City of Cambridge

# Comprehensive Annual Financial Report



July 1, 1985–June 30, 1986

# CITY OF CAMBRIDGE, MASSACHUSETTS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year**
**July 1, 1985 through June 30, 1986**

**Robert W. Healy**
**City Manager**

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

CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 1986

# TABLE OF CONTENTS

## INTRODUCTORY SECTION


Page

Letter of Transmittal ..... i
A Few Words About Cambridge ..... xvii
Directory of Officials ..... xix
Organizational Chart ..... xx


## FINANCIAL SECTION


Auditors' Report ..... 3

General Purpose Financial Statements:
- Combined Balance Sheet - All Fund Types and Account Groups ..... 5
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds ..... 7
- Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual - General Fund/Budget Basis ..... 8
- Combined Statement of Revenues, Expenses, and Changes in Fund Equity/Retained Earnings - All Proprietary Fund Types and Similar Trust Funds ..... 9
- Combined Statement of Changes in Financial Position - All Proprietary Fund Types and Similar Trust Funds ..... 10
- Notes to General Purpose Financial Statements ..... 12

Supplementary Statements and Schedules:
- Schedule of Expenditures and Encumbrances - Budget and Actual - General Fund ..... 28
- Combining Financial Statements:
  - Special Revenue Funds:
    - Combining Balance Sheet ..... 39
    - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 40

Enterprise Funds:
Combining Balance Sheet ..... 43
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings ..... 44
Combining Statement of Changes in Financial Position ..... 45
Fiduciary Funds:
Combining Balance Sheet ..... 48
Combining Statement of Revenues, Expenses, and Changes in Fund Balances - Pension and Nonexpendable Trust Funds ..... 49
Combining Statement of Changes in Financial Position - Pension and Nonexpendable Trust Funds ..... 50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Expendable Trust Funds ..... 51
Combining Statement of Changes in Assets and Liabilities - Agency Funds ..... 52
Description of Trust Funds ..... 54
Schedule of Real Estate, Personal Property, and Motor Vehicle Excise Taxes ..... 72
Schedule of Bonds Payable ..... 73

## STATISTICAL SECTION

General Government Expenditures by Function - Last Ten Fiscal Years ..... 76
General Revenues by Source - Last Ten Fiscal Years ..... 77
Property Tax Levies and Collections - Last Seven Fiscal Years ..... 78
Assessed and Equalized Valuation of Taxable Property - Last Ten Fiscal Years ..... 79
Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt per Capita - Last Ten Fiscal Years ..... 80
Computation of Legal Debt Margin ..... 81
Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years ..... 82
Property Tax Rates - Last Ten Fiscal Years ..... 83
Computation of Direct and Overlapping Debt ..... 84
Principal Taxpayers ..... 85
Salaries of Principal Officials ..... 86
Miscellaneous Statistics ..... 87

# Introductory Section

# CITY OF CAMBRIDGE

## CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

**(617) 498-9030**

OFFICE OF
JAMES P. MALONEY, JR.
ASSISTANT CITY MANAGER
FISCAL AFFAIRS

January 30, 1987

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

Dear Mr. Healy:

The Comprehensive Annual Financial Report of the City of Cambridge, Massachusetts for the Fiscal Year ended June 30, 1986 is presented for your review. The report was prepared by the City's Finance Department. The responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. I believe that the data presented is accurate in all material respects; that it is presented in a manner designed to show fairly the financial position and results of operations of the City as measured by the financial activities of its various funds; and that all disclosures deemed necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

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

## ACCOUNTING SYSTEM AND BUDGETARY CONTROL

### Basis of Accounting

The accounting records of the City's general government operations, as reported in the General Fund, Special Revenue Fund, 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. The accrual basis of accounting is followed by the proprietary and fiduciary fund types.

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 judgements 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.

## THE REPORTING ENTITY AND ITS SERVICE

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

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1985, which is its fiscal period for reporting to the Commissioner of Retirement of the Commonwealth of Massachusetts.

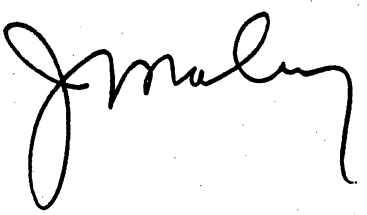
The operations of the Cambridge Housing Authority and the Cambridge Redevelopment Authority are not part of the defined reporting entity and therefore, are not included in the combined financial statements of the City. Both organizations are excluded because (1) neither falls within the oversight responsibility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

## ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



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

JPM/dls

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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

# CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

January 30, 1987

To the Honorable, the City Council,

It is with great pleasure that the Comprehensive Annual Financial Report of the City of Cambridge, Massachusetts for the fiscal year ended June 30, 1986 is submitted herewith for your review. The annual report is divided into three sections: Introductory, Financial, and Statistical. The Introductory Section includes information about the organizational structure of the City, as well as its accounting and budgetary systems and fund structure. It also includes summarized data reflecting the financial condition of the City with an analysis of general government operations, year-end balances, and debt administration. The Financial Section includes the General Purpose Financial Statements presenting the combined statements as an overview of the City's entire financial operation. Next, combining and individual fund statements present details for the significant funds and account groups of the City. Schedules provide certain other information and additional details of data summarized in the financial statements. The Statistical Section includes tables which contain selected historical financial data, debt statistics, and miscellaneous social and economic data of the City that are of interest to citizens and potential investors in our bonds.

## FINANCIAL ACCOMPLISHMENTS

Fiscal Year 1986 was a year that saw several important financial accomplishments for Cambridge. The most significant of these are as follows:

- improved bond rating
- reduction in property tax rates
- reduction in short-term borrowing
- increased capital improvement program
- increased unreserved General Fund fund balance
- improved liquidity and cash position
- complete inventory of fixed assets and development of a fixed asset accounting system
- actuarial valuation of the City's pension plans
- receipt of an award for Distinguished Budget Presentation from the Government Finance Officers Association

Each of these accomplishments are individually discussed in detail throughout the remainder of this report.

# FINANCIAL SUMMARY

## General Government Functions

In an effort to present a complete summary of the City's operations, the following exhibits are comprised of revenues and expenditures from the General, Hospital, and Water Funds. It should be noted that the revenues and expenditures shown in these exhibits are taken from the Statement of Revenues, Expenditures, and Encumbrances which is located in the Financial Section of this report. This particular statement presents financial information on the budget basis of accounting. For this reason, Hospital and Water revenues and expenditures are included in the Statement of Revenues, Expenditures, and Encumbrances. However, other statements in this report are presented in accordance with generally accepted accounting principles with the Hospital and Water Funds being shown as separate enterprise funds.

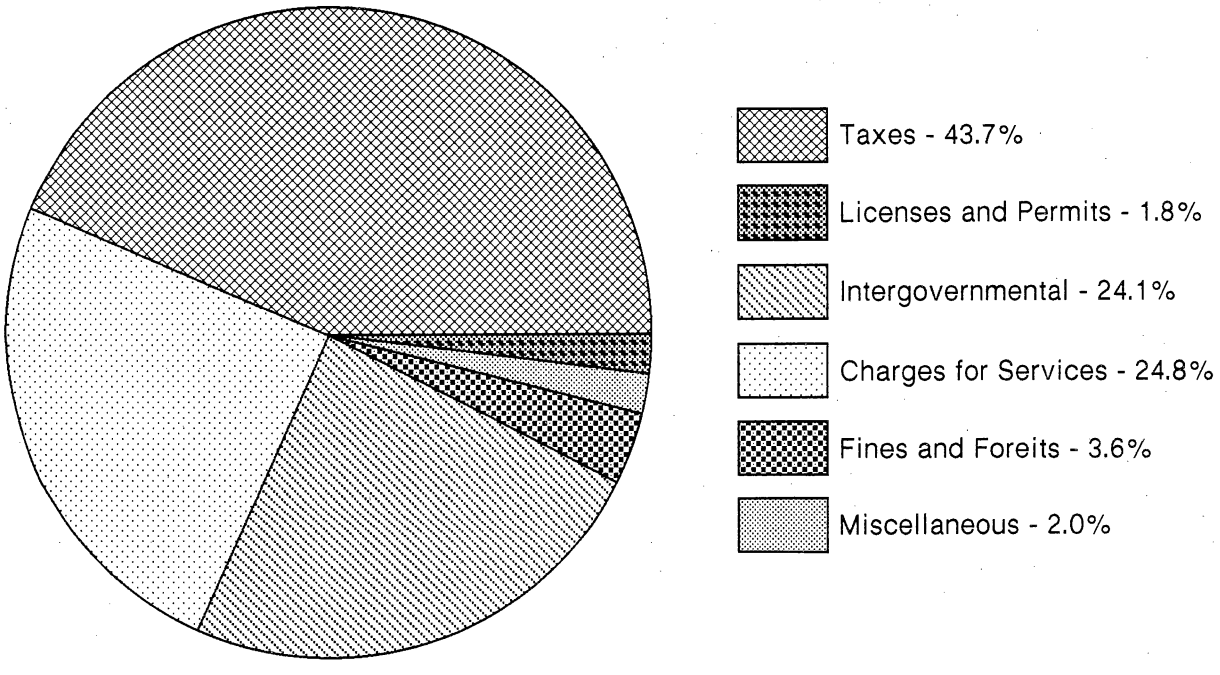
Revenues and other financing sources totalled $173,039,331 in fiscal year 1986, an increase of $10,902,090 or 6.7 percent over fiscal year 1985. Real and Personal Property Tax revenues totalled $72,324,357 and provided 41.8 percent of General Fund revenues. This percentage represents a reduction from fiscal year 1985, when the property tax comprised 42.9 percent of General Fund revenues, and continues the trend of recent years towards decreasing reliance on the property tax and diversification of the revenue base. For example, Motor Vehicle Excise Tax revenues for fiscal year 1986 was $2,496,016, a 69.0 percent increase from fiscal year 1984. This increase is reflective of our efforts in implementing a more efficient and timely collection system. Also, in November of 1985, the City Council approved a 4 percent Hotel/Motel Excise Tax. Hotel/Motel Excise Tax revenues totalled $770,653 for the fiscal year and this revenue source is expected to double in fiscal year 1987, the first full year of implementation.

As one of the indications of the City's continued strong economy, full market assessments for real and personal property reached the $3,616,211,487 mark, a 17.3 percent increase over the preceding fiscal year. At the same time, residential tax rates decreased $.97 to $14.29 and the commercial tax rate dropped to $30.83, a reduction of $3.86 from fiscal year 1985. The City Council also adopted the City's first residential exemption, which translated into a $14,571 reduction in assessed values for owner occupied residential properties.

The following table and chart presents the dollar amount in thousands received from various sources of revenue for fiscal year 1986 and the variance from fiscal year 1985.

## GENERAL FUND REVENUES

| Revenue Source | Amount | Percent | Increase (Decrease) From 1985 Amount | Increase (Decrease) From 1985 Percent |
|---|---|---|---|---|
| Taxes | $75,591 | 43.7% | $4,062 | 5.7% |
| Licenses & Permits | 3,103 | 1.8 | (299) | (8.8) |
| Intergovernmental | | | | |
| State | 38,665 | 22.3 | 3,846 | 11.0 |
| Federal | 3,133 | 1.8 | (463) | (12.9) |
| Charges for Services | 42,846 | 24.8 | 3,929 | 10.1 |
| Fines & Forfeits | 6,293 | 3.6 | 676 | 12.0 |
| Miscellaneous | 3,408 | 2.0 | (849) | (19.9) |
| Total | $173,039 | 100.0% | $10,902 | 6.7% |



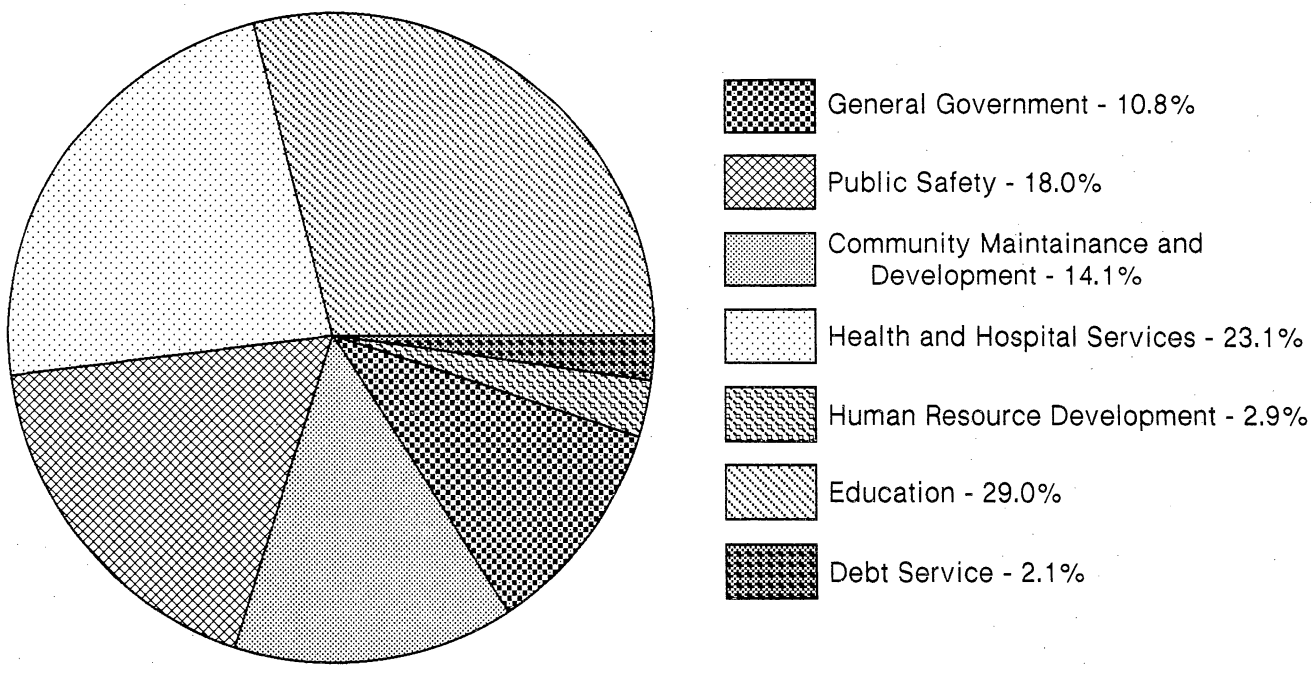

Expenditures totalled $169,909,088 in fiscal year 1986, an increase of $13,234,399 or 8.4 percent over fiscal year 1985.

General Government expenditures decreased due to the allocation of health insurance costs to individual departments rather than allocating the total health insurance cost to the employee benefits cost center. Consequently, this largely explains the increase in expenditures for the other functions excluding Human Resource Development. The decrease in Human Resource Development expenditures resulted from a state assessment for parks of approximately $1,200,000 being absorbed within the state budget.

The following table and chart presents dollar expenditures in thousands by function for fiscal year 1986 and the variance from fiscal year 1985.

GENERAL FUND EXPENDITURES

| Expenditure Function | Amount | Percent | Increase (Decrease) From FY 85 Amount | Percent |
|---|---|---|---|---|
| General Government | $18,406 | 10.8% | $(4,071) | (18.1)% |
| Public Safety | 30,583 | 18.0 | 5,935 | 24.1 |
| Community Maintenance & Development | 24,001 | 14.1 | 2,695 | 12.7 |
| Health & Hospital Services | 39,218 | 23.1 | 7,060 | 22.0 |
| Human Resource Development | 4,936 | 2.9 | (501) | (9.2) |
| Education | 49,286 | 29.0 | 2,668 | 5.7 |
| Debt Service | 3,479 | 2.1 | (552) | (13.7) |
| Total | $169,909 | 100.0% | $13,234 | 8.4% |

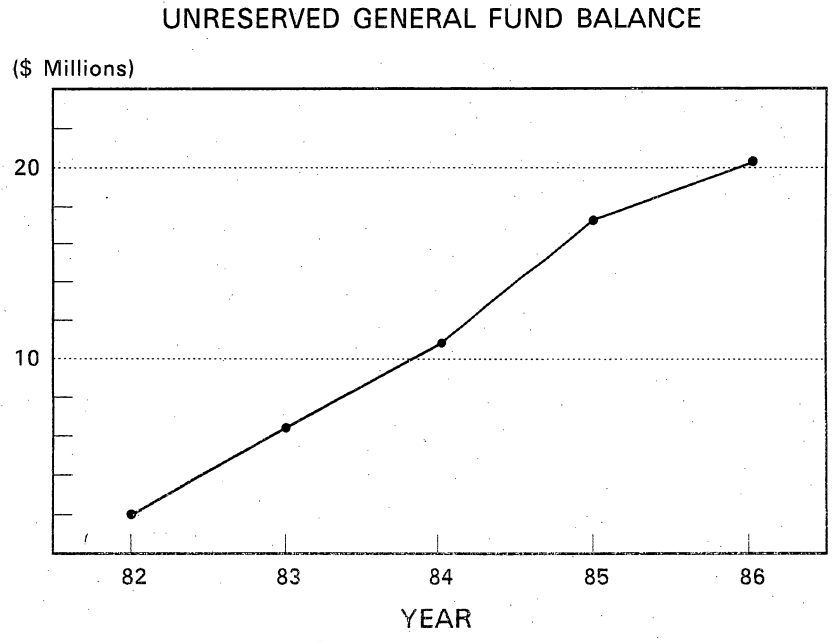


**General Fund Balances**

The City ended fiscal year 1986 with a total General Fund balance of $24,490,134, which represents 14.2 percent of General Fund revenues. A total of $4,263,472 of the fund balance is allocated to reserve accounts, leaving an unreserved fund balance of $20,226,662. It should be noted that between fiscal year 1982 and fiscal year 1986, the City's ending General Fund balance has increased by $19,721,274 with the unreserved portion of the fund balance increasing by $18,144,759. The principal reason for these increases in fund balances is the City's conservative and planned approach in managing resources. This has allowed the City to insulate itself from any decreases in the current growth trend, reduced the level of short-term borrowings, and contributed to the improvement in the City's credit rating.

The following table and graph presents the changes in the City's unreserved General Fund fund balance between fiscal year 1982 and fiscal year 1986.

| Fiscal Year | Unreserved General Fund Balance |
|---|---|
| 1982 | $ 2,081,903 |
| 1983 | 6,318,375 |
| 1984 | 10,943,460 |
| 1985 | 17,659,719 |
| 1986 | 20,226,662 |

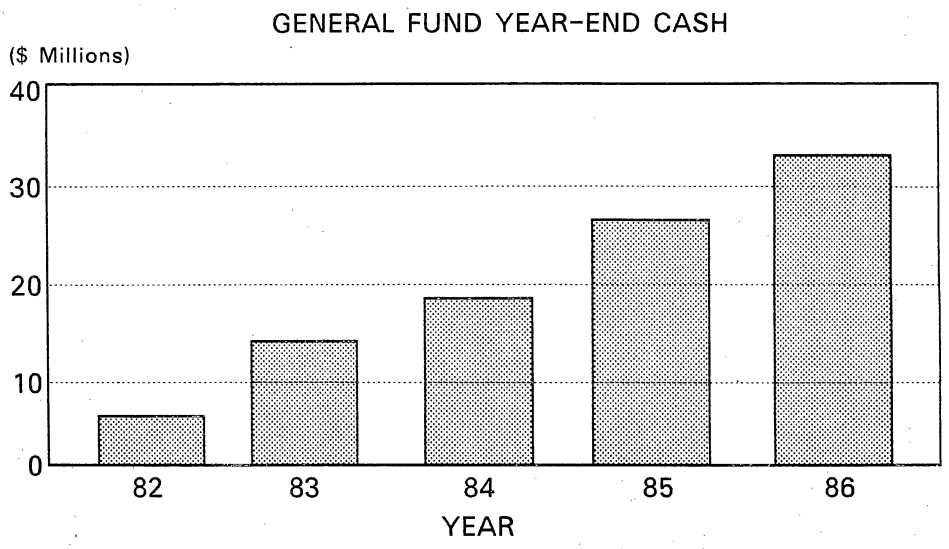


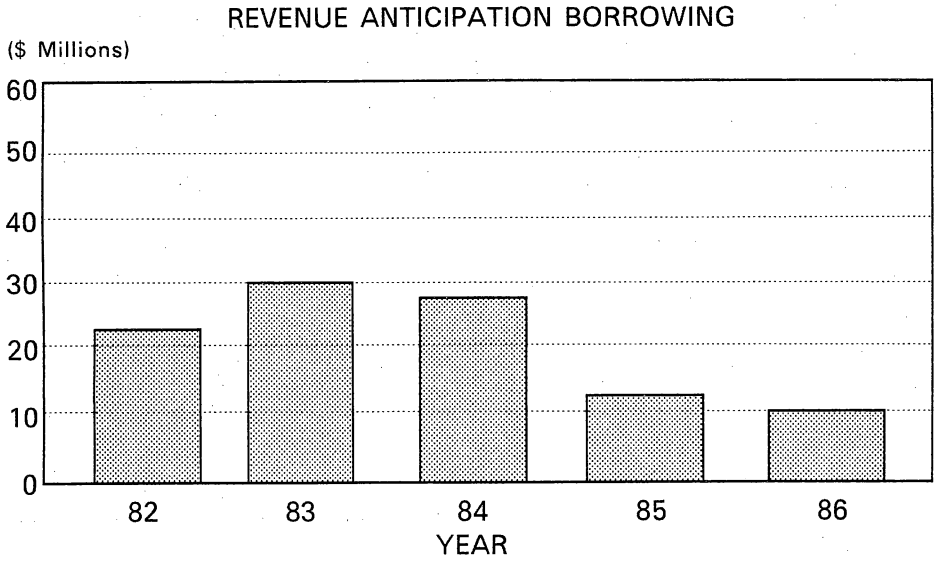
**Cash Management**

Prior to the implementation of Proposition 2 1/2 in fiscal year 1982, the City had reached a high point in its level of short-term borrowings (Revenue Anticipation Notes) to meet operational expenses. This level of short-term borrowings and the weak year-ending cash positions experienced during this period were primarily the result of the City's poor revenue mix. For instance, property tax revenue accounted for 70 percent of all General Fund revenues in fiscal year 1980, resulting in the need to finance operations throughout the year with the use of revenue anticipation borrowing. In fact, short-term borrowings regularly approached $50,000,000 during this period. Currently, real and personal property tax revenues account for 42.9 percent of General Fund revenues, as a result of an increase in other revenue sources that are more predictable and evenly distributed throughout the year.

