\$ 4,743

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 purchase of children's materials and services benefiting all the children in the Cambridge community. During FY96, \$2,075 was donated to the Fund. Expenditures of \$3,900 went for books, supplies, special activities and events. As of June 30, 1996, the expendable balance was \$5,335.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 6,836	\$ 2,417	\$ 3,918	\$ 5,335

Joseph Sakey Trust

Established by the trustees and staff of the Cambridge Public Library, and by the friends and family of Joseph Sakey, this fund will be used for the purchase of books and materials relating to social sciences and biography. During FY96, \$300 in donations were received by the Trust. About \$33 worth of books were purchased for the Library. As of June 30, 1996, the expendable balance was \$3,277.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 2,838	\$ 472	\$ 33	\$ 3,277

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

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. No books on art were purchased during FY96. As of June 30, 1996, the expendable balance was \$4,634.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 5,799	\$ 335	\$ -	\$ 6,134

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. No funds were expended in FY96. As of June 30, 1996, the expendable balance was \$9,309.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 15,458	\$ 851	\$ -	\$ 16,309

Webster H. Thierry Library Fund

In 1956, Adelaide R. Thierry donated the sum of \$1,000 to the City of Cambridge to establish the "Webster H. Thierry Shelf." Of the income earned, 20% is to be added to the principal, and the balance is to be used to provide low cost book plates and to purchase books. During FY96, a transfer between funds, which began in FY95, was completed. As of June 30, 1996, the expendable balance was \$6,167.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 6,841	\$ 399	\$ (67)	\$ 7,307

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. No funds were expended in FY96. As of June 30, 1996, the expendable balance was \$12,331.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 15,440	\$ 891	\$ -	\$ 16,331

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Mehitable C.C. Wilson Fund

According to the terms of Mehitable C.C. Wilson's will, the Cambridge Public Library received \$1,500. This sum was a gift to be used by the trustees for the benefit of the Library. During FY96, about \$1,625 worth of books were purchased for the Library. As of June 30, 1996, the expendable balance was \$136.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 3,128	\$ 134	\$ 1,626	\$ 1,636

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. No books were purchased during FY96. As of June 30, 1996, the expendable balance was \$7,103.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 11,466	\$ 637	\$ -	\$ 12,103

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

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. Only 67% of income may be spent, the remaining 33% must revert to principal fund balance. During FY96, \$611 was expended for these purposes. As of June 30, 1996, the expendable balance was \$8,436.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 12,967	\$ 733	\$ 613	\$ 13,087

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. In addition to the funds managed by the City, the Bullock Fund also receives income from a separate trust managed by the Shawmut Bank, N.A. As of May 31, 1996, the trust had a book value of \$132,951 and a market value of \$139,723. The trust was responsible for \$3,388 of the income earned by the Fund. No funds were expended during FY96. As of June 30, 1996, the expendable balance was \$251,018.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 262,332	\$ 18,686	\$ -	\$ 281,018

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 1991. No funds were expended for Mary Conlan Park in FY96. As of June 30, 1996, the expendable balance was \$6,114.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 5,780	\$ 335	\$ -	\$ 6,115

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

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. During FY96, the Fund received \$1,000 in donations. No expenditures were made in FY96. As of June 30, 1996, the expendable balance was \$33,422.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 30,619	\$ 2,803	\$ -	\$ 33,422

Smith Hughes Fund

The Smith Hughes Fund consists of the unexpended balance of a gift the City received some years ago. No expenditures were made from this Fund in FY96. As of June 30, 1996, the expendable balance was \$140.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 132	\$ 9	\$ -	\$ 141

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. No expenditures were made from this Fund in FY96. As of June 30, 1996, the expendable balance was \$5,181.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 14,349	\$ 832	\$ -	\$ 15,181

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

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. No expenditures for the care of needy patients was made from this fund during FY96. As of June 30, 1996, the expendable balance was \$9,183.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 8,680	\$ 503	\$ -	\$ 9,183

Melville Shoe Fund

In 1969, the Melville Shoe Company set up a fund to support a program for training retarded young adults. No expenditures were made for the training of retarded young adults from this Fund in FY96. As of June 30, 1996, the expendable balance was \$1,321.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,249	\$ 72	\$ -	\$ 1,321

Estelle Paris Scholarship Trust Fund

The Estelle Paris Scholarship Trust Fund was established following the Hospital's receipt of the Foster G. McGaw Prize for Excellence in Community Service. The purpose of the Trust Fund is to provide scholarship aid to residents of the City of Cambridge. Awards will be based on the following criteria: financial need, character, scholastic record, and community involvement. Any Cambridge resident intending to pursue education in health careers is eligible to apply. Both principal and interest may be expended. Nine scholarships, totaling \$7,500, were awarded in FY96. As of June 30, 1996, the expendable balance was \$72,051.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 75,400	\$ 4,151	\$ 7,500	\$ 72,051

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 donations 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. During FY96, \$1,190 was expended for trees, and \$2,230 was expended for date processing equipment from the fund. As of June 30, 1996, the expendable balance was \$16,663.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 19,624	\$ 459	\$ 3,420	\$ 16,663

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Public Planting Trust Fund

The purpose of this trust fund is to promote the beautification of public open spaces in the City of Cambridge through planting of trees. No expenditures were made from this Fund in FY96. As of June 30, 1996, the expendable balance was \$1,264.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,195	\$ 69	\$ -	\$ 1,264

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 and any or all of the principal 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. During FY96, \$525 was expended for the Golf Tournament. As of June 30, 1996, the expendable balance was \$10,768.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 15,415	\$ 878	\$ 524	\$ 15,769

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. No expenditures were made from this Fund during FY96. As of June 30, 1996, the expendable balance was \$10,273.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 9,711	\$ 562	\$ -	\$ 10,273

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Soldiers Monument Fund

This trust consists of the remainder 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. No expenditures were made from this fund during FY96. As of June 30, 1996, the expendable balance was \$1,345.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 1,271	\$ 74	\$ -	\$ 1,345

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." No expenditures were made from this Fund during FY96. As of June 30, 1996, the expendable balance was \$18,946.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 28,205	\$ 1,635	\$ -	\$ 29,840

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Trust Funds

Cemetery Perpetual Care Fund

Since 1970 the City has encouraged each lot purchaser to contribute \$100 per grave to help defray future maintenance costs. All contributions for perpetual care are placed in trust with the City Treasurer, with interest earnings used for the care and beautification of the cemetery. During FY96, \$24,850 was received in contributions, which was added to the fund. The Fund transferred \$45,000 to the City to offset the cost of cemetery maintenance. As of June 30, 1996, the expendable balance was \$255,013.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures and Transfers Out</u>	<u>FY 1996 Closing Balance</u>
\$ 1,493,541	\$ 121,059	\$ 45,000	\$ 1,569,601

