

**City of Cambridge
Massachusetts**

**Comprehensive
Annual Financial
Report**



July 1, 1998 – June 30, 1999

CITY OF CAMBRIDGE, MASSACHUSETTS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 1998 through June 30, 1999

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

Marci Davis creates collages and paintings from her environment. The three collages here are titled, *The Church in the Neighborhood*, *Snow in the City* and *Puffy Clouds*. She is a native of North Cambridge, having graduated from Peabody School, CHLS and Harvard. Cambridge is in her blood and this is reflected in her work – in the neighborhoods, the architecture, the colors, the old trees and the chain link fences. She currently lives in North Cambridge, has shown her work around the city and on the North Shore, and is a member of NoCa. She can also be contacted for commissions at (617) 547-6033 or 27 Norris Street, Cambridge, MA 02140.

City of Cambridge, Massachusetts

Comprehensive Annual Financial Report

For the Year Ended June 30, 1999

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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 15, 1999

Mr. 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, 1999 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. We 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 our 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 deposit, 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

The general purpose financial statements present information on the City of Cambridge, Massachusetts (the "primary government") and its component units as required by generally accepted accounting principles. Component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The inclusion of component units in the City's general purpose financial statements does not affect their legal standing.

The City has two component units which are the Cambridge Retirement System and the Cambridge Public Health Commission.

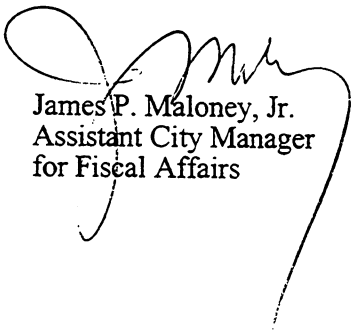
The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 1998, which is its fiscal period for reporting to the Public Employee Retirement Administration Commission of the Commonwealth of Massachusetts.

Acknowledgments

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

Respectfully submitted,



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



James A. Lindstrom
City Auditor

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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

December 15, 1999

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 ended June 30, 1999. 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 and Schedules. These statements and schedules 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 1999 in Review: Major Initiatives

During fiscal year 1999, the City took several steps to ensure that it would enter the new millennium in full compliance with Y2K requirements and the ever-changing technology needs of financial systems. In addition, the City began funding the largest capital improvement project in the City's history, the construction of a new water treatment plant on the site of the current facility.

- On August 1, 1998, the City issued \$40,700,000 in General Obligation Bonds with a 20 year maturity schedule to finance the first phase of the construction of a new water treatment facility (\$40,000,000) with the remainder being designated for the construction of a new youth center. With the exception of the bonds issued during the previous fiscal year to cover the construction costs for the new ambulatory care center at the Cambridge Hospital, all bond issues over the past two decades have had maturity schedules of ten years or less. The fiscal 1999 issuance occurred at a time when market conditions were favorable, which, when combined with the City's Aaa Moody's rating and AA+ Standard and Poor's rating, produced a true interest cost of 4.70%. Although this rate was higher than the rate received when the City last issued bonds in February 1998, it reflects the change in market conditions over the ensuing six month period.

- On May 11, 1998, the City Council approved a loan order for \$2,250,000 for the development, design, purchase, and installation of computer hardware and software for a new financial system. The City began the implementation of the multi-phase project in June 1999 with Phase 1 focusing on the payroll function. This phase of the project was completed in November 1999 with the remainder of the project to be completed over the next three years.
- The City began addressing the "Y2K" problem several years ago. While financial applications have been the primary focus of the project, all City functions where there are potential problems in this area have been tested for compliance and any necessary adjustments have been made to ensure that the City will be in full compliance on January 1, 2000.
- Although fund equity in the General Fund showed a decline from \$48,309,529 in fiscal year 1998 to \$43,116,281 in fiscal year 1999, it represents 17% of the total revenues which is high by national standards. A significant increase in the amount reserved for abatements is the primary reason for the decrease in fund equity.
- For the third consecutive year, the collection rate for current year real and personal property taxes exceeded 100%. The 100.62% rate is the result of current year collections of \$155,715,163 being greater than the net tax levy (total levy of \$159,000,005 minus the reserve set aside for abatements of \$4,250,006) of \$154,749,999. This extremely high collection rate reflects both the strong local economy and ongoing efforts made by the City in recent years to maximize collections on real and personal property.
- As it has for the past decade, the City received both 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 Fund. This data is included in the Statement of Revenues and Expenditures-Budgetary Basis-Budget and Actual, which presents financial information on the budgetary basis of accounting.

Revenues

Fiscal year 1999 revenues totaled \$253.0 million. This represents an increase of \$16.6 million or 7.0% from fiscal year 1998. Property taxes are the single largest revenue source, representing approximately 61.2% of General Fund revenues. Real and personal property tax revenues, net of abatements, increased by \$4.7 million, or 3.1%. Intergovernmental receipts comprise the City's next largest revenue source, representing 16.4% of General Fund revenues. These revenues increased 11.3% to \$41.4 million, due to increases in state aid.

Sewer receipts increased 1.3% to \$19.5 million during fiscal year 1999 because of higher rates.

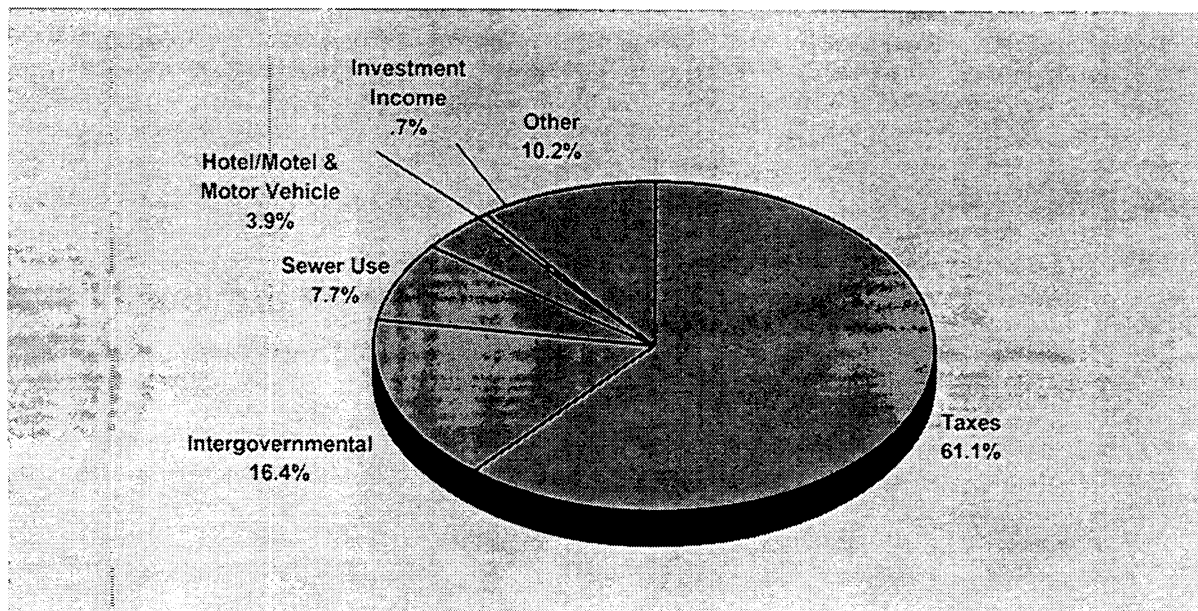
The 11.4% increase in the Hotel/Motel & Motor Vehicle Excise Tax category directly reflects the strong local economy. Both of these taxes are sensitive to changes in the local economy.

The 8.3% decrease in investment income from \$1.93 million to \$1.77 million was due to lower interest rates earned on its cash and investment balances.

The following table and graph display the dollar amounts in thousands received from various sources of revenue for fiscal year 1999 and compares these amounts to those received in fiscal year 1998.

**Fiscal Year 1999 General Fund Revenues
Budgetary Basis
(Dollars In Thousands)**

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent</u>	<u>Increase/(Decrease) From Fiscal Year 1998</u>	
			<u>Amount</u>	<u>Percent</u>
Taxes-Net of Abatements	\$ 154,750	61.1%	\$ 4,696	3.1%
Intergovernmental	41,403	16.4	4,196	11.3
Sewer Use	19,461	7.7	255	1.3
Hotel/Motel & Motor Vehicle Excise	9,780	3.9	614	6.7
Investment Income	1,768	0.7	(159)	(8.3)
Other	<u>25,814</u>	<u>10.2</u>	<u>6,935</u>	<u>36.7</u>
Total	252,976	<u>100.0%</u>	16,537	<u>7.0%</u>
Net Transfers In (Out)	<u>(9,183)</u>		<u>(4,065)</u>	
Total, Net of Transfers	\$ <u>243,793</u>		\$ <u>12,472</u>	



Expenditures

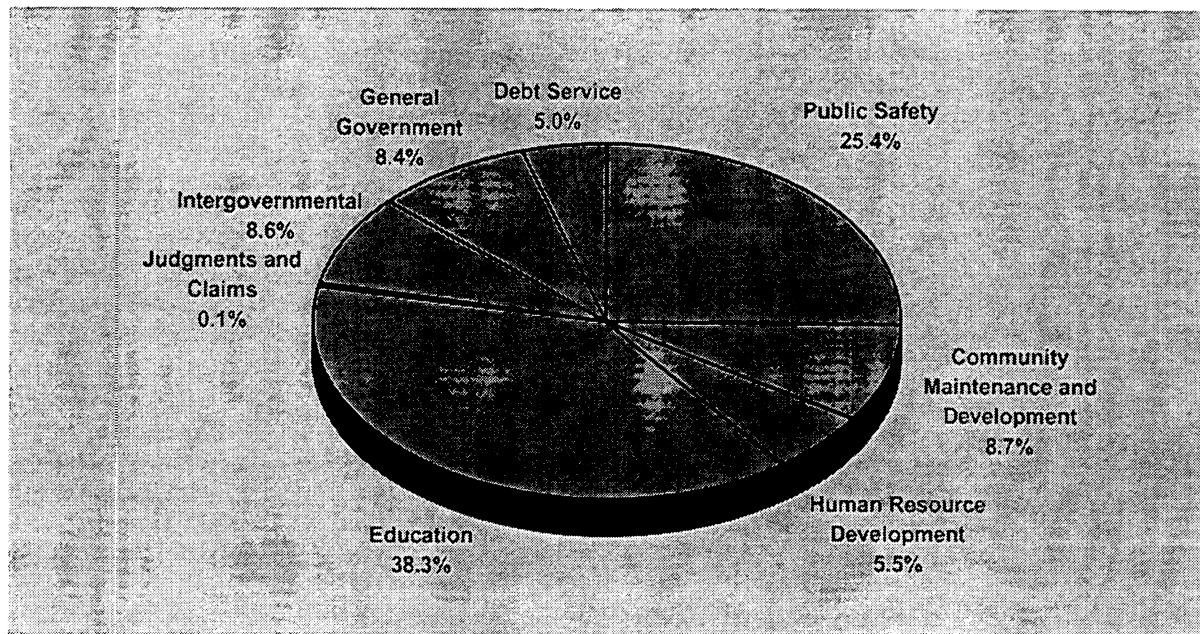
During fiscal year 1999, total expenditures increased 5.4% from \$234.0 million to \$246.7 million.

General Government expenditures increased 18.7% to \$20.6 million due primarily to higher health insurance and pension costs. Community Maintenance and Development expenditures were lower in fiscal year 1998 by \$1.5 million due to the retirement of certain Section 108 housing bonds. In fiscal year 1999, expenditures in the function returned to their fiscal year 1997 level of approximately \$21.5 million. The 5.0% increase in Education expenditures reflects both salary increases and additional debt service costs due to the issuance of \$12 million in bonds in the previous fiscal year. The significant increase in both principal and interest costs reflects the \$30,000,000 hospital bond issued in February 1998 with the initial impact in fiscal year 1999.

As part of the agreement between the City and the Cambridge Public Health Commission (CPHC), the City will continue to subsidize the operations of the CPHC. The transfer from the City to the CPHC, \$8.6 million, is at the same level as in the previous fiscal year and is shown as a transfer to a component unit in the Other Financing Sources (Uses) section of the Budgetary Basis statement. The in-lieu-of-tax payment from the CPHC to the City was reduced from its previous level of \$2 million to \$1 million in fiscal year 1998, and will continue at that level through fiscal year 2000.

Fiscal Year 1999 General Fund Expenditures Budgetary Basis (Dollars In Thousands)

<u>Expenditure Function</u>	<u>Amount</u>	<u>Percent</u>	Increase (Decrease) From Fiscal Year 1998	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 20,647	8.4%	\$ 3,257	18.7%
Public Safety	62,626	25.4	1,076	1.7
Community Maintenance and Development	21,433	8.7	1,508	7.6
Human Resource Development	13,478	5.5	494	3.8
Education	94,378	38.3	4,492	5.0
Judgments and Claims	219	0.1	(399)	(64.6)
Intergovernmental	21,223	8.6	(85)	(0.4)
Debt Service	<u>12,648</u>	<u>5.0</u>	<u>2,352</u>	<u>22.8</u>
Grand Total	\$ <u>246,652</u>	<u>100.0%</u>	\$ <u>12,695</u>	<u>5.4%</u>



General Fund Balances and Cash Position

The City ended fiscal year 1999 with a total General Fund fund balance of \$43,116,281, which represents 17.3% of General Fund revenues, down from 21.0% in fiscal year 1998. Each year, a portion of fund balance is allocated to reserve accounts. A total of \$19,892,625 was transferred to reserve accounts in fiscal year 1999, leaving an unreserved fund balance of \$23,223,656. General Fund cash and short-term investments totaled \$71,132,435, while the balance of cash and short-term investments for all funds totaled \$144,468,983 which is a \$30,309,932, or 26.6% increase from fiscal year 1998 with the largest portion of this increase occurring in the Capital Projects Fund. 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 balance in the City's unreserved General Fund fund balance for fiscal years 1992 through 1999.

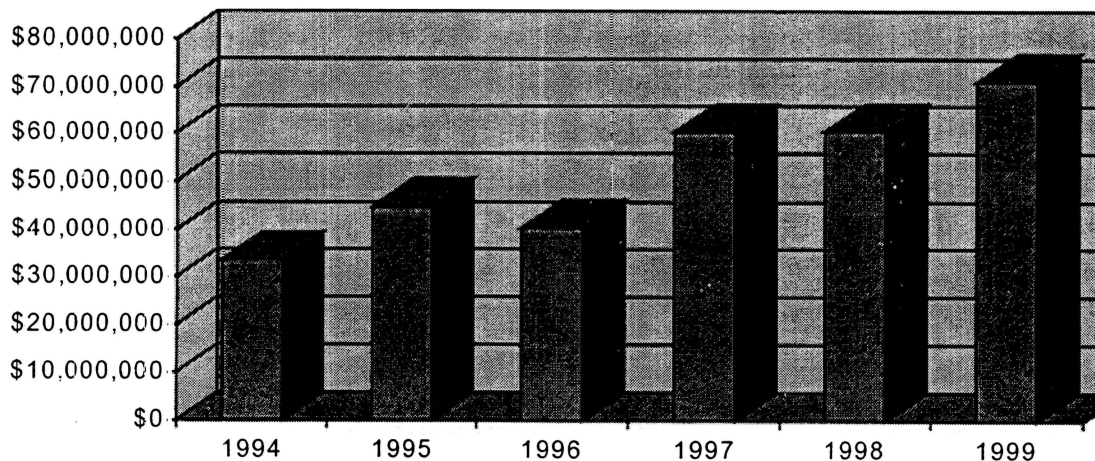
<u>Fiscal Year</u>	<u>Unreserved General Fund Balance</u>
1993	\$ 7,595,682
1994	15,634,070
1995	26,362,257
1996	26,079,677
1997	30,979,095
1998	34,958,456
1999	23,223,656

Cash Position

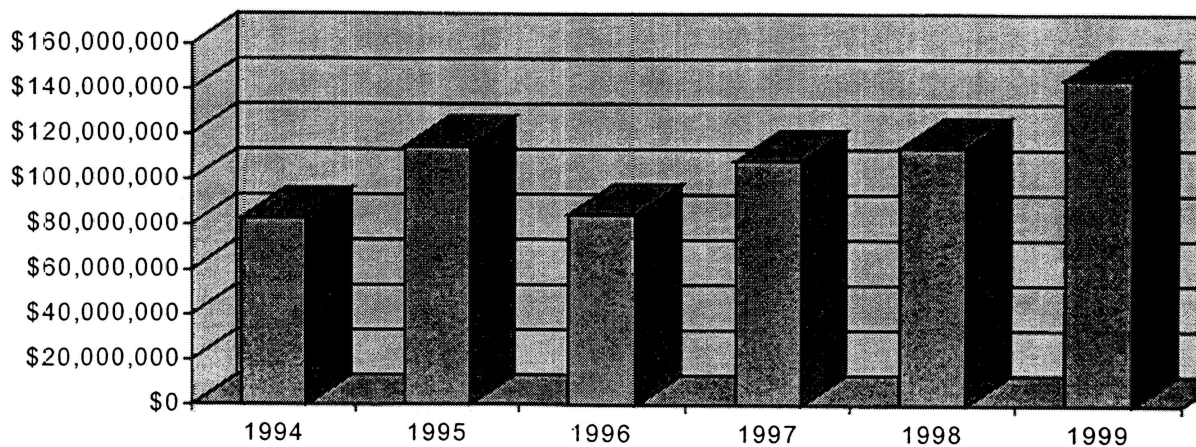
The table and charts displayed below present the changes in year-end General Fund cash and total cash for all funds for the past six fiscal years. The table and charts do not include cash for the Cambridge Public Health Commission component unit.

<u>Fiscal Year</u>	<u>Year-End General Fund Cash and Short-term Investments</u>	<u>Year-End All Funds Cash and Short-term Investments</u>
1994	\$ 33,567,749	\$ 82,918,319
1995	44,855,049	114,915,503
1996	40,436,647	84,569,214
1997	60,358,932	108,598,982
1998	60,512,140	114,159,051
1999	71,132,435	144,468,983

Year-End Cash Balance – General Fund



Year-End Cash Balance – 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 2000 through fiscal year 2004, which was approved by the City Council in May 1999, has an estimated cost of \$245,615,100. Financing for the fiscal year 2000 portion of the capital plan was appropriated with the adoption of the fiscal year 2000 operating budget in May 1999. Implementation of the program in the following four years, however, is contingent upon the City's continued strong financial position.

The City issues a majority of its debt with a ten-year or shorter 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. Outstanding bonded debt as of June 30, 1999 totaled \$133,502,560.

Key Debt Ratios

<u>Ratio</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Ratio of Bonded Debt to Assessed Value	1.4	1.4	1.1	1.1	1.1
Bonded Debt Per Capita	\$ 1,422	\$ 1,143	\$ 792	\$ 807	\$ 775
Ratio of Bonded Debt Per Capita to Per Capita Income	8.7	5.7	3.9	4.1	4.1
Ratio of Debt Service to Total Expenditures	8.6	7.6	9.0	5.4	4.7

Property Valuations

Based on valuations of all real and personal property as of January 1, 1998, the total value of all property in the City is \$9,542,836,815. Of that total, \$297,160,703 is attributable to new construction. The table below compares fiscal year 1999 property valuations and tax rates to fiscal year 1998 valuations and tax rates.

	<u>Property Valuations</u> <u>(In Thousands)</u>		<u>Tax Rates</u>	
	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 1998</u>
Commercial/Industrial	\$ 3,561,372	\$ 2,494,523	\$ 27.25	\$ 35.98
Personal Property	256,202	248,991	27.25	35.98
Residential	<u>5,725,262</u>	<u>4,760,189</u>	11.05	13.43
Total Value	\$ <u>9,542,836</u>	\$ <u>7,503,703</u>		

Fiduciary and Reserve Funds

The City administers more than 70 trust funds (excluding the Retirement Trust Fund and the City's Stabilization Funds), the total fund balance of which was \$24,599,558 on June 30, 1999. 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 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 increased from \$11,757,815 at June 30, 1998 to \$12,571,624 at June 30, 1999. The increase was due to interest earnings and employee health care deductions, exceeding the transfers and expenses to fund 1999 health care costs by \$813,809.

The City's Stabilization Fund had a balance of \$6,240,147 on June 30, 1999. This fund is a statutory reserve account. Interest earned by this fund accrues to this trust.

Pension Liability

As of January 1, 1999, the City's unfunded actuarial accrued liability is approximately \$48 million. In January, 1991, the City established a State approved funding schedule that will eliminate the City's unfunded actuarial liabilities by June 30, 2026.

Risk Management

The City of Cambridge is self-insured for any damage to its buildings from fire and natural disasters and for theft. The City currently has sufficient reserves in several funds to cover any unanticipated costs that may arise.

Health insurance is provided to employees and retirees through managed care health plans. The City offers a variety of health maintenance organization (HMO) options including Blue Cross/Blue Shield's Blue Choice and HMO Blue, Harvard Community Health Plan, Tufts Associated Health Plan, and US Healthcare. Both of the Blue Cross plans as well as the Tufts Associated Health Plan are paid on a claims basis while the Harvard Community Health Plan and US Healthcare are paid on a premium basis. All four plans require a 10% employee and retiree contribution with the remaining 90% covered by the City.

