

City of Cambridge, Massachusetts
Comprehensive Annual Financial Report



July 1, 1991–June 30, 1992

CITY OF CAMBRIDGE, MASSACHUSETTS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year
July 1, 1991 through June 30, 1992**

**Robert W. Healy
City Manager**

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

**Prepared by:
Finance Department
City of Cambridge, Massachusetts**

CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1992

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Introductory Section



CITY OF CAMBRIDGE

Finance Department

City Hall, Cambridge Massachusetts 02139

Administration	349-4212
Tax/Utility Coll	349-4220
Treasury	349-4212
Payroll	349-4290

December 14, 1992

Robert W. Healy
City Manager
City of Cambridge
Cambridge, Massachusetts 02139

Dear Mr. Healy:

The Comprehensive Annual Financial Report of the City of Cambridge, Massachusetts for the Fiscal Year ended June 30, 1992 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 Funds, and Capital Projects Fund are maintained on a modified accrual basis. Accordingly, revenues are recorded when measurable and available and expenditures are recorded when the services or goods are received and the liabilities are incurred. Expendable trust funds are accounted for similar to governmental funds. The accrual basis of accounting is followed by the proprietary fund types, nonexpendable trust funds and pension trust funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal accounting control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing

financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. It is my belief that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

The City uses encumbrance accounting in its governmental funds as a method of recording commitments under purchase orders and contracts. Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Fund Types as a significant aspect of budgetary control.

Uncollateralized Deposits

The City of Cambridge does not require collateral for its certificates of deposits, money market accounts, checking or savings accounts when dealing with major banking institutions in the Boston area. However, City officials reserve the right to require collateral when it is in the best interest of the City.

THE REPORTING ENTITY AND ITS SERVICE

The general purpose financial statements present information on 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 general purpose 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 general purpose financial statements does not affect their separate legal standing. These organizations and activities include the Cambridge 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 Schools.

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1991, which is its fiscal period for reporting to the Commissioner of Retirement of the Commonwealth of Massachusetts.

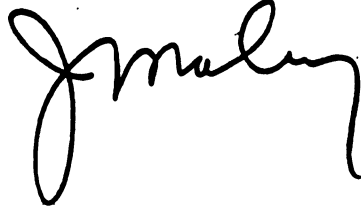
The operations of the Cambridge Housing Authority and the Cambridge Redevelopment Authority are not part of the defined reporting entity and therefore, are not included in the general purpose financial statements of the City. Both organizations are excluded because (1) neither falls within the oversight 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,

A handwritten signature in black ink, appearing to read 'J. Maloney', with a large, stylized initial 'J' and a long, sweeping underline.

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

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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL. 349-4300
FAX. 349-4307

December 14, 1992

To the Honorable Members of the City Council:

I am pleased to submit the Comprehensive Annual Financial Report of the City of Cambridge, Massachusetts for the fiscal year ending June 30, 1992. Each year the City's Finance Department prepares this report, which presents comprehensive financial and operating information about the City's activities during the preceding fiscal year. The Comprehensive Annual Financial Report is a detailed report that goes beyond the requirements of applicable statutes, regulations and generally accepted accounting principles in order to present all of the information necessary to meet the needs of many persons and groups with an interest in the financial affairs of the City of Cambridge.

The report is divided into three major sections:

1. The **Introductory Section**, including this letter, which provides an overview of the City's organizational structure, a summary of the financial condition of the City and an analysis of the City's general government operations.
2. The **Financial Section**, which contains the General Purpose Financial Statements and Combining Statements. These statements provide both an overview of the City's entire financial operations and details for the significant individual funds.
3. The **Statistical Section**, which presents historical financial data, debt statistics and miscellaneous social and economic data about the City.

FISCAL YEAR 1992 IN REVIEW: MAJOR INITIATIVES

Several important accomplishments occurred during fiscal year 1992 which enhanced Cambridge's strong financial position and its role as an innovative and efficient provider of municipal services. The most significant of these are as follows:

- Fund equity in the General Fund has decreased \$10,335,205 from its fiscal year 1991 level of \$26,509,467 to \$16,174,262. A large portion of this reduction is attributable to the use of unreserved funds to meet nonrecurring expenses. As highlighted in the Statement of Revenues and Expenditures - Budgetary Basis, revenues from all operating funds exceeded expenditures by approximately \$8 million, with the largest portion of that surplus coming from the Hospital and Neville Manor enterprise funds.

- Issuance of \$9,680,000 in general obligation bonds for the construction of a cover over the City's finished water reservoir, various building renovations, open space improvements, acquisition of real estate for the establishment of a senior center and other municipal purposes, and the construction of a building to be used as a teen center.
- An upgrade in the City's bond rating by Standard and Poor's Corporation from AA- to AA. In addition, Moody's Investors Service confirmed its rating of Aa1, the highest rating in the City's history. Standard and Poor's cited "strong financial management during a period of significant state revenue cutbacks and economic difficulties" as the primary factor in its rating decision. Other factors include "a fairly resilient local economy centered around higher education, a stable management team, and a manageable debt burden." Both the upgrade by Standard and Poor's and the confirmation by Moody's are particularly significant in light of the number of rating downgrades which Massachusetts cities and towns have received in the past year.
- Receipt of the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award from the Government Finance Officers Association.

FINANCIAL SUMMARY

The City continues to be in sound financial condition as demonstrated by the financial statements and schedules included in this report. Throughout the year, the City maintained a strong cash and investment position and once again did not issue any tax anticipation notes. The following information pertains to the revenues and expenditures of the General and Enterprise Funds. This data is included in the *Statement of Revenues and Expenditures-Budgetary Basis-Budget and Actual*, which presents financial information on the budget basis of accounting. Budget basis of accounting includes Hospital, Neville Manor, and Water Department revenues and expenditures as part of the General Fund.

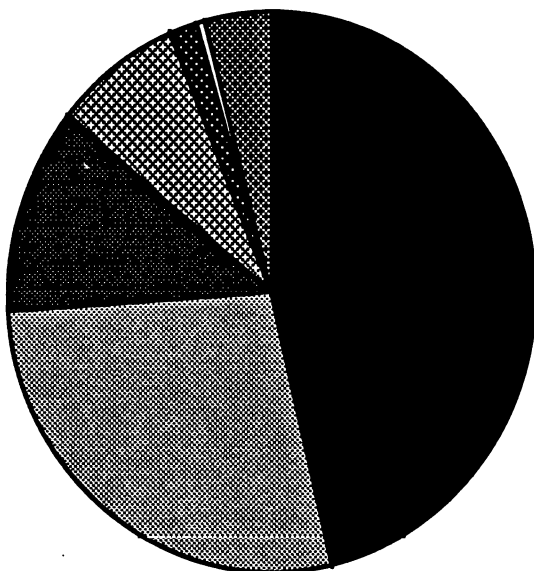
Revenues

Fiscal year 1992 revenues totalled \$268,639,838. This represents an increase of \$8,573,589 million in revenue or 3.3 percent over fiscal year 1991. Property taxes are the single largest revenue source, representing approximately 46.4 percent of General Fund revenues. Real and personal property tax revenues, net of abatements, increased \$9.55 million to \$124,550,000 during fiscal year 1992. Health and Hospital receipts comprise the City's next largest revenue source, representing more than 27.4 percent of the General Fund. These revenues increased 5.6 percent to \$73.7 million, primarily due to a higher volume of service, a better collection rate and increased reimbursements from Medicaid. Intergovernmental revenues, which totalled \$32.3 million during fiscal year 1992, comprised 12 percent of General Fund revenues during fiscal year 1992, as compared to 14.6 percent during 1991. This revenue source may decrease further during the next several fiscal years due to cutbacks in state aid to cities and towns. Water and sewer receipts rose approximately 13.6 percent to \$20.7 million during fiscal year 1992. Water and sewer rates were increased to offset both state charges and improvements to the City's water supply system. The Massachusetts Water Resources Authority (MWRA), which is charged with the responsibility of cleaning up Boston Harbor, levies a fee on communities that use its water or sewer systems. Although the City operates its own water supply system, the sewer system is linked to the MWRA sewer system. The annual MWRA charge is passed on to Cambridge sewer customers in the sewer rates. Because of the high cost of cleaning Boston Harbor and building water and sewer treatment facilities, the MWRA levy has increased steadily during the past several years and is expected to continue to rise.

The following table and graph display the dollar amount in thousands received from various sources of revenue for fiscal year 1992 and compares these amounts to those received in fiscal year 1991.

Fiscal Year 1992 General Fund Revenues
Budget Basis
(In Thousands)

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent</u>	<u>Increase (Decrease)</u> <u>From Fiscal Year 1991</u>	
			<u>Amount</u>	<u>Percent</u>
Taxes-Net of Abatements	\$ 124,550	46.4%	\$ 9,550	8.3%
Health & Hospital	73,726	27.4	3,927	5.6
Intergovernmental	32,276	12.0	(5,853)	(15.4)
Water/Sewer Use	20,680	7.7	2,475	13.6
Hotel/Motel & Motor Vehicle Excise	4,886	1.8	(613)	(11.1)
Investment Income	1,576	.6	(1,167)	(42.5)
Other	<u>10,946</u>	<u>4.1</u>	<u>255</u>	<u>2.4</u>
Total	268,640	100.0%	8,574	3.3
Net Transfers In (Out)	<u>1,226</u>		<u>(1,644)</u>	
Grand Total	\$ <u>269,866</u>		\$ <u>6,930</u>	



- Taxes - 46.4%
- ▨ Health & Hospital - 27.4%
- Intergovernmental - 12.0%
- ▨ Water/Sewer Use - 7.7%
- ▨ Hotel/Motel & Motor Vehicle - 1.8%
- Investment Income - .6%
- ▨ Other - 4.1%

Expenditures

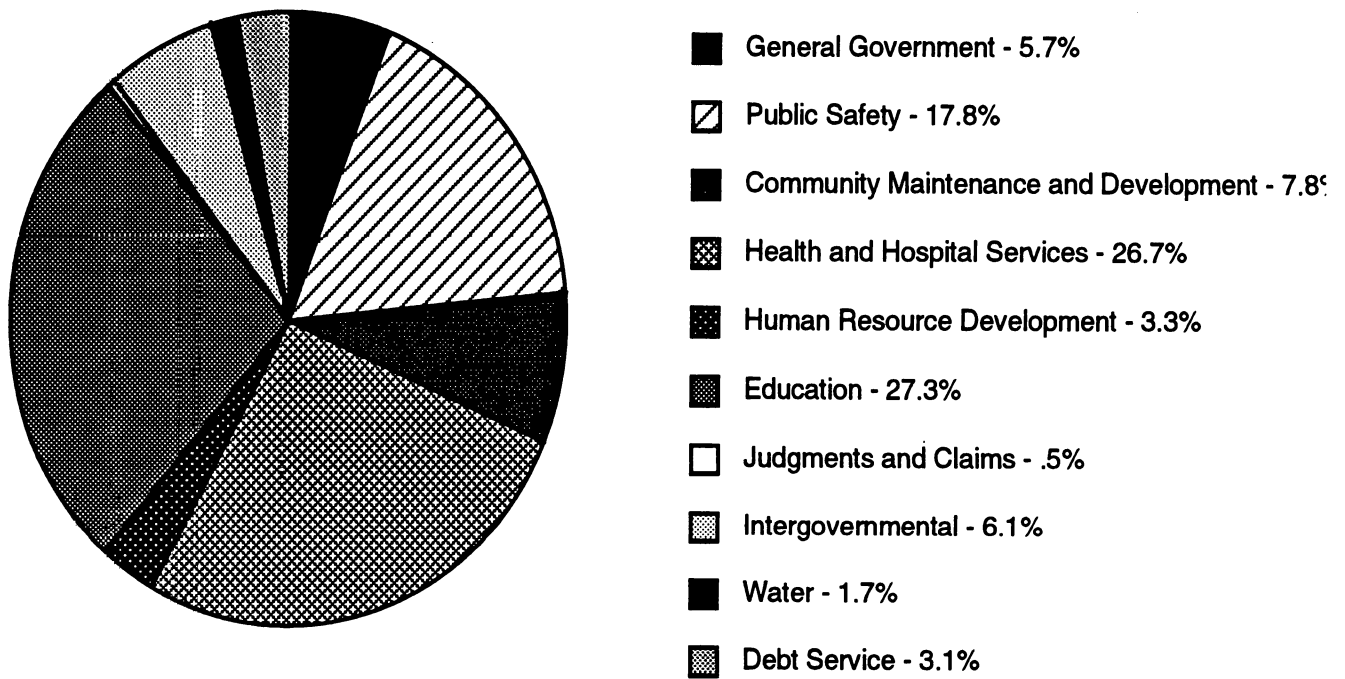
During fiscal year 1992, total expenditures increased 6.1 percent, from \$248,349,686 to \$263,400,311. The increase of \$15,050,625 is spread across all functions, with percentage variances ranging from a (2.4) percent decrease in Community Maintenance and Development to a 70.6 percent increase in Judgments and Claims. Cost-of-living increases for most city employees, combined with the increasing cost of health and pension benefits, were a significant part of the overall increase of 6.1%. In addition, increased service volume and new programs contributed to a 11.7% rise in Health and Hospital Services expenditures.

The increase in judgments and claims is attributable to the settlement of one eminent domain case in fiscal year 1992. Finally, the increase in intergovernment expenditures is due to the assessment levied by the MWRA to cover Boston Harbor cleanup costs. The annual MWRA charge is passed on to Cambridge sewer customers in the sewer rates.

The following table and graph present dollar expenditures in thousands by function for fiscal year 1992 and the variance from fiscal year 1991.

Fiscal Year 1992 General Fund Expenditures Budget Basis (In Thousands)

<u>Expenditure Function</u>	<u>Amount</u>	<u>Percent</u>	<u>Increase (Decrease) From Fiscal Year 1991</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 15,045	5.7	\$ (299)	(2.0)
Public Safety	46,883	17.8	983	2.1
Community Maintenance and Development	20,416	7.8	(491)	(2.4)
Health and Hospital Services	70,357	26.7	7,342	11.7
Human Resource Development	8,761	3.3	469	5.7
Education	71,875	27.3	3,078	4.5
Judgments and Claims	1,189	.5	492	70.6
Intergovernmental	16,075	6.1	2,738	20.5
Water	4,585	1.7	324	7.6
Debt Service	<u>8,214</u>	<u>3.1</u>	<u>415</u>	<u>5.3</u>
Grand Total	\$ <u>263,400</u>	<u>100.0%</u>	\$ <u>15,051</u>	<u>6.1%</u>



General Fund Balances and Cash Position

The City ended fiscal year 1992 with a total General Fund fund balance of \$16,174,262 which represents 9.0 percent of General Fund revenues. Each year, a portion of fund balance is allocated to reserve accounts. A total of \$5,230,346 was transferred to reserve accounts in fiscal year 1992, leaving an unreserved fund balance of \$10,943,916. General Fund cash and short-term investments totalled \$32,213,743, while the balance of all funds totalled \$94,222,372. Because of aggressive cash management and timely issuance of tax bills, the City did not issue tax anticipation notes to assist with cash flow management during the fiscal year.

The following table presents the changes in the City's unreserved General Fund fund balance for fiscal years 1986 through 1992.

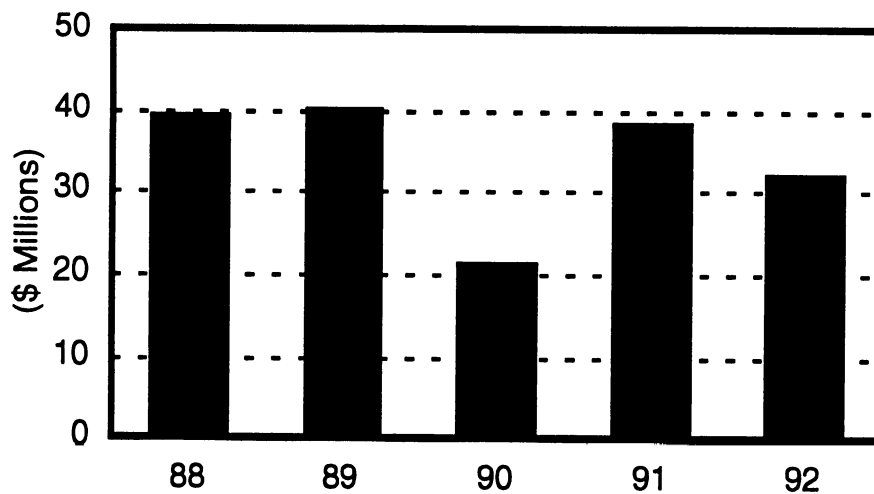
<u>Fiscal Year</u>	<u>Unreserved General Fund Balance</u>
1986	\$ 20,226,662
1987	14,290,415
1988	17,973,421
1989	24,144,794
1990	26,839,940
1991	22,464,452
1992	10,943,916

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

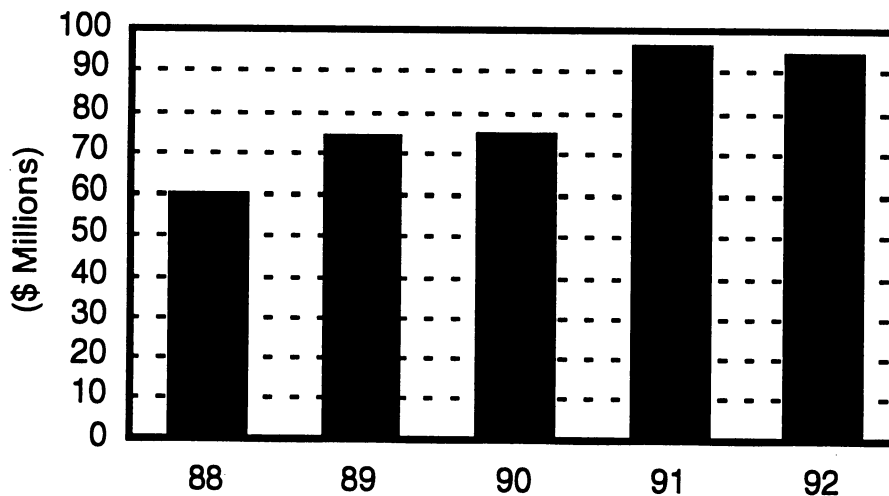
Cash Position

<u>Fiscal Year</u>	<u>Year-End Cash Balance General Fund</u>	<u>Year-End Cash Balance All Funds</u>
1988	\$ 39,364,528	\$ 60,300,159
1989	40,236,110	74,094,076
1990	21,470,548	75,014,128
1991	38,552,545	96,519,706
1992	32,213,743	94,222,372

GENERAL FUND YEAR-END CASH



YEAR-END CASH (ALL FUNDS)



Capital Financing and Debt Management

In conjunction with the operating budget, the City annually prepares both a capital budget for the upcoming fiscal year and a five year improvement plan that is used as a guide for capital expenditures in future years. The Capital Improvement Program for the five year period from fiscal year 1993 through fiscal year 1997, which was approved by the City Council in May of 1992, has an estimated cost of \$167,211,300. Financing for the fiscal year 1993 portion of the capital plan was appropriated with the adoption of the fiscal year 1993 operating budget in May of 1992. Implementation of the program in the following four years, however, is contingent upon the City's continued strong financial position.

In June of 1992, Standard and Poor's Corporation upgraded its rating of the City's credit from AA- to AA while Moody's Investors Services reaffirmed its rating of Aa1. These high ratings enable the City to finance its aggressive capital improvement programs at a reasonable cost. Both agencies cited the following factors as contributing to the City's rating: a comfortable margin between the actual property tax levy and legal levy limits; a sound debt management plan; improved liquidity; and carefully managed investment practices.

The City maintains a policy of issuing debt with a ten-year retirement schedule, which requires higher debt service payments in the short-term, but results in sizable interest savings. In addition, since fiscal year 1985, the City has funded a portion of its Capital Improvement Program on a "pay-as-you-go" basis out of current revenues. As a result of these measures, the City's debt burden is relatively low in relation to the amount expended during the past 10 years. Outstanding general obligation bonds as of June 30, 1992 totalled \$62,820,000.

Key Debt Ratios

<u>Ratio</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Ratio of Bonded Debt to Assessed Value	.8	.7	.8	.8	.9	1.0
Bonded Debt Per Capita	\$ 655	\$ 668	\$ 750	\$ 624	\$ 592	\$ 664
Ratio of Bonded Debt Per Capita to Per Capita Income	3.30	4.30	4.80	4.62	4.38	4.92
Ratio of Debt Service to Total Expenditures	5.6	6.2	5.6	5.8	6.4	6.0

Property Valuations

Based on valuations of all real and personal property as of January 1, 1991, the total value of all property in the City is \$7,813,974,272. Of that total, approximately \$3,659,166,929, or 46.8 percent, consists of industrial/commercial and personal property. Fiscal year 1992 assessments include an increase of \$104,931,010 due to new construction. The table below compares fiscal year 1992 property valuations and tax rates to fiscal year 1991 valuations and tax rates.