Community Response Trust Fund

The Community Response Trust Fund was established by the City Manager in 1995 at the request of the City Council, and funded with \$30,000 from City general fund monies. The purpose of the Fund was to make monies available to human service agencies and grassroots organizations wishing to conduct human service or community service projects. The Department of Human Services is administering the funds and conducting on-site monitoring visits to each of the recipients. During FY96, \$7,018 was expended on two programs from the Fund. As of June 30, 1996, the expendable balance was \$23,076.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 28,638	\$ 1,456	\$ 7,018	\$ 23,076

Health Claims Trust Fund

This fund was 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. Employee deductions for healthcare coverage are deposited into this fund. Interest earned by the fund is recorded as income to this trust. During FY96, the Trust received \$2,288,288 in employee deductions and transferred \$2,616,852 to the City to help cover City employee health costs. As of June 30, 1996, the expendable balance was \$10,633,892.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures and Transfers Out</u>	<u>FY 1996 Closing Balance</u>
\$ 10,214,462	\$ 3,036,282	\$ 2,616,852	\$ 10,633,892

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Trust Funds

Cambridge Special Law Enforcement Trust Funds

These trust funds were established pursuant to Massachusetts General Laws, Chapter 94, Section 47. The purpose of the trusts 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. During FY96, the Fund received \$101,340 in fines and forfeitures. The Fund expended \$92,512 for departmental training of expenses connected with investigators. As of June 30, 1996, the expendable balance was \$117,959.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 102,919	\$ 107,559	\$ 92,519	\$ 117,959

Stabilization Fund

This fund is a statutory reserve account which may only be used for purposes for which debt would ordinarily be used. No expenditures were made from this Fund during FY96. As of June 30, 1996, the expendable balance was \$5,372,859.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income</u>	<u>FY 1996 Expenditures</u>	<u>FY 1996 Closing Balance</u>
\$ 5,059,532	\$ 313,327	\$ -	\$ 5,372,859

School Debt Service Stabilization Fund

This fund is a statutory reserve account which may only be used for the purpose of offsetting future school debt service. During FY96, transfers were made to and from this fund for the payment of School related debt. As of June 30, 1996, the expendable balance was \$1,218,885.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income and Transfers In</u>	<u>FY 1996 Expenditures and Transfers Out</u>	<u>FY 1996 Closing Balance</u>
\$ 2,173,656	\$ 487,389	\$ 1,442,160	\$ 1,218,885

School Stabilization Fund

This fund is a statutory reserve account which may only be used for the purpose of offsetting future costs related to the school early retirement program. During FY96, the City appropriated \$638,250 of future retirement costs. No expenditures were made from the Fund in FY96. As of June 30, 1996, the expendable balance was \$1,105,266.

<u>FY 1996 Opening Balance</u>	<u>FY 1996 Income and Transfers In</u>	<u>FY 1996 Expenditures and Transfers Out</u>	<u>FY 1996 Closing Balance</u>
\$ 467,016	\$ 638,250	\$ -	\$ 1,105,266

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

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 density of population in a proposed development are required either to create housing or to contribute an amount based on square footage to the Affordable Housing Trust. During FY96, the City appropriated \$2,000,000 to the fund for further affordable housing development. The City advances \$487,777 to various non-profit developers and received loan repayments of \$250,000. Administrative costs totaled 176,701 for the year. Of the \$3,340,680 ending balance, \$933,777 represent outstanding loans for which repayment is anticipated. The Fund had approximated \$2,400,000 for future housing development assistance. As of June 30, 1996, the expendable balance was \$3,340,680.

FY 1996 Opening <u>Balance</u>	FY 1996 <u>Income</u>	FY 1996 <u>Expenditures</u>	FY 1996 Closing <u>Balance</u>
\$ 1,734,089	\$ 2,083,292	\$ 476,701	\$ 3,340,680

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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, 1996.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

June 30, 1996

	Uncollected June 30, 1995	Commitments	Abatements	Transfers to Tax Title	Refunds	Collections	Adjustments Increase (decrease)	Uncollected June 30, 1996
Real estate taxes:								
1979 and prior	\$ 163,652	-	-	-	-	-	765	164,417
1980	34,138	-	-	-	-	-	95	34,233
1981	41,557	-	-	-	-	327	116	41,346
1982	39,554	-	-	-	250	1,023	(220)	38,561
1983	57,137	-	(1,177)	-	-	1,443	(1,078)	55,793
1984	38,023	-	387	-	-	50	(58)	37,528
1985	37,433	-	-	-	-	-	(1,730)	35,703
1986	8,936	-	-	-	-	-	83	9,019
1987	3,795	-	(692)	-	-	-	(578)	3,909
1988	745	-	-	-	-	(669)	(557)	857
1989	4,254	-	-	-	-	-	121	4,375
1990	8,964	-	-	-	-	2,183	2,333	9,114
1991	129,383	-	-	-	14,480	482	(13,845)	129,536
1992	6,076	-	164,698	-	196,105	-	(31,227)	6,256
1993	4,345	-	172,418	-	217,798	(23,418)	(69,164)	3,979
1994	182	-	619,049	-	751,094	901	(129,454)	1,872
1995	3,405,809	-	1,672,007	1,854,189	2,387,137	1,913,654	(349,789)	3,307
1996	<u>-</u>	<u>136,572,391</u>	<u>2,232,001</u>	<u>-</u>	<u>452,756</u>	<u>132,595,766</u>	<u>438,119</u>	<u>2,635,499</u>
	<u>3,983,983</u>	<u>136,572,391</u>	<u>4,858,691</u>	<u>1,854,189</u>	<u>4,019,620</u>	<u>134,491,742</u>	<u>(156,068)</u>	<u>3,215,304</u>
Personal property taxes:								
1988	164,542	-	-	-	-	-	-	164,542
1989	142,889	-	181	-	-	-	-	142,708
1990	154,755	-	-	-	-	-	-	154,755
1991	139,931	-	2,189	-	-	511	-	137,231
1992	159,489	-	-	-	-	360	-	159,129
1993	199,905	-	11,892	-	-	2,972	-	185,041
1994	73,737	-	10,716	-	-	572	-	62,449
1995	160,566	-	10,106	-	30,487	78,051	(608)	102,288
1996	<u>-</u>	<u>7,935,660</u>	<u>95,043</u>	<u>-</u>	<u>-</u>	<u>7,717,583</u>	<u>916</u>	<u>123,950</u>
	<u>1,195,814</u>	<u>7,935,660</u>	<u>130,127</u>	<u>-</u>	<u>30,487</u>	<u>7,800,049</u>	<u>308</u>	<u>1,232,093</u>
Motor vehicle excise taxes:								
1986	114,770	-	74	-	64	2,283	-	112,477
1987	168,694	-	991	-	213	4,093	203	164,026
1988	189,217	85	153	-	-	6,731	50	182,468
1989	226,681	150	688	-	64	8,264	-	217,943
1990	181,009	-	543	-	-	7,238	135	173,363
1991	190,381	403	742	-	223	10,969	(92)	179,204
1992	144,595	596	595	-	125	8,595	34	136,160
1993	153,915	664	4,119	-	1,561	19,852	319	132,488
1994	214,867	17,464	13,325	-	11,620	69,051	(2,052)	159,523
1995	339,882	823,641	68,009	-	52,594	896,201	(574)	251,333
1996	<u>-</u>	<u>3,431,625</u>	<u>60,700</u>	<u>-</u>	<u>7,408</u>	<u>2,542,061</u>	<u>8,460</u>	<u>844,732</u>
	<u>\$ 1,924,011</u>	<u>4,274,628</u>	<u>149,939</u>	<u>-</u>	<u>73,872</u>	<u>3,575,338</u>	<u>6,483</u>	<u>2,553,717</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable

