



# City of Cambridge

## Executive Department

**YI-AN HUANG**  
City Manager

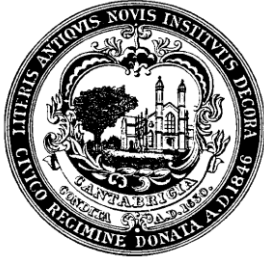
CMA 2025 #81  
**IN CITY COUNCIL**  
April 14, 2025

To the Honorable, the City Council:

Please find attached a memorandum and the City's FY 2024 Annual Comprehensive Financial Report from Assistant City Manager for Fiscal Affairs, Claire Spinner and the City Auditor, Joseph McCann.

Yi-An Huang  
City Manager





# City of Cambridge

## Finance Department

Claire Spinner

Assistant City Manager-Fiscal Affairs

**To:** Yi-An Huang, City Manager

**From:** Claire Spinner, Assistant City Manager / Fiscal Affairs

Joseph McCann, City Auditor

**Date:** April 9, 2025

**Subj:** Transmitting the City of Cambridge FY 2024 Annual Comprehensive Financial Report

We are pleased to transmit the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2024. The report was prepared by the City's Finance and Auditing departments. The financial statements contained within the report were audited by KPMG, which provided an independent review of our statements to ensure accuracy and compliance with accounting standards.

The ACFR is a detailed and structured report that provides a complete picture of the city's financial condition and operations over the past fiscal year. The report is presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP), as established by the Government Accounting Standards Board (GASB), and meets the requirements of the Commonwealth of Massachusetts and the City Charter. The ACFR serves several important functions:

**Financial Performance:** It provides an in-depth analysis of revenue sources, expenditures, assets, and liabilities, allowing city officials to assess the municipality's financial health.

**Regulatory Compliance:** It ensures adherence to governmental accounting requirements as well as compliance with state and federal financial reporting requirements.

**Transparency & Accountability:** It ensures that the city remains accountable to taxpayers, residents, and stakeholders by disclosing financial activities in a clear and structured manner.

**Bond Rating:** Credit rating agencies rely on audited statements to assess the city's financial health and creditworthiness.

In addition to preparing the ACFR, the City undergoes an independent audit each year, which is conducted by external auditors (KPMG). The independent audit plays a critical role in financial transparency and accountability, including ensuring that the City's financial statements present fairly its financial position and ensuring that the City is following applicable laws, regulations and accounting standards. In addition, the

auditors assess the City's internal controls and may recommend improvements if they identify any weaknesses.

We would like to acknowledge the staff in the Finance and Auditing Departments who assisted in the preparation of the ACFR. The quality of their work has been acknowledged by the Government Finance Officers Association (GFOA), which awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its FY 2023 ACFR. This was the 38<sup>th</sup> consecutive year that the City achieved this prestigious award. To be awarded the Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable program requirements. We believe that our FY 2024 ACFR continues to meet the GFOA Certificate of Achievement and have submitted it to GFOA for consideration for this year's award.

CITY OF CAMBRIDGE,  
MASSACHUSETTS



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
JULY 1, 2023 – JUNE 30, 2024

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Annual Comprehensive  
Financial Report

Fiscal Year  
July 1, 2023 through June 30, 2024

Yi-An Huang  
City Manager

Claire Spinner  
Assistant City Manager for Fiscal Affairs

Michele Kincaid  
Assistant Finance Director

Joseph McCann  
City Auditor

Prepared by:  
Finance Department  
City of Cambridge, Massachusetts

**Cover Photo:**

An overhead view of the recently redesigned Inman Square. (Photo credit: Kyle Klein/City of Cambridge)

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Annual Comprehensive  
Financial Report

June 30, 2024

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**CITY OF CAMBRIDGE, MASSACHUSETTS**

Annual Comprehensive  
Financial Report

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**CITY OF CAMBRIDGE, MASSACHUSETTS**

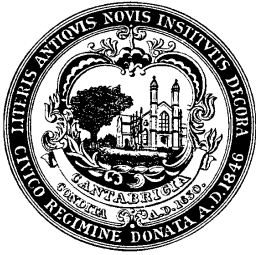
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# INTRODUCTORY SECTION



# City of Cambridge

## Office of the City Auditor

### Auditing Department

Joseph McCann  
City Auditor

December 20, 2024

Mr. Yi-An Huang  
City Manager  
City of Cambridge  
Cambridge, Massachusetts 02139

Dear Mr. Huang:

The Annual Comprehensive Financial Report (ACFR) of the City of Cambridge, Massachusetts (the City), for the fiscal year ended June 30, 2024 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 conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities and conforms to accounting standards as promulgated by the Governmental Accounting Standards Board (GASB).

### **Accounting System and Budgetary Control**

#### *Basis of Accounting*

The accounting records of the City's general government operations, as reported in the general fund, capital projects fund, affordable housing trust fund, city grants fund and other governmental funds are maintained on a modified accrual basis at the fund level. Accordingly, revenues are recorded when measurable and available and expenditures are recorded when the services or goods are received, and the liabilities are incurred and payable with expendable available resources. The accrual basis of accounting is followed when reporting on a government-wide basis as shown on pages 15 and 16.

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*

As a part of its internal control structure, the City maintains budgetary controls. The objective of these controls is to ensure compliance with the legally mandated budget adopted by the City Council. Activities of the General Fund are included in the annual budget.

Budgetary control defines the level at which expenditures cannot legally exceed the appropriated amount. For the General Fund, this control is at the department level. Budgetary controls reside within the City's financial system and are monitored by the Office of Budget Management and the Auditing Department to ensure compliance.

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 as expenditures to reserve that portion of the applicable appropriation, is employed in the governmental fund types as a significant aspect of budgetary control.

#### *Collateralized Deposits*

The City of Cambridge requires collateral for the majority of its certificates of deposit, money market accounts, checking, or savings accounts when dealing with major banking institutions in the Boston area.

#### *The Reporting Entity*

The basic financial statements present information on the City of Cambridge, Massachusetts (the primary government) and its component units as required by GASB. 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 basic financial statements does not affect their legal standing.

The City has three component units, which are the Cambridge Retirement System, the Cambridge Health Alliance and the Cambridge Redevelopment Authority.

The financial statements of the Cambridge Retirement System are presented for the year ended December 31, 2023, 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 a strong financial position through responsible management of financial operations and through improved accounting and financial reporting practices. The sound financial decisions continued during the past fiscal year and will benefit the City 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,



Claire Spinner  
Assistant City Manager  
for Fiscal Affairs



Joseph McCann  
City Auditor



# City of Cambridge

## Executive Department

**YI-AN HUANG**  
City Manager

December 20, 2024

The Honorable Mayor, the City Council, and the residents and taxpayers of Cambridge:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Cambridge (City) for the year ending June 30, 2024. This report was prepared by the City's Finance Department and is presented in accordance with U.S. generally accepted accounting principles (GAAP), as established by the Governmental Accounting Standards Board (GASB) and meets the requirements of the Commonwealth of Massachusetts finance laws and the City Charter.

Responsibility for the accuracy, completeness, and reliability of the information contained in this report, rests with management. The City is also responsible for establishing and maintaining an internal control structure designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of internal control should not exceed its anticipated benefits.

The accounting firm KPMG LLP has issued unmodified opinions on the City's financial statements for the year ended June 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

The City also undergoes an annual audit of its federal grant funds as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. KPMG LLP issues a separate report on the City's internal control system and compliance with applicable laws and regulations that meet the requirements of the Uniform Guidance.

Management's discussion and analysis (MD&A) follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter is intended to compliment the MD&A and should be read in conjunction with it.

### **Profile of the Government**

The City of Cambridge is located in southeast Middlesex County across the Charles River from the City of Boston and occupies a land area of 6.43 square miles. Cambridge is bordered by the Towns of Watertown and Belmont on the west and by the Town of Arlington and the City of Somerville on the north. The 2020 U.S. Census reported 118,403 residents in Cambridge, which is an increase from the 105,162 reported in the 2010 Census.

Originally inhabited by the Algonquin Native American tribe, which had largely vacated the area years earlier, the region which now includes Cambridge was settled by Europeans from the Massachusetts Bay Company in 1630. Cambridge was founded as Newtowne in 1630 and served as the capital of Massachusetts Bay Colony



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until 1634. The name was changed to Cambridge in 1638, and it became a city in 1846. Since 1942, the City has had a council-manager form of government with nine City Councilors elected at-large every two years. 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 36 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 September 5, 2025. 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. The interim Superintendent was appointed by the School Committee on June 25, 2024 for a period of up to one year.

The City provides a wide range of services including police and fire protection; education; refuse collection, snow and leaf removal, traffic control; building inspections; licenses and permits; vital statistics; construction and maintenance of streets and other infrastructure; water distribution; recreational and cultural activities; library services; community development; and other human service programs.

The accounting records of the City's general government operations, as reported in the general fund, capital projects fund, affordable housing trust fund, city grants fund and other governmental funds are maintained on a modified accrual basis at the fund level. Accordingly, revenues are recorded when measurable and available and expenditures are recorded when the services or goods are received, and liabilities are incurred and payable with expendable available resources. The accrual basis of accounting is followed when reporting on a government-wide basis.

The basic financial statements present information on the City and its component units as required by GASB. 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 basic financial statements does not affect their legal standing. The City has three component units, the Cambridge Retirement System, the Cambridge Health Alliance, and the Cambridge Redevelopment Authority.

The budget cycle for FY24 was initiated in December 2022. At that time, budget staff met with the City Manager and Finance Director to update the City's 5-year financial projections in order to establish general budgetary guidelines and limitations for the coming year. By state law, the budget must be submitted to the City Council within 170 days after the Council organizes in early January. The City Manager submitted the FY24 Budget to the City Council on May 1, 2023 and it was adopted on June 5, 2023. The Annual Budget for FY24 became effective July 1, 2023.

### **Demographic Summary**

- Cambridge is a city of 13 neighborhoods. Most neighborhoods have their own political and community organizations. Residents often participate vocally in City debates.
- Cambridge is ethnically diverse. 56% of residents are White Non-Hispanic. Minority residents are highly diverse, with no single race, language group, country of origin, or ethnic identity dominant. (Source: 2018-2022 ACS)
- 30% of residents are foreign born. Of those, over 48% were born in Asia and 22% were born in Europe. (Source: 2018-2022 ACS)
- 35% of residents speak a language other than English at home. Of these, 19% speak Spanish and 33% speak an Asian language, about half of whom speak Chinese. The remainder uses a wide variety of languages. (Source: 2018-2022 ACS)



- While the majority of new units are currently marketed as rentals, the 2018-2022 ACS found 34% of occupied housing units to be owner-occupied, and 66% to be renter-occupied.
- The Census recorded 49,475 households. Of these, 37% are single person households, one of the largest proportions in Massachusetts; 40% are family households; and 23% consist of roommates or unmarried partners. (Source: 2018-2022 ACS)
- 19,842 families reside in Cambridge; 7,973 are families with minor children. (Source: 2018-2022 ACS)
- 80% of residents, age 25 or older, have a four-year college degree and 50% also have a graduate degree. Only 4.4% of residents age 25 or older lack a high school diploma. (Source: 2018-2022 ACS)

### **Local Economy**

Cambridge is widely known as the University City. Harvard, America's oldest university was established here in 1636, six years after the City itself was founded in 1630. It is also home to Lesley University, and the Massachusetts Institute of Technology. Yet Cambridge is more than a university city. It features high-tech workers and professionals, political activists, street musicians and immigrants from around the world.

- The City's per capita personal income of \$93,899 (Bureau of Economic Analysis, 2023) is identical to the Boston metro area average and higher than the Massachusetts, and U.S. averages.
- According to the Massachusetts Department of Labor, 2023 employment averaged 151,304 jobs, with private sector employment comprising 95.3% of total jobs.
- Cambridge's February 2024 unadjusted unemployment rate of 2.4%, is an increase from the prior year. The rate remains lower than those of the Boston Primary Metropolitan Statistical Area, Massachusetts, and United States. (Source: MA Dept of Labor, 2024)
- Cambridge continues to maintain a high job to resident ratio, with 1.26 jobs for each resident.
- Professional and business services lead the way among employment sectors, followed by education and health services.
- Led by Harvard University and MIT, the higher education sector continues to drive the job market, employing over 21,500 people. Preeminent research institutions like Harvard, MIT, the Broad Institute, and the Whitehead Institute act as a magnet for commercial investment in the city and drive innovation.
- Eight of the top 25 employers fall into the biotechnology and pharmaceutical sector. Important firms include, Takeda/Millennium Pharmaceuticals, Sanofi Aventis, Novartis, Moderna Therapeutics, Alnylam Pharmaceuticals, Biogen, Pfizer and Sage Therapeutics.
- The High-tech sector within the top 25 employers includes Google, HubSpot, Akamai Technologies, CarGurus and Phillips North America.
- Underpinning the boom in real estate investment activity is the City's increasing volume of venture capital and angel capital investments in startups and growing companies.

Due to its strong and healthy local economy, the City retained the rare distinction of being one of 24 municipalities in the United States with three AAA ratings from the nation's three major credit rating agencies. The City has received AAA ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings every year since 1999.

### **Financial Planning and Major Initiatives**

The City continues to show a strong financial position through responsible management of financial operations and through improved accounting and financial reporting practices. The sound financial decisions continued during the past fiscal year and will benefit the City in years to come.

During FY24, the City's free cash position increased to \$233.2 million. This is an increase of \$40.9 million from the previous year. Notable uses of Free Cash in FY24 included: school roof repair; open space improvements; Debt Stabilization Fund; and acquisition of parcels of land.

The City ended FY24 with a total general fund balance of \$387.5 million, which includes an 11.6% increase of general fund revenues, and is a 19.0% increase of fund balance as compared to FY23. Each year, a portion of the fund balance is allocated to committed, assigned, and nonspendable accounts. A total of \$139.4 million was held as committed, assigned or nonspendable in FY24, leaving an unassigned fund balance of \$248.1 million.

The property tax levy for FY24 increased by 8.3%. The ten-year average increase in the property tax levy is 5.77%. The FY24 Budget adopted by the City Council in June 2023 projected a property tax levy increase of \$48.8 million, or 9.2%, to \$580.3 million in order to fund operating and capital expenditures. The FY24 adopted operating budget increased by 10% as compared to FY23.

In FY24, real estate property assessed valuations totaled \$75.9 billion, a \$4.7 billion or 6.7% increase from FY23. This change reflects the strength of the Cambridge real estate market. The strong commercial market, coupled with an increase in most residential property values, resulted in the continued property tax burden shift back to the commercial taxpayers from the residential taxpayers.

The City's property tax levy limit grew by \$41.4 million to \$774.0 million. The excess tax levy capacity, which is the difference between the levy limit and the tax levy was \$198.5 million in FY24, a decrease of \$2.4 million or 1.2% from FY23.

The local portion of Community Preservation Act (CPA) funds are raised through a 3% surcharge on taxes. The total amount appropriated in FY24 was \$20.6 million (\$13.0 million local, \$3.0 million State, and \$4.6 million fund balance & reserves) and the City continued to allocate funds as follows: 80% to affordable housing, 10% to historic preservation, and 10% to open space. Through FY24, the City has appropriated \$280.4 million in CPA funds with approximately \$66.7 million in State matching funds.

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 (CIP) for the five-year period from FY24-FY28, which was adopted by the City Council in June 2023, has an estimated cost of \$697.6 million.

The City issues a majority of its debt with a ten-year or shorter repayment schedule, which requires higher debt service payments in the short-term but results in a sizable interest savings. In addition, the CIP funds a portion of the program on a "pay-as-you-go" basis out of current revenues. The City's outstanding bonded debt as of June 30, 2024 totaled \$616.4 million.

### **Relevant Financial Policies**

One of the primary reasons that the City is held in high regard by the financial community is its development and implementation of a long-term financial plan. This plan is reviewed on an annual basis in conjunction with the City's bond sale and credit rating application process. The budget for the current fiscal year is used as the base year upon which future year projections are built. All expenditures, revenues, and property valuations are reviewed to ensure that the timeliest information is available to be used for future year projections.

The budget for the current year is also compared to the projections for that year from previous five-year plans to determine the accuracy of the projections. If modifications to the projection process are needed to ensure more accuracy, the City's financial staff will make changes accordingly. After careful review, this plan is submitted to the rating agencies prior to their review of the City's financial condition. This plan serves as a basis upon which important decisions concerning the City's financial future are made.

### **Awards and Acknowledgements**

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 for its ACFR for the fiscal year ended June 30, 2023. This was the 38th consecutive year that the City has achieved this prestigious award. In order to be

awarded the Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable program requirements. A Certificate of Achievement is valid for a period of one year. We believe our current ACFR continues to meet the GFOA Certificate of Achievement program's requirements, and we are submitting it to the GFOA for consideration for this year's award.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2023. The budget document was judged proficient as a policy document, financial plan, an operations guide, and a communications driver.

This report could not have been prepared without the skill, effort, and dedication of the staff of the Finance Department. We wish to express our appreciation to those who contributed to the preparation of this report. We would also like to thank the City Council for their concern and support in planning and constructing the financial operations of the City in a responsible and progressive manner.

Additionally, I would like to acknowledge all City employees who provide the wide array of high-quality services to the citizens of Cambridge and contributed to the accomplishments highlighted above.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Yi-An Huang', with a stylized flourish at the end.