	Property Valuations (In Thousands)		Tax Rates	
	<u>FY 1992</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1991</u>
Commercial/Industrial	\$ 3,467,067	\$ 3,830,403	\$ 22.90	\$ 19.15
Personal Property	192,100	180,100	22.90	19.15
Residential	<u>4,154,807</u>	<u>4,652,404</u>	12.21	10.13
Total Value	\$ <u>7,813,974</u>	\$ <u>8,662,907</u>		

Fiduciary and Reserve Funds

The City administers more than 60 trust funds (excluding the Retirement Trust Fund and the City's Debt Stabilization Fund), the total fund balance of which was \$12,906,764 on June 30, 1992. All interest earned by these funds accrues to each trust. Funds from the trusts are used for a variety of purposes including awarding scholarships and prizes to Cambridge school children, providing entertainment for residents at the City-operated nursing home, purchasing books and materials for the public library, providing dental hygiene for school age children, and rehabilitating affordable housing. The single largest trust fund is the Health Claims Trust, established by the City during fiscal year 1985 to act as a contingency against possible deficits in health insurance allotments due to higher than anticipated claims in a given year. The balance of this trust fund on June 30, 1992 was \$9,349,138. Employee health care deductions plus interest earnings will add approximately \$4,378,075 to this fund during fiscal year 1993.

The City's Debt Stabilization Fund had a balance of \$4,223,362 on June 30, 1992. This fund is a statutory reserve account which may only be used for purposes for which debt would ordinarily be used. It is anticipated that the Stabilization Fund monies will be used to finance capital projects in the future. All interest earned by this fund accrues to it.

Pension Liability

As of January 1, 1992, the City's unfunded pension benefit obligation is approximately \$142.3 million. In January 1990, the City established a state approved funding schedule that will eliminate the City's unfunded actuarial liabilities by June 30, 2028. The City is now eligible to receive State funding grants during the next 15 years that would offset some of the resulting increases in annual costs of the pension system.

Independent Audit

The City's financial records, books of accounts, and financial transactions are audited each year by an independent firm of certified public accountants. The City's annual audits since fiscal year 1979 have been performed by the independent public accounting firm of KPMG Peat Marwick. The independent auditors' report on the financial statements for the year ended June 30, 1992 is included herein.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cambridge, Massachusetts for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1991.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ECONOMIC CONDITION

The City has been successful at maintaining a strong fiscal condition despite the pressures placed upon it by the slow regional economy. While the City's economy continues to perform slightly better than the region, several indicators reveal the softening of the Cambridge economy. Unemployment in the City, which was below 3% for much of the mid- and late-1980's, increased to 6.4% as of June 1992. Tied to the increase in unemployment was a marginal increase in the commercial office vacancy rate to an estimated 20% as of June 1991. This contributed to the assessed value of existing commercial properties falling 9.5% between fiscal year 1991 and fiscal year 1992. Commercial values are expected to continue their decline until the regional economy improves.

FUTURE OUTLOOK AND CONCLUSION

The economic expansion of the 1980's allowed Cambridge to restore its financial well-being. The City chose to increase its reserves and carefully managed its budget to position itself for the eventual slow-down in the local economy. Because of these policies, Cambridge has been able to respond to cutbacks in state aid and decreases in property values without cutting services or relying upon reserves to offset operating costs. However, Cambridge is approaching the point where a prolonged weak economy and further reductions in state aid could result in cutbacks in City services.

Future capital projects include Phases VI and VII of the Sewer Separation Project, improvements to the water treatment facility, renovations to several elementary schools, continuation of the street and sidewalk reconstruction program, open space improvements, and further renovations to public buildings.

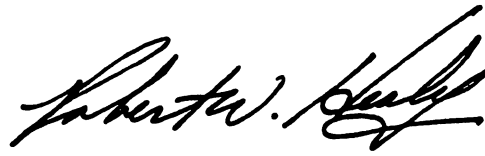
As we address the attendant pressures placed upon our budget in the coming year, the City must continue to adhere to the policies that have enabled the City to respond to the current downturn in the economy. Chief among these policies is the practice of avoiding the use of

reserves or non-recurring revenues to offset operating expenses. If the weak economy continues and the state reduces state aid further, and I believe that both of these are likely occurrences, then the City must respond with cutbacks of its own. Our goal during the coming years will be to manage our budget in a manner that will enable us to provide vital services to our citizens while at the same time protecting the financial condition of the City. I am confident that by working together as a community, Cambridge can continue to demonstrate that an active, caring government and a sound financial management policy need not be mutually exclusive even in the difficult economic times that face us over the next few years.

ACKNOWLEDGMENTS

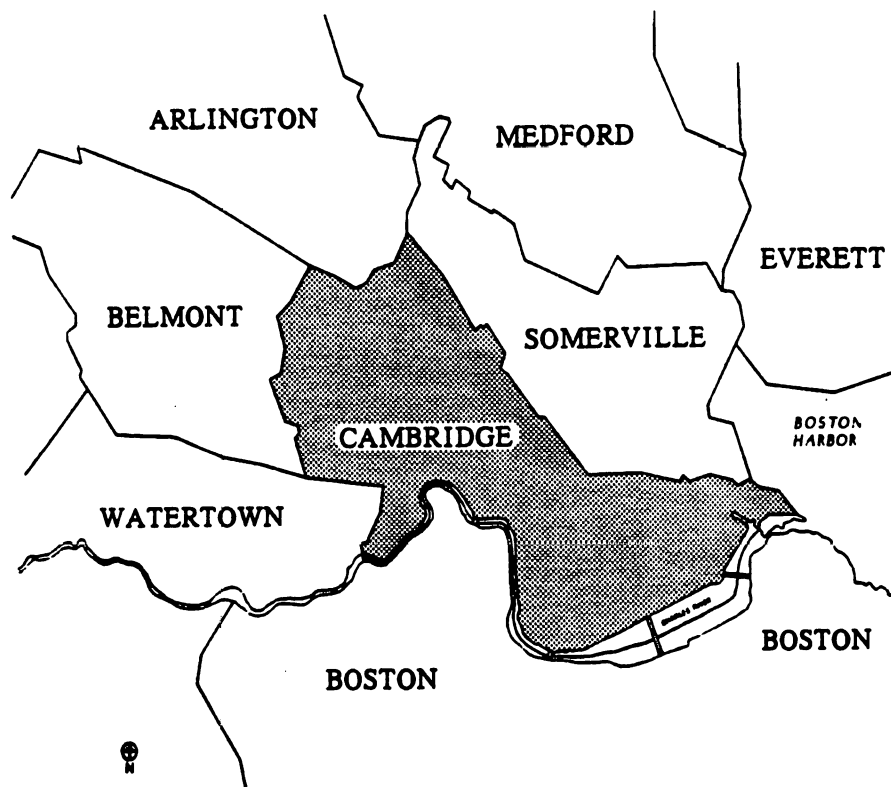
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also like to thank the members of the City Council for their concern and support in planning and constructing the financial operations of the City in a responsible and progressive manner. Finally, I would like to thank the City's delegation to the State Legislature, who have continually offered strong support on state fiscal matters that impact the City.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", written in a cursive style.

Robert W. Healy,
City Manager

A FEW WORDS ABOUT CAMBRIDGE



The City of Cambridge, Massachusetts is located in southeast Middlesex County across the Charles River from the City of Boston. The City is bordered by the Towns of Watertown and Belmont on the West, the Town of Arlington and the City of Somerville on the north, and occupies a land area of 6.26 square miles. The City's estimated population was 95,802 in 1992.

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, 1993.

The City Council also appoints members to certain boards and commissions as it deems necessary to assist in the operation of the City.

The School Committee is comprised of six elected members plus the Mayor, all of whom are elected for two-year terms. The School Superintendent is responsible for the day-to-day activities of the School Department and serves at the pleasure of the School Committee.

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DIRECTORY OF OFFICIALS

CITY COUNCIL

Kenneth E. Reeves, Mayor

Edward N. Cyr, Vice Mayor	Walter J. Sullivan
Francis H. Duehay	Timothy J. Toomey, Jr.
Jonathan S. Myers	William H. Walsh
Sheila T. Russell	Alice K. Wolf

SCHOOL COMMITTEE

Kenneth E. Reeves, Chairman

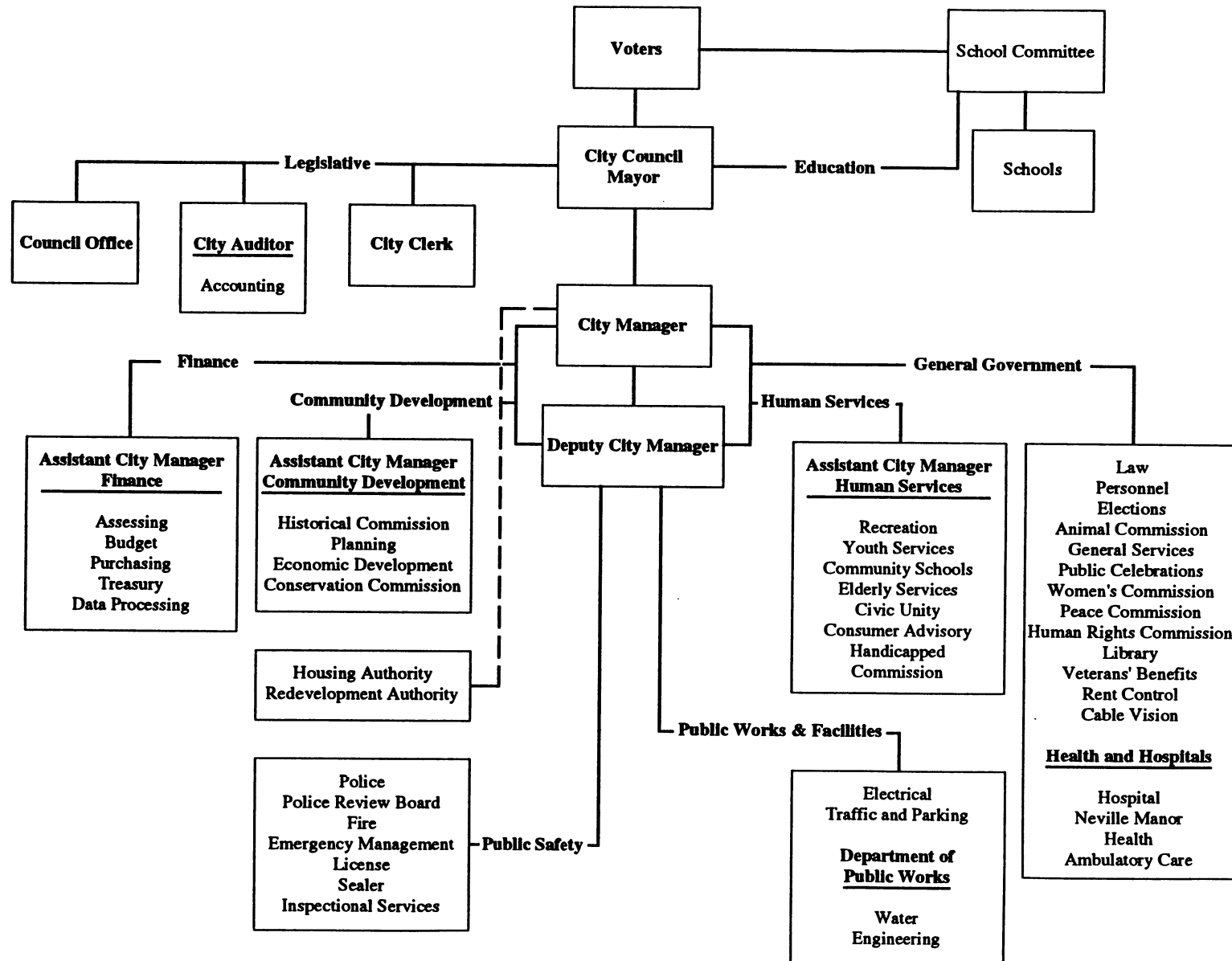
Henrietta Davis	James J. Rafferty
Alfred B. Fantini	E. Denise Simmons
David P. Maher	Larry Weinstein

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	D. Margaret Drury

Organizational Chart

City of Cambridge, Massachusetts



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cambridge,
Massachusetts

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1991

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



[Signature]
President

[Signature]
Executive Director

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Financial Section

INDEPENDENT AUDITORS' REPORT

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 auditor's report on their audit of the City's financial statements is contained in this section.

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Independent Auditors' Report

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

We have audited the general purpose financial statements of the City of Cambridge, Massachusetts, as of and for the year ended June 30, 1992, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Cambridge, Massachusetts, at June 30, 1992, and the results of its operations and cash flows of its proprietary and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

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

December 14, 1992



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GENERAL PURPOSE FINANCIAL STATEMENTS

These "general purpose financial statements" provide a broad financial overview for users requiring less detailed information than is presented in the individual statements for each separate fund and account group.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Balance Sheet
All Fund Types and Account Groups

June 30, 1992

Assets and Other Debits	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
	General	Special Revenue	Capital Projects	Enterprise (note 10)	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	(Memorandum Only)
Cash and short-term investments (note 4)	\$ 32,213,743	6,556,181	5,378,345	27,731,024	557,756	21,785,323	-	-	94,222,372
Other investments, at cost (note 4)	-	-	-	-	-	117,678,262	-	-	117,678,262
Receivables:									
Property taxes	9,807,232	-	-	-	-	-	-	-	9,807,232
Tax titles and possessions	10,719,697	-	-	-	-	-	-	-	10,719,697
Motor vehicle excise	2,036,061	-	-	-	-	-	-	-	2,036,061
Accounts	2,142,873	-	-	29,553,448	-	474,293	-	-	32,170,614
Allowance for uncollectible receivables	(15,766,644)	-	-	(16,310,795)	-	-	-	-	(32,077,439)
Due from other funds (note 11)	-	-	974,842	980,846	-	-	-	-	1,955,688
Due from other governments (note 5)	-	1,012,301	260,843	-	-	907,844	-	-	2,180,988
Fixed assets (net, where applicable, of accumulated depreciation) (note 6)	-	-	-	99,202,530	47,190	-	269,815,353	-	369,065,073
Other assets	-	-	-	510,395	-	1,120,734	-	-	1,631,129
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	163,048,794	163,048,794
Total assets	\$ 41,152,962	7,568,482	6,614,030	141,667,448	604,946	141,966,456	269,815,353	163,048,794	772,438,471

See accompanying notes to general purpose financial statements.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

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

June 30, 1992

Liabilities, Fund Equity and Other Credits	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise (note 10)	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	
Liabilities:									
Warrants payable	\$ 1,476,576	-	-	-	-	-	-	-	1,476,576
Accrued liabilities:									
Tax abatement refunds	1,563,351	-	-	-	-	-	-	-	1,563,351
Guarantee deposits and amounts due to other taxing authorities	-	-	-	-	-	934,837	-	-	934,837
Compensated absences (note 8)	-	-	-	3,166,133	-	-	-	8,549,834	11,715,967
Pension costs (notes 8 and 13)	-	-	-	-	-	-	-	116,293,960	116,293,960
Other	15,051,707	634,794	1,095,442	2,925,219	-	344,453	-	-	20,051,615
Due to third parties	-	-	-	3,833,556	-	-	-	-	3,833,556
Due to other funds (note 11)	228,592	-	-	1,727,096	-	-	-	-	1,955,688
Capital lease obligation (note 7)	-	-	-	1,182,250	-	-	-	-	1,182,250
Deferred revenue	6,658,474	-	-	-	-	-	-	-	6,658,474
General obligation bonds payable (note 8)	-	-	-	24,615,000	-	-	-	38,205,000	62,820,000
Total liabilities	<u>24,978,700</u>	<u>634,794</u>	<u>1,095,442</u>	<u>37,449,254</u>	<u>-</u>	<u>1,279,290</u>	<u>-</u>	<u>163,048,794</u>	<u>228,486,274</u>
Fund equity and other credits:									
Investments in general fixed assets	-	-	-	-	-	-	269,815,353	-	269,815,353
Retained earnings	-	-	-	98,006,803	604,946	-	-	-	98,611,749
Contributed capital	-	-	-	6,211,391	-	-	-	-	6,211,391
Fund balances:									
Reserved for encumbrances	4,834,074	1,530,494	5,518,588	-	-	-	-	-	11,883,156
Reserved for specific purposes (note 9)	396,272	780,381	-	-	-	140,687,166	-	-	141,863,819
Unreserved	<u>10,943,916</u>	<u>4,622,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,566,729</u>
Total fund equity and other credits	<u>16,174,262</u>	<u>6,933,688</u>	<u>5,518,588</u>	<u>104,218,194</u>	<u>604,946</u>	<u>140,687,166</u>	<u>269,815,353</u>	<u>-</u>	<u>543,952,197</u>
Commitments and contingencies (note 12)									
Total liabilities, fund equity and other credits	\$ <u>41,152,962</u>	<u>7,568,482</u>	<u>6,614,030</u>	<u>141,667,448</u>	<u>604,946</u>	<u>141,966,456</u>	<u>269,815,353</u>	<u>163,048,794</u>	<u>772,438,471</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year ended June 30, 1992

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>		
Revenues:					
Property taxes	\$ 118,108,622	-	-	-	118,108,622
Payments in lieu of tax receipts	2,643,079	-	-	-	2,643,079
Hotel/motel excise tax	2,359,477	-	-	-	2,359,477
Intergovernmental	32,276,073	19,282,174	3,126,122	-	54,684,369
Sewer use	12,442,709	-	-	-	12,442,709
Motor vehicle excise	2,526,449	-	-	-	2,526,449
Investment income	1,548,691	416,375	-	789,473	2,754,539
Other	8,215,168	12,054,898	-	1,220,912	21,490,978
Total revenues	<u>180,120,268</u>	<u>31,753,447</u>	<u>3,126,122</u>	<u>2,010,385</u>	<u>217,010,222</u>
Expenditures:					
Current:					
General government	16,460,298	-	-	-	16,460,298
Public safety	47,273,054	-	-	-	47,273,054
Community maintenance and development	19,968,133	-	-	-	19,968,133
Health department	970,846	-	-	-	970,846
Human resource development	8,719,185	-	-	-	8,719,185
Education	71,550,633	5,812,920	-	-	77,363,553
Fuel assistance	-	1,662,699	-	-	1,662,699
Judgments and claims	3,689,594	-	-	-	3,689,594
State assessments	15,905,663	-	-	-	15,905,663
Other	-	8,280,165	-	269,800	8,549,965
Capital outlay	-	-	14,224,457	-	14,224,457
Debt service:					
Principal retirement	4,435,000	-	-	-	4,435,000
Interest	1,755,661	-	-	-	1,755,661
Total expenditures	<u>190,728,067</u>	<u>15,755,784</u>	<u>14,224,457</u>	<u>269,800</u>	<u>220,978,108</u>
Excess (deficiency) of revenues over expenditures	<u>(10,607,799)</u>	<u>15,997,663</u>	<u>(11,098,335)</u>	<u>1,740,585</u>	<u>(3,967,886)</u>
Other financing sources (uses):					
Operating transfers from other funds (note 15)	14,156,551	-	4,039,323	1,011,155	19,207,029
Operating transfers to other funds (note 15)	(13,883,957)	(14,794,527)	-	(1,288,108)	(29,966,592)
Issuance of bonds (note 8)	-	-	7,180,000	-	7,180,000
Total other financing sources (uses)	<u>272,594</u>	<u>(14,794,527)</u>	<u>11,219,323</u>	<u>(276,953)</u>	<u>(3,579,563)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(10,335,205)</u>	<u>1,203,136</u>	<u>120,988</u>	<u>1,463,632</u>	<u>(7,547,449)</u>
Fund equity at beginning of year	<u>26,509,467</u>	<u>5,730,552</u>	<u>5,397,600</u>	<u>14,302,034</u>	<u>51,939,653</u>
Fund equity at end of year	\$ <u>16,174,262</u>	<u>6,933,688</u>	<u>5,518,588</u>	<u>15,765,666</u>	<u>44,392,204</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Revenues and Expenditures - Budgetary Basis General Fund - Budget and Actual

Year ended June 30, 1992

	1992 Budget (note 14)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Revenues:				
Property taxes	\$ 128,050,000	128,050,000	-	117,995,525
Provisions for tax abatements and adjustments	(3,500,000)	(3,500,000)	-	(2,995,525)
Payments in lieu of tax receipts	2,100,000	2,643,079	543,079	2,628,930
Hotel/motel excise tax	2,450,000	2,359,477	(90,523)	2,795,249
Intergovernmental	31,980,180	32,276,073	295,893	38,128,709
Hospital, infirmary and health department	67,043,910	73,725,725	6,681,815	69,799,489
Sewer use	12,165,870	12,442,709	276,839	11,212,093
Water use	8,044,590	8,237,173	192,583	6,992,719
Motor vehicle excise	2,461,660	2,526,449	64,789	2,703,707
Investment income	2,200,000	1,576,043	(623,957)	2,742,970
Other	6,965,815	8,303,110	1,337,295	8,062,383
Total revenues	<u>259,962,025</u>	<u>268,639,838</u>	<u>8,677,813</u>	<u>260,066,249</u>
Expenditures:				
Current:				
General government	17,003,774	15,045,313	1,958,461	15,344,111
Public safety	47,409,618	46,882,889	526,729	45,900,338
Community maintenance and development	21,915,502	20,416,173	1,499,329	20,907,100
Health and hospital services	70,412,340	70,357,376	54,964	63,015,281
Human resource development	8,904,039	8,761,217	142,822	8,291,888
Education	71,874,805	71,874,739	66	68,796,729
Judgments and claims	1,190,360	1,188,400	1,960	696,637
Intergovernmental	16,077,656	16,075,020	2,636	13,336,603
Water	4,655,190	4,585,200	69,990	4,261,520
Debt service:				
Principal retirement	5,905,620	5,905,620	-	5,546,358
Interest	2,353,000	2,308,364	44,636	2,253,121
Total expenditures	<u>267,701,904</u>	<u>263,400,311</u>	<u>4,301,593</u>	<u>248,349,686</u>
Excess (deficiency) of revenues over expenditures	<u>(7,739,879)</u>	<u>5,239,527</u>	<u>12,979,406</u>	<u>11,716,563</u>
Operating transfers in (out):				
Special revenue funds	13,856,160	13,794,626	(61,534)	11,723,257
Capital projects funds	(11,669,422)	(11,669,422)	-	(8,954,000)
Trust funds	(898,875)	(898,875)	-	101,125
	<u>1,287,863</u>	<u>1,226,329</u>	<u>(61,534)</u>	<u>2,870,382</u>
Excess (deficiency) of revenues and operating transfers in over expenditures and operating transfers out	<u>(6,452,016)</u>	<u>6,465,856</u>	<u>12,917,872</u>	<u>14,586,945</u>
Other budget items:				
Free cash appropriations	6,839,500			
Prior year deficits raised	(387,484)			
Total other budget items	<u>(6,452,016)</u>			
Net budget and actual	\$ <u>-</u>			