As the following table and chart indicates, during the last five fiscal years there has been a dramatic improvement in year-end General Fund cash coupled with a reduction in short-term borrowings. This desirable trend has continued in fiscal year 1986 with a $5,919,169 or 21.7 percent increase in general fund year-end cash balance with a $2,500,000 reduction in revenue anticipation borrowing.

| Fiscal Year | Year-End Cash Balance General Fund | Revenue Anticipation Borrowing |
|---|---|---|
| 1982 | $ 6,532,306 | $22,500,000 |
| 1983 | 14,720,042 | 30,000,000 |
| 1984 | 19,246,920 | 27,500,000 |
| 1985 | 27,321,024 | 12,500,000 |
| 1986 | 33,240,193 | 10,000,000 |

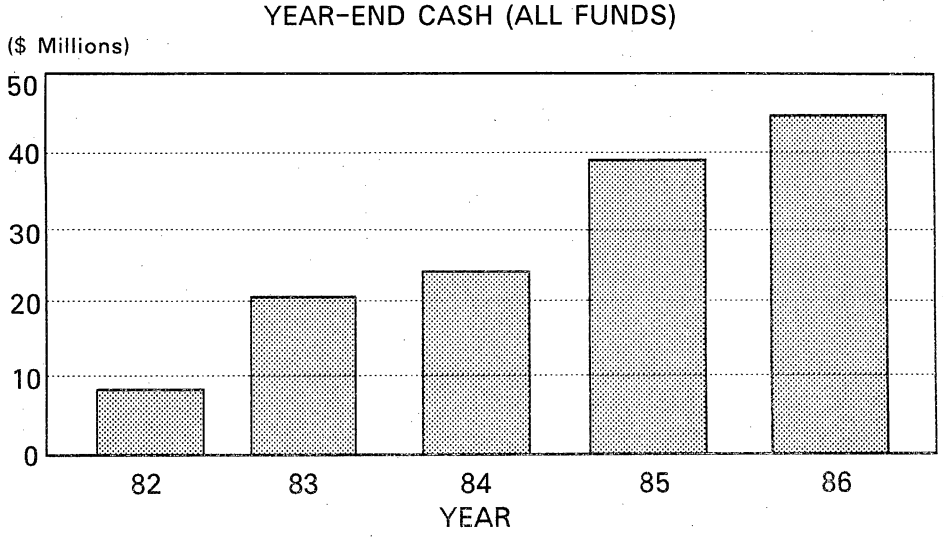





The dramatic improvements in the City's cash position during recent fiscal years reflect the City's policy of conservative non-tax revenue estimates, strong expenditure control and sound investment and banking practices.

The following table and chart represents the City's total cash position for all funds over the last five fiscal years.

| Fiscal Year | Year-End Cash Balance All Funds |
|---|---|
| 1982 | $ 8,763,287 |
| 1983 | 20,243,869 |
| 1984 | 24,120,018 |
| 1985 | 39,788,922 |
| 1986 | 44,408,609 |



For the third straight fiscal year, general interest earnings generated from investments of City cash exceeded budget amounts and interest income for the year was $2,005,971. These increases are the result of several improvements in the City's cash management program. The City has closed over 25 bank accounts since the end of fiscal year 1983 with the result being that all accounts, except for payment accounts, are now interest bearing. In addition, a new cash management system implemented in fiscal year 1985 has allowed the City to use the "float" on disbursed payroll and vendor checks to achieve the maximum advantage for the City and allows the balance of uncashed checks to earn interest at money market rates. The City previously paid for its banking services through a $1,400,000 daily compensating balance. The City changed this practice to a direct fee basis, which allows the $1,400,000 to be invested. With the decline in interest rates, which was a major component in establishing the City's compensating balance, it is estimated that the City would have had to raise its compensating or non-interest balance to at least $1,800,000 if the direct fee approach had not been implemented.

To complete the transition to "pay for services", the Cash Management Division, in fiscal year 1986, assisted the Traffic and Parking Department in eliminating its compensating balance method of payment for banking service. The City changed this payment practice to a direct fee basis, which allows all parking fund revenues to be invested daily. As a result of this conversion, all City banking services are now paid for on a direct fee basis.

**Debt Management**

For the third year in a row, the City received an upgrading of the City's bond rating from one of the major New York rating agencies.

Moody's Investors Service raised the City's bond rating from Baal to A. The increase represents the second consecutive year that this agency increased the City's credit rating. The other major credit rating agency, Standard and Poor's Corporation, sustained its rating of A after granting rating increases in 1984 and 1985.

The current rating increase occurred as a result of the City's application for a rating on $3,360,000 in general obligation bonds sold on June 25, 1986, dated July 1, 1986. The proceeds will be used for the construction of a public parking facility located in the Lechmere Square area of the city. The higher bond rating and favorable market conditions resulted in a 6.15 percent effective interest rate for the bond issue.

The upgrade in the City's bond rating is an indication of both the City's strong economy and the City Government's strong financial position.

Outstanding general obligation bonds as of June 30, 1986 totalled $50,405,000. The ratio of Gross Direct Bonded General Obligation Debt to assessed valuation, as well as per capita debt are useful indicators of the City's debt position to municipal management, citizens and investors. The Gross Direct Bonded General Obligation Debt figure shown does not take into account any applicable reimbursement and/or available funds. The ratios for the City at the end of fiscal year 1986 are as follows.

KEY DEBT RATIOS

| | Amount (in thousands) | Ratio of Bonded Debt to Assessed Value | Per Capita |
|---|---|---|---|
| Gross Direct Bonded General Obligation Debt | $50,405 | 1.39% | $544.71 |

**Public Investment Program**

The five-year plan accepted during the fiscal year 1986 budget process, the first year in which a capital improvement plan was approved by the City Council, totalled $56,658,010. This plan, which the City Council revised on May 5, 1986, is a program of capital spending for the five-year period beginning July 1, 1986 and ending June 30, 1991. The estimated cost of the revised five-year program is $79,860,000.

Since fiscal year 1985 the City has funded a portion of its Public Investment Program on a "pay-as-you-go" basis out of current revenues. As a result of the City's improved finances, $6,520,060 in current year revenues were allocated for capital improvements for fiscal year 1986. This figure represented an increase of $1,341,060 over contributions made in fiscal year 1985. This increase reflects the City's commitment to utilize funds generated from a growing revenue base in the area of infrastructure improvements rather than expanding operating programs.

**Revaluation Process**

In 1983 the first complete revaluation of real and personal property in over sixty years was completed and certified by the State Department of Revenue at $2,901,630,689 for fiscal year 1984. Fiscal year 1985 values were based on an approximate 7 percent increase in property values over those of fiscal year 1984, through the use of trending. Property values for fiscal year 1986 were adjusted in a similar manner, with overall increases averaging 15 percent.

The City has several general policies with respect to revaluation. First, values should be maintained at approximately 100 percent. Thus, Cambridge is among very few jurisdictions in the state which adjusts values annually and thereby avoids the disrupting shifts in value (and taxes) which might otherwise occur every third revaluation year. Secondly, the City seeks to continually upgrade the technical quality of its revaluation process and to generally move all valuation functions "in-house". Towards these ends, the City has expanded its permanent full-time data collection maintenance staff during fiscal year 1986. Further, full service software, along with required hardware has been installed during the fiscal year and will be operational for the fiscal year 1987 revaluation. Fiscal year 1987 will again require a full state certified revaluation.

## Fixed Assets Management

In December 1985, the City contracted with American Appraisal Associates to conduct the City's first fixed assets management study for all City owned property. The purposes of the study were to create a set of certified fixed asset records, establish possible insurance levels, and verify City losses. The study required a comprehensive inventory of City land, buildings, and fixtures. The inventory process includes the development of an array of cost assumptions, such as original cost, replacement costs, and accumulated depreciation. The study covered the City's fixed assets as of June 30, 1986 and conforms to generally accepted accounting principles. The City intends to retain an appraisal firm to perform annual updates in ensuing fiscal years. For further details please refer to note five of the Notes to the General Purpose Financial Statements.

## Actuarial Study and Pension Funding Actions

The Massachusetts Retirement Law Commission estimated that the Cambridge Retirement System had an unfunded actuarial liability of $123,883,286 as of January 1, 1983. In March 1986, the City awarded a contract to an actuarial firm to conduct an actuarial study of the Cambridge Contributory Retirement System. The purpose of the study was to provide the City with a current and independent actuarial valuation of the Contributory Retirement System's total actuarial liabilities and to reach the funding requirements needed to fully fund the accrued costs. The study determined the separate costs and liabilities for each employee category, the City's liability for inactive members of the System, and the long-term cost of the System to the City. As of January 1, 1986, the unfunded pension liability was determined to be $118,822,317.

The laws of Massachusetts permit local governments to make annual appropriations for the purpose of offsetting pension costs. During fiscal years 1984 and 1985, the City Council appropriated and funded $1,000,000 annually to the City's Pension Reserve Fund. Changes in the laws relating to the nature and format of the appropriation setting process have been mandated by Chapter 661 of the Acts of 1983. Prior to fiscal year 1986, excess investment earnings (interest earned above what was originally anticipated) generated by the retirement system in a calendar year were used to reduce the pension funding needed for the next fiscal year. The statute now requires that the excess investment earnings be transferred to the Pension Reserve Fund within the retirement system. Section 28 of Chapter 661 provides for this requirement to be phased in over three years. In fiscal year 1986, the City appropriated the full amount to cover pension costs,choosing not to exercise its option of using excess earnings. In fiscal year 1986, the Cambridge Retirement System established a Pension Reserve Fund within the retirement system and transferred $6,997,314 of the above-mentioned excess earnings into that fund. In addition, $2,298,423 in the pension reserve fund previously established by the City was transferred to the retirement system's reserve fund to bring the total to $9,295,737 to provide for the system's unfunded liability. It is expected that the transfer of excess earnings for calendar year 1986 within the Retirement System to its Pension Reserve Fund will be approximately $3,000,000, excluding additional City appropriations.

It is the City's desire to accelerate the funding of its unfunded liability in either fiscal year 1987 or fiscal year 1988.

### Award for Distinguished Budget Presentation

The above actions are part of a City strategy to improve the professional quality of presentation of its financial documents. As an example of these efforts, the Government Finance Officers Association presented an award for Distinguished Budget Presentation to the City of Cambridge for its annual budget for the fiscal year beginning July 1, 1985, one of only a few municipalities in Massachusetts to receive the award.

### Health Claims Trust Fund

Since the City is self-insured for its primary coverage health insurance costs, there is a possibility of experiencing a substantially higher number of claims than are expected in any given year. In order to provide for the possibility of such excess claims and avoid the need for the purchase of insurance (at very expensive rates) to cover this potential liability, the City established a Health Claims Trust Fund in fiscal year 1985. The balance in this fund as of June 30, 1986 was $973,840. It is expected that the trust fund will be added to in future years through appropriations and portions of the balance in the Blue Cross/Blue Shield allotments.

## 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 Peat, Marwick, Mitchell & Co. The report on the audit for the year ended June 30, 1986 is included herein.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) sponsors a Certificate of Achievement for Excellence in Financial Reporting Program. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive financial annual report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

In April 1986, the City requested the GFOA to conduct an "in-house" review of the City's fiscal year 1985 Comprehensive Annual Financial Report (CAFR). The City requested this extensive review of the fiscal year 1985 CAFR so that a checklist of concerns could be prepared and ultimately corrected for the fiscal year 1986 submission.

A Certificate of Achievement is valid for a period of one year only. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

## FUTURE OUTLOOK

Cambridge continues to benefit from a strong local economy. This strong economy coupled with sound financial management has enabled the City to dramatically improve its financial condition during the last five years. The financial policies of the City Council have provided the City with a diverse revenue mix of taxes, fees, and charges while the state has continued to increase our levels of state aid. Our goal for fiscal year 1987 and beyond is to maintain this revenue mix while continuing our conservative approach on the expenditure side. Continued reductions in federal funding and threatened cutbacks in state aid will make this a difficult task. However, the continued strong economy along with an expanding tax base indicates that the City should continue in its strong financial position for the foreseeable future.

## CONCLUSION

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.

The City of Cambridge, its employees, its citizens, and its elected officials can be proud that not only is Cambridge financially strong today, but this strength ought to continue into the next decade and beyond.

Very truly yours,



Robert W. Healy,
City Manager

RWH/dls

# A FEW WORDS ABOUT CAMBRIDGE




The City of Cambridge is located in southeast Middlesex County across the Charles River from the City of Boston. The City is bordered by the Towns of Watertown and Belmont on the West, and the Town of Arlington and the City of Somerville on the north, and occupies a land area of 6.26 square miles. The City's estimated population was 92,535 in 1984.

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

The City Manager is the chief administrative officer and carries out the policies of the City Council. With the assistance of a Deputy City Manager and three Assistant City Managers, the Manager coordinates the functions of 41 municipal departments and is responsible for the delivery of services to residents. The City Manager is appointed by the City Council and serves at the pleasure of the Council. The present City Manager is employed under a contract which expires June 30, 1990.

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.

Cambridge has experienced strong growth in taxable valuations and job opportunities due to the construction of new commercial and industrial property, as well as through reconstruction and rehabilitation of existing property throughout the City. This growth is expected to continue over the next several years. Developers find the City attractive due to its close proximity to Boston, extensive public transportation and excellent network of roads, and the City's commitment to encouraging planned development. The location of two major universities, Harvard and the Massachusetts Institute of Technology, within the City's borders contributes significantly to its vitality and growth.

Based on valuations of all real and personal property as of January 1, 1985, the total value of all property in the City is $3,616,211,487. Of that total, approximately $1,500,000,000 consists of industrial/commercial and personal property. New properties now under construction, those to be started this year, and those being planned are expected to add approximately $640,000,000 to the taxable valuation base of the City. Fiscal year 1987 assessments indicate an increase of approximately $600,000,000 from fiscal year 1986 assessments.

# DIRECTORY OF OFFICIALS

## CITY COUNCIL

Walter J. Sullivan, Mayor

| | |
|---|---|
| Alfred E. Vellucci, Vice Mayor | Sheila T. Russell |
| Thomas W. Danehy | David E. Sullivan |
| Francis H. Duehay | William H. Walsh |
| Saundra Graham | Alice K. Wolf |

## SCHOOL COMMITTEE

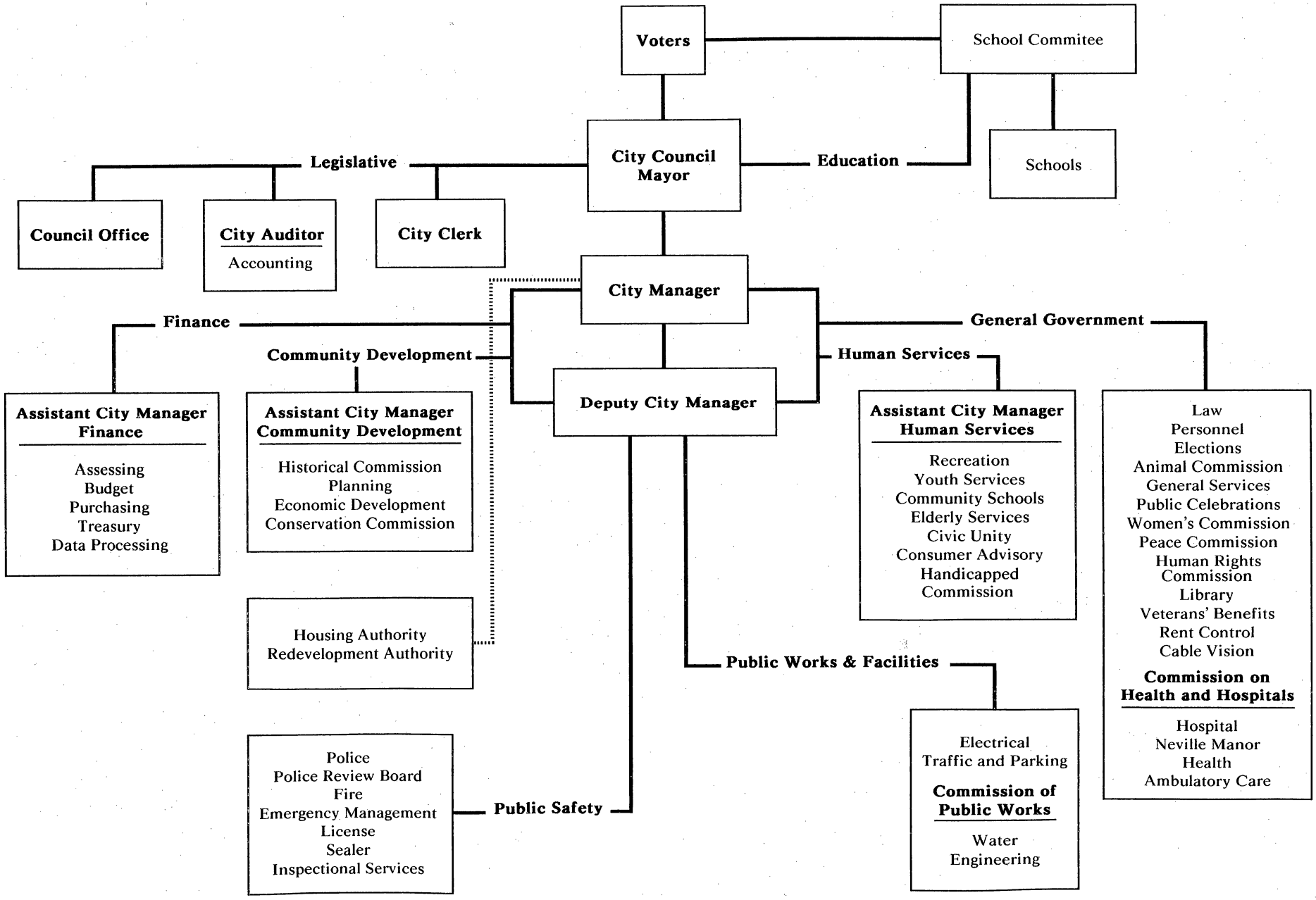
Walter J. Sullivan, Chairman

| | |
|---|---|
| Frances H. Cooper | Jane F. Sullivan |
| Alfred B. Fantini | Timothy J. Toomey, Jr. |
| Sara O. Garcia | Lawrence Weinstein |

## PRINCIPAL EXECUTIVE OFFICERS

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

# Organizational Chart
# City of Cambridge, Massachusetts



# Financial Section

# AUDITORS' REPORTS

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

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

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PEAT MARWICK

**Peat, Marwick, Mitchell & Co.**
Certified Public Accountants
One Boston Place
Boston, Massachusetts 02108
617-723-7700

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

We have examined the general purpose financial statements of the City of Cambridge, Massachusetts as of and for the year ended June 30, 1986 as listed in the accompanying table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the aforementioned general purpose financial statements present fairly the combined financial position of the City of Cambridge, Massachusetts at June 30, 1986 and the results of its operations and the changes in financial position of the proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles which, except for the changes, with which we concur, in the method of accounting for fixed assets as described in Note 6, and in the method of accounting for pension cost as described in Note 12 to the general purpose financial statements, have been applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed under supplementary statements and schedules 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 and, accordingly, our opinion does not relate to the fairness of presentation of the financial position and results of operations of such funds, or the changes in financial position of individual proprietary funds and similar trust funds. The information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

November 7, 1986

# GENERAL PURPOSE FINANCIAL STATEMENTS

The combined financial statements provide a summary level of reporting for the operating results and financial position of the City's various fund types and accounts groups.