Yi-An Huang  
City Manager

**Fiscal Year 2024**  
**Directory of Officials**  
**City Council**

E. Denise Simmons, Mayor

Marc C. McGovern, Vice Mayor	Sumbul Siddiqui
Burhan Azeem	Jivan Sobrinho-Wheeler
Patricia M. Nolan	Paul F. Toner
Joan Pickett	Ayesha M. Wilson

**School Committee**

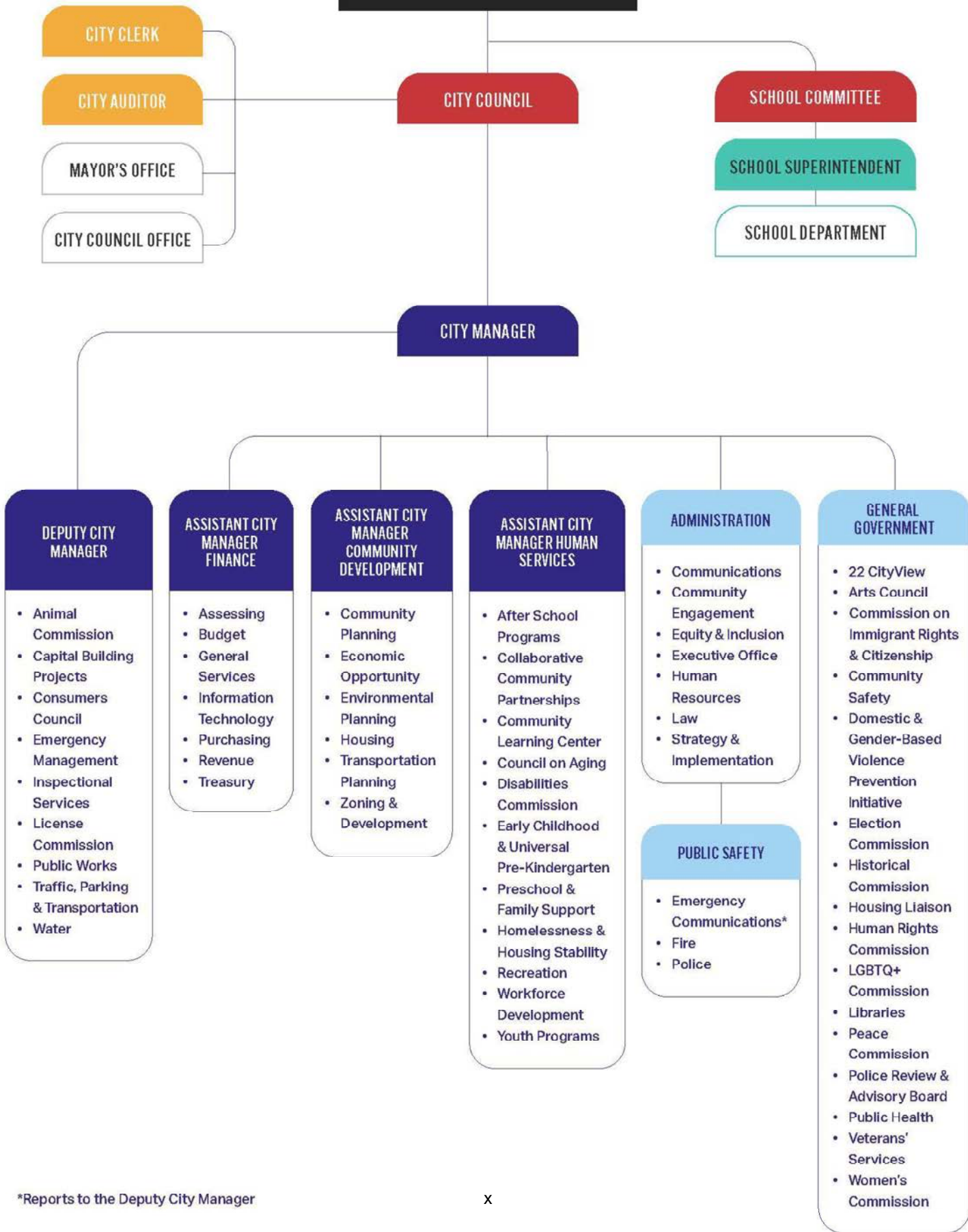
E. Denise Simmons, Chair

Caroline Hunter	Jose Luis Rojas Villarreal
Richard Harding, Jr.	David Weinstein
Elizabeth Hudson	Rachel Weinstein

**Principal Executive Officers**

City Manager	Yi-An Huang
Deputy City Manager	Owen O’Riordan
Assistant City Manager for Fiscal Affairs	Claire Spinner
Assistant Finance Director	Michele Kincaid
Assistant City Manager for Community Development	Iram Farooq
Assistant City Manager for Human Services	Ellen M. Semonoff
City Auditor	Joseph McCann
Assistant City Auditor	Diane Meireles
City Solicitor	Megan Bayer
City Clerk	Diane P. LeBlanc

# CITY OF CAMBRIDGE VOTERS



\*Reports to the Deputy City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cambridge  
Massachusetts**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## FINANCIAL SECTION



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## Independent Auditors' Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cambridge, Massachusetts (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the discretely presented component units listed in note 1(c) to the basic financial statements, which represent 100% of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.





### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed under the supplemental statements and schedules section in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing



procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**KPMG LLP**

Boston, Massachusetts  
December 20, 2024

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
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Management of the City of Cambridge (the City) provides this Management's Discussion and Analysis as part of the City's Annual Comprehensive Financial Report (ACFR) to assist readers of the basic financial statements in understanding the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the transmittal letter at the front of this report and the City's basic financial statements, which follow this section.

**Overview of the Financial Statements**

The City's financial statements present two types of statements each with a different view of the City's finances. This approach focuses on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City as a whole. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide statements report information about the City as a whole, and use accounting methods similar to those used by private-sector companies. The statements provide both short-term and long-term information about the City's financial position, which assists in assessing the City's economic position at the end of the fiscal year. The statements are prepared using the flow of economic resources measurement focus and the full accrual basis of accounting. All revenues and expenses connected with the fiscal year are reported even if cash involved has not been received or disbursed. The government-wide financial statements include two statements:

**Statement of Net Position** – Presents all the government's assets, deferred outflows, liabilities and deferred inflows, with the difference being reported as "net position". The amount of net position is widely considered a good measure of the City's financial health as increases and decreases in the City's net position serve as a useful indicator of whether the City's financial position is improving or deteriorating. The reader should consider other nonfinancial factors, such as the condition of the City's infrastructure and changes to the property tax base, to assess the overall health of the City.

**Statement of Activities** – Presents information showing how the government's net position changed during the most recent fiscal year. Revenues and expenses are reported for some items that will not result in cash flows until future fiscal periods, i.e., uncollected taxes or earned but unused sick and vacation time. This statement also presents a comparison between direct expenses and program revenues for each function of the City.

In the government-wide statements, financial information is presented in three columns in order to summarize the City's programs or activities. The types of activities presented are as follows:

**Governmental Activities** – Taxes and intergovernmental revenues primarily support the functions of the government and are reported in this section. Most of the City's basic services are reported here including

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general government, public safety, public works, parks and recreation, library, schools, human services, public health programs, state and district assessments, debt service and other employee benefits.

**Business-Type Activities** – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The Water Fund operation is considered a business-type activity.

**Discretely Presented Component Units** – Includes the Cambridge Health Alliance and the Cambridge Redevelopment Authority.

*The Cambridge Health Alliance (CHA)* is a separate legal entity for which the City has financial accountability and provides operating subsidies. It operates similar to a private sector business and the business-type activity described above.

Complete financial statements for the CHA can be obtained from its administrative offices located at 101 Station Landing, 5th Floor, Medford, Massachusetts 02155.

*The Cambridge Redevelopment Authority (CRA)* is a separate legal entity for which the City has financial accountability and provides a significant amount of intergovernmental revenue that will be used solely for capital projects that are under CRA oversight. It operates similar to a private sector business and the business-type activity described above.

Complete financial statements for the CRA for its fiscal year ended December 31, 2023 are available from its offices at 255 Main Street 8<sup>th</sup> Floor, Cambridge, MA 02142.

### **Fund Financial Statements**

Traditional users of government financial statements will find the fund financial statement presentation to be most familiar. A fund is a grouping of related accounts that is used to keep control over resources that have been allocated to specific projects or activities. The City uses fund accounting to ensure and demonstrate compliance with several finance-related legal requirements.

All of the funds of the City can be divided into three categories as follows:

**Governmental Funds** – Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on near-term inflows and outflows of resources to be spent. The focus is also on the balances left at the end of the fiscal year available for spending. This information is useful in evaluating the City's near-term financing requirements. This approach is the modified accrual basis of accounting, which uses the flow of current financial resources measurement focus. Such statements provide a detailed short-term view of the City's finances that assist in determining whether there will be adequate financial resources available to meet current needs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This

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comparison will assist the reader in understanding the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate the comparison. The reconciliations are presented on the page immediately following each respective governmental fund financial statement.

The City has several governmental funds; four are considered major funds for presentation purposes. Each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The remaining governmental funds are aggregated and shown as other governmental funds.

**Proprietary Fund** – Provides services for which the City charges customers a fee and operates like a commercial business. The proprietary fund provides the same type of information as in the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the full accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for the business-type activity and the proprietary fund financial statements.

**Fiduciary Funds** – Such funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The full accrual basis of accounting is used for fiduciary funds and is much like that used for proprietary funds.

The City's fiduciary funds are the Employee Retirement System which accounts for the transactions, assets, liabilities and net position of the City employees' pension plan; the Other Postemployment Benefits (OPEB) Trust Fund, which is an irrevocable trust established for the accumulation of assets to reduce the liability associated with the City's obligation for other postemployment benefits; and the Private Purpose Trust and Custodial Funds, which include money held and administered by the City of behalf of third parties.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the Discretely Presented Component Unit Financial Statements.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the City's general fund – the only fund for which an annual budget is legally adopted. The budgetary comparison also includes a reconciliation of revenues and expenditures reported on the City's budgetary basis of accounting and the revenues and expenditures reported on a GAAP basis. Also included is historical information for the City's pension and other postemployment benefit obligations and related schedules of employers' contributions.

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**Current Year Financial Impacts**

- The City's OPEB obligation significantly impacts the Government wide financial results. As of the measurement date, the City reported net OPEB liability, net of deferrals of \$871.3 million, an increase of \$25.1 million compared to the prior measurement date.
- In fiscal year 2024, the City's contribution to the OPEB Trust Fund was \$27.8 million for retirees' health benefits which offset the benefit expenses of \$25.8 million. In 2024 and 2023, the OPEB Trust Fund earned investment income, in the amount of \$2.8 million and \$3.0 million, respectively. This increase is attributed to increased portfolio performance and improved market conditions.
- The City's net pension liability also significantly impacts the Government-wide financial results. The City is required to report its proportionate share of the collective net pension liability, net of deferrals of \$97.7 million, a decrease of \$14.1 million compared to the prior measurement date.

**Government-Wide Financial Analysis**

*Statement of Net Position*

The following table reflects the condensed net position based on the statement of net position found on page 15.

The City's combined net position (governmental and business-type activities) exceeded its liabilities at June 30, 2024 by \$1,000.1 million (presented as net position). Of this amount, (\$358.6) million was reported as "unrestricted net position" and \$103.5 million was reported as restricted. The remainder represents the investment in capital assets such as land, buildings, equipment, and infrastructure (roads, sewer pipes, dams, and other immovable assets), less any related debt used to acquire that asset that is still outstanding – the amount is \$1,255.2 million and indicates the amount of the net book value of the City's capital assets that exceeds capital debt. Since most of the City's debt has a ten-year life, a considerable amount of the City's capital asset lives extend beyond the life of the debt. The City uses these capital assets to service the community; therefore, they are not available for future spending. Other resources are needed to repay the debt because the capital assets cannot be used to finance these liabilities.

Included within the governmental activities current and other assets are cash and investments of \$964.8 million, up 13.0% from prior year; and net receivables of \$49.1 million up \$4.6 million from prior year.

Governmental activities total liabilities include \$675.2 million in general obligation bonds and notes payable; \$24.4 million in compensated absence liabilities for vested sick and vacation leave; and \$25.5 million in future year workers' compensation, health benefits and possible judgments and claims. The major change in liabilities is attributed to a \$106.0 million increase in bonds payable due to continued school building construction, city fire headquarters renovation, and infrastructure improvements projects. Partially offsetting these increases, is a reduction in the net Pension liability (exclusive of deferrals).

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Business-type activity liabilities totaled \$2.2 million which includes \$1.3 million in accounts payable and accrued payroll expenses, \$701 thousand in compensated absences and \$207.5 thousand in future year workers' compensation and health benefits.

**Condensed Schedule of Net Position**  
**June 30, 2024 and 2023**

(in millions)

	Governmental activities		Business type activities		Total primary government	
	June 30		June 30		June 30	
	2024	2023	2024	2023	2024	2023
Total assets and deferred outflows:						
Current and other assets	1,035.1	923.1	20.2	17.7	1,055.3	940.8
Capital assets	1,692.2	1,556.1	120.5	124.6	1,812.7	1,680.7
Total assets	2,727.3	2,479.2	140.7	142.3	2,868.0	2,621.5
Deferred outflows	170.4	248.7	—	—	170.4	248.7
Total assets and deferred outflows	\$ 2,897.7	2,727.9	140.7	142.3	3,038.4	2,870.2
Total liabilities and deferred inflows:						
Long-term liabilities	1,578.6	1,512.0	0.5	0.5	1,579.1	1,512.5
Other liabilities	248.6	254.2	1.7	1.9	250.3	256.1
Total liabilities	1,827.2	1,766.2	2.2	2.4	1,829.4	1,768.6
Deferred inflows	208.9	237.4	—	—	208.9	237.4
Total liabilities and deferred inflows	\$ 2,036.1	2,003.6	2.2	2.4	2,038.3	2,006.0
Net position:						
Net investment in capital assets	\$ 1,134.9	1,122.5	120.3	124.6	1,255.2	1,247.1
Restricted	103.5	81.3	—	—	103.5	81.3
Unrestricted	(376.8)	(479.5)	18.2	15.3	(358.6)	(464.2)
Total net position	\$ 861.6	724.3	138.5	139.9	1,000.1	864.2

*Statement of Changes in Net Position*

The City's total net position increased by \$135.9 million in fiscal year 2024 of which the governmental activities net position increased \$137.3 million and the business-type activity decreased \$1.4 million. The continued investment in the City's capital assets of \$132.0 million and increased cash reserves of \$112.7 million are

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contributors to governmental activities increase in assets. The increase in long-term liabilities of \$66.6 million is mainly due to the increase bonds and notes payable, partially offset by a decrease in net pension liability.

This summary of net changes is based upon the statement found on page 16.

**Condensed Schedule of Changes in Net Position**

June 30, 2024 and 2023

(In millions)

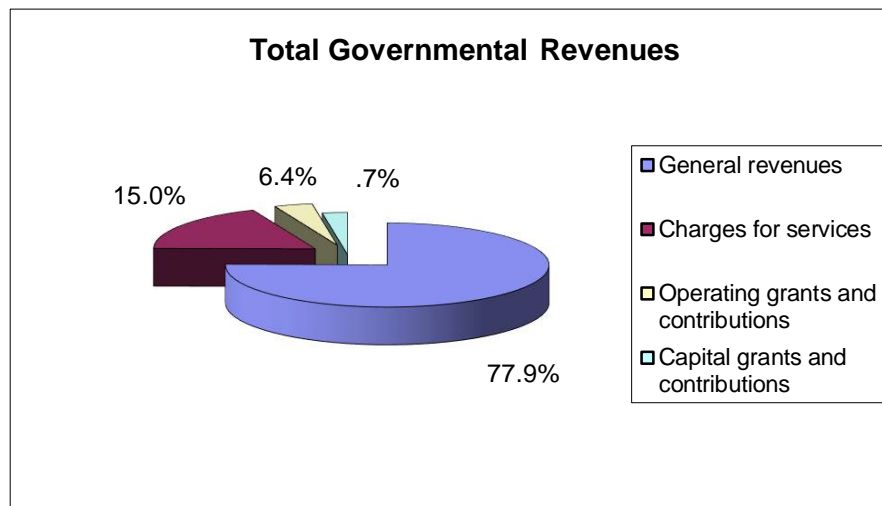
	<u>Governmental activities</u>		<u>Business-type activity</u>		<u>Total primary government</u>	
	<u>June 30</u>		<u>June 30</u>		<u>June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Charges for services	\$ 162.9	161.8	19.4	18.1	182.3	179.9
Operating grants and contributions	69.9	53.6	—	—	69.9	53.6
Capital grants and contributions	7.8	2.2	—	—	7.8	2.2
General revenues:						
Taxes:						
Property taxes levied	582.2	532.6	—	—	582.2	532.6
Excises	33.3	30.3	—	—	33.3	30.3
Payment in lieu of taxes	8.7	8.5	—	—	8.7	8.5
Grants and contributions not restricted	82.2	76.3	—	—	82.2	76.3
Investment income	32.2	17.4	0.1	0.2	32.3	17.6
Miscellaneous	109.0	53.5	—	—	109.0	53.5
Total revenues	<u>1,088.2</u>	<u>936.2</u>	<u>19.5</u>	<u>18.3</u>	<u>1,107.7</u>	<u>954.5</u>
Expenses:						
General government	90.0	68.1	—	—	90.0	68.1
Public safety	196.3	204.2	—	—	196.3	204.2
Community maintenance and development	211.9	163.3	—	—	211.9	163.3
Human resource development	99.4	96.1	—	—	99.4	96.1
Education	337.2	325.9	—	—	337.2	325.9
Water department	—	—	20.2	25.1	20.2	25.1
Interest	16.8	15.8	—	—	16.8	15.8
Total expenses	<u>951.6</u>	<u>873.4</u>	<u>20.2</u>	<u>25.1</u>	<u>971.8</u>	<u>898.5</u>
Excess before transfers	136.6	62.8	(0.7)	(6.8)	135.9	56.0
Transfers	\$ <u>0.7</u>	<u>(1.6)</u>	<u>(0.7)</u>	<u>1.6</u>	<u>—</u>	<u>—</u>
Change in net position	137.3	61.2	(1.4)	(5.2)	135.9	56.0
Net position – beginning	<u>724.3</u>	<u>663.1</u>	<u>139.9</u>	<u>145.1</u>	<u>864.2</u>	<u>808.2</u>
Net position – ending	<u>\$ 861.6</u>	<u>724.3</u>	<u>138.5</u>	<u>139.9</u>	<u>1,000.1</u>	<u>864.2</u>



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*Total Revenues*

Total governmental activities revenues for the City are comprised of general revenues of \$847.6 million, charges for services \$162.9 million, operating grants and contributions \$69.9 million and capital grants and contributions of \$7.8 million.