The City is self-insured in all other areas of risk including auto liability and workers' and unemployment compensation. The City's Law Department defends the City in most cases for legal claims, except those requiring specialized expertise, in which case the City will periodically retain outside counsel. Settlements for legal claims are paid from the City's Judgments and Claims account. The noncurrent portion of claims and judgments is reported in the general long-term obligations account group to the extent it is probable that a loss has been incurred and the amount can be reasonably estimated. The City's Personnel Department administers risk management.

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 LLP. The independent auditors' report on the financial statements for the year ended June 30, 1999 is included herein. The independent auditors' report on compliance and on internal control over financial reporting in accordance with "Government Auditing Standards" has also been 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, 1998.

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 continued to improve its strong financial condition and has been helped by an improved regional economy.

City unemployment has increased slightly from 1.5% as of June 30, 1998, to 2.1% on June 30, 1999, compared with 2.7% for the state and 4.5% for the United States. Inflation continues at its slow pace while property values are increasing. Property sales activity is up in all market sectors, and we are seeing activity in local real estate development with an office vacancy rate of less than 2%.

Future Outlook and Conclusion

While the City maintains its policy of controlled budget growth, it has also maintained its tradition of providing a high level of service to its residents and the local business community. In fact, the overall property tax levy increased at a moderate rate from the prior fiscal year. There continues to be many reasons to be optimistic about the fiscal future of Cambridge.

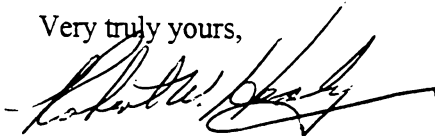
Real estate development activity has increased in all market sectors. Development will result in new real estate tax growth. New growth is important because it is not subject to Proposition 2-1/2. Low vacancy rates in the local lodging industry have spurred several new hotel projects in the Boston metropolitan area, and Cambridge opened two new hotels during 1999. All sectors of the commercial and residential real estate markets are performing well, boosting real estate sales prices in Cambridge as well.

The City will continue to look for ways to expand its non-property tax revenue, encourage expansion of the tax base and exercise restraint on expenditures. These factors will enable Cambridge to maintain its high level of municipal services and remain fiscally strong.

Acknowledgments

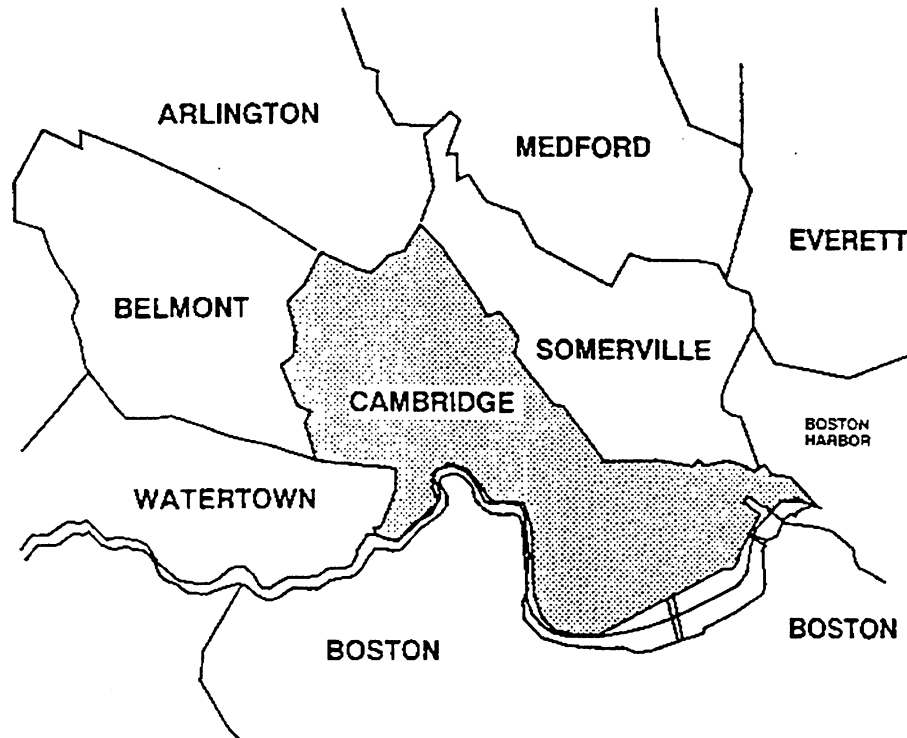
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to its preparation. I would also 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,



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 93,793 in 1999.

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 Chair 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 City 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, 2000.

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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FISCAL YEAR 1999

DIRECTORY OF OFFICIALS

City Council

Francis H. Duehay, Mayor

Anthony Galluccio, Vice Mayor

Henrietta Davis

Kenneth E. Reeves

Michael A. Sullivan

Sheila Doyle Russell

Timothy J. Toomey, Jr.

Kathleen Leahy Born

Katherine Triantafillou

School Committee

Francis H. Duehay, Chair

Susana M. Segat

Alice L. Turkel

Robin Harris

David P. Maher

Joseph G. Grassi

E. Denise Simmons, Vice Chair

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

Beth C. Rubinstein

Assistant City Manager for Human Services

Jill M. Herold

City Auditor

James A. Lindstrom

City Solicitor

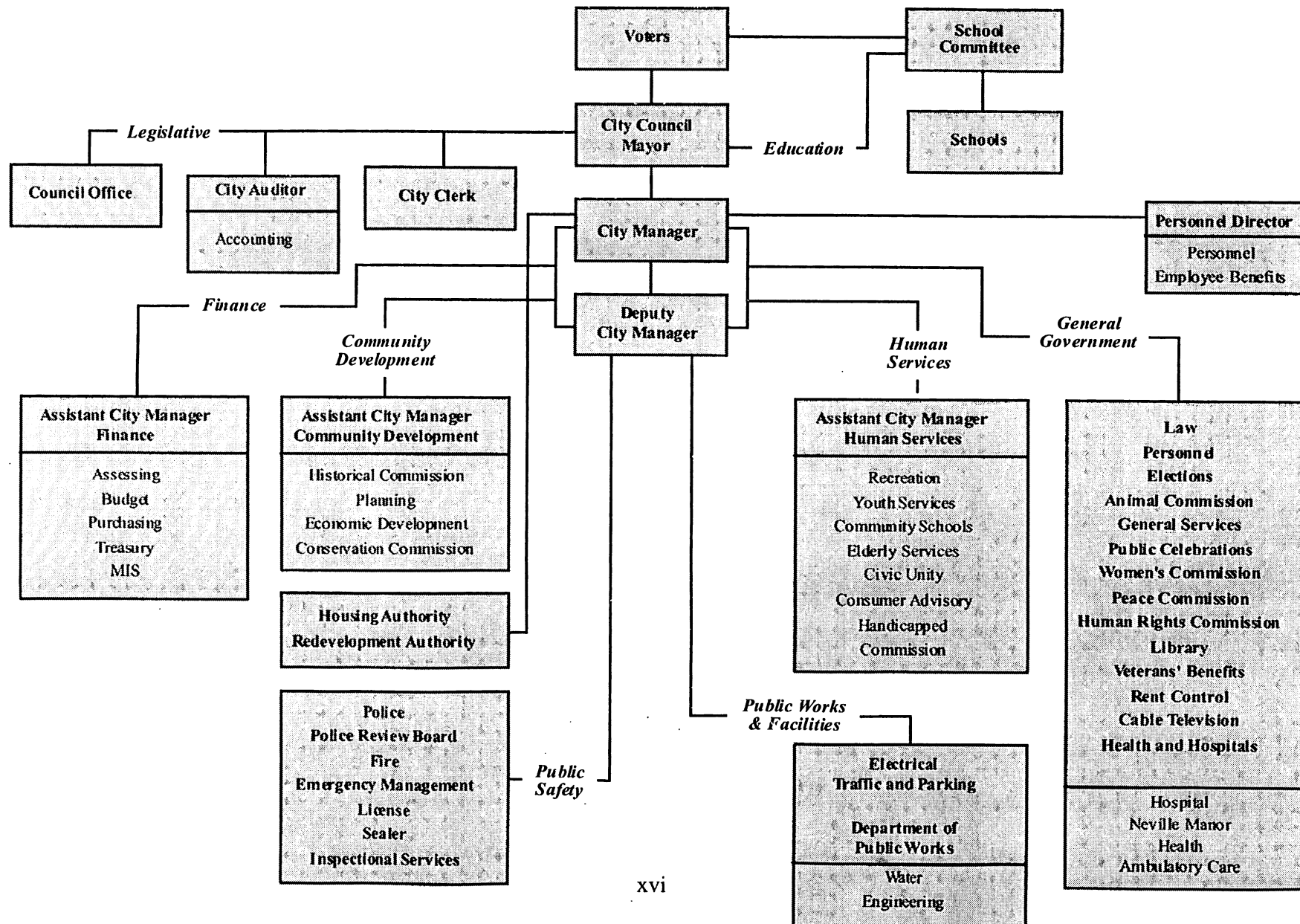
Russell B. Higley

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, 1998

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.



Cary Brubaker
President
Jeffrey L. Esser
Executive Director

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Independent Auditors' Report

The City's general purpose financial statements are audited each fiscal year by an independent public accounting firm. The audits are conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States.

The auditors' report on the City's general purpose financial statements is contained in this section.



99 High Street
Boston, MA 02110-2371

Telephone 617 988 1000
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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 for the City of Cambridge, Massachusetts (the "City"), as of and for the year ended June 30, 1999, as listed in the accompanying 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 the standards applicable to financial audits contained in *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, 1999, and the results of its operations and cash flows of its proprietary and similar 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 of the City of Cambridge, Massachusetts, taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. 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.

We did not audit the introductory and statistical sections as listed in the table of contents and therefore express no opinion thereon.

The schedule of the status of year 2000 technology issues and the schedule of historical pension information on pages 36 and 37, respectively, are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedule of historical pension information certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules. We were unable to apply certain of these limited procedures to the year 2000 information because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the City is or will become year 2000 compliant, that the City's year 2000 remediation efforts will be successful in whole or in part, or that the parties with which the City does business are or will become year 2000 compliant.



In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 1999, on our consideration of the City's internal control structure and its compliance with certain laws, regulations, contracts and grants.

KPMG LLP

October 22, 1999

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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 of each separate fund and account group.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Unit

June 30, 1999

Assets and Other Debits	Governmental fund types			Proprietary fund types		Fiduciary fund types	Account groups		Total (memorandum only)	Component Unit CPHC	Total (memorandum only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	Primary Government		Reporting Entity
Cash and investments (note 5)	\$ 71,132,435	5,684,679	10,424,030	9,267,320	795,055	420,445,606	—	—	517,749,125	38,695,805	556,444,930
Restricted cash and investments (notes 2 and 5)	—	—	100,228	—	—	—	—	—	100,228	63,616,771	63,716,999
Receivables:											
Property taxes (note 3)	3,799,562	—	—	—	—	—	—	—	3,799,562	—	3,799,562
Tax titles and possessions	4,957,203	—	—	—	—	—	—	—	4,957,203	—	4,957,203
Motor vehicle excise	2,548,845	—	—	—	—	—	—	—	2,548,845	—	2,548,845
Other	756,105	397,665	—	4,868,612	—	11,119,696	—	—	17,142,078	27,860,777	45,002,855
Accounts receivable - developer	—	1,000,000	—	—	—	—	—	—	1,000,000	—	1,000,000
Allowance for uncollectible receivables	—	—	—	(486,861)	—	—	—	—	(486,861)	—	(486,861)
Due from other funds (note 8)	721,598	—	35,176,591	43,628,000	—	5,706	—	—	79,531,895	—	79,531,895
Due from other governments	—	1,446,149	6,115,806	—	—	—	—	—	7,561,955	—	7,561,955
Due from component unit (note 7)	29,785,000	—	—	—	—	—	—	—	29,785,000	—	29,785,000
Fixed assets (net, where applicable, of accumulated depreciation) (note 6)	—	—	—	80,542,680	—	—	350,736,042	—	431,278,722	132,647,132	563,925,854
Other assets	659,925	—	—	—	—	1,950,439	—	—	2,610,364	9,198,776	11,809,140
Amount to be provided for retirement of general long-term obligations (note 7)	—	—	—	—	—	—	—	104,708,455	104,708,455	—	104,708,455
Total assets and other debits	\$ 114,360,673	8,528,493	51,816,655	137,819,751	795,055	433,521,447	350,736,042	104,708,455	1,202,286,571	272,019,261	1,474,305,832

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Unit (Continued)

June 30, 1999

Liabilities, Fund Equity and Other Credits	Governmental fund types			Proprietary fund types		Fiduciary fund types	Account groups		Total (memorandum only)	Component Unit CPHC	Total (memorandum only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	Primary Government		Reporting Entity
Liabilities:											
Warrants payable	\$ —	63,420	—	—	—	—	—	—	63,420	10,863,381	10,926,801
Accrued liabilities:											
Tax abatement refunds	11,479,105	—	—	—	—	—	—	—	11,479,105	—	11,479,105
Guarantee deposits and amounts due to other taxing authorities	1,921,939	—	—	—	—	2,597,839	—	—	4,519,778	—	4,519,778
Compensated absences (note 7)	—	—	—	185,446	—	—	—	8,593,281	8,778,727	12,187,814	20,966,541
Claims (notes 7 and 12)	—	—	—	—	—	—	—	5,885,745	5,885,745	—	5,885,745
Other	16,337,308	427,453	6,603,665	104,169	—	2,697,382	—	—	26,169,977	65,920,296	92,090,273
Due to third parties	—	—	—	—	—	—	—	—	—	—	—
Due to other funds (note 8)	—	1,560,021	55,661,354	22,054,814	—	255,706	—	—	79,531,895	—	79,531,895
Due to primary government (note 7)	—	—	—	—	—	—	—	—	—	29,785,000	29,785,000
Deferred revenue	41,506,040	—	—	—	—	—	—	—	41,506,040	25,046,721	66,552,761
Capital lease obligations	—	—	—	—	—	—	—	—	—	4,070,705	4,070,705
General obligation bonds and notes payable (note 7)	—	—	—	46,413,000	—	—	—	90,229,429	136,642,429	—	136,642,429
Total liabilities	<u>71,244,392</u>	<u>2,050,894</u>	<u>62,265,019</u>	<u>68,757,429</u>	<u>—</u>	<u>5,550,927</u>	<u>—</u>	<u>104,708,455</u>	<u>314,577,116</u>	<u>147,873,917</u>	<u>462,451,033</u>
Fund equity (deficit) and other credits:											
Investments in general fixed assets (note 6)	—	—	—	—	—	—	350,736,042	—	350,736,042	—	350,736,042
Retained earnings	—	—	—	69,062,322	795,055	—	—	—	69,857,377	—	69,857,377
Fund balance (deficit):											
Reserved for encumbrances	8,306,925	3,699,435	82,956,202	—	—	—	—	—	94,962,562	—	94,962,562
Reserved for employees' pension benefits (note 9)	—	—	—	—	—	395,323,160	—	—	395,323,160	—	395,323,160
Reserved for specific purposes (note 8)	11,585,700	5,275,373	—	—	—	32,647,360	—	—	49,508,433	6,174,850	55,683,283
Unreserved (note 13)	<u>23,223,656</u>	<u>(2,497,209)</u>	<u>(93,404,566)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(72,678,119)</u>	<u>117,970,494</u>	<u>45,292,375</u>
Total fund equity (deficit) and other credits	<u>43,116,281</u>	<u>6,477,599</u>	<u>(10,448,364)</u>	<u>69,062,322</u>	<u>795,055</u>	<u>427,970,520</u>	<u>350,736,042</u>	<u>—</u>	<u>887,709,455</u>	<u>124,145,344</u>	<u>1,011,854,799</u>
Commitments and contingencies (notes 12 and 15)											
Total liabilities, fund equity and other credits	<u>\$ 114,360,673</u>	<u>8,528,493</u>	<u>51,816,655</u>	<u>137,819,751</u>	<u>795,055</u>	<u>433,521,447</u>	<u>350,736,042</u>	<u>104,708,455</u>	<u>1,202,286,571</u>	<u>272,019,261</u>	<u>1,474,305,832</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Statement of Revenues, Expenditures and Changes in Fund Equity (Deficit)

All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1999

	Governmental fund types			Fiduciary fund type	Total
	General	Special Revenue	Capital Projects	Expendable Trust	(memorandum only)
Revenues:					
Property taxes	\$ 151,056,435	—	—	—	151,056,435
Payments in lieu of tax receipts	4,544,599	—	—	—	4,544,599
Hotel/motel excise tax	4,955,494	—	—	—	4,955,494
Intergovernmental	42,923,901	16,846,153	8,524,078	—	68,294,132
Private grants	—	253,137	—	—	253,137
Sewer use	19,460,697	—	—	—	19,460,697
Motor vehicle excise	4,824,980	—	—	—	4,824,980
Investment income	1,623,836	2,098,631	77,090	1,428,361	5,227,918
Other	19,605,412	11,761,772	2,080	3,480,831	34,850,095
Total revenues	248,995,354	30,959,693	8,603,248	4,909,192	293,467,487
Expenditures:					
Current:					
General government	21,751,991	41,168	—	—	21,793,159
Public safety	61,995,385	751,606	—	—	62,746,991
Community maintenance and development	19,379,487	2,350,210	—	—	21,729,697
Human resource development	12,602,091	3,600,747	—	—	16,202,838
Education	93,371,120	7,978,698	—	—	101,349,818
Fuel assistance	—	614,112	—	—	614,112
Judgments and claims	1,000,000	—	—	—	1,000,000
State assessments	21,222,529	—	—	—	21,222,529
Other	—	—	—	3,509,499	3,509,499
Capital outlay	—	—	36,165,817	—	36,165,817
Debt service:					
Principal retirement (note 7)	9,222,443	—	—	—	9,222,443
Interest	3,461,047	—	24,687	—	3,485,734
Total expenditures	244,006,093	15,336,541	36,190,504	3,509,499	299,042,637
Excess (deficiency) of revenues over expenditures	4,989,261	15,623,152	(27,587,256)	1,399,693	(5,575,150)
Other financing sources (uses):					
Operating transfers from other funds (note 11)	14,812,575	168,313	19,984,329	5,756,193	40,721,410
Operating transfers to other funds (note 11)	(17,398,084)	(15,468,313)	(4,500,000)	(2,875,115)	(40,241,512)
Transfers from component unit (note 11)	1,000,000	—	—	—	1,000,000
Transfers to component unit (note 11)	(8,597,000)	—	—	—	(8,597,000)
Proceeds from long-term debt (note 7)	—	—	1,496,605	—	1,496,605
Total other financing sources (uses)	(10,182,509)	(15,300,000)	16,980,934	2,881,078	(5,620,497)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,193,248)	323,152	(10,606,322)	4,280,771	(11,195,647)
Fund equity at beginning of year	48,309,529	6,154,447	157,957	26,803,945	81,425,878
Fund equity (deficit) at end of year	\$ 43,116,281	6,477,599	(10,448,364)	31,084,716	70,230,231

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, 1999
(with comparative actual amounts for 1998)

	1999 budget (note 4)	1999 actual	Variance favorable (unfavorable)	1998 actual
Revenues:				
Property taxes	\$ 159,000,005	159,000,005	—	154,303,550
Provisions for tax abatements and adjustments	(4,250,000)	(4,250,006)	(6)	(4,250,000)
Payments in lieu of tax receipts	3,198,000	3,304,508	106,508	1,233,326
Hotel/motel excise tax	3,777,000	4,955,494	1,178,494	4,449,984
Intergovernmental	39,847,147	41,403,415	1,556,268	37,207,164
Sewer use	18,999,050	19,460,697	461,647	19,206,157
Motor vehicle excise	4,257,889	4,824,980	567,091	4,716,502
Investment income	2,231,790	1,767,513	(464,277)	1,927,249
Other	12,398,007	22,509,919	10,111,912	17,645,071
Total revenues	<u>239,458,888</u>	<u>252,976,525</u>	<u>13,517,637</u>	<u>236,439,003</u>
Expenditures:				
Current:				
General government	21,411,830	20,646,505	765,325	17,389,835
Public safety	62,889,505	62,625,823	263,682	61,549,659
Community maintenance and development	21,632,177	21,433,013	199,164	19,925,112
Human resource development	13,621,375	13,478,195	143,180	12,984,351
Education	94,390,851	94,377,533	13,318	89,886,002
Judgments and claims	250,000	219,328	30,672	618,451
State assessments	21,999,670	21,222,795	776,875	21,308,192
Debt service:				
Principal retirement	9,555,160	9,222,443	332,717	7,768,884
Interest	3,698,880	3,426,070	272,810	2,527,403
Total expenditures	<u>249,449,448</u>	<u>246,651,705</u>	<u>2,797,743</u>	<u>233,957,889</u>
Excess (deficiency) of revenues over expenditures	<u>(9,990,560)</u>	<u>6,324,820</u>	<u>16,315,380</u>	<u>2,481,114</u>
Other financing sources (uses):				
Transfers in (out):				
Special revenue funds	13,436,100	11,433,812	(2,002,288)	11,301,890
Capital projects funds	(10,991,500)	(16,040,741)	(5,049,241)	(10,667,700)
Trust funds	1,655,970	1,655,970	—	2,479,640
Enterprise fund	365,450	365,450	—	365,450
From component unit	1,000,000	2,000,000	1,000,000	—
To component unit	(8,598,000)	(8,597,000)	1,000	(8,597,000)
Appropriation adjustments	(7,939)	—	7,939	—
Total other financing sources (uses)	<u>(3,139,919)</u>	<u>(9,182,509)</u>	<u>(6,042,590)</u>	<u>(5,117,720)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(13,130,479)</u>	<u>(2,857,689)</u>	<u>10,272,790</u>	<u>(2,636,606)</u>
Other budget items:				
Free cash appropriations	14,033,047			
Prior year deficits raised	(902,568)			
Total other budget items	<u>13,130,479</u>			
Net budget	<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, Nonexpendable Trust Funds and Discretely Presented Component Unit