June 30, 1996

	Interest Rates	Issue Dates	Final Maturity Date	Balance June 30, 1995	Additions	*Retired	Balance June 30, 1996
Inside Debt Limit:							
Surface drainage loan	5.4%	10/15/76	10/15/96	\$ 150,000	-	75,000	75,000
Hospital loan (boiler renovation)	7.0%	7/1/85	7/1/93	-	-	-	-
Lechmere Canal Park loan	7.0%	7/1/85	7/1/95	400,000	-	400,000	-
Lechmere parking garage	6.1-6.2%	7/1/85	7/1/94	-	-	-	-
Building acquisition	5.6-5.7%	6/15/87	6/15/97	400,000	-	200,000	200,000
Hospital loan (boiler renovation)	5.6-5.7%	6/15/87	6/15/97	300,000	-	150,000	150,000
Public Building renovation	5.6-5.7%	6/15/87	6/15/97	120,000	-	60,000	60,000
Streets and sidewalks	5.6-5.7%	6/15/87	6/15/97	600,000	-	300,000	300,000
Building renovations	5.9-6.4%	6/15/88	6/15/98	900,000	-	300,000	600,000
Streets and sidewalks	5.9-6.4%	6/15/88	6/15/98	300,000	-	100,000	200,000
Building renovations	6.4-6.5%	6/15/89	6/15/99	740,000	-	185,000	555,000
Hospital loan (boiler renovation)	6.4-6.5%	6/15/89	6/15/99	2,000,000	-	500,000	1,500,000
Open space improvements	6.4-6.5%	6/15/89	6/15/99	660,000	-	165,000	495,000
Streets and sidewalks	6.4-6.5%	6/15/89	6/15/99	1,000,000	-	250,000	750,000
Building renovations	6.4-6.6%	6/15/90	6/15/00	525,000	-	105,000	420,000
Hospital	6.4-6.6%	6/15/90	6/15/00	3,175,000	-	635,000	2,540,000
Hospital loan (boiler renovation)	6.4-6.6%	6/15/90	6/15/00	1,000,000	-	200,000	800,000
Open space improvements	6.4-6.6%	6/15/90	6/15/00	1,300,000	-	260,000	1,040,000
Building renovation	5.8-6.0%	6/15/91	6/15/01	225,000	-	40,000	185,000
Fire station renovations	5.8-6.0%	6/15/91	6/15/01	600,000	-	100,000	500,000
Open space renovations	5.8-6.0%	6/15/91	6/15/01	1,020,000	-	170,000	850,000
Public art acquisition	5.8-6.0%	6/15/91	6/15/01	40,000	-	40,000	-
Building acquisition - senior center	4.3-5.3%	6/15/92	6/15/02	660,000	-	330,000	330,000
Building acquisition - teen center	4.3-5.3%	6/15/92	6/15/02	1,345,000	-	195,000	1,150,000
Elementary school renovation	4.3-5.3%	6/15/92	6/15/02	480,000	-	240,000	240,000
Fire station renovations	4.3-5.3%	6/15/92	6/15/02	350,000	-	50,000	300,000
Nursing home renovations	4.3-5.3%	6/15/92	6/15/02	1,050,000	-	150,000	900,000
Open space improvements	4.3-5.3%	6/15/92	6/15/02	1,260,000	-	180,000	1,080,000
Public art acquisition	4.3-5.3%	6/15/92	6/15/02	40,000	-	20,000	20,000
Sewer separation project loan	2.35-5.5%	5/21/93	8/1/08	5,745,190	-	594,446	5,150,744
Sewer loan	3.75-4.3%	2/1/94	2/1/04	450,000	-	50,000	400,000
Open space improvements	3.75-4.3%	2/1/94	2/1/04	1,575,000	-	175,000	1,400,000
Sewer bond		2/17/94	2/15/99	781,740	-	195,435	586,305
Open space improvement	5.5%-5.9%	11/1/94	11/1/99	4,400,000	-	440,000	3,960,000
Sewer loan	5.5%-5.9%	11/1/94	11/1/99	500,000	-	50,000	450,000
Sewer separation project loan	4.0%-5.25%	5/1/95	2/1/05	<u>6,675,334</u>	-	<u>575,218</u>	<u>6,100,116</u>
Total Inside Debt Limit				<u>40,767,264</u>	-	<u>7,480,099</u>	<u>33,287,165</u>
Outside Debt Limit:							
School:							
High School Loan	5.7%	6/15/78	6/15/98	3,465,000	-	1,155,000	2,310,000
School Building Renovation	5.6-5.7%	6/15/87	6/15/97	360,000	-	180,000	180,000
Elementary school construction	3.75-4.3%	2/1/94	2/1/04	8,338,000	-	765,000	7,573,000
Elementary school construction	5.5%-5.9%	11/1/94	11/1/99	<u>12,100,000</u>	-	<u>1,097,000</u>	<u>11,003,000</u>
				<u>24,263,000</u>	-	<u>3,197,000</u>	<u>21,066,000</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable (continued)