*General*

Real estate tax revenues are the City's largest revenue source at \$582.2 million representing 68.7% of general revenues. The assessed tax valuation base is \$75.9 billion up from \$71.1 billion assessed in the prior year showing a 6.7% increase which is primarily due to new construction and FY23 amended growth.

Grants and contributions not restricted to specific programs is \$82.2 million representing 9.8% of general revenues and include state cherry sheet revenues, Massachusetts Teachers Retirement System (MTRS) contributions and other unrestricted contributions. There was a \$5.9 million increase over prior year which is primarily due to the increase in MTRS contributions.

*Program*

Charges for services are \$162.9 million, which is an increase of \$1.1 million from prior year and represents an increase from a variety of department revenues. The community maintenance and development portion of \$75.4 million increased by \$9.3 million over prior year and includes sewer service revenues, community cable revenues and other public works type fees. The human resources development portion of \$7.0 million increased by \$.8 million. Partially offsetting these increases was a decrease in the public safety portion. The public safety portion of \$79.0 million decreased by \$9.0 million over prior year primarily due to reduced permit revenue.

Operating grants and contributions of \$69.9 million increased \$16.3 million over the prior year and account for approximately 6.4% of the total City revenues. The funding source represents several federal and state grants

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restricted to specific grant conditions. Contributors to the increase are FEMA reimbursements of \$8.0 million and increased ARPA revenue recognition of \$37.0 million.

*Expenses*

For the fiscal year ended June 30, 2024, expenses for government activities totaled \$951.6 million, which cover a range of services including but not limited to public safety, education, and community maintenance. The City's expenses increased by \$78.2 million or 8.9% over prior year. A portion of the increase is attributable to cost of living and employee benefit increases of approximately 3%.

Additionally, the City continues to distribute ARPA funds to the Transition Wellness Shelter, located in Cambridge, to provide 58 additional beds for the homeless, which was approximately \$2.7 million. Another contributor was the Rise Up Cambridge cash assistance grant of \$22 million that provides a \$500 monthly payment to qualified applicants under the poverty limit of which \$11.5 million was issued.

As stated above, the City's affordable housing initiative and the preservation of open space are very important. This is the twenty second year of the Community Preservation Act (CPA). This program fosters the investment into permanent affordable housing projects, preservation of historic locations, protections of open space and the restoration/creation of parks and recreation areas. Expenses related to these initiatives are recorded in the community maintenance and development category. During 2024, the City spent \$42.7 million from the Affordable Housing Trust to subsidize housing projects.

**Business-Type Activity**

Net position of the Business-Type Activity at the end of the year consisted of unrestricted net position of \$18.2 million and a net investment in capital assets of \$120.3 million.

Business-Type Activity decreased net position by \$1.4 million. The net position change reflects a decrease of net investment in capital assets of \$4.3 million partially offset by an increase of \$2.9 million in unrestricted net position.

**Financial Analysis of the City's Fund Statements**

This analysis is based on the Governmental and Proprietary Fund Financial Statements. As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

*Governmental Funds*

The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$840.9 million. Of this amount, \$2.9 million has been categorized as nonspendable, which includes healthcare deposits. Another \$269.9 million was restricted because the funds include grants or bonded projects that are controlled by external sources. Also, \$301.6 million has been committed for specific purposes such as stabilization funds, health claims trust fund, parking fund, etc., for which the movement of these funds must be

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approved by the highest legislative level at the City, which is the City Council. Finally, \$32.9 million has been assigned for encumbrance balances. The remainder of the Fund balance of \$233.6 million is considered "Unassigned".

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance was \$248.1 million, while the total fund balance was \$387.5 million. The overall increase in unassigned fund balance is the result of increased tax revenue and increased departmental revenue.

As a measure of liquidity, it may be useful to compare both unassigned and total fund balances to total fund expenditures. Unassigned fund balance represents 29.8% of total General Fund expenditures, while the total balance represents 46.6% of that same amount.

The Capital fund accounts for all the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary fund. The fiscal year 2024 Capital Fund Balance is \$216.2 million, an increase of \$13.8 million from fiscal year 2023. This increase is a result of the significant increase in the bond issuance to fund high capital spending on the new Tobin School scheduled for completion in the first quarter of FY26 and renovations to fire headquarters.

The affordable housing trust fund is the fund that captures all the affordable housing construction projects and the preservation of affordable housing units for the City. At the end of fiscal year 2024, the total fund balance was \$195.0 million which is an increase of 28.4% due to the funding initiative set in the City Council Goals. This fund was established in the 1990's to provide funding for housing projects to increase the supply of affordable housing units for the City.

Beginning in fiscal 2021 and continuing in fiscal 2022, 2023 and 2024, the city grants fund is reported separately due to the increase in expenditures from the COVID-19 ARPA and FEMA grants. The grants funded shelters and meals for the most vulnerable population, community COVID testing sites, and public safety overtime to assist in vaccine and testing clinics throughout the City. A large portion of FEMA grant expenditures are awaiting reimbursement of which approximately \$8.0 million or 70% has been received in FY24. The fiscal year 2024 City Grant fund balance is \$2.2 million, an increase of \$5.6 million from 2023.

The other governmental fund is used to account for programs such as, Community Development Block Grant, various school grants, the Parking Fund, Community Preservation Act, the Aggregation Adder Fund and Opioid Settlement Fund. These funds receive funding from sources such as federal and state grants and from fees. The fiscal year 2024 Other Governmental fund balance is \$40.1 million, an increase of \$2.1 million from 2023. This was a result of the establishment of the Opioid Settlement Fund.

*Proprietary Fund*

The City's Proprietary Fund provides the same type of information found in the government-wide statements, but in more detail.

The Water Fund operating revenues increased \$1.3 million or 7.4% due to a 4.5% rate increase and a slight increase in usage. Also, the FY24 operating costs decreased \$4.9 million because there was no need to purchase MWRA water as they did in FY23. This resulted in a decrease in the net position of \$1.3 million. The

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net position change reflects the decrease in net investment in capital assets of \$4.3 million and the increase in unrestricted net position of \$2.9 million.

**General Fund Budgetary Highlights**

The City submits its budget to the City Council in April and six months later sets the tax rate at the Massachusetts Department of Revenue. During this process, the City reviews and revises its revenue and expenditure plan for final adoption before setting the tax rate. The following are some of the major changes:

1. Cherry sheet revenues and expenditures are estimated in the original budget based upon previous year's cherry sheet revenues and adjusted, if needed, for the final budget.
2. Certain other revenues were adjusted based upon the previous year's actual and slightly increased estimates this year.

The following information pertains to the revenues and expenditures of the general fund. This data is included in the Schedule of Revenues and Expenditures-Budgetary Basis, which presents financial information on the budgetary basis of accounting.

*Revenues and Other Financing Sources*

Fiscal year 2024 actual revenues on a budgetary basis totaled \$850.5 million. This represents an increase of \$79.0 million or 10.2% from fiscal year 2023. Property taxes are the single largest revenue source, representing approximately 67.1% of general fund revenues, net of abatements. Sewer use receipts comprise the City's next largest revenue source, representing 8.3%. Other Income was significantly higher than budget because of building permits (\$7.4 million), and mitigation payments (\$29 million).

*Expenditures*

During fiscal year 2024, total expenditures increased by \$54.3 million or 7.0% on a budgetary basis mainly due to 3.0% cost of living increase and the 12.10% pension increase.

**Capital Asset and Debt Administration**

*Capital Assets*

As of June 30, 2024, the City's capital assets of its governmental activities and business-type activity amounted to \$1.81 billion (net of depreciation). The City's capital assets include land, buildings, improvements, machinery and equipment, open space, infrastructure and leased assets.

Some of the major capital asset events during the current fiscal year included several ongoing sewer separation projects scattered throughout the City, which are funded through bonds and state grants, ongoing school building construction, and City firehouse headquarters renovation.

Additional information on the City's capital assets can be found in note 5.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
Management's Discussion and Analysis  
Required Supplementary Information (Unaudited)  
June 30, 2024

*Debt*

At year-end, the City had \$675.2 million in outstanding bonds related to governmental activities compared to \$569.2 million last year. For fiscal years 2024 and 2023, the City had no outstanding bonds related to business-type activities.

	<b>Governmental activities</b>	
	<b>2024</b>	<b>2023</b>
	(in millions)	
General obligation bonds payable	\$ 675.2	569.2

The City maintains bond ratings with Fitch Ratings of AAA, Moody's Investors Service Inc. of AAA, and Standard & Poor's Corporation of AAA.

Additional information on the City's debt can be found in note 8.

**Economic Factors and Next Year's Budgets and Rates**

The City's tax levy increased \$53.0 million, or 9.2%, to \$628.4 million in fiscal year 2025. The City's excess tax capacity, an extremely important indication of the City's financial health remained strong. The excess tax levy capacity decreased from \$198.5 million in FY24 to \$189.1 million in FY25, a 4.8% decrease.

The FY 25 operating budget increased by 8.1% over the FY 24 adopted budget. The FY25 Adopted Capital budget totaled \$75.0 million. The largest component of the FY25 Capital budget was the appropriation of \$15.0 million for the renovation of the Fire Headquarters and \$11.5 million for street infrastructure improvements and surface enhancements. Revenues and expenditure adjustments were made to the Adopted FY25 Operating budget when the property tax rate was set in the fall of 2024 as a result of clearer information being available around state and property tax revenues.

**New Accounting Standards**

During the fiscal year ended June 30, 2024, the City adopted GASB Statement No. 99 "Omnibus 2022", and GASB Statement No. 100 "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62."

Additional information regarding the effects of adopting these new accounting standards can be found in Note 2(q) of the financial statements.

*Contacting the City's Financial Management*

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning the information provided in this report or requests for additional information should be addressed to: City of Cambridge, Attn: City Auditor, 795 Massachusetts Avenue, Cambridge, MA 02139-3219.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Net Position

June 30, 2024

Assets and Deferred Outflows of Resources	Primary government			Aggregate Discretely presented component units
	Governmental activities	Business-type activity	Total	
Cash and investments	\$ 964,822,461	15,013,396	979,835,857	381,748,409
Cash and investments held by trustees		—	—	6,410,442
Receivables, net:				
Property taxes	9,288,087	—	9,288,087	—
Motor vehicle excise	1,443,316	—	1,443,316	—
Tax title and possessions	4,148,068	—	4,148,068	—
Leases	207,784	—	207,784	1,550,988
Subscription assets	—	—	—	10,952,123
Intergovernmental	6,934,586	—	6,934,586	—
Other	27,033,481	5,186,220	32,219,701	37,922,583
Other assets	2,971,066	—	2,971,066	51,031,475
Internal balances	(32,723)	32,723	—	—
Noncurrent leases and other receivable accounts	18,324,130	—	18,324,130	5,207,547
Notes receivable	—	—	—	498,863
Development projects held for sale	—	—	—	65,785
Capital assets:				
Nondepreciable	456,611,430	40,623,484	497,234,914	22,035,120
Depreciable, net	1,235,537,582	79,854,241	1,315,391,823	228,103,995
Total assets	2,727,289,268	140,710,064	2,867,999,332	745,527,330
Deferred outflows of resources:				
Related to debt refundings	4,133,009	—	4,133,009	—
Related to pensions	109,796,492	—	109,796,492	25,465,397
Related to other post employment benefits	56,523,667	—	56,523,667	9,833,961
Total assets and deferred outflows of resources	2,897,742,436	140,710,064	3,038,452,500	780,826,688
Liabilities and Deferred Inflows of Resources				
Warrants and accounts payable	65,435,446	1,234,832	66,670,278	49,646,856
Accrued liabilities:				
Tax abatements	3,960,300	—	3,960,300	—
Accrued payroll	25,067,931	108,419	25,176,350	22,132,260
Accrued interest	9,855,285	—	9,855,285	—
Other	6,497,575	—	6,497,575	20,443,848
Unearned revenue	37,769,659	—	37,769,659	4,767,250
Long-term liabilities:				
Due within one year:				
Bonds and notes payable	75,334,330	—	75,334,330	160,382
Due to third parties	—	—	—	6,039,013
Compensated absences	11,666,000	310,000	11,976,000	25,979,940
Payroll tax deferral	—	—	—	—
Lease payable	1,807,541	—	1,807,541	8,913,382
Subscription liability	—	—	—	3,817,849
Landfill	28,333	—	28,333	—
Judgments and claims	10,099,000	85,500	10,184,500	—
Pollution remediation	1,061,990	—	1,061,990	—
Due in more than one year:				
Bonds and notes payable	599,852,495	—	599,852,495	6,222,765
Due to third parties	—	—	—	33,650,039
Compensated absences	12,745,000	391,000	13,136,000	32,534
Landfill	736,667	—	736,667	—
Lease payable	4,108,946	—	4,108,946	53,461,441
Subscription liability	—	—	—	2,561,685
Judgments and claims	15,359,600	122,000	15,481,600	—
Net OPEB liability	756,027,918	—	756,027,918	145,185,490
Pollution remediation	1,713,550	—	1,713,550	—
Net pension liability	188,107,388	—	188,107,388	45,259,499
Total liabilities	1,827,234,954	2,251,751	1,829,486,705	428,274,233
Deferred inflows of resources:				
Related to pensions	19,352,320	—	19,352,320	3,792,198
Related to other post employment benefits	171,776,327	—	171,776,327	15,396,180
Related to rent	17,756,149	—	17,756,149	6,265,529
Total liabilities and deferred inflows of resources	2,036,119,750	2,251,751	2,038,371,501	453,728,140
Net Position				
Net investment in capital assets	1,134,957,824	120,251,904	1,255,209,728	185,953,734
Restricted for:				
Capital projects	64,155,598	—	64,155,598	—
Community preservation	25,819,939	—	25,819,939	—
Specific purposes	13,499,577	—	13,499,577	8,500,000
Other purposes	—	—	—	7,891,130
Unrestricted	(376,810,252)	18,206,409	(358,603,843)	124,753,684
Total net position	\$ 861,622,686	138,458,313	1,000,080,999	327,098,548

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Activities

Year ended June 30, 2024

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Aggregate discretely presented component units
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Total	
					Governmental activities	Business-type activity		
Primary government:								
Governmental activities:								
General government	\$ 89,977,542	392,350	—	—	(89,585,192)	—	(89,585,192)	
Public safety	196,270,034	79,041,091	508,436	—	(116,720,507)	—	(116,720,507)	
Community maintenance and development	211,933,917	75,447,404	4,054,112	7,784,007	(124,648,394)	—	(124,648,394)	
Human resource development	99,360,403	7,046,805	46,918,229	—	(45,395,369)	—	(45,395,369)	
Education	337,197,597	950,674	18,382,717	—	(317,864,206)	—	(317,864,206)	
Interest on long-term debt	16,833,923	—	—	—	(16,833,923)	—	(16,833,923)	
<b>Total governmental activities</b>	<b>951,573,416</b>	<b>162,878,324</b>	<b>69,863,494</b>	<b>7,784,007</b>	<b>(711,047,591)</b>	<b>—</b>	<b>(711,047,591)</b>	
Business-type activity:								
Water	20,214,116	19,431,903	—	—	—	(782,213)	(782,213)	
<b>Total business-type activity</b>	<b>20,214,116</b>	<b>19,431,903</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(782,213)</b>	<b>(782,213)</b>	
<b>Total primary government</b>	<b>\$ 971,787,532</b>	<b>182,310,227</b>	<b>69,863,494</b>	<b>7,784,007</b>	<b>(711,047,591)</b>	<b>(782,213)</b>	<b>(711,829,804)</b>	
Aggregate discretely presented component units:								
Cambridge Health Alliance	\$ 1,034,732,327	430,553,227	598,738,318	—	—	—	—	(5,440,782)
Cambridge Redevelopment Authority	8,065,254	1,863,042	—	—	—	—	—	(6,202,212)
<b>Total component units</b>	<b>\$ 1,042,797,581</b>	<b>432,416,269</b>	<b>598,738,318</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(11,642,994)</b>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 582,224,003	—	582,224,003	—
Excises					33,308,322	—	33,308,322	—
Payments in lieu of taxes					8,683,470	—	8,683,470	—
Grants and contributions not restricted					82,213,018	—	82,213,018	—
Investment income					32,241,938	118,462	32,360,400	12,641,044
Miscellaneous					108,948,565	—	108,948,565	—
Transfers					727,770	(727,770)	—	—
<b>Total general revenues and transfers</b>					<b>848,347,086</b>	<b>(609,308)</b>	<b>847,737,778</b>	<b>12,641,044</b>
Change in net position					137,299,495	(1,391,521)	135,907,974	998,050
<b>Net position – beginning</b>					<b>724,323,191</b>	<b>139,849,834</b>	<b>864,173,025</b>	<b>326,100,498</b>
<b>Net position – ending</b>					<b>\$ 861,622,686</b>	<b>138,458,313</b>	<b>1,000,080,999</b>	<b>327,098,548</b>