Year ended June 30, 1999

	Proprietary fund types		Fiduciary fund type	Total (memorandum only)	Component Unit	Total (memorandum only)
	Enterprise	Internal Service	Non- expendable Trust	Primary Government	CPHC	Reporting Entity
Operating revenues:						
Charges for services	\$ 11,927,906	49,931	—	11,977,837	168,692,460	180,670,297
Donations	—	—	23,160	23,160	—	23,160
Investment income	—	—	67,175	67,175	—	67,175
Other	297,751	—	—	297,751	40,059,326	40,357,077
Total operating revenues	<u>12,225,657</u>	<u>49,931</u>	<u>90,335</u>	<u>12,365,923</u>	<u>208,751,786</u>	<u>221,117,709</u>
Operating expenses:						
Administration	983,249	—	—	983,249	2,431,352	3,414,601
Finance	—	—	—	—	15,195,373	15,195,373
Service and support programs	7,886,646	23,679	—	7,910,325	134,885,662	142,795,987
General services	41,741	—	—	41,741	27,306,131	27,347,872
Depreciation	1,619,280	—	—	1,619,280	8,634,268	10,253,548
Provision for bad debts	31,281	—	—	31,281	30,737,900	30,769,181
Other	—	—	—	—	2,406,721	2,406,721
Total operating expenses	<u>10,562,197</u>	<u>23,679</u>	<u>—</u>	<u>10,585,876</u>	<u>221,597,407</u>	<u>232,183,283</u>
Operating income (loss)	1,663,460	26,252	90,335	1,780,047	(12,845,621)	(11,065,574)
Nonoperating revenues and expenses:						
Interest income	1,629,398	—	—	1,629,398	5,754,203	7,383,601
Interest expense	(1,406,157)	—	—	(1,406,157)	(289,237)	(1,695,394)
Income (loss) before transfers	1,886,701	26,252	90,335	2,003,288	(7,380,655)	(5,377,367)
Operating transfers from other funds (note 11)	—	—	115	115	—	115
Operating transfers to other funds (note 11)	(412,850)	—	(67,163)	(480,013)	—	(480,013)
Transfers from the primary government (note 11)	—	—	—	—	8,597,000	8,597,000
Transfers to the primary government (note 11)	—	—	—	—	(1,000,000)	(1,000,000)
Net income	<u>1,473,851</u>	<u>26,252</u>	<u>23,287</u>	<u>1,523,390</u>	<u>216,345</u>	<u>1,739,735</u>
Capital contribution - unrestricted	—	—	—	—	5,600,000	5,600,000
Retained earnings/fund equity:						
Beginning of year	<u>67,588,471</u>	<u>768,803</u>	<u>1,539,357</u>	<u>69,896,631</u>	<u>118,328,999</u>	<u>188,225,630</u>
End of year	<u>\$ 69,062,322</u>	<u>795,055</u>	<u>1,562,644</u>	<u>71,420,021</u>	<u>124,145,344</u>	<u>195,565,365</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Changes in Plan Net Assets - Pension Trust Fund

Year ended June 30, 1999

Additions:

Contributions:

Employer	\$ 20,695,687
Employee	<u>10,653,922</u>
Total contributions	<u>31,349,609</u>

Investment income:

Realized and unrealized gains on investments	7,960,171
Investment income	<u>38,099,839</u>
Total investment income	<u>46,060,010</u>

Intergovernmental	<u>907,513</u>
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Total additions	<u>78,317,132</u>
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Deductions:

Benefits	25,006,892
Refunds of contributions	2,437,352
Administrative expenses	<u>2,610,966</u>
Total deductions	<u>30,055,210</u>

Net increase	48,261,922
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Net assets held in trust for pension benefits:

Beginning of year	<u>347,061,238</u>
End of year	<u>\$ 395,323,160</u>

See accompanying notes to general purpose financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combined Statement of Cash Flows
All Proprietary Fund Types, Nonexpendable Trust Funds
and Discretely Presented Component Unit

Year ended June 30, 1999

	Proprietary fund types		Fiduciary fund types	Total (memorandum only)	Component Unit CPHC	Total (memorandum only) Reporting Entity
	Enterprise	Internal Service	Non- expendable Trust	Primary Government		
Cash flows from operating activities:						
Operating income (loss)	\$ 1,663,460	26,252	90,335	1,780,047	(12,845,621)	(11,065,574)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Reclassification of investment income		—	(67,175)	(67,175)	—	(67,175)
Depreciation	1,619,280	—	—	1,619,280	8,634,268	10,253,548
Provision for bad debts	31,281	—	—	31,281	30,737,900	30,769,181
Change in assets and liabilities:						
Accounts receivable	(835,174)	—	240	(834,934)	(33,471,248)	(34,306,182)
Inventories and other current assets	—	—	—	—	(2,257,690)	(2,257,690)
Interfund receivables	(43,628,000)	16	—	(43,627,984)	—	(43,627,984)
Accrued liabilities	(73,297)	—	—	(73,297)	2,145,893	2,072,596
Interfund payables	21,265,489	—	4,637	21,270,126	—	21,270,126
Deferred revenue	—	—	—	—	(2,144,771)	(2,144,771)
Net cash provided by (used for) operating activities	<u>(19,956,961)</u>	<u>26,268</u>	<u>28,037</u>	<u>(19,902,656)</u>	<u>(9,201,269)</u>	<u>(29,103,925)</u>
Cash flows from noncapital financing activities:						
Transfers - in	—	—	115	115	8,597,000	8,597,115
Transfers - out	(412,850)	—	(67,163)	(480,013)	(1,000,000)	(1,480,013)
Net cash used for non-capital financing activities	<u>(412,850)</u>	<u>—</u>	<u>(67,048)</u>	<u>(479,898)</u>	<u>7,597,000</u>	<u>7,117,102</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(13,595,809)	—	—	(13,595,809)	(24,405,928)	(38,001,737)
Proceeds from bonds	40,000,000	—	—	40,000,000	—	40,000,000
Principal paid on bonds	(2,900,000)	—	—	(2,900,000)	(3,418,953)	(6,318,953)
Interest paid on bonds	(1,406,157)	—	—	(1,406,157)	(289,237)	(1,695,394)
Proceeds from maturing investments	—	—	1,004,721	1,004,721	—	1,004,721
Net cash provided by capital and related financing activities	<u>22,098,034</u>	<u>—</u>	<u>1,004,721</u>	<u>23,102,755</u>	<u>(28,114,118)</u>	<u>(5,011,363)</u>
Cash flows from investing activities:						
Interest income	1,629,398	—	—	1,629,398	5,754,203	7,383,601
Investment income	—	—	67,175	67,175	—	67,175
Net cash provided by investing activities	<u>1,629,398</u>	<u>—</u>	<u>67,175</u>	<u>1,696,573</u>	<u>5,784,203</u>	<u>7,480,776</u>
Net increase in cash and cash equivalents	3,357,621	26,268	1,032,885	4,416,774	(23,964,184)	(19,547,410)
Cash and cash equivalents at beginning of year	<u>5,909,699</u>	<u>768,787</u>	<u>530,489</u>	<u>7,208,975</u>	<u>62,659,989</u>	<u>69,868,964</u>
Cash and cash equivalents at end of year	\$ <u>9,267,320</u>	<u>795,055</u>	<u>1,563,374</u>	<u>11,625,749</u>	<u>38,695,805</u>	<u>50,321,554</u>
Reconciliation to combined balance sheet:						
Cash and cash equivalents - Above			1,563,374			
Cash and cash equivalents - Pension Trust Fund			17,101,889			
Cash and cash equivalents - Expendable Trust Fund			25,902,362			
Cash and cash equivalents - Agency Fund			2,597,839			
Total cash and cash equivalents			<u>47,165,464</u>			
Investments			<u>373,280,142</u>			
Total cash and investments			<u>420,445,606</u>			

See accompanying notes to general purpose financial statements.

Notes To General Purpose Financial Statements

This section explains the accounting principles used in the preparation of the general purpose financial 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

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CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(1) The Financial Reporting Entity

(a) Primary Government

Settled in 1630 by a group from the Massachusetts Bay Company, the City of Cambridge was incorporated as a town in 1636 and became a city in 1846. Since 1940, the City has operated under a Council Manager form of government. The legislative body of the City is the City Council, consisting of nine members elected at large every two years; the Mayor and Vice-Mayor are elected by the Council from among its members for a two-year term. Executive authority resides with the City Manager, who is appointed by the Council and is responsible for the delivery of services to City residents.

The Mayor also serves as Chair of the School Committee. The School Committee, whose members are elected, have full authority for operations of the school system and appoint a superintendent to administer the system's day-to-day operations.

The accompanying general purpose financial statements present the City of Cambridge and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

(b) Blended Component Unit Disclosure

The Cambridge Retirement System (the "System") is a defined benefit contributory retirement system created under state statute. It is administered by a Retirement Board comprised of five members: the City Auditor who serves as ex-officio; two individuals elected by participants in the System; a fourth member appointed by the City Manager and a fifth member chosen by the other members of the Board. The System provides pension benefits to retired City, Cambridge Housing Authority, and certain retired Cambridge Public Health Commission employees. Although legally separate, the System provides services entirely or almost entirely to the City and thus has been reported as if it were part of the primary government; a method of inclusion known as blending.

Financial statements for the System are included herein for its fiscal year ended December 31, 1998 and are available from its offices at 255 Bent Street, Cambridge, Massachusetts 02141.

(c) Discretely Presented Component Unit Disclosure

The Cambridge Public Health Commission ("CPHC") is a body politic and corporate and public instrumentality of the Commonwealth established by Chapter 147 of the Acts of 1996. CPHC is governed by a nineteen-member board, all of whom are appointed by the City Manager. CPHC is responsible for the implementation of public health programs in the City.

CPHC is reported in a separate column to emphasize that it is legally separate from the City but is included in the general purpose financial statements because the City is able to impose its will on the organization. In addition, the notes to the general purpose financial statements pertain only to the primary government, unless otherwise indicated.

Complete financial statements for the CPHC for its fiscal year ended June 30, 1999 are available from its offices on 65 Beacon Street, Somerville, Massachusetts 02143.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(d) Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The City is a participant in a joint venture to operate the Massachusetts Bay Transportation Authority (MBTA), a component unit of the Commonwealth of Massachusetts (the "Commonwealth"). The City is indirectly liable for debt (see note 7) and other expenses incurred by the MBTA. The MBTA, created in 1964 as a body politic and corporate and political subdivision of the Commonwealth, provides rapid transit and other mass transportation services to the City and to 78 other cities and towns within its jurisdiction. The City's annual assessment, including debt service, from the MBTA for 1999 amounted to \$6,614,334. The City does not have an equity interest in the MBTA.

Complete financial statements for the MBTA can be obtained from the MBTA administrative offices at 10 Park Plaza, Boston, Massachusetts 02116.

The Massachusetts Water Resources Authority (the "Authority"), a public instrumentality of the Commonwealth, provides water supply services and sewage collection, treatment and disposal services to various cities and towns within the Commonwealth, including the City.

The Authority is governed by an eleven-member Board of Directors chaired by the Commonwealth's Secretary of Environmental Affairs. Four board members are appointed by the Governor, three by the Mayor of Boston, Massachusetts, three by the Authority's Advisory Board and one upon the recommendation of the Mayor of Quincy, Massachusetts and Board of Selectmen of Winthrop, Massachusetts.

While the City does not have an equity interest in the Authority, it is indirectly liable for its debt (see note 7) and certain other Authority expenses. The City's annual assessment for 1999, including debt service from the Authority was \$13,820,450.

Complete financial statements for the Authority can be obtained at the Authority's administrative offices at 100 First Avenue, Boston, Massachusetts 02129.

(e) Related Organization

The Manager is responsible for appointing four of five board members to the Cambridge Housing Authority, subject to confirmation by the Council. However, the City's accountability for this organization does not extend beyond making these appointments.

(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 followed by the City:

(a) Basis of Presentation

The City has elected to present the discretely presented component unit using the single-column method. The operations of the discretely presented component unit have been reported in the financial statements to reflect the predominant basis of accounting used by CPHC.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

The operations of the City and its blended component unit are recorded in the following fund types and account groups:

Government Fund Types

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary funds and nonexpendable trust funds). The measurement focus is based upon determination of changes in financial position and the flow of current financial resources. 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 based upon determination of net income and capital maintenance. The following are the City's proprietary fund types:

- **Enterprise Fund** - This fund is used to account for City Water 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; and (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 to other departments of the City, 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

Account Groups

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the governmental funds because they do not affect net expendable available financial resources. 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

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave, and self-insured claims, which are recorded in the general long-term obligations account group.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Other revenues are recorded when received in cash, except investment earnings which are recorded as earned.

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

The City and its component units have elected to apply to its proprietary funds and nonexpendable trust funds accounting standards applicable to the private sector issued on or before November 30, 1989, unless those standards conflict with or contradict pronouncements of the Governmental Accounting Standards Board.

(c) Basis of Investment Valuation

Investments are presented in the accompanying general purpose financial statements at fair value. Where applicable, fair values are based on quotations from national securities exchanges.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(d) *Cash Equivalents*

For purposes of the combined statement of cash flows, the proprietary fund type, nonexpendable trust funds and CPHC 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) *Compensated Absences*

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specified payment rates established by contract, regulation or policy. The cost of compensated absences for employees of proprietary funds is recorded as earned. For other funds, the noncurrent portion of the liability for compensated absences is reported in the general long-term obligations account group.

The liabilities for accrued sick leave are determined based on the number of allowable days accumulated at June 30, 1999 (vesting method).

(g) *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.

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

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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

No depreciation has been provided on general fixed assets, nor has interest been capitalized because it is not material.

(h) *Property, Plant and Equipment*

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 other than buildings	10-20 years
Equipment	5-30 years

(i) *Use of Estimates*

The preparation of general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) *Restricted Cash and Investments*

Restricted cash reflected in the Capital Projects Funds represents amounts held in escrow for the installation of specific capital equipment. Restricted cash and investments also includes assets set aside by the Board of Trustees of CPHC for future capital improvements, including funded depreciation, over which the Board retains control and may at its discretion subsequently use for other purposes.

(k) *Total Columns - Memorandum Only*

Total columns on the general purpose financial statements are captioned "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 and other eliminations have not been made.

(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. 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 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

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) Budgetary Basis of Accounting

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, 1999, after the setting of the tax rate, were \$1,389,573 and are reflected in the budgetary basis 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 "budgetary 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).

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing (uses)</u>
As reported on a budgetary basis	\$ 252,976,525	246,651,705	(9,182,509)
Adjustments:			
To record revenue and other financing sources on a modified accrual basis of accounting	(3,981,171)	—	(1,000,000)
To adjust for encumbrances and continuing appropriations	—	(2,645,612)	—
As reported on a GAAP basis	\$ <u>248,995,354</u>	<u>244,006,093</u>	<u>(10,182,509)</u>

(5) 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 Cambridge Retirement System has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

(a) 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, 1999.

<u>Primary Government</u>	<u>Bank balances Category</u>			<u>Total bank balance</u>	<u>Carrying amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Cash	\$ 200,000	—	629,784	829,784	829,484
Money market	<u>300,000</u>	<u>17,127,108</u>	<u>8,231,454</u>	<u>25,658,562</u>	<u>22,576,221</u>
	\$ <u>500,000</u>	<u>17,127,108</u>	<u>8,861,238</u>	<u>26,488,346</u>	<u>23,405,705</u>
 <u>Discretely Presented Component Unit (CPHC)</u>					
Cash	\$ 100,000	—	2,256,567	2,356,567	2,356,567
Money market	<u>100,000</u>	—	<u>1,896,755</u>	<u>1,996,755</u>	<u>1,996,755</u>
	\$ <u>200,000</u>	—	<u>4,153,322</u>	<u>4,353,322</u>	<u>4,353,322</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(b) 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 of the City 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, insurance contracts and pooled funds, are not categorized.

<u>Primary Government</u>	<u>Category</u>			<u>Not categorized</u>	<u>Estimated market value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
MMDT	\$ —	—	—	121,125,673	121,125,673
Common stocks	—	224,457,684	—	—	224,457,684
Corporate bonds	—	113,928,924	—	—	113,928,924
U.S. Treasury notes	—	23,915,903	—	—	23,915,903
Insurance contracts	—	—	—	11,015,464	11,015,464
	\$ <u>—</u>	<u>362,302,511</u>	<u>—</u>	<u>132,141,137</u>	<u>494,443,648</u>

Of the investments reflected in the preceding table, investments of the Cambridge Retirement System constitute 99% of the amount in Category 2 of the Primary Government.

<u>Discretely Presented Company Unit (CPHC)</u>	<u>Category</u>			<u>Not categorized</u>	<u>Estimated market value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
MMDT	\$ —	—	—	44,152,969	44,152,969
U.S. Treasury notes	—	24,592,086	—	—	24,592,086
Corporate and foreign bonds	—	29,214,199	—	—	29,214,199
	\$ <u>—</u>	<u>53,806,285</u>	<u>—</u>	<u>44,152,969</u>	<u>97,959,254</u>

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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(6) Fixed Assets

A summary of general fixed assets activity in the general fixed assets account group for the year ended June 30, 1999 follows:

	Balance June 30, 1998	Additions	Disposals	Balance June 30, 1999
Land	\$ 172,112,238	—	(235,138)	171,877,100
Buildings	112,081,622	—	—	112,081,622
Improvements other than buildings	12,143,128	—	—	12,143,128
Equipment	31,036,157	2,506,552	(307,130)	33,235,579
Construction in progress	<u>16,041,216</u>	<u>5,357,397</u>	<u>—</u>	<u>21,398,613</u>
	\$ <u>343,414,361</u>	<u>7,863,949</u>	<u>(542,268)</u>	<u>350,736,042</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1999 follows:

	Enterprise	Internal service
Land	\$ 39,219,717	—
Buildings	2,691,221	—
Improvements other than buildings	16,599,975	—
Equipment	6,440,790	171,181
Construction in progress	<u>17,661,127</u>	<u>—</u>
	82,612,830	171,181
Less accumulated depreciation	<u>(2,070,150)</u>	<u>(171,181)</u>
	\$ <u>80,542,680</u>	<u>—</u>

Construction in progress at June 30, 1999 is comprised of the following:

	Project authorization	Expended	Committed
General Fixed Assets:			
City hall renovations	\$ 5,350,000	1,292,692	4,057,308
Geographic information	1,500,000	1,135,258	364,742
East Cambridge Youth Center	4,970,047	4,720,683	249,364
Morse School	12,000,000	11,830,296	169,704
Fitzgerald School	14,432,000	1,422,381	13,009,619
Police department renovations	400,000	162,706	237,294
Fire department renovations	150,000	116,515	33,485
War memorial renovations	1,025,000	59,339	965,661
Financial information system	2,250,000	117,336	2,132,664
Coffon building renovations	<u>1,074,200</u>	<u>541,407</u>	<u>532,793</u>
	\$ <u>43,151,247</u>	<u>21,398,613</u>	<u>21,752,634</u>
Water Fund:			
Water Treatment Plant	\$ <u>76,320,000</u>	<u>17,661,127</u>	<u>58,658,873</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

Discretely Presented Component Unit (CPHC)

Property, plant and equipment at June 30, 1999 is comprised of the following:

Land and improvements	\$ 6,733,564
Buildings and improvements	54,173,963
Major movable equipment	44,597,769
Fixed equipment	40,140,840
Construction in progress	<u>61,393,047</u>
	207,039,183
Less accumulated depreciation	<u>(74,392,051)</u>
	<u>\$ 132,647,132</u>

(7) Long-term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are backed by the full faith and credit of the City. 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. CPHC has assumed responsibility for paying to the City an amount equal to current debt service on all outstanding general obligation bonds of the City issued for public health and hospital purposes. These general obligation bonds amounted to \$29,785,000 at June 30, 1999.