June 30, 1996

	<u>Interest Rates</u>	<u>Issue Dates</u>	<u>Final Maturity Date</u>	<u>Balance June 30, 1995</u>	<u>Additions</u>	<u>*Retired</u>	<u>Balance June 30, 1996</u>
Sewer Projects:							
Sewer Loan	5.4%	10/15/76	10/15/96	<u>430,000</u>	<u>-</u>	<u>215,000</u>	<u>215,000</u>
				<u>430,000</u>	<u>-</u>	<u>215,000</u>	<u>215,000</u>
Water Projects:							
Reservoir Cover	6.4-6.5%	6/15/89	6/15/99	400,000	-	100,000	300,000
Reservoir Cover	6.4-6.5%	6/15/90	6/15/00	4,000,000	-	800,000	3,200,000
Reservoir Cover	5.8-6.0%	6/15/91	6/15/01	2,495,000	-	380,000	2,115,000
Reservoir Cover	4.3-5.3%	6/15/92	6/15/02	400,000	-	200,000	200,000
Reservoir Cover	3.75-3.8%	2/1/94	2/1/99	1,157,000	-	290,000	867,000
Treatment plant renovations	3.75-4.3%	2/1/94	2/1/04	495,000	-	55,000	440,000
Treatment plant renovations	5.5-5.9%	11/1/94	11/1/99	2,000,000	-	313,000	1,687,000
Water main replacements	5.5-5.9%	11/1/94	11/1/99	<u>1,000,000</u>	<u>-</u>	<u>100,000</u>	<u>900,000</u>
				11,947,000		2,238,000	9,709,000
Section 108 Notes Payable				1,000,000	1,500,000	-	2,500,000
Total Outside Debt Limit				<u>37,640,000</u>	<u>1,500,000</u>	<u>5,650,000</u>	<u>33,490,000</u>
				\$ <u>78,407,264</u>	<u>1,500,000</u>	<u>13,130,099</u>	<u>66,777,165</u>

*Note: Includes Cambridge Hospital and Neville Manor debt retirements for fiscal year 1996.

CITY OF CAMBRIDGE, MASSACHUSETTS
Schedule of General Fixed Assets - by Function and Activity
Year ended June 30, 1996

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>
General Government:					
Control:					
Legislative	54,191	-	-	-	54,191
Executive	<u>131,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,569</u>
Total Control	<u>185,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,760</u>
Staff Agencies:					
Elections	41,988	-	-	-	41,988
Finance	1,649,253	-	-	-	1,649,253
Law	79,533	-	-	-	79,533
Employee Benefits	2,091	-	-	-	2,091
Animal Commission	1,964	-	-	-	1,964
Public Celebrations	<u>110,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,549</u>
Total Staff Agencies	<u>1,885,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,885,378</u>
Total General Government	<u>2,071,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,138</u>
Public Safety:					
Building inspection	17,790	-	-	-	17,790
License	20,227	-	-	-	20,227
Weights and measures	10,219	-	-	-	10,219
Emergency management	40,694	-	-	-	40,694
Fire Protection	8,945,665	3,274,675	1,806,228	-	3,864,762
Police Protection	5,081,970	999,803	485,605	-	3,596,562
Traffic and Parking	21,921,627	1,952,080	18,095,215	-	1,874,332
Electrical	453,460	50,000	21,542	-	381,918
Emergency Commission	<u>2,459,551</u>	<u>-</u>	<u>1,211,712</u>	<u>-</u>	<u>1,247,839</u>
Total Public Safety	<u>38,951,203</u>	<u>6,276,558</u>	<u>21,620,302</u>	<u>-</u>	<u>11,054,343</u>
Community Maintenance and Development:					
Public Works	50,843,042	23,350,662	15,893,413	6,172,964	5,426,003
Community Development	3,585,967	-	57,711	3,195,254	333,002
Historical Commission	161,146	-	-	81,066	80,080
Conservation Commission	2,575	-	-	-	2,575
Rent Control	76,909	-	-	-	76,909
Cable Television	<u>222,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,066</u>
Total Community Maintenance and Development	<u>54,891,705</u>	<u>23,350,662</u>	<u>15,951,124</u>	<u>9,449,284</u>	<u>6,140,635</u>
Human Resource Development:					
Library	1,680,528	125,000	1,208,656	-	346,872
Human Services	90,141,173	87,242,253	891,635	1,277,517	729,768
Human Rights Commission	12,414	-	-	-	12,414
Women's Commission	5,709	-	-	-	5,709
Health Department/School Health	8,253	-	-	-	8,253
Veteran Benefits	<u>19,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,181</u>
Total Human Resource Development	<u>91,867,258</u>	<u>87,367,253</u>	<u>2,100,291</u>	<u>1,277,517</u>	<u>1,122,197</u>
Public School	<u>129,586,109</u>	<u>55,067,765</u>	<u>67,161,672</u>	<u>848,786</u>	<u>6,507,886</u>
Construction in Progress	<u>6,962,672</u>	<u>-</u>	<u>6,962,672</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>324,330,085</u>	<u>172,062,238</u>	<u>113,796,061</u>	<u>11,575,587</u>	<u>26,896,199</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year Ended June 30, 1996