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Balance Sheet – Governmental Funds

June 30, 2024

Assets	Liabilities, Deferred Inflows of Resources and Fund Balances					
	General fund	Capital fund	Affordable housing trust fund	City grants fund	Other governmental funds	Total governmental funds
Cash and investments	\$ 437,811,240	248,289,397	190,791,456	45,030,262	42,900,106	964,822,461
Receivables, net:						
Property taxes	9,288,087	—	—	—	—	9,288,087
Motor vehicle excise	1,443,316	—	—	—	—	1,443,316
Tax title and possessions	4,148,068	—	—	—	—	4,148,068
Leases	18,531,914	—	—	—	—	18,531,914
Intergovernmental	—	5,035,894	—	773,747	1,124,945	6,934,586
Departmental and other	20,694,223	—	6,044,404	—	294,854	27,033,481
Total receivables	54,105,608	5,035,894	6,044,404	773,747	1,419,799	67,379,452
Other assets	2,971,066	—	—	—	—	2,971,066
Due from other funds	2,577,971	569,969	—	—	—	3,147,940
Total assets	<u>497,465,885</u>	<u>253,895,260</u>	<u>196,835,860</u>	<u>45,804,009</u>	<u>44,319,905</u>	<u>1,038,320,919</u>
	Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:						
Warrants and accounts payable	19,483,952	37,704,203	1,833,724	3,228,555	3,185,012	65,435,446
Accrued liabilities:						
Tax abatements	2,520,200	—	—	—	—	2,520,200
Judgments and claims	10,099,000	—	—	—	—	10,099,000
Accrued payroll	24,832,884	16,205	—	38,111	180,731	25,067,931
Other	6,380,809	—	—	—	116,766	6,497,575
Unearned revenue	—	—	—	37,769,659	—	37,769,659
Due to other funds	32,723	—	—	2,577,971	569,969	3,180,663
Total liabilities	63,349,568	37,720,408	1,833,724	43,614,296	4,052,478	150,570,474
Deferred inflows of resources:						
Unavailable revenue	28,904,108	—	—	—	149,315	29,053,423
Related to rent	17,756,149	—	—	—	—	17,756,149
Fund balances (deficit):						
Nonspendable	2,891,066	—	—	—	—	2,891,066
Restricted	—	216,174,852	—	16,727,360	36,980,488	269,882,700
Committed	103,520,039	—	195,002,136	—	3,137,624	301,659,799
Assigned	32,935,000	—	—	—	—	32,935,000
Unassigned	248,109,955	—	—	(14,537,647)	—	233,572,308
Total fund balances (deficit)	387,456,060	216,174,852	195,002,136	2,189,713	40,118,112	840,940,873
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 497,465,885</u>	<u>253,895,260</u>	<u>196,835,860</u>	<u>45,804,009</u>	<u>44,319,905</u>	<u>1,038,320,919</u>

See accompanying notes to basic financial statements.



**CITY OF CAMBRIDGE, MASSACHUSETTS**

Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Position

June 30, 2024

<b>Total fund balance – governmental funds</b>	<b>\$</b>	<b>840,940,873</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		1,685,642,044
Net lessee activities		590,481
Adjust deferred inflows of resources to record revenues on an accrual basis		29,053,423
Capitalized loss on debt refunding in the government-wide statements that is not capitalized in the governmental funds		4,133,009
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
General obligation bonds, net		675,186,825
Accrued interest on bonds		9,855,285
Compensated absences		24,411,000
Landfill		765,000
Judgments and claims		15,359,600
Tax abatements		1,440,100
Pollution remediation		2,775,540
Net pension liability, net of deferred amounts		97,663,216
Net OPEB liability, net of deferred amounts		871,280,578
		<u>1,698,737,144</u>
Net position of governmental activities	<b>\$</b>	<b><u><u>861,622,686</u></u></b>

See accompanying notes to basic financial statements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances –**  
**Governmental Funds**  
Year ended June 30, 2024

	General fund	Capital fund	Affordable housing trust fund	City Grants fund	Other governmental fund	Total governmental funds
<b>Revenues:</b>						
Real and personal property taxes	\$ 579,388,067	—	—	—	—	579,388,067
Excises:						
Hotel/motel/meals/other	24,753,003	—	—	—	—	24,753,003
Motor vehicles	8,223,367	—	—	—	—	8,223,367
Payments in lieu of taxes	8,683,470	—	—	—	—	8,683,470
Intergovernmental	82,213,018	7,784,007	—	46,918,229	22,945,265	159,860,519
Investment income	19,427,601	154,898	8,930,151	2,982,461	746,827	32,241,938
Sewer use charges	75,879,104	—	—	—	—	75,879,104
Departmental and other	116,546,204	1,778,478	35,766,335	1,590,879	43,421,283	199,103,179
<b>Total revenues</b>	<u>915,113,834</u>	<u>9,717,383</u>	<u>44,696,486</u>	<u>51,491,569</u>	<u>67,113,375</u>	<u>1,088,132,647</u>
<b>Expenditures:</b>						
Current:						
General government	58,884,410	—	—	22,413,087	10,000	81,307,497
Public safety	178,812,341	—	—	2,170,682	—	180,983,023
<b>Community maintenance and development</b>	81,009,337	—	42,650,576	4,499,870	3,384,438	131,544,221
Human resource development	72,638,842	—	—	16,833,254	245,300	89,717,396
Education	272,011,916	—	—	—	21,344,508	293,356,424
Judgments and claims	8,548,927	—	—	—	—	8,548,927
State and district assessments	70,737,241	—	—	—	—	70,737,241
Capital outlays	—	197,789,272	—	—	—	197,789,272
Debt service	89,250,827	—	—	—	—	89,250,827
<b>Total expenditures</b>	<u>831,893,841</u>	<u>197,789,272</u>	<u>42,650,576</u>	<u>45,916,893</u>	<u>24,984,246</u>	<u>1,143,234,828</u>
Excess (deficiency) of revenues over expenditures	<u>83,219,993</u>	<u>(188,071,889)</u>	<u>2,045,910</u>	<u>5,574,676</u>	<u>42,129,129</u>	<u>(55,102,181)</u>
<b>Other financing sources (uses):</b>						
Premium on debt issuance	736,469	19,880,000	—	—	—	20,616,469
Issuance of debt	—	160,220,000	—	—	—	160,220,000
Transfers in	21,843,465	21,780,757	41,125,750	—	200,000	84,949,972
Transfers out	(43,999,837)	—	—	—	(40,222,365)	(84,222,202)
<b>Total other financing (uses) sources</b>	<u>(21,419,903)</u>	<u>201,880,757</u>	<u>41,125,750</u>	<u>—</u>	<u>(40,022,365)</u>	<u>181,564,239</u>
Net change in fund balances	61,800,090	13,808,868	43,171,660	5,574,676	2,106,764	126,462,058
<b>Fund balance – beginning</b>	<u>325,655,970</u>	<u>202,365,984</u>	<u>151,830,476</u>	<u>(3,384,963)</u>	<u>38,011,348</u>	<u>714,478,815</u>
<b>Fund balance – ending</b>	<u>\$ 387,456,060</u>	<u>216,174,852</u>	<u>195,002,136</u>	<u>2,189,713</u>	<u>40,118,112</u>	<u>840,940,873</u>

See accompanying notes to basic financial statements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year ended June 30, 2024

<b>Net change in fund balances – total governmental funds</b>	<b>\$ 126,462,058</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is depreciated over their estimated useful lives. Capital outlays, applicable to capital assets, (\$198,925,429) exceeded depreciation expense (\$63,571,970)	135,353,459
Revenues are recorded on an accrual basis	12,494
Proceeds of long-term debt (\$160,220,000) increase long-term liabilities in the statement of net position, but are included in the operating statement of the governmental funds. Repayment of bond principal, (\$67,254,006) is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceed payments.	(92,965,994)
Premiums received are revenues in the governmental funds, but are increases to long-term liabilities, net of amortization, in the statement of net position	(13,015,524)
Deferred loss on refunding is amortized in the statement of activities and is not reported in the governmental funds	(927,380)
Pension and other postemployment benefits reported in the statement of activities does require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds	(10,920,821)
Net leasing activities	671,226
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. This amount represents the increase in non current claims (\$6,264,600) and accrued interest (\$1,510,667) offset by decreases in pollution remediation (\$234,910), compensated absences (\$142,000) and landfill liabilities (\$28,334).	(7,370,023)
Change in net position of governmental activities	<u><u>\$ 137,299,495</u></u>

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Net Position – Proprietary Fund

June 30, 2024

	<u>Enterprise fund</u>
	<u>Water fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 15,013,396
Receivables, net	5,186,220
Due from other funds	32,723
Total current assets	<u>20,232,339</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	40,623,484
Depreciable, net	79,854,241
Total noncurrent assets	<u>120,477,725</u>
Total assets	<u>140,710,064</u>
Liabilities:	
Current liabilities:	
Warrants and accounts payable	1,234,832
Accrued liabilities:	
Claims	85,500
Compensated absences	310,000
Accrued payroll	108,419
Total current liabilities	<u>1,738,751</u>
Noncurrent liabilities:	
Accrued liabilities:	
Claims	122,000
Compensated absences	391,000
Total noncurrent liabilities	<u>513,000</u>
Total liabilities	<u>2,251,751</u>
Net position:	
Net investment in capital assets	120,251,904
Unrestricted	18,206,409
Total net position	<u>\$ 138,458,313</u>

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund

Year ended June 30, 2024

	Enterprise fund
	Water fund
Operating revenues:	
Charges for services	\$ 19,431,903
Total operating revenues	19,431,903
Administration	5,364,504
Service and support programs	8,213,758
Depreciation	6,635,854
Total operating expenses	20,214,116
Operating loss	(782,213)
Nonoperating revenue:	
<b>Investment earnings – other</b>	<b>118,462</b>
Nonoperating revenue	118,462
Loss before transfers	(663,751)
Transfers to other funds	(727,770)
Change in net position	(1,391,521)
<b>Total net position – beginning</b>	<b>139,849,834</b>
<b>Total net position – ending</b>	<b>\$ 138,458,313</b>

See accompanying notes to basic financial statements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
**Statement of Cash Flows – Proprietary Fund**  
Year ended June 30, 2024

		<b>Enterprise fund</b>
		<b>Water fund</b>
Cash flows from operating activities:		
Cash received from customers	\$	18,875,293
Cash paid to vendors		(8,590,442)
Cash paid to employees		(5,405,823)
Net cash provided by operating activities		4,879,028
Cash flows from noncapital financing activities:		
Transfers		(727,770)
Net cash used in noncapital financing activities		(727,770)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets		(2,325,963)
Net cash used in capital and related financing activities		(2,325,963)
Cash flows from investing activities:		
Investment income		118,462
Net cash provided by investing activities		118,462
Change in cash and cash equivalents		1,943,757
Cash and cash equivalents, beginning of year		13,069,639
Cash and cash equivalents, end of year	\$	15,013,396
Reconciliation of operating loss to cash provided by operating activities:		
Operating loss	\$	(782,213)
Depreciation		6,635,854
Changes in operating assets and liabilities:		
Accounts receivable		(556,610)
Other liabilities		(418,003)
Net cash provided by operating activities	\$	4,879,028
Noncash capital and related financing activities:		
Noncash capital acquisitions	\$	(225,821)

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Fiduciary Net Position

June 30, 2024

Assets	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Fund
Cash and cash equivalents	\$ 7,160,013	5,051,881	309,070
Dividend and interest receivable	763,109	—	—
Lease receivable	234,822	—	—
Other assets	426,298	—	—
Due from broker for securities sold	3,397	—	—
Investments, at fair value:			
Fixed income securities	115,505,288	—	—
Equities	43,852,760	—	—
Pooled investments:			
Fixed income	144,800,984	—	—
Real estate	297,512,416	—	—
Domestic equities	513,547,004	—	—
International equities	310,147,406	—	—
International fixed income	49,931,233	—	—
Alternative	332,629,644	—	—
Total investments	1,807,926,735	—	—
Cash collateral on security lending	2,930,498	—	—
Right to use assets	1,683,957	—	—
Total assets	<u>1,821,128,829</u>	<u>5,051,881</u>	<u>309,070</u>
<b>Liabilities</b>			
Accrued liabilities	599,296	—	—
Due to brokers for securities purchased	514,004	—	—
Cash collateral on security lending	2,930,498	—	—
Lease liability	1,937,054	—	—
Total liabilities	<u>5,980,852</u>	<u>—</u>	<u>—</u>
Deferred inflows of resources			
Related to rent	204,452	—	—
Total liabilities and deferred inflows of resources	<u>6,185,304</u>	<u>—</u>	<u>—</u>
<b>Net Position</b>			
Restricted for:			
Pensions	1,775,270,957	—	—
OPEB benefits	39,672,568	—	—
Individuals, organizations and other governments	—	5,051,881	309,070
Total net position	<u>\$ 1,814,943,525</u>	<u>5,051,881</u>	<u>309,070</u>

See accompanying notes to basic financial statements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
Statement of Changes in Fiduciary Net Position  
Year ended June 30, 2024

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Fund</u>
Additions:			
Contributions:			
Employers	\$ 95,277,457	—	—
Nonemployer – city	508,000	—	—
Plan members	27,692,298	—	—
Other systems	3,137,549	—	—
Commonwealth of Massachusetts	254,518	—	—
Gifts and bequests	—	277,681	480,155
Miscellaneous	—	1,157	—
Total contributions	<u>126,869,822</u>	<u>278,838</u>	<u>480,155</u>
Investment earnings:			
Interest and dividends	30,484,994	224,947	—
Securities lending income	156,242	—	—
Net appreciation in the fair value of investments	143,966,485	—	—
Less:			
Management fees	(9,648,971)	—	—
Borrower rebates and fees under securities lending program	<u>(151,619)</u>	<u>—</u>	<u>—</u>
Net investment earnings	<u>164,807,131</u>	<u>224,947</u>	<u>—</u>
Total additions	<u>291,676,953</u>	<u>503,785</u>	<u>480,155</u>
Deductions:			
Benefits	133,553,445	—	—
Refunds of contributions	2,676,913	—	—
Other systems	4,738,683	—	—
Administrative expenses	1,625,811	—	—
Beneficiary payments to individuals	—	265,413	414,188
Miscellaneous	—	94,000	—
Total deductions	<u>142,594,852</u>	<u>359,413</u>	<u>414,188</u>
Change in net position	149,082,101	144,372	65,967
Net position, beginning of year	<u>1,665,861,424</u>	<u>4,907,509</u>	<u>243,103</u>
Net position, end of year	<u>\$ 1,814,943,525</u>	<u>5,051,881</u>	<u>309,070</u>

See accompanying notes to basic financial statements.



