

CITY OF CAMBRIDGE, MASSACHUSETTS

Financial Statements
and Supplementary Data

June 30, 1980

(With Accountants' Report Thereon)

CITY OF CAMBRIDGE, MASSACHUSETTS

1980 Financial Statements

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Peat, Marwick, Mitchell & Co.

Certified Public Accountants

One Boston Place
Boston, Massachusetts 02108

The City Manager and City Council
City of Cambridge, Massachusetts:

We have examined the combined financial statements of the City of Cambridge, Massachusetts as of and for the year ended June 30, 1980 as listed in the 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.

The City has not maintained records of its general fixed assets, and the combined financial statements do not include financial statements for the general fixed asset group of accounts as required to conform with generally accepted accounting principles.

As more fully described in note 8 to the financial statements, the City does not have a current actuarial valuation of its pension plan. Therefore, we were unable to satisfy ourselves as to the adequacy of pension costs of approximately \$7,999,000 recorded in the accompanying financial statements for the general fund and propriety funds and the extent of the liability that would have been recorded had a current actuarial valuation been made and used in the determination of pension costs.

The City has not maintained property records for its water fund and depreciation expense has not been recorded as required by generally accepted accounting principles. The effect of such omissions on the financial statements of the water fund, while material, cannot be determined.

In our opinion, except that the omission of financial statements for the general fixed asset group of accounts results in an incomplete presentation and except for the effects of such adjustments, if any, as might have been recorded (1) had a current actuarial valuation of the City's pension plan been available and (2) had property records been available for the water fund, the aforementioned combined financial statements present fairly the financial position of the City of Cambridge, Massachusetts at June 30, 1980 and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the changes, with which we concur, in the method of accounting for grant revenue and proceeds from the issuance of bond anticipation notes as described in note 10 to the financial statements.



Peat, Marwick, Mitchell & Co.

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

Peat, Marwick, Mitchell & Co.

January 8, 1981

CITY OF CAMBRIDGE, MASSACHUSETTS
 Combined Balance Sheet - All Fund Types
 June 30, 1980
 with comparative totals for June 30, 1979

Assets	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund type Trust and Agency	Account Group General Long Term Debt	Totals	
	General	Special Revenue	Capital Projects	Hospital and Neighborhood Health Centers	Water	Internal Service			1980	1979
Cash	\$ 4,516,383	2,520,836	5,606,252	-	595,852	15,651	1,100,128	-	14,355,102	10,476,307
Investments, at cost (note 2)	-	-	-	-	-	-	-	-	-	-
Receivables, net of allowances for uncollectible accounts:							1,096,354	-	1,096,354	1,108,029
Taxes	2,167,559	-	-	-	-	-	-	-	2,167,559	1,275,039
Tax titles and possessions	4,297,790	-	-	-	-	-	-	-	4,297,790	4,110,280
Motor vehicle excise	357,911	-	-	-	-	-	-	-	357,911	497,831
Departmental	519,329	27,761	-	4,658,434	701,023	-	-	-	5,906,547	7,163,262
Notes	48,800	-	-	-	-	-	-	-	48,800	64,200
Due from other funds	226,216	-	233,434	-	12,020	-	-	-	471,670	9,141,174
Due from other governments	-	-	683,188	-	-	-	-	-	683,188	10,338,317
Property, plant and equipment, net of accumulated depreciation (note 3)	-	-	-	7,328,390	-	-	-	-	7,328,390	7,351,220
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	51,490,000	51,490,000	41,955,000
	<u>\$ 12,133,988</u>	<u>2,548,597</u>	<u>6,522,874</u>	<u>11,986,824</u>	<u>1,308,895</u>	<u>15,651</u>	<u>2,196,482</u>	<u>51,490,000</u>	<u>88,203,311</u>	<u>93,480,659</u>
Liabilities and Fund Equity										
Warrants payable	2,645,901	-	-	-	-	-	900	-	2,646,801	3,034,354
Accrued liabilities	4,894,007	-	-	765,291	-	-	-	-	5,659,298	4,792,432
Bond anticipation notes payable (note 4)	-	-	-	-	-	-	-	12,800,000	12,800,000	3,150,000
Guarantee deposits	-	-	-	-	33,218	-	698,320	-	731,538	243,938
Due to other funds	90,000	143,434	-	-	120,000	10,000	108,236	-	471,670	9,141,174
General obligation bonds payable (note 4)	-	-	-	3,530,000	-	-	-	38,690,000	42,220,000	45,935,000
Total liabilities	<u>7,629,908</u>	<u>143,434</u>	<u>-</u>	<u>4,295,291</u>	<u>153,218</u>	<u>10,000</u>	<u>807,456</u>	<u>51,490,000</u>	<u>64,529,307</u>	<u>66,296,898</u>
Deferred revenue	4,297,790	27,761	-	-	-	-	-	-	4,325,551	3,627,660
Fund equity:										
Retained earnings	-	-	-	-	1,155,677	5,651	-	-	1,161,328	952,427
Fund balances:										
Reserved for encumbrances	1,350,751	334,221	11,100,896	-	-	-	-	-	12,785,868	6,867,588
Reserved for specific purposes (note 5)	762,856	2,043,181	(4,578,022)	-	-	-	1,389,026	-	(382,959)	11,545,496
Undesignated (note 6)	(1,907,317)	-	-	7,691,533	-	-	-	-	5,784,216	4,190,590
Total fund equity	<u>206,290</u>	<u>2,377,402</u>	<u>6,522,874</u>	<u>7,691,533</u>	<u>1,155,677</u>	<u>5,651</u>	<u>1,389,026</u>	<u>-</u>	<u>19,348,453</u>	<u>23,556,101</u>
Commitments and contingencies (note 7)	\$ 12,133,988	2,548,597	6,522,874	11,986,824	1,308,895	15,651	2,196,482	51,490,000	88,203,311	93,480,659

See accompanying notes to 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, 1980
with comparative totals for 1979