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 30,1986

| Assets and Other Debits | Governmental Fund Types | | | Proprietary Fund Types | | Fiduciary Fund Type | Account Groups | | Combined Total (Memorandum Only) |
|---|---|---|---|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Enterprise (note 9) | Internal Service | Trust and Agency | General Fixed Assets | General Long Term Obligation | |
| Cash | $ 33,240,193 | 3,202,418 | - | 1,752,729 | 158,621 | 6,054,648 | - | - | 44,408,609 |
| Investments, at cost (note 3) | - | - | - | - | - | 65,995,123 | - | - | 65,995,123 |
| Receivables: | | | | | | | | | |
| Taxes | 4,109,527 | - | - | - | - | - | - | - | 4,109,527 |
| Tax titles and possessions | 2,629,099 | - | - | - | - | - | - | - | 2,629,099 |
| Motor vehicle excise | 3,041,645 | - | - | - | - | - | - | - | 3,041,645 |
| Accounts | 365,590 | - | - | 15,242,296 | - | - | - | - | 15,607,886 |
| Allowance for uncollectible receivables | (4,311,944) | - | - | (6,393,817) | - | - | - | - | (10,705,761) |
| Due from other funds (note 10) | - | 304,610 | 1,234,026 | 806,777 | - | - | - | - | 2,345,413 |
| Due from other governments (note 5) | - | - | 4,871,012 | - | - | 1,696,707 | - | - | 6,567,719 |
| Property, plant and equipment, net of accumulated depreciation (note 6) | - | - | - | 53,292,245 | 27,919 | - | 232,692,503 | - | 286,012,667 |
| Amount to be provided for retirement of general long-term obligations | - | - | - | - | - | - | - | 180,631,327 | 180,631,327 |
| Other assets | - | - | - | 227,415 | - | 893,633 | - | - | 1,121,048 |
| Total assets | $ 39,074,110 | 3,507,028 | 6,105,038 | 64,927,645 | 186,540 | 74,640,111 | 232,692,503 | 180,631,327 | 601,764,302 |

See accompanying notes to general purpose financial statements.

# CITY OF CAMBRIDGE, MASSACHUSETTS

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

## June 30, 1986

| Liabilities and Fund Equity | Governmental Fund Types | | | Proprietary Fund Types | | Fiduciary Fund Type | Account Groups | | Combined Total (Memorandum Only) |
|---|---|---|---|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Enterprise (note 9) | Internal Service | Trust and Agency | General Fixed Assets | General Long Term Obligation | |
| Warrants payable | $ 2,709,862 | - | - | - | - | - | - | - | 2,709,862 |
| Accrued expenses | 7,141,220 | - | 783,878 | 2,373,166 | - | - | - | - | 10,298,264 |
| Bond anticipation notes payable (note 7) | - | - | - | 451,434 | - | - | - | 2,663,475 | 3,114,909 |
| Guarantee deposits and amounts due other taxing authorities | - | - | - | - | - | 470,609 | - | - | 470,609 |
| Due to other funds (note 10) | 773,015 | 515,203 | - | 917,073 | - | 140,122 | - | - | 2,345,413 |
| Deferred revenue | 3,959,879 | - | - | - | - | - | - | - | 3,959,879 |
| Obligations under capital lease | - | - | - | 31,481 | - | - | - | - | 31,481 |
| Accrued compensated absenses | - | - | - | 619,194 | - | - | - | 12,915,535 | 13,534,729 |
| General obligation bonds payable (note 7) | - | - | - | 4,175,000 | - | - | - | 46,230,000 | 50,405,000 |
| Unfunded actuarial accrued pension liability (note 12) | - | - | - | - | - | - | - | 118,822,317 | 118,822,317 |
| Total liabilities | 14,583,976 | 515,203 | 783,878 | 8,567,348 | - | 610,731 | - | 180,631,327 | 205,692,463 |
| Fund equity: | | | | | | | | | |
| Investment in general fixed assets | - | - | - | - | - | - | 232,692,503 | - | 232,692,503 |
| Retained earnings | - | - | - | 56,360,297 | 186,540 | - | - | - | 56,546,837 |
| Fund balances: Reserved for encumbrances | 3,426,085 | 496,007 | - | - | - | - | - | - | 3,922,092 |
| Reserved for specific purposes (note 8) | 837,387 | 2,495,818 | 5,321,160 | - | - | 74,029,380 | - | - | 82,683,745 |
| Unreserved | 20,226,662 | - | - | - | - | - | - | - | 20,226,662 |
| Total fund equity | 24,490,134 | 2,991,825 | 5,321,160 | 56,360,297 | 186,540 | 74,029,380 | 232,692,503 | - | 396,071,839 |
| Commitments and contingencies (note 11) | | | | | | | | | |
| Total liabilities and fund equity | $ 39,074,110 | 3,507,028 | 6,105,038 | 64,927,645 | 186,540 | 74,640,111 | 232,692,503 | 180,631,327 | 601,764,302 |

See accompanying notes to general purpose financial statements.

# CITY OF CAMBRIDGE, MASSACHUSETTS

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

### Year ended June 30, 1986

| | Governmental Fund Types | | | Fiduciary Fund Type | Combined Total |
|---|---|---|---|---|---|
| | General | Special Revenue | Capital Projects | Expendable Trust | (Memorandum Only) |
| Revenues: | | | | | |
| Taxes | $ 72,847,538 | - | - | - | 72,847,538 |
| Payments in lieu of tax receipts | 1,723,316 | - | - | - | 1,723,316 |
| Hotel/Motel excise tax | 770,653 | - | - | - | 770,653 |
| Intergovernmental | 38,513,679 | 14,868,909 | 7,456,788 | - | 60,839,376 |
| Infirmary and health department | 4,842,337 | - | - | - | 4,842,337 |
| Sewer use | 4,763,533 | - | - | - | 4,763,533 |
| Motor vehicle excise | 2,478,132 | - | - | - | 2,478,132 |
| Investment income | 2,005,971 | 576,281 | - | 219,929 | 2,802,181 |
| Other | 4,909,590 | 7,991,050 | 22,532 | 43,860 | 12,967,032 |
| Total revenues | 132,854,749 | 23,436,240 | 7,479,320 | 263,789 | 164,034,098 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 18,122,850 | - | - | - | 18,122,850 |
| Public safety | 30,497,332 | - | - | - | 30,497,332 |
| Community maintenance and development | 20,061,224 | - | - | - | 20,061,224 |
| Infirmary and health department | 5,523,361 | - | - | - | 5,523,361 |
| Human resource development | 4,872,004 | - | - | - | 4,872,004 |
| Education | 48,791,721 | 4,868,985 | - | - | 53,660,706 |
| Fuel assistance | - | 2,387,589 | - | - | 2,387,589 |
| Other | - | 2,605,649 | - | 56,582 | 2,662,231 |
| Capital outlay | - | - | 15,257,310 | - | 15,257,310 |
| Debt Service: | | | | | |
| Principal retirement | 1,513,700 | - | - | - | 1,513,700 |
| Interest | 1,963,699 | - | - | - | 1,963,699 |
| Total expenditures | 131,345,891 | 9,862,223 | 15,257,310 | 56,582 | 156,522,006 |
| Excess (deficiency) of revenues over expenditures | 1,508,858 | 13,574,017 | (7,777,990) | 207,207 | 7,512,092 |
| Other financing sources (uses): | | | | | |
| Operating transfers from other funds | 9,689,411 | 115,000 | 7,061,823 | 110,386 | 16,976,620 |
| Operating transfers to other funds | (6,555,751) | (13,438,83) | - | (340,992) | (20,335,574) |
| Issuance of bond anticipation notes | - | - | 2,525,000 | - | 2,525,000 |
| Total other financing sources (uses) | 3,133,660 | (13,323,831) | 9,586,823 | (230,606) | (833,954) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 4,642,518 | 250,186 | 1,808,833 | (23,399) | 6,678,138 |
| Fund equity at beginning of year | 19,847,616 | 2,741,639 | 3,512,327 | 4,047,649 | 30,149,231 |
| Fund equity at end of year | $ 24,490,134 | 2,991,825 | 5,321,160 | 4,024,250 | 36,827,369 |

See accompanying notes to general purpose financial statements.

# CITY OF CAMBRIDGE, MASSACHUSETTS

## Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual - General Fund Budget Basis

### Year ended June 30, 1986 (with comparative totals for 1985)

| | 1986 Budget (note 13) | 1986 Actual | Variance favorable (unfavorable) | 1985 Actual |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 74,326,924 | 74,361,512 | 34,588 | 72,543,537 |
| Provision for tax abatements and adjustments | (2,000,000) | (2,037,155) | (37,155) | (2,972,734) |
| Payments in lieu of tax receipts | 1,400,000 | 1,723,316 | 323,316 | 1,986,846 |
| Hotel/Motel excise tax | 700,000 | 770,653 | 70,653 | - |
| Intergovernmental revenue | 37,293,405 | 38,664,887 | 1,371,482 | 34,819,160 |
| Hospital, infirmary and health department | 33,911,500 | 33,851,408 | (60,092) | 30,867,268 |
| Sewer use | 4,393,600 | 4,520,740 | 127,140 | 3,832,882 |
| Water use | 4,249,255 | 4,474,165 | 224,910 | 4,216,541 |
| Motor vehicle excise | 1,465,000 | 2,496,016 | 1,031,016 | 1,958,684 |
| Investment income | 1,819,730 | 2,005,971 | 186,241 | 2,241,053 |
| Other | 5,017,555 | 4,915,440 | (102,115) | 6,154,480 |
| Tax title revenue | - | (82,392) | (82,392) | (130,941) |
| Total revenues | 162,576,969 | 165,664,561 | 3,087,592 | 155,516,776 |
| Expenditures and encumbrances: | | | | |
| Current: | | | | |
| General government | 18,875,296 | 18,406,312 | 468,984 | 22,476,913 |
| Public safety | 30,737,585 | 30,583,111 | 154,474 | 24,647,887 |
| Community maintenance and development | 20,652,013 | 20,413,642 | 238,371 | 17,477,330 |
| Health and hospital services | 39,416,694 | 39,218,394 | 198,300 | 32,158,037 |
| Human resource development | 5,074,228 | 4,935,594 | 138,634 | 5,437,040 |
| Education | 49,288,761 | 49,285,618 | 3,143 | 46,617,596 |
| Water | 3,749,555 | 3,587,600 | 161,955 | 3,829,010 |
| Debt Service: Principal retirement | 1,522,725 | 1,513,700 | 9,025 | 2,160,000 |
| Interest | 2,522,880 | 1,965,117 | 557,763 | 1,870,876 |
| Total expenditures and encumbrances | 171,839,737 | 169,909,088 | 1,930,649 | 156,674,689 |
| Excess (deficiency) of revenues over expenditures and encumbrances | (9,262,768) | (4,244,527) | 5,018,241 | (1,157,913) |
| Other financing sources: | | | | |
| Operating transfers from other funds | 7,190,616 | 5,302,618 | (1,887,998) | 6,620,465 |
| Other available funds | 2,072,152 | 2,072,152 | - | 815,976 |
| Total other financing sources | 9,262,768 | 7,374,770 | (1,887,998) | 7,436,441 |
| Excess of revenues and other other financing sources over expenditures and encumbrances | $ - | 3,130,243 | 3,130,243 | 6,278,528 |

See accompanying notes to general purpose financial statements.

# CITY OF CAMBRIDGE, MASSACHUSETTS

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

## Year ended June 30, 1986

| | Proprietary Fund Types | | Fiduciary Fund Type | | |
|---|---|---|---|---|---|
| | Enterprise (note 9) | Internal Service | Pension Trust | Non-Expendable Trust | Total (Memorandum Only) |
| Operating revenues: | | | | | |
| Patient service revenue, net of allowances and uncollectible accounts | $ 28,932,378 | - | - | - | 28,932,378 |
| Charges for services | 3,963,803 | 81,799 | - | - | 4,045,602 |
| Income from employer and member contributions | - | - | 15,330,635 | - | 15,330,635 |
| Investment income | - | - | 4,183,294 | 10,386 | 4,193,680 |
| Net gain on sale of investments | - | - | 3,313,858 | - | 3,313,858 |
| Bond amortization | - | - | 1,584,389 | - | 1,584,389 |
| Other | 1,039,805 | - | - | - | 1,039,805 |
| Total operating revenues | 33,935,986 | 81,799 | 24,412,176 | 10,386 | 58,440,347 |
| Operating expenses: | | | | | |
| Administration | 4,601,964 | - | 180,829 | - | 4,782,793 |
| Finance | 3,301,958 | - | - | - | 3,301,958 |
| Service and support programs | 21,713,211 | 50,563 | - | - | 21,763,774 |
| General services | 4,750,365 | - | - | - | 4,750,365 |
| Depreciation | 1,065,743 | 3,868 | - | - | 1,069,611 |
| Pension plan distributions | - | - | 12,438,009 | | 12,438,009 |
| Other | 1,200,563 | - | - | - | 1,200,563 |
| Total operating expenses | 36,633,804 | 54,431 | 12,618,838 | - | 49,307,073 |
| Operating income (loss) | (2,697,818) | 27,368 | 11,793,338 | 10,386 | 9,133,274 |
| Non-operating revenues and expenses: | | | | | |
| Interest expense | (212,681) | - | - | - | (212,681) |
| Other | 190,714 | - | - | - | 190,714 |
| Income (loss) before operating transfers | (2,719,785) | 27,368 | 11,793,338 | 10,386 | 9,111,307 |
| Operating transfers from other funds | 4,241,210 | - | 5,461,149 | - | 9,702,359 |
| Operating transfers to other funds | (871,870) | - | (5,461,149) | (10,386) | (6,343,405) |
| Net income | 649,555 | 27,368 | 11,793,338 | - | 12,470,261 |
| Fund equity/retained earnings: | | | | | |
| Beginning of year - as previously reported | 12,083,268 | 127,385 | 58,071,376 | 140,416 | 70,422,445 |
| Cumulative effect of change in method of accounting for fixed assets (note 6) | 43,627,474 | 31,787 | - | - | 43,659,261 |
| Beginning of year - as restated | 55,710,742 | 159,172 | 58,071,376 | 140,416 | 114,081,706 |
| End of year | $ 56,360,297 | 186,540 | 69,864,714 | 140,416 | 126,551,967 |

See accompanying notes to general purpose financial statements.

# CITY OF CAMBRIDGE, MASSACHUSETTS

## Combined Statement of Changes in Financial Position
## All Proprietary Fund Types and Similar Trust Funds

### Year ended June 30, 1986

| | Proprietary Fund Types | | Fiduciary Fund Type | | |
|---|---|---|---|---|---|
| | Enterprise (note 9) | Internal Service | Pension Trust | Non-expendable Trust | Total (Memorandum Only) |
| Sources of working capital: | | | | | |
| Operations: | | | | | |
| Net income (loss) | $ (2,719,785) | 27,368 | 11,793,338 | 10,386 | 9,111,307 |
| Depreciation | 1,065,743 | 3,868 | - | - | 1,069,611 |
| Working capital provided (used) by operations | (1,654,042) | 31,236 | 11,793,338 | 10,386 | 10,180,918 |
| Investment sales and maturities | - | - | 22,024,571 | - | 22,024,571 |
| Transfers from other funds | 4,241,210 | - | 5,461,149 | - | 9,702,359 |
| Total sources of working capital | 2,587,168 | 31,236 | 39,279,058 | 10,386 | 41,907,848 |
| Uses of working capital: | | | | | |
| Repayment of capital lease | (29,150) | - | - | - | (29,150) |
| Retirement of bonds | (4,423,566) | - | - | - | (4,423,566) |
| Purchase of investments | - | - | (33,579,346) | - | (33,579,346) |
| Transfers to other funds | (871,870) | - | (5,461,149) | (10,386) | (6,343,405) |
| Additions to property, plant and equipment | (1,962,584) | - | - | - | (1,962,584) |
| Total uses of working capital | (7,287,170) | - | (39,040,495) | (10,386) | (46,338,051) |
| Net increase (decrease) in working capital | $ (4,700,002) | 31,236 | 238,563 | - | (4,430,203) |
| Elements of net increase (decrease) in working capital: | | | | | |
| Cash | $ (135,312) | 21,236 | (359,912) | - | (473,988) |
| Receivables, net of allowances | 1,130,740 | - | (1,098,232) | - | 32,508 |
| Due from other funds | (695,145) | - | - | - | (695,145) |
| Due from other governments | - | - | 1,696,707 | - | 1,696,707 |
| Accrued liabilities | (780,994) | - | - | - | (780,994) |
| Accrued vacation and sick | 23,227 | - | - | - | 23,227 |
| Due to other funds | (304,756) | 10,000 | - | - | (294,756) |
| Other assets | (17,762) | - | - | - | (17,762) |
| General obligation bonds payable | (3,920,000) | - | - | - | (3,920,000) |
| Net increase (decrease) in working capital | $ (4,700,002) | 31,236 | 238,563 | - | (4,430,203) |

See accompanying notes to general purpose financial statements.

# NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

(1) Definition of Reporting Entity

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

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

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1985, which is its fiscal period for reporting to the Retirement Law Commission of the Commonwealth of Massachusetts.

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

(2) Summary of Significant Accounting Policies

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

(a) Basis of Presentation--Fund Accounting

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

GOVERNMENTAL FUND TYPES

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

(Continued)

General Fund --This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

PROPRIETARY FUND TYPES

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

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

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

FIDUCIARY FUND TYPE

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.

Trust and Agency Funds --These 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.

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 and fiduciary 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 hospital improvements.

(Continued)

(b) Basis of Accounting by Fund
The basis of accounting used for each fund is as follows:

Governmental Funds, Expendable Trust and Agency Funds

The modified accrual basis of accounting is applied in all governmental fund types and expendable trust and agency funds. Accordingly, revenues are recorded when susceptible to accrual, that is both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For property taxes and motor vehicle excise taxes the city considers available to mean received within 60 days after the close of the fiscal year. All other amounts not received during that period are deferred and recognized in future accounting periods. Expenditures, except for interest on long-term debt which is recorded when due and vacation, sick, and pension costs because these amounts are not expected to be relieved within the current accounting period, are recorded when the liability is incurred.

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

Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Proprietary, Pension and Nonexpendable Trust Funds

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

Patient service revenue of the Cambridge Hospital is recorded at established rates charged less provisions for charity allowances and uncollectible accounts. Patient service revenue received under certain cost reimbursement agreements is subject to audit and adjustment by third party payors. Provisions for estimated adjustments under these agreements are accrued in the period in which the related services are rendered.

The Hospital is subject to Chapter 372 of the Acts of 1982 of the Commonwealth of Massachusetts. Chapter 372 establishes a comprehensive prospective budget and reimbursement system that applies to all payors. The system has been designed to limit the rates of increase in gross patient service revenue (GPSR) and reimbursement by providing financial incentives to hospitals.

(Continued)

This system is based on the concept of maximum allowable cost (MAC), which is calculated pursuant to the current Blue Cross Hospital Agreement with some adjustments for different third-party payors. The Hospital's MAC is based upon its fiscal year 1981 operating costs, adjusted for inflation, volume, and certain costs which are beyond a hospital's control. Increases in approved GPSR and reimbursement from third-party payors are subject to review and adjustment pursuant to certain prospective limitations app lied to an adjusted level of base-year costs.

There are various uncertainties surrounding Chapter 372. Under the terms of a three-year Medicare waiver, the rate of increase in Medicare expenditures for Massachusetts hospitals must not exceed the overall rate of increase in Medicare expenditures throughout the nation; Massachusetts hospitals will be required to repay any excesses and will be entitled to participate in certain savings. Hospitals are eligible to receive Medicare reimbursement for qualifying free care based on a hospital-specific allocatio n and may be entitled to additional reimbursement based on a second statewide allocation. Chapter 372 also provides for the establishment of a hardship relief fund to which hospitals may have to contribute to provide relief to hospitals which have suffered financial hardship. In management's opinion, the ultimate resolution of these uncertainties will not result in a material impact to the Hospital's financial statement.

(c) 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 Governmental Fund Types as a significant aspect of budgetary control.