CITY OF CAMBRIDGE, MASSACHUSETTS

Discretely Presented Component Units

Statement of Net Position

June 30, 2024

Assets and Deferred Outflows of Resources	Component Units		
	CHA	CRA	Total
	June 30, 2024	December 31, 2023	
Current assets:			
Cash and investments	\$ 350,528,078	31,220,331	381,748,409
Cash and investments held by trustees	6,410,442	—	6,410,442
Receivables, net:			
Leases	—	1,550,988	1,550,988
Subscription assets	10,952,123	—	10,952,123
Other	36,886,507	1,036,076	37,922,583
Other assets	50,987,337	44,138	51,031,475
Total current assets	455,764,487	33,851,533	489,616,020
Noncurrent assets:			
Accounts receivable	—	1,727,274	1,727,274
Lease receivable	—	3,480,273	3,480,273
Notes receivable	—	498,863	498,863
Development projects held for sale	—	65,785	65,785
Capital assets:			
Nondepreciable	20,469,367	1,565,753	22,035,120
Depreciable, net	210,145,692	17,958,303	228,103,995
Total noncurrent assets	230,615,059	25,296,251	255,911,310
Total assets	686,379,546	59,147,784	745,527,330
Deferred outflows of resources:			
Related to pensions	25,021,286	444,111	25,465,397
Related to other post employment benefits	9,737,499	96,462	9,833,961
Total assets and deferred outflows of resources	721,138,331	59,688,357	780,826,688
Liabilities and Deferred Inflows of Resources			
Current liabilities:			
Warrants and accounts payable	49,340,023	306,833	49,646,856
Accrued liabilities:			
Accrued payroll	22,132,260	—	22,132,260
Other	20,303,484	140,364	20,443,848
Unearned revenue	4,767,250	—	4,767,250
Total current liabilities	96,543,017	447,197	96,990,214
Long-term liabilities:			
Due within one year:			
Bonds and notes payable	—	160,382	160,382
Due to third parties	6,039,013	—	6,039,013
Compensated absences	25,969,095	10,845	25,979,940
Payroll tax deferral	—	—	—
Lease payable	8,913,382	—	8,913,382
Subscription liability	3,817,849	—	3,817,849
Due in more than one year:			
Bonds and notes payable	—	6,222,765	6,222,765
Due to third parties	33,650,039	—	33,650,039
Compensated absences	—	32,534	32,534
Lease payable	53,461,441	—	53,461,441
Subscription liability	2,561,685	—	2,561,685
Net OPEB liability	144,908,722	276,768	145,185,490
Net pension liability	44,654,334	605,165	45,259,499
Total noncurrent liabilities	323,975,560	7,308,459	331,284,019
Total liabilities	420,518,577	7,755,656	428,274,233
Deferred inflows of resources:			
Related to pensions	3,673,708	118,490	3,792,198
Related to other post employment benefits	15,237,372	158,808	15,396,180
Related to rent	1,687,116	4,578,413	6,265,529
Total liabilities and deferred inflows of resources	441,116,773	12,611,367	453,728,140
Net Position			
Net investment in capital assets	172,812,825	13,140,909	185,953,734
Restricted for specific purposes	—	8,500,000	8,500,000
Restricted for other purposes	7,891,130	—	7,891,130
Unrestricted	99,317,603	25,436,081	124,753,684
Total net position	\$ 280,021,558	47,076,990	327,098,548

See accompanying notes to basic financial statements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Discretely Presented Component Units

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2024

Functions/programs	Component Units		
	CHA June 30, 2024	CRA December 31, 2023	Total
Expenses	\$ 1,034,732,327	8,065,254	1,042,797,581
Program revenues:			
Charges for services	430,553,227	1,863,042	432,416,269
<b>Operating grants and contributions</b>	<b>598,738,318</b>	<b>—</b>	<b>598,738,318</b>
Total program revenues	<u>1,029,291,545</u>	<u>1,863,042</u>	<u>1,031,154,587</u>
Net program revenues (expenses)	<u>(5,440,782)</u>	<u>(6,202,212)</u>	<u>(11,642,994)</u>
General revenues:			
Investment income	<u>11,016,006</u>	<u>1,625,038</u>	<u>12,641,044</u>
Total general revenues	<u>11,016,006</u>	<u>1,625,038</u>	<u>12,641,044</u>
Change in net position	5,575,224	(4,577,174)	998,050
Net position – beginning	<u>274,446,334</u>	<u>51,654,164</u>	<u>326,100,498</u>
Net position – ending	<u>\$ 280,021,558</u>	<u>47,076,990</u>	<u>327,098,548</u>

See accompanying notes to basic financial statements.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Notes to Basic Financial Statements

June 30, 2024

#### (1) The Financial Reporting Entity

##### (a) *Primary Government*

Settled in 1630 by a group from the Massachusetts Bay Company, the City of Cambridge (the City) 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, has full authority for operations of the school system and appoints a superintendent to administer the system's day-to-day operations.

The accompanying basic 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) *Retirement System*

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 Retirement Board. The System provides pension benefits to retired City, Cambridge Housing Authority, Cambridge Redevelopment Authority and Cambridge Health Alliance 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.

The System is on a calendar fiscal year. As a result, the financial information of the System is as of and for the year ended December 31, 2023. The System is included in the City's fiduciary fund financial statements. Complete financial statements for the System for its year ended December 31, 2023 are available from its offices on 125 Cambridge Park Drive, Suite 104, Cambridge, MA 02140.

##### (c) *Discretely Presented Component Units*

A Statement of Net Position and a Statement of Activities are presented for the City's component units for the Cambridge Health Alliance and the Cambridge Redevelopment Authority. The total component unit information can then be found as a separate column on the City's entity-wide Statement of Net Position and Statement of Activities to emphasize that they are legally separate from the City.

**The Cambridge Health Alliance (CHA)** is included as a component unit because the City is responsible for the appointment of the hospital's board of trustees and is financially accountable for and is able to impose its will on the organization. CHA is a body politic and corporate and public instrumentality of the Commonwealth of Massachusetts (the Commonwealth) established by Chapter 147 of the Acts of 1996. CHA is governed by a nineteen member board, all of whom are

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Notes to Basic Financial Statements

June 30, 2024

appointed by the City Manager. CHA is responsible for the implementation of public health programs in the City.

Complete financial statements for the CHA for its fiscal year ended June 30, 2024 are available from its offices on 350 Main St, Suite 31, Malden, Massachusetts 02148.

**The Cambridge Redevelopment Authority (CRA)** was established in 1955 pursuant to Chapter 121B of the Massachusetts General Laws, as amended, to administer and plan urban renewal projects within the City of Cambridge, Massachusetts (the City). The CRA was issued a Certificate of Organization by the Secretary of the Commonwealth of Massachusetts on November 20, 1956. The CRA is governed by a five-member board of directors, one of whom is appointed by the Governor of the Commonwealth of Massachusetts and remaining four members are appointed by the Cambridge City Manager and confirmed by the Cambridge City Council. The CRA has received a significant amount of intergovernmental revenue that will be used solely for capital projects that are under CRA oversight. In accordance with GASB Statement No. 61, the CRA is presented as a discrete component unit of the City.

Complete financial statements for the CRA for its fiscal year ended December 31, 2023 are available from its offices at 255 Main Street 8<sup>th</sup> Floor, Cambridge, MA 02142.

Unless otherwise indicated, the notes to the basic financial statements pertain only to the primary government because certain disclosures of the component units are not significant relative to the primary government.

#### **(d) Related Organizations**

The City Manager is also 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 following is a summary of the more significant policies followed by the City:

### **(a) Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* that rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the individual enterprise fund are reported as separate columns in the fund financial statements.

**(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

*(i) Government-Wide Financial Statements*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the timing of related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been satisfied.

*(ii) Governmental Fund Financial Statements*

Governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized as soon as they are "susceptible to accrual" (i.e., both measurable and available). Revenues not considered to be available are recorded as deferred inflows of resources.

The City applies the susceptible to accrual criteria to property and other taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended for a specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized as expenditures are incurred subject to availability requirements. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met. State aid is accrued as revenue in the year that the funds are appropriated by the Commonwealth.

Property taxes and other taxes are recorded as revenue in the year for which the taxes have been levied, provided they are collected within 60 days after year-end. Generally, intergovernmental revenues are recognized as revenue, provided they are earned during the year and collected within one year after year-end, except Chapter 90 receivables which are considered available when received. Investment income is recorded as earned. Other revenues including sewer user fees are recorded when received in cash because they are generally not measurable until actually received.

Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general obligation debt as well as expenditures related to liabilities including compensated absences, pensions, leases, other postemployment benefits, judgments and claims and tax abatements are recorded only as expenditures to the extent payment is mature and due.

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Notes to Basic Financial Statements

June 30, 2024

Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from leases are reported as other financing sources.

#### (iii) *Proprietary Fund Financial Statements*

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for water service. Operating expenses for the enterprise fund include the cost of preparing and delivering the water, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Governmental Funds* – The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The *affordable housing trust fund* accounts for financial resources to be used for the acquisition or construction of affordable housing units.

The *city grants fund* accounts for a wide range of federal and state grants and provide additional support to several City programs. A significant source of funding is federal ARPA Act funding related to COVID and support for the Arts Council, Historical Commission, and Library.

The *other governmental fund* accounts for programs such as Community Development Block Grant, various school grants, the Parking Fund, Community Preservation Act, the Aggregation Adder Fund and the Opioid Settlement Fund. These funds receive funding from sources such as federal and state grants and fees.

*Proprietary Fund* – The City reports the following major proprietary fund:

The *water fund* accounts for activities related to the preparation and delivery of water to City residents.

*Fiduciary Funds* – Additionally, the City reports the following fiduciary fund types:

Pension (and Other Employee Benefit) Trust Funds:

The *pension trust fund* accounts principally for the activities of the System, which accumulates resources for pension benefit payments to retired City employees.

The *OPEB trust fund* is an irrevocable trust fund established for other postemployment benefits. The assets are appropriated from the General Fund and accumulate to reduce the unfunded actuarial liability of health care and other postemployment benefits. This fund is currently not used for payments of benefits.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

Private Purpose Trust Fund:

The *private purpose trust fund* is used to account for assets received and distributed by the City acting in a trustee capacity for individuals, private organizations and for other funds.

Custodial Fund:

The primary purpose of this fund is to provide oversight of school activity accounts.

**(c) Cash Equivalents**

For purposes of the statement of cash flows, investments with original maturities of three months or less when purchased are considered to be cash equivalents.

**(d) Basis of Investment Valuation**

Investments are presented in the accompanying basic financial statements at fair value. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments of the System, which are described in note 3. Further, income from investments is recognized in the same fund as the related investments.

The City invests in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, which is an external investment pool and is not SEC-registered. The fund is state regulated and is valued at amortized cost.

**(e) Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activity are reported in the government-wide financial statements as “internal balances.”

**(f) Uncollectible Tax and Other Receivables**

All receivables are shown net of an allowance for uncollectibles. Amounts considered to be uncollectible are based on the type and age of the related receivable.

**(g) Deferred Inflows and Outflows of Resources**

The City accounts for certain transactions that result in the consumption or acquisition of resources in one period that are applicable to future periods as deferred outflows and inflows of resources, respectively, to distinguish them from assets and liabilities. For fiscal year 2024, the City has reported deferred outflows pertaining to its debt refunding, pension and other post-employment benefits transactions in the government-wide statements and deferred inflows related to pensions, other post-employment benefits and rent transactions in the government-wide statements. Deferred inflows related to rent and unavailable revenue are also reported in the governmental fund statements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(h) Capital Assets**

Capital assets (excluding intangible right-to-use lease assets) include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20–50
Infrastructure	15–60
Furniture and equipment	5–20

**(i) Leases**

As Lessee:

The City is a lessee for non-cancelable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease assets (lease asset) in the financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Lease liabilities are initially recognized at the lease commencement date based on the present value of future lease payments to be made by the City over the lease term. The estimated payments are discounted using the City's estimated incremental borrowing rate. The lease term includes the non-cancelable period of the lease. The lease liability is subsequently reduced by the principal portion of lease payments made. Lease liabilities are reported on the statements of net position.

Lease assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Lease assets are initially measured at the initial value of the lease liability, adjusted for lease payments made at or before the lease commencement date and initial direct costs. The lease asset is subsequently amortized on a straight-line basis over its useful life. Lease assets are reported with capital assets on the statements of net position.

The City monitors changes in circumstances that would require a remeasurement of its lease and remeasures its lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.



**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

As Lessor:

The City is a lessor for a non-cancelable lease of a building and the City recognizes a lease receivable and a deferred inflow of resources in the accompanying financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of lease payments expected to be received from lessees over the lease term. The estimated payments are discounted using the City's estimated incremental borrowing rate. Lease receivables are subsequently reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Deferred lease inflows are recognized as revenue over the lease term on a straight-line basis.

The City monitors changes in circumstances that would require a remeasurement of its lease and remeasures its lease receivable and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**(j) *Compensated Absences***

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The cost of compensated absences for employees is recorded as earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if it has matured (i.e., come due for payment). The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method).

**(k) *Long-Term Obligations and Related Costs***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activity, or proprietary fund type statement of net position. Bond premiums and discounts are capitalized and amortized over the life of the bonds using the straight line method. Issue costs, other than prepaid insurance, if any, are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs in the operating statement, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as general government expenditures.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(I) Net Position and Fund Balance**

In the Government-wide and Proprietary Fund Financial Statements, net position is reported in the following categories:

*Net investment in capital assets:* Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

*Restricted:* Net position the use of which is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by City Charter or enabling legislation. Nonexpendable amounts are required to remain intact under such constraints.

*Unrestricted:* Remaining net position not considered invested in capital assets, net of related debt or restricted.

For purposes of net position classification, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

In the Governmental Fund Financial Statements, fund balance is reported in the following categories:

*Nonspendable:* Amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to remain intact.

*Restricted:* Amounts the use of which is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by City Charter or enabling legislation.

*Committed:* Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. For the City, this formal action takes the form of State statutes or Home-rule petitions which are adopted by the City Council with a 2/3rds vote.

*Assigned:* Amounts that are constrained by the City's intent for use for specific budgetary purposes, but are considered neither restricted or committed.

*Unassigned:* Amounts in the general fund that are not otherwise constrained for a specific purpose more narrow than the general operations of the City.

The flow of expenditures for unrestricted resources is to use the committed when possible first, then assigned and then the unassigned when needed.

The Unassigned Fund balance policy adopted by the City Council is as follows:

- General Fund (GAAP) balance as of June 30 of each year is equal to or greater than 15% of the ensuing fiscal year's operating revenue.

The responsibility for tracking this policy is with the City Treasurer who estimates the surplus or deficit for the current year and prepares a projection for the year-end unassigned general fund balance. Any

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anticipated balance in excess of the targeted maximum unassigned balance maybe budgeted to reduce the ensuing year's property tax levy, transferred to stabilization fund, or fund one-time capital projects.

This policy is reviewed annually during the City's Annual Budget and Public Investment Program process.

**(m) Securities Lending Transactions**

The System engages in securities lending transactions. Collateral received on securities lending transactions is reported as an asset with a corresponding liability to the borrower. The underlying securities lent to the borrower under these transactions are reported as investments. Borrower rebates and administrative fees are reported as expenses; interest and dividends on the underlying securities and related collateral are reported as revenues.

**(n) Landfill Postclosure Care Costs**

State and federal regulations required the City to place a final cover on its Danehy Park landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure, which continued through 2022. At June 30, 2024, 100% of the landfill site had been used and has not accepted solid waste for several years. The City has completed the covering of this site in accordance with applicable laws and regulations. During fiscal year 2022, the City agreed to continue certain maintenance and monitoring for an additional 30 years.

**(o) Unearned Revenue**

Resources received in advance are reported as unearned revenue until the period of exchange. Intergovernmental revenues representing grants and assistance from other governmental units, are generally recognized as revenue in the period when eligibility requirements, as defined by GASB Statement No. 33, have been met. Any resources received before eligibility requirements are met are reported as deferred inflows of resources. The City received \$37,769,659 of American Rescue Plan Act (ARPA) funds, which were not fully spent as of June 30, 2024. As such, these funds are recorded as unearned revenue in the City grants fund.

**(p) Use of Estimates**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, 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.

**(q) Adoption of New Accounting Pronouncements**

The City adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2024:

- Statement No. 99, *Omnibus 2022*. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Implementations of the above GASB Statements have no material effect on amounts reported in the City's financial statements.

The City is currently reviewing its accounting practices to determine the potential impacts on the financial statements for the following GASB Statements:

- Statement No. 101, *Compensated Absences*. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning December 15, 2023, and all reporting periods thereafter.
- Statement No. 102, *Certain Risk Disclosures*. This Statements' objective is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations of constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.
- Statement No. 103, *Financial Reporting Model Improvements*. This Statements' objective is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain issues related to Management's Discussion and Analysis, Unusual or Infrequent Items, presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major component Unit Information and Budgetary Comparison Information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- Statement No. 104, *Disclosures of Certain Capital Assets*. This Statements' objective is to provide users of government financial statements with detailed information about capital assets in notes to the financial statements. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*, should be disclosed separately by major class of underlying asset in the assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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**(3) Deposits and Investments**

**(a) Deposits**

State and local statutes place certain limitations on the nature of deposits and investments available to the City. The City's policy requires full collateralization on all demand deposit accounts including checking accounts, certificates of deposit and money market accounts.

*(i) Custodial Credit Risk*

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. As of June 30, 2024, the bank balances of uninsured and uncollateralized deposits are as follows:

Primary government	\$	2,928,084
Discretely presented component units:		
CHA		10,292,871
CRA (as of December 31, 2023)		<u>2,379,950</u>
	\$	<u>15,600,905</u>

**(b) Investments**

The City's investment program is operated by the City Treasurer in conformance with all applicable federal and state requirements, including MGL c. 44, Sections 54 and 55. The objective is to obtain a high level of income while also following the principles of security, liquidity, and yield.

Investments of General Fund available cash balances consist of fully collateralized certificates of deposit with local banking institutions for duration of 6-9 months and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, an external investment pool for cities, towns, and other state and local agencies with the Commonwealth. MMDT meets the criteria established by GASB 79 to report its investments at amortized cost; therefore, the City reports its investment in MMDT at amortized cost, which approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is not rated.

The City's investment portfolio for private purpose funds is designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the City's liquidity requirements. The portfolio is managed with the objective of exceeding the average of three-month U.S. Treasury Bill rates for the equivalent period. The investments for trust funds include collateralized certificate of deposits, U.S. Government Agencies, and units in the MMDT for durations between 12-48 months.