	Governmental Fund Types			Fiduciary Fund	Totals	
	General	Special Revenue	Capital Projects	Type Expendable Trust	1980	1979
Revenues:						
Real estate taxes	\$ 54,740,926	-	-	-	54,740,926	52,576,287
Personal property taxes	10,564,322	-	-	-	10,564,322	10,391,851
Provision for tax abatements	(2,382,160)	-	-	-	(2,382,160)	(2,343,417)
In lieu of tax receipts	1,251,669	-	-	-	1,251,669	1,025,130
Intergovernmental revenue	14,744,401	19,516,730	1,028,096	-	35,289,227	39,412,601
Infirmary and health department	2,013,202	-	-	-	2,013,202	1,926,257
Sewer use	1,985,482	-	-	-	1,985,482	2,226,677
Motor vehicle excise	2,588,883	-	-	-	2,588,883	2,607,881
Interest	1,406,878	411,060	-	138,116	1,956,054	1,862,420
Other	2,547,381	-	423	29,630	2,577,434	3,682,491
Total revenues	<u>89,460,984</u>	<u>19,927,790</u>	<u>1,028,519</u>	<u>167,746</u>	<u>110,585,039</u>	<u>113,368,178</u>
Expenditures:						
Education	29,558,843	4,388,208	-	-	33,947,051	31,197,670
Infirmary and health department	3,188,596	-	-	-	3,188,596	3,012,006
Employee benefits	12,317,943	-	-	-	12,317,943	9,722,746
Public works	9,214,999	-	-	-	9,214,999	8,887,390
Debt service	6,579,594	-	-	-	6,579,594	6,571,191
Police	7,536,065	-	-	-	7,536,065	6,982,730
Fire	6,656,601	-	-	-	6,656,601	6,506,071
Cambridge CETA	4,088,368	-	-	-	4,088,368	5,645,186
Massachusetts Bay Transportation Authority	4,442,648	-	-	-	4,442,648	4,712,052
Recreation	1,599,909	-	-	-	1,599,909	1,666,276
Community development	1,230,425	-	-	-	1,230,425	1,718,147
Finance	1,487,459	-	-	-	1,487,459	1,135,526
Traffic and parking	1,676,599	-	-	-	1,676,599	1,311,200
Library	1,257,526	-	-	-	1,257,526	1,230,492
Other	5,764,825	-	-	49,887	5,814,712	6,623,332
Capital outlay	-	-	15,174,647	-	15,174,647	17,375,712
Prior year encumbrances	937,990	-	-	-	937,990	1,040,660
Total expenditures	<u>97,538,390</u>	<u>4,388,208</u>	<u>15,174,647</u>	<u>49,887</u>	<u>117,151,132</u>	<u>115,338,387</u>
Excess of revenues over (under) expenditures	(8,077,406)	15,539,582	(14,146,128)	117,859	(6,566,093)	(1,970,209)
Other financing sources (uses):						
Transfers (to) from other funds	11,208,896	(14,365,981)	1,069,899	(100,000)	(2,187,186)	(3,221,109)
Issuance of bond anticipation notes	-	-	9,650,000	-	9,650,000	-
Total other financing sources (uses)	<u>11,208,896</u>	<u>(14,365,981)</u>	<u>10,719,899</u>	<u>(100,000)</u>	<u>7,462,814</u>	<u>(3,221,109)</u>
Excess of revenues over (under) expenditures and other financing sources (uses) before cumulative effects of changes in accounting principles	3,131,490	1,173,601	(3,426,229)	17,859	896,721	(5,191,318)
Cumulative effect of changes in accounting principles (note 10)	-	-	(4,622,091)	-	(4,622,091)	-
Excess of revenues over (under) expenditures and other financing sources (uses)	3,131,490	1,173,601	(8,048,320)	17,859	(3,725,370)	(5,191,318)
Fund equity at beginning of year, as previously reported	(2,223,832)	1,203,801	14,571,194	1,371,167	14,922,330	20,113,648
Adjustment (note 11)	(701,368)	-	-	-	(701,368)	(701,368)
Fund equity at end of year	\$ <u>206,290</u>	<u>2,377,402</u>	<u>6,522,874</u>	<u>1,389,026</u>	<u>10,495,592</u>	<u>14,220,962</u>

See accompanying notes to financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Revenues, Expenditures and Encumbrances
Budget and Actual - General Fund
Budget Basis (note 9)

Year ended June 30, 1980
with comparative totals for 1979

	1980		Variance favorable (unfavorable)	1979
	Budget	Actual		Actual
Revenues:				
Real estate taxes	\$ 53,867,215	53,870,926	3,711	53,876,287
Personal property taxes	10,634,275	10,634,322	47	10,591,851
Provision for tax abate- ments	(1,824,647)	(2,382,160)	(557,513)	(2,343,417)
In lieu of tax receipts	1,100,000	1,251,669	151,669	1,025,130
Intergovernmental revenue	14,298,507	14,744,401	445,894	11,443,493
Infirmary and health department	2,319,635	2,013,202	(306,433)	1,926,257
Sewer use	2,412,530	1,985,482	(427,048)	1,911,709
Motor vehicle excise	2,125,000	2,728,032	603,032	2,100,601
Interest	1,472,500	1,406,878	(65,622)	1,432,924
Other	1,290,847	2,303,769	1,012,922	1,381,472
Total revenues	<u>87,695,862</u>	<u>88,556,521</u>	<u>860,659</u>	<u>83,346,307</u>
Expenditures and encumbrances:				
Education	28,512,149	29,765,504	(1,253,355)	27,878,563
Infirmary and health department	3,415,203	3,286,454	128,749	3,037,409
Employee benefits	11,217,031	11,631,294	(414,263)	9,722,746
Public works	9,550,670	9,501,467	49,203	9,041,436
Debt service	6,579,594	6,579,594	-	6,571,191
Police	7,815,205	7,650,933	164,272	7,012,110
Fire	6,879,114	6,832,813	46,301	6,589,699
Cambridge CETA Massachusetts Bay Transportation Authority	7,115,145	4,126,194	2,988,951	5,645,186
Recreation	4,081,230	4,442,648	(361,418)	4,712,052
Community development	1,673,392	1,623,602	49,790	1,673,532
Finance	1,575,493	1,293,679	281,814	2,030,147
Traffic and parking	1,549,484	1,509,792	39,692	1,198,413
Library	1,739,722	1,729,680	10,042	1,347,400
Other	1,300,715	1,271,340	29,375	1,232,916
Total expenditures and encum- brances	<u>99,979,976</u>	<u>97,844,808</u>	<u>2,135,168</u>	<u>94,406,518</u>
Excess of revenues over (under) ex- penditures and encumbrances	<u>(12,284,114)</u>	<u>(9,288,287)</u>	<u>2,995,827</u>	<u>(11,060,211)</u>
Transfers (to) from other funds:				
Special revenue funds	17,009,074	13,296,082	(3,712,992)	14,262,676
Enterprise funds	(3,394,707)	(1,777,605)	1,617,102	(3,221,109)
Fiduciary Fund Type	-	100,000	100,000	100,000
Total transfers	<u>13,614,367</u>	<u>11,618,477</u>	<u>(1,995,890)</u>	<u>11,141,567</u>
Excess of revenues over expendi- tures, encum- brances and transfers	\$ <u>1,330,253</u>	<u>2,330,190</u>	<u>999,937</u>	<u>81,356</u>