Unencumbered appropriations which are carried over to the ensuing fiscal year are reported as "continuing appropriations". Continuing appropriations represent amounts appropriated for specific programs or projects which were not completed during the fiscal year.

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

(d) Vacation and Sick Leave

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

(Continued)

(e) 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. Contributed fixed assets are recorded in general fixed assets at 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.

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

Property, plant and equipment owned by the proprietary funds is stated at cost or estimated fair market value. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 25-50 years |
| Improvements | 10-20 years |
| Equipment | 3-10 years |

(g) Total Data

The total data are the aggregate of the fund types and account groups. No consolidating or other eliminations were made in arriving at the totals thus, they do not represent consolidated information.

(h) Budgetary Data

Budgetary data is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

Proposed expenditure appropriations for all departments and operations of the City, except that of public schools, are prepared under the direction of the Mayor. School Department appropriations are acted upon directly by the School Committee up to the level of certain prior year school appropriations and the Mayor may recommend additional sums for school purposes. In addition, the Mayor may submit to the City Council such supplementary appropriation orders as are deemed necessary.

(Continued)

The City Council may reduce or reject any item in budgets submitted by the Mayor but may not increase or add items without the recommendation of the Mayor. Supplemental appropriations for the year ended June 30, 1986, after the setting of the tax rate, were $684,575 and are included in the budgetary comparison financial statements.

(3) Investments

Investments of the Fiduciary Fund are carried at amortized cost. The following is a summary of the carrying values and market values of these investments as of June 30, 1986:

| | Cost | Market |
|---|---|---|
| U.S. Treasury Notes | $ 671,000 | 833,000 |
| Bonds | 39,057,000 | 55,032,000 |
| Stocks | 14,770,000 | 20,399,000 |
| Insurance contracts | 11,497,123 | 11,497,123 |
| | $ 65,995,123 | 87,761,123 |

(4) 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. Property taxes levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting described in note 2.

A statewide tax limitation statute known as "Proposition 2-1/2" limited 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.

(5) Due From Other Governments

The following is a summary of amounts due from other governments as of June 30, 1986:

| | |
|---|---|
| State Board of Retirement | $ 1,696,707 |
| Department of Housing and Urban Development | 4,428,740 |
| Economic Development Administration | 442,272 |
| | $ 6,567,719 |

(Continued)

(6) Fixed Assets

A summary of general fixed assets at June 30, 1986 follows:

| | Balance June 30, 1986 |
|---|---|
| Land | $157,165,767 |
| Buildings | 44,440,996 |
| Improvements other than buildings | 57,912 |
| Equipment | 11,252,828 |
| Construction in progress | 19,775,000 |
| | $ 232,692,503 |

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

The City's records as to the source of funds used to acquire the fixed assets were impractical to obtain, therefore, the sources of fixed assets are not presented.

Construction in progress at June 30, 1986 is composed of the following:

| | Project Authorization | Expended | Committed |
|---|---|---|---|
| Lechmere Parking Garage | $ 16,487,000 | 11,071,000 | 5,416,000 |
| Lechmere Canal Park | 9,146,187 | 7,662,000 | 1,484,187 |
| Front Park | 1,602,517 | 1,042,000 | 560,517 |
| | $ 27,235,704 | 19,775,000 | 7,460,704 |

As of June 30, 1986 there is no required future financing for these construction projects.

(Continued)

A summary of proprietary fund type property, plant, and equipment at June 30, 1986, follows:

| | Hospital and Neighborhood Health Centers | Water | Total Enterprise | Internal Service |
|---|---|---|---|---|
| Land | $ - | 39,264,325 | 39,264,325 | - |
| Buildings | 7,413,290 | 7,787,207 | 15,200,497 | - |
| Improvements other than buildings | 2,855 | 4,029 | 6,884 | 68,094 |
| Equipment | 9,643,059 | 9,987,692 | 19,630,751 | - |
| Construction in progress | 978,554 | - | 978,554 | - |
| | 18,037,758 | 57,043,253 | 75,081,011 | 68,094 |
| Less accumulated depreciation | 8,393,634 | 13,395,132 | 21,788,766 | 40,175 |
| | $ 9,644,124 | 43,648,121 | 53,292,245 | 27,919 |

The City established a fixed assets system as of the beginning of fiscal 1986 for its Water and Internal Service funds. The extent and methods used to value these fixed assets were the same as the general fixed assets. Accumulated depreciation was calculated from the approximate date of acquisition using the straight line method based on estimated useful lives. The cumulative effect of recording these fixed assets results in an increase in fund equity of the Water and Internal Service funds of $43,627,474 and $31,787, respectively.

(7) Long-Term Debt

The following is a summary of general obligation bond transactions of the City for the year ended June 30, 1986:

| | General Fund | Enterprise Funds | Total |
|---|---|---|---|
| Bonds payable at June 30, 1985 | $ 43,550,000 | 1,280,000 | 44,830,000 |
| New debt issued: Municipal Purpose Loans | 8,060,000 | 3,345,000 | 11,405,000 |
| Debt retired: Serial bonds | 5,380,000 | 450,000 | 5,830,000 |
| Bonds payable at June 30, 1986 | $ 46,230,000 | 4,175,000 | 50,405,000 |

(Continued)

The annual requirements to amortize all general obligation debt outstanding as of June 30, 1986 are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 1987 | $ 7,500,000 | 3,310,000 | 10,810,000 |
| 1988 | 6,785,000 | 2,809,000 | 9,594,000 |
| 1989 | 6,590,000 | 2,334,000 | 8,924,000 |
| 1990 | 5,500,000 | 1,901,000 | 7,401,000 |
| 1991 | 5,295,000 | 1,504,000 | 6,799,000 |
| 1992-01 | 18,735,000 | 3,256,000 | 21,991,000 |
| | $ 50,405,000 | 15,114,000 | 65,519,000 |

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

The City is subject to the Municipal Finance Law of Massachusetts which limits the amount of net bonded debt the City may have outstanding to 2 1/2 percent of assessed property value. The City may incur debt outside this limit for purposes as described in Section 8 of Chapter 44 of the Massachusetts Municipal Finance Laws. At June 30, 1986, the City had available borrowings inside the debt margin of $57,775,786. Authorized and unissued debt at June 30, 1986 was $17,782,175.

At June 30, 1986, the City had grants receivable from the School Building Assistance Bureau (SBAB) of $23,996,552 to defray principal and interest costs related to $29,090,000 of school bonds outstanding. Grants are subject to annual appropriation by the State legislature. The amount of the grants is based on estimated construction costs of school projects which may be revised upon audit by the SBAB. Assuming satisfactory audit results and annual appropriations by the State legislature, $3,131,000 will be received annually through 1989, $3,113,000 through 1990 and the balance will be received in subsequent years.

(Continued)

Bond anticipation notes (BANs) of $3,114,909 bear interest at rates ranging between 4.22% and 4.45%. Of these notes, $2,663,475 have been classified as general long-term debt based on the City's expectation that long-term serial bonds will be issued to refund these obligations. The BANs have been issued against the authority of the City to issue long-term and short-term debt for the following projects:

| | |
|---|---|
| Lechmere parking garage | $ 2,663,475 |
| Hospital equipment and renovation | 451,434 |
| | $ 3,114,909 |

Serial bond issues outstanding at June 30, 1986 of $ 4,175,000 relating to the Cambridge Hospital bear interest at rates ranging from 3.75% to 7.00% with a weighted average rate of 6.41%. Outstanding debt matures in subsequent fiscal years as follows:

| | |
|---|---|
| 1987 | $ 1,185,000 |
| 1988 | 1,000,000 |
| 1989 | 840,000 |
| 1990-1994 | 1,150,000 |
| | $ 4,175,000 |

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 at June 30, 1986 and the City's 1986 assessment from each entity:

| | Long-term debt outstanding | The City's estimated share | Assessment including debt service |
|---|---|---|---|
| MWRA | $ 156,142,306 | 3.3% | $ 1,871,214 |
| MBTA | 660,370,000 | 5.3 | 5,465,275 |
| Middlesex County | 14,288,020 | 7.3 | 1,126,815 |

(Continued)

(8) Fund Balances Reserved for Specific Purposes

Fund balances are reserved for the following purposes as of June 30, 1986:

| | |
|---|---|
| General Fund: | |
| Sale of real estate (section 63 of Chapter 44 Massachusetts General Laws) | $ 136,397 |
| Court judgments | 209,600 |
| Police Officer Detail | 139,554 |
| Tailings | 347,257 |
| Other | 4,579 |
| | $ 837,387 |
| Special Revenue Funds: | |
| Parking | 1,612,702 |
| Revenue Sharing | 203,803 |
| School Grants | 499,249 |
| Fuel Assistance Grants | 113,870 |
| Other | 66,194 |
| | $ 2,495,818 |
| Capital Projects Fund: | |
| Lechmere Parking Garage | $ 5,321,160 |
| Trust Funds: | |
| Retirement | 69,864,714 |
| Stabilization | 1,700,000 |
| Cemetery Perpetual Care | 1,058,409 |
| Health Claims | 973,840 |
| Other | 432,417 |
| | $ 74,029,380 |

(9) Segment Information for Enterprise Funds

The City maintains Enterprise Funds which provide water and hospital services. Segment information for the year ended June 30, 1986 follows:

| | Hospital and Neighborhood Health Centers | Water | Total |
|---|---|---|---|
| Operating revenues | $ 29,461,821 | 4,474,165 | 33,935,986 |
| Operating income (loss) | (3,251,702) | 553,884 | (2,697,818) |
| Net operating transfers | 4,241,210 | (871,870) | 3,369,340 |
| Net income | 967,541 | (317,986) | 649,555 |
| Fixed assets | 9,644,124 | 43,648,121 | 53,292,245 |
| Net working capital | 6,072,744 | 1,170,308 | 7,243,052 |
| Total assets | 19,192,143 | 45,735,502 | 64,927,645 |
| Long-term obligations | 4,175,000 | - | 4,175,000 |
| Retained earnings | $ 11,541,868 | 44,818,429 | 56,360,297 |

(10) Individual Fund Receivables/Payables and Deficits

Individual balances of amounts due from and to other funds at June 30, 1986, are as follows:

| | Due from other funds | Due to other funds |
|---|---|---|
| General Fund | $ - | 773,015 |
| Special Revenue Funds: | | |
| School Grants Fund | 304,610 | - |
| Home Improvement Fund | - | 515,203 |
| Capital Projects Fund | 1,234,026 | - |
| Enterprise Funds: | | |
| Hospiltal and Neighborhood Health Centers Fund | 794,757 | - |
| Water Fund | 12,020 | 917,073 |
| Fiduciary Funds: | | |
| Library Fund | - | 136,292 |
| Cemetery Fund | - | 3,830 |
| | $ 2,345,413 | 2,345,413 |

There were no individual fund deficits or significant operating deficits for fiscal year 1986.

(11) Commitments and Contingencies

See note 7 for a discussion of commitments by the City to the MWRA, MBTA, and Middlesex County.

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

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

(Continued)

(12) Pension Plan

The City's Contributory Retirement System (the System) covers all employees except the public school teachers, who are eligible for the Commonwealth of Massachusetts Teachers Retirement System and certain employees covered by the City's noncontributory pension plan. The System is currently subject to benefit provisions and financing requirements set forth in the Massachusetts General Laws. As such, the System is required to contribute to its trust fund each fiscal year an amount approximately equal to the pension benefits (less certain interest credits) expected to be paid during the year ("pay-as-you-go" method). This amount is determined in advance by the Commonwealth's Public Employee Retirement Administration and is based in part on the previous year's benefit payout. The Commonwealth currently reimburses the System on a quarterly basis for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2 1/2.

The latest actuarial valuation of the City's System was completed on September 8, 1986 based on employee data and asset information as of December 31, 1985.

Actuarial and net asset information as a result of this valuation follows:

| | |
|---|---|
| Actuarial present value of accumulated plan benefits, as of December 31, 1985 | |
| Members receiving benefits | $ 88,234,000 |
| Other members | 51,928,000 |
| Total vested benefits | 140,162,000 |
| Nonvested accumulated benefits | 25,046,000 |
| Total accumulated benefits | $ 165,208,000 |
| Net assets available for benefits, as of December 31, 1985 | $ 75,402,000 |

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8 percent.

Net assets available for benefits are measured on the basis of cost or amortized cost.

Based on a forty year actuarial funding program using the Entry Age Normal actuarial cost method, the City's contribution to the System would be $12,817,000. The City's 1986 contribution to the Retirement System was $9,687,475. The difference of $3,129,525 is included in the total unfunded liability of $118,822,317.

(Continued)

Under the terms of the Plans, participants are eligible for weekly or monthly benefit payments, under normal retirement provisions, upon reaching age 65 and attaining twenty years or more of creditable service. Also, the Contributory Plan provides for early retirement at age 55 if the participant (1) has a record of ten years of creditable service, (2) was on the City payroll on January 1, 1973, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the fund. There are also provisions for early retirement due to disability.

(13) Budget Basis of Accounting

The City's budget as presented in the statement of revenues, expenditures and encumbrances - budget and actual - General Fund was developed as follows:

| | |
|---|---|
| City Council authorizations | $ 170,904,686 |
| Supplemental appropriations and budget transfers | 935,051 |
| | $ 171,839,737 |

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the City adopts an annual budget 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.

(Continued)

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, expenditures and encumbrances -budget and actual - General Fund, are presented on a "budget basis" to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis are that:

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

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

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

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

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| As reported on a budgetary basis | $ 165,664,561 | 169,909,088 | 7,374,770 |
| To reclassify Hospital operations to enterprise fund | (29,009,071) | (31,575,703) | (4,241,110) |
| To reclass Water Department operations to enterprise fund | (4,474,165) | (3,318,238) | - |
| To record revenue on a modified accrual basis of accounting | 673,424 | - | - |
| To record 1985 encumbrances and continuing appropriations paid during 1986 | - | 2,119,973 | - |
| To eliminate 1986 encumbrances and continuing appropriations | - | (5,789,229) | - |
| As reported on GAAP basis | $ 132,854,749 | 131,345,891 | 3,133,660 |

# SUPPLEMENTARY STATEMENTS AND SCHEDULES

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

# CITY OF CAMBRIDGE, MASSACHUSETTS

**General Fund**

**Schedule of Expenditures and Encumbrances - Budget and Actual**

**Year ended June 30, 1986**

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| General Government: | | | |
| Mayor: | | | |
| Salaries and wages | $ 187,496 | 187,495 | 1 |
| Other ordinary maintenance | 81,790 | 71,013 | 10,777 |
| Travel and training | 16,000 | 14,002 | 1,998 |
| Extraordinary expenditures | - | - | - |
| Total Mayor | 285,286 | 272,510 | 12,776 |
| City Manager: | | | |
| Salaries and wages | 236,386 | 236,386 | - |
| Other ordinary maintenance | 190,350 | 188,345 | 2,005 |
| Travel and training | 18,800 | 18,589 | 211 |
| Extraordinary expenditures | - | - | - |
| Total City Manager | 445,536 | 443,320 | 2,216 |
| City Council: | | | |
| Salaries and wages | 233,680 | 233,679 | 1 |
| Other ordinary maintenance | 64,895 | 57,703 | 7,192 |
| Travel and training | 16,660 | 13,924 | 2,736 |
| Extraordinary expenditures | - | - | - |
| Total City Council | 315,235 | 305,306 | 9,929 |
| City Clerk: | | | |
| Salaries and wages | 186,340 | 182,728 | 3,612 |
| Other ordinary maintenance | 50,650 | 50,472 | 178 |
| Travel and training | 550 | 464 | 86 |
| Extraordinary expenditures | 2,500 | 2,500 | - |
| Total City Clerk | 240,040 | 236,164 | 3,876 |
| Law: | | | |
| Salaries and wages | 176,021 | 176,019 | 2 |
| Other ordinary maintenance | 196,615 | 178,605 | 18,010 |
| Travel and training | 603,447 | 602,793 | 654 |
| Extraordinary expenditures | - | - | - |
| Total Law | 976,083 | 957,417 | 18,666 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

## General Fund

## Schedule of Expenditures and Encumbrances - Budget and Actual, Continued

## Year ended June 30, 1986

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Finance: | | | |
| Salaries and wages | $ 1,547,620 | 1,547,620 | - |
| Other ordinary maintenance | 1,771,243 | 1,726,604 | 44,639 |
| Travel and training | 26,865 | 24,654 | 2,211 |
| Extraordinary expenditures | 2,500 | 2,018 | 482 |
| Total Finance | 3,348,228 | 3,300,896 | 47,332 |
| Employee Benefits: | | | |
| Salaries and wages | 2,526,845 | 2,312,267 | 214,578 |
| Other ordinary maintenance | 8,362,676 | 8,352,259 | 10,417 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Employee Benefits | 10,889,521 | 10,664,526 | 224,995 |
| General Services: | | | |
| Salaries and wages | 197,886 | 197,886 | - |
| Other ordinary maintenance | 390,560 | 387,361 | 3,199 |
| Travel and training | 11,500 | 11,364 | 136 |
| Extraordinary expenditures | - | - | - |
| Total General Services | 599,946 | 596,611 | 3,335 |
| Election Commission: | | | |
| Salaries and wages | 241,807 | 241,806 | 1 |
| Other ordinary maintenance | 98,605 | 96,706 | 1,899 |
| Travel and training | 4,220 | 3,129 | 1,091 |
| Extraordinary expenditures | 7,855 | 7,612 | 243 |
| Total Election Commission | 352,487 | 349,253 | 3,234 |
| Public Celebrations: | | | |
| Salaries and wages | 32,899 | 32,898 | 1 |
| Other ordinary maintenance | 68,715 | 68,143 | 572 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Public Celebrations | 101,614 | 101,041 | 573 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

**General Fund**

**Schedule of Expenditures and Encumbrances - Budget and Actual, Continued**

**Year ended June 30, 1986**

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| County Tax: | | | |
| Salaries and wages | $ - | - | - |
| Other ordinary maintenance | 1,238,640 | 1,126,815 | 111,825 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total County Tax | 1,238,640 | 1,126,815 | 111,825 |
| Reserves: | | | |
| Salaries and wages | - | - | - |
| Other ordinary maintenance | 10,000 | - | 10,000 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Reserves | 10,000 | - | 10,000 |
| Animal Commission: | | | |
| Salaries and wages | 50,190 | 32,163 | 18,027 |
| Other ordinary maintenance | 21,970 | 20,275 | 1,695 |
| Travel and training | 520 | 15 | 505 |
| Extraordinary expenditures | - | - | - |
| Total Animal Commission | 72,680 | 52,453 | 20,227 |
| Total General Government | 18,875,296 | 18,406,312 | 468,984 |
| Public Safety: | | | |
| Fire: | | | |
| Salaries and wages | 9,800,343 | 9,800,342 | 1 |
| Other ordinary maintenance | 1,447,930 | 1,436,456 | 11,474 |
| Travel and training | 83,145 | 83,108 | 37 |
| Extraordinary expenditures | 42,890 | 42,648 | 242 |
| Total Fire | 11,374,308 | 11,362,554 | 11,754 |
| Police: | | | |
| Salaries and wages | 10,220,856 | 10,220,856 | - |
| Other ordinary maintenance | 1,898,866 | 1,891,062 | 7,804 |
| Travel and training | 53,000 | 48,175 | 4,825 |
| Extraordinary expenditures | - | - | - |
| Total Police | 12,172,722 | 12,160,093 | 12,629 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

**General Fund**

**Schedule of Expenditures and Encumbrances - Budget and Actual, Continued**

**Year ended June 30, 1986**

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Traffic and Parking: | | | |
| Salaries and wages | $ 1,657,904 | 1,657,904 | - |
| Other ordinary maintenance | 2,309,625 | 2,302,424 | 7,201 |
| Travel and training | 34,120 | 33,518 | 602 |
| Extraordinary expenditures | 19,145 | 19,096 | 49 |
| Total Traffic and Parking | 4,020,794 | 4,012,942 | 7,852 |
| Police Review and Advisory Board: | | | |
| Salaries and wages | 50,040 | - | 50,040 |
| Other ordinary maintenance | 12,000 | 8,000 | 4,000 |
| Travel and training | 3,000 | - | 3,000 |
| Extraordinary expenditures | 1,200 | - | 1,200 |
| Total Police Review and Advisory Board | 66,240 | 8,000 | 58,240 |
| Inspectional Services: | | | |
| Salaries and wages | 777,735 | 777,734 | 1 |
| Other ordinary maintenance | 177,623 | 175,424 | 2,199 |
| Travel and training | 38,000 | 36,598 | 1,402 |
| Extraordinary expenditures | 7,455 | 7,455 | - |
| Total Inspectional Services | 1,000,813 | 997,211 | 3,602 |
| License: | | | |
| Salaries and wages | 69,507 | 69,507 | - |
| Other ordinary maintenance | 61,340 | 52,616 | 8,724 |
| Travel and training | 2,800 | - | 2,800 |
| Extraordinary expenditures | - | - | - |
| Total License | 133,647 | 122,123 | 11,524 |
| Weights and Measures: | | | |
| Salaries and wages | 89,607 | 89,606 | 1 |
| Other ordinary maintenance | 14,725 | 13,765 | 960 |
| Travel and training | 150 | 150 | - |
| Extraordinary expenditures | - | - | - |
| Total Weights and Measures | 104,482 | 103,521 | 961 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