The following is a summary of general obligation bonds and notes payable of the City for the year ended June 30, 1999:

	<u>Governmental funds</u>	<u>Enterprise fund</u>	<u>Total</u>
Bonds and notes payable at June 30, 1998	\$ 101,201,564	9,313,000	110,514,564
Debt retired: Serial bonds	(12,468,740)	(2,900,000)	(15,368,740)
Additional debt	<u>1,496,605</u>	<u>40,000,000</u>	<u>41,496,605</u>
Bonds and notes payable at June 30, 1999	<u>\$ 90,229,429</u>	<u>46,413,000</u>	<u>136,642,429</u>

Principal retirement of governmental funds has been reflected in the general purpose financial statements as debt service expenditures of \$9,222,443 and education expenditures of \$3,246,297 totaling \$12,468,740 of principal costs.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

The following is a summary of the composition of general long-term obligations outstanding at June 30, 1998 and 1999:

Description and repayment terms	Date of issue	Original issue	Maturity date	Interest rates	Outstanding June 30, 1998	Additions	Retirements	Outstanding June 30, 1999
General purpose, serial maturities through August 1, 2008	6/15/91 to 8/1/98	\$ 15,455,000	8/1/08	4.0% to 6.0%	\$ 10,380,000	700,000	1,625,000	9,455,000
Urban redevelopment, serial maturities through June 15, 2007	6/15/89 to 6/15/97	16,765,000	6/15/07	3.75% to 6.6%	9,915,000	—	2,060,000	7,855,000
Schools, serial maturities through February 1, 2018	2/1/94 to 2/1/98	35,540,000	2/1/18	3.75% to 5.9%	28,742,000	—	3,290,000	25,452,000
Street reconstruction, serial maturities through June 15, 1999	6/15/89	2,500,000	6/15/99	6.4% to 6.5%	250,000	—	250,000	—
Sewer, serial maturities through August 1, 2008	5/21/93 to 5/20/99	17,424,443	8/1/08	2.35% to 5.9%	14,811,111	796,605	2,050,156	13,557,560
Hospital, serial maturities through February 1, 2018	6/15/89 to 2/1/98	43,350,000	2/1/18	4.5% to 6.6%	32,170,000	—	2,835,000	29,335,000
Neville Manor, serial maturities through June 15, 2002	6/15/92	1,500,000	6/15/02	4.3% to 5.3%	600,000	—	150,000	450,000
Section 108 HUD notes payable	2/1/95	1,000,000	various	7.71% to 9.03%	990,000	—	5,000	985,000
Notes payable	6/15/98	<u>3,343,453</u>	6/15/08	6.85%	<u>3,343,453</u>	<u>—</u>	<u>203,584</u>	<u>3,139,869</u>
Total bonds and notes payable		<u>\$ 136,877,896</u>			101,201,564	1,496,605	12,468,740	90,229,429
Accrued compensated absences					8,913,981	—	320,700	8,593,281
Accrued claims					<u>2,113,296</u>	<u>4,774,984</u>	<u>1,002,535</u>	<u>5,885,745</u>
Total general long-term obligations					<u>\$ 112,228,841</u>	<u>6,271,589</u>	<u>13,791,975</u>	<u>104,708,455</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

The annual requirements to amortize all general long-term obligation bonds and notes payable outstanding as of June 30, 1999, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 11,808,201	4,288,351	16,096,552
2001	10,963,070	3,706,149	14,669,219
2002	10,683,601	3,191,102	13,874,703
2003	10,426,204	2,673,215	13,099,419
2004	9,711,897	2,173,724	11,885,621
Thereafter	<u>36,636,456</u>	<u>8,878,172</u>	<u>45,514,628</u>
	\$ <u>90,229,429</u>	<u>24,910,713</u>	<u>115,140,142</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.

On August 1, 1998, the City issued \$40,700,000 in general obligation bonds. These Municipal Purpose Loans will fund the following:

Construction of New Water Treatment Plant	\$ 40,000,000
Construction of Frisoli Youth Center	<u>700,000</u>
	\$ <u>40,700,000</u>

On May 20, 1999, the City entered into a loan agreement with the Massachusetts Water Resources Authority ("MWRA"). The agreement called for the City to issue \$796,605 in sewer bonds, the proceeds of which are to be used for the repayment of the MWRA loan.

The City has entered into loan agreements with the Massachusetts Water Pollution Abatement Trust (MWPAT). The loans provide funding for the Sewer Separation Project. According to the loan agreements, the City will be subsidized on a periodic basis for debt and interest costs. The City received \$1,520,486 in subsidies during fiscal 1999. Loan repayments commenced on February 1, 1994 and end on August 1, 2008, with interest rates ranging from 2.35% to 5.25%.

The City is subject to a dual level general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1999, the City may issue approximately \$151,126,358 additional general obligation debt under the normal debt limit. The City has approximately \$74,324,869 of debt exempt from the debt limit.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

Authorized and unissued debt at June 30, 1999, is as follows:

City Hall Renovations	\$ 4,330,000
Sewer Separation Project	23,789,798
Section 108 Biotechnology	3,500,000
Reconnection of Sanitary Services	1,300,000
Replacement of Roof at CLRS	3,200,000
Inflow/Infiltration Project	824,370
Construction of New Water Treatment Plant	12,000,000
Manhold & Illioit Connection Removal Project	2,770,000
Floatables and BMP Control Project	1,505,000
Fresh Pond Sewer Separation Project	5,775,000
Improvements to War Memorial	1,000,000
Renovations to Taylor Square Fire station	2,100,000
Supplemental Funds for Fitzgerald School	4,500,000
Traffic Calming Design and Construction	750,000
Lafayette Square/Mass. Ave. Reconstruction	500,000
Cambridge Street Improvements	3,240,000
Site Acquisition/West Cambridge Youth Center	1,000,000
Renovations to Gately Youth Center	2,500,000
Design Phase/Harvard Square Sewer Project	1,000,000
Cherry Street Flood Relief (Phase I)	<u>5,500,000</u>
	<u>\$ 81,084,168</u>

At June 30, 1999, the City had grants receivable from the School Building Assistance Bureau (SBAB) of \$34,490,280 to defray principal and interest costs related to \$30,271,220 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. During 1999, the City received \$4,975,132 of such assistance. Assuming satisfactory audit results and annual appropriations by the State legislature, \$4,913,623 will be received in 2000, \$4,913,623 in 2001 and the balance will be received in subsequent years.

Enterprise Fund serial bond issues outstanding at June 30, 1999 for the Water Fund were \$46,413,000. The interest rates ranged from 3.75% to 6.6%. Outstanding debt matures in subsequent fiscal years as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 4,513,000	2,127,416	6,640,416
2001	3,487,000	1,907,676	5,394,676
2002	2,542,000	1,744,579	4,286,579
2003	2,542,000	1,630,509	4,172,509
2004	2,542,000	1,515,821	4,057,821
Thereafter	<u>30,787,000</u>	<u>10,908,267</u>	<u>41,695,267</u>
	<u>\$ 46,413,000</u>	<u>19,834,268</u>	<u>66,247,268</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

The Massachusetts Water Resources Authority (MWRA) and the Massachusetts Bay Transportation Authority (MBTA) 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, 1999 and the City's 1999 assessment from each entity:

	Long-term debt <u>outstanding</u> (unaudited)	The City's estimated <u>share</u>	The City's estimated <u>indirect debt</u>	1999 assessment including <u>debt service</u>
MBTA	\$ 3,347,118,000	4.69%	\$ 141,028,033	\$ 6,614,334
MWRA	3,912,612,000	4.753%	148,614,600	13,820,450

(8) Individual Fund Receivables, Payables and Fund Balances Reserved for Specific Purposes

Individual balances of amounts due from and to other funds at June 30, 1999 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 721,598	—
Capital Projects Fund	35,176,591	55,661,354
Enterprise Fund	43,628,000	22,054,814
Special Revenue Funds:		
CDBG grants	—	1,560,021
Trust funds:		
Expendable:		
School funds	146	—
Neville Manor funds	101	—
Library funds	258	—
Cemetery funds	4,969	—
Housing funds	—	250,000
Other funds	232	—
Nonexpendable:		
School funds	—	146
Neville Manor funds	—	101
Library funds	—	258
Cemetery funds	—	4,969
Other funds	—	232
	<u>\$ 79,531,895</u>	<u>79,531,895</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

Fund balances are reserved for the following purposes as of June 30, 1999:

General Fund:

Fiscal 2000 appropriations	\$ 7,192,700
Park preventive maintenance and beautification programs	250,000
Affordable Housing Trust Fund	2,250,000
Open space improvements	1,125,000
Historical renovations	37,000
Installation of theft detection system at main library	113,000
Public art	60,000
Acquisition of busses and computers for schools	508,000
Removal of architectural barriers from City buildings	<u>50,000</u>
	\$ <u>11,585,700</u>

Special Revenue Funds:

Fuel assistance grants	\$ 134,294
Parking funds	4,068,887
School grants	<u>1,072,192</u>
	\$ <u>5,275,373</u>

Trust funds:

Retirement system	\$ 395,323,160
City stabilization	6,240,147
School stabilization	1,807,655
Health claims	12,571,624
Housing	9,285,544
Cemetery perpetual care	1,597,308
School	291,345
Neville Manor	80,237
Library	155,927
Other trust funds	<u>617,573</u>
	\$ <u>427,970,520</u>

(9) Retirement Plan

(a) Plan Description

The City contributes to the Cambridge Retirement System ("System"), a cost sharing, multi-employer public employee retirement system that acts as the investment and administrative agent for the City, CPHC, Cambridge Housing Authority, and the Cambridge Redevelopment Authority. The system provides retirement, disability, and death benefits to plan members and beneficiaries. The System is a member of the Massachusetts Contributory System which is governed by Chapter 32 of the Massachusetts General Laws ("MGL").

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(b) *Membership*

Membership in the System consisted of the following at January 1, 1998, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,606
Terminated plan members entitled to but not receiving benefits	380
Active plan members	<u>3,400</u>
Total membership	<u>5,386</u>
Total number of participating employers	<u>3</u>

(c) *Contributions*

Plan members are required to contribute to the System, in varying amounts depending on their employment date. Active members must contribute between 5% and 9% of their regular gross compensation depending on the date upon which their membership began. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. Participating employers are required to pay into the System, their share of the remaining system-wide actuarially determined contribution costs. The Commonwealth reimburses the City for a portion of the benefit payments for cost-of-living increases accrued prior to July 1, 1997. The contributions of plan members and the participating employers are governed by Chapter 32 of the MGL. The City's and the CPHC's contributions to the System for the years ended June 30, 1999, 1998 and 1997 were \$16,957,822, \$15,186,495 and \$15,190,779, and \$3,737,865, \$3,583,760 and \$3,588,110, respectively, which equaled their required contributions for each year.

(d) *Legally Required Reserve Accounts*

The balances in the System's legally required reserves (on the statutory basis of accounting) at December 31, 1998 are as follows:

<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
Annuity Saving Fund	\$ 99,808,990	Active members' contribution balance
Annuity Reserve Fund	26,365,397	Retired members' contribution account
Military Service Credit	4,040	Members' contribution account while on military leave
Expense Account	—	Balance of amount appropriated for administering the system
Pension Reserve Fund	195,895,376	Amounts appropriated to fund future retirement benefits
Pension Fund	<u>68,872,971</u>	Remaining net assets
	<u>\$ 390,946,774</u>	

All reserve accounts are funded at levels required by State statute.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(e) *Investment Concentration*

There were no investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represented 5% or more of plan net assets.

(10) Other Post-employment Benefit Disclosures

All retired employees eligible for pension benefits, as well as teachers covered under the Commonwealth of Massachusetts Teachers' Retirement System ("TRS"), receive certain post-retirement benefits including major health and life insurance under Chapter 32 of the MGL. The City funds 90% of health insurance premiums, with the remaining 10% paid by the retiree. The City also funds 75% of life insurance premiums, with the remaining 25% paid by the retiree. The number of employees covered was 1,973 at June 30, 1999. The City's cost of these post-retirement benefits for fiscal 1999 was \$7,751,564, which is funded and accounted for on a pay-as-you-go basis.

(11) Operating Transfers

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Expendable Trust</u>	<u>Non- Expendable Trust</u>
Parking Receipts	\$ 12,608,812	(12,608,812)	—	—	—	—
Capital Improvements	(17,049,084)	—	17,893,141	(844,057)	—	—
Water Capital Costs	—	—	(600,000)	600,000	—	—
Water Overhead	168,793	—	—	(168,793)	—	—
Health Claims Trust	1,959,589	—	—	—	(1,959,589)	—
Miscellaneous Trusts	—	—	—	—	67,048	(67,048)
Cemetery Perpetual Care	75,000	—	—	—	(75,000)	—
School Stabilization	(348,619)	—	—	—	348,619	—
Housing Trust	—	—	(4,500,000)	—	4,500,000	—
Community Development Block Grant	—	(2,691,188)	2,691,188	—	—	—
	<u>\$ (2,585,509)</u>	<u>(15,300,000)</u>	<u>15,484,329</u>	<u>(412,850)</u>	<u>2,881,078</u>	<u>(67,048)</u>

For fiscal year 1999, the City Council appropriated and CPHC was paid \$8,597,000. The Commission also reimbursed the City \$1,000,000. Thus, the net payment to the CPHC in fiscal year 1999 was \$7,597,000.

As outlined in Note 7, the City issued \$30,000,000 of general obligation bonds on behalf of CPHC during fiscal year 1998 and transferred the proceeds to CPHC. Consistent with the contractual agreement between the City and CPHC, the City will be reimbursed by CPHC for future principal and interest payments associated with debt issued on CPHC's behalf. Accordingly, a receivable from CPHC and deferred revenue for \$29,785,000, the remaining future principal and interest payments, has been reflected at June 30, 1999.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(12) Risk Management

The City is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, unemployment and employee health insurance claims.

Police Department vehicles are insured through an outside agency and all other vehicle damage and loss is self-insured. The City is self-insured for other general liability; however, Chapter 258 of the MGL limits the liability to a maximum of \$100,000 per claim in all matters except actions relating to federal/civil rights, eminent domain and breach of contract. The City is also self-insured for workers' compensation and unemployment claims.

The City has a Blue Cross/Blue Shield PPO (Preferred Provider Organization) medical plan under which it makes actual claims payments. In this case, Blue Cross/Blue Shield acts as a claims processor and a transfer of risk does not occur. Approximately 70% of the City's employees participate in the self insured plan with the remainder electing preferred provider plans that are premium based.

Employees contribute approximately 10% of the cost of healthcare with the remainder paid by the City. These costs are accounted for in the general fund. The contribution rate for retirees is 1% for those who qualify for Medicare and 10% for those who do not. While the City does not carry stop-loss insurance, it has set aside \$12,571,624 in a trust fund for this purpose.

Liabilities for claims incurred but not paid or reported are recorded in the general long-term obligations account group.

Changes in the self insurance liability for the years ended June 30, 1999 and 1998 are as follows:

	General Long-Term Obligations Account Group	
	<u>1999</u>	<u>1998</u>
Accrued claims, beginning of year	\$ 2,113,296	1,809,715
Incurred claims	4,774,984	903,292
Less: Payments of claims attributable to events of both current and prior fiscal years	<u>(1,002,535)</u>	<u>(599,711)</u>
Accrued claims, end of year	\$ <u>5,885,745</u>	<u>2,113,296</u>

There are numerous cases pending in courts throughout the Commonwealth where the City of Cambridge is a defendant. In addition, the City has been named as a defendant in a legal action with a general contractor of the Haggerty School. In regards to this action the City has filed counterclaims against several subcontractors. Legal counsel is unable to determine the likelihood of an unfavorable decision, if any. 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1999

(13) Fund Deficit

The following fund had a deficit fund balance at June 30, 1999:

Capital Projects	\$ <u>(10,448,364)</u>
------------------	------------------------

The deficit will be eliminated by grants, borrowings or transfers from other funds.

REQUIRED SUPPLEMENTARY INFORMATION

The following schedule presents required supplementary information on the Year 2000 and historical trend information for the Cambridge Retirement System. The Cambridge Retirement System information is presented in accordance with the requirements of Statement Nos. 25 and 27 of the Governmental Accounting Standards Board.

CITY OF CAMBRIDGE, MASSACHUSETTS

Required Supplementary Information

June 30, 1999
(Unaudited)

Year 2000

In March 1999, the Governmental Accounting Standards Board released Technical Bulletin 99-1. This Bulletin, along with Bulletin 98-1 released in October 1998, mandate disclosure by entities such as the City of Year 2000 preparedness. The City is required to disclose in its footnotes to its financial statements a general description of the stages of work in process or completed to make computer systems and other electronic equipment critical to conducting operations Year 2000 compliant.

The City has conducted a review of its information systems to determine the extent of any Year 2000 problem. At this time, the City does not expect any such issues will have a material adverse effect on the City's future operating results or financial condition.

As part of the ongoing review, the City is in the process of contacting its major service providers and its major borrowers in an effort to determine the extent to which the City may be vulnerable to those parties' failure to timely correct their own Year 2000 problems. To date, the City is unaware of any situations of noncompliance that cannot be corrected that would materially adversely affect its operations or financial condition. There can be no assurance, however, that instances of noncompliance which could have a material adverse effect on the City's operations or financial condition will not be identified; that the systems of other companies with which the City transacts business or of the borrowers of Program bonds will be corrected on a timely basis; or that a failure by such entities to correct a Year 2000 problem or a correction which is incompatible with the City's information systems would not have a material adverse effect on the City's operations or financial condition.

CITY OF CAMBRIDGE, MASSACHUSETTS

Required Supplementary Information

June 30, 1999
(Dollars in Thousands)
(Unaudited)

Schedules of Funding Progress

Actuarial valuation date	Actuarial value of assets <u>A</u>	Actuarial accrued liability <u>B</u>	Unfunded AAL (UAAL) <u>B-A</u>	Funded ratio <u>A/B</u>	Covered payroll <u>C</u>	UAAL as a percentage of covered payroll <u>((B-A)/C)</u>
1/1/98	\$ 342,788	\$ 390,946	\$ 48,158	87.68%	\$ 132,440	36.36%
1/1/96	233,883	341,531	107,648	68.48%	114,387	94.11%
1/1/94	182,632	323,644	141,012	56.43%	109,775	128.46%
1/1/93	158,595	279,715	121,120	56.70%	99,063	122.27%
1/1/91	118,507	251,035	132,528	47.21%	83,460	158.79%

Information prior to 1/1/91 is not available.

Schedule of Contributions from Employers

Year ended December 31,	Annual required contribution	Percentage contributed
1998	\$ 20,696	100%
1997	21,288	100%
1996	21,216	100%
1995	20,669	100%
1994	19,029	100%
1993	16,843	100%
1992	16,507	100%
1991	15,814	100%

Notes to Schedules

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/98
Actuarial cost method	Entry Age Normal Cost
Amortization method	Approximate level percent of payroll-open
Remaining amortization period	Varied based upon Active or Retired status 10 yrs. Retirees/Early 26 yrs. Active members
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5%
Cost-of-living adjustments	3.0%