See accompanying notes to financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statements of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Fund Types

Year ended June 30, 1980
with comparative totals for 1979

	Proprietary Fund Types			Totals	
	Enterprise			1980	1979
	Hospital and Neighborhood Health Centers	Water	Internal Service		(unaudited)
Operating revenues:					
Patient service revenue, net of allowances and uncollectible accounts	\$ 15,876,880	-	-	15,876,880	16,687,290
Charges for services	-	3,364,850	41,131	3,405,981	2,492,505
Other	207,826	-	-	207,826	305,958
Total operating revenues	<u>16,084,706</u>	<u>3,364,850</u>	<u>41,131</u>	<u>19,490,687</u>	<u>19,485,753</u>
Operating expenses:					
Administration	1,571,494	526,032	-	2,097,526	1,969,103
Finance	1,878,129	-	-	1,878,129	1,838,293
Service and support programs	11,328,253	2,190,595	35,843	13,554,691	13,007,887
General services	3,121,680	-	-	3,121,680	2,889,879
Regional services	-	-	-	-	5,990
Improvements	-	218,829	-	218,829	27,850
Depreciation	422,966	-	-	422,966	408,282
Prior year encumbrances	774,187	200,338	-	974,525	539,963
Total operating expenses	<u>19,096,709</u>	<u>3,135,794</u>	<u>35,843</u>	<u>22,268,346</u>	<u>20,687,247</u>
Operating income (loss)	(3,012,003)	229,056	5,288	(2,777,659)	(1,201,494)
Other income (deductions):					
Interest expense	(147,914)	-	-	(147,914)	(156,725)
Interest income	-	21,939	-	21,939	30,691
Other	231,552	2,618	-	234,170	229,291
Net income (loss) (note 12)	<u>(2,928,365)</u>	<u>253,613</u>	<u>5,288</u>	<u>(2,669,464)</u>	<u>(1,098,237)</u>
Transfers (to) from General Fund	2,237,186	(50,000)	-	2,187,186	3,221,109
Fund equity/retained earnings:					
Beginning of year	8,382,712	952,064	363	9,335,139	7,212,267
End of year	<u>\$ 7,691,533</u>	<u>1,155,677</u>	<u>5,651</u>	<u>8,852,861</u>	<u>9,335,139</u>

See accompanying notes to financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statements of Changes in Financial Position
All Proprietary Fund Types

Year ended June 30, 1980
with comparative totals for 1979

	Proprietary Fund Types			Totals	
	Enterprise			1980	1979
	Hospital and Neighborhood Health Centers	Water	Internal Service		(unaudited)
Sources of working capital:					
Operations:					
Net income (loss)	\$ (691,179)	203,613	5,288	(482,278)	2,122,872
Items not requiring working capital:					
Depreciation	422,966	-	-	422,966	408,282
Total sources of working capital	<u>(268,213)</u>	<u>203,613</u>	<u>5,288</u>	<u>(59,312)</u>	<u>2,531,154</u>
Uses of working capital:					
Retirement of bonds	450,000	-	-	450,000	450,000
Additions to property, plant and equipment	366,525	-	-	366,525	154,978
Other	33,611	-	-	33,611	38,525
Total uses of working capital	<u>850,136</u>	<u>-</u>	<u>-</u>	<u>850,136</u>	<u>643,503</u>
Net increase (decrease) in working capital	<u>\$ (1,118,349)</u>	<u>203,613</u>	<u>5,288</u>	<u>(909,448)</u>	<u>1,887,651</u>
Elements of net increase (decrease) in working capital:					
Cash	-	41,088	5,288	46,376	284,309
Receivables, net of allowances	(1,200,735)	(16,853)	-	(1,217,588)	1,724,231
Due from other funds	-	-	-	-	12,020
Warrants payable	-	191,313	-	191,313	(191,313)
Accrued liabilities	82,386	-	-	82,386	64,935
Guarantee deposits	-	(11,935)	-	(11,935)	3,405
Due to other funds	-	-	-	-	(10,000)
Other	-	-	-	-	64
Net increase (decrease) in working capital	<u>\$ (1,118,349)</u>	<u>203,613</u>	<u>5,288</u>	<u>(909,448)</u>	<u>1,887,651</u>

See accompanying notes to financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

June 30, 1980

(1) Summary of Significant Accounting Policies

The accounting policies of the City of Cambridge are set forth below. They vary in several important respects from the requirements of generally accepted accounting principles as set forth in the accompanying accountants' report.

(a) Basis of Presentation - Fund Accounting

The activities of the City are accounted for through the use of several funds and a long-term debt group of accounts, each of which is a separate accounting entity. The operations of each fund 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 group are used by the City:

Governmental Funds

General Fund - This 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 Funds

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 Funds - These funds are 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 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. Expendable trust and agency funds are accounted for and reported as governmental funds.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

Account Group

General Long-Term Debt -This group of accounts is used to account for all long-term debt of the City except for debt issued for hospital improvements.

(b) Basis of Accounting

The modified accrual basis of accounting is followed by governmental funds and expendable trust funds. Accordingly, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, 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 however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. See note 10 -Accounting Changes.

The accrual basis of accounting is followed by proprietary and fiduciary fund types.

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.

(c) Encumbrances

The City uses encumbrance accounting in its governmental funds as a method of recording commitments under purchase orders and contracts. Open encumbrances are reported as reservations of fund balances.

(d) Property, Plant and Equipment

The City does not maintain a general fixed asset group of accounts. Assets purchased are recorded as expenditures of the acquiring fund.

Detailed property, plant and equipment records have not been maintained for the Water Fund. Therefore, depreciation expense is not recognized as a cost of providing service and the net depreciated cost of property, plant and equipment used in providing water service is not recorded in the Water Fund balance sheet.

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

Property, plant and equipment of the Cambridge Hospital and Neighborhood Health Centers are stated at cost and depreciated on the straight-line method based on estimated useful lives guidelines established by the American Hospital Association. The estimated useful lives are as follows:

Land improvements	5-25 years
Buildings	15-40 years
Building service equipment	10-25 years
Fixed equipment	15-20 years
Major movable equipment	5-20 years

(e) Sick Leave

City employees, except school teachers, may accumulate unused sick leave of up to 255 days. At retirement, employees are compensated at a rate of ten dollars for each day of unused sick leave. School teachers may accumulate an unlimited number of unused sick days. At retirement, teachers are compensated at a rate of ten dollars and fifty two cents for each day of unused sick leave.