**General Fund**

**Schedule of Expenditures and Encumbrances - Budget and Actual, Continued**

**Year ended June 30, 1986**

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Electrical: | | | |
| Salaries and wages | $ 656,975 | 615,312 | 41,663 |
| Other ordinary maintenance | 1,143,700 | 1,138,483 | 5,217 |
| Travel and training | 1,070 | 507 | 563 |
| Extraordinary expenditures | 9,500 | 9,285 | 215 |
| Total Electrical | 1,811,245 | 1,763,587 | 47,658 |
| Emergency Management: | | | |
| Salaries and wages | 43,764 | 43,764 | - |
| Other ordinary maintenance | 8,070 | 7,842 | 228 |
| Travel and training | - | - | - |
| Extraordinary expenditures | 1,500 | 1,474 | 26 |
| Total Emergency Management | 53,334 | 53,080 | 254 |
| Total Public Safety | 30,737,585 | 30,583,111 | 154,474 |
| Community Maintenance and Development: | | | |
| Public Works: | | | |
| Salaries and wages | 6,042,989 | 5,936,366 | 106,623 |
| Other ordinary maintenance | 4,043,900 | 4,019,647 | 24,253 |
| Travel and training | 120,650 | 119,965 | 685 |
| Extraordinary expenditures | 410,000 | 405,180 | 4,820 |
| Total Public Works | 10,617,539 | 10,481,158 | 136,381 |
| Community Development: | | | |
| Salaries and wages | 910,586 | 910,585 | 1 |
| Other ordinary maintenance | 450,672 | 412,162 | 38,510 |
| Travel and training | 6,800 | 6,752 | 48 |
| Extraordinary expenditures | 48,926 | - | 48,926 |
| Total Community Development | 1,416,984 | 1,329,499 | 87,485 |
| Historical Commission: | | | |
| Salaries and wages | 51,425 | 51,425 | - |
| Other ordinary maintenance | 38,955 | 38,949 | 6 |
| Travel and training | 405 | 384 | 21 |
| Extraordinary expenditures | - | - | - |
| Total Historical Commission | 90,785 | 90,758 | 27 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

**General Fund**

**Schedule of Expenditures and Encumbrances - Budget and Actual, Continued**

**Year ended June 30, 1986**

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Conservation Commission: | | | |
| Salaries and wages | $ 12,738 | 12,737 | 1 |
| Other ordinary maintenance | 4,555 | 4,331 | 224 |
| Travel and training | 200 | 175 | 25 |
| Extraordinary expenditures | - | - | - |
| Total Conservation Commission | 17,493 | 17,243 | 250 |
| Peace Commission: | | | |
| Salaries and wages | 16,857 | 16,857 | - |
| Other ordinary maintenance | 3,015 | 2,455 | 560 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Peace Commission | 19,872 | 19,312 | 560 |
| Rent Control: | | | |
| Salaries and wages | 664,204 | 664,204 | - |
| Other ordinary maintenance | 284,323 | 284,182 | 141 |
| Travel and training | 1,100 | 1,092 | 8 |
| Extraordinary expenditures | - | - | - |
| Total Rent Control | 949,627 | 949,478 | 149 |
| MBTA: | | | |
| Salaries and wages | - | - | - |
| Other ordinary maintenance | 5,475,355 | 5,465,275 | 10,080 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total MBTA | 5,475,355 | 5,465,275 | 10,080 |
| Cable Vision: | | | |
| Salaries and wages | 109,318 | 109,317 | 1 |
| Other ordinary maintenance | 48,850 | 47,440 | 1,410 |
| Travel and training | 3,750 | 1,726 | 2,024 |
| Extraordinary expenditures | 31,225 | 31,222 | 3 |
| Total Cable Vision | 193,143 | 189,705 | 3,438 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

## General Fund

## Schedule of Expenditures and Encumbrances - Budget and Actual, Continued

## Year ended June 30, 1986

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Massachusetts Water Resources Authority: | | | |
| Salaries and wages | $ - | - | - |
| Other ordinary maintenance | 1,871,215 | 1,871,214 | 1 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Massachusetts Water Resources Authority | 1,871,215 | 1,871,214 | 1 |
| Total Community Maintenance and Development | 20,652,013 | 20,413,642 | 238,371 |
| Health and Hospital Services: | | | |
| Health: | | | |
| Salaries and wages | 307,915 | 297,825 | 10,090 |
| Other ordinary maintenance | 86,278 | 83,960 | 2,318 |
| Travel and training | 2,700 | 2,139 | 561 |
| Extraordinary expenditures | - | - | - |
| Total Health | 396,893 | 383,924 | 12,969 |
| Neville Manor: | | | |
| Salaries and wages | 3,343,924 | 3,343,856 | 68 |
| Other ordinary maintenance | 1,806,406 | 1,736,690 | 69,716 |
| Travel and training | 59,200 | 58,407 | 793 |
| Extraordinary expenditures | 35,000 | 25,937 | 9,063 |
| Total Neville Manor | 5,244,530 | 5,164,890 | 79,640 |
| Hospital: | | | |
| Salaries and wages | 17,825,083 | 17,825,083 | - |
| Other ordinary maintenance | 13,893,077 | 13,809,192 | 83,885 |
| Travel and training | 173,095 | 171,109 | 1,986 |
| Extraordinary expenditures | 1,884,016 | 1,864,196 | 19,820 |
| Total Hospital | 33,775,271 | 33,669,580 | 105,691 |
| Total Health and Hospital Services | 39,416,694 | 39,218,394 | 198,300 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

**General Fund**

**Schedule of Expenditures and Encumbrances - Budget and Actual, Continued**

**Year ended June 30, 1986**

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Human Resource Development: | | | |
| Library: | | | |
| Salaries and wages | $ 1,205,007 | 1,176,591 | 28,416 |
| Other ordinary maintenance | 494,415 | 487,699 | 6,716 |
| Travel and training | 4,050 | 1,589 | 2,461 |
| Extraordinary expenditures | - | - | - |
| Total Library | 1,703,472 | 1,665,879 | 37,593 |
| Human Services: | | | |
| Salaries and wages | 1,993,850 | 1,993,844 | 6 |
| Other ordinary maintenance | 938,123 | 883,167 | 54,956 |
| Travel and training | 7,120 | 7,084 | 36 |
| Extraordinary expenditures | - | - | - |
| Total Human Services | 2,939,093 | 2,884,095 | 54,998 |
| Human Rights: | | | |
| Salaries and wages | 27,480 | 13,417 | 14,063 |
| Other ordinary maintenance | 18,900 | 17,434 | 1,466 |
| Travel and training | 3,700 | 3,438 | 262 |
| Extraordinary expenditures | 600 | 548 | 52 |
| Total Human Rights | 50,680 | 34,837 | 15,843 |
| Veterans Benefits: | | | |
| Salaries and wages | 131,900 | 130,299 | 1,601 |
| Other ordinary maintenance | 182,480 | 154,113 | 28,367 |
| Travel and training | 1,775 | 1,714 | 61 |
| Extraordinary expenditures | 8,000 | 8,000 | - |
| Total Veterans Benefits | 324,155 | 294,126 | 30,029 |
| Women's Commission: | | | |
| Salaries and wages | 43,251 | 43,250 | 1 |
| Other ordinary maintenance | 12,177 | 12,007 | 170 |
| Travel and training | 1,400 | 1,400 | - |
| Extraordinary expenditures | - | - | - |
| Total Women's Commission | 56,828 | 56,657 | 171 |
| Total Human Resource Development | 5,074,228 | 4,935,594 | 138,634 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

## General Fund

## Schedule of Expenditures and Encumbrances - Budget and Actual, Continued

## Year ended June 30, 1986

| | Budget | Actual | Variance-Favorable (Unfavorable) |
|---|---|---|---|
| Education: | | | |
| Salary and wages | $ 31,681,552 | 31,680,253 | 1,299 |
| Other ordinary maintenance | 11,227,042 | 11,225,741 | 1,301 |
| Travel and training | 166,272 | 165,772 | 500 |
| Extraordinary expenditures | 6,213,895 | 6,213,852 | 43 |
| Total Education | 49,288,761 | 49,285,618 | 3,143 |
| Water: | | | |
| Salaries and wages | 1,834,024 | 1,828,227 | 5,797 |
| Other ordinary maintenance | 1,836,936 | 1,692,275 | 144,661 |
| Travel and training | 53,595 | 49,840 | 3,755 |
| Extraordinary expenditures | 25,000 | 17,258 | 7,742 |
| Total Water | 3,749,555 | 3,587,600 | 161,955 |
| Debt Principal: | | | |
| Salaries and wages | - | - | - |
| Other ordinary maintenance | 1,522,725 | 1,513,700 | 9,025 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Debt Principal | 1,522,725 | 1,513,700 | 9,025 |
| Interest: | | | |
| Salaries and wages | - | - | - |
| Other ordinary maintenance | 2,522,880 | 1,965,117 | 557,763 |
| Travel and training | - | - | - |
| Extraordinary expenditures | - | - | - |
| Total Interest | 2,522,880 | 1,965,117 | 557,763 |
| Total General Fund | $ 171,839,737 | 169,909,088 | 1,930,649 |

## SPECIAL REVENUE FUNDS

### Federal Revenue Sharing

This fund is used to account for receipts from the Federal Revenue Sharing Program and any interest earned from investment of these receipts. Funds equal to the amount appropriated in the General Fund are transferred to the General Fund at the end of the fiscal year. Revenue Sharing, which is in the process of being phased out by the Federal Government, provides partial support for a number of programs including the Police, Fire, and Human Services Department.

### Community Development Block Grant

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

### School Grants

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

### Fuel Assistance

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

### Parking Fund

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

### Other Grants

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

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# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Balance Sheet
## Special Revenue
## June 30, 1986

| Assets | Federal Revenue Sharing | School Grants | Fuel Assistance | Home Improvement | Parking Fund | Grants | Other Total |
|---|---|---|---|---|---|---|---|
| Cash | $ 203,803 | 194,639 | 385,969 | 515,203 | 1,836,610 | 66,194 | 3,202,418 |
| Due from other funds | - | 304,610 | - | - | - | - | 304,610 |
| Total assets | $ 203,803 | 499,249 | 385,969 | 515,203 | 1,836,610 | 66,194 | 3,507,028 |
| Liabilities and Fund Equity | | | | | | | |
| Due to other funds | - | - | - | 515,203 | - | - | 515,203 |
| Total liabilities | - | - | - | 515,203 | - | - | 515,203 |
| Fund equity: | | | | | | | |
| Reserved for encumbrances | - | - | 272,099 | - | 223,908 | - | 496,007 |
| Reserved for specific purposes | 203,803 | 499,249 | 113,870 | - | 1,612,702 | 66,194 | 2,495,818 |
| Total fund equity | 203,803 | 499,249 | 385,969 | - | 1,836,610 | 66,194 | 2,991,825 |
| Total liabilities and fund equity | $ 203,803 | 499,249 | 385,969 | 515,203 | 1,836,610 | 66,194 | 3,507,028 |

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## Special Revenue Funds
## Year ended June 30, 1986

| | Federal Revenue Sharing | Community Development Block Grants | School Grants | Fuel Assistance | Parking Fund | Other Grants | Total |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Intergovernmental | $ 1,638,801 | 2,872,511 | 5,396,616 | 2,500,790 | - | 2,460,191 | 14,868,909 |
| Investment income | 131,436 | - | - | 13,837 | 431,008 | - | 576,281 |
| Other | - | - | - | 312 | 7,990,738 | - | 7,991,050 |
| Total revenues | 1,770,237 | 2,872,511 | 5,396,616 | 2,514,939 | 8,421,746 | 2,460,191 | 23,436,240 |
| Expenditures: | | | | | | | |
| Education | - | - | 4,868,985 | - | - | - | 4,868,985 |
| Fuel assistance | - | - | - | 2,387,589 | - | - | 2,387,589 |
| Other | - | - | - | - | - | 2,605,649 | 2,605,649 |
| Total expenditures | - | - | 4,868,985 | 2,387,589 | - | 2,605,649 | 9,862,223 |
| Excess (deficiency) of revenues over expenditures | 1,770,237 | 2,872,511 | 527,631 | 127,350 | 8,421,746 | (145,458) | 13,574,017 |
| Other financing sources (uses): | | | | | | | |
| Operating transfers from other funds | - | - | - | - | - | 115,000 | 115,000 |
| Operating transfers to other funds | (2,250,315) | (2,872,511) | - | - | (8,316,005) | - | (13,438,831) |
| Excess (deficiency) of revenues over expenditures and transfers | (480,078) | - | 527,631 | 127,350 | 105,741 | (30,458) | 250,186 |
| Fund equity at beginning of year | 683,881 | - | (28,382) | 258,619 | 1,730,869 | 96,652 | 2,741,639 |
| Fund equity at end of year | $ 203,803 | - | 499,249 | 385,969 | 1,836,610 | 66,194 | 2,991,825 |

### Hospital and Neighborhood Health Centers Fund

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

### 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. While expenses for Water Department capital improvements are recorded in the Capital Projects Fund, debt service on any bonds issued to finance these improvements is included in the Water Enterprise Fund.

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# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Balance Sheet
## Enterprise Funds
## June 30, 1986

| | Hospital and Neighborhood Health Centers | Water | Total |
|---|---|---|---|
| Assets | | | |
| Cash | $ - | 1,752,729 | 1,752,729 |
| Accounts receivable | 14,880,723 | 361,573 | 15,242,296 |
| Allowance for uncollectible receivables | (6,354,876) | (38,941) | (6,393,817) |
| Due from other funds | 794,757 | 12,020 | 806,777 |
| Property, plant and equipment, net of accumulated depreciation | 9,644,124 | 43,648,121 | 53,292,245 |
| Other assets | 227,415 | - | 227,415 |
| Total assets | $ 19,192,143 | 45,735,502 | 64,927,645 |
| Liabilities and Retained Earnings | | | |
| Accrued expenses | 2,373,166 | - | 2,373,166 |
| Bond anticipation notes payable | 451,434 | - | 451,434 |
| Due to other funds | - | 917,073 | 917,073 |
| Obligations under capital lease | 31,481 | - | 31,481 |
| Accrued sick and vacation | 619,194 | - | 619,194 |
| General obligation bonds payable | 4,175,000 | - | 4,175,000 |
| Total liabilities | 7,650,275 | 917,073 | 8,567,348 |
| Retained earnings | 11,541,868 | 44,818,429 | 56,360,297 |
| Total liabilities and retained earnings | $ 19,192,143 | 45,735,502 | 64,927,645 |

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
## Enterprise Funds
## Year ended June 30, 1986

| | Hospital and Neighborhood Health Centers | Water | Total |
|---|---|---|---|
| Operating revenues: | | | |
| Patient service revenue, net of allowances and uncollectible accounts | $ 28,932,378 | - | 28,932,378 |
| Charges for services | - | 3,963,803 | 3,963,803 |
| Other | 529,443 | 510,362 | 1,039,805 |
| Total operating revenues | 29,461,821 | 4,474,165 | 33,935,986 |
| Operating expenses: | | | |
| Administration | 3,677,455 | 924,509 | 4,601,964 |
| Finance | 3,301,958 | - | 3,301,958 |
| Service and support programs | 19,001,549 | 2,711,662 | 21,713,211 |
| General services | 4,750,365 | - | 4,750,365 |
| Depreciation | 781,633 | 284,110 | 1,065,743 |
| Other | 1,200,563 | - | 1,200,563 |
| Total operating expenses | 32,713,523 | 3,920,281 | 36,633,804 |
| Operating income (loss) | (3,251,702) | 553,884 | (2,697,818) |
| Non-operating revenues and expenses: | | | |
| Interest expense | (212,681) | - | (212,681) |
| Other | 190,714 | - | 190,714 |
| Net income (loss) before operating transfers | (3,273,669) | 553,884 | (2,719,785) |
| Operating transfers from other funds | 4,241,210 | - | 4,241,210 |
| Operating transfers to other funds | - | (871,870) | (871,870) |
| Net income (loss) | 967,541 | (317,986) | 649,555 |
| Retained earnings: | | | |
| Beginning of year - as previously reported | 10,574,327 | 1,508,941 | 12,083,268 |
| Cumulative effect of change in method of accounting for fixed assets (note 6) | - | 43,627,474 | 43,627,474 |
| Beginning of year-as restated | 10,574,327 | 45,136,415 | 55,710,742 |
| End of year | $ 11,541,868 | 44,818,429 | 56,360,297 |

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Statement of Changes in Financial Position
## Enterprise Funds
## Year ended June 30, 1986

| | Hospital and Neighborhood Health Centers | Water | Total |
|---|---|---|---|
| Sources of working capital: | | | |
| Operations: | | | |
| Net income (loss) before operating transfers | $ (3,273,669) | 553,884 | (2,719,785) |
| Depreciation | 781,633 | 284,110 | 1,065,743 |
| Working capital provided (used) by operations | (2,492,036) | 837,994 | (1,654,042) |
| Transfers from other funds | 4,241,210 | - | 4,241,210 |
| Total sources of working capital | 1,749,174 | 837,994 | 2,587,168 |
| Uses of working capital: | | | |
| Repayment of capital lease | (29,150) | - | (29,150) |
| Retirement of bonds | (4,423,566) | - | (4,423,566) |
| Transfers to other funds | - | (871,870) | (871,870) |
| Additions to property, plant and equipment | (1,657,828) | (304,756) | (1,962,584) |
| Total uses of working capital | (6,110,544) | (1,176,626) | (7,287,170) |
| Net decrease in working capital | $ (4,361,370) | (338,632) | (4,700,002) |
| Elements of net increase (decrease) in working capital: | | | |
| Cash | $ - | (135,312) | (135,312) |
| Receivables, net of allowance | 1,092,228 | 38,512 | 1,130,740 |
| Due from other funds | (695,145) | - | (695,145) |
| Accrued liabilities | (843,918) | 62,924 | 780,994) |
| Accrued vacation and sick | 23,227 | - | 23,227 |
| Due to other funds | - | (304,756) | (304,756) |
| Other assets | (17,762) | - | (17,762) |
| Bond issues | (3,920,000) | - | (3,920,000) |
| Net decrease in working capital | $ (4,361,370) | (338,632) | (4,700,002) |

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## FIDUCIARY FUNDS

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

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

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Balance Sheet
## Fiduciary Funds
## June 30, 1986

| | Pension Trust Funds | Nonexpendable Trust Funds | | | | Expendable Trust Funds | | | | | | | Agency Funds | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Retirement Trust Fund | School Fund | Neville Manor Fund | Library Fund | Other Fund | School Fund | Neville Manor Fund | Library Fund | Cemetary Fund | Health Claims Trust Fund | Stabilization Trust Fund | Other Fund | | |
| Assets | | | | | | | | | | | | | | |
| Cash | $ 1,961,114 | 2,554 | 25,733 | 48,010 | 60,100 | 27,879 | 35,722 | 37,468 | 394,395 | 973,840 | 1,700,000 | 317,224 | 470,409 | 6,054,448 |
| Investments | 65,313,260 | - | - | 4,019 | - | - | - | 10,000 | 667,844 | - | - | - | - | 65,995.123 |
| Other assets | 893,633 | - | - | - | - | - | - | - | - | - | - | - | - | 893,633 |
| Due from other governments | 1,696,707 | - | - | - | - | - | - | - | - | - | - | - | - | 1,696,707 |
| Total assets | $ 69,864,714 | 2,554 | 25,733 | 52,029 | 60,100 | 27,879 | 35,722 | 47,468 | 1,062,239 | 973,840 | 1,700,000 | 317,224 | 470,409 | 74,639,911 |
| Liabilities and Fund Equity | | | | | | | | | | | | | | |
| Guarantee deposits and amounts due other taxing authorities | - | - | - | - | - | - | - | - | - | - | - | - | 470,409 | 470,409 |
| Due to other funds | - | - | - | - | - | - | - | - | 3,830 | - | - | 136,292 | - | 140,122 |
| Total liabilities | - | - | - | - | - | - | - | - | 3,830 | - | - | 136,292 | 470,409 | 610,531 |
| Fund equity | 69,864,714 | 2,554 | 25,733 | 52,029 | 60,100 | 27,879 | 35,722 | 47,468 | 1,058,409 | 973,840 | 1,700,000 | 180,932 | - | 74,029,380 |
| Total liabilities and fund equity | $ 69,864,714 | 2,554 | 25,733 | 52,029 | 60,100 | 27,879 | 35,722 | 47,468 | 1,062,239 | 973,840 | 1,700,000 | 317,224 | 470,409 | 74,639,911 |