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year ended June 30, 1992

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise (note 10)</u>	<u>Internal Service</u>	<u>Pension Trust</u>	<u>Non- Expendable Trust</u>	
Operating revenues:					
Patient service revenue, net of allowance and uncollectible accounts	\$ 64,799,147	-	-	-	64,799,147
Charges for services	8,194,289	123,230	-	-	8,317,519
Income from employer and member contributions	-	-	22,260,836	-	22,260,836
Donations	-	-	-	13,450	13,450
Investment income	-	-	6,389,273	11,155	6,400,428
Net gain on sale of investment	-	-	111,918	-	111,918
Bond amortization	-	-	530,271	-	530,271
Other	<u>17,255,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,255,343</u>
Total operating revenues	<u>90,248,779</u>	<u>123,230</u>	<u>29,292,298</u>	<u>24,605</u>	<u>119,688,912</u>
Operating expenses:					
Administration	2,692,333	-	-	-	2,692,333
Finance	3,802,809	-	-	-	3,802,809
Service and support programs	52,378,264	61,300	-	-	52,439,564
General services	12,394,112	-	-	-	12,394,112
Depreciation	3,561,121	11,088	-	-	3,572,209
Provision for bad debts	6,990,885	-	-	-	6,990,885
Pension plan benefit payments	-	-	17,466,638	-	17,466,638
Other	<u>1,588,200</u>	<u>-</u>	<u>204,602</u>	<u>-</u>	<u>1,792,802</u>
Total operating expenses	<u>83,407,724</u>	<u>72,388</u>	<u>17,671,240</u>	<u>-</u>	<u>101,151,352</u>
Operating income	6,841,055	50,842	11,621,058	24,605	18,537,560
Non-operating revenues and expenses:					
Interest income	84,176	-	-	-	84,176
Interest expense	<u>(1,686,233)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,686,233)</u>
Net income before operating transfers	5,238,998	50,842	11,621,058	24,605	16,935,503
Operating transfers from other funds (note 15)	9,844,535	-	-	1,186,983	11,031,518
Operating transfers to other funds (note 15)	<u>(260,800)</u>	<u>-</u>	<u>-</u>	<u>(11,155)</u>	<u>(271,955)</u>
Net income	14,822,733	50,842	11,621,058	1,200,433	27,695,066
Retained earnings/fund equity:					
Beginning of year	<u>83,184,070</u>	<u>554,104</u>	<u>111,935,982</u>	<u>164,027</u>	<u>195,838,183</u>
End of year	\$ <u>98,006,803</u>	<u>604,946</u>	<u>123,557,040</u>	<u>1,364,460</u>	<u>223,533,249</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Funds
Year ended June 30, 1992

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise (note 10)</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Cash flows from operating activities:				
Operating income	\$ 6,841,055	50,842	24,605	6,916,502
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,561,121	11,088	-	3,572,209
Interest income	84,176	-	-	84,176
Change in assets and liabilities:				
Due to third parties	3,257,009	-	-	3,257,009
Accounts receivable, net	(3,107,165)	-	-	(3,107,165)
Interfund receivables	2,112,133	-	-	2,112,133
Other assets	(198,020)	-	-	(198,020)
Accrued liabilities	1,042,059	-	-	1,042,059
Interfund payables	161,933	-	-	161,933
Capital lease obligations	(83,463)	-	-	(83,463)
Net cash provided by operating activities	<u>13,670,838</u>	<u>61,930</u>	<u>24,605</u>	<u>13,757,373</u>
Cash flows from noncapital financial activities:				
Operating transfer - in from general fund	9,844,535	-	-	9,844,535
Operating transfer - in from expendable trust	-	-	1,186,983	1,186,983
Operating transfer - out to general fund	(260,800)	-	-	(260,800)
Operating transfer - out to capital project fund	-	-	-	-
Operating transfer - out to expendable trust fund	-	-	(11,155)	(11,155)
Net cash provided by non-capital financing activities	<u>9,583,735</u>	<u>-</u>	<u>1,175,828</u>	<u>10,759,563</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of bonds	2,500,000	-	-	2,500,000
Acquisition of capital assets	(9,700,314)	-	-	(9,700,314)
Principal paid on revenue bonds	(3,290,000)	-	-	(3,290,000)
Interest paid on revenue bonds	(1,686,232)	-	-	(1,686,232)
Net cash used for capital and related financing activities	<u>(12,176,546)</u>	<u>-</u>	<u>-</u>	<u>(12,176,546)</u>
Cash flows from investing activities:				
Purchase of investments	-	-	(1,009,634)	(1,009,634)
Net increase in cash and cash equivalents	<u>11,078,027</u>	<u>61,930</u>	<u>190,799</u>	<u>11,330,756</u>
Cash and cash equivalents at beginning of year	<u>16,652,997</u>	<u>495,826</u>	<u>160,008</u>	<u>17,308,831</u>
Cash and cash equivalents at end of year	\$ <u>27,731,024</u>	<u>557,756</u>	<u>350,807</u>	<u>28,639,587</u>

See accompanying notes to general purpose financial statements.

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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(1) Definition of Reporting Entity

The general purpose 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 general purpose 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 general purpose 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, 1991, 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 general purpose financial statements of the City. The Housing and Redevelopment Authority's governing board (appointed by the City Manager and the State legislature) selects management staff, establishes budgets, and controls all aspects of each entity's management and development. 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 general purpose financial statements. The following fund types and account groups are used by the City:

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

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 and the general long-term obligations account group) 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:

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 and capital maintenance. The following are the City's proprietary fund types:

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

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

FIDUCIARY FUND TYPES

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (1) expendable trust funds, (2) nonexpendable trust funds, (3) pension trust funds, and (4) agency funds. Expendable trust funds are accounted for similar to governmental funds. Nonexpendable trust funds and pension trust funds are accounted for similar to proprietary funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The following are the City's account groups:

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the City, except for fixed assets purchased through proprietary funds.

General Long-term Obligations Account Group - This account group is used to account for all long-term obligations of the City except for debt issued for enterprise funds.

(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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the liability is incurred except for (1) principal and interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued pension costs and accrued vacation and sick leave, which are recorded as liabilities of the general long-term obligations account group.

Those revenues susceptible to accrual are property taxes, investment income and intergovernmental revenue. Motor vehicle excise taxes, licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

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 are met.

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 (the Hospital) is recorded at established rates charged less provisions for charity allowances and uncollectible accounts which are deducted to arrive at net patient service revenue. Patient service revenue received under certain cost reimbursement agreements is subject to audit and adjustments by third-party payors. Provisions for estimated adjustments under these agreements are accrued in the period in which the related services are rendered and adjusted in future periods as final settlements are made.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

Charity Care

The Hospital provides charity care to patients who are unable to pay. The amount of foregone charges are \$13,190,015 for the year ended June 30, 1992. The Hospital provides services to Medicaid patients at less than cost which the Hospital considers partial charity care amounting to \$2,041,001 for the year ended June 30, 1992.

The Commonwealth of Massachusetts maintains an Uncompensated Care Pool fund which requires hospitals to uniformly fund free care and bad debts incurred by hospitals. The Hospital made payments to the Pool in 1992 in the amount of \$1,359,784.

The Hospital has recognized revenues of \$12,468,648 in fiscal 1992 for expected reimbursement from the Uncompensated Care Pool.

On December 31, 1991 (retroactive to October 1, 1991), the Massachusetts legislature enacted Chapter 495 which established a new reimbursement system for hospitals. Chapter 495 allows individual hospitals to negotiate and contract directly with third party payors, thereby deregulating hospital revenues and allowing competitive forces to control hospital charges. However, the legislation establishes gross inpatient services revenue caps for a two year transition period (including fiscal years 1992 and 1991). In addition to an overall price cap, hospitals are also subject to individual price caps based on diagnostic related groups (DRG). Chapter 495 continues the use of a statewide pool to uniformly fund uncompensated care with some modifications. The principal change is that bad debts are no longer reimbursed, except those related to emergency services provided to uninsured patients and for which reasonable collection efforts have been made.

The Hospital has agreements with numerous third party payors. The following summarizes the most significant agreements. The Hospital currently has a Memorandum of Understanding (MOU) with Blue Cross, pending the execution of the final contract. The MOU for inpatient services utilizes a combination of per discharge and per diem payments based on the DRG system established by the state of New York. Payment for outpatient services under the Blue Cross MOU is based on a payment on account factor. Medicaid payments are based on a contract with the Massachusetts Department of Public Welfare. Payments for inpatient services are on a per discharge and per diem basis. Payments for clinic and emergency services are on a per visit basis and payments for ancillary services reflect a combination of discounted charges and fee schedules. The Hospital has contracts with many managed care providers. Most contracts provide for per diem and per discharge payments. Commercial insurers reimburse the Hospital for services on the basis of established charges. Since July 1, 1986, the Hospital has been paid under the Federal Prospective Payment System which governs Medicare reimbursement.

Prior to fiscal 1992, payments for services from all payors with the exception of Medicare were governed by a series of legislative acts beginning in fiscal 1993. Under the prior system, gross revenues were subject to caps based on the Maximum Allowable Costs (MAC) for each year, with carryforward adjustments for any over or under generation of revenues. Under this system, commercial insurers generally paid at the level of established gross charges, Blue Cross and Medicaid paid at discounted levels, and managed care plans were free to negotiate

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

discounts from charges. The Hospital is required to prepare and file certain compliance reports which are subject to audit and pursuant to the Blue Cross agreement, Chapter 495 and Medicare regulations. The Hospital is current with respect to all compliance filings. Differences between actual and final settlements are recorded as contractual adjustments in the year determined. Final settlements have been determined with Medicaid through fiscal 1982, Medicare through fiscal 1986, and Blue Cross through fiscal 1985.

(c) Investments

Investments, other than those of the Pension Trust Fund, are carried at cost or amortized cost which approximates market value. The accounting policy for investments of the Pension Trust Fund is described in note 13.

(d) Cash Equivalents

For purposes of the statement of cash flows, the proprietary and nonexpendable trust funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(e) Encumbrances and Continuing Appropriations

The City uses encumbrance accounting in its governmental funds as a method of recording commitments under purchase orders and contracts. Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the General Fund as a significant aspect of budgetary control.

Unencumbered appropriations which are carried over to the ensuing fiscal year are reported as "continuing appropriations" and all other appropriations lapse at year end. Continuing appropriations represent amounts appropriated for specific programs or projects which were not completed by the end of the fiscal year.

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

(f) 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 (subject to certain limitations) at their then current rates of pay. The noncurrent portion 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 obligations account group. The liability for sick and vacation pay of the Proprietary Funds is recorded as a liability of that fund.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(g) Judgments and Claims

Expenditures for judgments and claims are recorded in the governmental funds to the extent they are expected to be paid from expendable available resources. Estimated liabilities for judgments and claims of Proprietary Funds are recorded as liabilities of those funds.

(h) General Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value at the time received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest been capitalized.

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

Property, plant and equipment owned by the proprietary funds is stated at historical cost or estimated fair market value at the time received. Net interest costs are capitalized on projects during the construction period. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-50 years
Improvements	10-20 years
Equipment	5-30 years

(j) Self-insurance

The City has established a self-insured medical program for all employees not participating in various Health Maintenance Organizations (HMO's). Both employees and the City contribute to the fund based upon a 99% (City) and 1% (employee) primary care premium formula. The purpose of this program is to pay medical claims of the City's employees and their covered dependents.

(k) Total Columns - Memorandum Only

Total columns on the general purpose financial statements are captioned "Total Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund eliminations have not been made.

(l) Reclassifications

Certain prior year information has been reclassified to conform with the current year presentation.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(3) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. In fiscal 1992, real estate and personal property taxes were levied on October 13, 1991. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The City has an ultimate right to foreclose on property for which taxes have not been paid. A tax lien is issued on the property when more than one year's tax is overdue. Property taxes levied are recorded as receivables, 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" limits the property tax levy to an amount equal to 2-1/2% of the value of all taxable property in the City. A secondary limitation is that no levy in a fiscal year may exceed the preceding year's allowable tax levy by more than 2-1/2%, plus taxes levied on certain property newly added to the tax rolls. Certain Proposition 2-1/2 taxing limitations can be overridden by a City-wide referendum vote.

(4) Deposits and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

In addition, the City's Pension Trust Fund has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

Deposits

The following summary presents the amount of City deposits which are fully insured or collateralized with securities held by the City or its agent in the City's name (Category 1), those deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name (Category 2), and those deposits which are not collateralized (Category 3) at June 30, 1992.

	Bank Balances			Total Bank Balance	Carrying Amount
	Category 1	Category 2	Category 3		
Cash	\$ 367,922	-	9,130,046	9,497,968	5,906,919
Money market	<u>18,536,218</u>	<u>2,156,640</u>	<u>1,325,376</u>	<u>22,018,234</u>	<u>19,773,031</u>
Total	\$ <u>18,904,140</u>	<u>2,156,640</u>	<u>10,455,422</u>	<u>31,516,202</u>	<u>25,679,950</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

Investments

The City categorizes investments according to the level of risk assumed by the City. Category 1 includes investments that are insured, registered or held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the City's name. Investments in MMDT and insurance contracts, and pooled funds are not categorized.

		Category			Not	Carrying	Estimated
		1	2	3	Categorized	Amount	Market
							Value
MMDT	\$	-	-	-	68,542,422	68,542,422	68,542,422
Common stocks		56,197,330	-	-	-	56,197,330	63,502,097
Corporate bonds		25,792,158	-	605,313	-	26,397,471	27,708,219
Treasury securities		13,003,720	-	-	-	13,003,720	13,003,700
Insurance contracts		-	-	-	22,079,741	22,079,741	23,481,583
Total	\$	<u>94,993,208</u>	<u>-</u>	<u>605,313</u>	<u>90,622,163</u>	<u>186,220,684</u>	<u>196,238,041</u>

Of the investments reflected in the preceding table 3 investments of the City's Pension Fund constitute 100% of the amounts in Categories 1 and 3.

The composition of the City's bank-recorded deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

(5) Due From Other Governments

The following is a summary of amounts due from other governments as of June 30, 1992:

Commonwealth of Massachusetts	\$ 907,844
U.S. Department of Housing and Urban Development	293,876
Other Federal and state agencies	<u>979,268</u>
	<u>\$ 2,180,988</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(6) Fixed Assets

A summary of general fixed assets activity for the year ended June 30, 1992 follows:

	Balance June 30, <u>1991</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>1992</u>
Land	\$ 163,938,353	8,123,885	-	172,062,238
Buildings	67,315,527	4,884,731	-	72,200,258
Improvements other than buildings	1,493,149	5,426,539	-	6,919,688
Equipment	17,011,580	1,745,673	668,962	18,088,291
Construction in progress	<u>11,358,616</u>	<u>544,878</u>	<u>11,358,616</u>	<u>544,878</u>
	<u>\$ 261,117,225</u>	<u>20,725,706</u>	<u>12,027,578</u>	<u>269,815,353</u>

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

The sources of funds used to acquire fixed assets were impractical to obtain; therefore, the sources of fixed assets are not presented.

Construction in progress at June 30, 1992 is composed of the following:

	Project <u>Authorization</u>	<u>Expended</u>	<u>Committed</u>
General Fixed Assets:			
Teen Center	\$ <u>2,930,000</u>	<u>544,878</u>	<u>2,385,122</u>
Water Fund:			
Water Treatment Plant	\$ <u>3,000,000</u>	<u>159,819</u>	<u>2,840,181</u>

As of June 30, 1992, there is no required future financing for these construction projects.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

A summary of proprietary fund type property, plant, and equipment at June 30, 1992 follows:

	<u>Hospital and Neighborhood Health Centers</u>	<u>Neville Manor</u>	<u>Water</u>	<u>Total Enterprise</u>	<u>Internal Service</u>
Land	\$ 140,000	5,460,000	39,264,325	44,864,325	-
Buildings	18,598,926	2,094,052	8,527,921	29,220,899	-
Improvements other than buildings	2,855	-	15,282,754	15,285,609	-
Equipment	29,192,867	495,192	7,891,323	37,579,382	171,181
Construction in progress	<u>-</u>	<u>-</u>	<u>159,819</u>	<u>159,819</u>	<u>-</u>
	47,934,648	8,049,244	71,126,142	127,110,034	171,181
Less accumulated depreciation	<u>(17,471,411)</u>	<u>(914,586)</u>	<u>(9,521,507)</u>	<u>(27,907,504)</u>	<u>(123,991)</u>
	\$ <u>30,463,237</u>	<u>7,134,658</u>	<u>61,604,635</u>	<u>99,202,530</u>	<u>47,190</u>

(7) Leases

Cambridge Hospital is obligated under the terms of a lease agreement for office facilities. The components of the capital lease included in fixed assets follow:

Buildings	\$ 1,337,389
Accumulated amortization	<u>(155,139)</u>
Total	\$ <u>1,182,250</u>

Future minimum lease commitments under the capital lease obligation is as follows:

1993	\$ 187,777
1994	197,660
1995	207,543
1996	213,769
1997	220,182
Thereafter	<u>460,379</u>
Net minimum lease payments	1,487,310
Less: imputed interest	<u>(305,060)</u>
Present value of net minimum lease payments	\$ <u>1,182,250</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(8) Long-term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Bonds reported in the proprietary funds are expected to be paid from proprietary fund revenues. Bonds reported in the general long-term obligations account group are expected to be paid from general fund revenues.

The following is a summary of general obligation bond transactions of the City for the year ended June 30, 1992:

	General Obligation	Enterprise Funds	Total
Bonds payable at June 30, 1991	\$ 38,580,000	25,405,000	63,985,000
New debt issued: Municipal Purpose Loans	7,180,000	2,500,000	9,680,000
Debt retired: Serial bonds	<u>7,555,000</u>	<u>3,290,000</u>	<u>10,845,000</u>
Bonds payable at June 30, 1992	\$ <u>38,205,000</u>	<u>24,615,000</u>	<u>62,820,000</u>

Principal retirement of general obligation bonds is recorded in the general purpose financial statements as debt service expenditures of \$4,435,000 and education expenditures of \$3,120,000, totalling \$7,555,000 of principal retirement costs.

The following is a summary of the composition of general long-term obligations outstanding at June 30, 1991 and 1992:

Description and Repayment Terms	Date of Obligation	Original Issue	Maturity Date	Interest Rates	Outstanding June 30, 1991	Additions	Retirements	Outstanding June 30, 1992
General purpose, serial maturities through June 15, 2002	6/15/87 to 6/15/92	\$ 6,585,000	6/15/02	4.3% to 6.0%	\$ 4,485,000	500,000	710,000	4,275,000
Urban redevelopment, serial maturities through June 15, 2002	7/1/85 to 6/15/92	26,465,000	6/15/02	4.3% to 7.0%	13,135,000	5,480,000	2,255,000	16,360,000
Schools, serial maturities through June 15, 2002	6/15/78 to 6/15/92	43,925,000	6/15/02	4.3% to 9.0%	13,490,000	1,700,000	3,035,000	11,655,000
Street reconstruction, serial maturities through June 15, 1999	6/15/87 to 6/15/89	6,500,000	6/15/99	5.6% to 6.5%	4,500,000	-	650,000	3,850,000
Water, serial maturities through October 15, 1996	9/1/72 to 12/15/82	<u>13,165,000</u>	10/15/96	4.7% to 9.2%	<u>2,970,000</u>	-	<u>905,000</u>	<u>2,065,000</u>
Total bonds		\$ <u>96,640,000</u>			<u>38,580,000</u>	<u>7,180,000</u>	<u>7,555,000</u>	<u>38,205,000</u>
Accrued compensated absences					<u>7,518,801</u>	<u>1,031,033</u>	-	<u>8,549,834</u>
Accrued pension costs					<u>112,483,518</u>	<u>3,810,442</u>	-	<u>116,293,960</u>
Total general long-term obligations					\$ <u>158,582,319</u>	<u>12,021,475</u>	<u>7,555,000</u>	<u>163,048,794</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

The annual requirements to amortize all general long-term obligation bond debt outstanding as of June 30, 1992 are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 7,875,000	2,074,100	9,949,100
1994	7,175,000	1,606,154	8,781,154
1995	5,785,000	1,225,716	7,010,716
1996	5,315,000	915,399	6,230,399
1997	4,875,000	633,652	5,508,652
Thereafter	<u>7,180,000</u>	<u>714,316</u>	<u>7,894,316</u>
	\$ <u>38,205,000</u>	<u>7,169,337</u>	<u>45,374,337</u>

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

The City 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, 1992, the City had available borrowings inside the debt margin of \$181,178,125. Authorized and unissued debt at June 30, 1992 was \$36,100,000.