The City's policy is to recognize the cost of sick leave at the time payments are made.

(f) Pension Plan

The City participates in a contributory retirement system pursuant to Chapter 32 of the Commonwealth's General Laws that is partially funded by employee contributions. The contributory retirement system covers substantially all municipal employees except school teachers, whose pensions are paid by the Commonwealth. The City also has a noncontributory pension plan which covers certain employees prior to the adoption of the Chapter 32 plan.

(2) Investments

Investments of the Trust and Agency Funds are carried at amortized cost and are summarized as follows:

	<u>Cost</u>	<u>Market</u>
Bonds	\$ 940,000	604,823
Stocks	<u>156,354</u>	<u>225,090</u>
	\$ <u>1,096,354</u>	<u>829,913</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

(3) Property, Plant and Equipment

Property, plant and equipment and related accumulated depreciation of the Cambridge Hospital and Neighborhood Health Centers is summarized as follows:

	1980		1979	
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Cost</u>	<u>Accumulated depreciation</u> (unaudited)
Land improvements	\$ 1,359	747	1,359	680
Buildings	6,228,955	1,700,876	6,228,955	1,568,015
Building service equipment	3,543,256	1,847,508	3,527,109	1,716,503
Fixed equipment	110,355	73,304	110,355	68,403
Major movable equipment	<u>2,881,604</u>	<u>1,814,704</u>	<u>2,497,615</u>	<u>1,660,572</u>
	\$ <u>12,765,529</u>	<u>5,437,139</u>	<u>12,365,393</u>	<u>5,014,173</u>

(4) Long-Term Debt

Serial bond issues outstanding at June 30, 1980 (excluding issues for the Cambridge Hospital) bear interest at rates ranging between 3.2% and 5.8% with a weighted average rate of 5.5%. Outstanding debt matures during subsequent fiscal years as follows:

1981	3,030,000
1982	3,030,000
1983	2,955,000
1984	2,955,000
1985	2,500,000
After 1985	24,220,000

At June 30, 1980 the City has grants receivable from the School Building Assistance Bureau (SBAB) of \$24,724,020 to defray debt service costs related to \$29,270,000 of school bonds outstanding. Grants are subject to annual appropriation by the State legislature and include \$17,757,160 based upon 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, \$1,741,150 will be received annually through 1988 and the balance will be received in subsequent years.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

Bond anticipation notes (BAN's) of \$12,800,000 bear interest at rates ranging between 9.49% and 10.65% and may be renewed through June 30, 1982. These notes have been classified as long-term debt based on the City's expectation that long-term serial bonds will be issued to refund these obligations. The BAN's have been issued against the authority of the City to issue long-term debt as follows:

Riverside Land Acquisition and Improvements	\$ 1,150,000
Fletcher School	2,500,000
Street and Sidewalk Improvements	750,000
Sewer project	6,900,000
High School Modernization	<u>2,000,000</u>
	\$ <u>13,300,000</u>

Serial bond issues outstanding at June 30, 1980 relating to the Cambridge Hospital bear interest at rates ranging between 3.75% and 4.4% with a weighted average rate of 4%. Outstanding debt matures in subsequent fiscal years at the rate of \$665,000 per annum through 1984; \$450,000 for 1985 and the balance in subsequent years through 1989.

The City is a member of the Metropolitan District Commission (MDC), the Massachusetts Bay Transportation Authority (MBTA), and is located in Middlesex County. Aggregate net costs of service, including debt service requirements, are assessed to the City and other members of these entities in accordance with various formulae. The following summary sets forth the long-term debt of each entity at June 30, 1980, and the City's 1980 assessment from each entity:

	<u>Long-term debt outstanding</u>	<u>Cambridge estimated share</u>	<u>1980 Assessment including debt service</u>
MDC:			
Sewer	\$ 98,227,000	5.4%	\$ 1,529,932
Park	66,233,000	4.6	968,738
MBTA	432,761,039	5.6	4,442,648
Middlesex County	27,930,000	13.4	1,001,647

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

(5) Fund Balances Reserved for Specific Purposes

Fund balances are reserved for the following purposes:

General Fund:

Sale of Real Estate (section 63 of Chapter 44 Massachusetts General Laws)	\$ 507,076
Tailings	170,161
Other	<u>85,619</u>
	<u>\$ 762,856</u>

Special Revenue Funds:

COMA grants	\$ 746,054
Community Development Block Grant	596,546
Parking Fund	272,985
School grants	(65,389)
Home Improvement	109,430
Revenue Sharing	172,980
Other	<u>210,575</u>
	<u>\$ 2,043,181</u>

Capital Projects Fund:

Parking Fund	\$ 104,498
High School Modernization	4,508,587
Sewer Project	(859,201)
Fletcher School	81,048
Alewife Quadrangle Industrial Park	236,195
Other	<u>506,895</u>
	<u>\$ 4,578,022</u>

Trust Funds:

Cemetery Perpetual Care Fund	\$ 1,093,495
Other	<u>295,531</u>
	<u>\$ 1,389,026</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

(6) Undesignated Fund Balance

The principal reason for the General Fund undesignated fund deficit of \$1,907,317 relates to legally authorized overexpenditures of (1) the school department aggregating \$919,000 (2) state assessments aggregating \$361,418 and (3) unbudgeted employee benefit expenditures of \$1,115,631.

(7) Commitments and Contingencies

See note 4 for a discussion of commitments by the City to the MDC, MBTA and Middlesex County.

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

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

(8) Pension Plan

The City records pension cost for its contributory retirement system on a pay-as-you-go basis based upon estimates of pensions actually payable during an accounting period. The City records pension cost for the noncontributory pension plan based upon actual cash payments to pensioners. These methods of recording pension costs are at variance with generally accepted accounting principles which require that pension costs be recorded based upon actuarial determinations of the costs of benefits earned during an accounting period. Since the City has not had an actuarial valuation of its pension plan, the effect of the City's funding policy on pension costs for 1980 is not determinable. In addition, the City is unable to determine the actuarial present value of accumulated plan benefits.