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 is also provided in this section.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
General Government:			
Mayor:			
Salaries and wages	\$ 220,200	197,671	22,529
Other ordinary maintenance	75,425	60,133	15,292
Travel and training	22,220	17,072	5,148
Extraordinary expenditures	—	—	—
Total Mayor	<u>317,845</u>	<u>274,876</u>	<u>42,969</u>
City Manager:			
Salaries and wages	757,100	711,439	45,661
Other ordinary maintenance	345,310	343,586	1,724
Travel and training	26,715	26,205	510
Extraordinary expenditures	—	—	—
Total City Manager	<u>1,129,125</u>	<u>1,081,230</u>	<u>47,895</u>
City Council:			
Salaries and wages	618,235	618,230	5
Other ordinary maintenance	98,275	82,549	15,726
Travel and training	38,000	23,711	14,289
Extraordinary expenditures	—	—	—
Total City Council	<u>754,510</u>	<u>724,490</u>	<u>30,020</u>
City Clerk:			
Salaries and wages	494,695	494,680	15
Other ordinary maintenance	67,885	67,025	860
Travel and training	750	159	591
Extraordinary expenditures	—	—	—
Total City Clerk	<u>563,330</u>	<u>561,864</u>	<u>1,466</u>
Law:			
Salaries and wages	876,910	855,921	20,989
Other ordinary maintenance	495,225	489,337	5,888
Travel and training	9,510	9,381	129
Extraordinary expenditures	—	—	—
Total Law	<u>1,381,645</u>	<u>1,354,639</u>	<u>27,006</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Finance:			
Salaries and wages	\$ 4,532,775	4,283,395	249,380
Other ordinary maintenance	1,388,560	1,355,546	33,014
Travel and training	201,970	196,089	5,881
Extraordinary expenditures	2,800	1,944	856
Total Finance	<u>6,126,105</u>	<u>5,836,974</u>	<u>289,131</u>
Employment Benefits:			
Salaries and wages	8,546,420	8,231,946	314,474
Other ordinary maintenance	585,000	585,000	—
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total Employment Benefits	<u>9,131,420</u>	<u>8,816,946</u>	<u>314,474</u>
General Services:			
Salaries and wages	320,090	320,089	1
Other ordinary maintenance	399,840	395,228	4,612
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total General Services	<u>719,930</u>	<u>715,317</u>	<u>4,613</u>
Election Commission:			
Salaries and wages	400,710	400,053	657
Other ordinary maintenance	141,480	137,510	3,970
Travel and training	2,270	1,771	499
Extraordinary expenditures	—	—	—
Total Election Commission	<u>544,460</u>	<u>539,334</u>	<u>5,126</u>
Public Celebrations:			
Salaries and wages	286,710	286,710	—
Other ordinary maintenance	269,120	269,080	40
Travel and training	1,125	1,080	45
Extraordinary expenditures	—	—	—
Total Public Celebrations	<u>556,955</u>	<u>556,870</u>	<u>85</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Reserve:			
Salaries and wages	\$ —	—	—
Other ordinary maintenance	2,000	—	2,000
Travel and training	—	—	—
Extraordinary expense	—	—	—
Total Reserve	<u>2,000</u>	<u>—</u>	<u>2,000</u>
Animal Commission:			
Salaries and wages	173,035	173,026	9
Other ordinary maintenance	11,380	10,849	531
Travel and training	90	90	—
Extraordinary expenditures	—	—	—
Total Animal Commission	<u>184,505</u>	<u>183,965</u>	<u>540</u>
Total General Government	<u>21,411,830</u>	<u>20,646,505</u>	<u>765,325</u>
Public Safety:			
Fire:			
Salaries and wages	22,902,480	22,902,452	28
Other ordinary maintenance	557,890	554,467	3,423
Travel and training	331,750	331,443	307
Extraordinary expenditures	45,000	44,607	393
Total Fire	<u>23,837,120</u>	<u>23,832,969</u>	<u>4,151</u>
Police:			
Salaries and wages	24,279,275	24,234,839	44,436
Other ordinary maintenance	739,500	687,479	52,021
Travel and training	245,000	243,545	1,455
Extraordinary expenditures	260,610	253,895	6,715
Total Police	<u>25,524,385</u>	<u>25,419,758</u>	<u>104,627</u>
Traffic and Parking:			
Salaries and wages	3,825,385	3,781,216	44,169
Other ordinary maintenance	2,535,590	2,521,788	13,802
Travel and training	49,400	41,707	7,693
Extraordinary expenditures	37,000	36,032	968
Total Traffic and Parking	<u>6,447,375</u>	<u>6,380,743</u>	<u>66,632</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Police Review and Advisory Board:			
Salaries and wages	\$ 54,880	54,841	39
Other ordinary maintenance	8,220	8,219	1
Travel and training	3,000	3,000	—
Extraordinary expenditures	—	—	—
Total Police Review and Advisory Board	<u>66,100</u>	<u>66,060</u>	<u>40</u>
Inspectional Services:			
Salaries and wages	1,585,650	1,585,636	14
Other ordinary maintenance	85,355	73,753	11,602
Travel and training	42,600	39,384	3,216
Extraordinary expenditures	—	—	—
Total Inspectional Services	<u>1,713,605</u>	<u>1,698,773</u>	<u>14,832</u>
License:			
Salaries and wages	528,040	528,033	7
Other ordinary maintenance	66,390	56,599	9,791
Travel and training	8,800	8,094	706
Extraordinary expenditures	—	—	—
Total License	<u>603,230</u>	<u>592,726</u>	<u>10,504</u>
Weights and Measures:			
Salaries and wages	66,160	60,966	5,194
Other ordinary maintenance	2,080	2,080	—
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total Weights and Measures	<u>68,240</u>	<u>63,046</u>	<u>5,194</u>
Electrical:			
Salaries and wages	716,375	684,008	32,367
Other ordinary maintenance	1,374,330	1,358,969	15,361
Travel and training	11,670	7,330	4,340
Extraordinary expenditures	36,000	36,000	—
Total Electrical	<u>2,138,375</u>	<u>2,086,307</u>	<u>52,068</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	Budget	Actual	Variance favorable (unfavorable)
Emergency Management:			
Salaries and wages	\$ 78,805	78,779	26
Other ordinary maintenance	14,310	11,338	2,972
Travel and training	100	—	100
Extraordinary expenditures	—	—	—
Total Emergency Management	<u>93,215</u>	<u>90,117</u>	<u>3,098</u>
Emergency Communications:			
Salaries and wages	2,207,715	2,207,692	23
Other ordinary maintenance	166,010	164,072	1,938
Travel and training	15,850	15,280	570
Extraordinary expenditures	8,285	8,280	5
Total Emergency Communications	<u>2,397,860</u>	<u>2,395,324</u>	<u>2,536</u>
Total Public Safety	<u>62,889,505</u>	<u>62,625,823</u>	<u>263,682</u>
Community Maintenance and Development:			
Public Works:			
Salaries and wages	10,537,480	10,469,977	67,503
Other ordinary maintenance	6,569,380	6,475,163	94,217
Travel and training	151,625	149,743	1,882
Extraordinary expenditures	194,500	181,901	12,599
Total Public Works	<u>17,452,985</u>	<u>17,276,784</u>	<u>176,201</u>
Community Development:			
Salaries and wages	2,785,820	2,785,792	28
Other ordinary maintenance	677,822	675,790	2,032
Travel and training	34,000	33,187	813
Extraordinary expenditures	—	—	—
Total Community Development	<u>3,497,642</u>	<u>3,494,769</u>	<u>2,873</u>
Historical Commission:			
Salaries and wages	263,895	263,875	20
Other ordinary maintenance	27,865	27,857	8
Travel and training	800	524	276
Extraordinary expenditures	—	—	—
Total Historical Commission	<u>292,560</u>	<u>292,256</u>	<u>304</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Conservation Commission:			
Salaries and wages	\$ 52,250	47,992	4,258
Other ordinary maintenance	1,865	1,170	695
Travel and training	315	310	5
Extraordinary expenditures	—	—	—
Total Conservation Commission	<u>54,430</u>	<u>49,472</u>	<u>4,958</u>
Peace Commission:			
Salaries and wages	52,255	52,123	132
Other ordinary maintenance	8,970	8,966	4
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total Peace Commission	<u>61,225</u>	<u>61,089</u>	<u>136</u>
Cable Television:			
Salaries and wages	199,885	189,616	10,269
Other ordinary maintenance	32,450	28,727	3,723
Travel and training	1,000	300	700
Extraordinary expenditures	40,000	40,000	—
Total Cable Television	<u>273,335</u>	<u>258,643</u>	<u>14,692</u>
Total Community Maintenance and Development	<u>21,632,177</u>	<u>21,433,013</u>	<u>199,164</u>
Human Resource Development:			
Library:			
Salaries and wages	3,087,395	3,083,019	4,376
Other ordinary maintenance	732,670	732,402	268
Travel and training	17,650	17,650	—
Extraordinary expenditures	—	—	—
Total Library	<u>3,837,715</u>	<u>3,833,071</u>	<u>4,644</u>
Human Services:			
Salaries and wages	7,157,552	7,157,414	138
Other ordinary maintenance	2,027,428	1,906,776	120,652
Travel and training	46,394	43,651	2,743
Extraordinary expenditures	25,000	25,000	—
Total Human Services	<u>9,256,374</u>	<u>9,132,841</u>	<u>123,533</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	Budget	Actual	Variance favorable (unfavorable)
Human Rights:			
Salaries and wages	\$ 125,535	116,300	9,235
Other ordinary maintenance	3,805	3,630	175
Travel and training	950	919	31
Extraordinary expenditures	—	—	—
Total Human Rights	<u>130,290</u>	<u>120,849</u>	<u>9,441</u>
Veterans Benefits:			
Salaries and wages	176,600	176,587	13
Other ordinary maintenance	86,800	81,690	5,110
Travel and training	5,800	5,398	402
Extraordinary expenditures	—	—	—
Total Veterans Benefits	<u>269,200</u>	<u>263,675</u>	<u>5,525</u>
Women's Commission:			
Salaries and wages	116,636	116,627	9
Other ordinary maintenance	10,140	10,114	26
Travel and training	1,020	1,018	2
Extraordinary expenditures	—	—	—
Total Women's Commission	<u>127,796</u>	<u>127,759</u>	<u>37</u>
Total Human Resource Development	<u>13,621,375</u>	<u>13,478,195</u>	<u>143,180</u>
Education:			
Salaries and wages	71,475,915	71,471,521	4,394
Other ordinary maintenance	16,722,935	16,714,590	8,345
Travel and training	419,345	418,931	414
Extraordinary expenditures	1,133,920	1,133,755	165
Debt:	3,290,000	3,290,000	—
Principal payments			
Interest payments	1,348,736	1,348,736	—
Total Education	<u>94,390,851</u>	<u>94,377,533</u>	<u>13,318</u>
Judgments and Claims:			
Salaries and wages	—	—	—
Other ordinary maintenance	—	—	—
Travel and training	—	—	—
Extraordinary expenditures	250,000	219,328	30,672
Total Judgements and Claims	<u>250,000</u>	<u>219,328</u>	<u>30,672</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Debt Retirement:			
Salaries and wages	\$ —	—	—
Other ordinary maintenance	—	—	—
Travel and training	—	—	—
Principal payments: Bonded debt	9,555,160	9,222,443	332,717
Total Principal Retirement	<u>9,555,160</u>	<u>9,222,443</u>	<u>332,717</u>
Interest:			
Salaries and wages	—	—	—
Other ordinary maintenance	—	—	—
Travel and training	—	—	—
Extraordinary expenditures	3,543,320	3,310,690	232,630
Total Interest	<u>3,543,320</u>	<u>3,310,690</u>	<u>232,630</u>
Other Debt Administrative Costs:			
Salaries and wages	—	—	—
Other ordinary maintenance	154,360	115,380	38,980
Travel and training	—	—	—
Extraordinary expenditures	1,200	—	1,200
Total Other P & I Administrative Costs	<u>155,560</u>	<u>115,380</u>	<u>40,180</u>
Intergovernmental:			
MBTA:			
Salaries and wages	—	—	—
Other ordinary maintenance	7,075,355	6,616,957	458,398
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total MBTA	<u>7,075,355</u>	<u>6,616,957</u>	<u>458,398</u>
County Tax:			
Salaries and wages	—	—	—
Other ordinary maintenance	227,860	222,300	5,560
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total County Tax	<u>227,860</u>	<u>222,300</u>	<u>5,560</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures - Budgetary Basis

Year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
MWRA:			
Salaries and wages	\$ —	—	—
Other ordinary maintenance	14,092,840	13,805,691	287,149
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total MWRA	<u>14,092,840</u>	<u>13,805,691</u>	<u>287,149</u>
Other State Assessments:			
Salaries and wages	—	—	—
Other ordinary maintenance	603,615	577,847	25,768
Travel and training	—	—	—
Extraordinary expenditures	—	—	—
Total Other State Assessments	<u>603,615</u>	<u>577,847</u>	<u>25,768</u>
Total Intergovernmental	<u>21,999,670</u>	<u>21,222,795</u>	<u>776,875</u>
Total General Fund	\$ <u>249,449,448</u>	<u>246,651,705</u>	<u>2,797,743</u>

SPECIAL REVENUE FUNDS

Community Development Block Grant

Revenues from the Community Development Block Grant Program are recorded in this fund. A transfer of revenues is made at the end of the fiscal year to the Capital Projects Funds to cover Block Grant-related expenditures in these funds during the fiscal year. All operating expenditures are recorded within this Fund.

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, and Library. 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, 1999

Assets	Community Development					Total
	Block Grant	School grants	Fuel Assistance	Parking Fund	Other grants	
Cash and short-term investments	\$ —	1,266,997	138,197	4,063,106	216,379	5,684,679
Accounts receivable	—	—	451	5,781	391,433	397,665
Accounts receivable-developer	1,000,000	—	—	—	—	1,000,000
Due from other governments	619,087	827,062	—	—	—	1,446,149
Total assets	<u>\$ 1,619,087</u>	<u>2,094,059</u>	<u>138,648</u>	<u>4,068,887</u>	<u>607,812</u>	<u>8,528,493</u>
Liabilities and Fund Equity						
Warrants payable	\$ 59,065	—	4,354	—	—	63,420
Accrued liabilities - other	—	289,908	—	—	137,545	427,453
Due to other funds	1,560,021	—	—	—	—	1,560,021
Total liabilities	<u>1,619,087</u>	<u>289,908</u>	<u>4,354</u>	<u>—</u>	<u>137,545</u>	<u>2,050,894</u>
Fund equity (deficit):						
Reserved for encumbrances	—	731,959	—	—	2,967,476	3,699,435
Reserved for specific purposes	—	1,072,192	134,294	4,068,887	—	5,275,373
Unreserved	—	—	—	—	(2,497,209)	(2,497,209)
Total fund equity	<u>—</u>	<u>1,804,151</u>	<u>134,294</u>	<u>4,068,887</u>	<u>470,267</u>	<u>6,477,599</u>
Total liabilities and fund equity	<u>\$ 1,619,087</u>	<u>2,094,059</u>	<u>138,648</u>	<u>4,068,887</u>	<u>607,812</u>	<u>8,528,493</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Special Revenue Funds

Year ended June 30, 1999

	Community Development Block Grant	School grants	Fuel Assistance	Parking Fund	Other grants	Total
Revenues:						
Intergovernmental	\$ 4,294,912	6,309,206	590,518	—	5,651,517	16,846,153
Private grants	—	—	—	—	253,137	253,137
Investment income	—	1,485,491	5,721	607,419	—	2,098,631
Other:						
Permits	—	—	—	112,968	—	112,968
Fines	—	—	—	6,738,570	—	6,738,570
Charges for services	—	—	—	4,796,381	—	4,796,381
Miscellaneous	47,904	—	—	60,243	5,706	113,853
Total revenues	<u>4,342,816</u>	<u>7,794,697</u>	<u>596,239</u>	<u>12,315,581</u>	<u>5,910,360</u>	<u>30,959,693</u>
Expenditures:						
General government	—	—	—	—	41,168	41,168
Public safety	—	—	—	—	751,606	751,606
Education	—	7,978,698	—	—	—	7,978,698
Fuel assistance	—	—	614,112	—	—	614,112
Community maintenance and development	1,061,078	—	—	—	1,289,132	2,350,210
Human services	590,550	—	—	—	3,010,197	3,600,747
Total expenditures	<u>1,651,628</u>	<u>7,978,698</u>	<u>614,112</u>	<u>—</u>	<u>5,092,103</u>	<u>15,336,541</u>
Excess (deficiency) of revenues over expenditures	<u>2,691,188</u>	<u>(184,001)</u>	<u>(17,873)</u>	<u>12,315,581</u>	<u>818,257</u>	<u>15,623,152</u>
Other financing sources (uses):						
Operating transfers from other funds	—	—	—	168,313	—	168,313
Operating transfers to other funds	(2,691,188)	—	—	(12,777,125)	—	(15,468,313)
Excess (deficiency) of revenues over expenditures and transfers	<u>—</u>	<u>(184,001)</u>	<u>(17,873)</u>	<u>(293,231)</u>	<u>818,257</u>	<u>323,152</u>
Fund equity (deficit) at beginning of year	<u>—</u>	<u>1,988,152</u>	<u>152,167</u>	<u>4,362,118</u>	<u>(347,990)</u>	<u>6,154,447</u>
Fund equity at end of year	<u>\$ —</u>	<u>1,804,151</u>	<u>134,294</u>	<u>4,068,887</u>	<u>470,267</u>	<u>6,477,599</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 five categories: School Trust Funds, Neville Manor Nursing Home Trust Funds, Library Trust Funds, Cemetery 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, 1999

	Pension Trust Fund	Nonexpendable trust funds					Expendable trust funds										Agency Fund	Total
	Retirement Trust Fund	School funds	Neville Manor funds	Library funds	Cemetery funds	Other funds	School funds	Neville funds	Library funds	Cemetery funds	Health Claim Trust Fund	City Stabilization Trust Fund	School Stabilization Trust Funds	Housing Fund	Other funds			
Assets																		
Cash and short-term investments	\$ 17,101,889	37,524	25,834	49,895	1,389,082	61,039	215,601	54,403	101,130	216,938	9,936,854	6,240,147	1,807,655	6,764,807	564,827	2,597,839	47,165,464	
Other investments	370,757,260	—	—	4,913	—	—	—	—	—	—	2,517,969	—	—	—	—	—	373,280,142	
Accounts receivable	8,119,537	—	—	63	—	—	38,220	—	—	—	116,801	—	—	2,845,075	—	—	11,119,696	
Due from other funds	—	—	—	—	—	—	146	101	258	4,969	—	—	—	—	232	—	5,706	
Other assets	1,950,439	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,950,439	
Total assets	\$ 397,929,125	37,524	25,834	54,871	1,389,082	61,039	253,967	54,504	101,388	221,907	12,571,624	6,240,147	1,807,655	9,609,882	565,059	2,597,839	433,521,447	
Liabilities and Fund Equity																		
Guarantee deposits	\$ —	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,597,839	2,597,839	
Accrued liabilities - other	2,605,965	—	—	—	—	—	—	—	75	8,712	—	—	—	74,338	8,292	—	2,697,382	
Due to other funds	—	146	101	257	4,969	233	—	—	—	—	—	—	—	250,000	—	—	255,706	
Total liabilities	2,605,965	146	101	257	4,969	233	—	—	75	8,712	—	—	—	324,338	8,292	2,597,839	5,550,927	
Fund balance:																		
Reserved for employee benefits	395,323,160	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	395,323,160	
Reserved for specific purposes	—	37,378	25,733	54,614	1,384,113	60,806	253,967	54,504	101,313	213,195	12,571,624	6,240,147	1,807,655	9,285,544	556,767	—	32,647,360	
Total fund balance	395,323,160	37,378	25,733	54,614	1,384,113	60,806	253,967	54,504	101,313	213,195	12,571,624	6,240,147	1,807,655	9,285,544	556,767	—	427,970,520	
Total liabilities and fund equity	\$ 397,929,125	37,524	25,834	54,871	1,389,082	61,039	253,967	54,504	101,388	221,907	12,571,624	6,240,147	1,807,655	9,609,882	565,059	2,597,839	433,521,447	

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenses and Changes in Fund Balance

Nonexpendable Trust Funds

Year ended June 30, 1999

	Nonexpendable trust funds					
	School funds	Neville Manor funds	Library funds	Cemetery funds	Other funds	Total
Revenues:						
Donations	\$ —	—	60	23,100	—	23,160
Investment income	1,893	1,307	2,591	58,297	3,087	67,175
Total operating income	1,893	1,307	2,651	81,397	3,087	90,335
Operating transfers from other funds	115	—	—	—	—	115
Operating transfers to other funds	(1,888)	(1,307)	(2,666)	(58,297)	(3,005)	(67,163)
Net income (loss)	120	—	(15)	23,100	82	23,287
Fund balance:						
Beginning of year	37,258	25,733	54,629	1,361,013	60,724	1,539,357
End of year	\$ 37,378	25,733	54,614	1,384,113	60,806	1,562,644

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Cash Flows

Nonexpendable Trust Funds

Year ended June 30, 1999

	<u>School funds</u>	<u>Neville Manor funds</u>	<u>Library funds</u>	<u>Cemetery funds</u>	<u>Other funds</u>	<u>Total</u>
Cash flows from operating activities:						
Operating income	\$ 1,893	1,307	2,651	81,397	3,087	90,335
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Reclassification of investment income	(1,893)	(1,307)	(2,591)	(58,297)	(3,087)	(67,175)
Increase in accounts receivable	—	—	240	—	—	240
Increase in interfund payables	(17)	(23)	(241)	4,969	(51)	4,637
Net cash provided (used) by operating activities	<u>(17)</u>	<u>(23)</u>	<u>59</u>	<u>28,069</u>	<u>(51)</u>	<u>28,037</u>
Cash flows from noncapital financing activities						
Operating transfers - in	115	—	—	—	—	115
Operating transfers - out	(1,888)	(1,307)	(2,666)	(58,297)	(3,005)	(67,163)
Net cash used for noncapital financing activities	<u>(1,773)</u>	<u>(1,307)</u>	<u>(2,666)</u>	<u>(58,297)</u>	<u>(3,005)</u>	<u>(67,048)</u>
Cash flows from financing activity:						
Proceeds from maturing investments	—	—	5,087	999,634	—	1,004,721
Net cash provided by financing activity	<u>—</u>	<u>—</u>	<u>5,087</u>	<u>999,634</u>	<u>—</u>	<u>1,004,721</u>
Cash flows from investing activity:						
Investment income	1,893	1,307	2,591	58,297	3,087	67,175
Net cash provided by investing activity	<u>1,893</u>	<u>1,307</u>	<u>2,591</u>	<u>58,297</u>	<u>3,087</u>	<u>67,175</u>
Net increase (decrease) in cash and cash equivalents	103	(23)	5,071	1,027,703	31	1,032,885
Cash and cash equivalents at beginning of year	<u>37,421</u>	<u>25,857</u>	<u>44,824</u>	<u>361,379</u>	<u>61,008</u>	<u>530,489</u>
Cash and cash equivalents at end of year	<u>\$ 37,524</u>	<u>25,834</u>	<u>49,895</u>	<u>1,389,082</u>	<u>61,039</u>	<u>1,563,374</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Revenues, Expenditures and Changes in Fund Equity

Expendable Trust Funds

Year ended June 30, 1999

	School funds	Neville Manor funds	Library funds	Cemetery Fund	Health Claims Trust Fund	City Stabilization Trust Fund	School Stabilization Trust Funds	Housing Fund	Other funds	Total
Revenues:										
Investment income	\$ 20,320	2,693	6,027	11,380	707,176	315,264	74,799	258,149	32,553	1,428,361
Donations	38,370	—	30,002	—	—	—	—	474,068	15,127	557,567
Employee deduction	—	—	—	—	2,066,222	—	—	—	—	2,066,222
Other	—	—	—	—	—	—	—	857,042	—	857,042
Total revenues	<u>58,690</u>	<u>2,693</u>	<u>36,029</u>	<u>11,380</u>	<u>2,773,398</u>	<u>315,264</u>	<u>74,799</u>	<u>1,589,259</u>	<u>47,680</u>	<u>4,909,192</u>
Expenditures:										
Other	17,052	2,315	106,355	8,711	—	—	—	3,110,153	90,173	3,334,759
Payroll services	—	—	—	—	—	—	—	174,740	—	174,740
Total expenditures	<u>17,052</u>	<u>2,315</u>	<u>106,355</u>	<u>8,711</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,284,893</u>	<u>90,173</u>	<u>3,509,499</u>
Excess (deficiency) of revenues over expenditures	41,638	378	(70,326)	2,669	2,773,398	315,264	74,799	(1,695,634)	(42,493)	1,399,693
Transfers:										
Operating transfers from other funds	1,888	1,307	2,666	58,297	840,411	—	348,619	4,500,000	3,005	5,756,193
Operating transfers to other funds	<u>(115)</u>	<u>—</u>	<u>—</u>	<u>(75,000)</u>	<u>(2,800,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,875,115)</u>
Excess (deficiency) of revenues over expenditures and transfers	43,411	1,685	(67,660)	(14,034)	813,809	315,264	423,418	2,804,366	(39,488)	4,280,771
Fund equity at beginning of the year	<u>210,556</u>	<u>52,819</u>	<u>168,973</u>	<u>227,229</u>	<u>11,757,815</u>	<u>5,924,883</u>	<u>1,384,237</u>	<u>6,481,178</u>	<u>596,255</u>	<u>26,803,945</u>
Fund equity at end of year	<u>\$ 253,967</u>	<u>54,504</u>	<u>101,313</u>	<u>213,195</u>	<u>12,571,624</u>	<u>6,240,147</u>	<u>1,807,655</u>	<u>9,285,544</u>	<u>556,767</u>	<u>31,084,716</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds

