

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

June 13, 1994

RICHARD C. ROSSI
Deputy City Manager

To The Honorable, The City Council:

In response to Awaiting Report Item No. 32, regarding Enterprise Fund Accounts, please be advised of the following:

There are currently the following three enterprise funds in the City's accounting system: Hospital, Neville Manor and Water. These funds have the following available balances as of the most recent accounting period, April 30, 1994 and the audited financial statements for the previous fiscal year:

	<u>April 30, 1994</u>	<u>June 30, 1993</u>
Hospital	\$11,135,566	\$6,233,937
Neville Manor	1,080,000	2,026,929
Water	3,131,488	2,719,865

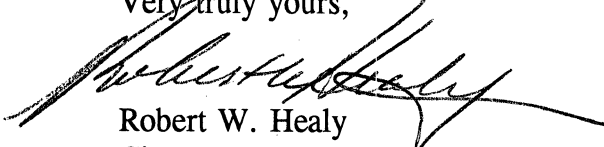
It should be noted that the Hospital amounts shown above do not include \$20,000,000 set aside for the construction of the new ambulatory care facility and \$10,000,000 to fund depreciation, both of which are in accordance with orders approved by the City Council. It is expected that the Hospital balance shown above will be used primarily to cover potential third-party settlements. As these settlements are finalized, funds will be refunded to payers from this account. As of April 30, 1994, \$12,884,308 is potentially due to be refunded to third parties.

As is the case with the hospital, all of Neville Manor's reserves must be set aside to cover potential third party settlements. As of April 30, 1994, slightly over \$1,000,000 is reserved for this purpose.

While the Water Fund does not have any significant liabilities, it is expected that a large portion of the available funds will be used to offset potentially high future rate increases to cover the debt service on the construction of the new water treatment facility.

Expenditures for these funds are in line with the adopted budgets with the exception of additional appropriations made from Hospital and Water excess receipts and the retained earnings of the Neville Manor Fund.

Very truly yours,


Robert W. Healy
City Manager

Consent Agenda # 9

S-280

Response to Awaiting Report Item Number
Thirty-Two regarding Enterprise Fund
accounts.

*For original order see
1994 City Manager Requests
166.*

In City Council,

June 13, 1994

Placed on file