As of January 1, 1976, the Massachusetts Retirement Law Commission estimated that the unfunded actuarial liability of the City's contributory retirement system was \$92,311,000. The City's 1980 contribution to the retirement system was approximately \$5,829,000 and actual payments to pensioners under the noncontributory pension plan were approximately \$2,170,000.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

(9) 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:

June 11, 1979

Supplemental appropriations

\$ 118,489,290

932,133

119,421,423

Less - Appropriations for Cambridge
Hospital and Neighborhood Health
Centers

19,441,447

\$ 99,979,976

The Cambridge Hospital and Neighborhood Health Centers are departments of the City. However, for financial statement purposes, these entities are reported in enterprise funds and not as a part of the general fund.

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. These expenditures 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 received in cash 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) Pension expenditures are recorded principally on a pay-as-you-go basis as described in note 8 (budget) as opposed to when the liability is incurred (GAAP); and;
- (c) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

Certain adjustments and reclassifications necessary to present the City's financial statements in conformity with generally accepted accounting principles have not been recorded in the City's records. A summary of the difference between fund equity as recorded in the City's records and the fund equity as presented in the City's General Fund financial statements is as follows:

	<u>July 1, 1979</u>	<u>Results of Operations</u>	<u>June 30, 1980</u>
Fund equity as recorded per books	\$ (3,590,165)	3,177,589	(412,576)
Additions (deductions)			
To record reserve for uncollectible real estate and personal property taxes	(1,500,000)	800,000	(700,000)
To record reserve for uncollectible tax titles and possessions	510,280	(510,280)	-
To record departmental revenues on a modified accrual basis of accounting	482,092	37,237	519,329
To record motor vehicle revenues on a modified accrual basis of accounting	497,060	(139,149)	357,911
To transfer Hospital liabilities recorded in the General Fund	<u>675,533</u>	<u>(233,907)</u>	<u>441,626</u>
Fund equity as recorded per financial statements	\$ <u>(2,925,200)</u>	<u>3,131,490</u>	<u>206,290</u>

(10) Accounting Changes

The City has numerous grants receivable, principally from departments and agencies of the Federal government, to help defray the cost of certain capital improvement projects. These grants are typically structured to permit the City to be reimbursed for eligible project expenditures. Through June 30, 1979, the City recognized grant revenues upon approval of their grant application. Effective July 1, 1979, the City changed its method of recognizing grant revenues to conform with recent revisions of generally accepted accounting principles and now recognizes revenues only when eligible project expenditures are incurred. This change in accounting has not been recorded by restating prior years' financial statements because the necessary information is not readily available.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Financial Statements

Capital improvement projects are also financed in part through the issuance of long-term serial bonds. It is the practice of the City to issue bond anticipation notes to temporarily finance such projects and to issue long-term serial bonds to refund the bond anticipation notes. Through June 30, 1979, the City recognized resources provided by project financing only upon issuance of serial bonds. Effective July 1, 1979, the City adopted a policy of recognizing resources provided by financing upon issuance of bond anticipation notes. Management believes that the new method of accounting provides a more timely matching of resources and expenditures for capital improvement projects. The effect of the change was to increase financing resources in 1980 by approximately \$9,650,000 (see note 4 for further information about bond anticipation notes outstanding at June 30, 1980 and authorized but unissued long-term debt of the City).

(11) Fund Equity - General Fund

The adjustment of \$701,368 corrects an understatement of accrued liabilities at June 30, 1979.

(12) Fund Equity - Hospital and Neighborhood Health Centers

The operations of the Cambridge Hospital and Neighborhood Health Centers have been combined for financial statement purposes. The Neighborhood Health Centers provide ambulatory out-patient services at eleven daycare facilities, and the Cambridge Hospital provides both in-patient and out-patient services. Operations of the Neighborhood Health Center for the year ended June 30, 1980 resulted in a net loss of \$887,087; Cambridge Hospital operations resulted in a net loss of \$2,041,278.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet-Special Revenue Funds

June 30, 1980
with comparative totals for 1979

<u>Assets</u>	Federal Revenue Sharing	Community Development Block Grants	School Grants	COMA Grants	Home Improvement	Parking Fund	Other Grants	<u>Totals</u>	
								1980	1979
Cash	\$ 172,980	596,546	268,832	746,054	109,430	416,419	210,575	2,520,836	1,298,126
Accounts receivable	-	-	-	-	27,761	-	-	27,761	27,660
Due from other governments	-	-	-	-	-	-	-	-	8,776,355
	<u>\$ 172,980</u>	<u>596,546</u>	<u>268,832</u>	<u>746,054</u>	<u>137,191</u>	<u>416,419</u>	<u>210,575</u>	<u>2,548,597</u>	<u>10,102,141</u>
 <u>Liabilities and Fund Balance</u>									
<u>Liabilities:</u>									
Due to other funds	\$ -	-	-	-	-	143,434	-	143,434	8,870,680
Deferred revenue	-	-	-	-	27,761	-	-	27,761	27,660
<u>Fund balance</u>									
Reserve for encumbrances	-	-	334,221	-	-	-	-	334,221	49,109
Reserved for specific purposes	<u>172,980</u>	<u>596,546</u>	<u>(65,389)</u>	<u>746,054</u>	<u>109,430</u>	<u>272,985</u>	<u>210,575</u>	<u>2,043,181</u>	<u>1,154,692</u>
Total fund balance	<u>172,980</u>	<u>596,546</u>	<u>268,832</u>	<u>746,054</u>	<u>109,430</u>	<u>272,985</u>	<u>210,575</u>	<u>2,377,402</u>	<u>1,203,801</u>
	<u>\$ 172,980</u>	<u>596,546</u>	<u>268,832</u>	<u>746,054</u>	<u>137,191</u>	<u>416,419</u>	<u>210,575</u>	<u>2,548,597</u>	<u>10,102,141</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 1980
with comparative totals for 1979