At June 30, 1992, the City had grants receivable from the School Building Assistance Bureau (SBAB) of \$14,852,688 to defray principal and interest costs related to \$11,655,000 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, \$1,738,917 will be received in 1993, \$2,610,997 in 1994 and the balance will be received in subsequent years.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

Enterprise Fund serial bond issues outstanding at June 30, 1992 were \$11,390,000, \$11,725,000 and \$1,500,000 for the Cambridge Hospital, Water Fund and Neville Manor, respectively. Interest rates range from 5.6% to 7.0% for the Hospital, 4.3% to 6.6% for the Water Fund and 4.3% to 5.3% for Neville Manor. The Hospital's and Water Fund's weighted average interest rates were 6.4%. Outstanding debt matures in subsequent fiscal years as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 3,340,000	1,519,253	4,859,253
1994	3,340,000	1,313,678	4,653,678
1995	3,115,000	1,114,152	4,229,152
1996	3,115,000	923,038	4,038,038
1997	3,115,000	783,523	3,898,523
Thereafter	<u>8,590,000</u>	<u>1,127,101</u>	<u>9,717,101</u>
	<u>\$ 24,615,000</u>	<u>6,780,745</u>	<u>31,395,745</u>

The Massachusetts Water Resources Authority (MWRA), the Massachusetts Bay Transportation Authority (MBTA), and Middlesex County assess the City a net cost of service, including debt service requirements, in accordance with various formulas. The following summary sets forth the unaudited amount of long-term debt of each entity as well as the City's share of the debt at June 30, 1992 and the City's 1992 assessment from each entity:

	<u>Long-term debt outstanding</u>	<u>The City's estimated share</u>	<u>The City's estimated indirect debt</u>	<u>FY 1992 Assessment including debt service</u>
MBTA	\$ 1,708,230,000	4.90%	\$ 83,757,933	\$ 5,817,222
MWRA	1,876,648,000	4.56%	85,509,870	5,702,702
Middlesex County	1,430,000	7.88%	112,684	203,738

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(9) Fund Balances Reserved for Specific Purposes

Fund balances are reserved for the following purposes as of June 30, 1992:

General Fund:

Sale of Real Estate (section 63 of Chapter 44 Massachusetts General Laws)	\$ 48,157
Other	<u>348,115</u>
	<u>\$ 396,272</u>

Special Revenue Funds:

School Grants	140,626
Fuel Assistance Grants	322,231
Other Grants	<u>317,524</u>
	<u>\$ 780,381</u>

Trust Funds:

Retirement	123,557,040
Stabilization	4,223,362
Cemetery Perpetual Care	1,315,590
Health Claims	9,349,138
School	63,853
Neville Manor	76,305
Library	121,966
Bridge Charitable	18,018
Charles Bullock	227,070
Facade Preservation	26,748
Housing	1,569,443
Smith-Hughes	5,596
John Kinnear	14,824
Melville Shoe	1,129
Bridget McGuire	7,846
Cambridge Plant and Garden	22,366
Molly Ramsey	17,802
Soldier's Monument	1,149
Sheehan War Memorial	8,778
Daniel White/Warren Merrill	25,680
Mary Conlon Park	5,205
Special Law Enforcement	22,858
Pasquale & Mary Reale	4,320
Public planting	<u>1,080</u>
	<u>\$ 140,687,166</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(10) Segment Information for Enterprise Funds

The City maintains Enterprise Funds which provide hospital, nursing home and water services. Segment information for the year ended June 30, 1992 follows:

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Operating revenues	\$ <u>69,270,909</u>	<u>12,134,118</u>	<u>8,843,752</u>	<u>90,248,779</u>
Operating income	<u>1,227,476</u>	<u>2,253,311</u>	<u>3,360,268</u>	<u>6,841,055</u>
Net operating transfers in (out)	<u>9,002,915</u>	<u>841,620</u>	<u>(260,800)</u>	<u>9,583,735</u>
Depreciation expense	<u>2,555,094</u>	<u>37,689</u>	<u>968,338</u>	<u>3,561,121</u>
Net income	<u>9,297,758</u>	<u>3,179,107</u>	<u>2,345,868</u>	<u>14,822,733</u>
Fixed assets	<u>30,463,237</u>	<u>7,134,658</u>	<u>61,604,635</u>	<u>99,202,530</u>
Net working capital	<u>25,285,199</u>	<u>3,475,199</u>	<u>1,542,121</u>	<u>30,302,519</u>
Total assets	<u>65,103,051</u>	<u>11,559,211</u>	<u>65,005,186</u>	<u>141,667,448</u>
Long-term obligations	<u>11,390,000</u>	<u>1,500,000</u>	<u>11,725,000</u>	<u>24,615,000</u>
Retained earnings	<u>43,097,252</u>	<u>3,487,795</u>	<u>51,421,756</u>	<u>98,006,803</u>

(11) Individual Fund Receivables/Payables and Deficits

Individual balances of amounts due from and to other funds at June 30, 1992 are as follows:

	Due from other funds	Due to other funds
General Fund	\$ -	228,592
Capital Projects Fund	974,842	-
Enterprise Funds:		
Hospital and Neighborhood Health Center's Fund	663,431	-
Neville Manor Fund	317,415	-
Water Fund	-	<u>1,727,096</u>
	<u>\$ 1,955,688</u>	<u>1,955,688</u>

There were no individual fund deficits or significant operating deficits for fiscal year 1992.

(12) Commitments and Contingencies

See note 8 for a discussion of commitments by the City to the MWRA, MBTA, and Middlesex County.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

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 or unasserted claims for malpractice are likely to result in final judgments that would materially affect the financial condition of the Hospital.

The City participates in a number of federal financial assistance programs, principal of which are the Community Development Block Grant, Low Income Home Energy Assistance, National School Lunch, and numerous Education Grant programs. Although the City's grant programs have been audited in accordance with the provisions of the Single Audit Act through June 30, 1992, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

(13) Pension Plan

(a) Plan Description

The City contributes to the City of Cambridge Employees' Retirement System ("System"), a single employer public employee retirement system that acts as the investment and administrative agent for the City. The City's payroll for employees covered by the System for the year ended June 30, 1992 was \$113,995,397. Public school teachers are covered by the Commonwealth of Massachusetts Teachers' Retirement System (TRS), to which the City of Cambridge, Massachusetts does not contribute. The City's payroll for teachers covered by the TRS for the year ended June 30, 1992 was \$37,212,613. The total payroll for the City was \$151,208,010.

The System and the TRS are contributory defined benefit plans covering all City employees and teachers deemed eligible.

Instituted in 1939, the System is a member of the Massachusetts Contributory System and is governed by M.G.L. Chapter 32 of the Massachusetts General Laws (MGL). Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. Current members of the System consist of the following:

Retired and inactive	1,599
Active:	
Vested	1,522
Nonvested employees covered by the Plan	<u>1,522</u>
Total	<u>4,643</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

The System and TRS provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification. Members joining the System after January 1, 1979 were subject to a cap of \$30,000 on the level of compensation upon which their benefit is calculated. Effective January 2, 1991, the \$30,000 salary cap was removed.

Members of both systems become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The System and the TRS also provide for early retirement at age 55 if the participant (1) has a record of 10 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. Active members contribute either 5, 7, or 8% of their gross regular compensation depending on the date upon which their membership began. With the removal of the \$30,000 cap on January 2, 1991, employees hired after January 1, 1979 earning more than \$30,000 annually, must contribute an additional 2% above these base amounts. The City is required to contribute the remaining amounts necessary to pay benefits when due.

The System also provides death and disability benefits.

(b) Significant Accounting Policies and Plan Assets

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Commissioner of the Public Employee Retirement Administration (PERA).

The investments of the System are valued as follows:

Bonds are valued at amortized cost which is the original cost of the investment plus or minus any bond discount or bond premium calculated ratably to maturity.

Stocks are reflected at the lower of cost or market.

The value of insurance contracts, consisting of pooled separate accounts, is determined by the insurance company on each valuation date.

Cash and investments of the System at December 31, 1991, are summarized as follows:

	<u>Book value</u>	<u>Market value</u>
Cash	\$ 16,739,080	16,739,080
Bonds	26,382,471	27,693,249
Stocks	56,197,330	63,502,097
Insurance contracts	<u>22,079,741</u>	<u>23,481,583</u>
	<u>\$ 121,398,622</u>	<u>131,416,009</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

(c) Funding Status and Progress

The amount shown below as the "Pension Benefit Obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1992. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8% a year compounded annually, (b) projected salary increases of 6%, and (c) no post-retirement benefit increases.

Total unfunded pension benefit obligation applicable to the City's employees was \$142,818,000 at December 31, 1991, as follows (in thousands):

Pension Benefit Obligation:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 111,878
Current employees:	
Accumulated employee contributions, including allocated investment earnings	58,699
Employer-financed vested	59,584
Employer-financed nonvested	<u>36,214</u>
Total pension benefit obligation	266,375
Net assets available for benefits, at cost	<u>123,557</u>
Unfunded pension benefit obligation	\$ <u>142,818</u>

(d) Contribution Requirements and Contribution Made

The system's funding policy is governed by Section 22D of Chapter 32. Accordingly, the minimum contribution through June 30, 1996, is an amount approximating the pension benefit expected to be paid during the year ("pay-as-you-go" method) as determined by PERA. Subsequent to June 30, 1996, the members of the system are required to fund each year the actuarially determined normal cost plus an amount to amortize the unfunded liability by June 30, 2028. The Commonwealth of Massachusetts currently reimburses the system on a quarterly basis for the portion of benefits payments owing to cost-of-living increases granted after the implementation of Proposition 2-1/2.

The actuarially determined normal cost and unfunded accrued liability amortization were \$4,987,000 and \$6,745,000 for the fiscal year beginning July 1, 1991, a total of \$11,733,000.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

The City's required minimum contribution to the system was \$13,921,135 for the year ended December 31, 1991. The City actually contributed \$13,921,135 (12% of covered payroll) and employees contributed \$7,429,323 (7% of covered payroll) for a total contribution of \$21,350,458.

(e) Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found in the required supplementary schedules on pages 36 and 37 of the City's Comprehensive Annual Financial Report. For the years ended December 31, 1991, 1990 and 1989, available assets were sufficient to fund \$123,557,000, \$111,935,282 and \$108,887,239 or 46%, 45% and 46% of the Pension Benefit Obligation, respectively. Unfunded Pension Benefit Obligation represented 125%, 136% and 129% of the annual payroll for employees covered by the system for 1992, 1991, and 1990, respectively. Showing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended June 30, 1992, 1991 and 1990, the City's contributions to the system, all made in accordance with the above requirements, were \$13,921,135, \$11,928,786 and \$11,439,460 which is 12% of each year's annual covered payroll.

It is the City's policy to charge expenditures with the amount of pension costs actually funded. The City records the unfunded accumulated benefit obligation as a liability of the general long-term obligations account group.

All retired employees eligible for pension benefits as well as teachers covered under the Commonwealth of Massachusetts Teachers Retirement System receive certain post-retirement benefits including major health, dental, and life insurance. The cost of the health insurance premiums is the City's responsibility. The City funds 75% of life insurance premiums, with the remaining 25% paid by the retiree. Dental insurance premiums are the retiree's responsibility but are available at the reduced group rate. The City's cost of these post-retirement benefits for fiscal 1992 was \$4,378,075 and is funded and accounted for on a pay-as-you-go basis.

(14) Budget Basis of Accounting

The City's budget as presented in the Statement of Revenues and Expenditures - Budgetary Basis - General Fund was developed as follows:

City Council authorizations	\$ 264,702,676
Supplemental appropriations and budget transfers	<u>2,999,228</u>
	\$ <u>267,701,904</u>

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the City adopts an annual budget for the General Fund for which the level of expenditure may not legally exceed appropriations for each department or undertaking classified in the following categories:

- (1) Salaries and wages,
- (2) Other ordinary maintenance,
- (3) Travel and training, and
- (4) Extraordinary expenditures.

Proposed expenditure appropriations for all departments and operations of the City, except that of public schools, are prepared under the direction of the City Manager. School Department appropriations are acted upon directly by the School Committee up to the level of certain prior year school appropriations. The City Manager may recommend additional sums for school purposes. In addition, the City Manager may submit to the City Council such supplementary appropriation orders as are deemed necessary. The City Manager may amend appropriations within the above mentioned categories for a department without seeking City Council approval.

The City Council may reduce or reject any item in budgets submitted by the City Manager but may not increase or add items without the recommendation of the City Manager. Supplemental appropriations for the year ended June 30, 1992, after the setting of the tax rate, were \$2,999,228 and are included in the budgetary comparison financial statements.

The City follows a gross budgeting concept pursuant to which expenditures financed by special revenue funds and trust funds are budgeted as general fund expenditures and are financed by transfers from these funds to the general fund.

The City's General Fund budget is prepared on a basis other than generally accepted accounting principles (GAAP basis). The actual results of operations in the Statement of Revenues and Expenditures - Budgetary Basis - General Fund, are presented on a "budget basis" to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis are that:

- (a) Revenues are recorded when cash is received except for real estate and personal property taxes, which are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);
- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP).
- (c) The Cambridge City Hospital and its affiliated Neighborhood Health Centers, Neville Manor Nursing Home 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 part of the General Fund.

(Continued)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1992

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
As reported on a budgetary basis	\$ 268,639,838	263,400,311	1,226,329
To reclassify Hospital operations to enterprise fund	(63,818,036)	(60,262,265)	(1,622,915)
To reclassify Neville Manor operations to enterprise fund	(9,907,689)	(9,217,968)	(691,620)
To reclassify Water Department operations to enterprise fund	(8,237,173)	(4,585,200)	3,389,400
To record revenue and other financing sources on a modified accrual basis of accounting	(6,556,672)	-	(2,028,600)
To adjust for encumbrances and continuing appropriations	-	1,393,189	-
As reported on GAAP basis	\$ <u>180,120,268</u>	<u>190,728,067</u>	<u>272,594</u>

(15) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Enterprise</u>	<u>Non- Expendable Trust</u>
Capital improvements	\$ (2,549,422)	-	2,549,422	-	-	-
Parking receipts	11,755,450	(11,755,450)	-	-	-	-
Ramsey trust	525	-	-	(525)	-	-
Sanders Temperance	600	-	-	(600)	-	-
Water overhead	260,800	-	-	-	(260,800)	-
Capital/sewer improvements	(490,000)	-	490,000	-	-	-
Cemetery perpetual care	100,000	-	-	(100,000)	-	-
Block grant	2,039,176	(3,039,077)	999,901	-	-	-
Hospital subsidy	(9,002,915)	-	-	-	9,002,915	-
Neville Manor subsidy	(841,620)	-	-	-	841,620	-
Housing Trust	(1,000,000)	-	-	1,000,000	-	-
Establishment of nonexpendable cemetery trust	-	-	-	(1,186,983)	-	1,186,983
Expendable interest earnings	-	-	-	11,155	-	(11,155)
	\$ <u>272,594</u>	<u>(14,794,527)</u>	<u>4,039,323</u>	<u>(276,953)</u>	<u>9,583,735</u>	<u>1,175,828</u>

REQUIRED SUPPLEMENTARY INFORMATION

The following two schedules present historical trend information for the City of Cambridge, Massachusetts Employees' Retirement System. The information is presented in accordance with the requirements of Statement No. 5 of the Governmental Accounting Standards Board, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers."

CITY OF CAMBRIDGE, MASSACHUSETTS

Employees' Retirement System

Required Supplementary Information

Analysis of Funding Progress (in thousands)

June 30, 1992

<u>Year</u>	(1) Net assets available for benefits*	(2) Pension benefit obligation	(3) Percentage funded (1)/(2)	(4) Unfunded pension benefit obligation (2)-(1)	(5) Annual covered payroll	(6) Unfunded pension benefit obligation as a percentage of covered payroll (4)/(5)
1992	\$ 123,557	\$ 266,375	46%	\$ 142,818	\$ 113,995	125
1991	111,936	251,541	45	139,605	102,592	136
1990	108,887	231,800	46	122,913	95,138	129
1989	96,324	212,083	45	115,759	87,919	132
1988	89,362	202,771	44	113,409	69,965	162

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides an indication of the City's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System (PERS). Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

Note: Information prior to 1988 is not available.

CITY OF CAMBRIDGE, MASSACHUSETTS

Employees' Retirement System

Required Supplementary Information Revenues by Source and Expenses by Type

June 30, 1992

<u>Revenues by Source</u>					
<u>Year</u>	<u>Employee contributions</u>	<u>Employer Contributions</u>			<u>Total</u>
		<u>Dollar amount</u>	<u>Percentage of annual covered payroll</u>	<u>Other income</u>	
1992	\$ 7,429,323	\$ 13,921,135	12%	\$ 7,941,840	29,292,298
1991	5,972,699	11,928,786	12	2,794,060	20,695,656
1990	5,352,653	11,439,460	12	10,000,534	26,792,647
1989	4,788,252	10,877,135	12	5,792,612	21,457,999
1988	4,530,895	10,315,154	15	8,316,275	23,162,324
1987	4,128,139	10,867,977	12	8,383,230	23,379,346
1986	3,902,428	8,871,703	-	6,092,556	18,866,687
1985	3,496,863	8,975,097	-	4,930,030	17,401,990
1984	3,268,040	8,016,833	-	4,218,225	15,503,098
1983	2,875,600	7,153,573	-	3,410,962	13,440,135

<u>Expenses by Type</u>				
<u>Year</u>	<u>Benefits</u>	<u>Administrative expenses</u>		<u>Total</u>
		<u>Refunds</u>		
1992	\$ 16,576,152	\$ 204,602	\$ 890,486	\$ 17,671,240
1991	15,895,406	281,051	1,470,345	17,646,802
1990	14,874,275	183,625	1,234,895	16,292,795
1989	14,724,007	177,040	1,515,602	16,416,649
1988	13,429,757	180,155	1,303,227	14,913,139
1987	13,164,057	163,714	1,211,495	14,539,266
1986	11,539,930	164,664	898,077	12,602,671
1985	10,720,775	148,425	972,267	11,841,467
1984	9,930,933	139,281	832,712	10,902,926
1983	9,170,655	112,309	885,179	10,168,143

Note: Annual covered payroll information is not available for years prior to 1987.