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Statement of Revenues, Expenses, and Changes in Fund Balances
## Pension and Nonexpendable Trust Funds
## Year ended June 30, 1986

| | Pension Trust Funds | | | Nonexpendable Trust Funds | | | | |
|---|---|---|---|---|---|---|---|---|
| | Retirement Trust Fund | Pension Reserve | Total | School Fund | Neville Manor Fund | Library Fund | Other Fund | Total |
| Revenues: | | | | | | | | |
| Income from employer and member contributions | $12,167,909 | 3,162,726 | 15,330,635 | - | - | - | - | - |
| Investment income | 4,116,540 | 66,754 | 4,183,294 | 211 | 2,130 | 3,069 | 4,976 | 10,386 |
| Donations and direct inc. | - | - | - | - | - | - | - | - |
| Gain (loss) on sale of investments | 3,313,858 | - | 3,313,858 | - | - | - | - | - |
| Bond amortization | 1,584,389 | - | 1,584,389 | - | - | - | - | - |
| Total revenues | 21,182,696 | 3,229,480 | 24,412,176 | 211 | 2,130 | 3,069 | 4,976 | 10,386 |
| Expenditures: | | | | | | | | |
| Pension plan distributions | 12,438,009 | - | 12,438,009 | - | - | - | - | - |
| Other | 180,829 | - | 180,829 | - | - | - | - | - |
| Income before operating transfers | 8,563,858 | 3,229,480 | 11,793,338 | - | - | - | - | - |
| Transfers from other funds | 5,461,149 | - | 5,461,149 | - | - | - | - | - |
| Transfers to other funds | - | (5,461,149) | (5,461,149) | (211) | (2,130) | (3,069) | (4,976) | (10,386) |
| Net income (loss) | 14,025,007 | (2,231,669) | 11,793,338 | - | - | - | - | - |
| Fund equity at beginning of year | 55,839,707 | 2,231,669 | 58,071,376 | 2,554 | 25,733 | 52,029 | 60,100 | 140,416 |
| Fund equity at end of year | $ 69,864,714 | - | 69,864,714 | 2,554 | 25,733 | 52,029 | 60,100 | 140,416 |

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Combining Statement of Changes in Financial Position
## Pension and Nonexpendable Trust Funds
## Year ended June 30, 1986

| | Pension Trust | | | Nonexpendable Trust Funds | | | | |
|---|---|---|---|---|---|---|---|---|
| | Retirement Trust Fund | Pension Reserve | Total | School Fund | Neville Manor Fund | Library Fund | Other Fund | Total |
| Sources of working capital: | | | | | | | | |
| Operations: | | | | | | | | |
| Net income | $ 8,563,858 | 3,229,480 | 11,793,338 | 211 | 2,130 | 3,069 | 4,976 | 10,386 |
| Investment sales and maturities | 19,792,902 | 2,231,669 | 22,024,571 | - | - | - | - | - |
| Transfer from other funds | 5,461,149 | - | 5,461,149 | - | - | - | - | - |
| Total sources of working capital | 33,817,909 | 5,461,149 | 39,279,058 | 211 | 2,130 | 3,069 | 4,976 | 10,386 |
| Uses of working capital: | | | | | | | | |
| Purchase of investments | 33,579,346 | - | 33,579,346 | - | - | - | - | - |
| Transfers to other funds | - | 5,461,149 | 5,461,149 | 211 | 2,130 | 3,069 | 4,976 | 10,386 |
| Total uses of working capital | 33,579,346 | 5,461,149 | 39,040,495 | - | - | - | - | - |
| Net increase in working capital | $ 238,563 | - | 238,563 | - | - | - | - | - |
| Elements of net increase (decrease) in working capital: | | | | | | | | |
| Cash | (359,912) | - | (359,912) | - | - | - | - | - |
| Accrued interest | (1,098,232) | - | (1,098,232) | - | - | - | - | - |
| Due from other governments | 1,696,707 | - | 1,696,707 | - | - | - | - | - |
| Net increase in working capital | $ 238,563 | - | 238,563 | - | - | - | - | - |

# CITY OF CAMBRIDGE
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## Expendable Trust Funds
## Year ended June 30, 1986

| | Expendable Trust Funds | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | School Fund | Neville Manor Fund | Library Fund | Cemetery Fund | Health Claims Trust Fund | Stabilization Trust Fund | Fund | Other Total |
| Revenues: | | | | | | | | |
| Investment income | 1,838 | 5,086 | 3,481 | 118,085 | 73,840 | - | 17,599 | 219,929 |
| Donations | 10,007 | - | 2,644 | - | - | - | 3,934 | 16,585 |
| Cemetery deposits | - | - | - | 27,275 | - | - | - | 27,275 |
| | 11,845 | 5,086 | 6,125 | 145,360 | 73,840 | - | 21,533 | 263,789 |
| Expenditures: | (4,252) | (32,933) | (3,784) | (38) | - | - | (15,575) | (56,582) |
| Excess (deficiency) of revenues over expenditures | 7,593 | (27,847) | 2,341 | 145,322 | 73,840 | - | 5,958 | 207,207 |
| Operating transfers from other funds | 211 | 2,130 | 3,069 | - | 100,000 | - | 4,976 | 110,386 |
| Operating transfers to other funds | - | - | - | (100,000) | - | (240,992) | - | (340,992) |
| Excess (deficiency) of revenue over expenditures and transfers | 7,804 | (25,717) | 5,410 | 45,322 | 173,840 | (240,992) | 10,934 | (23,399) |
| Fund equity at beginning of year | 20,075 | 61,439 | 42,058 | 1,013,087 | 800,000 | 1,940,992 | 169,998 | 4,047,649 |
| Fund equity at end of year | 27,879 | 35,722 | 47,468 | 1,058,409 | 973,840 | 1,700,000 | 180,932 | 4,024,250 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

## Combining Statement of Changes in Assets and Liabilities Agency Funds

### Year ended June 30, 1986

| Assets | Balance June 30, 1985 | Additions | Deductions | Balance June 30, 1986 |
|---|---|---|---|---|
| Cash: | | | | |
| EMHRDA | $ 8,252 | 6,147,545 | 6,144,740 | 11,057 |
| Contract bids | 11,680 | - | - | 11,680 |
| Plans | 315 | - | - | 315 |
| Tree removals | 485 | - | - | 485 |
| Driveways | 49,726 | 5,775 | 75 | 55,426 |
| Street openings | 95,879 | 14,050 | 700 | 109,229 |
| Sidewalk openings | 150 | - | - | 150 |
| In lieu of bond | 70,645 | - | - | 70,645 |
| License commission | 140 | 4,353 | 4,088 | 405 |
| Cambridge police detail | (50,757) | 1,653,967 | 1,701,103 | (97,893) |
| Cambridge fire detail | 543 | - | - | 543 |
| Dog licenses | (911) | - | 300 | (1,211) |
| Sporting licenses | (96) | 11,796 | 11,721 | (21) |
| Dog officer | 570 | - | - | 570 |
| Constable fees | 3,980 | 122,301 | 119,949 | 6,332 |
| Meal tax agency | 8,747 | - | - | 8,747 |
| Senior cab | 4,279 | - | - | 4,279 |
| Water service renewal | 17,464 | 56 | 42 | 17,478 |
| Undistributed interest | 3,808 | - | - | 3,808 |
| Purchase of trees | 3,144 | 11,627 | 11,656 | 3,115 |
| Blue Cross | 37,493 | 42,985 | - | 80,478 |
| Accident & Life Insurance | 28,183 | 21,288 | - | 49,471 |
| Medicare | 788 | - | - | 788 |
| Car seat program | 1,059 | - | - | 1,059 |
| Deferred compensation | 1,286 | 705 | 404 | 1,587 |
| Commonwealth Health | 4,023 | - | - | 4,023 |
| Legal fees | 8,380 | 29,600 | 34,880 | 3,100 |
| Retirement office payroll | - | 104,853 | 105,089 | (236) |
| Non-renewal of license fee | - | 125,000 | - | 125,000 |
| Tax/escrow account | - | 67,619 | 67,619 | - |
| | $ 309,255 | 8,363,520 | 8,202,366 | 470,409 |

# CITY OF CAMBRIDGE, MASSACHUSETTS

## Combining Statement of Changes in Assets and Liabilities Agency Funds

### Year ended June 30, 1986

| Liabilities | Balance June 30, 1985 | Additions | Deductions | Balance June 30, 1986 |
|---|---|---|---|---|
| Guarantee deposits and amounts due other taxing authorities: | | | | |
| EMHRDA | $ 8,252 | 6,147,545 | 6,144,740 | 11,057 |
| Contract bids | 11,680 | - | - | 11,680 |
| Plans | 315 | - | - | 315 |
| Tree removals | 485 | - | - | 485 |
| Driveways | 49,726 | 5,775 | 75 | 55,426 |
| Street openings | 95,879 | 14,050 | 700 | 109,229 |
| Sidewalk openings | 150 | - | - | 150 |
| In lieu of bond | 70,645 | - | - | 70,645 |
| License commission | 140 | 4,353 | 4,088 | 405 |
| Cambridge police detail | (50,757) | 1,653,967 | 1,701,103 | (97,893) |
| Cambridge fire detail | 543 | - | - | 543 |
| Dog licenses | (911) | - | 300 | (1,211) |
| Sporting licenses | (96) | 11,796 | 11,721 | (21) |
| Dog officer | 570 | - | - | 570 |
| Constable fees | 3,980 | 122,301 | 119,949 | 6,332 |
| Meal tax agency | 8,747 | - | - | 8,747 |
| Senior cab | 4,279 | - | - | 4,279 |
| Water service renewal | 17,464 | 56 | 42 | 17,478 |
| Undistributed interest | 3,808 | - | - | 3,808 |
| Purchase of trees | 3,144 | 11,627 | 11,656 | 3,115 |
| Blue Cross | 37,493 | 42,985 | - | 80,478 |
| Accident & Life Insurance | 28,183 | 21,288 | - | 49,471 |
| Medicare | 788 | - | - | 788 |
| Car seat program | 1,059 | - | - | 1,059 |
| Deferred compensation | 1,286 | 705 | 404 | 1,587 |
| Commonwealth Health | 4,023 | - | - | 4,023 |
| Legal fees | 8,380 | 29,600 | 34,880 | 3,100 |
| Retirement office payroll | - | 104,853 | 105,089 | (236) |
| Non-renewal of license fee | - | 125,000 | - | 125,000 |
| Tax/escrow account | - | 67,619 | 67,619 | - |
| | $ 309,255 | 8,363,520 | 8,202,366 | 470,409 |

# CITY OF CAMBRIDGE, MASSACHUSETTS
# DESCRIPTION OF TRUST FUNDS

## School Trust Funds

### 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 the computer capability at the Graham and Parks Alternative Public School, so that students with limited English speaking ability can be effectively served. Generally, this trust was established to accept special gifts for the Cambridge School Department for specific purposes with all future gifts being formally accepted by the City Council before expenditures can occur. As of June 30, 1986, the expendable balance was $10,098.51.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $ 0 | $ 0 | $10,098.51 | $10,098.51 |

### 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 has subsequently been closed and demolished, so that the trust now provides funds for the purchase of books or works of art for any school. As of June 30, 1986, the expendable balance was $1,536.57.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $1,653.97 | $ 0 | $136.51 | $1,790.48 |

### Georgia Hardy Spelling Contest

This fund was a gift from Georgia Hardy which consisted of 1 share of American Telephone and Telegraph Common Stock. Over the years this stock was split into 6 shares, and recently was redeemed because of the A T & T break-up. The income is to be expended for one or more books, which are to be awarded as prizes to the winners of a spelling contest to be conducted annually among the students of the senior class of Cambridge Rindge and Latin High School. The purpose of the trust is to promote interest in the correct spelling of words of the English language. As of June 30, 1986, the expendable balance was $670.95.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $659.33 | $50.00 | $61.62 | $670.95 |

**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 for the public service of the country in future times". Due to political consideration, the interest 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.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $(1,025.81) | $ 0 | $ 0 | $(1,025.81) |

**Edward Kingman Scholarship Fund**

The sum of $1,700 was donated to Cambridge to form the Edward Kingman Scholarship. This scholarship fund was established to award a prize during the first year of college to a student who graduated from Cambridge Rindge and Latin High School with the highest grade who attends college the next year. As of June 30, 1986, the expendable balance was $5,626.88.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $7,137.78 | $400.00 | $589.10 | $7,326.88 |

**Longfellow School Fund**

The Longfellow School Fund is of unknown origin. It is to be held in trust for the students of the Longfellow School. As of June 30, 1986, the expendable balance was $1,959.90.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $1,995.23 | $200.00 | $164.67 | $1,959.90 |

**Massachusetts Society of Cincinnati Fund**

In 1969, the Massachusetts Society of Cincinnati gave $300 to the Cambridge School Department staff for training and the purchase of materials related to minorities to be used in United States History and Political Science courses. As of June 30, 1986, the expendable balance was $540.26.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $499.07 | $ 0 | $41.19 | $540.26 |

**Charles Merrill Fund**

On October 2, 1972, the City Council accepted a gift of $25,000 from the Charles E. Merrill Trust. This amount was to be used for the support of the special expenses of the Cambridge Alternative Public School. As of June 30, 1986, the expendable balance was $5,527.63.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $8,341.21 | $3,502.00 | $688.42 | $5,527.63 |

**Thomas McCann Fund**

In 1969 the McCann Company established a fund to reimburse teachers who participate in training workshops on minorities and poverty. Part of this money was applied to the purchase of social studies materials. As of June 30, 1986 the expendable balance was $912.46.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $842.89 | $ 0 | $69.57 | $912.46 |

**Edward J. Shea Memorial Fund**

In June, 1965, the City Council accepted the Edward Shea Memorial Fund. The annual income from the principal of $300 was to be awarded to a member of the graduating class of the Cambridge Rindge and Latin High School "who has shown himself to be cognizant to the obligation of a good citizen; law abiding; a diligent student; respectful to faculty and interested in his associates". The winner is to be chosen by the Headmaster and two members of the faculty. As of June 30, 1986, the expendable balance was $541 .74.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $777.57 | $ 0 | $64.17 | $841.74 |

**Webster H. Thierry Historic Prize Fund**

This is a fund of $300 donated by Adelaide R. Thierry. A book is purchased as a prize to the pupil judged by the Headmaster of Cambridge Rindge and Latin High School to have done the best work in the most advanced American History and Government course during the current year. As of June 30, 1986, the expendable balance was $1,791.89.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $1,747.65 | $100.00 | $144.24 | $1,791.89 |

## Neville Manor Nursing Home Trust Funds

### Anna D. Behlen Fund

Under the terms of Anna D. Behlen's will, accepted by the City Council on March 11, 1974, the Neville Manor was the recipient of a gift of $1,800, whose interest is to be used for the enjoyment and recreation of the residents of the Neville Manor. As of June 30,1986, the expendable balance was $1,744.55.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,713.09 | $474.99 | $306.45 | $3,544.55 |

### 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 was to benefit the residents of Neville Manor and act as a memorial to Mrs. Burke's late husband, Frederick H. Burke, a former City Clerk and City employee for over 50 years. As of June 30, 1986, the expendable balance was $3,013.65.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $10,241.13 | $3,044.00 | $845.22 | $8,042.35 |

### Reverend Patrick H. Callahan Fund

A gift in the amount of $2,000 was willed to the City from Reverend Patrick H. Callanan, Pastor of St. Peter's Church, the income to be spent for a "feast day" on December 18th for the residents of the Neville Manor. As of June 30, 1986, the expendable balance was $2,064.73.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $5,232.85 | $1,600.00 | $431.88 | $4,064.73 |

### John Harty Fund

Margaret A. Harty bequeathed to the City the sum of $5,000 in memory of her brother John Harty. The interest of the trust is to provide "entertainment and comfort" for the residents of the Neville Manor. As of June 30, 1986, the expendable balance was $2,828.82.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,305.97 | $750.00 | $272.85 | $2,828.82 |

**John W. Hodge Fund**

Under the terms of the will of John W. Hodge, Neville Manor received the sum of $1,786.67 to serve as the principal of the John W. Hodge Fund. The income from this fund was to provide a Christmas of "good cheer" for the residents. As of June 30, 1986, the expendable balance was $6,901.45.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $7,760.92 | $ 0 | $640.53 | $8,401.45 |

**Minnie Perry Fund**

Miss Minnie Perry donated the residue of her estate to the City to be used "to promote spiritual and material joys" for the residents of Neville Manor. The principal of this fund is $7,590 of which the income can be used for Christmas and Easter parties. As of June 30, 1986, the expendable balance was $7,059.43.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $13,532.56 | $ 0 | $1,116.07 | $14,649.43 |

**Frank F. Rogers, Jr. Fund**

At the time of the death of the wife of Frank F. Rogers, Jr. $50,000 was to be divided into 10 equal shares, one of which Neville Manor was to receive. The City was to manage the fund and expend the annual income for entertainment and gifts for the residents of Neville Manor. As of June 30, 1986, the expendable balance was $1,652.69.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $31,543.96 | $25,500.00 | $2,596.44 | $8,640.40 |

**Sarah E. Russell Fund**

As provided in the will of Sarah E. Russell, who died October 6, 1897, the sum of $814.41 was paid to the City "the income therefrom to be annually expended in or towards providing a Christmas Tree or Christmas gifts and entertainment for the residents of the Neville Manor." As of June 30, 1986, the expendable balance was $1,652.69.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,723.91 | $1,564.15 | $307.34 | $2,467.10 |

**John and Catherine Shine Fund**

Elizabeth M. Shine bequeathed the sum of $2,000 to Neville Manor. The income was to be used for a celebration on January 9th, in memory of the wedding day of Miss Shine's parents. As of June 30, 1986, the expendable balance was $6,787.67.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $8,117.70 | $ 0 | $669.97 | $8,787.67 |

## 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 childrens book collection and to cover any unbudgeted or unexpected maintenance costs for the bookmobile. As of June 30, 1986, the expendable balance was $4,368.12.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $4,038.05 | $ 0 | $330.07 | $4,368.12 |

### Cambridge Field Branch Library Fund

In May of 1985, the City Council accepted an anonymous gift of $2,000 to establish the Cambridge Field Branch Library Trust. The trust is to be used to purchase materials to expand the Cambridge Field Branch Library's existing holdings and to make improvements to the library beyond the scope of normal maintenance and replacement. In addition, the trust is to be used to fund special projects that are unique to the neighboring community. As of June 30, 1986, the expendable balance was $4,376.93.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $2,195.01 | $ 0 | $2,181.92 | $4,376.93 |

### Cambridge History Fund

The City Council accepted a gift of $10,000 in February, 1979, to be used by the Cambridge Public Library to produce a series of publications whose story constitutes the history of Cambridge. In addition, funds are to be used to expand and preserve the holdings of the Cambridge Memorial Room at the Library. As of June 30, 1986, the expendable balance was $12,991.18.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $21,231.53 | $ 0 | $1,759.65 | $22,991.18 |

**Citizens of Cambridge Fund**

An anonymous citizen of Cambridge donated $3,000 in 1923 and 1924 and $2,400 in 1926 to the Cambridge Public Library. Income from these gifts was to be used for books on Americanization, the fine arts, general nature, and binding. As of June 30, 1986, the expendable balance was $2,482.79.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $11,427.12 | $2,491.40 | $947.07 | $9,882.79 |

**Citizens Subscription Fund**

In 1899, a citizens committee raised funds for books for the newly opened public library. An unexpended balance of $5,000 was place in trust in a U.S. Treasury Bond, No. 3867, due 1998, with the resulting income to be used for the same purpose. As of June 30,1986, the expendable balance was $460.60.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $947.15 | $152.55 | $166.00 | $960.60 |

**Daniel P. Cummings Fund**

Daniel P. Cummings bequeathed to the trustees of the Cambridge Public Library in 1899 the sum of $2,000. Income was to be used for the purchase of non-sectarian books for the library. As of June 30, 1986, the expendable balance was $1,266.38.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,168.10 | $164.29 | $262.57 | $3,266.38 |

**Isaac Fay Fund**

In accordance with the provisions of the will of Isaac Fay, who died December 29, 1872, the sum of $1,000 was paid to the trustees of the Cambridge Public Library to be invested and used for the purchase of books. As of June 30, 1986, the expendable balance was $100.49.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $1,183.66 | $181.23 | $98.10 | $1,100.49 |