	Federal Revenue Sharing	Community Development Block Grants	School Grants	COMA Grants	Home Improvement	Parking Fund	Other Grants	Totals	
								1980	1979
Revenues:									
Federal and State Grants	\$ 2,449,135	1,569,681	3,639,977	4,868,649	409,547	2,942,664	3,636,926	19,516,579	27,577,258
Interest Income	<u>216,491</u>	<u>11,760</u>	<u>182,327</u>	<u>-</u>	<u>633</u>	<u>-</u>	<u>-</u>	<u>411,211</u>	<u>2,322,216</u>
Total revenues	<u>2,665,626</u>	<u>1,581,441</u>	<u>3,822,304</u>	<u>4,868,649</u>	<u>410,180</u>	<u>2,942,664</u>	<u>3,636,926</u>	<u>19,927,790</u>	<u>29,899,474</u>
Expenditures:									
Education	<u>-</u>	<u>-</u>	<u>4,388,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,388,208</u>	<u>4,035,424</u>
Excess of revenues over (under) expenditures	2,665,626	1,581,441	(565,904)	4,868,649	410,180	2,942,664	3,636,926	15,539,582	25,864,050
Transfers to other funds	<u>2,546,560</u>	<u>984,895</u>	<u>-</u>	<u>4,163,903</u>	<u>503,066</u>	<u>2,548,000</u>	<u>3,619,557</u>	<u>14,365,981</u>	<u>25,608,655</u>
Excess of revenue over (under) expenditures and transfers	119,066	596,546	(565,904)	704,746	(92,886)	394,664	17,369	1,173,601	255,395
Fund balance at beginning of year	<u>53,914</u>	<u>-</u>	<u>834,736</u>	<u>41,308</u>	<u>202,316</u>	<u>(121,679)</u>	<u>193,206</u>	<u>1,203,801</u>	<u>948,406</u>
Fund balance at end of year	\$ <u>172,980</u>	<u>596,546</u>	<u>268,832</u>	<u>746,054</u>	<u>109,430</u>	<u>272,985</u>	<u>210,575</u>	<u>2,377,402</u>	<u>1,203,801</u>

<u>Cambridge History</u>	<u>Smith Hughs</u>	<u>Cemetery</u>	<u>Other</u>	<u>Totals</u>	
				<u>1980</u>	<u>1979</u>
1,951	2,415	65,254	16,924	106,995	106,858
600	-	-	175	25,512	20,500
-	-	29,499	-	29,499	29,565
-	-	-	1,090	5,740	4,290
<u>2,551</u>	<u>2,415</u>	<u>94,753</u>	<u>18,189</u>	<u>167,746</u>	<u>161,213</u>
-	-	<u>32,818</u>	<u>14,602</u>	<u>49,887</u>	<u>16,235</u>
2,551	2,415	61,935	3,587	117,859	144,978
-	-	<u>100,000</u>	-	<u>100,000</u>	<u>100,000</u>
2,551	2,415	(38,065)	3,587	17,859	44,978
<u>10,000</u>	<u>15,786</u>	<u>1,131,560</u>	<u>117,144</u>	<u>1,371,167</u>	<u>1,326,189</u>
<u>12,551</u>	<u>18,201</u>	<u>1,093,495</u>	<u>120,731</u>	<u>1,389,026</u>	<u>1,371,167</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet - Trust and Agency Funds

June 30, 1980

with comparative totals for 1979

<u>Assets</u>	<u>Bullock</u>	<u>John Kinnear</u>	<u>Daniel White</u>	<u>Frank Rodgers</u>	<u>William E. Saunders</u>	<u>Plant and Garden Tree Club</u>
Cash	\$ 52,521	33,999	14,701	19,025	4,805	13,997
Investments	-	-	-	-	5,000	-
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
	<u>\$ 52,521</u>	<u>33,999</u>	<u>14,701</u>	<u>19,025</u>	<u>9,805</u>	<u>13,997</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Warrants payable	\$ -	-	-	-	-	-
Guarantee deposits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund Balance	<u>52,521</u>	<u>33,999</u>	<u>14,701</u>	<u>19,025</u>	<u>9,805</u>	<u>13,997</u>
	<u>\$ 52,521</u>	<u>33,999</u>	<u>14,701</u>	<u>19,025</u>	<u>9,805</u>	<u>13,997</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Trust Funds

Year ended June 30, 1980
with comparative totals for 1979

	<u>Bullock</u>	<u>John Kinnear</u>	<u>Daniel White</u>	<u>Frank Rodgers</u>	<u>William E. Saunders</u>	<u>Plant and Garden Tree Club</u>
Revenues						
Interest and dividend income	\$ 10,350	3,168	1,951	2,524	2,458	-
Contributions and awards	-	17,137	-	-	100	7,500
Cemetery deposits	-	-	-	-	-	-
Other	-	<u>4,119</u>	-	-	-	<u>531</u>
Total revenues	10,350	24,424	1,951	2,524	2,558	8,031
Expenditures						
	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,467</u>	<u>-</u>
Excess of revenues over expenditures	10,350	23,424	1,951	2,524	1,091	8,031
Transfers to other funds						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures and transfer	10,350	23,424	1,951	2,524	1,091	8,031
Fund balance at beginning of year	<u>42,171</u>	<u>10,575</u>	<u>12,750</u>	<u>16,501</u>	<u>8,714</u>	<u>5,966</u>
Fund balance at end of year	\$ <u><u>52,521</u></u>	<u><u>33,999</u></u>	<u><u>14,701</u></u>	<u><u>19,025</u></u>	<u><u>9,805</u></u>	<u><u>13,997</u></u>

<u>Cambridge History</u>	<u>Smith Hughs</u>	<u>Cemetery</u>	<u>Other</u>	<u>Total Trust</u>	<u>Agency</u>	<u>Totals</u>	
						<u>1980</u>	<u>1979</u>
12,551	18,201	12,358	111,414	293,572	806,556	1,100,128	1,019,017
-	-	1,081,137	10,217	1,096,354	-	1,096,354	1,108,029
-	-	-	-	-	-	-	76,402
-	-	-	-	-	-	-	307,901
<u>12,551</u>	<u>18,201</u>	<u>1,093,495</u>	<u>121,631</u>	<u>1,389,926</u>	<u>806,556</u>	<u>2,196,482</u>	<u>2,511,349</u>
-	-	-	900	900	-	900	867,036
-	-	-	-	-	698,320	698,320	222,652
-	-	-	-	-	108,236	108,236	50,494
-	-	-	900	900	806,556	807,456	1,140,182
<u>12,551</u>	<u>18,201</u>	<u>1,093,495</u>	<u>120,731</u>	<u>1,389,026</u>	-	<u>1,389,026</u>	<u>1,371,167</u>
<u>12,551</u>	<u>18,201</u>	<u>1,093,495</u>	<u>121,631</u>	<u>1,389,926</u>	<u>806,556</u>	<u>2,196,482</u>	<u>2,511,349</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities
Agency Funds