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The City's pension system and OPEB irrevocable trust fund have additional investment powers, most notably the ability to invest in common stocks, corporate bonds, and other specified investments.

*(i) System Investment Policy*

The provisions of Massachusetts General Laws (M.G.L.) c. 32, sec 3(2) govern the System's investment practice.

Diversification is attained through varied investment management styles that comply with Massachusetts state law. This is accomplished through the retention of investment managers that adhere to M.G.L. c. 32, sec 23(3), the "Prudent Person" rule.

The System has retained an investment consultant to work with the Retirement Board in a fiduciary capacity to assure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The System participates in the segmentation program of the Pension Reserves Investment Trust (PRIT) Fund which allows Massachusetts retirement systems to invest only in individual asset classes of the PRIT Fund. The PRIT Fund is an external investment pool, as defined by the Government Accounting Standards Board, and it is not registered with the Securities and Exchange Commission but is subject to oversight by the Pension Reserves Investment Management Board (the PRIM Board). The System's alternative investments include investments in the PRIT hedge and private equity segments of the PRIT Fund. The PRIT Fund issue separately available audited financial statements.

*(ii) OPEB Investment Policy*

The provisions of Massachusetts General Laws (M.G.L.) c. 44 sec 54 allows investment in securities listed on the Commonwealth's approved securities listing. The OPEB investment portfolio is managed by the City's Investment committee. The portfolio's current target allocation is 50% equities (securities from the approved state listing) and 50% of fixed income securities.

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(iii) *Interest Rate Risk*

The following is a listing of the primary government's fixed income investments and related maturity schedule (in years) as of June 30, 2024:

<u>Investment type</u>	<u>Fair value</u>	<u>Less than 1</u>	<u>1–5</u>	<u>6–10</u>	<u>More than 10</u>
City:					
Money market/MMDT	\$ 327,318,257	327,318,257	—	—	—
Certificates of deposit	66,624,497	66,624,497	—	—	—
U.S. agencies	284,953,791	284,953,791	—	—	—
Subtotal city	<u>678,896,545</u>	<u>678,896,545</u>	<u>—</u>	<u>—</u>	<u>—</u>
System (as of December 31, 2023):					
U.S. treasury notes and bonds	43,918,858	—	14,599,779	14,920,058	14,399,021
Municipal securities	1,526,806	—	214,309	639,408	673,089
U.S. agencies	23,985,800	1,488	69,111	560,828	23,354,373
Domestic corporate	27,966,429	—	10,168,999	9,990,131	7,807,299
Asset-backed:					
CMOs	3,354,216	—	—	—	3,354,216
Other	1,312,896	—	1,312,896	—	—
Pooled fixed-income investments	<u>144,800,984</u>	<u>—</u>	<u>—</u>	<u>144,800,984</u>	<u>—</u>
Subtotal system	<u>246,865,989</u>	<u>1,488</u>	<u>26,365,094</u>	<u>170,911,409</u>	<u>49,587,998</u>
OPEB Trust:					
Money market	169,911	169,911	—	—	—
U.S. agencies	13,440,283	13,440,283	—	—	—
Subtotal OPEB Trust	<u>13,610,194</u>	<u>13,610,194</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 939,372,728</u>	<u>692,508,227</u>	<u>26,365,094</u>	<u>170,911,409</u>	<u>49,587,998</u>
Discretely presented component units					
CHA:					
Money market	\$ 69,691,320	69,691,320	—	—	—
MMDT	226,779,987	226,779,987	—	—	—
Municipal bonds	7,351,250	1,697,842	5,585,857	67,551	—
U.S. agencies	40,647,117	5,250,559	35,396,558	—	—
U.S. treasury notes	4,936,090	1,979,680	2,956,410	—	—
Subtotal CHA	<u>349,405,764</u>	<u>305,399,388</u>	<u>43,938,825</u>	<u>67,551</u>	<u>—</u>
CRA (as of December 31, 2023):					
Foreign issuance	538,855	538,855	—	—	—
U.S. agencies	17,873,240	17,395,630	477,610	—	—
Subtotal CRA	<u>18,412,095</u>	<u>17,934,485</u>	<u>477,610</u>	<u>—</u>	<u>—</u>
Total discretely presented component units	<u>\$ 367,817,859</u>	<u>323,333,873</u>	<u>44,416,435</u>	<u>67,551</u>	<u>—</u>

The City, OPEB Trust, and the System's guidelines do not specifically address limits on maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The manager of each fixed income portfolio is responsible for determining the maturity and commensurate returns of their portfolio.

The collateralized mortgage obligations (CMOs) held by the System are highly sensitive to changes in interest rates.

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(iv) *Credit Risk*

The City, OPEB Trust, and the System allow investment managers to apply discretion under the “Prudent Person” rule. Investments are made, as a prudent person would be expected to act with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments.

The primary government’s fixed income investments as of June 30, 2024 were rated by Standard and Poor’s, Moody’s, and/or an equivalent national rating organization and are presented below.

Investment type	Carrying value	AAA	AA	A	BBB	Not rated
City:						
Money market/MMDT	\$ 327,318,257	—	—	—	—	327,318,257
Certificates of deposit	66,624,497	—	—	—	—	66,624,497
U.S. agencies	284,953,791	14,294,422	—	—	—	270,659,369
Subtotal city	<u>678,896,545</u>	<u>14,294,422</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>664,602,123</u>
System (as of December 31, 2023):						
U.S. treasury notes and bonds	43,918,858	43,019,241	—	—	—	899,617
Municipal securities	1,526,806	361,829	950,668	—	—	214,309
U.S. agencies	23,985,800	2,845	—	—	—	23,982,955
Domestic corporate	27,966,429	1,572,324	994,042	10,290,995	13,633,245	1,475,823
Asset-backed:						
CMOs	3,354,216	2,131,286	255,207	—	—	967,723
Other	1,312,896	940,618	—	122,161	250,117	—
Pooled fixed-income investments	144,800,984	—	—	—	—	144,800,984
Subtotal system	<u>246,865,989</u>	<u>48,028,143</u>	<u>2,199,917</u>	<u>10,413,156</u>	<u>13,883,362</u>	<u>172,341,411</u>
OPEB Trust:						
Money market	169,911	—	—	—	—	169,911
U.S. agencies	13,440,283	554,693	—	—	—	12,885,590
Subtotal OPEB Trust	<u>13,610,194</u>	<u>554,693</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,055,501</u>
Total	<u>\$ 939,372,728</u>	<u>62,877,258</u>	<u>2,199,917</u>	<u>10,413,156</u>	<u>13,883,362</u>	<u>849,999,035</u>
Discretely presented component units						
CHA:						
Money market	\$ 69,691,320	—	—	—	—	69,691,320
MMDT	226,779,987	—	—	—	—	226,779,987
Municipal bonds	7,351,250	7,351,250	—	—	—	—
U.S. agencies	40,647,117	40,647,117	—	—	—	—
U.S. treasury notes	4,936,090	4,936,090	—	—	—	—
Subtotal CHA	<u>349,405,764</u>	<u>52,934,457</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>296,471,307</u>
CRA (as of December 31, 2023):						
Foreign Issuance	538,855	—	538,855	—	—	—
U.S. agencies	17,873,240	17,873,240	—	—	—	—
Subtotal CRA	<u>18,412,095</u>	<u>17,873,240</u>	<u>538,855</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total discretely presented component units	<u>\$ 367,817,859</u>	<u>70,807,697</u>	<u>538,855</u>	<u>—</u>	<u>—</u>	<u>296,471,307</u>



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(v) *Concentration Risk*

The City has individual investments, at fair value, that exceed 5% of the City's net position as of June 30, 2024. The OPEB trust has one position, Eli Lilly Corporation, that makes up 7.5% of the Trust's net position as of June 30, 2024.

The System has no individual investments, at fair value, that exceed 5% of the System's net position held in trust for pension benefits as of December 31, 2023, other than pooled investments.

The System adheres to the provisions of M.G.L. c. 32, sec 23(2) when managing concentration risk.

(vi) *Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System's asset allocation model which serves as a proxy for a foreign currency policy, limits the amount of foreign currency exposure to 20% of the System's total investments. Similar to the investments in domestic equities, the System employs or encourages its investment advisor to employ diversification, asset allocation, and quality strategies. Currency hedging is permitted for defensive purposes. Currency hedging shall be affected through the use of forward currency contracts. At December 31, 2023, there were no open forward currency contracts.

Risk of loss arises from changes in currency exchange rates. The System's exposure to foreign currency risk is presented below.

Currency:

International equity pooled funds (various currencies)	\$ 310,147,406
International fixed income pooled funds (various currencies)	<u>49,931,233</u>
	\$ <u>360,078,639</u>

Although these pooled investments are not denominated in a foreign currency, the underlying securities are denominated in various foreign currencies.

(vii) *Fair Value Hierarchy*

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date; Level 2 inputs are other than quoted prices in Level 1 that are observable for the asset or liability, or similar assets or liabilities either directly or indirectly through corroboration with observable market data; Level 3 inputs are unobservable inputs for the asset or liability (i.e. supported by little or no market activity). Level 3 inputs include management's assumptions. The City utilizes observable inputs where available when establishing fair value.

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The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

*Money market funds:* Valued at the daily closing price as reported by the fund. Money market funds held by the City are open-end money market funds that are registered with the Securities and Exchange Commission. The money market funds are recorded at amortized cost.

*Equity securities:* Consist primarily of corporate stocks traded on U.S. and non-U.S. active security exchanges. Stocks traded on active exchanges and valued at quoted market prices and documented trade history for identical assets are categorized within Level 1 or the fair value hierarchy. If market quotations are not readily available, the stocks may be valued using pricing models maximizing the use of observable inputs for similar securities and are classified as Level 2.

*U.S. agencies:* Securities issued by the U.S. government, its agencies, authorities and instrumentalities are valued using quoted prices, documented trade history in the security, and pricing models maximizing the use of observable inputs determined by investment managers.

*Corporate fixed incomes:* Valued either by using pricing models maximizing the use of observable inputs for similar securities or valued by the investment manager.

The following table presents the City's investments (including the City's OPEB trust) carried at fair value on a recurring basis in the statement of net position at June 30, 2024:

<u>Investments</u>	<u>Fair value</u>	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>
Equity securities	\$ 26,062,374	26,062,374	—
U.S. agencies	298,394,074	298,394,074	—
Total investments	<u>\$ 324,456,448</u>	<u>324,456,448</u>	<u>—</u>

The following table presents the CHA's investments carried at fair value on a recurring basis in the statement of net position at June 30, 2024:

<u>Investments</u>	<u>Fair value</u>	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>
U.S. agencies	\$ 40,647,117	40,647,117	—
U.S. treasury notes	4,936,090	4,936,090	—
Municipal bonds	7,351,250	7,351,250	—
Total investments	<u>\$ 52,934,457</u>	<u>52,934,457</u>	<u>—</u>

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The following table presents the CRA's investments carried at fair value on a recurring basis in the statement of net position at December 31, 2023:

<u>Investments</u>	<u>Fair value</u>	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>
Equity securities	\$ 9,603,862	9,603,862	—
U.S. agencies	17,873,240	14,343,739	3,529,501
Foreign issuance	<u>538,855</u>	<u>—</u>	<u>538,855</u>
Total investments	\$ <u>28,015,957</u>	<u>23,947,601</u>	<u>4,068,356</u>

The System has the following fair value measurements as of December 31, 2023:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Investments by fair value level:			
Fixed income	\$ 102,065,005	43,918,858	58,146,147
Equities	<u>17,790,386</u>	<u>17,790,386</u>	<u>—</u>
	<u>119,855,391</u>	<u>61,709,244</u>	<u>58,146,147</u>
Investments measured at NAV:			
Commingled equity funds:			
International	310,147,406	—	—
Domestic	513,547,004	—	—
Commingled fixed income funds:			
International	49,931,233	—	—
Domestic	144,800,984	—	—
Real estate	297,512,416	—	—
Alternative:			
PRIT private equity	255,436,024	—	—
Other alternative	<u>77,193,620</u>	<u>—</u>	<u>—</u>
	<u>1,648,568,687</u>	<u>—</u>	<u>—</u>
Total investments	\$ <u>1,768,424,078</u>	<u>61,709,244</u>	<u>58,146,147</u>

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The following represents the significant investment strategies and terms on which the System may redeem investments for those investments measured at the NAV (or its equivalent) as a practical expedient:

	Investments measured at NAV		
	2023	Redemption frequency	Redemption notice period
Commingled equity funds	\$ 823,694,410	Daily	1–30 days
Commingled fixed income funds	144,800,984	Daily	1–30 days
Real estate	297,512,416	Quarterly	1–30 days
Alternative	332,629,644	Quarterly	1–30 days

- 1 Commingled equity funds: This type includes 7 funds that invest primarily in U.S. large and small cap equity funds and international equity funds.
- 2 Commingled fixed income funds: This type includes 2 fixed income funds that invest in U.S. corporate bonds, U.S. government bonds, U.S. asset-backed securities and foreign bonds.
- 3 Real estate funds: This type includes 11 funds that invest primarily in real estate funds and global infrastructure.
- 4 Alternative funds: This type includes 16 funds that invest primarily in private equity and venture capital funds. The System is required to provide 24 hour redemption notice for the PRIT hedge fund. The PRIT private equity fund is not redeemable until notified by the PRIM Board.

**(4) Property Taxes**

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also, by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances.

The City bills and collects its property taxes on a semiannual basis following the January 1 assessment. The due dates for those tax billings are November 1 and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the City’s experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as “Proposition 2 ½” limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2 ½% of the prior year’s levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Citywide referendum.

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**(5) Capital Assets**

Capital asset activity for the year ended June 30, 2024, was as follows:

*Primary Government*

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 200,310,430	8,325,000	—	208,635,430
Construction in progress	<u>130,976,248</u>	<u>190,600,429</u>	<u>(73,600,677)</u>	<u>247,976,000</u>
Total capital assets not being depreciated	<u>331,286,678</u>	<u>198,925,429</u>	<u>(73,600,677)</u>	<u>456,611,430</u>
Capital assets being depreciated:				
Buildings and improvements	909,205,649	16,368,371	—	925,574,020
Improvements – nonbuilding	157,445,700	2,396,543	—	159,842,243
Furniture and equipment	130,057,303	5,363,629	—	135,420,932
Infrastructure	<u>779,873,849</u>	<u>49,472,134</u>	<u>—</u>	<u>829,345,983</u>
Total capital assets being depreciated	<u>1,976,582,501</u>	<u>73,600,677</u>	<u>—</u>	<u>2,050,183,178</u>
Less accumulated depreciation for:				
Buildings and improvements	(287,894,177)	(28,536,230)	—	(316,430,407)
Improvements – nonbuilding	(72,013,599)	(5,829,466)	—	(77,843,065)
Furniture and equipment	(89,280,674)	(7,618,480)	—	(96,899,154)
Infrastructure	<u>(308,392,144)</u>	<u>(21,587,794)</u>	<u>—</u>	<u>(329,979,938)</u>
Total accumulated depreciation	<u>(757,580,594)</u>	<u>(63,571,970)</u>	<u>—</u>	<u>(821,152,564)</u>
Total capital assets being depreciated, net	<u>1,219,001,907</u>	<u>10,028,707</u>	<u>—</u>	<u>1,229,030,614</u>
Right to use assets being amortized:				
Buildings and land	11,493,271	3,676,333	—	15,169,604
Equipment	<u>11,379</u>	<u>—</u>	<u>—</u>	<u>11,379</u>
Total right to use assets being amortized	<u>11,504,650</u>	<u>3,676,333</u>	<u>—</u>	<u>15,180,983</u>
Less accumulated amortization for:				
Buildings and land	(5,737,548)	(2,925,088)	—	(8,662,636)
Equipment	<u>(8,292)</u>	<u>(3,087)</u>	<u>—</u>	<u>(11,379)</u>
Total accumulated amortization	<u>(5,745,840)</u>	<u>(2,928,175)</u>	<u>—</u>	<u>(8,674,015)</u>
Total right to use assets, being amortized, net	<u>5,758,810</u>	<u>748,158</u>	<u>—</u>	<u>6,506,968</u>
Total capital assets, net	\$ <u>1,556,047,395</u>	<u>209,702,294</u>	<u>(73,600,677)</u>	<u>1,692,149,012</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$	4,038,520
Public safety		6,364,883
Human resource development		3,523,254
Education		12,060,391
Community maintenance and development		<u>40,513,097</u>
Total depreciation and amortization expense – governmental activities	\$	<u><u>66,500,145</u></u>

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Business-type activity:				
Capital assets not being depreciated:				
Land	\$ 40,044,950	—	—	40,044,950
Construction in progress	<u>2,944,916</u>	<u>2,551,784</u>	<u>(4,918,166)</u>	<u>578,534</u>
Total capital assets not being depreciated	<u>42,989,866</u>	<u>2,551,784</u>	<u>(4,918,166)</u>	<u>40,623,484</u>
Capital assets being depreciated:				
Buildings and improvements	97,257,572	3,519,887	—	100,777,459
Furniture and equipment	17,938,961	1,398,279	—	19,337,240
Infrastructure	<u>47,765,244</u>	—	—	<u>47,765,244</u>
Total capital assets being depreciated	<u>162,961,777</u>	<u>4,918,166</u>	<u>—</u>	<u>167,879,943</u>
Less accumulated depreciation for:				
Buildings and improvements	(48,334,216)	(3,575,934)	—	(51,910,150)
Furniture and equipment	(9,849,761)	(2,188,082)	—	(12,037,843)
Infrastructure	<u>(23,205,871)</u>	<u>(871,838)</u>	<u>—</u>	<u>(24,077,709)</u>
Total accumulated depreciation	<u>(81,389,848)</u>	<u>(6,635,854)</u>	<u>—</u>	<u>(88,025,702)</u>
Total capital assets being depreciated, net	<u>81,571,929</u>	<u>(1,717,688)</u>	<u>—</u>	<u>79,854,241</u>
Business-type activity capital assets, net	\$ <u>124,561,795</u>	<u>834,096</u>	<u>(4,918,166)</u>	<u>120,477,725</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(6) Receivables and Deferred Inflows of Resources**

**(a) Receivables**

Receivables as of year-end for the government's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Government funds					Total governmental funds	Enterprise fund
	General	Capital fund	Affordable housing trust fund	City grants	Other governmental funds		Water fund
Receivables:							
Property taxes	\$ 10,994,216	—	—	—	—	10,994,216	—
Motor vehicle taxes	5,033,856	—	—	—	—	5,033,856	—
Other taxes	4,608,965	—	—	—	—	4,608,965	—
Intergovernmental	—	5,035,894	—	773,747	1,124,945	6,934,586	—
Leases	18,531,914	—	—	—	—	18,531,914	—
Other	20,994,946	—	6,044,404	—	294,854	27,334,204	5,238,606
Gross receivables	60,163,897	5,035,894	6,044,404	773,747	1,419,799	73,437,741	5,238,606
Less allowance for uncollectibles	6,058,289	—	—	—	—	6,058,289	52,386
Net total receivables	\$ 54,105,608	5,035,894	6,044,404	773,747	1,419,799	67,379,452	5,186,220

**(b) Deferred Inflows of Resources**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent taxes receivable	\$ 13,466,970
Deferred inflow related to rent	17,756,149
Departmental and other	<u>15,586,453</u>
Total unavailable for governmental funds	\$ <u>46,809,572</u>

**(c) Tax Abatement Programs**

The City may enter into tax abatement agreements that meet the reporting requirements of GASB Statement No. 77, *Tax Abatement Disclosures*.