<u>Function and Activity</u>	<u>General Fixed Assets June 30, 1995</u>	<u>Additions</u>	<u>Disposals</u>	<u>General Fixed Assets June 30, 1996</u>
General Government:				
Control:				
Legislative	\$ 42,589	13,103	(1,501)	54,191
Executive	<u>113,119</u>	<u>18,450</u>	<u>-</u>	<u>131,569</u>
Total Control	<u>155,708</u>	<u>31,553</u>	<u>(1,501)</u>	<u>185,760</u>
Staff Agencies:				
Elections	37,292	11,307	(6,611)	41,988
Finance	1,437,747	315,435	(103,929)	1,649,253
Law	64,188	36,762	(21,417)	79,533
Employee Benefits	2,091	-	-	2,091
Animal Commission	5,429	-	(3,465)	1,964
Public Celebrations	<u>111,968</u>	<u>1,260</u>	<u>(2,679)</u>	<u>110,549</u>
Total Staff Agencies	<u>1,658,715</u>	<u>364,764</u>	<u>(138,101)</u>	<u>1,885,378</u>
Total General Government	<u>1,814,423</u>	<u>396,317</u>	<u>(139,602)</u>	<u>2,071,138</u>
Public Safety:				
Building Inspection	11,494	8,434	(2,138)	17,790
License	20,227	-	-	20,227
Weights and measures	10,219	-	-	10,219
Emergency management	41,285	-	(591)	40,694
Fire protection	8,890,468	426,782	(371,585)	8,945,665
Police protection	3,897,883	1,184,087	-	5,081,970
Traffic and parking	21,811,681	109,946	-	21,921,627
Electrical	669,582	-	(216,122)	453,460
Emergency Commission	<u>1,086,475</u>	<u>2,109,047</u>	<u>(735,971)</u>	<u>2,459,551</u>
Total Public Safety	<u>36,439,314</u>	<u>3,838,296</u>	<u>(1,326,407)</u>	<u>38,951,203</u>
Community Maintenance and Development:				
Public Works	49,916,314	1,186,451	(259,723)	50,843,042
Community Development	2,970,296	633,484	(17,813)	3,585,967
Historical Commission	137,683	36,632	(13,169)	161,146
Conservation Commission	75	2,500	-	2,575
Rent Control	79,048	-	(2,139)	76,909
Cable television	<u>169,427</u>	<u>52,639</u>	<u>-</u>	<u>222,066</u>
Total Community Maintenance	<u>53,272,843</u>	<u>1,911,706</u>	<u>(292,844)</u>	<u>54,891,705</u>
Human Resource Development:				
Library	1,573,823	107,400	(695)	1,680,528
Human Services	90,060,255	151,385	(70,467)	90,141,173
Human Rights Commission	9,360	3,054	-	12,414
Women's Commission	5,709	-	-	5,709
Health Department/School Health	8,253	-	-	8,253
Veteran's Benefits	<u>4,285</u>	<u>14,896</u>	<u>-</u>	<u>19,181</u>
Total Human Resource Development	<u>91,661,685</u>	<u>276,735</u>	<u>(71,162)</u>	<u>91,867,258</u>
Public Schools	<u>128,690,059</u>	<u>896,050</u>	<u>-</u>	<u>129,586,109</u>
Construction in Progress	<u>4,323,448</u>	<u>2,639,224</u>	<u>-</u>	<u>6,962,672</u>
Totals	\$ <u>316,201,772</u>	<u>9,958,328</u>	<u>(1,830,015)</u>	<u>324,330,085</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Cambridge Hospital Assets, Liabilities and Fund Equity

Year Ended June 30, 1996

Assets

Cash and short-term investments	\$ 48,128,526
Other funds due from City	10,106,921
Accounts receivable	13,091,446
Allowance for doubtful accounts	<u>(4,368,426)</u>
Accounts receivable, net	8,723,020
Prepaid expenses	159,479
Inventory and other assets	<u>697,839</u>
Total current assets	67,815,785
Assets limited as to use:	
By City Council for building	17,163,971
By City Council for funded depreciation	15,639,884
By City Council for capital acquisitions	<u>271,674</u>
Total assets limited as to use	33,075,529
Property, plant and equipment	71,714,257
Accumulated depreciation	<u>(30,067,683)</u>
Property, plant and equipment, net	<u>41,646,574</u>
Total assets	\$ <u>142,537,888</u>

Liabilities and Retained Earnings

Liabilities:

Accounts payable and accrued expenses	\$ 4,862,594
Salaries and compensated absences	4,020,487
Due to third parties, current	4,276,457
Bonds payable, current	1,485,000
Capital lease obligation, current	287,925
Deferred revenue	<u>10,515,789</u>
Total current liabilities	25,448,252
Due to third parties, noncurrent	29,283,385
Bonds payable, noncurrent	3,505,000
Capital lease obligation, noncurrent	<u>713,916</u>
Total liabilities	58,950,553

Retained earnings:

Retained earnings/fund equity	82,598,539
Contributed capital	901,117
Restricted grant funds	<u>87,679</u>

Total liabilities and fund balance \$ 142,537,888

Note: This schedule is reported as discontinued operations in the City of Cambridge financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Cambridge Hospital Operations

Year Ended June 30, 1996

Net patient service revenue	\$ 62,316,083
Other	<u>49,592,063</u>
Total operating revenues	<u>111,908,146</u>
Administration	438,532
Finance	4,441,479
Service and support progs	70,681,853
General services	10,811,976
Depreciation	3,554,268
Provision for bad debts	18,339,740
Other	<u>6,588,308</u>
Total operating expenses	<u>114,856,156</u>
Operating loss	(2,948,010)
Interest income	4,244,942
Interest expense	<u>(465,314)</u>
Income before operating transfers	831,618
Operating transfers from other funds	<u>9,969,360</u>
Net income	10,800,978
Retained earnings:	
Beginning of year	<u>71,797,561</u>
End of year	\$ <u><u>82,598,539</u></u>

Note: This schedule is reported as discontinued operations in the City of Cambridge financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Neville Manor Assets, Liabilities and Fund Equity

Year Ended June 30, 1996

<u>Assets</u>	
Cash and short-term investments (overdraft)	\$ (21,119)
Accounts receivable	3,394,382
Allowance for doubtful accounts	<u>(541,830)</u>
Accounts receivable, net	2,852,552
Inventory and other assets	<u>213,334</u>
Total current assets	3,044,767
Assets limited as to use:	
By City Council for capital acquisitions	<u>149,378</u>
Total assets limited as to use	149,378
Property, plant and equipment	9,399,965
Accumulated depreciation	<u>(1,340,769)</u>
Property, plant and equipment, net	8,059,196
Total assets	\$ <u>11,253,341</u>
<u>Liabilities and Retained Earnings</u>	
Accounts payable and accrued expenses	\$ 673,803
Salaries and compensated absences	562,638
Due to third parties, current	801,090
Bonds payable, current	<u>150,000</u>
Total current liabilities	2,187,531
Bonds payable, noncurrent	<u>750,000</u>
Total liabilities	2,937,531
Retained earnings/fund equity	2,625,430
Contributed capital	<u>5,690,380</u>
Total liabilities and fund balance	\$ <u>11,253,341</u>

Note: This schedule is reported as discontinued operations in the City of Cambridge financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Neville Manor Operations

Year ended June 30, 1996

Net patient service revenue	\$ 9,266,941
Other	<u>125,327</u>
Total operating revenues	<u>9,392,268</u>
Administration	650,106
Service and support programs	7,561,674
General services	3,033,533
Depreciation	133,808
Provision for bad debts	<u>282,158</u>
Total operating expenses	<u>11,661,279</u>
Operating loss	(2,269,011)
Interest income	61,296
Interest expense	<u>(51,458)</u>
Loss before operating transfers	(2,259,173)
Operating transfers from other funds	<u>834,000</u>
Net loss	(1,425,173)
Retained earnings:	
Beginning of year	<u>4,050,603</u>
End of year	\$ <u><u>2,625,430</u></u>

Note: This schedule is reported as discontinued operations in the City of Cambridge financial statements.

