



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

June 13, 1980

To the Honorable, the City Council:

I am pleased to submit the attached financial statements for the fiscal year which ended June 30, 1979. A summary statement of financial condition of each of the funds used by the City is included along with related statements and schedules presenting more detailed information about each fund.

The statements are presented in two sets. The first set is on the basis of accounting currently prescribed by the Commonwealth of Massachusetts. The second set is on the basis as prescribed by generally accepted accounting principles. The third document is the Cambridge Retirement System Financial Statements set at October 31, 1979.

The financial statements contain a separate report by our independent auditor, Peat Marwick Mitchell & Co. This report was prepared in conjunction with the audit of the financial statements and, in their opinion, the financial statements present fairly the financial position of the City in conformity with accounting practices prescribed by the Commonwealth of Massachusetts.

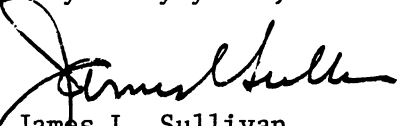
Fund balances as reported by the City on an unaudited basis at June 30, 1978 have been restated to record tax title activity and previously unrecorded school teacher salaries; and to reclassify certain accounts to fund balance: (1) reserve for encumbrance, (2) unfunded abatements, (3) net underestimates of State assessments.

As reported, total fund equities were approximately \$14.5 million. This balance consists principally of balances in capital project accounts. The general fund deficit of \$2,888,797 is caused principally by the City's policy of recognizing a substantial portion of its revenues on a cash basis rather than on a modified accrual basis as required by generally accepted accounting principles. In addition, recognition of liabilities for unpaid teacher salaries at June 30, 1979 reduced fund equity by some \$2.9 million.

June 16, 1980

Long-term debt outstanding at June 30, 1979 totaled \$45,935,000. Of this amount, \$31,340,000 was school related, for which State grants of approximately \$26.9 million are forthcoming to defray debt service costs.

Very truly yours,



James L. Sullivan
City Manager

JLS/mbf
Encs. 3

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Agenda # 13

P-255

Financial Statement for the City of
Cambridge for the fiscal year which
ended June 30, 1979.

6/16/80

In City Council,

June 16, 1980

Placed on File