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SUPPLEMENTARY STATEMENTS AND SCHEDULES

The following section provides detailed information on the General, Special Revenue, Enterprise, and Trust and Agency Funds included in the general purpose financial statements. Information on real, personal, and excise tax collections, and schedules of the long-term debt obligations and general fixed assets of the City are provided in this section.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government:			
Mayor:			
Salaries and wages	\$ 295,413	295,407	6
Other ordinary maintenance	72,595	69,012	3,583
Travel and training	17,500	15,898	1,602
Extraordinary expenditures	-	-	-
Total Mayor	<u>385,508</u>	<u>380,317</u>	<u>5,191</u>
City Manager:			
Salaries and wages	484,648	484,647	1
Other ordinary maintenance	72,725	71,726	999
Travel and training	23,590	23,552	38
Extraordinary expenditures	-	-	-
Total City Manager	<u>580,963</u>	<u>579,925</u>	<u>1,038</u>
City Council:			
Salaries and wages	450,370	442,633	7,737
Other ordinary maintenance	26,775	26,077	698
Travel and training	16,700	16,162	538
Extraordinary expenditures	-	-	-
Total City Council	<u>493,845</u>	<u>484,872</u>	<u>8,973</u>
City Clerk:			
Salaries and wages	350,573	350,572	1
Other ordinary maintenance	34,625	34,242	383
Travel and training	675	360	315
Extraordinary expenditures	-	-	-
Total City Clerk	<u>385,873</u>	<u>385,174</u>	<u>699</u>
Law:			
Salaries and wages	653,624	653,623	1
Other ordinary maintenance	865,265	861,260	4,005
Travel and training	10,815	9,675	1,140
Extraordinary expenditures	-	-	-
Total Law	<u>1,529,704</u>	<u>1,524,558</u>	<u>5,146</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Finance:			
Salaries and wages	\$ 2,048,735	1,980,129	68,606
Other ordinary maintenance	1,096,545	1,059,307	37,238
Travel and training	116,800	101,335	15,465
Extraordinary expenditures	<u>4,000</u>	<u>(1,000)</u>	<u>5,000</u>
Total Finance	<u>3,266,080</u>	<u>3,139,771</u>	<u>126,309</u>
Employment Benefits:			
Salaries and wages	3,546,605	3,438,806	107,799
Other ordinary maintenance	4,826,805	3,141,178	1,685,627
Travel and training	175,535	175,531	4
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Employment Benefits	<u>8,548,945</u>	<u>6,755,515</u>	<u>1,793,430</u>
General Services:			
Salaries and wages	367,350	367,350	-
Other ordinary maintenance	380,480	373,316	7,164
Travel and training	-	-	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total General Services	<u>747,830</u>	<u>740,666</u>	<u>7,164</u>
Election Commission:			
Salaries and wages	345,951	345,950	1
Other ordinary maintenance	172,920	171,341	1,579
Travel and training	3,750	1,584	2,166
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Election Commission	<u>522,621</u>	<u>518,875</u>	<u>3,746</u>
Public Celebrations:			
Salaries and wages	126,170	124,783	1,387
Other ordinary maintenance	271,450	271,067	383
Travel and training	375	370	5
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Celebrations	<u>397,995</u>	<u>396,220</u>	<u>1,775</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Animal Commission:			
Salaries and wages	\$ 126,885	125,253	1,632
Other ordinary maintenance	17,275	13,987	3,288
Travel and training	250	180	70
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Animal Commission	<u>144,410</u>	<u>139,420</u>	<u>4,990</u>
Total General Government	<u>17,003,774</u>	<u>15,045,313</u>	<u>1,958,461</u>
Public Safety:			
Fire:			
Salaries and wages	17,320,847	17,200,328	120,519
Other ordinary maintenance	474,080	436,909	37,171
Travel and training	200,900	170,824	30,076
Extraordinary expenditures	<u>30,000</u>	<u>28,303</u>	<u>1,697</u>
Total Fire	<u>18,025,827</u>	<u>17,836,364</u>	<u>189,463</u>
Police:			
Salaries and wages	18,081,811	17,883,864	197,947
Other ordinary maintenance	622,500	606,351	16,149
Travel and training	202,500	200,921	1,579
Extraordinary expenditures	<u>126,000</u>	<u>124,311</u>	<u>1,689</u>
Total Police	<u>19,032,811</u>	<u>18,815,447</u>	<u>217,364</u>
Traffic and Parking:			
Salaries and wages	3,069,645	3,029,287	40,358
Other ordinary maintenance	2,485,035	2,467,569	17,466
Travel and training	39,400	26,816	12,584
Extraordinary expenditures	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Total Traffic and Parking	<u>5,616,080</u>	<u>5,545,672</u>	<u>70,408</u>
Police Review and Advisory Board:			
Salaries and wages	42,575	42,104	471
Other ordinary maintenance	16,131	6,981	9,150
Travel and training	1,594	1,593	1
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Police Review and Advisory Board	<u>60,300</u>	<u>50,678</u>	<u>9,622</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Inspectional Services:			
Salaries and wages	1,303,789	1,303,788	1
Other ordinary maintenance	80,576	62,663	17,913
Travel and training	37,800	33,670	4,130
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Inspectional Services	<u>1,422,165</u>	<u>1,400,121</u>	<u>22,044</u>
License:			
Salaries and wages	415,340	409,923	5,417
Other ordinary maintenance	35,260	32,619	2,641
Travel and training	5,350	5,184	166
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total License	<u>455,950</u>	<u>447,726</u>	<u>8,224</u>
Weights and Measures:			
Salaries and wages	117,222	117,222	-
Other ordinary maintenance	2,850	1,583	1,267
Travel and training	285	285	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Weights and Measures	<u>120,357</u>	<u>119,090</u>	<u>1,267</u>
Electrical:			
Salaries and wages	1,250,225	1,250,224	1
Other ordinary maintenance	1,327,653	1,320,514	7,139
Travel and training	6,850	6,737	113
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Electrical	<u>2,584,728</u>	<u>2,577,475</u>	<u>7,253</u>
Emergency Management:			
Salaries and wages	77,350	76,749	601
Other ordinary maintenance	13,815	13,404	411
Travel and training	235	163	72
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Emergency Management	<u>91,400</u>	<u>90,316</u>	<u>1,084</u>
Total Public Safety	<u>47,409,618</u>	<u>46,882,889</u>	<u>526,729</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Community Maintenance and Development:			
Community Development:			
Salaries and wages	2,038,262	2,038,262	-
Other ordinary maintenance	1,076,001	428,914	647,087
Travel and training	10,200	9,794	406
Extraordinary expenditures	-	-	-
Total Community Development	<u>3,124,463</u>	<u>2,476,970</u>	<u>647,493</u>
Public Works:			
Salaries and wages	9,884,610	9,737,504	147,106
Other ordinary maintenance	6,634,599	5,999,092	635,507
Travel and training	251,800	248,665	3,135
Extraordinary expenditures	<u>148,000</u>	<u>147,766</u>	<u>234</u>
Total Public Works	<u>16,919,009</u>	<u>16,133,027</u>	<u>785,982</u>
Historical Commission:			
Salaries and wages	153,010	150,481	2,529
Other ordinary maintenance	37,765	26,596	11,169
Travel and training	800	529	271
Extraordinary expenditures	-	-	-
Total Historical Commission	<u>191,575</u>	<u>177,606</u>	<u>13,969</u>
Conservation Commission:			
Salaries and wages	57,030	57,030	-
Other ordinary maintenance	1,955	1,830	125
Travel and training	390	390	-
Extraordinary expenditures	-	-	-
Total Conservation Commission	<u>59,375</u>	<u>59,250</u>	<u>125</u>
Peace Commission:			
Salaries and wages	41,320	40,373	947
Other ordinary maintenance	2,100	2,029	71
Travel and training	-	-	-
Extraordinary expenditures	-	-	-
Total Peace Commission	<u>43,420</u>	<u>42,402</u>	<u>1,018</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Rent Control:			
Salaries and wages	1,291,955	1,245,516	46,439
Other ordinary maintenance	94,505	92,417	2,088
Travel and training	1,750	1,215	535
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Rent Control	<u>1,388,210</u>	<u>1,339,148</u>	<u>49,062</u>
Cablevision:			
Salaries and wages	182,115	180,442	1,673
Other ordinary maintenance	4,795	4,791	4
Travel and training	355	355	-
Extraordinary expenditures	<u>2,185</u>	<u>2,182</u>	<u>3</u>
Total Cablevision	<u>189,450</u>	<u>187,770</u>	<u>1,680</u>
Total Community Maintenance and Development	<u>21,915,502</u>	<u>20,416,173</u>	<u>1,499,329</u>
Health and Hospital Services:			
Health:			
Salaries and wages	853,524	853,524	-
Other ordinary maintenance	113,266	104,582	8,684
Travel and training	2,450	928	1,522
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Health	<u>969,240</u>	<u>959,034</u>	<u>10,206</u>
Neville Manor:			
Salaries and wages	6,862,979	6,860,453	2,526
Other ordinary maintenance	2,070,879	2,070,568	311
Travel and training	86,917	86,800	117
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Neville Manor	<u>9,020,775</u>	<u>9,017,821</u>	<u>2,954</u>
Hospital:			
Salaries and wages	39,524,670	39,524,639	31
Other ordinary maintenance	17,666,150	17,630,986	35,164
Travel and training	358,875	352,267	6,608
Extraordinary expenditures	<u>2,872,630</u>	<u>2,872,629</u>	<u>1</u>
Total Hospital	<u>60,422,325</u>	<u>60,380,521</u>	<u>41,804</u>
Total Health and Hospital Services	<u>70,412,340</u>	<u>70,357,376</u>	<u>54,964</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Human Resource Development:			
Library:			
Salaries and wages	2,353,392	2,315,724	37,668
Other ordinary maintenance	492,488	492,429	59
Travel and training	4,200	3,680	520
Extraordinary expenditures	-	-	-
Total Library	<u>2,850,080</u>	<u>2,811,833</u>	<u>38,247</u>
Human Services:			
Salaries and wages	4,350,808	4,344,028	6,780
Other ordinary maintenance	1,127,411	1,050,985	76,426
Travel and training	9,685	7,775	1,910
Extraordinary expenditures	-	-	-
Total Human Services	<u>5,487,904</u>	<u>5,402,788</u>	<u>85,116</u>
Human Rights:			
Salaries and wages	91,840	85,284	6,556
Other ordinary maintenance	7,855	6,050	1,805
Travel and training	2,600	329	2,271
Extraordinary expenditures	-	-	-
Total Human Rights	<u>102,295</u>	<u>91,663</u>	<u>10,632</u>
Veterans Benefits:			
Salaries and wages	177,750	177,618	132
Other ordinary maintenance	196,270	189,231	7,039
Travel and training	2,865	2,445	420
Extraordinary expenditures	-	-	-
Total Veterans Benefits	<u>376,885</u>	<u>369,294</u>	<u>7,591</u>
Women's Commission:			
Salaries and wages	78,235	77,117	1,118
Other ordinary maintenance	8,140	8,137	3
Travel and training	500	385	115
Extraordinary expenditures	-	-	-
Total Women's Commission	<u>86,875</u>	<u>85,639</u>	<u>1,236</u>
Total Human Resource Development	<u>8,904,039</u>	<u>8,761,217</u>	<u>142,822</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Education:			
Salaries and wages	54,821,511	54,821,446	65
Other ordinary maintenance	12,437,243	12,437,242	1
Travel and training	224,021	224,021	-
Extraordinary expenditures	<u>4,392,030</u>	<u>4,392,030</u>	<u>-</u>
Total Education	<u>71,874,805</u>	<u>71,874,739</u>	<u>66</u>
Judgments and Claims:			
Salaries and wages	-	-	-
Other ordinary maintenance	-	-	-
Travel and training	-	-	-
Extraordinary expenditures	<u>1,190,360</u>	<u>1,188,400</u>	<u>1,960</u>
Total Judgments and Claims	<u>1,190,360</u>	<u>1,188,400</u>	<u>1,960</u>
Intergovernmental:			
MBTA:			
Salaries and wages	-	-	-
Other ordinary maintenance	5,801,720	5,801,720	-
Travel and training	-	-	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total MBTA	<u>5,801,720</u>	<u>5,801,720</u>	<u>-</u>
County Tax:			
Salaries and wages	-	-	-
Other ordinary maintenance	203,738	203,738	-
Travel and training	-	-	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total County Tax	<u>203,738</u>	<u>203,738</u>	<u>-</u>
MWRA:			
Salaries and wages	-	-	-
Other ordinary maintenance	9,483,320	9,483,320	-
Travel and training	-	-	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total MWRA	<u>9,483,320</u>	<u>9,483,320</u>	<u>-</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis, Continued

Year ended June 30, 1992

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other State Assessments:			
Salaries and wages	-	-	-
Other ordinary maintenance	588,878	586,242	2,636
Travel and training	-	-	-
Extraordinary expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Other State Assessments	<u>588,878</u>	<u>586,242</u>	<u>2,636</u>
Total Intergovernmental	<u>16,077,656</u>	<u>16,075,020</u>	<u>2,636</u>
Water:			
Salaries and wages	3,278,690	3,266,943	11,747
Other ordinary maintenance	1,288,500	1,242,806	45,694
Travel and training	28,000	22,118	5,882
Extraordinary expenditures	<u>60,000</u>	<u>53,333</u>	<u>6,667</u>
Total Water	<u>4,655,190</u>	<u>4,585,200</u>	<u>69,990</u>
Debt Principal:			
Salaries and wages	-	-	-
Other ordinary maintenance	-	-	-
Travel and training	-	-	-
Extraordinary expenditures	<u>5,905,620</u>	<u>5,905,620</u>	<u>-</u>
Total Debt Principal	<u>5,905,620</u>	<u>5,905,620</u>	<u>-</u>
Interest:			
Salaries and wages	-	-	-
Other ordinary maintenance	80,000	67,887	12,113
Travel and training	-	-	-
Extraordinary expenditures	<u>2,273,000</u>	<u>2,240,477</u>	<u>32,523</u>
Total Interest	<u>2,353,000</u>	<u>2,308,364</u>	<u>44,636</u>
Total General Fund	\$ <u>267,701,904</u>	<u>263,400,311</u>	<u>4,301,593</u>

SPECIAL REVENUE FUNDS

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. 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 Block Grant Funds, an amount equal to that which is appropriated to the General and Capital Projects Funds, is transferred to those funds at the end of the fiscal year.

Other Grants

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

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Special Revenue Funds

June 30, 1992

<u>Assets</u>	<u>School Grants</u>	<u>Fuel Assistance</u>	<u>Parking Fund</u>	<u>Other Grants</u>	<u>Total</u>
Cash and short-term investments	\$ 409,198	322,231	4,828,537	996,215	6,556,181
Due from other governments	-	-	-	1,012,301	1,012,301
Total assets	\$ <u>409,198</u>	<u>322,231</u>	<u>4,828,537</u>	<u>2,008,516</u>	<u>7,568,482</u>
<u>Liabilities and Fund Equity</u>					
Accrued liabilities	<u>195,159</u>	-	<u>205,724</u>	<u>233,911</u>	<u>634,794</u>
Total liabilities	<u>195,159</u>	-	<u>205,724</u>	<u>233,911</u>	<u>634,794</u>
Fund equity:					
Reserved for encumbrances	73,413	-	-	1,457,081	1,530,494
Reserved for specific purposes	140,626	322,231	-	317,524	780,381
Unreserved	-	-	4,622,813	-	4,622,813
Total fund equity	<u>214,039</u>	<u>322,231</u>	<u>4,622,813</u>	<u>1,774,605</u>	<u>6,933,688</u>
Total liabilities and fund equity	\$ <u>409,198</u>	<u>322,231</u>	<u>4,828,537</u>	<u>2,008,516</u>	<u>7,568,482</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Special Revenue Funds

Year ended June 30, 1992

	Community Development Block Grants	School Grants	Fuel Assistance	Parking Fund	Other Grants	Total
Revenues:						
Intergovernmental	\$ 3,039,077	5,175,779	1,664,936	-	9,402,382	19,282,174
Investment income	-	-	13,447	402,928	-	416,375
Other	-	549,239	-	11,505,659	-	12,054,898
Total revenues	<u>3,039,077</u>	<u>5,725,018</u>	<u>1,678,383</u>	<u>11,908,587</u>	<u>9,402,382</u>	<u>31,753,447</u>
Expenditures:						
Education	-	5,812,920	-	-	-	5,812,920
Fuel assistance	-	-	1,662,699	-	-	1,662,699
Other	-	-	-	209,570	8,070,595	8,280,165
Total expenditures	<u>-</u>	<u>5,812,920</u>	<u>1,662,699</u>	<u>209,570</u>	<u>8,070,595</u>	<u>15,755,784</u>
Excess (deficiency) of revenues over expenditures	3,039,077	(87,902)	15,684	11,699,017	1,331,787	15,997,663
Other financing (uses):						
Operating transfers to other funds	<u>(3,039,077)</u>	-	-	(11,755,450)	-	(14,794,527)
Excess (deficiency) of revenues over expenditures and transfers	-	(87,902)	15,684	(56,433)	1,331,787	1,203,136
Fund equity at beginning of year	<u>-</u>	<u>301,941</u>	<u>306,547</u>	<u>4,679,246</u>	<u>442,818</u>	<u>5,730,552</u>
Fund equity at end of year	\$ <u>-</u>	<u>214,039</u>	<u>322,231</u>	<u>4,622,813</u>	<u>1,774,605</u>	<u>6,933,688</u>

ENTERPRISE FUNDS

Hospital and Neighborhood Health Centers Fund

This fund is used to account for the operations of Cambridge 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 as 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.

Neville Manor Fund

This fund is used to account for the operations of the Neville Manor Nursing Home. The accrual basis of accounting requires that nursing home revenues be recorded at established rates charged less certain allowances and uncollectible amounts. Expenses are recorded as liabilities as incurred.

Water Fund

This fund is used to account for the operations and maintenance of the City's water system. Revenues are recorded primarily on the basis of charges issued for water services. Expenses for water department capital improvements as well as debt service on any bonds issued to finance those improvements are included in the Water Enterprise Fund.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Enterprise Funds

June 30, 1992

<u>Assets</u>	<u>Hospital and Neighborhood Health Centers</u>	<u>Neville Manor</u>	<u>Water</u>	<u>Total</u>
Cash and short-term investments	\$ 23,906,492	1,789,144	2,035,388	27,731,024
Accounts receivable	25,448,786	2,599,943	1,504,719	29,553,448
Allowance for uncollectible receivables	(15,820,972)	(350,267)	(139,556)	(16,310,795)
Due from other funds	663,431	317,415	-	980,846
Property, plant and equipment, net of accumulated depreciation	30,463,237	7,134,658	61,604,635	99,202,530
Other assets	<u>442,077</u>	<u>68,318</u>	<u>-</u>	<u>510,395</u>
Total assets	\$ <u>65,103,051</u>	<u>11,559,211</u>	<u>65,005,186</u>	<u>141,667,448</u>
<u>Liabilities and Retained Earnings</u>				
Accrued liabilities:				
Compensated absences	\$ 3,166,133	-	-	3,166,133
Other	2,234,781	559,104	131,334	2,925,219
Due to third parties	3,511,624	321,932	-	3,833,556
Due to other funds	-	-	1,727,096	1,727,096
Capital lease obligation	1,182,250	-	-	1,182,250
General obligation bonds payable	<u>11,390,000</u>	<u>1,500,000</u>	<u>11,725,000</u>	<u>24,615,000</u>
Total liabilities	<u>21,484,788</u>	<u>2,381,036</u>	<u>13,583,430</u>	<u>37,449,254</u>
Retained earnings	43,097,252	3,487,795	51,421,756	98,006,803
Contributed capital	<u>521,011</u>	<u>5,690,380</u>	<u>-</u>	<u>6,211,391</u>
	<u>43,618,263</u>	<u>9,178,175</u>	<u>51,421,756</u>	<u>104,218,194</u>
Total liabilities and retained earnings	\$ <u>65,103,051</u>	<u>11,559,211</u>	<u>65,005,186</u>	<u>141,667,448</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

Year ended June 30, 1992

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Operating revenues:				
Patient service revenue, net of allowances and uncollectible accounts	\$ 52,665,029	12,134,118	-	64,799,147
Charges for services	-	-	8,194,289	8,194,289
Other	<u>16,605,880</u>	<u>-</u>	<u>649,463</u>	<u>17,255,343</u>
Total operating revenues	<u>69,270,909</u>	<u>12,134,118</u>	<u>8,843,752</u>	<u>90,248,779</u>
Operating expenses:				
Administration	520,767	535,719	1,635,847	2,692,333
Finance	3,802,809	-	-	3,802,809
Service and support programs	43,534,077	5,980,049	2,864,138	52,378,264
General services	9,466,232	2,927,880	-	12,394,112
Depreciation	2,555,094	37,689	968,338	3,561,121
Provision for bad debts	6,591,415	399,470	-	6,990,885
Other	<u>1,573,039</u>	<u>-</u>	<u>15,161</u>	<u>1,588,200</u>
Total operating expenses	<u>68,043,433</u>	<u>9,880,807</u>	<u>5,483,484</u>	<u>83,407,724</u>
Operating income	1,227,476	2,253,311	3,360,268	6,841,055
Non-operating revenues and expenses:				
Interest income	-	84,176	-	84,176
Interest expense	<u>932,633</u>	<u>-</u>	<u>753,600</u>	<u>1,686,233</u>
Income before operating transfers	294,843	2,337,487	2,606,668	5,238,998
Operating transfers from other funds	9,002,915	841,620	-	9,844,535
Operating transfers to other funds	<u>-</u>	<u>-</u>	<u>(260,800)</u>	<u>(260,800)</u>
Net income	9,297,758	3,179,107	2,345,868	14,822,733
Retained earnings:				
Beginning of year	<u>33,799,494</u>	<u>308,688</u>	<u>49,075,888</u>	<u>83,184,070</u>
End of year	<u>\$ 43,097,252</u>	<u>3,487,795</u>	<u>51,421,756</u>	<u>98,006,803</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statements of Cash Flows

Enterprise Funds

Year ended June 30, 1992

	Hospital and Neighborhood Health Centers	Neville Manor	Water	Total
Cash flows from operating activities:				
Operating income	\$ 1,227,476	2,253,311	3,360,268	6,841,055
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,555,094	37,689	968,338	3,561,121
Interest income	-	84,176	-	84,176
Change in assets and liabilities:				
Due to third parties	2,935,077	321,932	-	3,257,009
Accounts receivable, net	(419,173)	(2,249,676)	(438,316)	(3,107,165)
Interfund receivables	2,374,029	(261,896)	-	2,112,133
Other assets	(129,702)	(68,318)	-	(198,020)
Accrued liabilities	775,420	285,562	(18,923)	1,042,059
Interfund payables	-	-	161,933	161,933
Capital lease obligation	(83,463)	-	-	(83,463)
Net cash provided by operating activities	<u>9,234,758</u>	<u>402,780</u>	<u>4,033,300</u>	<u>13,670,838</u>
Cash flows from noncapital financing activities:				
Operating transfer-in from general fund	9,002,915	841,620	-	9,844,535
Operating transfer-in from expendable trust	-	-	-	-
Operating transfer-out to general fund	-	-	(260,800)	(260,800)
Operating transfer-out to capital projects fund	-	-	-	-
Net cash provided by noncapital financing activities	<u>9,002,915</u>	<u>841,620</u>	<u>(260,800)</u>	<u>9,583,735</u>
Cash flows from capital and related financing activities:				
Proceeds from sale of bonds	-	1,500,000	1,000,000	2,500,000
Acquisition of capital assets	(5,946,500)	(1,363,060)	(2,390,754)	(9,700,314)
Principal paid on bonds	(2,015,000)	-	(1,275,000)	(3,290,000)
Interest paid on revenue bonds	(932,632)	-	(753,600)	(1,686,232)
Net cash (used) for provided by capital and related financing activities	<u>(8,894,132)</u>	<u>136,940</u>	<u>(3,419,354)</u>	<u>(12,176,546)</u>
Net increase in cash and cash equivalents	9,343,541	1,381,340	353,146	11,078,027
Cash and cash equivalents at beginning of year	<u>14,562,951</u>	<u>407,804</u>	<u>1,682,242</u>	<u>16,652,997</u>
Cash and cash equivalents at end of year	\$ <u>23,906,492</u>	<u>1,789,144</u>	<u>2,035,388</u>	<u>27,731,024</u>