**Harry Futterman Fund**

Since 1958, the Cambridge Public Library has been the recipient of a grant from the Harry Futterman Fund. This fund was established to assist existing libraries to lend classical music records to the public. Annually, the Cambridge Public Library submits an application to the Harry Futterman Fund to qualify for the grant, with any proceeds to be used for the purchase of classical records. As of June 30, 1986, the expendable balance was $129.52.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $119.61 | $ 0 | $9.91 | $129.52 |

**William Penn Harding Fund**

William Penn Harding at the time of his death donated $1,000 to the trustees of the Cambridge Public Library for the purchase of science, art and travel books which are to be stamped "William Penn Harding Library Fund". As of June 30, 1986, the expendable balance was $670.50.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $1,601.47 | $63.70 | $132.73 | $1,670.50 |

**Abigail Howe Fund**

In her will dated 1917, Abigail Howe bequeathed to the board of trustees of the Cambridge Public Library an unrestricted gift of $3,000. As of June 30, 1986, the expendable balance was $1,694.74.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $4,335.42 | $ 0 | $359.32 | $4,694.74 |

**Jeanne Kantor Landon Fund**

In August of 1983, the City Council accepted a gift of $500 to establish a James 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 Libra ry for book purchases as necessary and interest income from the principal is unrestricted. As of June 30, 1986, the expendable balance was $451.81.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $525.28 | $117.00 | $43.53 | $451.81 |

**Maria Murdock Fund**

In 1922 Maria Murdock left to the Cambridge Public Library an unrestricted gift of $2,000. As of June 30, 1986, the expendable balance was $2,009.20.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,702.35 | $ 0 | $306.85 | $4,009.20 |

**Carrie Saunders Fund**

A sum of $1,000 was placed in trust by the family of Carrie Saunders with the resulting interest to be used for the purchase of books on art. As of June 30, 1986, the expendable balance was $1,865.10.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,107.55 | $ 0 | $257.55 | $3,365.10 |

**William E. Saunders Fund**

In accordance with the will of Abigail L. Prentiss, the residue of her estate ($7,350.39) was placed in trust for the Cambridge Public Library, principal as well as interest is to be used to purchase books and maintain the William E. Saunders alcove. The Saunders Fund owns a $5,000 Atcheson, Topeka and Sante Fe Railroad Company Bond, due in 1995. As of June 30, 1986, the expendable balance was $3,559.19.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $4,895.11 | $41.62 | $705.70 | $5,559.19 |

**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". The income is to be used to provide low cost book plates and purchase books. As of June 30, 1986, the expendable balance was $2,894.65.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,716.86 | $ 0 | $306.76 | $4,023.62 |

**Edward H. Whorf Fund**

Under the terms of his will, Edward R. Whorf gave $1,000 for the benefit of the Library. In addition, Edward J. Whorf donated $3,000 to be invested or expended for the benefit of the library with the requirement that the library catalogue his works concerning Mexico and Latin America and expand the catalogue periodically. As of June 30, 1986, the expendable balance was $4,958.82.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1968 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $8,273.15 | $ 0 | $685.67 | $8,958.82 |

**Mehitable C.C. Wilson Fund**

According to the terms of Mehitable Wilson's will, the Cambridge Public Library received $500. This sum was a gift to be used by the trustees for the benefit of the library. As of June 30, 1986, the expendable balance was $691.11.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $2,023.41 | $ 0 | $167.70 | $2,191.11 |

**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 amount was to be expended for the purchase of books that were to be designated by an appropriate plate or card. As of June 30, 1986, the expendable balance was $2,495.75.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $2,596.75 | $572.47 | $471.47 | $2,495.75 |

## 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 are able to allow distribution of the funds to referral clients of reputable social services agencies such as the Department of Public Welfare. As of June 30, 1986, the expendable balance was $7,023.47.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $12,221.16 | $2,000.00 | $1,088.64 | $11,229.80 |

### Charles Bullock Fund

In his will dated November 16, 1932, Charles Bullock directed the trustees of his estate, at the time of his wife's death, to turn over the residue of his wife's inheritance to the City of Cambridge to provide school children with proper instruction in dental hygiene. As of June 30, 1986, the expendable balance was $106,199.73.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $122,181.57 | $ 0 | $14,018.16 | $136,199.73 |

### 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 t ime to time. As of June 30, 1986, the expendable balance was $15,104.83.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $13,953.24 | $ 0 | $1,151.59 | $15,104.83 |

**Smith Hughes Fund**

The Smith Hughes Fund consists of the unexpended balance of the gift the City received some years ago. As of June 30, 1986, the expendable balance was $3,367.83.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $4,026.84 | $991.35 | $332.34 | $3,367.83 |

**John Kinnear Fund**

In 1873, John Kinnear bequeathed $10,000 to be held in trust to memorialize Company C, Third Regiment, the first unit to respond to President Lincoln's call for volunteers to duty in the War Between the States. As of June 30, 1986, the expendable balance was $11,427.34.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $27,377.19 | $8,210.00 | $2,259.55 | $21,427.34 |

**Melville Shoe Fund**

In 1969 Melville Shoe Company set up a fund to support a program for training retarded young adults. As of June 30, 1986, the expendable balance was $693.65.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $948.08 | $350.00 | $79.57 | $693.65 |

**Bridget McGuire Fund**

In 1974, Bridget McGuire bequeathed to the Cambridge Hospital the sum of $2,000 in memory of her late sister, Margaret Mahoney, to be used for the care of needy patients. As of June 30, 1986, the expendable balance was $4,819.60.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $4,452.15 | $ 0 | $367.45 | $4,819.60 |

**Cambridge Plant & Garden Club Tree Fund**

In the spring of 1963, the City accepted a gift of $300 to establish the Tree Fund. This fund has been used to augment the City's program of tree planting and other various conservation activities. The fund receives occasional deposits from the Cambridge Plant and Garden Club. There are no restrictions on the amount that can be spent; only that it can be used for conservation and horticultural activities. As of June 30, 1986, the expendable balance was $11,774.37.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $10,760.13 | $3,498.48 | $4,512.72 | $11,774.37 |

**Mary "Molly" Ramsey Fund**

In October of 1963, the City accepted a gift of $5,000 from the estate of Mary "Molly" Ramsey. The income from this fund is to be used annually to sponsor a competition for junior golfers and a Member-Guest Tournament at the Fresh Pond Golf Course. In the event that the before-mentioned purpose of the fund cannot be served, then it is required that the income of any or all of the principal may be used for other purposes but only with the unanimous decision of the Chief Executive Officer, Recreation Direct or, Treasurer of the City of Cambridge and golf professionals at the Fresh Pond Golf Course. As of June 30, 1986, the expendable balance was $5,552.49.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $10,232.94 | $525.00 | $844.55 | $10,552.49 |

**Completion of the Soldiers Monument Fund**

This trust consists of the residue of the funds used to erect the Soldiers Monument on the Old Burying Grounds/Cambridge Common. The City is planning to use the funds from this trust for the refurbishing of the Monument, when necessary. As of June 30, 1986, the expendable balance was $3,464.29.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $3,200.17 | $ 0 | $264.12 | $3,464.29 |

**Sheehan War Memorial Fund**

This fund was begun by the students of Cambridge High and Latin to install a plaque in the War Memorial in honor of the war dead. However, the City dedicated a plaque before the Cambridge High and Latin fund reached its goal. The City is contemplating alternative uses of the trust which will adhere to the intent of the trust. As of June 30, 1986, the expendable balance was $5,392.01.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $4,980.92 | $ 0 | $411.09 | $5,392.01 |

**Daniel C. White/J. Warren Merrill Charity Fund**

On May 16, 1863, Mr. Daniel C. White made a gift to the Mayor of the City of Cambridge, George C. Richardson, of $5,000 to be held in trust: "to hold and invest the same safely and apply the income thereof from time to time according to the discretion of the trustees to the purchasing and distribution of fuel among worthy and deserving poor of my native city of Cambridge". On February 13, 1890, the trustees recorded the receipt of a legacy under Article 33 of the will of J. Warren Merrill of $5,000 and also 30 shares of Union Hall Association, "the income only to be expended in the purchase of fuel and food for native born American persons who have seen better days and are in reduced circumstances from sickness and misfortune. The stock sold for $360. In January of 1959, the City Council combined the trusts. Under the new terms of the fund, the City administers the trust for "deservingly poor of Cambridge who are not recipients of public welfare". As of June 30, 1986, the expendable balance was $4,881.46.

| FY 1986 Opening Balance | FY 1986 Expenditures | FY 1986 Income | FY 1986 Closing Balance |
|---|---|---|---|
| $14,572.27 | $ 0 | $1,202,68 | $15,774.95 |

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# CITY OF CAMBRIDGE, MASSACHUSETTS
## Schedule of Real Estate, Personal Property, and Motor Vehicle Excise Taxes
## Year ended June 30, 1986

| | Uncollected June 30, 1985 | Commitments | Abatements | Transfers to Tax Title | Refunds | Collections | Adjustments Increase (decrease) | Uncollected June 30, 1986 |
|---|---|---|---|---|---|---|---|---|
| Real estate taxes: | | | | | | | | |
| 1976 and prior | $ 52,338 | - | 1,295 | 826 | 3 | 16 | 4,358 | 54,562 |
| 1977 | 62,501 | - | - | - | - | - | (38) | 62,463 |
| 1978 | 43,393 | - | - | 959 | 8 | 2,213 | 5,520 | 45,749 |
| 1979 | 54,745 | - | - | - | 16 | 1,348 | 574 | 53,987 |
| 1980 | 58,074 | - | - | 185 | 23 | 5,100 | (311) | 52,501 |
| 1981 | (10,687) | - | - | 5,597 | 7,301 | 10,265 | 5,397 | (13,851) |
| 1982 | (85,835) | - | 1,430 | 5,832 | 35,465 | 34,868 | 18,863 | (73,637) |
| 1983 | 208,310 | - | 17,820 | 11,948 | 26,419 | 58,955 | 27,264 | 173,270 |
| 1984 | 353,681 | - | 176,128 | 899 | 345,943 | 416,035 | 6,921 | 113,483 |
| 1985 | 2,910,634 | - | 376,684 | 879,899 | 355,167 | 1,844,755 | 419,931 | 584,394 |
| 1986 | - | 70,942,959 | 1,035,493 | - | 212,175 | 67,812,255 | - | 2,307,386 |
| | $ 3,647,154 | 70,942,959 | 1,608,850 | 906,145 | 982,520 | 70,185,810 | 488,479 | 3,360,307 |
| Personal property taxes: | | | | | | | | |
| 1976 and prior | 41,382 | - | - | - | - | - | - | 41,382 |
| 1977 | 47,106 | - | - | - | - | 61 | 34 | 47,079 |
| 1978 | 47,545 | - | - | - | - | - | - | 47,545 |
| 1979 | 69,211 | - | - | - | - | 1,258 | 577 | 68,530 |
| 1980 | 59,869 | - | - | - | - | 1,224 | 507 | 59,152 |
| 1981 | 71,983 | - | - | - | - | 1,193 | 431 | 71,221 |
| 1982 | 98,081 | - | 60 | - | - | 14,560 | 4,352 | 87,813 |
| 1983 | 108,073 | - | 59 | - | 37 | 4,494 | 1,271 | 104,828 |
| 1984 | 74,417 | - | - | - | 50 | 4,685 | 740 | 70,522 |
| 1985 | 55,350 | - | 614 | - | 24,759 | 7,113 | 7,850 | 80,232 |
| 1986 | - | 3,418,553 | 3,817 | - | 60 | 3,345,781 | 1,901 | 70,916 |
| | $ 673,017 | 3,418,553 | 4,550 | - | 24,906 | 3,380,369 | 17,663 | 749,220 |
| Motor vehicle excise taxes: | | | | | | | | |
| 1976 and prior | 479,432 | - | - | - | 50 | 6,614 | - | 472,868 |
| 1977 | 256,727 | - | - | - | - | 4,612 | - | 252,115 |
| 1978 | 293,854 | - | - | - | 36 | 7,284 | - | 286,606 |
| 1979 | 352,748 | - | - | - | 128 | 13,081 | - | 339,795 |
| 1980 | 388,504 | - | 23 | - | 99 | 14,097 | - | 374,483 |
| 1981 | 144,380 | - | 19 | - | 252 | 6,689 | - | 137,924 |
| 1982 | 167,420 | - | 68 | - | 798 | 12,026 | - | 156,124 |
| 1983 | 186,800 | - | 1,200 | - | 1,141 | 68,973 | - | 117,768 |
| 1984 | 284,072 | 4,910 | 14,274 | - | 7,174 | 70,817 | - | 211,065 |
| 1985 | 313,700 | 748,071 | 65,331 | - | 30,648 | 796,005 | - | 231,083 |
| 1986 | - | 2,066,784 | 68,826 | - | 655 | 1,536,799 | - | 461,814 |
| | $ 2,867,637 | 2,819,765 | 149,741 | - | 40,981 | 2,536,997 | - | 3,041,645 |

## OTHER SCHEDULES

The following schedules present detailed information on the City's real estate, personal property, and motor vehicle excise taxes and bonds payable as of June 30, 1986.

# CITY OF CAMBRIDGE, MASSACHUSETTS
## Schedule of Bonds Payable
## June 30, 1986

| | Interest Rate | Issue Date | Final Maturity Date | Balance June 30, 1985 | Additions | Retired | Balance June 30, 1986 |
|---|---|---|---|---|---|---|---|
| Inside Debt Limit: | | | | | | | |
| Surface drainage loan | 4.70% | 9/1/72 | 9/1/92 | $ 120,000 | - | 15,000 | 105,000 |
| Surface drainage loan | 5.375 | 10/15/76 | 10/15/96 | 900,000 | - | 75,000 | 825,000 |
| Multi-purpose | 11.40-11.60 | 6/1/82 | 6/1/92 | 395,000 | - | 75,000 | 320,000 |
| Sewer loan | 5.70 | 9/1/70 | 9/1/85 | 25,000 | - | 25,000 | - |
| Sewer loan | 9.10-9.20 | 12/14/82 | 12/15/92 | 4,000,000 | - | 500,000 | 3,500,000 |
| Surface drainage loan | 7.20 | 2/15/84 | 11/15/88 | 1,520,000 | - | 380,000 | 1,140,000 |
| Lechmere Canal Park Loan | 7.0 | 7/1/85 | 7/1/95 | - | 4,460,000 | - | 4,460,000 |
| Public Building Renovation | 7.0 | 7/1/85 | 7/1/90 | - | 1,500,000 | - | 1,500,000 |
| Hospital loan (Boiler renovations) | 7.0 | 7/1/85 | 7/1/93 | - | 1,850,000 | - | 1,850,000 |
| Hospital loan (Equipment) | 7.0 | 7/1/85 | 7/1/88 | - | 1,495,000 | - | 1,495,000 |
| | | | | 6,960,000 | 9,305,000 | 1,070,000 | 15,195,000 |
| Outside Debt Limit: | | | | | | | |
| School Debt: | | | | | | | |
| School project loan | 5.80 | 11/1/69 | 11/1/88 | 400,000 | - | 100,000 | 300,000 |
| School project loan | 5.80 | 11/1/69 | 11/1/89 | 1,000,000 | - | 200,000 | 800,000 |
| School project loan | 5.70 | 9/1/70 | 9/1/90 | 1,800,000 | - | 300,000 | 1,500,000 |
| School project loan | 5.25 | 7/1/71 | 7/1/91 | 1,330,000 | - | 190,000 | 1,140,000 |
| School project loan | 11.4-11.6 | 6/1/82 | 6/1/92 | 1,750,000 | - | 250,000 | 1,500,000 |
| High school loan | 5.70 | 6/15/78 | 6/15/98 | 15,015,000 | - | 1,155,000 | 13,860,000 |
| School project loan | 7.20 | 2/15/84 | 11/15/93 | 2,740,000 | - | 675,000 | 2,065,000 |
| School project loan | 9.0 | 8/1/84 | 8/1/93 | 8,925,000 | - | 1,000,000 | 7,925,000 |
| | | | | 32,960,000 | - | 3,870,000 | 29,090,000 |
| Urban Development: | | | | | | | |
| Urban renewal loan | 3.75 | 7/1/66 | 7/1/86 | 30,000 | - | 15,000 | 15,000 |
| Gore Street and Alberico playground loan | 4.70 | 3/1/69 | 3/1/88 | 90,000 | - | 30,000 | 60,000 |
| Urban renewal loan | 5.70 | 9/1/70 | 9/1/85 | 45,000 | - | 45,000 | - |
| | | | | 165,000 | - | 90,000 | 75,000 |
| Parking: | | | | | | | |
| Lechmere Parking Garage | 7.0 | 7/1/85 | 7/1/93 | - | 2,100,000 | - | 2,100,000 |
| | | | | - | 2,100,000 | - | 2,100,000 |
| Library: | | | | | | | |
| Main library addition loan | 3.75 | 7/1/66 | 7/1/86 | 60,000 | - | 30,000 | 30,000 |
| | | | | 60,000 | - | 30,000 | 30,000 |
| Hospital: | | | | | | | |
| Hospital loan | 3.75 | 7/1/66 | 7/1/86 | 370,000 | - | 185,000 | 185,000 |
| Hospital loan | 3.75 | 7/1/67 | 7/1/87 | 450,000 | - | 150,000 | 300,000 |
| Hospital loan | 4.40 | 7/1/68 | 7/1/88 | 460,000 | - | 115,000 | 345,000 |
| | | | | 1,280,000 | - | 450,000 | 830,000 |
| Sewer Projects: | | | | | | | |
| Sewer loan | 5.375 | 10/15/76 | 10/15/96 | 2,605,000 | - | 220,000 | 2,385,000 |
| Sewer loan | 4.70 | 9/1/72 | 9/1/92 | 800,000 | - | 100,000 | 700,000 |
| | | | | 3,405,000 | - | 320,000 | 3,085,000 |
| | | | | $ 44,830,000 | 11,405,000 | 5,830,000 | 50,405,000 |

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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 Government Expenditures by Function(1)
### Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Community Maintenance and Development | Health and Hospital | Human Resource Development | Education | Debt Services | Contributions to Regional Agencies | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Transit | MDC/MWRA | County Tax | |
| 1977 | $14,512,765 | $14,551,725 | $12,670,080 | $16,382,805 | $ 6,608,465 | $24,487,333 | $3,975,635 | $4,110,485 | $ 866,705 | $1,474,450 | $ 99,640,448 |
| 1978 | 12,958,877 | 15,253,815 | 13,211,380 | 17,548,045 | 8,293,850 | 25,609,783 | 5,258,085 | 4,180,875 | 706,320 | 1,671,995 | 104,693,025 |
| 1979 | 13,628,706 | 16,258,695 | 13,710,625 | 19,089,355 | 10,378,410 | 27,780,768 | 7,052,165 | 4,692,310 | 937,905 | 912,845 | 114,441,784 |
| 1980 | 16,010,270 | 18,191,438 | 15,154,110 | 20,480,820 | 10,496,178 | 28,512,149 | 7,010,460 | 4,081,230 | 968,740 | 1,001,650 | 121,907,045 |
| 1981 | 15,332,190 | 18,734,915 | 15,749,600 | 22,994,865 | 10,151,500 | 38,105,235 | 3,485,440 | 5,047,285 | 965,545 | 1,123,900 | 131,690,475 |
| 1982 | 15,847,829 | 19,070,531 | 15,111,885 | 25,052,675 | 6,469,580 | 36,610,665 | 3,806,780 | 5,779,540 | 1,024,545 | 1,261,870 | 130,035,900 |
| 1983 | 23,610,993 | 20,914,709 | 15,401,170 | 28,399,895 | 3,523,666(2) | 38,654,703 | 5,163,610 | 5,394,740 | 1,069,550 | 978,105 | 143,111,141 |
| 1984 | 26,124,998 | 23,032,520 | 16,136,485 | 30,585,285 | 3,692,420 | 43,079,170 | 4,847,265 | 5,299,680 | 1,011,980 | 993,520 | 154,803,323 |
| 1985 | 24,672,910 | 24,788,805 | 15,551,475 | 32,619,000 | 3,947,640 | 46,132,435 | 3,938,160 | 5,270,410 | 1,217,025 | 988,825 | 159,126,685 |
| 1986 | 19,978,895 | 28,590,055 | 16,461,715 | 39,487,585 | 4,866,860 | 48,988,761 | 4,045,605 | 5,475,355 | 1,871,215(3) | 1,238,640 | 171,004,686 |

(1) Includes expenditures of the general, hospital and water funds.