Year ended June 30, 1999

<u>Assets</u>	<u>Balance at June 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 1999</u>
Contract Bids	\$ 76,394	4,525	3,435	77,484
Plans	2,065	—	—	2,065
Tree Removals	485	—	—	485
Driveways	447,957	125,791	—	573,748
Street Openings	201,361	72,741	47,875	226,227
Sidewalk Openings	150	—	—	150
In Lieu of Bond	70,945	—	—	70,945
License Commission	10,149	—	—	10,149
Cambridge Police Detail	(477,873)	3,020,296	2,943,246	(400,823)
Cambridge Fire Detail	482	141,708	141,572	618
Dog Licenses	14,212	—	—	14,212
Sporting Licenses	3,666	9,990	9,471	4,185
Dog Officer	570	—	—	570
Constable Fees	6,175	91,172	86,912	10,435
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	19,829	12,680	—	32,509
Accident & life Insurance	63,724	68,507	43,762	88,469
Medicare	2,795	8	—	2,803
Car Seat Program	1,539	—	—	1,539
Deferred Compensation	1,410	18	18	1,410
Legal Fees	25,045	9,269	—	34,314
Retirement Office Payroll	(28,760)	296,936	271,811	(3,635)
New England Life	467,764	48,865	—	516,629
Continental Casualty	(2,475)	11,529	3,098	5,956
Teacher Insurance Reimbursement	4,940	—	—	4,940
Teachers Retirement	488,297	73,823	2,324	559,796
Excise Registry Fees	13,857	—	—	13,857
3 Bidglow Contingency Fund	46,250	10,140	9,750	46,640
Retroactive Wages	6	—	—	6
Land Court Fees	40,099	4,455	—	44,554
Choke Program	1,182	—	—	1,182
Unclaimed Checks	316,350	—	—	316,350
Stop Payments	23,138	—	—	23,138
Sewer Abatement Appraisal Fee	7,495	1,000	—	8,495
Twelve Mt. Auburn	7,684	—	—	7,684
Blue Cross	6,112	—	—	6,112
Hackney Applications	5,386	—	—	5,386
Purchase of Bike Racks	5,138	—	—	5,138
Recycling Bins	7	14	27	(6)
Levangie/J.P. Construction Co.	1,681	—	—	1,681
Forty-Three Mt. Auburn Rents	2,899	—	—	2,899
Police: Found Cash	1,103	1,504	—	2,607
Tenant - 199 Prospect St.	10,220	—	3	10,217
Estate of George W. Boyce	45,000	9,591	—	54,591
Kendall Sq. Fire Station	—	150,000	—	150,000
Total	\$ 1,996,581	4,164,562	3,563,304	2,597,839

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities Agency Funds

Year ended June 30, 1999

Liabilities	Balance at June 30, 1998	Additions	Deductions	Balance at June 30, 1999
Guarantee deposits and amounts due other:				
Contract Bids	\$ 76,394	4,525	3,435	77,484
Plans	2,065	—	—	2,065
Tree Removals	485	—	—	485
Driveways	447,957	125,791	—	573,748
Street Openings	201,361	72,741	47,875	226,227
Sidewalk Openings	150	—	—	150
In Lieu of Bond	70,945	—	—	70,945
License Commission	10,149	—	—	10,149
Cambridge Police Detail	(477,873)	3,020,296	2,943,246	(400,823)
Cambridge Fire Detail	482	141,708	141,572	618
Dog Licenses	14,212	—	—	14,212
Sporting Licenses	3,666	9,990	9,471	4,185
Dog Officer	570	—	—	570
Constable Fees	6,175	91,172	86,912	10,435
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	19,829	12,680	—	32,509
Accident & life Insurance	63,724	68,507	43,762	88,469
Medicare	2,795	8	—	2,803
Car Seat Program	1,539	—	—	1,539
Deferred Compensation	1,410	18	18	1,410
Legal Fees	25,045	9,269	—	34,314
Retirement Office Payroll	(28,760)	296,936	271,811	(3,635)
New England Life	467,764	48,865	—	516,629
Continental Casualty	(2,475)	11,529	3,098	5,956
Teacher Insurance Reimbursement	4,940	—	—	4,940
Teachers Retirement	488,297	73,823	2,324	559,796
Excise Registry Fees	13,857	—	—	13,857
3 Bidglow Contingency Fund	46,250	10,140	9,750	46,640
Retroactive Wages	6	—	—	6
Land Court Fees	40,099	4,455	—	44,554
Choke Program	1,182	—	—	1,182
Unclaimed Checks	316,350	—	—	316,350
Stop Payments	23,138	—	—	23,138
Sewer Abatement Appraisal Fee	7,495	1,000	—	8,495
Twelve Mt. Auburn	7,684	—	—	7,684
Blue Cross	6,112	—	—	6,112
Hackney Applications	5,386	—	—	5,386
Purchase of Bike Racks	5,138	—	—	5,138
Recycling Bins	7	14	27	(6)
Levangie/J.P. Construction Co.	1,681	—	—	1,681
Forty-three Mt. Auburn Rents	2,899	—	—	2,899
Police: Found Cash	1,103	1,504	—	2,607
Tenant - 199 Prospect St.	10,220	—	3	10,217
Estate of George W. Boyce	45,000	9,591	—	54,591
Kendall Sq. Fire Station	—	150,000	—	150,000
Total	\$ 1,996,581	4,164,562	3,563,304	2,597,839

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Mary A. Blessington Scholarship Fund

This trust fund, established in 1993 for \$2,000, is to be used to fund a scholarship to the student with the highest academic achievement at the Fletcher School. The one award will be taken from interest only, not to exceed \$100. No scholarship was awarded in FY99. As of June 30, 1999, the expendable balance was \$651.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 2,520	\$ 131	\$ —	\$ 2,651

Dr. B. Elizabeth R. Boyce Scholarship Fund

On February 27, 1998, the City received 500 shares of GTE stock from the estate of George W. Boyce to establish a scholarship fund in the memory of Dr. B. Elizabeth R. Boyce for graduates of the City's public school system. The fund is directed towards college students in social studies. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$40,641.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 29,928	\$ 10,713	\$ —	\$ 40,641

Robert Calef Children's Trust 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 are spent under the direction of a board of six trustees composed of six primary teachers of the Cambridge Public School system, three designated by the Superintendent of Schools and three by 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. No books were purchased in FY99. As of June 30, 1999, the expendable balance was \$8,757.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 10,225	\$ 532	\$ —	\$ 10,757

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Cambridge Public School Fund

In February of 1986, the City accepted a \$10,000 gift from the Amelia Peabody Foundation to establish the Cambridge Public School Trust. This initial gift was to provide for the expansion of computer capabilities at the Graham and Parks Alternative Public School, so that students with limited English speaking ability could 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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$9,189.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 8,735	\$ 454	\$ —	\$ 9,189

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. Only 75% of the income can be expended with the balance reverting to the principal fund balance. No purchases of books or works were made in FY99. As of June 30, 1999, the expendable balance was \$964.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 1,191	\$ 62	\$ —	\$ 1,253

Georgia Hardy Spelling Contest

This fund was a gift from Georgia Hardy in 1937. The fund is to be expended for a book, which is to be awarded as a prize to the winner 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. No prize was awarded in FY99. As of June 30, 1999, the expendable balance was \$1,332.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 1,266	\$ 66	\$ —	\$ 1,332

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Charity of Edward Hopkins Fund

This "charity" represents the oldest continuous scholarship in the United States, 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. No prizes were awarded in FY99. As of June 30, 1999, the expendable balance was \$886.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 842	\$ 44	\$ —	\$ 886

J. Maxwell Joseph Memorial Writing Center Award Trust Fund

The J. Maxwell Joseph Memorial Writing Center Award Trust Fund was established in 1989 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 award may be up to \$1,000 which, beginning in 1998, may be adjusted for inflation but cannot exceed interest income earnings; however, the excess income in any one year may be retained to supplement the award when necessary. 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. One prize for \$1,000 was awarded during FY99. As of June 30, 1999, the expendable balance was \$3,032.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 24,543	\$ 1,270	\$ 1,000	\$ 24,813

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Edward Kingman Scholarship Fund

The sum of \$1,700 was donated to Cambridge in 1931 to form the Edward L. Kingman Scholarship. This scholarship fund was established to award a prize during the first year of college to the student who graduated from Cambridge Rindge and Latin High School with the highest grade and who attends college the next year. One prize for \$500 was awarded in FY99. As of June 30, 1999, the expendable balance was \$7,192.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 8,930	\$ 462	\$ 500	\$ 8,892

Longfellow School Fund

The Longfellow School Fund is of unknown origin. It is held in trust for the students of the Longfellow School. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$3,335.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 3,170	\$ 165	\$ —	\$ 3,335

Thomas McCann Fund

In 1998, the McCann Company established a fund to reimburse teachers who participate in training workshops on minorities and poverty. Part of this money is applied to the purchase of social studies materials. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$2,042.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 1,941	\$ 101	\$ —	\$ 2,042

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

Charles E. Merrill Fund

On October 2, 1982, the City Council accepted a gift of \$25,000 from the Charles E. Merrill Trust. This amount is to be used for the support of the special expenses of the Cambridge Alternative Public School. No funds were expended for the Alternative School in FY99. As of June 30, 1999, the expendable balance was \$607.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 577	\$ 30	\$ —	\$ 607

Pasquale and Mary Reale Trust Fund

This trust in the amount of \$4,000 was established in 1992 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 a graduating senior. Two awards were made during FY99. As of June 30, 1999, the expendable balance was \$280.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 4,496	\$ 234	\$ 450	\$ 4,280

Scholarship Trust Fund

Begun in 1993, this trust provides scholarship aid to residents of the City of Cambridge based on financial need, character, scholastic record, community involvement and extracurricular school activities. Any resident accepted to pursue education beyond the secondary level is eligible to apply. During FY99, \$38,370 was donated to the Fund. The ten awards made in FY98 were distributed during fiscal year 1999. As of June 30, 1999, the expendable balance was \$173,495.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 142,537	\$ 45,958	\$ 15,000	\$ 173,495

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

School Trust Funds

School Textbook Trust Fund

This trust fund was established during fiscal year 1991 to provide funds for the purchase of textbooks. No textbooks were purchased during FY99. As of June 30, 1999, the expendable balance was \$13.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 12	\$ 1	\$ —	\$ 13

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 is 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. One award was made in FY99. As of June 30, 1999, the expendable balance was \$937.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,224	\$ 63	\$ 50	\$ 1,237

Webster H. Thierry Historic Prize Fund

This fund was established through a \$300 donation by Adelaide R. Thierry in 1925. 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. Out of the income, each year \$1 is to be added to the principal balance of the Fund. Also any income not used in the current year is returned to become part of the principal fund balance. One prize was awarded during FY99; \$115 in unexpended funds was added to the principal balance. As of June 30, 1999, the expendable balance was \$189.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 3,372	\$ 176	\$ 50	\$ 3,498

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. No prizes were awarded during FY99. As of June 30, 1999, the expendable balance was \$424.

FY 1999 Opening <u>Balance</u>	FY 1999 <u>Income</u>	FY 1999 <u>Expenditures</u>	FY 1999 Closing <u>Balance</u>
\$ 2,305	\$ 119	\$ —	\$ 2,424

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, 1984, 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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$(514).

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,224	\$ 63	\$ —	\$ 1,287

Anna Burke Fund

In 1981, the City Council accepted \$2,500 as a partial distribution of the estate of Anna Burke. The final distribution amounted to \$5,029. 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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$3,946.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 8,531	\$ 444	\$ —	\$ 8,975

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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$7,097.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 8,647	\$ 450	\$ —	\$ 9,097

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 \$1,500 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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$2,434.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 3,739	\$ 195	\$ —	\$ 3,934

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, 1999, the expendable balance was \$14,831.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 23,595	\$ 1,140	\$ 2,314	\$ 22,421

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 was distributed to Neville Manor. The trust stipulates that the annual income be expended for entertainment and gifts for the residents of Neville Manor. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$5,363.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 9,852	\$ 511	\$ —	\$ 10,363

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Neville Manor Nursing Home Trust Funds

Sarah E. Russell Fund

As provided in the will of Sarah E. Russell, who died Oct. 6, 1898, 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." No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$3,679.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 4,271	\$ 222	\$ —	\$ 4,493

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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$17,666.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 18,693	\$ 973	\$ —	\$ 19,666

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 is used to develop a special children's book collection and to cover any unbudgeted or unexpected maintenance costs for the bookmobile. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$15.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 15	\$ —	\$ —	\$ 15

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, with \$801 as an initial nonexpendable balance. 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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$355.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,462	\$ 139	\$ —	\$ 1,601

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. During FY99, \$2,371 was spent on books, periodicals, and special performances. As of June 30, 1999, the expendable balance was \$3,609.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 3,658	\$ 2,322	\$ 2,371	\$ 3,609

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Cambridge History Fund

The City Council accepted a gift of \$10,000 in February 1989 to be used by the Cambridge Public Library. Additional donations have been received since the initial gift. Funds are used to produce a series of publications whose story constitutes the history of Cambridge as well as to expand and preserve the holdings of the Cambridge Memorial Room at the Library. During FY99, \$210 was spent for various old periodicals. As of June 30, 1999, the expendable balance was \$2,177.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 11,971	\$ 616	\$ 210	\$ 12,377

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. During FY99, \$3,848 was donated for the fund. Funds were expended for special activities. As of June 30, 1999, the expendable balance was \$2,807.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 5,214	\$ 4,048	\$ 6,455	\$ 2,807

Citizen of Cambridge Fund

An anonymous citizen of Cambridge donated \$7,400 from 1923 through 1926 to the Cambridge Public Library. Income from these gifts is to be used for books on Americanization, the fine arts, general nature, and binding. During FY99, \$573 was spent on books. As of June 30, 1999, the expendable balance was \$8,993.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 16,132	\$ 834	\$ 573	\$ 16,393

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Citizens Subscription Fund

In 1899, a citizens committee raised \$5,675 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, maturing during 1999, with the resulting income to be used for the same purpose. No funds were expended during FY99. As of June 30, 1999, the expendable balance was \$(1,090).

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 4,478	\$ 107	\$ —	\$ 4,585

Daniel P. Cummings Fund

Daniel P. Cummings bequeathed to the trustees of the Cambridge Public Library in 1899 the sum of \$2,000. Income is to be used for the purchase of non-sectarian books for the library. No funds were expended during FY99. As of June 30, 1999, the expendable balance was \$2,586.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 4,356	\$ 230	\$ —	\$ 4,586

Anthony J. DeVito Trust Fund

Established in his memory in March 1999, this fund is to be used to purchase library materials relating to music. Professor Anthony J. DeVito was Library Director from 1946 through 1948. He began the Library's music program, establishing the Library's Music Room with an inaugural collection of 100 recordings and two phonographs with head-phones. Both principal and income may be expended. During FY99, the fund received \$1,000 in donations and \$1,120 was expended on books. As of June 30, 1999, the expendable balance was \$4,546.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 4,441	\$ 1,225	\$ 1,120	\$ 4,546

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

P.H. Dolan Lecture Fund

The Philip H. Dolan Lecture Fund was established in 1997 by Mrs. Ruth Brooks Heath in recognition of Philip Hilary Dolan, Librarian of the Cambridge Public Library from 1949 to 1981, 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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$735.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 584	\$ 151	\$ —	\$ 735

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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$(350).

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 618	\$ 32	\$ —	\$ 650

Friends of the Cambridge Public Library Fund

Established during fiscal 1989, with a transfer of \$10,000 from the Cambridge Public Library Benefit Fund, the Fund will be used to support the fundraising and membership activities of the "Friends". Both principal and interest may be expended. During FY99, \$15,206 was expended for production and distribution of the newsletter plus special events for the Friends. As of June 30, 1999, the expendable balance was \$14,806.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 12,472	\$ 17,540	\$ 15,206	\$ 14,806

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Harry Futterman Fund

Since 1978, 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. No funds were received or expended in FY99. As of June 30, 1999, the expendable balance was \$13.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 13	\$ —	\$ —	\$ 13

William Penn Harding Fund

At the time of his death, William Penn Harding 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." During FY99, \$1,255 was expended for books. As of June 30, 1999, the expendable balance was \$273.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 2,444	\$ 84	\$ 1,255	\$ 1,273

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. During FY99, forty books were purchased using the fund. As of June 30, 1999, the expendable balance was \$2,006.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 5,086	\$ 263	\$ 343	\$ 5,006

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$282.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,218	\$ 64	\$ —	\$ 1,282

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 earned from the principal is unrestricted. No funds were expended during FY99. As of June 30, 1999, the expendable balance was \$675.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 641	\$ 34	\$ —	\$ 675

Maria Murdock Fund

In 1922, Maria Murdock left to the Cambridge Public Library an unrestricted gift of \$2,000. No funds were expended during FY99. As of June 30, 1999, the expendable balance was \$288.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 2,170	\$ 118	\$ —	\$ 2,288

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

George Oenslager Fund

This trust fund, established in 1997, is used for the purchase and lending of standard and miscellaneous books to the patrons of the Cambridge Public Library. Expenditures shall be made from the principal and interest earned or retained. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$5,575.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 5,296	\$ 279	\$ —	\$ 5,575

Mildred A. O'Neill Fund

This fund was established in FY98 with a donation of \$992. No funds were expended during FY99. As of June 30, 1999, the expendable balance was \$(86).

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ (81)	\$ (5)	\$ —	\$ (86)

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. During FY99, \$6,025 was donated to the Fund and approximately \$4,778 was expended for books, supplies, special activities and events, including the summer reading program. As of June 30, 1999, the expendable balance was \$2,308.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,034	\$ 6,052	\$ 4,778	\$ 2,308

Rotary Trust Fund

In November 1997, the Rotary Club of Cambridge, donated approximately \$60,000 for the construction and programs, materials, furniture, and equipment for the Technology Learning Center and the Cambridge Square Branch Library. During FY99, \$73,645 was spent on construction of the center. As of June 30, 1999, the expendable balance was \$2,925.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 75,386	\$ 1,184	\$ 73,645	\$ 2,925

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Joseph Sakey Trust

Established by the trustees and staff of the Cambridge Public Library, and the friends and family of Joseph Sakey, this fund is used for the purchase of books and materials relating to social sciences and biography. During FY99, approximately 4 books were purchased for the Library. As of June 30, 1999, the expendable balance was \$3,269.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 3,193	\$ 165	\$ 89	\$ 3,269

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. During FY99, 7 books were purchased for the Library. As of June 30, 1999, the expendable balance was \$4,502.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 5,912	\$ 306	\$ 216	\$ 6,002

William E. Saunders Fund

In accordance with the will of Abigail L. Prentiss, the residue of her estate. \$7,350, was placed in trust for the Cambridge Public Library. Principal as well as interest is used to purchase books and maintain the William E. Saunders alcove. No funds were expended during FY99. As of June 30, 1999, the expendable balance was \$8,735.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 14,949	\$ 786	\$ —	\$ 15,735

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

Webster H. Thierry Library Fund

In 1976, Adelaide R. Thierry donated the sum of \$1,000 to the City of Cambridge to establish the "Webster H. Thierry Shelf." Of the income earned, 20% is to be added to the principal, and the balance is to be used to provide low cost book plates and to purchase books. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$7,411.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 8,162	\$ 430	\$ —	\$ 8,592

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. During FY99, 8 books were purchased by the fund. As of June 30, 1999, the expendable balance was \$14,232.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 17,412	\$ 911	\$ 91	\$ 18,232

Mehitable C.C. Wilson Fund

According to the terms of Mehitable C.C. Wilson's will, the Cambridge Public Library received \$1,500. This sum was a gift to be used by the Trustees for the benefit of the Library. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$423.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 1,827	\$ 96	\$ —	\$ 1,923

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Library Trust Funds

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 used for the purchase of books that are designated by an appropriate plate or card. No books were purchased during FY99. As of June 30, 1999, the expendable balance was \$9,283.