Year Ended June 30, 1980

<u>Assets</u>	Balance July 1, 1979	<u>Additions</u>	<u>Deductions</u>	Balance June 30, 1980
Cash:				
EMHRDA	\$ -	16,108,753	15,696,096	412,657
Contract bids	11,680	-	-	11,680
Plans	185	128	-	313
Tree removals	485	-	-	485
Driveways	27,810	7,272	7,950	27,132
Street openings	57,929	13,984	4,100	67,813
Sidewalk openings	150	-	-	150
In lieu of bond	123,527	-	-	123,527
License commission	886	471	501	856
Cambridge police detail	(76,402)	1,079,246	973,421	29,423
Dog licenses	556	5,741	5,700	597
Sporting licenses	(434)	11,440	11,415	(409)
Dog officer	399	135	-	534
Constable fees	4,582	24,742	26,757	2,567
Meal tax agency	4,087	6,354	1,938	8,503
Senior cab	11,495	15,855	17,695	9,655
Undistributed interest	-	2,837	-	2,837
	<u>\$ 166,935</u>	<u>17,276,958</u>	<u>16,745,573</u>	<u>698,320</u>
 <u>Liabilities</u>				
Guarantee deposits:				
EMHRDA	\$ -	16,108,753	15,696,096	412,657
Contract bids	11,680	-	-	11,680
Plans	185	128	-	313
Tree removals	485	-	-	485
Driveways	27,810	7,272	7,950	27,132
Street openings	57,929	13,984	4,100	67,813
Sidewalk openings	150	-	-	150
In lieu of bond	123,527	-	-	123,527
License commission	886	471	501	856
Cambridge police detail	(76,402)	1,079,246	973,421	29,423
Dog licenses	556	5,741	5,700	597
Sporting licenses	(434)	11,440	11,415	(409)
Dog officer	399	135	-	534
Constable fees	4,582	24,742	26,757	2,567
Meal tax agency	4,087	6,354	1,938	8,503
Senior cab	11,495	15,855	17,695	9,655
Undistributed interest	-	2,837	-	2,837
	<u>\$ 166,935</u>	<u>17,276,958</u>	<u>16,745,573</u>	<u>698,320</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year ended June 30, 1980

	Uncollected June 30, 1979	Commitments	Abatements	Transfers to Tax Title	Refunds	Collections	Adjustments Increase (decrease)	Uncollected June 30, 1980
Real estate taxes:								
1974 and prior	\$ 314,140	-	-	-	-	25,054	(61,616)	227,470
1975	47,828	-	-	-	-	3,570	(3,355)	40,903
1976	59,068	-	62,640	-	1,079	20,698	68,091	44,900
1977	54,314	-	85,978	-	11,120	18,386	153,534	114,604
1978	65,351	-	132,263	-	50,457	61,064	173,432	95,913
1979	1,975,118	-	81,350	345,000	129,768	1,241,110	(330,086)	107,340
1980	-	53,870,926	1,606,460	-	58,795	50,331,447	(38,788)	1,953,026
	<u>2,515,819</u>	<u>53,870,926</u>	<u>1,968,691</u>	<u>345,000</u>	<u>251,219</u>	<u>51,701,329</u>	<u>(38,788)</u>	<u>2,584,156</u>
Personal property taxes:								
1974	3,821	-	-	-	-	-	(3,821)	-
1975	41,297	-	-	-	-	-	(41,297)	-
1976	41,437	-	-	-	-	98	(2)	41,337
1977	47,253	-	-	-	-	183	(4)	47,066
1978	46,511	-	90	-	346	577	(2)	46,188
1979	78,901	-	3,583	-	1,245	8,972	2,758	70,349
1980	-	10,634,322	13,734	-	490	10,579,159	36,545	78,464
	<u>259,220</u>	<u>10,634,322</u>	<u>17,407</u>	<u>-</u>	<u>2,081</u>	<u>10,588,989</u>	<u>(5,823)</u>	<u>283,404</u>
Motor vehicle excise taxes:								
1974 and prior	528,132	-	-	-	-	638	(262,472)	265,022
1975	260,619	-	-	-	-	229	-	260,390
1976	274,944	-	-	-	-	683	-	274,261
1977	289,745	194	868	-	666	8,511	445	281,671
1978	403,332	3,491	8,128	-	3,640	78,079	3,409	327,665
1979	941,059	639,825	91,550	-	31,799	1,096,172	17,348	442,309
1980	-	2,486,275	107,963	-	4,912	1,560,782	(15,849)	806,593
	<u>\$ 2,697,831</u>	<u>3,129,785</u>	<u>208,509</u>	<u>-</u>	<u>41,017</u>	<u>2,745,094</u>	<u>(257,119)</u>	<u>2,657,911</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable

June 30, 1980

	Interest Rate	Issue Date	Final Maturity Date	Annual Serial Payment	Balance June 30, 1979	Retired	Balance June 30, 1980
Inside Debt Limit:							
Surface/drainage loan	4.70 %	9/01/72	9/01/92 \$	15,000 \$	210,000	15,000	195,000
Sewer loan	5.70	9/01/70	9/01/85	25,000	175,000	25,000	150,000
Urban renewal loan	5.70	9/01/70	9/01/85	45,000	315,000	45,000	270,000
Urban renewal loan	5.25	7/01/71	7/01/81	75,000	225,000	75,000	150,000
Housing project loan	4.30	1/01/74	1/01/84	30,000	150,000	30,000	120,000
Departmental equipment loan	3.85	10/15/76	10/15/96	110,000	110,000	110,000	-
					<u>1,185,000</u>	<u>300,000</u>	<u>885,000</u>
Outside Debt Limit:							
School Debt:							
School project loan	3.20	4/01/60	4/01/80	125,000	125,000	125,000	-
School project loan	5.80	11/01/69	11/01/88	100,000	1,000,000	100,000	900,000
School project loan	5.80	11/01/69	11/01/89	200,000	2,200,000	200,000	2,000,000
School project loan	5.70	9/01/70	9/01/90	300,000	3,600,000	300,000	3,300,000
School project loan	5.25	7/01/71	7/01/91	190,000	2,470,000	190,000	2,280,000
High school loan	5.70	6/15/78	6/15/98	1,155,000	21,945,000	1,155,000	20,790,000
					<u>31,340,000</u>	<u>2,070,000</u>	<u>29,270,000</u>
Urban Development:							
Urban renewal loan	3.75	7/01/66	7/01/86	15,000	120,000	15,000	105,000
Gore Street and Alberico playground loan	4.70	3/01/68	3/01/88	30,000	270,000	30,000	240,000
					<u>390,000</u>	<u>45,000</u>	<u>345,000</u>
Library:							
Main library addition loan	3.75	7/01/66	7/01/86	30,000	240,000	30,000	210,000
Library loan	4.30	1/01/74	1/01/84	60,000	300,000	60,000	240,000
					<u>540,000</u>	<u>90,000</u>	<u>450,000</u>
Hospital and Infirmary:							
Hospital loan	3.75	7/01/66	7/01/86	185,000	1,480,000	185,000	1,295,000
Hospital loan	3.75	7/01/67	7/01/87	150,000	1,350,000	150,000	1,200,000
Hospital loan	4.40	7/01/68	7/01/88	115,000	1,150,000	115,000	1,035,000
Infirmary remodeling	4.30	1/01/74	1/01/84	215,000	1,075,000	215,000	860,000
					<u>5,055,000</u>	<u>665,000</u>	<u>4,390,000</u>
Sewer Projects:							
Sewer loan	5.375	10/15/76	10/15/96	220,000	3,925,000	220,000	3,705,000
Sewer loan	4.70	9/01/72	9/01/92	100,000	1,400,000	100,000	1,300,000
Surface drainage loan	5.375	11/15/76	10/15/96	75,000	1,350,000	75,000	1,275,000
					<u>6,675,000</u>	<u>395,000</u>	<u>6,280,000</u>
Parking Facilities:							
Parking facilities loan	4.30	1/01/74	1/01/84	150,000	750,000	150,000	600,000
					<u>\$ 45,935,000</u>	<u>3,715,000</u>	<u>42,220,000</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Investments