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

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

Source: Budgets adopted by the City Council for the fiscal years 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, and 1986.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### General Revenues By Source(1)
### Last Ten Fiscal Years

| Fiscal Year | Taxes | Licenses and Permits | Inter-Governmental Revenue | Charges for Service | Fines and Forfeits | Miscellaneous Revenues | Total |
|---|---|---|---|---|---|---|---|
| 1977 | $60,675,678 | $ 401,200 | $15,098,845 | $18,928,020 | $ 808,275 | $3,728,430 | $ 99,640,448 |
| 1978 | 59,340,733 | 524,490 | 18,093,732 | 21,081,710 | 855,625 | 4,796,735 | 104,693,025 |
| 1979 | 63,051,424 | 562,950 | 24,182,755 | 23,442,050 | 1,100,300 | 2,102,305 | 114,441,784 |
| 1980 | 65,563,028 | 659,385 | 26,065,885 | 25,565,900 | 1,690,277 | 2,362,570 | 121,907,045 |
| 1981 | 72,700,235 | 808,735 | 26,095,110 | 28,363,025 | 1,323,500 | 2,399,870 | 131,690,475 |
| 1982 | 66,288,660 | 1,103,975 | 25,077,155 | 31,874,515 | 2,350,500 | 3,341,095 | 130,035,900 |
| 1983 | 66,252,456 | 1,636,485 | 30,971,610 | 36,351,370 | 4,256,500 | 3,642,720 | 143,111,141 |
| 1984 | 67,414,826 | 2,442,405 | 36,633,272 | 38,657,665 | 5,447,150 | 4,208,005 | 154,803,323 |
| 1985 | 67,804,185 | 2,456,460 | 39,310,730 | 40,654,845 | 4,903,080 | 3,997,385 | 159,126,685 |
| 1986 | 73,559,104 | 2,509,785 | 40,396,690 | 44,595,510 | 5,364,105 | 4,579,492 | 171,004,686 |

(1) Includes revenues of general and special revenue funds.

Source: Budgets adopted by the City Council, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985 and 1986.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Property Tax Levies and Collections(1)
### Last Seven Fiscal Years

| Fiscal Year | Net Tax(2) Levy | Current Tax(3) Collections | Percent of Net Levy Collected | Delinquent Tax(4) Collections | Total Tax Collections | Total Collections as a % of Net Levy | Outstanding Delinquent Taxes(5) | Outstanding Delinquent Taxes as a % of Net Levy |
|---|---|---|---|---|---|---|---|---|
| 1980 | $62,680,601 | $60,910,606 | 97.18% | $1,379,712 | $62,290,318 | 99.38% | $2,867,560 | 4.57% |
| 1981 | 78,146,189 | 75,899,959 | 97.13 | 1,373,948 | 77,273,907 | 98.88 | 2,821,733 | 3.61 |
| 1982 | 66,128,390 | 64,802,471 | 97.99 | 1,507,189 | 66,309,660 | 100.27 | 2,898,372 | 4.38 |
| 1983 | 66,128,389 | 63,435,268 | 95.93 | 2,262,042 | 65,697,310 | 99.35 | 2,764,035 | 4.18 |
| 1983 | 67,744,879 | 64,090,340 | 94.61 | 3,390,421 | 67,480,761 | 99.61 | 4,393,372 | 6.49 |
| 1985 | 70,319,998 | 67,886,871 | 96.54 | 2,285,178 | 70,172,049 | 99.79 | 4,320,173 | 6.14 |
| 1986 | 72,361,512 | 71,158,036 | 98.33 | 2,408,143 | 73,566,179 | 101.66 | 4,109,527 | 5.68 |



(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.

(4) Delinquent tax collections for any fiscal year includes taxes only.

(5) Outstanding delinquent taxes include taxes only.

Source: Audit reports for the City of Cambridge for fiscal years 1980, 1981, 1982, 1983, 1984, 1985 and 1986.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Assessed and Equalized Valuation of Taxable Property
### Last Ten Fiscal Years

| Fiscal Year | Real Property | Personal Property | Total Assessed Value(1) | Equalized Valuation(2) | % of Total Assessed Value to Equalized |
|---|---|---|---|---|---|
| 1977 | $ 280,177,300 | $ 56,703,800 | $ 336,881,100 | $ 875,000,000 | 38.5% |
| 1978 | 283,134,200 | 56,317,400 | 339,451,600 | 875,000,000 | 38.8 |
| 1979 | 285,652,500 | 56,158,900 | 341,811,400 | 917,000,000 | 37.3 |
| 1980 | 285,919,400 | 56,445,200 | 342,364,600 | 917,000,000 | 37.3 |
| 1981 | 290,196,900 | 56,857,900 | 347,054,800 | 1,291,000,000 | 26.9 |
| 1982 | 282,030,000 | 58,145,236 | 340,176,236 | 1,291,000,000 | 26.3 |
| 1983 | 288,733,100 | 54,535,600 | 343,268,700 | 2,004,000,000 | 17.1 |
| 1984 | 2,793,448,787 | 108,181,902 | 2,901,630,689 | 2,004,000,000 | 144.8(3)(4) |
| 1985 | 2,973,620,466 | 109,798,700 | 3,083,419,166 | 2,918,829,043 | 105.6 |
| 1986 | 3,505,211,487 | 111,000,000 | 3,616,211,487 | 2,918,829,043 | 123.9 |

(1) As of January 1, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985 and 1986, respectively.

(2) As of January 1, 1978, 1980, 1982 and 1984, respectively. Equalized valuations are determined biennially by the Commissioner of Revenue.

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

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

Source: City Department of Finance.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita
### Last Ten Fiscal Years

| Fiscal Year | Population(1) | Assessed Value(2) | Net Bonded Debt(3) | Ratio of Net Bonded Debt to Assessed Valuation | Net Bonded Debt Per Capita |
|---|---|---|---|---|---|
| 1977 | $102,095 | $ 336,881,100 | $25,445,000 | 7.6% | $249 |
| 1978 | 102,095 | 339,451,600 | 29,355,000 | 8.6 | 288 |
| 1979 | 102,095 | 341,811,400 | 48,605,000 | 14.2 | 476 |
| 1980 | 95,322 | 342,364,600 | 45,935,000 | 13.4 | 482 |
| 1981 | 95,322 | 347,054,800 | 42,220,000 | 12.2 | 443 |
| 1982 | 93,841 | 340,176,236 | 38,740,000 | 11.4 | 413 |
| 1983 | 93,841 | 343,268,700 | 39,780,000 | 11.6 | 424 |
| 1984 | 92,535 | 2,901,630,689 | 40,450,000 | 1.4 | 437 |
| 1985 | 92,535 | 3,083,419,166 | 40,935,000 | 1.3 | 442 |
| 1986 | 92,535 | 3,616,211,487 | 44,830,000 | 1.2 | 484 |

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

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

(3) As of June 30, the previous fiscal year.

Source: City Department of Finance.

# CITY OF CAMBRIDGE, MASSACHUSETTS

**Computation of Legal Debt Margin**
**June 30, 1986**

| | | |
|---|---|---|
| Fiscal year 1986 equalized valuation (1) | | $ 2,918,829,043 |
| Normal debt limit (2-1/2% of equalized valuation) | | 72,970,725 |
| Amount of debt applicable to debt limit: | | |
| Total bonded debt | $ 50,405,000 | |
| Less: | | |
| General obligation bonds exempted by authority of the state legislature | (35,210,000) | |
| Amount of debt applicable | | 15,195,000 |
| Legal unused borrowing margin | | $ 57,775,725 |

(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, 1984.

Source: City Department of Finance.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures
### Last Ten Fiscal Years

| Fiscal Year | Principal | Interest | Total Debt Service(1) | Total Expenditures(2) | Ratio of Debt Service To Total Expenditures |
|---|---|---|---|---|---|
| 1977 | $ 2,290,000 | $ 1,200,210 | $ 3,490,210 | $ 99,640,448 | 3.5% |
| 1978 | 2,695,000 | 1,411,885 | 4,106,885 | 104,693,025 | 3.9 |
| 1979 | 3,825,000 | 2,602,165 | 6,427,165 | 114,441,784 | 5.6 |
| 1980 | 3,715,000 | 2,410,655 | 6,125,655 | 121,907,045 | 5.0 |
| 1981 | 3,480,000 | 2,224,755 | 5,704,755 | 131,690,475 | 4.3 |
| 1982 | 3,480,000 | 2,044,970 | 5,524,970 | 130,035,900 | 4.2 |
| 1983 | 4,330,000 | 2,384,235 | 6,714,235 | 143,111,141 | 4.7 |
| 1984 | 4,830,000 | 2,537,190 | 7,267,190 | 154,803,323 | 4.7 |
| 1985 | 5,030,000 | 2,555,095 | 7,585,095 | 159,126,685 | 4.8 |
| 1986 | 5,830,000 | 2,975,755 | 8,805,755 | 171,004,686 | 5.1 |
| Average | | | | | 4.6% |

(1) As of June 30, the previous fiscal year. Does not include debt service on short-term borrowing, such as revenue anticipation notes which are retired during the fiscal year.

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

Source: City Department of Finance.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Property Tax Rates (1)
### Last Ten Fiscal Years

| Fiscal Year | Real Property | Personal Property | Vehicles(2) |
|---|---|---|---|
| 1977 | $ 179.50 | $ 179.50 | $ 66.00 |
| 1978 | 179.30 | 179.30 | 66.00 |
| 1979 | 188.60 | 188.60 | 66.00 |
| 1980 | 188.40 | 188.40 | 66.00 |
| 1981 | 230.40 | 230.40 | 25.00 |
| 1982 | 199.80 | 199.80 | 25.00 |
| 1983 | 198.00 | 198.00 | 25.00 |
| 1984(3) | 17.00 Residential<br>33.12 Commercial | 33.12 | 25.00 |
| 1985 | 15.26 Residential<br>34.69 Commercial | 34.69 | 25.00 |
| 1986 | 14.29 Residential<br>30.83 Commercial | 30.83 | 25.00 |

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

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

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

Source: City Department of Finance.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Computation of Direct and Overlapping Debt
### June 30, 1986

| Name of Unit | Gross Direct Bonded General Obligation Debt | Percentage Applicable to City of Cambridge | City of Cambridge Share of Debt |
|---|---|---|---|
| City of Cambridge | $ 50,405,000 | 100.00% | $ 50,405,000 |
| Middlesex County | 14,288,020 | 7.26 | 1,037,310 |
| Massachusetts Water Resources Authority | 156,142,306 | 3.30 | 5,152,696 |
| Massachusetts Bay Transportation Authority | 660,370,000 | 5.34 | 35,263,758 |
| Total direct and overlapping debt | | | $ 91,858,764 |

Source: City Department of Finance.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Principal Taxpayers(1)
### June 30, 1986

| Name | Nature of Business | Assessed Valuation | Amount of Tax | % of Total Tax Levy |
|---|---|---|---|---|
| Commonwealth Energy | Utility | $ 93,930,300 | $ 2,895,871 | 3.9% |
| President and Fellows of Harvard University | Education | 85,566,300 | 2,014,734 | 2.7 |
| Prudential Insurance | Commercial | 80,973,500 | 2,496,413 | 3.4 |
| Massachusetts Institute of Technology | Education | 66,243,600 | 2,023,233 | 2.7 |
| Boston Properties | Commercial | 57,400,000 | 1,769,642 | 2.4 |
| Robert A. Jones and K. George Najarian | Commercial | 40,155,700 | 1,238,000 | 1.7 |
| New England Telephone | Utility | 39,429,600 | 1,215,615 | 1.6 |
| Hyatt Regency Hotel | Commercial | 34,945,000 | 1,077,354 | 1.4 |
| Charles Square | Commercial | 30,180,000 | 599,649 | .8 |
| Sonesta Hotel | Commercial | 24,000,000 | 739,920 | 1.0 |
| Totals | | $ 552,824,000 | $ 16,070,431 | 21.6% |

(1) For fiscal year 1986 (as of January 1, 1985)

Source: City Department of Finance.

# CITY OF CAMBRIDGE, MASSACHUSETTS

## Salaries of Principal Officials
## June 30, 1986

| Official Title | Annual Salary Range Minimum | Maximum | |
|---|---|---|---|
| City council: | | | |
| Chairman (Mayor) | $ - | $ 19,432 | |
| Members | - | 18,228 | |
| City Clerk | 38,240 | 40,775 | |
| City Auditor | 38,240 | 40,775 | |
| Executive: | | | |
| City Manager | - | 75,990 | |
| Deputy City Manager | 59,336 | 61,610 | |
| Assistant City Manager/Fiscal Affairs | 53,121 | 55,395 | |
| Assistant City Manager/Community Development | 48,755 | 51,029 | |
| Assistant City Manager/Human Services | 53,121 | 55,395 | |
| Budget Director | 36,144 | 38,679 | |
| Personnel Director | 45,436 | 47,910 | |
| Assessor | 36,144 | 38,679 | |
| City Solicitor | 38,240 | 40,775 | |
| Commissioner of Health, Hospitals and Welfare | 62,868 | 67,941 | |
| Commissioner of Public Works | 50,335 | 55,396 | |
| Commissioner of Inspectional Services | 45,636 | 47,910 | |
| Superintendent of Schools | - | 69,225 | |
| Police Chief | - | 51,147 | (1) |
| Fire chief | - | 51,147 | (1) |
| Director of Libraries/Communications | 50,333 | 55,397 | |

(1) Does not include educational incentives.

Source: City Department of Finance.

# CITY OF CAMBRIDGE, MASSACHUSETTS

## Miscellaneous Statistics

| Characteristic | Cambridge | Boston SMSA | Massachusetts | United States |
|---|---|---|---|---|
| Population (1): | 92,535 | 2,820,700 | 5,797,582 | 236,495,000 |
| Median age (2): | | | | |
| 1980 | 28.6 | 31.3 | 31.2 | 30.0 |
| 1970 | 26.8 | 29.1 | 29.0 | 28.0 |
| 1960 | 29.6 | 32.0 | 32.1 | 29.5 |
| Age group (3): | | | | |
| 5-17 | 11.6% | 19.1% | 20.1% | 20.9% |
| 25-34 | 25.5 | 17.0 | 16.3 | 16.4 |
| 65 and over | 11.4 | 12.5 | 12.7 | 11.3 |
| Median family income (2): | | | | |
| 1979 | $ 17,845 | $ 22,848 | $ 21,166 | $ 19,917 |
| 1969 | 9,815 | 11,449 | 10,981 | 9,590 |
| Per capita income (2): | | | | |
| 1983 | $ 11,403 | N/A | $ 10,517 | $ 9,496 |
| 1981 | 9,755 | N/A | 9,101 | 8,476 |
| 1979 | 7,957 | $ 8,182 | 7,458 | 7,313 |
| 1969 | 3,899 | 3,713 | 3,425 | 3,119 |
| Unemployment rates (4): | | | | |
| 1986, May | 3.5% | 3.6% | 4.0% | 7.0% |
| 1985 | 3.3 | 3.4 | 3.9 | 7.2 |
| 1984 | 4.0 | 4.1 | 4.8 | 7.5 |
| 1983 | 5.8 | 5.8 | 6.9 | 9.6 |
| 1982 | 6.7 | 7.0 | 7.9 | 9.7 |
| Four or more years of college education 25 years old and over (3) | 43.1% | 28.8% | 20.0% | 16.3% |
| High school graduates 25 years old and over (3) | 76.2% | 76.4% | 72.2% | 66.3% |

| | K-8 | 9-12 | Special | Total |
|---|---|---|---|---|
| Public school enrollments (5): | | | | |
| 1986 | 4,686 | 2,619 | 582 | 7,885 |
| 1985 | 4,760 | 2,671 | 566 | 7,997 |
| 1984 | 4,795 | 2,621 | 577 | 7,993 |
| 1983 | 4,930 | 2,606 | 616 | 8,152 |
| 1982 | 5,060 | 2,604 | 612 | 8,276 |

(1) Source: U.S. Department of Commerce, Bureau of Census, Current Population Reports, "Local Population Estimates", 1984.

(2) Source: U.S. Department of Commerce, Bureau of Census.

(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.

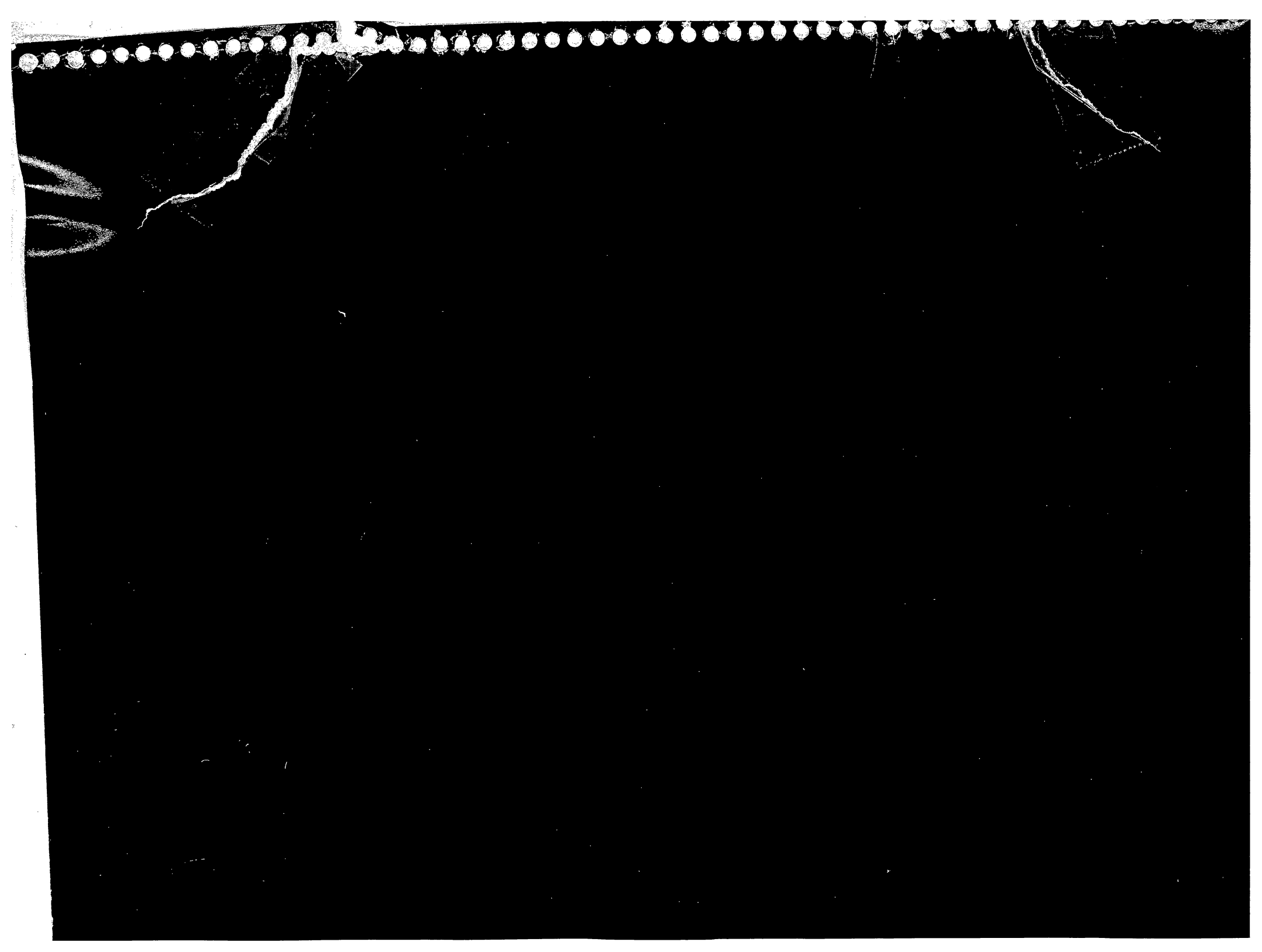
(5) Enrollments are as of October 1, for the fiscal years shown.

# CITY OF CAMBRIDGE, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## For the Fiscal Year July 1, 1985 through June 30, 1986


| | |
|---|---|
| **Electronic Publishing** | Advanced Data Reprographics, Inc. |
| **Paper** | 70 pound |
| **Covers and Dividers** | 80 pound coated |
| **Printing - Laser Printing/text** | Advanced Data Reprographics, Inc. |
| **Printing - Covers and Dividers** | Maran Printing Services, Inc. |
| **Composing** | Finance Department |
| **Cover and Divider Design** | Claudia Sharon Chanzit |
| **Photograph** | Landslides - Aerial Photography |



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

February 9, 1987

To the Honorable, the City Council:

Enclosed please find copy of the Financial Report of the City of Cambridge for 1985 - 1986.

Very truly yours,

Robert W. Healy
City Manager

RWH/mbf
Enc.

Agenda Item No. 7 F-46

Re: enclosed coyp of the Financial Report of the City of Cambridge for 1985-1986.

In City Council,

February 9, 1987

Placed on File