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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.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Expenditures by Function - Budget Basis (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government, Intergovernmental and Judgments and Claims</u>	<u>Public Safety</u>	<u>Community Maintenance and Development</u>	<u>Health, Hospital and Neville Manor</u>	<u>Human Resource Development</u>	<u>Education</u>	<u>Water</u>	<u>Debt Service</u>	<u>Total</u>
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	182,606,165
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
1992	32,308,733	46,882,889	20,416,173	70,357,376	8,761,217	71,874,739	4,585,200	8,213,984	263,400,311
1993	45,259,376	48,346,555	20,227,895	75,499,307	9,266,281	74,465,531	4,823,956	8,878,370	286,767,271
1994	39,492,272	52,420,342	20,256,849	78,918,379	9,512,079	79,668,979	4,914,661	8,127,856	293,311,417
1995	38,463,753	53,707,656	19,711,035	84,112,435	9,909,005	81,351,321	7,517,510	6,091,530	300,864,245
1996	38,707,201	54,986,388	20,317,721	10,896,015	10,713,945	85,952,725	-	7,486,944	229,060,939

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- (1) Includes General, Hospital, Neville Manor and Water funds for fiscal years 1987 through 1995. The figure in the Health Hospital and Neveill Manor Column for 1996 represents the subsidies from the General Fund to the Hospital and Neville Manor Enterprise Funds.
- (2) Beginning in fiscal year 1986, the State absorbed the City's portion of Metropolitan District Commission (MDC) park assessments. However, the City was made responsible for assessments imposed by the newly established Massachusetts' Water Resources Authority (MWRA).

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Expenditures by Function - GAAP Basis (1)

Last Ten Fiscal Years

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Maintenance & Development</u>	<u>Health (2)</u>	<u>Human Resources</u>	<u>Education</u>	<u>Fuel Assistance</u>	<u>Judgments and Claims</u>	<u>State Assessments</u>	<u>Other</u>	<u>Debt Service</u>	<u>Totals</u>
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
1992	16,460	47,273	19,968	970	8,719	77,364	1,663	3,690	15,906	8,280	6,191	206,484
1993	18,455	48,411	20,507	1,019	9,313	80,135	1,792	1,847	18,764	1,934	6,685	208,862
1994	18,525	52,202	20,461	1,391	9,401	77,668	1,326	1,256	19,564	5,200	5,837	212,831
1995	18,219	53,814	18,090	1,413	9,439	81,368	1,072	11	19,752	5,380	6,085	214,643
1996	17,842	55,362	19,229	- (3)	10,153	85,836	837	846	21,067	5,369	7,383	223,924

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- (1) Includes General and selected Special Revenue Funds.
(2) Includes Neville Manor for fiscal years 1986 through 1990.
(3) Included in Enterprise Fund for fiscal year 1996.

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

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Revenues by Source

General Fund - Budget Basis (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes (1)</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental Revenue</u>	<u>Charges for Service</u>	<u>Fines and Forfeits</u>	<u>Miscellaneous Revenues</u>	<u>Revenues</u>
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 (3)	11,330,614	206,247,890 (3)
1989	100,124,906	3,990,544	42,722,387	57,425,435	7,172,974 (3)	6,870,904	218,307,150 (3)
1990	114,295,452	4,210,888	42,836,437	66,327,437	7,630,193 (3)	7,141,029	242,441,436 (3)
1991	122,112,209	2,796,254	38,128,709	88,004,301	7,503,100 (3)	8,608,149	267,152,722 (3)
1992	132,079,005	3,151,596	32,276,073	96,179,301	8,272,148 (3)	4,481,042	276,439,165 (3)
1993	138,716,553	3,240,024	31,513,900	112,245,063	7,850,060 (3)	8,012,893	301,578,493 (3)
1994	143,781,002	3,642,665	33,304,293	97,380,024	7,113,691 (3)	10,690,342	295,912,017 (3)
1995	149,853,977	3,894,207	35,154,075	116,806,361	7,463,198	18,744,229	331,916,047 (3)
1996	150,282,907	4,019,555	35,464,750	21,976,741	7,270,904	7,558,188	226,573,045 (3)

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- (1) Includes General, Hospital, Neville Manor, and Water Funds for fiscal years 1987 through 1995 and the General Fund for fiscal year 1996.
- (2) Includes property taxes, net of abatements, hotel/motel and motor excise taxes, and payments in lieu of taxes.
- (3) Includes \$6,250,555, \$6,735,267, \$7,208,224, \$7,086,473, \$7,799,327, \$7,318,842, \$6,597,258, \$6,855,815 and \$6,620,432 for 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995 and 1996, respectively, from parking fines reported in the Special Revenue Fund.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Levies and Collections (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Net Tax (2) Levy</u>	<u>Current Tax (3) Collections</u>	<u>Percent of Net Levy Collected</u>	<u>Prior Year Tax Collections (Refunds)(4)</u>	<u>Total Tax Collections</u>	<u>Total Collections as a % of Net Levy</u>	<u>Outstanding and/or Delinquent Taxes (5)</u>	<u>Outstanding Delinquent Taxes as a % of Net Levy</u>
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	144.45	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
1992	124,550,000	117,575,578	94.40	(947,350)	116,628,228	93.64	9,807,232	7.87
1993	130,080,000	123,754,263	95.14	(3,155,563)	120,598,700	92.71	9,013,045	6.93
1994	135,164,021	134,148,722	99.25	2,601,390	136,750,112	101.17	5,431,218	4.02
1995	140,195,748	139,981,553	99.85	1,478,539	141,460,092	100.90	5,179,797	3.69
1996	140,191,464	139,860,593	99.76	1,978,442	141,839,035	100.71	4,447,397	3.17

-
- (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 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Assessed Value and Equalized Valuation of Taxable Property

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value (1)</u>	<u>Equalized Valuation (2)</u>	<u>% of Total Assessed Value to Equalized</u>
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
1992	7,621,874,272	192,100,000	7,813,974,272	8,777,325,000	89.0
1993	6,851,975,239	200,600,000	7,052,575,239	7,984,791,000	88.3
1994	6,576,193,610	213,800,000	6,789,993,610	7,984,791,000	85.0
1995	6,533,446,242	221,500,000	6,754,946,242	7,508,093,800	90.0
1996	6,782,990,307	227,040,000	7,010,030,307	7,508,093,800	93.3