June 30, 1980

<u>Bonds and Notes</u>	<u>Face Value</u>	<u>Maturity</u>	<u>Rate</u>	<u>Cost</u>	<u>Market Value</u>
Alabama Power	\$ 10,000	1988	3.875%	\$ 10,000	4,900
American Telephone and Telegraph	10,000	1985	4.375	10,000	7,900
American Telephone and Telegraph	20,000	1990	3.875	20,000	12,800
American Telephone and Telegraph	20,000	1992	4.750	20,000	12,200
American Telephone and Telegraph	10,000	1998	4.750	10,000	5,300
American Telephone and Telegraph	5,000	2001	5.125	5,000	2,450
Atchinson, Topeka and Santa Fe	5,000	1995	4.000	5,000	2,719
Bell Telephone of Pennsylvania	10,000	2001	4.750	10,000	5,200
Central Vermont Public Service	5,000	1982	3.875	5,000	4,400
Chesapeake and Potomac Telephone of Virginia	100,000	2008	6.750	100,000	63,000
Commonwealth Edison	10,000	1988	3.750	10,000	5,900
Commonwealth Edison	100,000	1998	6.750	100,000	54,000
Commonwealth Edison - 1st Mortgage	20,000	1987	4.250	20,000	12,800
Consolidated Edison of New York	20,000	1984	3.375	20,000	15,150
Dayton Power and Light	50,000	1998	6.750	50,000	30,500
Federal National Mortgage Assistance	100,000	1980	7.500	100,000	99,719
Illinois Bell Telephone	20,000	1995	3.250	20,000	9,000
New England Bell Telephone	60,000	2005	4.675	60,000	27,600
New Jersey Bell Telephone	50,000	2006	5.875	50,000	26,000
New York Telephone and Telegraph	10,000	1993	4.125	10,000	5,325
Niagra Mohawk Power	10,000	1986	3.625	10,000	6,500
Pacific Gas and Electric	20,000	1987	3.375	20,000	12,025
Pacific Northwestern Bell Telephone	20,000	2002	4.375	20,000	9,400
Pacific Telephone and Telegraph	20,000	1991	3.675	20,000	11,000
Public Service of New Hampshire	20,000	1984	3.250	20,000	13,800
Sears Roebuck and Company	50,000	1993	6.375	50,000	36,000
Socony Mobile Oil	20,000	1993	4.250	20,000	11,650
Southwestern Bell Telephone	120,000	2011	6.875	120,000	80,400
Union Electric Co. - 1st Mortgage	20,000	1986	3.750	20,000	13,000
United States Treasury	5,000	1998	3.500	5,000	4,185
	<u>\$ 940,000</u>			<u>940,000</u>	<u>604,823</u>

<u>Stocks</u>		
American Telephone and Telegraph - 13 shares		218
Keybanks - 2,400 shares		315
Hartford National - 1,500 shares	32,700	82,200
Philadelphia National Corporation - 800 shares	25,687	26,250
Shawmut Corporation - 750 shares	21,900	24,200
State Street Boston Corporation - 1,000 shares	24,937	30,375
U. S. Trust Co. - 1,100 shares	25,750	34,250
	<u>25,162</u>	<u>27,500</u>
	<u>156,354</u>	<u>225,090</u>
	<u>\$ 1,096,354</u>	<u>829,913</u>



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

June 1, 1981

To the Honorable, the City Council:

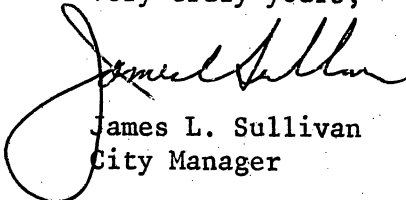
I am pleased to submit the attached financial statements for the fiscal year which ended June 30, 1980. A summary statement of financial condition of each of the funds used by the City is included along with combined statements, schedules, and Notes presenting more detailed information about each fund.

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 PMM's opinion, the statements present fairly the financial position of the City. The Auditors have reserved judgment on the City's Pension Plan because actuarial valuation was not made during the then current accounting period, as required under generally accepted accounting principles (GAAP). They have also noted omission of a General Fixed Asset Group of Accounts, which was never required by Massachusetts accounting practices; and the unavailability of Water Fund property records for balance sheet purposes. Neither have these records been required by Massachusetts accounting practices.

As reported, total fund equities were \$19,348,453. This balance consists principally of balances in capital project accounts and hospital property, plant and equipment. The General Fund shows a surplus or positive equity position at June 30, 1980 of \$206,290 compared to a Fiscal Year 1979 deficit of \$2,223,832. Compared to budget, the General Fund showed a year-end favorable revenue variance of \$860,659. Expenditures and encumbrances also had a favorable variance of \$2,135,168.

Long-term debt outstanding at June 30, 1980 totaled \$51,490,000 including \$12.8 million of bond anticipation notes. Of this amount, \$29,270,000 was school-related, for which State grants of approximately \$24.7 million are forthcoming to defray debt service costs.

Very truly yours,


James L. Sullivan
City Manager

JLS/mbf
Enc.

Agenda # 18

F-206

Financial statements for FY ended
June 30, 1980

In City Council,

~~June 1, 1981~~

June 8, 1981

- Placed
ON

File