FIDUCIARY FUNDS

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

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

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Fiduciary Funds

June 30, 1992

	Pension Trust Funds	Nonexpendable Trust Funds					Expendable Trust Funds							Agency Funds	Total
	Retirement Trust Fund	School Fund	Neville Manor Fund	Library Fund	Other Funds	Cemetery	School Fund	Neville Manor Fund	Library Fund	Cemetery Fund	Health Claims Trust Fund	Stabilization Trust Fund	Other Funds		
Assets															
Cash and short-term investments	\$ 16,739,080	24,164	25,733	40,011	64,100	196,799	39,689	50,572	62,936	119,157	1,348,183	224,250	1,915,812	934,837	21,785,323
Other investments	104,659,542	-	-	14,019	-	999,634	-	-	5,000	-	8,000,955	3,999,112	-	-	117,678,262
Accounts receivable	474,293	-	-	-	-	-	-	-	-	-	-	-	-	-	474,293
Due from other governments	907,844	-	-	-	-	-	-	-	-	-	-	-	-	-	907,844
Other assets	<u>1,120,734</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>1,120,734</u>
Total assets	\$ <u>123,901,493</u>	<u>24,164</u>	<u>25,733</u>	<u>54,030</u>	<u>64,100</u>	<u>1,196,433</u>	<u>39,689</u>	<u>50,572</u>	<u>67,936</u>	<u>119,157</u>	<u>9,349,138</u>	<u>4,223,362</u>	<u>1,915,812</u>	<u>934,837</u>	<u>141,966,456</u>
Liabilities and Fund Equity															
Other accrued liabilities	\$ 344,453	-	-	-	-	-	-	-	-	-	-	-	-	-	344,453
Guarantee deposits and amounts due to other taxing authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	934,837	934,837
Total liabilities	<u>344,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>934,837</u>	<u>1,279,290</u>
Fund equity - reserved for specific purposes	<u>123,557,040</u>	<u>24,164</u>	<u>25,733</u>	<u>54,030</u>	<u>64,100</u>	<u>1,196,433</u>	<u>39,689</u>	<u>50,572</u>	<u>67,936</u>	<u>119,157</u>	<u>9,349,138</u>	<u>4,223,362</u>	<u>1,915,812</u>	<u>-</u>	<u>140,687,166</u>
Total liabilities and fund equity	\$ <u>123,901,493</u>	<u>24,164</u>	<u>25,733</u>	<u>54,030</u>	<u>64,100</u>	<u>1,196,433</u>	<u>39,689</u>	<u>50,572</u>	<u>67,936</u>	<u>119,157</u>	<u>9,349,138</u>	<u>4,223,362</u>	<u>1,915,812</u>	<u>934,837</u>	<u>141,966,456</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses and Changes in Fund Equity

Pension and Nonexpendable Trust Funds

Year ended June 30, 1992

	<u>Pension</u> <u>Trust Funds</u>	<u>Nonexpendable Trust Funds</u>					<u>Total</u>
	<u>Retirement</u> <u>Trust Fund</u>	<u>School</u> <u>Fund</u>	<u>Neville</u> <u>Manor</u> <u>Fund</u>	<u>Library</u> <u>Fund</u>	<u>Other</u> <u>Funds</u>	<u>Cemetery</u>	
Revenues:							
Income from employer and member contributions	\$ 22,260,836	-	-	-	-	-	-
Donations	-	-	-	-	4,000	9,450	13,450
Investment income	6,389,273	1,987	2,061	1,974	5,133	-	11,155
Net gain on sale of investment	111,918	-	-	-	-	-	-
Bond amortization	<u>530,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>29,292,298</u>	<u>1,987</u>	<u>2,061</u>	<u>1,974</u>	<u>9,133</u>	<u>9,450</u>	<u>24,605</u>
Expenses:							
Pension plan benefits payments	17,466,638	-	-	-	-	-	-
Other	<u>204,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income before operating transfers	11,621,058	1,987	2,061	1,974	9,133	9,450	24,605
Transfers to other funds	-	(1,987)	(2,061)	(1,974)	(5,133)	-	(11,155)
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186,983</u>	<u>1,186,983</u>
Net income	11,621,058	-	-	-	4,000	1,196,433	1,200,433
Fund equity at beginning of year	<u>111,935,982</u>	<u>24,164</u>	<u>25,733</u>	<u>54,030</u>	<u>60,100</u>	<u>-</u>	<u>164,027</u>
Fund equity at end of year	\$ <u>123,557,040</u>	<u>24,164</u>	<u>25,733</u>	<u>54,030</u>	<u>64,100</u>	<u>1,196,433</u>	<u>1,364,460</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Cash Flows

Nonexpendable Trust Funds

Year ended June 30, 1992

	<u>Nonexpendable Trust Funds</u>					<u>Total</u>
	<u>School Fund</u>	<u>Neville Manor Fund</u>	<u>Library Fund</u>	<u>Cemetery Fund</u>	<u>Other Funds</u>	
Cash flows from operating activities:						
Operating income	\$ <u>1,987</u>	<u>2,061</u>	<u>1,974</u>	<u>9,450</u>	<u>9,133</u>	<u>24,605</u>
Cash flows from noncapital financing activities:						
Operating transfer in from expendable trust	-	-	-	1,186,983	-	1,186,983
Operating transfer out to expendable trust	<u>(1,987)</u>	<u>(2,061)</u>	<u>(1,974)</u>	<u>-</u>	<u>(5,133)</u>	<u>(11,155)</u>
Net cash (used) provided by noncapital financing activities	(1,987)	(2,061)	(1,974)	1,186,983	(5,133)	1,175,828
Cash flows from investing activities:						
Purchase of investments	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(999,634)</u>	<u>-</u>	<u>(1,009,634)</u>
Net (decrease) increase in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>196,799</u>	<u>4,000</u>	<u>190,799</u>
Cash and cash equivalents at beginning of year	<u>24,164</u>	<u>25,733</u>	<u>50,011</u>	<u>-</u>	<u>60,100</u>	<u>160,008</u>
Cash and cash equivalents at end of year	\$ <u><u>24,164</u></u>	<u><u>25,733</u></u>	<u><u>40,011</u></u>	<u><u>196,799</u></u>	<u><u>64,100</u></u>	<u><u>350,807</u></u>

CITY OF CAMBRIDGE

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

Expendable Trust Funds

Year ended June 30, 1992

	<u>Expendable Trust Funds</u>							
	<u>School Fund</u>	<u>Neville Manor Fund</u>	<u>Library Fund</u>	<u>Cemetery Fund</u>	<u>Health Claims Trust Fund</u>	<u>Stabilization Trust Fund</u>	<u>Other Funds</u>	<u>Total</u>
Revenues:								
Investment income	\$ 2,753	3,708	3,198	68,637	463,782	180,836	66,559	789,473
Donations	1,670	-	6,568	-	923,395	-	272,329	1,203,962
Cemetery deposits	-	-	-	16,950	-	-	-	16,950
	<u>4,423</u>	<u>3,708</u>	<u>9,766</u>	<u>85,587</u>	<u>1,387,177</u>	<u>180,836</u>	<u>338,888</u>	<u>2,010,385</u>
Expenditures:								
Other	<u>4,588</u>	<u>3,256</u>	<u>4,802</u>	<u>13,132</u>	<u>10,653</u>	<u>-</u>	<u>233,369</u>	<u>269,800</u>
Excess (deficiency) of revenues over expenditures	(165)	452	4,964	72,455	1,376,524	180,836	105,519	1,740,585
Operating transfers from other funds	1,987	2,061	2,499	-	-	-	1,004,608	1,011,155
Operating transfers to other funds	<u>-</u>	<u>-</u>	<u>(525)</u>	<u>(1,287,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,288,108)</u>
Excess (deficiency) of revenue over expenditures and transfers	1,822	2,513	6,938	(1,215,128)	1,376,524	180,836	1,110,127	1,463,632
Fund equity at beginning of year	<u>37,867</u>	<u>48,059</u>	<u>60,998</u>	<u>1,334,285</u>	<u>7,972,614</u>	<u>4,042,526</u>	<u>805,685</u>	<u>14,302,034</u>
Fund equity at end of year	\$ <u>39,689</u>	<u>50,572</u>	<u>67,936</u>	<u>119,157</u>	<u>9,349,138</u>	<u>4,223,362</u>	<u>1,915,812</u>	<u>15,765,666</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds

Year ended June 30, 1992

<u>Assets</u>	Balance June 30, <u>1991</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1992</u>
Cash:				
Contract bids	\$ 11,680	-	-	11,680
Plans	2,165	-	-	2,165
Tree removals	485	-	-	485
Driveways	143,426	51,855	130,350	64,931
Street openings	24,554	38,250	9,365	53,439
Sidewalk openings	150	-	-	150
In lieu of bond	70,645	-	-	70,645
License commission	21,560	21,940	15,954	27,546
Cambridge police detail	(122,729)	2,093,881	2,112,057	(140,905)
Cambridge fire detail	1,488	8,941	10,088	341
Dog licenses	(911)	-	-	(911)
Sporting licenses	(138)	12,842	12,312	392
Dog officer	570	-	-	570
Constable fees	(3,563)	88,856	85,135	158
Meal tax agency	36,619	-	-	36,619
Senior cab	4,279	-	-	4,279
Water service renewal	17,422	-	-	17,422
Undistributed interest	3,808	-	-	3,808
Purchase of trees	18,322	6,045	20,786	3,581
Accident & Life Insurance	163,114	193,272	112,280	244,106
Medicare	3,100	54	-	3,154
Car seat program	1,539	-	-	1,539
Deferred compensation	1,409	-	-	1,409
Commonwealth Health	(10,701)	-	-	(10,701)
Legal fees	9	10,376	-	10,385
Retirement office payroll	62,276	-	-	62,276
Optional Boston Mutual	(11,276)	-	-	(11,276)
New England Life	18,449	4,491	8,000	14,940
Continental Casualty	(897)	5,543	8,341	(3,695)
Teacher Insurance Reimbursement	4,940	-	-	4,940
Teachers Retirement	69,064	24,324	-	93,388
Excise Registry Fees	13,857	-	-	13,857
3 Bidglow Contingency Fund	18,265	8,324	-	26,589
Retroactive Wages	1,785	-	-	1,785
Land Court Fees	1,650	3,202	-	4,852
Choke Program	730	1,432	840	1,322
Unclaimed checks	<u>320,029</u>	<u>-</u>	<u>457</u>	<u>319,572</u>
Total	\$ <u>887,174</u>	<u>2,573,628</u>	<u>2,525,965</u>	<u>934,837</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds continued

Year ended June 30, 1992

<u>Liabilities</u>	Balance June 30, <u>1991</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1992</u>
Guarantee deposits and amounts due other taxing authorities:				
Contract bids	\$ 11,680	-	-	11,680
Plans	2,165	-	-	2,165
Tree removals	485	-	-	485
Driveways	143,426	51,855	130,350	64,931
Street openings	24,554	38,250	9,365	53,439
Sidewalk openings	150	-	-	150
In lieu of bond	70,645	-	-	70,645
License commission	21,560	21,940	15,954	27,546
Cambridge police detail	(122,729)	2,093,881	2,112,057	(140,905)
Cambridge fire detail	1,488	8,941	10,088	341
Dog licenses	(911)	-	-	(911)
Sporting licenses	(138)	12,842	12,312	392
Dog officer	570	-	-	570
Constable fees	(3,563)	88,856	85,135	158
Meal tax agency	36,619	-	-	36,619
Senior cab	4,279	-	-	4,279
Water service renewal	17,422	-	-	17,422
Undistributed interest	3,808	-	-	3,808
Purchase of trees	18,322	6,045	20,786	3,581
Accident & Life Insurance	163,114	193,272	112,280	244,106
Medicare	3,100	54	-	3,154
Car seat program	1,539	-	-	1,539
Deferred compensation	1,409	-	-	1,409
Commonwealth Health	(10,701)	-	-	(10,701)
Legal fees	9	10,376	-	10,385
Retirement office payroll	62,276	-	-	62,276
Optional Boston Mutual	(11,276)	-	-	(11,276)
New England Life	18,449	4,491	8,000	14,940
Continental Casualty	(897)	5,543	8,341	(3,695)
Teacher Insurance Reimbursement	4,940	-	-	4,940
Teachers Retirement	69,064	24,324	-	93,388
Excise Registry Fees	13,857	-	-	13,857
3 Bidglow Contingency Fund	18,265	8,324	-	26,589
Retroactive Wages	1,785	-	-	1,785
Land Court Fees	1,650	3,202	-	4,852
Choke Program	730	1,432	840	1,322
Unclaimed checks	<u>320,029</u>	<u>-</u>	<u>457</u>	<u>319,572</u>
 Total	 \$ <u>887,174</u>	 <u>2,573,628</u>	 <u>2,525,965</u>	 <u>934,837</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Robert Calef Children Fund

In 1987, the City Council accepted \$6,290 to establish the Robert Calef Children's Trust Fund. The initial funding was derived from a roast of Oliver S. Brown, retiring Deputy Superintendent. The purpose of the trust is to provide books for children in kindergarten through grade three including non-graded pupils of comparable age in the Cambridge Public Schools. The funds shall be used at the direction of a board of six trustees to be composed of six primary teachers of the Cambridge Public School system which shall include three designees of the Superintendent of Schools and three of the President of the Cambridge Teachers' Association. Expenditures may be made from principal and interest, except that the balance shall not fall below \$2,000. As of June 30, 1992, the expendable balance was \$5,826.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 7,246	\$ -	\$ 580	\$ 7,826

Cambridge Public School Fund

In February of 1986, the City accepted a \$10,000 gift from the Amelia Peabody Foundation to establish the Cambridge Public School Trust. This initial gift was to provide for the expansion of computer capabilities at the Graham and Parks Alternative Public School, so that students with limited English speaking ability 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, 1992, the expendable balance was \$7,143.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 9,327	\$ 2,720	\$ 536	\$ 7,143

John Wesley Freese Fund

At the time of his death in 1910, John Wesley Freese willed the sum of \$100 to the Houghton School. Of this amount only \$89.36 was actually received. The school was subsequently closed and demolished; the trust now provides funds for the purchase of books or works of art for any school. As of June 30, 1992, the expendable balance was \$658.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 844	\$ -	\$ 68	\$ 912

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Georgia Hardy Spelling Contest

This fund was a gift from Georgia Hardy which consisted of one 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 AT&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, 1992, the expendable balance was \$1,017.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 942	\$ -	\$ 75	\$ 1,017

Charity of Edward Hopkins Fund

This "charity" represents the oldest continuous scholarship in the United States, with the history dating back to 1675. At that time Edward Hopkins, the Royal Governor of Connecticut, bequeathed the sum of 500 pounds for the "encouragement in those foreign plantations for the breeding of hopeful youths both at the grammar school and college levels for the public service of the country in future times." Due to political considerations, the intent of the trust was never carried out. On March 7, 1710, Head Keeper Harcourt decreed that the 500 pounds, with interest from June 10, 1700 to March 7, 1710, should be used to purchase land in New England under the name of the corporation for the propagation of the Gospel. The revenue from the land was to be used for the benefit of the college and grammar school at Cambridge in New England. The trustees and the City have agreed to expend 1/4 of the net income for classical instruction and scholarship prizes at the Cambridge Rindge and Latin High School. As of June 30, 1992, the expendable balance was \$644.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ (1,026)	\$ -	\$ 1,670	\$ 644

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 and who attends college the next year. As of June 30, 1992, the expendable balance was \$8,380.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 9,332	\$ -	\$ 748	\$ 10,080

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

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, 1992, the expendable balance was \$2,426.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 2,246	\$ -	\$ 180	\$ 2,426

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, 1992, the expendable balance was \$5,085.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 4,707	\$ -	\$ 378	\$ 5,085

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, 1992, the expendable balance was \$1,486.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,376	\$ -	\$ 110	\$ 1,486

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Edward J. Shea Memorial Fund

In June of 1965, the City Council accepted the Edward Shea Memorial Fund. The annual income from the principal of \$300 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 of the obligation of a good citizen; law abiding; a diligent student; respectful to faculty and interested in his associates." The winner is to be chosen by the Headmaster and two members of the faculty. As of June 30, 1992, the expendable balance was \$905.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,117	\$ -	\$ 88	\$ 1,205

Webster H. Thierry Historic Prize Fund

This fund was established through a \$300 donation 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, 1992, the expendable balance was \$2,550.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 2,640	\$ -	\$ 211	\$ 2,851

J. Maxwell Joseph Memorial Writing Award Trust Fund

The J. Maxwell Joseph Memorial Writing Award Trust Fund was established to commemorate J. Maxwell Joseph, a 1988 graduate of Cambridge Rindge and Latin High School, who died on August 26, 1988. The purpose of the Trust is to provide an annual Writing Center Award at Cambridge Rindge and Latin High School (CRLS). The CRLS Writing Center provides students with the opportunity to develop writing skills. This award will be granted to the graduating senior who makes the best use of the Writing Center. As of June 30, 1992, the expendable balance was \$3,415.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 20,798	\$ -	\$ 1,717	\$ 22,515

School Textbook Trust Fund

This trust fund was established during fiscal year 1991 to provide funds for the purchase of textbooks. As of June 30, 1992, the expendable balance was \$0.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,876	\$ 1,868	\$ 1	\$ 9

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Henry Wise Book Prize Trust Fund

This fund was established during 1991 by the Cambridge Police Association in memory of Henry Wise, who served as legal counsel to the Association for many years. This fund provides annual book prizes to graduating seniors from Cambridge Rindge and Latin High School who demonstrate exemplary community or school service. As of June 30, 1992, the expendable balance was \$154.

FY 1992 Opening <u>Balance</u>	FY 1992 <u>Expenditures</u>	FY 1992 <u>Income</u>	FY 1992 Closing <u>Balance</u>
\$ 606	\$ -	\$ 48	\$ 654

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Neville Manor Nursing Home Trust Funds

Anna D. Behlen Fund

Under the terms of Anna D. Behlen's will, accepted by the Council on March 11, 1974, the Neville Manor Nursing Home was the recipient of a gift of \$1,800, whose interest is to be used for the enjoyment and recreation of the residents of Neville Manor. As of June 30, 1992, the expendable balance was \$(863).

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 705	\$ -	\$ 232	\$ 937

Anna Burke Fund

In 1971, the City Council accepted \$2,500 as a partial distribution of the estate of Anna Burke. The final distribution amounted to \$5,028.70. The purpose of the fund is to benefit the residents of Neville Manor and act as a memorial to Mrs. Burke's late husband, Frederick H. Burke, a former City Clerk and City employee for over 50 years. As of June 30, 1992, the expendable balance was \$1,498.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 7,964	\$ 1,920	\$ 483	\$ 6,527

Reverend Patrick H. Callahan Fund

A gift of \$2,000 was willed to the City by Reverend Patrick H. Callahan, Pastor of St. Peter's Church. The interest of the trust is to be spent for a "feast day" on December 18th for the residents of the Neville Manor. As of June 30, 1992, the expendable balance was \$4,617.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 6,126	\$ -	\$ 491	\$ 6,617

John Harty Fund

Margaret A. Harty bequeathed to the City the sum of \$5,000 in memory of her brother John Harty. The interest on this trust provides "entertainment and comfort" for the residents of the Neville Manor. As of June 30, 1992, the expendable balance was \$1,849.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 3,089	\$ 1,336	\$ 96	\$ 1,849

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Neville Manor Nursing Home Trust Funds

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 is to be used to provide a Christmas of "good cheer" for the residents. As of June 30, 1992, the expendable balance was \$4,263.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 5,294	\$ -	\$ 469	\$ 5,763

Minnie Perry Fund

Miss Minnie Perry donated the residue of her estate to the City to be used "to promote spiritual and material joys" for the residents of Neville Manor. The principal of this fund is \$7,590; the income can be used for Christmas and Easter parties. As of June 30, 1992, the expendable balance was \$16,300.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 22,122	\$ -	\$ 1,768	\$ 23,890

Frank F. Rogers, Jr. Fund

At the time of the death of the wife of Frank F. Rogers, \$50,000 was divided into 10 equal shares, one of which Neville Manor received. The trust stipulates that the annual income be expended for entertainment and gifts for the residents of Neville Manor. As of June 30, 1992, the expendable balance was \$7,400.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 11,529	\$ -	\$ 871	\$ 12,400

Sarah E. Russell Fund

As provided in the will of Sarah E. Russell, who died Oct 6, 1897, the sum of \$814.41 was paid to the City, "the income therefrom to be annually expended in or towards providing a Christmas Tree or Christmas gifts and entertainment for the residents of the Neville Manor." As of June 30, 1992, the expendable balance was \$3,202.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 3,718	\$ -	\$ 298	\$ 4,016

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Neville Manor Nursing Home Trust Funds

John and Catherine Shine Fund

Elizabeth M. Shine bequeathed the sum of \$2,000 to Neville Manor. The income is to be used for a celebration on January 9th, in memory of the wedding day of Miss Shine's parents. As of June 30, 1992, the expendable balance was \$12,306.