The City currently does not have any active Chapter 121A agreements and does not intend to enter into any in the foreseeable future. Therefore, there was no Chapter 121A related activities or abatements noted for the year ended June 30, 2024.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(7) Receivable and Payable Balances between Funds and Component Units**

Individual fund receivable and payable balances at June 30, 2024, are as follows:

<u>Interfund balances</u>	<u>Receivable</u>	<u>Payable</u>
General fund – payable to water fund	\$ —	32,723
General fund – receivable from City grants fund	2,577,971	—
Capital fund – receivable from other governmental funds – for capital items	569,969	—
City grants fund - payable to the general fund	—	2,577,971
Enterprise fund – receivable from general fund	32,723	—
Other governmental funds – community development block grant payable to capital fund – for capital items	—	569,969
Balance at June 30, 2024	<u>\$ 3,180,663</u>	<u>3,180,663</u>

As of June 30, 2024, there are no receivable and payable balances between the primary government and the discretely presented component units.



**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(8) Long-Term Obligations**

Following is a summary of the governmental activities long-term obligations of the City as of June 30, 2024:

	<u>Date of issue</u>	<u>Interest rates</u>	<u>Outstanding, beginning of year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, end of year</u>	<u>Due within one year</u>
General obligation bonds:							
General purpose, serial maturities through February 15, 2044	2/12/12 to 3/6/24	1.0%–5.0%	\$ 371,980,000	118,140,000	39,485,000	450,635,000	45,190,000
Urban redevelopment, serial maturities through February 15, 2034	2/18/14 to 3/6/24	2.0%–5.0%	36,360,000	22,035,000	6,490,000	51,905,000	7,990,000
Sewer, serial maturities through February 15, 2034	2/18/14 to 3/6/24	0.0%–5.0%	115,085,821	20,045,000	21,279,006	113,851,815	22,154,330
Total governmental obligation bonds			<u>\$ 523,425,821</u>	<u>160,220,000</u>	<u>67,254,006</u>	616,391,815	<u>75,334,330</u>
Add (deduct):							
Unamortized bond premium			45,779,486	20,616,469	7,600,945	58,795,010	
Current portion of long-term debt						(75,334,330)	
						<u>599,852,495</u>	
Other long-term obligations:							
Judgments and claims			\$ 20,150,200	80,786,519	75,478,119	25,458,600	10,099,000
Landfill postclosure care costs			793,334	—	28,334	765,000	28,333
Lease payable			5,839,555	3,673,333	3,596,401	5,916,487	1,807,541
Compensated absences			24,553,000	29,575,400	29,717,400	24,411,000	11,666,000
Net OPEB liability			760,078,550	69,256,850	73,307,482	756,027,918	—
Net pension liability			222,397,503	36,805,770	71,095,885	188,107,388	—
Pollution remediation			3,010,450	1,402,274	1,637,184	2,775,540	1,061,990
Total other governmental long-term obligations			<u>\$ 1,036,822,592</u>	<u>221,500,146</u>	<u>254,860,805</u>	<u>1,003,461,933</u>	<u>24,662,864</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

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Following is a summary of the business-type activity long-term obligations of the City as of June 30, 2024:

	<u>Outstanding, beginning of year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, end of year</u>	<u>Due within one year</u>
Other long-term obligations:					
Judgments and claims	\$ 238,900	1,713,144	1,744,544	207,500	85,500
Compensated absences	716,000	515,600	530,600	701,000	310,000
Total other long-term obligations	<u>\$ 954,900</u>	<u>2,228,744</u>	<u>2,275,144</u>	<u>908,500</u>	<u>395,500</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

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The payment of liabilities for judgments and claims, compensated absences, pollution remediation, other postemployment benefits, pension and landfill postclosure costs are primarily the responsibility of the City's general fund.

General obligation bonds are backed by the full faith and credit of the City. The annual debt service requirements of the City's general obligation governmental bonds and notes payable outstanding as of June 30, 2024, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2025	\$ 75,334,330	26,054,747	101,389,077
2026	67,493,988	23,291,117	90,785,105
2027	61,045,200	20,207,175	81,252,375
2028	56,079,600	17,352,850	73,432,450
2029	51,524,200	14,728,025	66,252,225
2030–2034	187,999,497	42,382,667	230,382,164
2035–2039	78,615,000	14,632,163	93,247,163
2040–2044	38,300,000	3,744,251	42,044,251
	<u>\$ 616,391,815</u>	<u>162,392,995</u>	<u>778,784,810</u>

In March 2024, the City issued \$160,220,000 of general obligation bonds to fund various capital purchases and improvements throughout the city. Interest on the general obligation bonds is due semiannually on each February 15 and August 15, with principal payments due each February 15 until maturity in fiscal 2044.

The City is subject to a dual general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the City as last equalized by the Commonwealth 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 State Municipal Finance Oversight 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, 2024, the City may issue approximately \$2.5 billion additional general obligation debt under the normal debt limit.

**(9) Leases**

**(a) Lease Overview**

The City has entered various leases for land, buildings, and equipment. The City has recognized a lease liability and an intangible right-to-use-lease asset for lessee arrangements (see note 5) and a lease receivable and a deferred inflow of resources for lessor arrangements.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

A summary of principal changes in the related lease liabilities for the year ended June 30, 2024 is as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Leased liability	\$ 5,839,555	3,673,333	(3,596,401)	5,916,487	1,807,541

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

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Future annual lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2025	\$ 1,807,541	101,471	1,909,012
2026	1,330,029	67,395	1,397,424
2027	516,029	51,584	567,613
2028	454,278	41,982	496,260
2029	423,187	33,253	456,440
Thereafter	<u>1,385,423</u>	<u>46,040</u>	<u>1,431,463</u>
	<u>\$ 5,916,487</u>	<u>341,725</u>	<u>6,258,212</u>

**(b) Lessor Arrangements**

In 2013, the City entered into a lease related to a City owned building at 5 Western Ave in the City of Cambridge. The lease is for approximately 20,200 square feet of office space and the agreement is for a 50 year term with the initial rent payment calculated at a per square foot rate of \$25.80 and increasing each January 1<sup>st</sup> by 1.0%.

For the year ended June 30, 2024, the City earned approximately \$457,240 in lease revenue and approximately \$380,993 in lease interest revenue related to its lessor leasing activities.

**(10) Retirement Plans**

**(a) City of Cambridge Retirement System**

The City of Cambridge Retirement System (the System) is a cost-sharing, multiple employer defined benefit pension plan 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 Retirement Board. As of December 31, 2023, the System provides pension benefits to the retired employees of four employers: the City of Cambridge, Cambridge Housing Authority, Cambridge Redevelopment Authority and Cambridge Health Alliance.

The System is a member of the Massachusetts Contributory System, which is governed by Chapter 32 of the Massachusetts General Laws (MGL). The System's separately issued financial report can be obtained by contacting the System.

Employees covered by the Contributory Retirement Law are classified into one of four groups depending on job classification. Group 1 comprises most positions in state and local government. It is the general category of public employees. Group 2 is a limited category for specified hazardous occupations. Group 3 is for State Police only. Group 4 comprises mainly police and firefighters.

For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is based on the member's final three-year average salary multiplied by the number of years and full months of

## CITY OF CAMBRIDGE, MASSACHUSETTS

### Notes to Basic Financial Statements

June 30, 2024

creditable service at the time of retirement and multiplied by a percentage based on the age of the member at retirement.

A member's final three-year average salary is defined as the greater of the highest consecutive three-year average annual rate of regular compensation or the average annual rate of regular compensation received during the last three years of creditable service prior to retirement.

For employees hired on April 2, 2012 or later, the annual amount of the retirement allowance is based on the member's final five year average salary multiplied by the number of years and full months of creditable service at the retirement and multiplied by a percentage based on the age and years of creditable service of the member at retirement.

A member's final five-year average salary is defined as the greater of the highest consecutive five-year average annual rate of regular compensation or the average annual rate of regular compensation received during the last five years of creditable service prior to retirement.

For employees who became members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a) (17). In addition, regular compensation for members who retire after April 2, 2012 will be limited to prohibit "spiking" a member's salary to increase the retirement benefit.

For all employees, the maximum annual amount of the retirement allowance is 80% of the member's final average salary. Any member who is a veteran also receives an additional yearly retirement allowance of \$15 per year of creditable service, not exceeding \$300. The veteran allowance is paid in addition to the 80% maximum.

*(i) Contributions*

Plan members are required to contribute to the System. Depending on their employment date, active members must contribute a range of 5% to 9% of their regular gross compensation. 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, which is apportioned among the employers based on active covered payroll. The contributions of plan members and the participating employers are governed by Chapter 32 of the MGL. The City's and CHA's actual contributions equaled or exceeded their required contributions to the System for the years ended June 30, 2024 were \$50,480,819 and \$11,983,513, respectively.

The Commonwealth is obligated to reimburse the System for a portion of the benefits payments for cost of living increases granted before July 1998 and records any related liability in their financial statements.

*(ii) Net Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions*

At June 30, 2024, the City reported a liability of \$188.1 million for its proportionate share of the System's net pension liability measured as of December 31, 2023. The City's proportion of the System's net pension liability was based on actual contributions to the System relative to the actual

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

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contributions of all participating employers. The amount recognized by the City as its proportionate share of the net pension liability includes the proportionate share related to the Cambridge Health Alliance special funding situation. The total portion of the net pension liability associated with the City at June 30, 2024 was as follows:

City's proportionate share of net pension liability	\$ 186,214,420
City's proportionate share of net pension liability associated with Cambridge Health Alliance	<u>1,892,968</u>
	<u>\$ 188,107,388</u>

To determine employers' proportionate share of the net pension liability, allocations of net pension liability were performed. At December 31, 2023, the City was allocated 73.85% (72.96% in the prior year) of the net pension liability related to the City and .75% (2.19% in the prior year) related to the Cambridge Health Alliance special funding situation described below based on the proportion of the 2023 required employer contributions.

For the year ended June 30, 2024, the City recognized pension expense (benefit) of \$36.6 million. At June 30, 2024, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Net differences between projected and actual investment earnings on pension plan investments	\$ 62,670,895	—
Net differences between expected and actual experience	16,635,271	13,682,909
Changes in employer proportion	4,393,761	5,669,411
Changes in assumptions	<u>26,096,565</u>	<u>—</u>
	<u>\$ 109,796,492</u>	<u>19,352,320</u>

Amounts reported as deferred outflows of resources at June 30, 2024 related to pensions will be recognized in pension expense (benefit) as follows:

2025	\$ 20,148,382
2026	23,893,025
2027	46,866,614
2028	(3,668,353)
2029	<u>3,204,504</u>
Total	<u>\$ 90,444,172</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

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For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported for the System.

(iii) *Actuarial Assumptions*

The total pension liability at December 31, 2023 was measured by an actuarial valuation as of January 1, 2024.. The following actuarial assumptions were applied to the measurement of the total pension liability at December 31, 2023:

Inflation	3.0 %
Salary increases	4.0 %
Investment rate of return	7.10 %
Cost of living adjustments	3.0% of first \$18,000 (effective 7/1/23)
Pre-retirement mortality	Group 1 and 2: Pub-2010 General Employee Amount-Weighted Mortality Table projected generationally using Scale MP-2021 Group 4: Pub-2010 Safety Employee Amount-Weighted Mortality Table projected generationally using Scale MP-2021
Healthy Retiree mortality	Group 1 and 2: Pub-2010 General Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables projected generationally using Scale MP-2021 Group 4: Pub-2010 Safety Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables projected generationally using Scale MP-2021
Disabled Retiree mortality	Group 1 and 2: Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table set forward one year projected generationally using Scale MP-2021 Group 4: Pub-2010 Disabled Retiree Amount-Weighted Mortality Table projected generationally using Scale MP-2021

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



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Notes to Basic Financial Statements

June 30, 2024

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2023 is summarized below:

<b>Asset class</b>	<b>Target asset allocation</b>	<b>Long-term expected real rate of return</b>
Cash	— %	0.95 %
Domestic equity	26.00	6.29
International developed markets equity	10.00	6.39
International emerging markets equity	10.00	7.63
Core fixed income	12.00	1.72
High yield fixed income	5.00	3.43
Real estate	9.00	3.24
Private equity	13.00	9.43
Emerging market debt	3.00	3.53
Bank Loan	3.00	3.05
Timber & Farmland	4.00	3.72
Infrastructure	5.00	5.72
	<u>100.00</u>	

(iv) *Discount Rate*

The discount rate used to calculate the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(v) *Sensitivity of the City's Proportionate Share of the System's Net Pension Liability (Asset)*

The following presents the City's proportionate share of the System's net pension liability (asset) calculated using the discount rate of 7.10% as well as what the City's proportionate share of the System's net pension liability would be if it were calculated using a discount rate that is 1% – point lower (6.10%) or 1%-point higher (8.10%) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current discount rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
June 30, 2024	\$ 363,531,914	188,107,388	40,839,775

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(b) Special Funding Situations**

*(i) Cambridge Health Alliance*

In accordance with the Administrative Service Agreement dated May 6, 1997, between the City of Cambridge (City) and the Cambridge Public Health Commission, which subsequently became the Cambridge Health Alliance (CHA), the City is contractually required to fund a portion of CHA's employer contribution to the System. Accordingly, a special funding situation as defined by GASB Statement No. 68 exists and the City is treated as a nonemployer contributing entity relative to the portion of the contribution it makes on behalf of CHA. As such, the City rather than CHA, records in its financial statements the net pension liability and deferred outflows and inflows of resources related to this special funding situation.

*(ii) Massachusetts Teachers' Retirement System*

Teachers, certain administrators, and other professionals of the School Department participate in a contributory defined benefit plan administered by the Massachusetts Teachers' Retirement System (MTRS). The MTRS arrangement qualifies as a special funding situation as the City has no obligation to contribute to this plan. Rather the Commonwealth funds plan benefits to the extent that funding is not provided through employee contributions. The Commonwealth's proportionate share of the collective net pension liability of MTRS associated with the City's employees as of the June 30, 2023 measurement date is \$347.2 million based on an employer allocation percentage of 1.321%. The Commonwealth contributed \$32.4 million on behalf of the City during the measurement period and the City reported the amount as an intergovernmental revenue and education expenditure in the General Fund.

**(11) Postemployment Benefits Other Than Pensions – GASB Statement 74 & 75**

The City sponsors and participates in a single employer defined benefit OPEB plan, the City of Cambridge Postemployment Benefits Plan (the Plan), that primarily provides healthcare, in accordance with state statute and City ordinance, to participating retirees and their beneficiaries. City ordinance grants the authority to the City to establish a healthcare benefit trust fund for purposes of providing retiree healthcare benefits to employees of the City. The Plan is administered by the City and does not issue a stand-alone financial report.