-
- (1) As of January 1, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, and 1995, respectively.
- (2) As of January 1, 1984, 1986, 1988, 1990, 1992 and 1994, respectively. Equalized valuations are determined biennially by the Commissioner of Revenue.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property and Motor Vehicle Tax Rates (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential Real Property</u>	<u>Commercial and Industrial Real Property</u>	<u>Personal Property</u>	<u>Motor Vehicle</u>
1986	14.29	30.83	30.83	25.00
1987	9.81	20.76	20.76	25.00
1988	9.79	21.15	21.15	25.00
1989	9.23	20.06	20.06	25.00
1990	9.51	18.16	18.16	25.00
1991	10.13	19.15	19.15	25.00
1992	12.21	22.90	22.90	25.00
1993	13.33	28.40	28.40	25.00
1994	13.79	32.78	32.78	25.00
1995	14.17	34.86	34.86	25.00
1996	13.32	34.89	34.89	25.00

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- (1) Real and personal property tax rate applicable to each \$1,000 of assessed value. Motor vehicle excise tax is assessed on a calendar year, applicable to each \$1,000 of assessed 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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value</u>	<u>Net Bonded Debt (2)</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt per Capita</u>
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
1992	97,526	7,813,974,272	62,820,000	.8	644
1993	97,526	7,052,575,239	51,605,000	.7	529
1994	99,890	6,789,993,612	57,722,153	.9	578
1995	99,890	6,754,946,242	77,407,264	1.1	775
1996	99,890	7,010,030,307	80,567,165	1.1	807

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- (1) Population estimates are from U.S. Department of Commerce, Bureau of Census, Current Population Reports, Local Population Estimates.
- (2) Includes general obligation bonds that are reported as debt of the Enterprise Funds.

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

<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest (1)</u>	<u>Total Debt Service (2)</u>	<u>Total Expenditures (3)</u>	<u>Ratio of Debt Service to Total Expenditures</u>
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
1992	10,845,000	3,955,775	14,800,775	263,400,311	5.6
1993	11,215,000	3,683,153	14,898,153	286,767,271	5.2
1994	10,566,693	3,001,032	13,567,725	293,311,417	4.6
1995	10,706,980	3,500,789	14,207,769	300,864,245	4.7
1996	13,130,099	4,005,353	17,135,452	316,518,064	5.4

-
- (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.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Legal Debt Margin

June 30, 1996

Fiscal year 1996 equalized valuation (1)		\$ <u>7,508,093,800</u>
Normal debt limit (2-1/2% of equalized valuation)		187,702,345
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 66,777,165	
Total Authorized/Unissued	113,936,456	
Less:		
General obligation bonds exempted by authority of the state legislature	<u>51,579,000</u>	
Amount within debt limit		<u>129,134,621</u>
Legal Debt Margin		\$ <u>58,567,724</u>

-
- (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, 1994.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Direct and Overlapping Debt

June 30, 1996

<u>Name of Unit</u>	<u>Direct Debt (1)</u>	<u>Outstanding Overlapping Debt</u>	<u>Percentage Applicable to City of Cambridge</u>	<u>Total City of Cambridge Direct and Overlapping Debt</u>
City of Cambridge	\$ 66,777,165	\$ -	100.0%	\$ 66,777,165
Middlesex County	-	1,990,000	10.00%	199,000
Massachusetts Water Resources Authority	-	2,908,475,000	5.06%	134,114,306
Massachusetts Bay Transportation Authority	<u>-</u>	<u>2,727,335,000</u>	4.93%	<u>134,413,244</u>
Total direct and overlapping debt	\$ <u>66,777,165</u>	\$ <u>5,637,800,000</u>		\$ <u>335,503,715</u>

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

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Value, Construction and Bank Deposits

Last Ten Fiscal Years

(Dollars in thousands)

<u>Fiscal year</u>	<u>Real Property Assessed Value</u>	<u>Building Permits Issued (1)</u>	<u>Construction Value (1)</u>	<u>% Distribution (1)</u>		<u>Bank Deposits(2)</u>
				<u>Residential</u>	<u>Commercial</u>	
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	2,259,264
1992	7,813,974	1,318	144,754	21	79	2,284,115
1993	7,052,575	1,618	143,324	29	71	1,905,000
1994	6,789,994	1,672	178,799	24	76	1,939,000
1995	6,754,946	1,749	162,757	22	78	2,021,000
1996	6,782,990	1,664	185,205	33	67	2,105,345

* Not available

(1) Source: Inspectional Services Department

(2) Source: Federal Deposit Insurance Corporation. These figures do not include deposits in credit unions and savings and loan institutions and they include only banks whose headquarters are in Cambridge.

CITY OF CAMBRIDGE, MASSACHUSETTS

Principal Taxpayers (1)

June 30, 1996

<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Amount of Tax</u>	<u>% of Total Tax Levy</u>
Commonwealth Energy	Utility	\$ 198,691,600	6,927,971	4.8
Boston Properties	Commercial	165,517,400	5,757,499	4.0%
M.I.T.	Educational	132,711,100	4,232,222 (2)	2.9
Robert Jones and K. George Najarian	Commercial	102,848,299	3,588,377	2.5
Cambridge Side Galleria — New England Development	Commercial	93,726,000	3,236,882	2.2
Asahi Seimei Prudential Associates	Commercial	92,427,400	3,224,792	2.2
Presidents and Fellows of Harvard College	Educational	105,000,800	2,431,717 (2)	1.7
Spaulding & Slye Corp.	Commercial	59,203,600	2,065,614	1.4
E.M.I. Cambridge Limited Partnership	Commercial	57,231,900	1,996,821	1.4
The Congress Group	Commercial	<u>54,976,100</u>	<u>1,762,734</u>	<u>1.2</u>
Totals		\$ <u>1,062,334,199</u>	<u>35,224,629</u>	<u>24.4%</u>

(1) As of January 1, 1995.

(2) Excludes in lieu payments on exempt property.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Salaries of Principal Officials

June 30, 1996

City Council:	
Chairman (Mayor)	\$ 46,233
Members	33,233
City Clerk	66,284
City Auditor	60,320
Executive:	
City Manager	126,155
Deputy City Manager	104,255
Assistant City Manager/Fiscal Affairs	83,038
Assistant City Manager/Community Development	83,038
Assistant City Manager/Human Services	83,038
Budget Director	63,617
Personnel Director	77,097
Director of Assessment	71,714
City Solicitor	62,278
Commissioner of Health, Hospitals and Welfare	114,404
Commissioner of Public Works	73,840
Commissioner of Inspectional Services	71,240
Superintendent of Schools	103,800
Police Commissioner	102,217
Fire Chief	97,602
Director of Libraries/Communications	71,240