FY 1992 Opening <u>Balance</u>	FY 1992 <u>Expenditures</u>	FY 1992 <u>Income</u>	FY 1992 Closing <u>Balance</u>
\$ 13,245	\$ -	\$ 1,061	\$ 14,306

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Bookmobile Trust Fund

This fund represents money remaining from citizen contributions after the purchase of a new bookmobile in fiscal year 1984. The fund will be used to develop a special children's book collection and to cover any unbudgeted or unexpected maintenance costs for the bookmobile. As of June 30, 1992, the expendable balance was \$225.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ -	\$ -	\$ 225	\$ 225

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, 1992, the expendable balance was \$11,094.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 10,796	\$ 2,051	\$ 2,349	\$ 11,094

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, 1992, the expendable balance was \$2,097.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 11,705	\$ -	\$ 592	\$ 12,297

Cambridge Public Library Benefit Fund

The City Council authorized the establishment of a Library Benefit Trust Fund by the Trustees of the Cambridge Library in February 1988. The trust is to be used for general library purposes. As of June 30, 1992, the expendable balance was \$4,979.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 2,614	\$ 187	\$ 2,552	\$ 4,979

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

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, 1992, the expendable balance was \$5,469.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 12,250	\$ -	\$ 619	\$ 12,869

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 placed 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, 1992, the expendable balance was \$1,501.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 6,741	\$ -	\$ 260	\$ 7,001

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, 1992, the expendable balance was \$1,533.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 3,363	\$ -	\$ 170	\$ 3,533

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, 1992, the expendable balance was \$529.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,455	\$ -	\$ 74	\$ 1,529

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

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, 1992, the expendable balance was \$54.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 51	\$ -	\$ 3	\$ 54

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, 1992, the expendable balance was \$824.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,736	\$ -	\$ 88	\$ 1,824

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, 1992, the expendable balance was \$1,989.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 4,749	\$ -	\$ 240	\$ 4,989

Gertrude E. Kirkley Fund

In January of 1987, the Cambridge Public Library was the recipient of a \$1,000 gift from a Cambridge citizen who wished to remain anonymous for the establishment of a trust fund to honor the memory of Gertrude E. Kirkley. The gift provides that the interest earned will be used for the purchase of books and materials that will benefit all the residents of Cambridge. As of June 30, 1992 the expendable balance was \$520.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,446	\$ -	\$ 74	\$ 1,520

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Jeanne Kantor Landon Fund

In August of 1983, the City Council accepted a gift of \$500 to establish a Jeanne Kantor Landon Trust Fund, to be used by the Cambridge Public Library to purchase books about art and artists anywhere in the world, and from any historical period, as well as for books concerning serious and light opera. Books purchased from the trust will carry a label bookplate indicating that the source of the gift is in honor of Jeanne Kantor Landon from her family and friends. The principal amount may be used by the Library for book purchases as necessary and interest income from the principal is unrestricted. As of June 30, 1992, the expendable balance was \$686.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 653	\$ -	\$ 33	\$ 686

Maria Murdock Fund

In 1922, Maria Murdock left to the Cambridge Public Library an unrestricted gift of \$2,000. As of June 30, 1992, the expendable balance was \$1,235.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 3,079	\$ -	\$ 156	\$ 3,235

Carrie Saunders Fund

A sum of \$1,500 was placed in trust by the family of Carrie Saunders with the resulting interest to be used for the purchase of books on art. As of June 30, 1992, the expendable balance was \$3,611.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 4,865	\$ -	\$ 246	\$ 5,111

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, 1992, the expendable balance was \$6,533.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 12,922	\$ -	\$ 611	\$ 13,533

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Webster H. Thierry Library Fund

In 1956, Adelaide R. Thierry donated the sum of \$1,128 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 to purchase books. As of June 30, 1992, the expendable balance was \$4,961.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 5,797	\$ -	\$ 293	\$ 6,090

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, 1992, the expendable balance was \$9,607.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 12,952	\$ -	\$ 655	\$ 13,607

Mehitable C.C. Wilson Fund

According to the terms of Mehitable C.C. 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, 1992, the expendable balance was \$1,257.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 2,624	\$ -	\$ 133	\$ 2,757

James A. Woolson Fund

At the time of his death in 1905, James A. Woolson donated 50 shares of F. Brigham and Gregory stock to the Cambridge Public Library. This stock was eventually converted to \$5,000 cash which was used to purchase an American Telephone and Telegraph Bond, due 2001, No. R-29-872. This trust is to be expended for the purchase of books that are designated by an appropriate plate or card. As of June 30, 1992, the expendable balance was \$5,097.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 9,716	\$ -	\$ 381	\$ 10,097

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Eleanor Collins Burke Trust Fund

The Eleanor Collins Burke Trust Fund was established during 1991 by co-workers and friends of Mrs. Burke in recognition of her dedicated service to the City of Cambridge. The purpose of this trust fund is to provide funds to purchase materials and books for the Daniel P. Collins Branch Library. This Library is named in honor of Eleanor Burke's father. As of June 30, 1992, the expendable balance was \$272.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 919	\$ -	\$ 154	\$ 1,073

P.H. Dolan Lecture Fund

The Philip H. Dolan Lecture Fund was established in 1992 by Mrs. Ruth Brooks Heath in recognition of Philip Hilary Dolan, Librarian of the Cambridge Public Library from 1949 to 1971, for his devoted work in developing the Library's greater potential to serve its community. The purpose of this fund is to provide funds for an annual lecture on the importance and value of books and libraries. As of June 30, 1992, the expendable balance was \$1,051.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,000	\$ -	\$ 51	\$ 1,051

Dorothea J. Petery Memorial Fund

The Dorothea J. Petery Memorial Fund was established in 1991 by relatives and friends of Dorothea J. Petery. The purpose of the trust is to provide funds for the purchase of children's materials and services benefiting all the children in the Cambridge community. As of June 30, 1992, the expendable balance was \$2,812.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 3,595	\$ 2,564	\$ 1,781	\$ 2,812

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Bridge Charitable Fund

The Bridge Charitable Fund was founded by Levi Bridge in 1875. In 1877, Samuel Bridge, a relative of the founder, donated a sum sufficient to double Levi Bridge's original gift. The Mayor, City Manager, and Finance Director are trustees and may allow distribution of the funds to referral clients of reputable social services agencies such as the Department of Public Welfare. As of June 30, 1992, the expendable balance was \$13,806.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 16,682	\$ -	\$ 1,336	\$ 18,018

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, 1992, the expendable balance was \$197,070.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 205,810	\$ -	\$ 21,260	\$ 227,070

Facade Preservation Fund

On June 13, 1983, the Cambridge City Council authorized the establishment of an expendable trust for a donation received by the Cambridge Historical Commission from the owner of 1420-1440 Massachusetts Avenue. This expendable trust was established for the deposit of this donation and other similar donations to be received by the Historical Commission. The Historical Commission may use the principal and accrued interest for the administration of its preservation programs within the City of Cambridge from time to time. As of June 30, 1992, the expendable balance was \$26,748.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 24,765	\$ -	\$ 1,983	\$ 26,748

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Housing Trust Fund

In fiscal year 1988, the City established an Affordable Housing Trust to facilitate the development and/or rehabilitation of affordable housing units. Developers who obtain a special permit authorizing an increase in the density of population in a proposed development are required either to create housing or to contribute an amount based on square footage to the Affordable Housing Trust. As of June 30, 1992, the expendable balance was \$1,569,443.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 454,888	\$ 185,000	\$ 1,299,555	\$ 1,569,443

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, 1992, the expendable balance was \$5,596.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 6,181	\$ 1,000	\$ 415	\$ 5,596

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, 1992, the expendable balance was \$4,824.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 13,725	\$ -	\$ 1,099	\$ 14,824

Melville Shoe Fund

In 1969, the Melville Shoe Company set up a fund to support a program for training retarded young adults. As of June 30, 1992, the expendable balance was \$1,129.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,045	\$ -	\$ 84	\$ 1,129

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Bridget McGuire Fund

In 1974, Bridget McGuire bequeathed to the Cambridge Hospital the sum of \$2,000 in memory of her late sister, Margaret Mahoney, to be used for the care of needy patients. As of June 30, 1992, the expendable balance was \$7,846.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 7,264	\$ -	\$ 582	\$ 7,846

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 should be used for conservation and horticultural activities. As of June 30, 1992, the expendable balance was \$22,366.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 21,533	\$ -	\$ 833	\$ 22,366

Mary "Molly" Ramsey Fund

In October of 1963, the City accepted a gift of \$5,000 from the estate of Mary "Molly" Ramsey. The income from this fund is to be used annually to sponsor a competition for junior golfers and a Member-Guest Tournament at the Fresh Pond Golf Course. In the event that the before-mentioned purpose of the fund cannot be served, then it is required that the income of and any or all of the principal be used for other purposes, but only with the unanimous decision of the Chief Executive Officer, Recreation Director, Treasurer of the City of Cambridge and golf professionals at the Fresh Pond Golf Course. As of June 30, 1992, the expendable balance was \$12,808.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 17,727	\$ 874	\$ 949	\$ 17,802

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

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, 1992 the expendable balance was \$1,149.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 1,064	\$ -	\$ 85	\$ 1,149

Sheehan War Memorial Fund

This fund was begun by the students of Cambridge Rindge and Latin High School to install a plaque in the War Memorial in honor of the war dead. However, the City dedicated a plaque before the Cambridge Rindge and Latin High School fund reached its goal. The City is contemplating alternative uses of the trust which will adhere to the intent of the trust. As of June 30, 1992, the expendable balance was \$8,778.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 8,127	\$ -	\$ 651	\$ 8,778

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, 1992, the expendable balance was \$14,786.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 23,776	\$ -	\$ 1,904	\$ 25,680

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Mary Conlan Trust Fund

The Trust was established to provide for the beautification and maintenance of the Mary Conlan Park, located in Cambridge. This park was named for Mary Conlan, a long-time civic leader and life-long resident of Cambridge who died in 1991. As of June 30, 1992, the expendable balance was \$5,205.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 4,744	\$ -	\$ 461	\$ 5,205

Cambridge Special Law Enforcement Trust Fund

This trust fund was established pursuant to Massachusetts General Laws, Chapter 94, Section 47. The purpose of the trust is to expend funds to defray the costs of protracted investigations, to provide additional technical equipment or expertise to the Cambridge Police Department, to provide matching funds to obtain federal grants or for other such law enforcement purposes as the Chief of Police of the City of Cambridge deems appropriate. As of June 30, 1992, the expendable balance was \$22,858.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ 58,454	\$ 47,020	\$ 11,424	\$ 22,858

Pasquale and Mary Reale Trust Fund

This trust was established by the Cambridge Veterans Organization to honor the Memory of Pasquale Reale and his wife Mary. The purpose of the trust is to provide funds for an annual music award to graduating students. As of June 30, 1992, the expendable balances was \$320.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ -	\$ -	\$ 4,320	\$ 4,320

Public Planting Trust Fund

The purpose of this trust fund is to promote the beautification of public open spaces in the City of Cambridge through planting of trees. As of June 30, 1992, the expendable balance was \$1,080.

<u>FY 1992 Opening Balance</u>	<u>FY 1992 Expenditures</u>	<u>FY 1992 Income</u>	<u>FY 1992 Closing Balance</u>
\$ -	\$ -	\$ 1,080	\$ 1,080

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Other Schedules

The following schedules present detailed information on the City's real estate, personal property, and motor vehicle excise taxes, bonds payable, and general fixed assets as of June 30, 1992.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year ended June 30, 1992

	Uncollected June 30, 1991	Commitments	Abatements	Transfers to Tax Title	Refunds	Collections	Adjustments Increase (decrease)	Uncollected June 30, 1992
Real estate taxes:								
1979 and prior	\$ 177,320	-	-	-	-	-	(13,669)	163,652
1980	38,863	-	60	-	450	-	(5,114)	34,139
1981	44,956	-	-	-	-	1,035	(5,914)	38,007
1982	46,474	-	7,920	-	7,920	2,082	(4,501)	39,891
1983	85,078	-	396	-	653	5,654	1,694	81,375
1984	53,026	-	4,637	-	22,025	8,149	(10,470)	51,795
1985	55,283	-	-	-	-	16,599	(1,251)	37,433
1986	15,631	-	2,078	-	443	5,892	8,619	16,723
1987	39,952	-	29,552	-	29,346	32,690	3,004	10,060
1988	11,278	-	24,436	-	23,763	2,351	660	8,914
1989	25,348	-	45,921	-	46,602	3,966	(252)	21,811
1990	909,741	-	789,326	-	724,031	1,235	(840,553)	2,658
1991	6,466,629	-	2,225,425	4,498,644	2,117,559	1,942,294	198,546	116,371
1992	-	123,650,910	2,589,425	-	606,859	114,000,740	648,788	8,316,392
	<u>\$ 7,969,579</u>	<u>123,650,910</u>	<u>5,719,176</u>	<u>4,498,644</u>	<u>3,579,651</u>	<u>116,022,687</u>	<u>(20,412)</u>	<u>8,939,220</u>
Personal property taxes:								
1979 and prior	\$ 204,535	-	-	-	-	-	(204,535)	-
1980	58,528	-	-	-	-	-	(58,528)	-
1981	71,221	-	-	-	-	-	(71,221)	-
1982	85,147	-	-	-	-	-	(85,147)	-
1983	103,931	-	-	-	-	-	(103,931)	-
1984	81,835	-	-	-	-	-	(81,835)	-
1985	79,889	-	-	-	-	-	(79,889)	-
1986	68,456	-	-	-	-	-	(68,456)	-
1987	470,532	-	-	-	-	-	(470,532)	-
1988	198,260	-	-	-	-	290	(10,241)	187,729
1989	163,469	-	-	-	-	721	(2,935)	159,813
1990	164,760	-	-	-	-	-	(9,082)	155,678
1991	174,937	-	1,193	-	17,842	20,326	(19,743)	151,517
1992	-	4,399,090	14,795	-	-	4,181,697	10,677	213,275
	<u>\$ 1,925,500</u>	<u>4,399,090</u>	<u>15,988</u>	<u>-</u>	<u>17,842</u>	<u>4,203,034</u>	<u>(1,255,398)</u>	<u>868,012</u>
Motor vehicle excise taxes:								
1979 and prior	\$ 80	-	28	-	-	-	(52)	-
1980	23	-	-	-	-	-	(23)	-
1981	124,923	-	124,134	-	2	796	5	-
1982	124,255	-	123,263	-	-	987	(5)	-
1983	106,384	-	105,439	-	16	1,080	119	-
1984	100,395	-	99,670	-	8	761	28	-
1985	136,675	-	135,505	-	2	1,242	70	-
1986	132,534	14	176	-	-	2,070	(327)	129,975
1987	220,297	832	124	-	56	6,798	(993)	213,270
1988	242,446	2,146	348	-	44	10,687	(1,221)	232,380
1989	317,087	2,033	560	-	306	20,918	(1,850)	296,098
1990	303,271	155,623	6,539	-	6,998	180,177	(5,911)	273,265
1991	357,149	990,862	36,225	-	28,949	922,865	9,687	427,557
1992	-	2,094,537	53,036	-	27,346	1,621,136	15,805	463,516
	<u>\$ 2,165,519</u>	<u>3,246,047</u>	<u>685,047</u>	<u>-</u>	<u>63,727</u>	<u>2,769,517</u>	<u>15,332</u>	<u>2,036,061</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable

June 30, 1992

	Interest Rates	Issue Dates	Final Maturity Date	Balance June 30, 1991	Additions	Retired	Balance June 30, 1992
Inside debt limit:							
Surface drainage loan	4.70%	9/1/72	9/1/92	\$ 30,000	-	15,000	15,000
Surface drainage loan	5.38	10/15/76	10/15/96	450,000	-	75,000	375,000
Multi-purpose	11.4-11.6	6/1/82	6/1/92	50,000	-	50,000	-
Multi-purpose	5.6-5.7	6/15/87	6/15/97	4,760,000	-	1,210,000	3,550,000
Multi-purpose	6.4-6.5	6/15/89	6/15/99	8,805,000	-	1,105,000	7,700,000
Multi-purpose	6.4-6.6	6/15/90	6/15/00	10,800,000	-	1,200,000	9,600,000
Multi-purpose	5.8-6.4	6/15/91	6/15/01	3,310,000	-	360,000	2,950,000
Multi-purpose	4.3-5.3	6/15/92	6/15/02	-	8,680,000	-	8,680,000
Sewer Loan	9.1-9.2	12/15/82	12/15/92	1,000,000	-	500,000	500,000
Lechmere Canal Park Loan	7.00	7/1/85	7/1/95	2,200,000	-	450,000	1,750,000
Hospital loan (Boiler renovations)	7.00	7/1/85	7/1/93	690,000	-	230,000	460,000
Lechmere Parking Garage	6.1-6.2	7/1/86	7/1/94	360,000	-	90,000	270,000
Building Renovations	5.9-6.35	6/15/88	6/15/98	2,110,000	-	305,000	1,805,000
Streets and Sidewalks	5.9-6.35	6/15/88	6/15/98	700,000	-	100,000	600,000
				<u>35,265,000</u>	<u>8,680,000</u>	<u>5,690,000</u>	<u>38,255,000</u>
Outside Debt Limit:							
School Project Loan				-	-	-	-
School Project Loan	5.25	7/1/71	7/1/91	190,000	-	190,000	-
School Project Loan	11.4-11.6	6/1/82	6/1/92	250,000	-	250,000	-
High School Loan	5.70	6/15/78	6/15/98	8,085,000	-	1,155,000	6,930,000
School Project Loan	7.20	2/15/84	11/15/93	600,000	-	200,000	400,000
School Project Loan	9.00	8/1/84	8/1/93	2,925,000	-	1,000,000	1,925,000
School Building Renovation	5.6-5.7	6/15/87	6/15/97	1,080,000	-	180,000	900,000
				<u>13,130,000</u>	<u>-</u>	<u>2,975,000</u>	<u>10,155,000</u>
Parking:							
Lechmere Parking Garage	7.00	7/1/85	7/1/93	780,000	-	260,000	520,000
Lechmere Parking Garage	6.1-6.2	7/1/86	7/1/94	1,320,000	-	330,000	990,000
				<u>2,100,000</u>	<u>-</u>	<u>590,000</u>	<u>1,510,000</u>
Sewer Projects:							
Sewer Loan	5.38	10/15/76	10/15/96	1,290,000	-	215,000	1,075,000
Sewer Loan	4.70	9/1/72	9/1/92	200,000	-	100,000	100,000
				<u>1,490,000</u>	<u>-</u>	<u>315,000</u>	<u>1,175,000</u>
Water Projects:							
Reservoir Cover				4,000,000	-	375,000	3,625,000
Reservoir Cover	6.4-6.5	6/15/89	6/15/99	800,000	-	100,000	700,000
Reservoir Cover	6.4-6.6	6/15/90	6/15/00	7,200,000	-	800,000	6,400,000
Reservoir Cover	4.3-5.3	6/15/92	6/15/02	-	1,000,000	-	1,000,000
				<u>12,000,000</u>	<u>1,000,000</u>	<u>1,275,000</u>	<u>11,725,000</u>
				<u>\$ 63,985,000</u>	<u>9,680,000</u>	<u>10,845,000</u>	<u>62,820,000</u>

CITY OF CAMBRIDGE, MASSACHUSETTS
Schedule of General Fixed Assets - by Function and Activity
Year ended June 30, 1992

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>
General Government:					
Control:					
Legislative	\$ 32,263	-	-	-	32,263
Executive	62,015	-	-	-	62,015
Total Control	94,278	-	-	-	94,278
Staff Agencies:					
Elections	37,292	-	-	-	37,292
Finance	1,373,398	-	-	-	1,373,398
Law	52,467	-	-	-	52,467
Employee Benefits	2,091	-	-	-	2,091
Animal Commission	5,429	-	-	-	5,429
Public Celebrations	7,676	-	-	-	7,676
Total Staff Agencies	1,478,353	-	-	-	1,478,353
Total General Government	1,572,631	-	-	-	1,572,631
Public Safety:					
Building Inspection	3,376	-	-	-	3,376
License	15,107	-	-	-	15,107
Weights and measures	10,219	-	-	-	10,219
Emergency Management	8,293	-	-	-	8,293
Fire Protection	8,172,618	3,274,675	1,806,228	-	3,091,715
Police Protection	2,900,918	999,803	483,994	-	1,417,121
Traffic and Parking	21,107,803	1,952,080	18,095,215	-	1,060,508
Electrical	633,497	50,000	147,315	-	436,182
Total Public Safety	32,851,831	6,276,558	20,532,752	-	6,042,521
Community Maintenance and Development:					
Public Works	41,401,678	23,350,662	10,433,499	3,218,960	4,398,557
Community Development	2,055,630	-	-	1,884,661	170,969
Historical Commission	38,701	-	-	-	38,701
Conservation Commission	75	-	-	-	75
Rent Control	75,283	-	-	-	75,283
Cable Television	100,878	-	-	-	100,878
Total Community Maintenance and Development	43,672,245	23,350,662	10,433,499	5,103,621	4,784,463
Human Resource Development:					
Library	1,629,980	125,000	1,098,556	-	406,424
Human Services	89,093,108	87,242,253	327,377	967,281	556,197
Human Rights Commission	7,347	-	-	-	7,347
Women's Commission	4,332	-	-	-	4,332
Health Department/School					
Health	8,253	-	-	-	8,253
Veteran's Benefits	4,285	-	-	-	4,285
Total Human Resources	90,747,305	87,367,253	1,425,933	967,281	986,838
Public Schools	100,426,463	55,067,765	39,808,074	848,786	4,701,838
Neville Manor	-	-	-	-	-
Construction in Progress	544,878	-	-	-	-
Total General Fixed Assets	\$ 269,815,353	172,062,238	72,200,258	6,919,688	18,088,291