FY 1999 Opening <u>Balance</u>	FY 1999 <u>Income</u>	FY 1999 <u>Expenditures</u>	FY 1999 Closing <u>Balance</u>
\$ 13,539	\$ 656	\$ —	\$ 14,195

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. Only 67% of income may be spent. The remaining 33% must revert to principal fund balance. During FY99, \$50 was expended for these purposes. As of June 30, 1999, the expendable balance was \$9,447.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 13,694	\$ 716	\$ 50	\$ 14,360

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. In addition to the funds managed by the City, the Bullock Fund also receives income from a separate trust managed by the Fleet Bank, N.A. As of May 31, 1999, the trust had a book value of \$147,587 and a market value of \$214,912. The trust was responsible for \$3,532 of the income earned by the Fund. During FY99, \$68,313 was spent for a Children's Oral Health Program conducted by the Cambridge Public Health Department. As of June 30, 1999, the expendable balance was \$165,816.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 249,630	\$ 14,499	\$ 68,313	\$ 195,816

Community Response Trust Fund

The Community Response Trust Fund was established by the City Manager in 1997 at the request of the City Council, and funded with \$300,000 from City general fund monies. The purpose of the Fund was to make monies available to human service agencies and grassroots organizations wishing to conduct human service or community service projects. The Department of Human Services is administering the funds and conducting on-site monitoring visits to each of the recipients. During FY99, \$6,300 was expended from the fund on two programs. As of June 30, 1999, the expendable balance was \$1,236.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 7,330	\$ 206	\$ 6,300	\$ 1,236

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. No funds were expended in FY99. As of June 30, 1999, the expendable balance was \$7,181.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 6,826	\$ 355	\$ —	\$ 7,181

Mayor's Disaster Relief Fund

During FY99, Mayor Sheila Doyle Russell established the Mayor's Disaster Relief Fund "to provide emergency temporary relief to individuals or families in the event of disaster." There were no donations received or expended in FY 99. As of June 30, 1999, the expendable balance was \$11,171.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 10,619	\$ 552	\$ —	\$ 11,171

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. No expenditures were made in FY99. As of June 30, 1999, the expendable balance was \$41,547.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 39,493	\$ 2,054	\$ —	\$ 41,547

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Helen K. Holland Animal Care Trust Fund

This fund was established in FY98 "for medical treatment" for animals under the care of the Cambridge Animal Commission. During FY99, \$3,667 was received in donations and twelve animals received assistance from the fund. As of June 30, 1999, the expendable balance was \$8,323.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 5,732	\$ 4,008	\$ 1,417	\$ 8,323

Smith Hughes Fund

The Smith Hughes Fund consists of the unexpended balance of a gift the City received some years ago. No expenditures were made from this Fund in FY99. As of June 30, 1999, the expendable balance was \$164.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 156	\$ 8	\$ —	\$ 164

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. No funds were expended during FY 99. As of June 30, 1999, the expendable balance was \$5,662.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 14,888	\$ 774	\$ —	\$ 15,662

Cambridge Special Law Enforcement Trust Funds

These trust funds were established pursuant to Massachusetts General Laws, Chapter 94, Section 47. The purpose of the trusts 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. During FY99, the Funds received \$11,460 in fines and forfeitures. The Funds expended \$6,572 connected with investigations and training in FY 99. As of June 30, 1999, the expendable balances were \$172,693.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 159,412	\$ 19,853	\$ 6,572	\$ 172,693

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

Bridget McGuire Fund

In 1984, 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. No expenditures for the care of needy patients were made from this fund during FY99. As of June 30, 1999, the expendable balance was \$10,786.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 10,253	\$ 533	\$ —	\$ 10,786

Melville Shoe Fund

In 1969, the Melville Shoe Company set up a fund to support a program for training retarded young adults. No expenditures were made for the training of retarded young adults from this Fund in FY99. As of June 30, 1999, the expendable balance was \$1,552.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,476	\$ 76	\$ —	\$ 1,552

Estelle Paris Scholarship Trust Fund

The Estelle Paris Scholarship Trust Fund was established following the Hospital's receipt of the Foster G. McGaw Prize for Excellence in Community Service. The purpose of the Trust Fund is to provide scholarship aid to residents of the City of Cambridge. Awards are based on the following criteria: financial need, character, scholastic record, and community involvement. Any Cambridge resident intending to pursue education in health careers is eligible to apply. Both principal and interest may be expended. Seven scholarships were awarded in FY99. As of June 30, 1999, the expendable balance was \$70,097.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 73,283	\$ 3,814	\$ 7,000	\$ 70,097

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

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. No expenditures were made from this Fund in FY99. As of June 30, 1999, the expendable balance was \$1,485.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,411	\$ 74	\$ —	\$ 1,485

Mary "Molly" Ramsey Fund

In October of 1983, the City accepted a gift of \$5,000 from the estate of Mary "Molly" Ramsey. The income from this fund is 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. During FY99, \$525 was expended for the Golf Tournament. As of June 30, 1999, the expendable balance was \$11,806.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 16,491	\$ 840	\$ 525	\$ 16,806

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. No expenditures were made from this Fund during FY99. As of June 30, 1999, the expendable balance was \$12,067.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 11,470	\$ 597	\$ —	\$ 12,067

Soldiers Monument Fund

This trust consists of the remainder 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. No expenditures were made from this fund during FY99. As of June 30, 1999, the expendable balance was \$1,579.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 1,501	\$ 78	\$ —	\$ 1,579

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Trust Funds

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 1979, the City Council combined the trusts. Under the new terms of the fund, the City administers the trust for the "deservingly poor of Cambridge who are not recipients of public welfare." No expenditures were made from this fund during FY99. As of June 30, 1999, the expendable balance was \$24,154.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 33,314	\$ 1,734	\$ —	\$ 35,048

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Major Trust Funds

Cemetery Perpetual Care Fund

Since 1980, the City has encouraged each lot purchaser to contribute \$100 per grave to help defray future maintenance costs. All contributions for perpetual care are placed in trust with the City Treasurer, with interest earnings used for the care and beautification of the cemetery. During FY99, \$23,100 was received in contributions, which were added to the fund. The Fund transferred \$45,000 to the City to offset the cost of cemetery maintenance and transferred \$30,000 to the City for capital improvements. As of June 30, 1999, the expendable balance was \$213,195.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures and Transfers Out	FY 1999 Closing Balance
\$ 1,588,242	\$ 92,778	\$ 83,712	\$ 1,597,308

Health Claims Trust Fund

This fund was 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. Employee deductions for healthcare coverage are deposited into this fund. Interest earned by the fund is recorded as income to this trust. During FY99, the Trust received \$2,066,222 in employee deductions and transferred \$1,959,589 to the City to help cover City employee health costs. As of June 30, 1999, the expendable balance was \$12,571,624.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures and Transfers Out	FY 1999 Closing Balance
\$ 11,757,815	\$ 2,773,398	\$ 1,959,589	\$ 12,571,624

City Stabilization Fund

This fund is a statutory reserve account which may only be used for purposes for which debt would ordinarily be used. No expenditures were made from this Fund during FY99. As of June 30, 1999, the expendable balance was \$6,240,147.

FY 1999 Opening Balance	FY 1999 Income	FY 1999 Expenditures	FY 1999 Closing Balance
\$ 5,924,883	\$ 315,264	\$ —	\$ 6,240,147

CITY OF CAMBRIDGE, MASSACHUSETTS

DESCRIPTION OF TRUST FUNDS

Other Major Trust Funds

School Debt Service Stabilization Fund

This fund is a statutory reserve account which may only be used for the purpose of offsetting future school debt service. During FY99, transfers were made to this fund for the payment of future School related debt. As of June 30, 1999, the expendable balance was \$270,591.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income and Transfers In</u>	<u>FY 1999 Expenditures and Transfers Out</u>	<u>FY 1999 Closing Balance</u>
\$ 108,100	\$ 162,491	\$ —	\$ 270,591

School Stabilization Fund

This fund is a statutory reserve account which may only be used for the purpose of offsetting future costs related to the school early retirement program. During FY99, the City appropriated \$193,000 for future retirement costs. No expenditures were made in FY99. As of June 30, 1999, the expendable balance was \$1,537,064.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income and Transfers In</u>	<u>FY 1999 Expenditures and Transfers Out</u>	<u>FY 1999 Closing Balance</u>
\$ 1,276,137	\$ 260,927	\$ —	\$ 1,537,064

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. During FY99, the City appropriated \$4,500,000 to the fund for further affordable housing development. The City advanced \$3,110,153 to various non-profit developers. The fund did not receive any loan repayments during FY 99. Administrative costs totaled \$174,740 for the year. Of the \$9,285,544 ending balance, \$2,845,074 represent outstanding loans for which repayment is anticipated. The Fund had approximately \$5,375,394 for future housing development assistance. As of June 30, 1999, the expendable balance was \$9,285,544.

<u>FY 1999 Opening Balance</u>	<u>FY 1999 Income and Transfers In</u>	<u>FY 1999 Expenditures</u>	<u>FY 1999 Closing Balance</u>
\$ 6,481,178	\$ 5,232,217	\$ 2,427,851	\$ 9,285,544

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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, 1999.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

June 30, 1999

	Uncollected June 30, 1998	Commitments	Abatements	Transfers to Tax Title	Refunds	Collections	Adjustments Increase (decrease)	Uncollected June 30, 1999
Real estate taxes:								
1979 and prior	\$ 163,691	—	—	—	—	2,910	(164,225)	(3,444)
1980	31,235	—	—	—	20,990	—	(49,883)	2,342
1981	20,081	—	—	—	30,795	—	(43,707)	7,169
1982	17,071	—	1,211	—	87,720	—	(99,624)	3,956
1983	51,567	—	1,049	—	27,215	—	(76,137)	1,596
1984	30,052	—	322	—	32,865	—	(46,650)	15,945
1985	34,202	—	308	—	22,357	977	(54,599)	675
1986	7,903	—	284	—	3,862	—	(11,481)	—
1988	3,889	—	3	—	6,697	—	(10,206)	377
1988	395	—	501	—	48,600	—	(48,497)	(3)
1989	4,321	—	602	—	120,759	—	(124,478)	—
1990	(360)	—	4	—	76,802	—	(76,443)	(5)
1991	112,495	—	40,807	—	44,760	—	(106,994)	9,454
1992	20,504	—	48,080	—	204,454	—	(157,557)	19,321
1993	4,137	—	13,855	—	87,723	—	(89,111)	(11,106)
1994	(411)	—	56,176	—	132,998	—	(94,497)	(18,086)
1995	3,813	—	1,076	—	124,239	—	(127,854)	(878)
1996	1,951	—	12,029	—	23,019	—	(10,120)	2,821
1997	(151,357)	—	—	—	83,936	28,086	(97,865)	(193,372)
1998	2,739,225	—	100,264	—	566,711	1,765,822	(307,886)	1,131,964
1999	—	151,962,908	1,386,632	1,111,130	—	148,949,361	1,008,908	1,524,693
Total RE	3,094,404	151,962,908	1,663,203	1,111,130	1,746,502	150,747,156	(788,906)	2,493,419
Personal property taxes:								
1988	158,110	—	—	—	—	312	(14)	157,784
1989	127,677	—	—	—	—	—	3	127,680
1990	140,747	—	—	—	—	—	592	141,339
1991	120,224	—	—	—	10	416	367	120,185
1992	137,572	—	—	—	1	116	(21)	137,436
1993	143,657	—	—	—	—	—	558	144,215
1994	46,895	—	—	—	—	—	278	47,173
1995	68,501	—	—	—	7	2,180	275	66,603
1996	60,628	—	—	—	3	1,127	349	59,853
1997	47,946	—	—	—	—	3,082	14,875	59,739
1998	327,220	—	53,747	—	80,489	195,374	(75,131)	83,457
1999	—	7,002,217	77,123	—	47,244	6,813,046	1,387	160,679
Total PP	1,379,177	7,002,217	130,870	—	127,754	7,015,653	(56,482)	1,306,143
Property taxes	4,473,581	158,965,125	1,794,073	1,111,130	1,874,256	157,762,809	(845,388)	3,799,562
Motor vehicle excise taxes								
1986	3,106	—	—	—	—	10	—	3,096
1988	157,923	—	14	—	—	1,557	—	156,352
1988	172,290	—	—	—	66	2,442	—	169,914
1989	205,514	—	—	—	—	3,164	11	202,361
1990	159,846	—	—	—	113	4,276	—	155,683
1991	164,993	—	109	—	257	5,208	—	159,933
1992	123,397	—	48	—	104	4,575	—	118,878
1993	110,106	—	447	—	64	4,941	—	104,782
1994	122,067	—	393	—	—	6,740	—	114,934
1995	137,681	—	1,126	—	713	12,592	—	124,676
1996	172,648	—	2,554	—	8,334	28,329	—	150,099
1997	221,232	—	15,901	—	63,175	71,108	—	197,398
1998	519,357	—	77,083	—	789,860	973,343	—	258,791
1999	—	4,573,686	78,434	—	20,880	3,884,188	—	631,948
Total MVE	\$ 2,270,160	4,573,686	176,109	—	883,566	5,002,473	11	2,548,845

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable

June 30, 1999

	<u>Interest Rates</u>	<u>Issue Dates</u>	<u>Final Maturity Date</u>	<u>Balance June 30, 1998</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 1999</u>
Inside Debt Limit:							
Building renovations	6.4-6.5%	6/15/89	6/15/99	\$ 185,000	—	185,000	—
Hospital loan (boiler renovation)	6.4-6.5%	6/15/89	6/15/99	500,000	—	500,000	—
Open space improvements	6.4-6.5%	6/15/89	6/15/99	165,000	—	165,000	—
Streets and sidewalks	6.4-6.5%	6/15/89	6/15/99	250,000	—	250,000	—
Building renovations	6.4-6.6%	6/15/90	6/15/00	210,000	—	105,000	105,000
Hospital	6.4-6.6%	6/15/90	6/15/00	1,270,000	—	635,000	635,000
Hospital loan (boiler renovation)	6.4-6.6%	6/15/90	6/15/00	400,000	—	200,000	200,000
Open space improvements	6.4-6.6%	6/15/90	6/15/00	520,000	—	260,000	260,000
Building renovation	5.8-6.0%	6/15/91	6/15/01	105,000	—	35,000	70,000
Fire station renovations	5.8-6.0%	6/15/91	6/15/01	300,000	—	100,000	200,000
Open space renovations	5.8-6.0%	6/15/91	6/15/01	510,000	—	170,000	340,000
Building acquisition - teen center	4.3-5.3%	6/15/92	6/15/02	760,000	—	190,000	570,000
Fire station renovations	4.3-5.3%	6/15/92	6/15/02	200,000	—	50,000	150,000
Nursing home renovations	4.3-5.3%	6/15/92	6/15/02	600,000	—	150,000	450,000
Open space improvements	4.3-5.3%	6/15/92	6/15/02	720,000	—	180,000	540,000
Sewer separation project loan	2.35-5.5%	5/21/93	8/1/08	3,941,049	—	643,598	3,297,451
Sewer loan	3.75-4.3%	2/1/94	2/1/04	300,000	—	50,000	250,000
Open space improvements	3.75-4.3%	2/1/94	2/1/04	1,050,000	—	175,000	875,000
Sewer bond		2/17/94	2/15/99	195,435	—	195,435	—
Open space improvement	5.5-5.9%	11/1/94	11/1/99	3,080,000	—	440,000	2,640,000
Sewer loan	5.5-5.9%	11/1/94	11/1/99	350,000	—	50,000	300,000
Sewer loan		4/29/97	2/1/07	4,197,950	—	428,525	3,769,425
Sewer separation project loan	4.0-5.25%	5/1/96	2/1/05	4,926,677	—	607,598	4,319,079
Emergency communications	4.75-5.75%	6/15/96	6/15/06	2,640,000	—	330,000	2,310,000
Elementary school construction	4.75-5.75%	6/15/96	6/15/06	1,890,000	—	225,000	1,665,000
Sewer construction	4.75-5.75%	6/15/96	6/15/06	450,000	—	25,000	425,000
City Hall/senior center renovations	4.75-5.75%	6/15/96	6/15/06	360,000	—	45,000	315,000
Fiber Optic Network Infrastructure	4.75-5.75%	6/15/96	6/15/06	600,000	—	200,000	400,000
Acquisition of personal computers	4.75-5.75%	6/15/96	6/15/06	480,000	—	60,000	420,000
Frisoli Youth Center	4.0-5.0%	6/15/97	6/15/07	3,240,000	—	360,000	2,880,000
Area 4 Youth Center renovations	4.0-5.0%	6/15/97	6/15/07	180,000	—	20,000	160,000
Building renovations	4.0-5.0%	6/15/97	6/15/07	450,000	—	50,000	400,000
Fiber Optic Network	4.0-5.0%	6/15/97	6/15/07	900,000	—	100,000	800,000
Central Square enhancements	4.0-5.0%	6/15/97	6/15/07	3,225,000	—	360,000	2,865,000
Sewer construction	4.0-5.0%	6/15/97	6/15/07	450,000	—	50,000	400,000
Hospital (Ambulatory Care Center)	4.5%	2/1/98	2/1/08	30,000,000	—	1,500,000	28,500,000
Personal computer acquisition	4.0-5.0%	6/15/97	6/15/02	415,000	—	105,000	310,000
Frisoli Youth Center	4.3-5.0%	8/1/98	8/1/08	—	700,000	—	700,000
MWRA sewer loan		5/20/99	5/20/04	—	796,605	—	796,605
Total Inside Debt Limit				\$ 70,016,111	1,496,605	9,195,156	62,317,560

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds Payable (continued)

June 30, 1999

	<u>Interest Rates</u>	<u>Issue Dates</u>	<u>Final Maturity Date</u>	<u>Balance June 30, 1998</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 1999</u>
Outside Debt Limit:							
School:							
Elementary school construction	3.75-4.3%	2/1/94	2/1/04	\$ 6,043,000	—	768,000	5,275,000
Elementary school construction	5.5-5.9%	11/1/94	11/1/99	8,809,000	—	1,097,000	7,712,000
Elementary school construction	4.5%	2/1/98	2/1/08	12,000,000	—	1,200,000	10,800,000
				<u>26,852,000</u>	<u>—</u>	<u>3,065,000</u>	<u>23,787,000</u>
Water Projects:							
Reservoir Cover	6.4-6.5%	6/15/89	6/15/99	100,000	—	100,000	—
Reservoir Cover	6.4-6.5%	6/15/90	6/15/00	1,600,000	—	800,000	800,000
Reservoir Cover	5.8-6.0%	6/15/91	6/15/01	1,275,000	—	425,000	850,000
Reservoir Cover	3.75-3.8%	2/1/94	2/1/99	287,000	—	287,000	—
Treatment plant renovations	3.75-4.3%	2/1/94	2/1/04	330,000	—	55,000	275,000
Water main replacements	5.5-5.9%	11/1/94	11/1/99	1,761,000	—	413,000	1,348,000
Treatment plant renovations	4.75-5.75%	6/15/96	6/15/06	2,160,000	—	720,000	1,440,000
Water main replacements	4.75-5.75%	6/15/96	6/16/06	1,800,000	—	100,000	1,700,000
Water treatment plant construction	4.3-5.0%	8/1/98	8/1/18	—	40,000,000	—	40,000,000
				<u>9,313,000</u>	<u>40,000,000</u>	<u>2,900,000</u>	<u>46,413,000</u>
Section 108 notes payable				990,000	—	5,000	985,000
Notes payable	6.85%		6/15/02	3,343,453	—	203,584	3,139,869
				<u>4,333,453</u>	<u>—</u>	<u>208,584</u>	<u>4,124,869</u>
Total Outside Debt Limit				<u>40,498,453</u>	<u>40,000,000</u>	<u>6,173,584</u>	<u>74,324,869</u>
				<u>\$ 110,514,564</u>	<u>41,496,605</u>	<u>15,368,740</u>	<u>136,642,429</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of General Fixed Assets - by Function and Activity

As of June 30, 1999

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>
<u>Function and Activity</u>					
General Government:					
Control:					
Legislative	\$ 297,553	—	—	—	297,553
Executive	150,698	—	—	—	150,698
Total Control	<u>448,251</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>448,251</u>
Staff Agencies:					
Elections	307,034	—	—	—	307,034
Finance	2,297,281	—	—	—	2,297,281
Law	69,552	—	—	—	69,552
Employee Benefits	2,091	—	—	—	2,091
Animal Commission	68,153	—	—	—	68,153
Public Celebrations	147,694	—	—	—	147,694
Total Staff Agencies	<u>2,891,805</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,891,805</u>
Total General Government	<u>3,340,056</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,340,056</u>
Public Safety:					
Building inspection	97,240	—	—	—	97,240
License	65,288	—	—	—	65,288
Weights and measures	17,242	—	—	—	17,242
Emergency management	30,153	—	—	—	30,153
Fire Protection	8,775,860	3,039,537	2,144,424	—	3,591,899
Police Protection	7,425,325	999,803	522,609	—	5,902,913
Traffic and Parking	22,433,619	1,952,080	18,093,415	—	2,388,124
Electrical	430,221	50,000	21,542	—	358,679
Emergency Commission	2,062,739	—	1,211,712	—	851,027
Total Public Safety	<u>41,337,687</u>	<u>6,041,420</u>	<u>21,993,702</u>	<u>—</u>	<u>13,302,565</u>
Community Maintenance and Development:					
Public Works	55,608,326	23,400,662	19,499,593	6,172,964	6,535,107
Community Development	4,017,080	—	57,711	3,739,136	220,233
Historical Commission	180,184	—	—	104,725	75,459
Conservation Commission	(2,247)	—	—	—	(2,247)
Rent Control	76,909	—	—	—	76,909
Cable Television	252,855	—	—	—	252,855
Total Community Maintenance and Development	<u>60,133,107</u>	<u>23,400,662</u>	<u>19,557,304</u>	<u>10,016,825</u>	<u>7,158,316</u>
Human Resource Development:					
Library	1,850,880	125,000	1,265,206	—	460,674
Human Services	90,157,820	87,242,253	891,635	1,277,517	746,415
Human Rights Commission	27,941	—	—	—	27,941
Women's Commission	11,539	—	—	—	11,539
Health Department/School Health	8,253	—	—	—	8,253
Veteran Benefits	19,181	—	—	—	19,181
Total Human Resource Development	<u>92,075,614</u>	<u>87,367,253</u>	<u>2,156,841</u>	<u>1,277,517</u>	<u>1,274,003</u>
Public School	<u>132,450,965</u>	<u>55,067,765</u>	<u>68,373,775</u>	<u>848,786</u>	<u>8,160,639</u>
Construction in Progress	<u>21,398,613</u>	<u>—</u>	<u>21,398,613</u>	<u>—</u>	<u>—</u>
Totals	\$ <u>350,736,042</u>	<u>171,877,100</u>	<u>133,480,235</u>	<u>12,143,128</u>	<u>33,235,579</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