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Miscellaneous Statistics

<u>Characteristic</u>	<u>Cambridge</u>	<u>Boston - SMSA</u>	<u>Massachusetts</u>	<u>United States</u>
Population (1):	95,802	2,870,689	6,016,425	248,709,873
Median age (2):				
1990	31.1	23.4	33.6	32.9
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	19.2%	14.3%	15.6%	18.2%
25-44	41.0	35.1	33.6	32.5
65 and over	10.5	12.9	13.6	12.6
Median family income (2):				
1989	\$ 39,990	\$ 49,266	\$ 44,367	\$ 37,919
1979	17,845	22,848	21,166	19,917
1969	9,815	11,449	10,981	9,590
Per capita income (2):				
1989	\$ 19,879	\$ 23,746	\$ 22,236	\$ 17,592
1987	15,613	20,355	18,296	15,472
1985	13,494	17,391	16,324	13,908
1983	11,403	14,612	13,306	11,687
1979	7,957	9,880	10,096	9,494
1969	3,899	4,471	4,349	3,945
Unemployment rates (4):				
1996	2.8%	4.4%	5.4%	5.8%
1995	3.4	4.3	4.8	5.3
1994	4.5	5.3	6.0	6.2
1993	4.6	5.4	6.4	7.1
1992	6.4	8.5	10.0	7.7
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
Four or more years of college education 25 years old and over (3)	54.2%	35.4%	27.2%	*
High school graduates 25 years old and over (3)	84.4%	84.3%	80.0%	*
	<u>K-8</u>	<u>9-12</u>	<u>Special</u>	<u>Total</u>
Public school enrollments (5):				
1996	5,528	1,989	651	8,168
1995	5,574	2,047	670	8,291
1994	5,460	2,036	688	8,184
1993	5,297	2,038	688	8,023
1992	5,097	2,102	673	7,872
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	7,887
1985	4,760	2,671	566	7,997

- (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

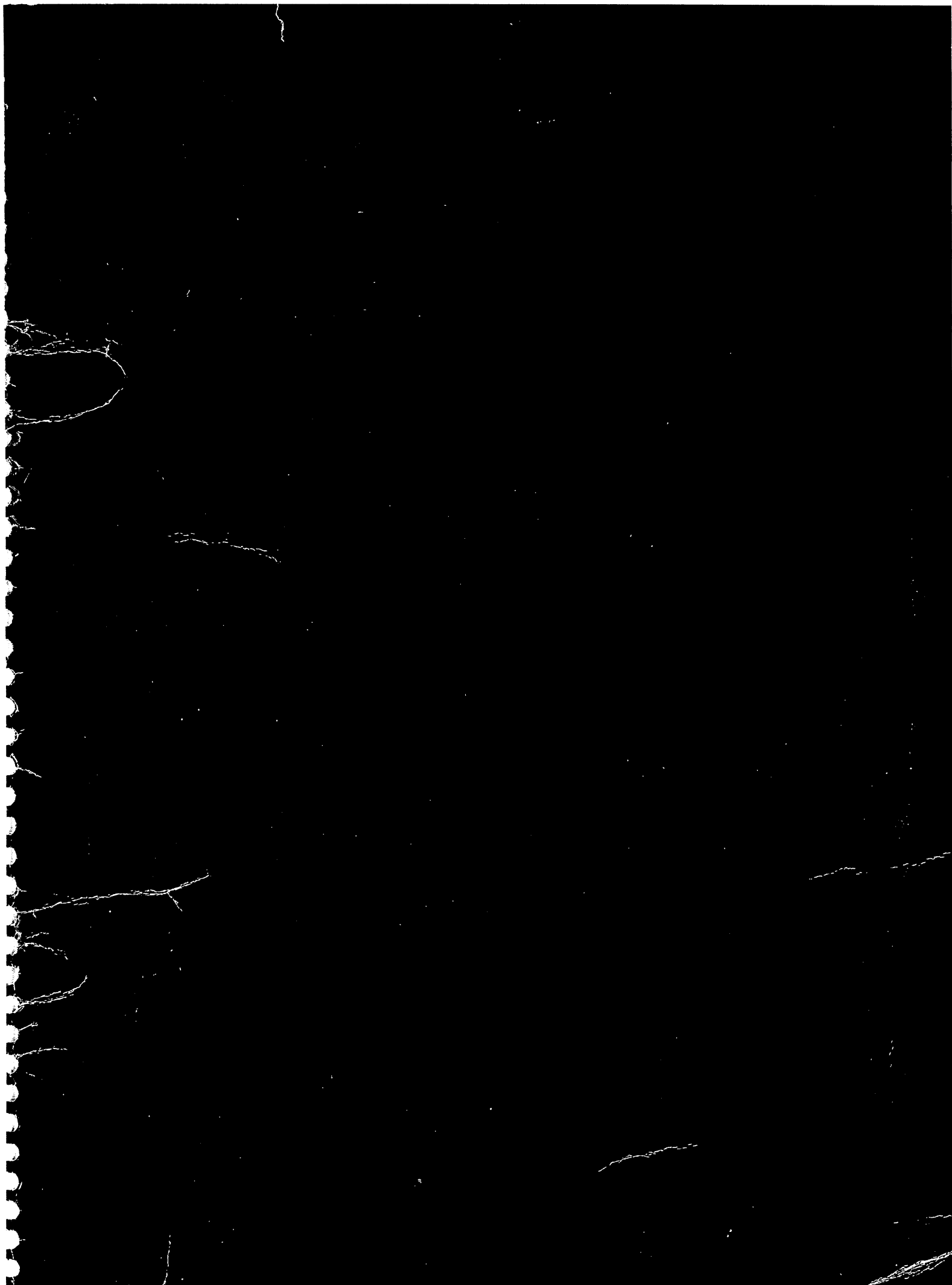
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CITY OF CAMBRIDGE, MASSACHUSETTS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year
June 30, 1996**

Electronic Publishing	KPMG Peat Marwick
Paper	70 pound Finch
Covers and Dividers	80 pound coated
Printing - Laser Printing/text	KPMG Peat Marwick
Printing - Covers and Dividers	KPMG Peat Marwick
Composing	KPMG Peat Marwick
Cover and Divider Design	KPMG Peat Marwick
Illustration	David Grotrian and Cambridge Chronicle





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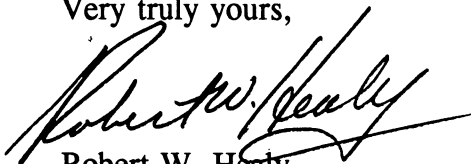
12.

January 27, 1997

To The Honorable, The City Council:

I am hereby transmitting the City of Cambridge 1995 - 1996 Comprehensive Annual
Financial report for your information.

Very truly yours,



Robert W. Healy
City Manager

RWH/mec
enclosure

Consent Agenda #12

F-18

Relative to the 1995-1996
Comprehensive Annual Financial Report.

In City Council January 27, 1997

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