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Year Ended June 30, 1992

<u>Function and Activity</u>	<u>General Fixed Assets June 30, 1991</u>	<u>Additions</u>	<u>Disposals</u>	<u>General Fixed Assets June 30, 1992</u>
General Government				
Control:				
Legislative	\$ 35,267	4,767	7,771	32,263
Executive	59,167	2,848	-	62,015
Total Control	<u>94,434</u>	<u>7,615</u>	<u>7,771</u>	<u>94,278</u>
Staff Agencies:				
Elections	33,667	3,625	-	37,292
Finance	1,668,579	165,295	460,476	1,373,398
Law	52,467	-	-	52,467
Employee Benefits	4,396	-	2,305	2,091
Animal Commission	5,429	-	-	5,429
Public Celebrations	5,226	2,450	-	7,676
Total Staff Agencies	<u>1,769,764</u>	<u>171,370</u>	<u>462,781</u>	<u>1,478,353</u>
Total General Government	<u>1,864,198</u>	<u>178,985</u>	<u>470,552</u>	<u>1,572,631</u>
Public Safety:				
Building Inspection	-	3,376	-	3,376
License	14,011	5,281	4,185	15,107
Weights & Measures	10,219	-	-	10,219
Emergency Management	6,377	1,916	-	8,293
Fire Protection	8,036,375	159,239	22,996	8,172,618
Police Protection	2,843,331	129,275	71,688	2,900,918
Traffic and Parking	20,737,150	370,653	-	21,107,803
Electrical	619,107	14,390	-	633,497
Total Public Safety	<u>32,266,570</u>	<u>684,130</u>	<u>98,869</u>	<u>32,851,831</u>
Community Maintenance and and Development:				
Public Works	25,020,186	16,432,651	51,159	41,401,678
Community Development	150,275	1,905,355	-	2,055,630
Historical Commission	13,889	24,812	-	38,701
Conservation Commission	1,018	-	943	75
Rent Control	85,238	11,012	20,967	75,283
Cable Television	92,855	12,893	4,870	100,878
Total Community Maintenance and Development	<u>25,363,461</u>	<u>18,386,723</u>	<u>77,939</u>	<u>43,672,245</u>
Human Resource Development:				
Library	1,580,159	49,821	-	1,629,980
Human Services	88,959,176	155,534	21,602	89,093,108
Human Rights Commission	7,347	-	-	7,347
Women's Commission	4,332	-	-	4,332
Health Department/School Health	8,253	-	-	8,253
Veteran's Benefits	4,285	-	-	4,285
Total Human Resource	<u>90,563,552</u>	<u>205,355</u>	<u>21,602</u>	<u>90,747,305</u>
Public School	<u>99,700,828</u>	<u>725,635</u>	<u>-</u>	<u>100,426,463</u>
Neville Manor	-	-	-	-
Construction in Progress	<u>11,358,616</u>	<u>544,878</u>	<u>11,358,616</u>	<u>544,878</u>
Total General Fixed Assets	<u>\$ 261,117,225</u>	<u>20,725,706</u>	<u>12,027,578</u>	<u>269,815,353</u>

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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. Some tables may reflect less than the required ten year history due to the unavailability of certain information. However, an attempt to present information on a ten year basis is being made on an ongoing basis.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Government Expenditures by Function (1)

General Fund - Budget Basis

Last Ten Fiscal Years

Fiscal Year	General Government Intergovernmental and Judgments and Claims	Public Safety	Community Maintenance and Development	Health and Hospital	Human Resource Development	Education	Water	Debt Service	Total
1983	24,589,098	20,914,709	18,140,537	28,399,895	3,523,666 (2)	38,654,703	3,724,923	5,163,610	143,111,141
1984	27,118,518	23,032,520	17,875,362	30,585,285	3,692,420	43,079,170	4,527,783	4,847,265	154,758,323
1985	25,661,735	24,788,805	18,778,919	32,619,000	3,947,640	46,132,435	3,259,991	3,938,160	159,126,685
1986	21,217,535 (3)	28,590,055	20,220,685	39,487,585	4,866,860	48,988,761	3,587,600	4,045,605	171,004,686
1987	20,988,685	32,032,930	22,737,335	42,298,735	5,303,640	51,799,155	3,549,650	3,896,035	182,606,165
1988	22,211,019	33,028,045	22,556,414	45,031,381	6,187,260	56,488,499	3,932,794	4,814,157	194,249,569
1989	24,622,933	41,710,216	19,822,690	52,480,973	6,968,342	61,516,982	3,787,693	5,492,663	216,402,492
1990	25,953,030	43,625,473	20,110,302	56,872,974	7,522,121	64,938,390	3,991,687	5,855,433	228,869,410
1991	29,377,351	45,900,338	20,907,100	63,015,281	8,291,888	68,796,729	4,261,520	7,799,479	248,349,686
1992	32,308,733	46,882,889	20,416,173	70,357,376	8,761,217	71,874,739	4,585,200	8,213,984	263,400,311

-
- (1) Includes expenditures of the General, Hospital, Neville Manor 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 the City's portion of Metropolitan District Commission (MDC) park assessments. However, the City was made responsible for assessments imposed by the newly established Massachusetts' Water Resources Authority (MWRA).

CITY OF CAMBRIDGE, MASSACHUSETTS

General Revenues by Source

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes (1)</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental Revenue</u>	<u>Charges for Service</u>	<u>Fines and Forfeits</u>	<u>Miscellaneous Revenues</u>	<u>Revenues</u>
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
1987	75,528,975	2,708,410	44,158,875	48,729,970	5,849,765	5,729,180	182,705,175
1988	93,735,914	2,962,445	40,679,645	50,972,397	6,566,875 (2)	11,330,614	206,247,890 (2)
1989	100,124,906	3,990,544	42,722,387	57,425,435	7,172,974 (2)	6,870,904	218,307,150 (2)
1990	114,295,452	4,210,888	42,836,437	66,327,437	7,630,193 (2)	7,141,029	242,441,436 (2)
1991	122,112,209	2,796,254	38,128,709	88,004,301	7,503,100 (2)	8,608,149	267,152,722 (2)
1992	132,079,005	3,151,596	32,276,073	96,179,301	8,272,148 (2)	4,481,042	276,439,165 (2)

(1) Includes property taxes, net of abatements, hotel/motel and motor excise taxes, and payments in-lieu of taxes.

(2) Includes \$6,250,555, \$6,735,267, \$7,208,224, \$7,086,473 and \$7,799,327 for 1988, 1989, 1990, 1991 and 1992, respectively, from parking fines reported in the Special Revenue Fund.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Levies and Collections (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Net Tax (2) Levy</u>	<u>Current Tax (3) Collections</u>	<u>Percent of Net Levy Collected</u>	<u>Prior Year Tax Collections (Refunds)</u>	<u>Total Tax Collections</u>	<u>Total Collections as a % of Net Levy</u>	<u>Outstanding and/or Delinquent Taxes (5)</u>	<u>Outstanding Delinquent Taxes as a % of Net Levy</u>
1983	66,128,389	63,435,268	95.93	2,262,042	65,697,310	99.35	2,764,035	4.18
1984	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
1987 (6)	80,310,585	40,330,344	50.21	2,038,870	42,369,214	52.76	43,753,074	54.48
1988	85,233,221	82,438,677	96.72	40,680,470 (7)	123,119,147	144.35	6,582,533	7.72
1989	92,585,894	89,210,379	96.35	2,050,244	91,260,623	98.57	6,236,064	6.74
1990	106,651,725	100,810,391	94.52	1,716,413	102,526,804	96.13	9,115,560	8.55
1991	115,000,000	109,346,157	95.08	1,580,810	110,926,967	96.46	9,895,076	8.60
1992	124,550,000	117,575,578	94.40	(947,350)	116,628,228	93.64	9,807,232	7.87

(1) Real and personal property taxes.

(2) Total tax levy less overlay reserve for abatements.

(3) Current tax collections reflect the amount of a fiscal year's tax levy collected during that fiscal year, net of related refunds.

(4) Prior year tax collections for any fiscal year exclude interest and penalties, and relate to collections in the current year that relate to prior year levies, net of refunds.

(5) Outstanding and/or delinquent taxes exclude accrued interest and penalties.

(6) Fiscal year 1987 collections are lower in comparison to other years due to the late issuance of tax bills for the second half of the year. The amount outstanding at fiscal year 1987 was not delinquent since tax bills were due after the fiscal year end.

(7) Prior year tax collections are higher in comparison to previous years due to the late issuance, and correspondingly late collection, of fiscal year 1987 tax bills for the second half of the year.

Source: Audit reports for the City of Cambridge for fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991 and 1992.

CITY OF CAMBRIDGE, MASSACHUSETTS

Assets and Equalized Valuation of Taxable Property

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value (1)</u>	<u>Equalized Valuation (2)</u>	<u>% of Total Assessed Value to Equalized</u>
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
1987	5,825,497,020	149,534,722	5,975,031,742	4,192,316,000	142.5
1988	6,000,944,260	147,000,000	6,147,944,260	4,192,316,000	146.6
1989	7,183,753,910	144,093,012	7,327,846,922	7,190,306,000	101.9
1990	8,360,269,144	168,500,000	8,528,769,144	7,190,306,000	118.6
1991	8,482,806,830	180,100,000	8,662,906,830	8,777,325,000	98.7
1992	7,621,874,272	192,100,000	7,813,974,272	8,777,325,000	89.0

-
- (1) As of January 1, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990 and 1991, respectively.
 - (2) As of January 1, 1982, 1984, 1986, 1988 and 1990, 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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt per Capita</u>
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	86,868	3,616,211,487	44,830,000	1.2	516
1987	86,868	5,975,031,742	57,665,000	1.0	664
1988	91,260	6,147,944,260	54,070,000	.9	592
1989	91,260	7,327,846,922	56,950,000	.8	624
1990	90,290	8,528,769,144	67,705,000	.8	749
1991	95,802	8,662,906,830	63,985,000	.7	668
1992	95,802	7,813,974,272	62,820,000	.8	656

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

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Expenditures by Function (1)

General and Special Revenue Funds - GAAP Basis

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Government	Public Safety	Community Maintenance & Development	Infirmary and Health	Human Resources	Education	Fuel Assistance	Judgments and Claims	State Assessments	Other	Debt Service	Totals
1983	7,965	24,726	11,055	3,206	4,458	42,856	2,991	1,010	7,251	2,972	4,717	113,207
1984	8,817	27,373	12,239	4,767	4,935	48,544	3,087	1,119	8,028	3,290	4,276	126,475
1985	9,143	28,384	12,691	4,678	5,117	50,587	2,767	1,160	8,324	3,412	3,251	129,514
1986	10,205	31,682	14,166	5,523	5,712	53,661	2,388	1,295	9,291	3,808	3,477	141,208
1987	11,298	35,076	15,683	5,721	6,324	57,351	2,574	1,433	10,287	4,216	3,130	153,093
1988	11,122	32,909	26,064	6,104	6,010	61,745	2,192	2,956	10,685	6,452	4,817	171,056
1989	11,411	40,809	19,942	7,617	6,905	67,120	1,777	1,490	10,978	7,377	5,469	180,895
1990	12,123	43,624	19,961	8,085	7,398	71,146	1,937	706	12,486	6,103	5,710	189,279
1991	14,552	45,308	20,254	816	8,143	75,089	1,564	1,885	13,335	5,477	6,319	192,742
1992	16,460	47,273	19,968	970	8,719	77,364	1,663	3,690	15,906	8,280	6,191	206,484

(1) Includes General and Special Revenue Funds

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

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Legal Debt Margin

June 30, 1992

Fiscal year 1992 equalized valuation (1)	\$ <u>8,777,325,000</u>
Normal debt limit (2-1/2% of equalized valuation)	219,433,125
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 62,820,000
Less:	
General obligation bonds exempted by authority of the state legislature	<u>24,565,000</u>
Amount within debt limit	<u>38,255,000</u>
Legal Debt Margin	\$ <u>181,178,125</u>

-
- (1) In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes his own determination of fair cash value of the taxable property in each municipality. This is known as "equalized valuation". The last redetermination of "equalized valuation" for the City was January 1, 1990.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest (1)</u>	<u>Total Debt Service (2)</u>	<u>Total Expenditures (3)</u>	<u>Ratio of Debt Service to Total Expenditures</u>
1983	4,330,000	2,384,235	6,714,235	143,111,141	4.7
1984	4,830,000	2,537,190	7,367,190	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
1987	7,500,000	3,414,400	10,914,400	182,705,175	6.0
1988	8,595,000	3,843,586	12,438,586	194,249,569	6.4
1989	9,135,000	3,349,109	12,484,109	216,402,492	5.8
1990	9,245,000	3,568,731	12,813,731	228,869,410	5.6
1991	11,030,000	4,256,198	15,286,198	248,349,686	6.2
1992	10,845,000	3,955,775	14,800,775	263,400,311	5.6

-
- (1) Includes principal and interest on all general obligation bonds outstanding, including bonds payable reported in the Enterprise Funds.
- (2) Does not include debt service on short-term borrowing, such as revenue anticipation notes which are retired during the fiscal year.
- (3) Includes all categories of expenditures as presented in the first table.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Rates (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>	<u>Vehicles</u>
1983	198.00		198.00	25.00
1984 (3)	17.00	Residential	33.12	25.00
	33.12	Commercial		
1985	15.26	Residential	34.69	25.00
	34.60	Commercial		
1986	14.29	Residential	30.83	25.00
	30.83	Commercial		
1987	9.81	Residential	20.76	25.00
	20.76	Commercial		
1988	9.79	Residential	21.15	25.00
	21.15	Commercial		
1989	9.23	Residential	20.06	25.00
	20.06	Commercial		
1990	9.51	Residential	18.16	25.00
	18.16	Commercial		
1991	10.13	Residential	19.15	25.00
	19.15	Commercial		
1992	12.21	Residential	22.90	25.00
	22.90	Commercial		

-
- (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, 1992

<u>Name of Unit</u>	<u>Direct Debt (1)</u>	<u>Outstanding Overlapping Debt</u>	<u>Percentage Applicable to City of Cambridge</u>	<u>Total City of Cambridge Direct and Overlapping Debt</u>
City of Cambridge	\$ 62,820,000	\$ -	100.00%	\$ 62,820,000
Middlesex County	-	1,430,000	7.88	112,684
Massachusetts Water Resources Authority		1,876,648,000	4.56	85,509,870
Massachusetts Bay Transportation Authority	<u>-</u>	<u>1,708,230,000</u>	4.90	<u>83,757,933</u>
Total direct and overlapping debt	\$ <u>62,820,000</u>	\$ <u>3,586,308,000</u>		\$ <u>232,200,487</u>

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

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Principal Taxpayers (1)

June 30, 1992

<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Amount of Tax</u>	<u>% of Total Tax Levy</u>
Commonwealth Energy	Utility	\$ 247,601,600	5,813,223	4.5%
Boston Properties	Commercial	246,276,000	5,639,514	4.4
M.I.T.	Educational	190,811,600	4,161,712	3.3
Robert Jones and K. George Najarian	Commercial	163,791,300	3,750,821	2.9
Asahi Seimei Prudential Associates	Commercial	141,723,200	3,245,461	2.5
Spaulding & Slye Corp.	Commercial	119,557,800	2,737,874	2.1
Presidents and Fellows of Harvard College	Educational	133,932,102	2,359,590	1.8
Cambridge Side Galleria	Commercial	79,855,500	1,807,029	1.4
The Congress Group	Commercial	77,416,800	1,684,592	1.3
E.M.I. Cambridge Limited Partnership	Commercial	<u>67,158,700</u>	<u>1,538,163</u>	<u>1.3</u>
Totals		\$ <u>1,468,124,602</u>	<u>32,737,979</u>	<u>25.5%</u>

(1) As of January 1, 1991.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Salaries of Principal Officials

June 30, 1992

City Council:	
Chairman (Mayor)	\$ 43,233
Members	33,233
City Clerk	62,840
City Auditor	58,760
Executive:	
City Manager	119,029
Deputy City Manager	98,366
Assistant City Manager/Fiscal Affairs	78,347
Assistant City Manager/Community Development	78,347
Assistant City Manager/Human Services	78,347
Budget Director	58,760
Personnel Director	72,742
Director of Assessment	67,664
City Solicitor	58,760
Commissioner of Health, Hospitals and Welfare	86,064
Commissioner of Public Works	74,620
Commissioner of Inspectional Services	71,455
Superintendent of Schools	96,900
Police Commissioner	93,600
Fire Chief	83,216
Director of Libraries/Communications	

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Value, Construction and Bank Deposits

Last Eight Fiscal Years

(Dollars in thousands)

<u>Fiscal year</u>	<u>Real Property Assessed Value</u>	<u>Building Permits Issued (1)</u>	<u>Construction Value (1)</u>	<u>% Distribution (a)</u>		<u>Bank Deposits(2)</u>
				<u>Residential</u>	<u>Commercial</u>	
1985	\$ 2,973,620	1,845	\$ 142,382	27%	73%	\$ 1,476,968
1986	3,505,211	1,866	133,090	44	56	1,655,522
1987	5,825,497	2,982	201,222	46	54	1,929,282
1988	6,000,944	2,021	208,230	22	78	1,232,253
1989	7,183,754	1,590	256,953	14	86	2,288,062
1990	8,360,269	1,964	229,124	27	73	2,283,866
1991	8,662,907	1,979	93,961	33	67	*
1992	7,813,974	1,318	144,754	21	79	2,259,264

* Not available

(1) Source: Inspectional Services Department

(2) Source: Federal Deposit Insurance Corporation. These figures do not include deposits in credit unions and savings and loan institutions.

CITY OF CAMBRIDGE, MASSACHUSETTS

Miscellaneous Statistics

<u>Characteristic</u>	<u>Cambridge</u>	<u>Boston SMSA</u>	<u>Massachusetts</u>	<u>United States</u>
Population (1):	95,802	2,870,689	6,016,425	248,709,873
Median age (2):				
1990	31.1	23.4	33.6	32.9
1980	28.6	31.3	31.2	30.0
1970	26.8	29.1	29.0	28.0
1960	29.6	32.0	32.1	29.5
Age group (3):				
5-17	19.2%	14.3%	15.6%	18.2%
25-44	41.0	35.1	33.6	32.5
65 and over	10.5	12.9	13.6	12.6
Median family income (2):				
1988	\$ 33,990	\$ 49,266	\$ 44,367	\$ 37,919
1979	17,845	22,848	21,166	19,917
1969	9,815	11,449	10,981	9,590
Per capita income (2):				
1989	\$ 19,879	\$ 23,746	\$ 22,236	\$ 17,592
1987	15,613	20,355	18,296	15,472
1985	13,494	17,391	16,324	13,908
1983	11,403	14,612	13,306	11,687
1979	7,957	9,880	10,096	9,494
1969	3,899	4,471	4,349	3,945
Unemployment rates (4):				
1992	6.4%	8.5%	10.0%	7.7%
1991	6.1	8.2	9.9	7.2
1990	3.0	4.1	5.0	5.9
1989	2.8	3.4	4.0	5.3
1988	2.4	2.8	3.3	5.5
1987	2.4	3.1	3.8	6.2
1986	3.2	3.5	3.8	7.0
1985	3.3	3.4	3.9	7.2
1984	4.0	4.1	4.8	7.5
Four or more years of college education 25 years old and over (3)	54.2%	35.4%	27.2%	*
High school graduates 25 years old and over (3)	84.4%	84.3%	80.0%	*
	<u>K-8</u>	<u>9-12</u>	<u>Special</u>	<u>Total</u>
Public school enrollments (5):				
1992	5,097	2,102	673	7,872
1991	4,998	2,078	681	7,757
1990	4,796	2,136	703	7,635
1989	4,657	2,253	743	7,653
1988	4,584	2,400	721	7,705
1987	4,631	2,541	648	7,820
1986	4,686	2,619	582	7,885
1985	4,760	2,671	566	7,997
1984	4,795	2,621	577	7,993

- (1) Source: U.S. Department of Commerce, Bureau of Census, Current Population Reports, "Local Population Estimates," 1990, and City of Cambridge Community Development Department.
- (2) Source: U.S. Department of Commerce, Bureau of Census, and the Bureau of Economic Analysis, and City of Cambridge Community Development Department.
- (3) Source: U.S. Department of Commerce, Bureau of Census, 1980 Census of Population.
- (4) Source: Department of Labor, Bureau of Labor Statistics and Massachusetts Division of Employment Security.
- (5) Enrollments are as of October 1, for the fiscal years shown.
- * Unavailable

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CITY OF CAMBRIDGE, MASSACHUSETTS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year
June 30, 1992**

Electronic Publishing	KPMG Peat Marwick
Paper	70 pound Finch
Covers and Dividers	80 pound coated
Printing - Laser Printing/text	KPMG Peat Marwick
Printing - Covers and Dividers	KPMG Peat Marwick
Composing	Finance Department
Cover and Divider Design	Claudia Sharon Chanzit
Photograph	Library of Congress



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

February 1, 1993

To The Honorable, The City Council:

Enclosed, please find a copy of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 1992. This document, which has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the past six fiscal years, provides a wide range of information covering all facets of the city's fiscal operations. The CAFR, which was prepared by the Finance Department, is a useful tool in evaluating the fiscal condition of the city.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 8

F-19

Comprehensive Annual Financial Report
(CAFR) for the fiscal year ending June 30,
1992.

In City Council,

February 1, 1993

Placed on file