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

As of June 30, 1999

<u>Function and Activity</u>	<u>General Fixed Assets June 30, 1998</u>	<u>Additions</u>	<u>Disposals</u>	<u>General Fixed Assets June 30, 1999</u>
General Government:				
Control:				
Legislative	\$ 214,948	82,605	—	297,553
Executive	<u>135,014</u>	<u>15,684</u>	<u>—</u>	<u>150,698</u>
Total Control	<u>349,962</u>	<u>98,289</u>	<u>—</u>	<u>448,251</u>
Staff Agencies:				
Elections	307,034	—	—	307,034
Finance	2,031,932	265,349	—	2,297,281
Law	61,219	8,333	—	69,552
Employee Benefits	2,091	—	—	2,091
Animal Commission	35,059	33,094	—	68,153
Public Celebrations	<u>129,294</u>	<u>18,400</u>	<u>—</u>	<u>147,694</u>
Total Staff Agencies	<u>2,566,629</u>	<u>325,176</u>	<u>—</u>	<u>2,891,805</u>
Total General Government	<u>2,916,591</u>	<u>423,465</u>	<u>—</u>	<u>3,340,056</u>
Public Safety:				
Building Inspection	42,298	56,797	(1,855)	97,240
License	84,714	(7,285)	(12,141)	65,288
Weights and measures	10,219	7,023	—	17,242
Emergency management	30,153	—	—	30,153
Fire protection	9,010,998	—	(235,138)	8,775,860
Police protection	7,250,743	309,582	(135,000)	7,425,325
Traffic and parking	22,246,179	187,440	—	22,433,619
Electrical	456,142	58,419	(84,340)	430,221
Emergency Commission	<u>1,787,939</u>	<u>274,800</u>	<u>—</u>	<u>2,062,739</u>
Total Public Safety	<u>40,919,385</u>	<u>886,776</u>	<u>(468,474)</u>	<u>41,337,687</u>
Community Maintenance and Development:				
Public Works	55,313,213	295,113	—	55,608,326
Community Development	4,001,636	15,444	—	4,017,080
Historical Commission	180,184	—	—	180,184
Conservation Commission	(2,247)	—	—	(2,247)
Rent Control	76,909	—	—	76,909
Cable television	<u>220,762</u>	<u>32,093</u>	<u>—</u>	<u>252,855</u>
Total Community Maintenance	<u>59,790,457</u>	<u>342,650</u>	<u>—</u>	<u>60,133,107</u>
Human Resource Development:				
Library	1,806,117	44,763	—	1,850,880
Human Services	90,158,330	73,284	(73,794)	90,157,820
Human Rights Commission	15,329	12,612	—	27,941
Women's Commission	11,539	—	—	11,539
Health Department/School Health	8,253	—	—	8,253
Veteran's Benefits	<u>19,181</u>	<u>—</u>	<u>—</u>	<u>19,181</u>
Total Human Resource Development	<u>92,018,749</u>	<u>130,659</u>	<u>(73,794)</u>	<u>92,075,614</u>
Public Schools	<u>131,727,963</u>	<u>723,002</u>	<u>—</u>	<u>132,450,965</u>
Construction in Progress	<u>16,041,216</u>	<u>5,357,397</u>	<u>—</u>	<u>21,398,613</u>
Totals	\$ <u>343,414,361</u>	<u>7,863,949</u>	<u>(542,268)</u>	<u>350,736,042</u>



STATISTICAL SECTION

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present nonaccounting data. The following tables reflect social and economic data, financial trends, and the fiscal capacity of the City.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Expenditures by Function - Budgetary Basis (1)

Last Ten Fiscal Years

Fiscal year	General, Government Inter- governmental and Judgments and Claims	Public Safety	Community Maintenance and Development	Health, Hospital and Neville Manor	Human Resource Development	Education	Water	Debt Service	Total
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
1993	45,259,376	48,346,555	20,227,895	75,499,307	9,266,281	74,465,531	4,823,956	8,878,370	286,767,271
1994	39,492,272	52,420,342	20,256,849	78,918,379	9,512,079	79,668,979	4,914,661	8,127,856	293,311,417
1995	38,463,753	53,707,656	19,711,035	84,112,435	9,909,005	81,351,321	7,517,510	6,091,530	300,864,245
1996	38,707,201	54,986,388	20,317,721	10,896,015	10,713,945	85,952,725	—	7,486,944	229,060,939
1997	37,844,452	56,250,701	21,544,794	—	11,912,355	86,933,392	—	9,908,476	224,394,170
1998	39,316,478	61,549,659	19,925,112	—	12,984,351	89,886,002	—	10,296,287	233,957,889
1999	42,088,628	62,625,823	21,433,013	—	13,478,195	94,377,533	—	12,648,513	246,651,705

(1) Includes General, Hospital, Neville Manor and Water funds for fiscal years 1989 through 1995. The figure in the Health, Hospital and Neville Manor column for 1996 represents the subsidies from the General Fund to the Hospital and Neville Manor Enterprise Funds. In 1997, the Cambridge Public Health Commission, which includes the Cambridge Hospital, Health Department, and Neville Manor, was established as a separate authority. The City's transfer to the CPHC is shown as an Operating Transfer to a Component Unit on the Statement of Revenues, Expenditures, and Changes in Fund Balance Statement.

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Expenditures by Function - GAAP Basis (1)

Last Ten Fiscal Years

(amounts expressed in thousands)

<u>Fiscal year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Maintenance and Development</u>	<u>Health (2)</u>		<u>Human Resources</u>	<u>Education</u>	<u>Fuel Assistance</u>	<u>Judgment and Claims</u>	<u>State Assessments</u>	<u>Other</u>	<u>Debt Service</u>	<u>Totals</u>
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
1993	18,455	48,411	20,507	1,019		9,313	80,135	1,792	1,847	18,764	1,934	6,685	208,862
1994	18,525	52,202	20,461	1,391		9,401	77,668	1,326	1,256	19,564	5,200	5,837	212,831
1995	18,219	53,814	18,090	1,413		9,439	81,368	1,072	11	19,752	5,380	6,085	214,643
1996	17,842	55,362	19,229	—	(3)	10,153	85,836	837	846	21,067	5,369	7,383	223,924
1997	16,719	55,931	19,076	—	(3)	11,169	85,514	744	936	20,660	4,350	9,884	224,983
1998	17,475	62,070	19,328	—	(3)	12,343	90,481	650	537	20,826	4,268	10,280	238,258
1999	21,752	61,995	19,379	—	(3)	12,602	93,371	614	1,000	21,223	—	12,683	244,619

(1) Includes General and selected Special Revenue Funds.

(2) Includes Neville Manor for fiscal years 1989 through 1990.

(3) Included in Enterprise Fund for fiscal year 1996 and Cambridge Public Health Commission in 1997, 1998 and 1999.

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

CITY OF CAMBRIDGE, MASSACHUSETTS

General Governmental Revenues by Source

Budget Basis (1)

Last Ten Fiscal Years

Fiscal year	Taxes (2)	Licenses and permits	Inter- governmental revenue	Charges for service	Fines and forfeits (3)	Miscellaneous revenue	Revenues
1990	\$ 114,295,452	\$ 4,210,888	\$ 42,836,437	\$ 66,327,437	\$ 7,630,193	\$ 7,141,029	\$ 242,441,436
1991	122,112,209	2,796,254	38,128,709	88,004,301	7,503,100	8,608,149	267,152,722
1992	132,079,005	3,151,596	32,276,073	96,179,301	8,272,148	4,481,042	276,439,165
1993	138,716,553	3,240,024	31,513,900	112,245,063	7,850,060	8,012,893	301,578,493
1994	143,781,002	3,642,665	33,304,293	97,380,024	7,113,691	10,690,342	295,912,017
1995	149,853,977	3,894,207	35,154,075	116,806,361	7,463,198	18,744,229	331,916,047
1996	150,282,907	4,019,555	35,464,750	21,976,741	7,270,904	7,558,188	226,573,045
1997	154,534,476	6,094,715	36,420,810	21,908,242	7,336,024	9,739,440	236,033,707
1998	160,453,362	6,738,798	37,207,164	22,688,087	7,281,070	8,714,293	243,082,774
1999	167,834,981	6,233,681	41,403,415	22,940,870	7,317,736	13,960,295	259,690,978

(1) Includes General, Hospital, Neville Manor, and Water Funds for fiscal years 1989 through 1995 and the General Fund for fiscal years 1996, 1997 and 1998.

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

(3) Includes parking fines reported in the Special Revenue Fund as follows: \$7,208,224 in 1990, \$7,086,473 in 1991, \$7,799,327 in 1992, \$7,318,842 in 1993, \$6,597,258 in 1994, \$6,855,815 in 1995, \$6,620,432 in 1996, \$6,722,343 in 1997, \$6,643,771 in 1998, and \$6,714,453 in 1999.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Levies and Collections (1)

Last Ten Fiscal Years

Fiscal year	Net tax (2) levy	Current tax (3) collections	Percent of net levy collected	Prior year tax collections (refunds) (4)	Total tax collections	Total collections as a % of net levy	Outstanding and/or delinquent taxes (5)	Outstanding delinquent taxes as a % of net levy
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
1993	130,080,000	123,754,263	95.14	(3,155,563)	120,598,700	92.71	9,013,045	6.93
1994	135,164,021	134,148,722	99.25	2,601,390	136,750,112	101.17	5,431,218	4.02
1995	140,195,748	139,981,553	99.85	1,478,539	141,460,092	100.90	5,179,797	3.69
1996	140,191,464	139,860,593	99.76	(1,618,909)	138,241,684	98.61	4,447,397	3.17
1997	143,820,000	143,985,981	100.12	(6,610,010)	137,375,971	95.52	4,531,992	3.15
1998	150,053,550	150,900,173	100.56	(392,618)	150,507,555	100.30	4,451,252	2.97
1999	154,749,999	155,715,163	100.62	173,390	155,888,553	100.74	3,799,562	2.46

(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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Assessed Value and Equalized Valuation of Taxable Property

Last Ten Fiscal Years

Fiscal year	Real property	Personal property	Total assessed value (1)	Equalized valuation (2)	% of total assessed value to equalized
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
1993	6,851,975,239	200,600,000	7,052,575,239	7,984,791,000	88.3
1994	6,576,193,610	213,800,000	6,789,993,610	7,984,791,000	85.0
1995	6,533,446,242	221,500,000	6,754,946,242	7,508,093,800	90.0
1996	6,782,990,307	227,040,000	7,010,030,307	7,508,093,800	93.3
1997	7,006,073,437	236,051,000	7,242,124,437	7,593,801,600	95.4
1998	7,254,711,431	248,991,150	7,503,702,581	7,593,801,600	98.8
1999	9,286,634,355	256,202,460	9,542,836,815	8,505,892,500	112.2

(1) As of January 1, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997 and 1998, respectively.

(2) As of January 1, 1988, 1990, 1992, 1994, 1996 and 1998, respectively. Equalized valuations are determined biannually by the Commissioner of Revenue.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property and Motor Vehicle Tax Rates (1)

Last Ten Fiscal Years

Fiscal year	Residential real property	Commercial and industrial real property	Personal property	Motor vehicle
1990	\$ 9.51	\$ 18.16	\$ 18.16	\$ 25.00
1991	10.13	19.15	19.15	25.00
1992	12.21	22.90	22.90	25.00
1993	13.33	28.40	28.40	25.00
1994	13.79	32.78	32.78	25.00
1995	14.17	34.86	34.86	25.00
1996	13.32	34.89	34.89	25.00
1997	13.02	35.78	35.78	25.00
1998	13.43	35.98	35.78	25.00
1999	11.05	27.25	27.25	25.00

(1) Real and personal property tax rate applicable to each \$1,000 of assessed value. Motor vehicle excise tax is assessed on a calendar year basis, applicable to each \$1,000 of assessed value.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Ratio of Net General Bonded Debt to Assessed Valuation and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal year	Population (1)	Assessed value	Net bonded debt (2)	Ratio of net bonded debt to assessed valuation	Net bonded debt per capita
1990	90,290	\$ 8,528,769,144	\$ 67,705,000	0.8	\$ 749
1991	95,802	8,662,906,830	63,985,000	0.7	668
1992	97,526	7,813,974,272	62,820,000	0.8	644
1993	97,526	7,052,575,239	51,605,000	0.7	529
1994	99,890	6,789,993,612	57,722,153	0.9	578
1995	99,890	6,754,946,242	77,407,264	1.1	775
1996	99,890	7,010,030,307	80,567,165	1.1	807
1997	99,890	7,242,124,437	79,134,995	1.1	792
1998	93,793	7,503,702,581	107,171,111	1.4	1,143
1999	93,793	9,542,836,815	133,502,560	1.4	1,423

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

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

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

Last Ten Fiscal Years

Fiscal year	Principal (1)	Interest (1)	Total debt service (2)	Total expenditures (3)	Ratio of debt service to total expenditures
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
1993	11,215,000	3,683,153	14,898,153	286,767,271	5.2
1994	10,566,693	3,001,032	13,567,725	293,311,417	4.6
1995	10,706,980	3,500,789	14,207,769	300,864,245	4.7
1996	13,130,099	4,005,353	17,135,452	229,060,939	7.5
1997	15,955,828	4,160,269	20,116,097	224,394,170	9.0
1998	13,963,884	3,932,297	17,896,181	233,957,889	7.6
1999	15,165,156	6,099,273	21,264,429	246,651,705	8.6

- (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 operating expenditures from 1990 to 1995 and General Fund expenditures from 1996 to 1999.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Legal Debt Margin

June 30, 1999

Fiscal year 1999 equalized valuation (1)	\$ <u>8,505,892,500</u>
Normal debt limit (2-1/2% of equalized valuation)	212,647,313
Amount of debt applicable to debt limit:	
Total bonded debt	133,502,560
Total authorized/unissued	136,692,168
Less:	
General obligation bonds exempted by authority of the state legislature	<u>122,997,000</u>
Amount within debt limit	<u>147,197,728</u>
Legal debt margin	\$ <u><u>65,449,585</u></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 biannually 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 made as of January 1, 1998.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Computation of Direct and Overlapping Debt

June 30, 1999

<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	\$ 136,483,108	\$ -	100.00%	\$ 136,483,108
Massachusetts Water Resources Authority	-	3,912,612,000	4.75	13,820,450
Massachusetts Bay Transportation Authority	-	3,347,118,000	4.69	6,614,334
Total direct and overlapping debt	<u>\$ 136,483,108</u>	<u>\$ 7,259,730,000</u>		<u>\$ 156,917,892</u>

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

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Value, Construction and Bank Deposits

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year	Real property assessed value	Building permits issued (1)	Construction value	% Distribution (1)		Bank deposits (2)
				Residential	Commercial	
1990	\$ 8,360,269	1,964	\$ 229,124	27	73	\$ 2,283,866
1991	8,662,907	1,979	93,961	33	67	2,259,264
1992	7,813,974	1,318	144,754	21	79	2,284,115
1993	7,052,575	1,618	143,324	29	71	1,905,000
1994	6,789,994	1,672	178,799	24	76	1,939,000
1995	6,754,946	1,749	162,757	22	78	2,021,000
1996	6,782,990	1,664	185,205	33	67	2,105,345
1997	7,006,073	1,995	388,057	25	75	2,532,646
1998	7,254,711	2,460	430,162	38	62	2,782,541
1999	9,286,634	2,572	321,835	31	69	3,058,013

(1) Source: Inspection Services Department.

(2) Source: Federal Deposit Insurance Corporation. These figures do not include deposits in credit unions and savings and loan institutions, and they include only banks whose headquarters are in Cambridge.

CITY OF CAMBRIDGE, MASSACHUSETTS

Principal Taxpayers (1)

June 30, 1999

Name	Nature of business	Assessed valuation	Amount of tax	% of total tax levy
Commonwealth Energy	Utility	\$ 236,775,230	\$ 6,448,396	4.1%
Massachusetts Institute of Technology	Educational	240,622,681	6,112,270 (2)	3.8
The Ahteneum Group - Robert Jones K. George Najarian	Commercial	157,678,400	4,296,730	2.7
Cambridge Side Galleria — New England Development	Commercial	118,302,300	3,198,223	2.0
Boston Properties	Commercial	116,475,300	3,173,952	2.0
Asahi Seimei Prudential Associates	Commercial	131,236,600	3,576,197	2.2
The Congress Group	Commercial	125,284,900	2,668,191	
Presidents & Fellows of Harvard College	Educational	146,978,700	2,624,208 (2)	1.7
Spaulding & Slye Corp.	Commercial	89,754,200	2,445,802	1.5
G.E. Capital Investment Advisors	Commercial	75,831,600	2,066,411	1.3
Totals		\$ 1,438,939,911	\$ 36,610,380	23.0%

(1) As of January 1, 1998.

(2) Excludes in lieu payments on exempt property.

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Salaries of Principal Officials

June 30, 1999

City Council:

Chairman (Mayor)	\$ 65,508
Members	42,518
City Clerk	73,360
City Auditor	67,043

Executive:

City Manager	141,633
Deputy City Manager	117,752
Assistant City Manager/Fiscal Affairs	93,830
Assistant City Manager/Community Development	92,230
Assistant City Manager/Human Services	93,830
Budget Director	73,024
Personnel Director	85,643
Director of Assessment	79,675
City Solicitor	71,214
Commissioner of Public Works	84,032
Commissioner of Inspectional Services	79,150
Superintendent of Schools	122,000
Police Commissioner	116,413
Fire Chief	108,390
Director of Libraries/Communications	79,150

Source: City Department of Finance.

CITY OF CAMBRIDGE, MASSACHUSETTS

Miscellaneous Statistics

Characteristic	Cambridge	Boston - SMSA	Massachusetts	United States
Population (1):	90,290	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):				
1989	\$ 39,990	\$ 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):				
1999	2.1%	2.7%	3.2%	4.5%
1998	1.5	2.4	2.9	4.1
1997	2.1	3.6	4.5	5.5
1996	2.8	4.4	5.4	5.8
1995	3.4	4.3	4.8	5.3
1994	4.5	5.3	6.0	6.2
1993	4.6	5.4	6.4	7.1
1992	6.4	8.5	10.0	7.7
1991	6.1	8.2	9.9	7.2
1990	3.0	4.1	5.5	5.9
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%	27.2%	*
Public school enrollments (5):	<u>K-8</u>	<u>9-12</u>	<u>Special</u>	<u>Total</u>
1999	5,271	1,910	457	7,638
1998	5,497	1,910	459	7,866
1997	5,539	1,983	531	8,053
1996	5,528	1,989	651	8,168
1995	5,574	2,047	670	8,291
1994	5,460	2,036	688	8,184
1993	5,297	2,038	688	8,023
1992	5,097	2,102	673	7,872
1991	4,998	2,078	681	7,757
1990	4,796	2,136	703	7,635

(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, 1990 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 Ended
June 30, 1999**

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**AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Council
City of Cambridge, Massachusetts:

We have audited the general purpose financial statements of the City of Cambridge, Massachusetts (the "City") as of and for the year ended June 30, 1999, and have issued our report, thereon, dated October 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted no other matters involving the internal control over financial reporting, which we have reported to management of the City in a separate letter dated October 22, 1999.

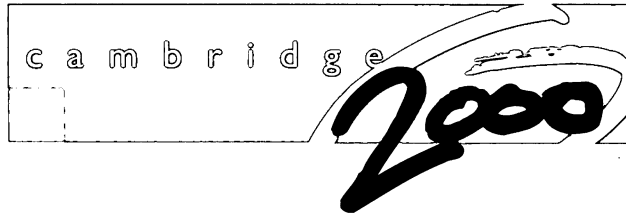
This report is intended solely for the information of the City Council, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

October 22, 1999



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CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

February 14, 2000

February 7, 2000

To The Honorable, The City Council:

Please find attached for your information, the City's FY1999 Comprehensive Annual Financial Report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy".

Robert W. Healy
City Manager

RWH/mec
Attachment



2000 Things 2 Do in 2000

Consent Agenda #11

10F

Relative to the City's FY1999
Comprehensive Annual Financial
Report.

In City Council February 14, 2000

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