**(a) Benefits Provided**

Medical and prescription drug benefits are provided to all eligible retirees not enrolled in Medicare through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim HealthCare, and Tufts Health Plan. Medical and prescription drug benefits are provided to retirees enrolled in Medicare through supplemental and Medicare Advantage plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim HealthCare, and Tufts Health Plan.

Groups 1, 2 and 4 retirees, including teachers, with at least 10 years of creditable service are eligible at age 55 or they may retire after a total of 20 years of creditable service regardless of age. Retirees on accidental disability retirement are eligible at any age, while ordinary disability requires 10 years of creditable service. The surviving spouse is eligible to receive pre and postretirement death benefits, as well as medical and prescription drug coverage.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

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**(b) The Plan (GASB Statement No. 74)**

*(i) Employees Covered by the Benefit Terms*

As of June 30, 2024, the following employees meet the eligibility requirements as put forth in Chapter 32B of M.G.L.:

	<u>City</u>
Active Plan members	3,299
Inactive members receiving benefits	<u>2,765</u>
Total membership	<u>6,064</u>
Total number of participating employers	1

*(ii) Contributions*

Employer and employee contribution rates are governed by the respective collective bargaining agreements. The Plan is currently funded on a pay-as-you-go basis plus additional City advance funding contributions as amounts are available. The City made additional contributions of \$2 million in fiscal 2024. The City and plan members share the cost of benefits. Plan members contribute 12% to 25% of the monthly premium cost, depending on the plan in which they are enrolled. The City contributes the balance of the premium cost.

In January 2009, the Commonwealth adopted Chapter 479, which amends Chapter 32B and allows local municipalities to establish an OPEB liability trust fund and a funding schedule for the trust fund and, on December 21, 2009, the City Council approved the establishment of an irrevocable OPEB trust fund.

*(iii) Actuarial Methods and Assumptions*

The total OPEB liability at June 30, 2024 was measured based on the June 30, 2023 valuation rolled forward to the June 30, 2024 measurement date using the following assumptions:

*Salary Increase.* 3.5%.

*Actuarial Cost Method and Amortization Period.* The entry age normal cost method based on level percentage of projected salary.

*Mortality.* PUB-2010 table with generational scale MP-2021.

*Healthcare cost trend rates.* Trend rates begin with 6.75% (non-Medicare) and 5.75% (Medicare) and decrease 0.25% annually to an ultimate rate of 4.0%.

*Discount Rate.* The discount rate used to measure the total OPEB liability for the City is 4.00% per annum. The rate is based on a blend of the 20 year Bond Buyer GO index at June 30, 2024 of 3.93% and the expected long-term OPEB trust investment rate of return of 4.5%. The Plan's net position was not projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected OPEB trust investment rate of return of 4.5%

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

was not applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate used for June 30, 2023 was assumed to be 3.74% and is also based on a blend of the 20 year Bond Buyer GO index and the City's expected return on assets.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Equity	50 %	7.0 %
Fixed income	50	2.0
Total	<u>100 %</u>	

(iv) *Net OPEB Liability – The Plan (GASB Statement No. 74)*

The components of the net OPEB liability for the Plan as of June 30, 2024 and the actuarial valuation assumptions as outlined above.

	<u>The plan</u>
Total OPEB Liability	\$ 789,516,419
Fiduciary net position	<u>(39,672,568)</u>
City's net OPEB liability	\$ <u>749,843,851</u>
Fiduciary net position as a percentage of the total OPEB liability	5.02%

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

(v) *Change in the Net OPEB Liability – Plan (GASB Statement No. 74)*

	<b>Increase (decrease)</b>		
	<b>Total OPEB liability</b>	<b>Plan fiduciary net position</b>	<b>Net OPEB liability</b>
Balances at July 1, 2023	\$ 789,996,849	33,968,931	756,027,918
Changes for the year:			
Service cost	26,664,444	—	26,664,444
Interest	30,060,346	—	30,060,346
Difference between expected and actual experience	—	—	—
Changes in assumptions	(31,387,764)	—	(31,387,764)
Contribution – employer	—	27,817,456	(27,817,456)
Net investment income	—	3,763,632	(3,763,632)
Benefit payments	(25,817,456)	(25,817,456)	—
Administrative expenses	—	(59,995)	59,995
Net changes	<u>(480,430)</u>	<u>5,703,637</u>	<u>(6,184,067)</u>
Balances at June 30, 2024	<u>\$ 789,516,419</u>	<u>39,672,568</u>	<u>749,843,851</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

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*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the City, calculated using the discount rates disclosed as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as of June 30, 2024 (in thousands):

	<u>Current rate</u>		<u>1% Decrease of current rate</u>		<u>Current discount rate</u>		<u>1% Increase of current rate</u>
Net OPEB liability	4.00 %	\$	885,203		749,844		642,085

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or cost trend rates that are 1-percentage point higher than the current healthcare cost trend rates (in thousands):

		<u>1% Decrease of current rate</u>		<u>Current discount rate</u>		<u>1% Increase of current rate</u>
Net OPEB liability	\$	629,881		749,844		903,905

(vi) *Annual Money Weighted Return*

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense was 10.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(vii) *Condensed Statement of OPEB Net Position*

Cash and cash equivalents	\$	169,911
Investments, at fair value:		
Fixed income securities		13,440,283
Equities		<u>26,062,374</u>
Total investments		<u>39,502,657</u>
Held in trust for OPEB benefits	\$	<u><u>39,672,568</u></u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

(viii) *Condensed Statement of Changes in OPEB Net Position*

Additions:	
Contributions:	
Employers	\$ <u>27,817,456</u>
Total contributions	<u>27,817,456</u>
Investment earnings:	
Interest and dividends	915,228
Net appreciation in the fair value of investments	<u>2,848,404</u>
Net investment earnings	<u>3,763,632</u>
Total additions	<u>31,581,088</u>
Deductions:	
Benefits	25,817,456
Administrative expenses	<u>59,995</u>
Total deductions	<u>25,877,451</u>
Change in net position	5,703,637
Net position, beginning of year	<u>33,968,931</u>
Net position, end of year	<u>\$ <u>39,672,568</u></u>

**(c) Employer (City) OPEB (GASB Statement No. 75)**

The City's net OPEB liability was measured at June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

(i) *Employees Covered by the Benefit Terms*

As of the June 30, 2023 actuarial valuation date, the following employees meet the eligibility requirements as put forth in Chapter 32B of M.G.L.:

	<u>City</u>
Active Plan members	3,299
Inactive members receiving benefits	<u>2,765</u>
Total membership	<u>6,064</u>
Total number of participating employers	1

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Notes to Basic Financial Statements

June 30, 2024

(ii) *Actuarial Methods and Assumptions*

The total OPEB liability at June 30, 2023 was measured based on the June 30, 2023 valuation and using the following assumptions:

*Salary Increase: 3.5%.*

*Actuarial Cost Method and Amortization Period.* The entry age normal cost method based on level percentage of projected salary.

*Mortality.* PUB-2010 table with generational scale MP-2021.

*Healthcare cost trend rates.* Trend rates begin with 6.75% (non-Medicare) and 5.75% (Medicare) and decrease 0.25% annually to an ultimate rate of 4.0%.

*Discount Rate.* The discount rate used to measure the total OPEB liability for the City is 3.74% per annum. The rates are based on a blend of the 20 year Bond Buyer GO index at June 30, 2023, of 3.65% and the expected long-term OPEB trust investment rate of return of 4.5%. The Plan's net position was not projected to be available to make all projected future benefit payments for current Plan members. Therefore, the long-term expected OPEB trust investment rate of return of 4.5% was not applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate used for June 30, 2022 was assumed to be 3.62% and is also based on a blend of the 20 year Bond Buyer GO index and the City's expected investment rate of return on assets.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Equity	50 %	7.0 %
Fixed income	50	2.0
Total	<u>100 %</u>	



**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

(iii) *Change in the Net OPEB Liability – Plan (GASB Statement No. 75)*

		<b>Increase (decrease)</b>	
	<b>Total OPEB liability</b>	<b>Plan fiduciary net position</b>	<b>Net OPEB liability</b>
Balances at July 1, 2022	\$ 789,099,009	29,020,459	760,078,550
Changes for the year:			
Service cost	39,646,284	—	39,646,284
Interest	29,558,617	—	29,558,617
Difference between expected and actual experience	(31,823,632)	—	(31,823,632)
Changes in assumptions	(12,065,582)	—	(12,065,582)
Contribution – employer	—	26,417,847	(26,417,847)
Net investment income	—	3,000,421	(3,000,421)
Benefit payments	(24,417,847)	(24,417,847)	—
Administrative expenses	—	(51,949)	51,949
Net changes	<u>897,840</u>	<u>4,948,472</u>	<u>(4,050,632)</u>
Balances at June 30, 2023	\$ <u>789,996,849</u>	<u>33,968,931</u>	<u>756,027,918</u>

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the City, calculated using the discount rates disclosed as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate as of June 30, 2023 (in thousands):

	<b>Current rate</b>	<b>1% Decrease of current rate</b>	<b>Current discount rate</b>	<b>1% Increase of current rate</b>
Net OPEB liability	3.74 % \$	891,470	756,028	648,204

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

were calculated using healthcare cost trend rates that are 1-percentage point lower or cost trend rates that are 1-percentage point higher than the current healthcare cost trend rates (in thousands):

	<u>1%</u> <u>Decrease of</u> <u>current rate</u>	<u>Current</u> <u>discount rate</u>	<u>1%</u> <u>Increase of</u> <u>current rate</u>
Net OPEB liability	\$ 635,992	756,028	910,183

**(d) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024 the City recognized OPEB expense of \$52.9 million.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB Trust from the following sources (in thousands):

	<u>Deferred</u> <u>outflows</u>	<u>Deferred</u> <u>inflows</u>
Difference between expected and actual experience	\$ —	34,484
Changes in assumptions	28,706	134,171
Net difference between projected and actual earnings on OPEB plan investments	—	3,121
Contributions subsequent to the measurement date	<u>27,817</u>	<u>—</u>
	<u>\$ 56,523</u>	<u>171,776</u>

Contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

<u>Fiscal year</u>	<u>Amount</u>
2025	\$ (32,288)
2026	(56,128)
2027	(45,892)
2028	<u>(8,762)</u>
Total	<u>\$ (143,070)</u>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(12) Securities Lending**

The Public Employment Retirement Administration Commission of Massachusetts (PERAC) has issued supplemental regulations that permit the System to engage in securities lending transactions. The System has entered into a Securities Lending Agreement (the Agreement) with a third party to act as the System's sub-custodian/agent for the purposes of managing a securities lending program.

The System lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102 percent of fair market value for domestic securities and 105 percent for international securities not denominated in U.S. dollars.

Types of collateral received from borrowers for securities loaned are cash and non-cash. The sub-custodian is authorized to invest the cash collateral in Approved Investments, as defined in the Agreement. Non-cash collateral received is not recorded in the accompanying financial statements as the System cannot pledge or sell the non-cash collateral except in the event of a borrower default.

As of December 31, 2023, the fair value of securities on loan was \$8.7 million. The associated collateral was \$8.9 million, of which \$2.9 million was cash collateral and \$6.0 million was non-cash.

The Agreement limits the maturity value of any Approved Investment, as defined, to maximum of 397 days, except U.S. government securities, which shall have a final maturity not exceeding 762 days.

At year-end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The Agreement indemnifies the System if the borrowers fail to return the securities (and the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

As of December 31, 2023, there were no violations of legal or contractual provisions. The System has not experienced any losses resulting from the default of a borrower or lending agent during the year ended December 31, 2023.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(13) Transfers**

This schedule provides a summary of the City's transfers to various funds based on budgeted appropriations. The City budgets in the General fund and transfers the amounts related to fund capital projects, affordable housing and the use of parking revenues used to fund eligible general government expenses.

Transfers and their purposes during the year ended June 30, 2024 were as follows:

	Governmental funds					Proprietary fund
	General	Capital	Affordable housing trust fund	City Grants	Other	Enterprise fund water
General – to fund capital expenditures \$	(18,903,087)	18,903,087	—	—	—	—
General – mitigation revenues to fund eligible capital expenditures	(251,000)	251,000	—	—	—	—
Parking – to fund administrative costs and other eligible City expenditures	21,115,695	2,450,000	—	—	(23,565,695)	—
General – Opioid Stabilization to Opioid Grant fund	(200,000)	—	—	—	200,000	—
Capital – to fund eligible CDBG program costs	—	176,670	—	—	(176,670)	—
Water – to fund administrative costs	727,770	—	—	—	—	(727,770)
General fund to/from Affordable housing Fund	(24,645,750)	—	24,645,750	—	—	—
Affordable housing fund to/from CPA Fund	—	—	16,480,000	—	(16,480,000)	—
<b>Total</b>	<b>\$ (22,156,372)</b>	<b>21,780,757</b>	<b>41,125,750</b>	<b>—</b>	<b>(40,022,365)</b>	<b>(727,770)</b>

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

**(14) Fund Balance Classification Details**

The components of fund balance for the City's governmental funds as of June 30, 2024, are as follows.

	<u>General fund</u>	<u>Capital fund</u>	<u>Affordable housing trust fund</u>	<u>City grants funds</u>	<u>Other governmental fund</u>
Fund balances (deficit):					
Nonspendable:					
Deposits	\$ 2,891,066	—	—	—	—
Restricted:					
Property and development	—	59,665,085	—	—	17,969,437
Streets and sidewalks	—	17,982,254	—	—	—
Parks and recreation	—	29,720,394	—	—	7,701,187
Sewer projects	—	66,601,994	—	—	—
Library	—	642,929	—	—	—
Schools	—	36,522,791	—	—	—
General government	—	3,833,609	—	—	—
Other City Grants Fund:					
General government	—	—	—	11,385,819	—
Human services	—	1,205,796	—	5,341,541	—
Aggregation Adder Fund	—	—	—	—	3,311,334
School Grants Fund Federal/State	—	—	—	—	5,596,011
Opioid Settlement Receipts Fund	—	—	—	—	2,402,519
Committed:					
Parking fund	—	—	—	—	3,137,624
Health claims	39,633,750	—	—	—	—
Budget stabilization	63,886,289	—	—	—	—
Affordable housing	—	—	195,002,136	—	—
Assigned:					
Subsequent year's expenditures	32,935,000	—	—	—	—
Unassigned (deficit)	<u>248,109,955</u>	<u>—</u>	<u>—</u>	<u>(14,537,647)</u>	<u>—</u>
Total fund balances (deficit)	\$ <u>387,456,060</u>	<u>216,174,852</u>	<u>195,002,136</u>	<u>2,189,713</u>	<u>40,118,112</u>

The City Grants fund deficit is expected to be funded with future federal grants that are not yet awarded.

**(a) Stabilization Funds**

In accordance with section 5B of Chapter 40 of the Massachusetts General Laws, the City of Cambridge has established Stabilization Funds for four different purposes. This allows the municipality to reserve funds for specific events or purpose. Such stabilization funds are established with a council 2/3rd approval vote.

The City Stabilization fund was the first set up in the mid 1990's as a statutory reserve account that may be used for purposes for which city debt would ordinarily be used. The funds are available to subsidize debt payments during economic downturns and periods for which debt service payments rise due to large construction projects such as a school building.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

During October of 2016, the City Council voted to establish the Mitigation Stabilization and the Community Benefits Stabilization funds. The Mitigation Stabilization fund is used to accumulate revenues received from developers through the City's permitting or Zoning amendment process stipulated for specific infrastructure projects. The Community Benefits Stabilization fund accumulates revenues received with the enactment of an amendment to the City's Zoning Ordinance or other agreements earmarked for Community Benefits. During June of 2023, the City Council voted to establish the Universal Pre-Kindergarten Stabilization fund. This fund was established for the purpose of programs and services related to establishing, maintaining, and expanding a Universal Pre-Kindergarten program and other early childhood programs in the City of Cambridge. During October of 2023, the City Council voted to establish the Opioid Stabilization fund. This was established in accordance with the requirements of the opioid settlement agreement through the Commonwealth of Massachusetts. All Stabilization funds require a 2/3rd council approval to transfer revenues in or out of the funds.

The Stabilization balances as of June 30, 2024 are as follows:

City Stabilization fund	\$	41,809,358
Mitigation Stabilization fund		8,506,637
Community Benefits Stabilization fund		1,866,562
Universal Pre-Kindergarten Stabilization fund		10,000,000
Opioid Stabilization fund		<u>1,703,732</u>
Total Stabilization funds	\$	<u>63,886,289</u>

In accordance with GASB 54 requirements, balances in the Stabilization funds are classified as committed.

**(b) Commitments and Contingencies**

The City has \$8.8 million in encumbrances for purchase orders and contracts in the General Fund, \$230.6 million in the Capital Fund, \$16.7 million in the City Grant Funds, and \$3.5 million in the Other Governmental Funds.

**(15) 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. 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 property and casualty, workers' compensation and unemployment claims.

The City has medical plans with Tufts, Harvard Pilgrim and Blue Cross/Blue Shield under which it makes actual claims payments. The medical plan providers act as claim processors and a transfer of risk does not occur. Approximately 90% of the City's employees participate in the self-insured plan with the remainder electing preferred provider plans that are premium based. The amount of settlements did not exceed insurance coverage for premium based health insurance elections for fiscal years ended June 30, 2024, 2023, and 2022.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Basic Financial Statements

June 30, 2024

Active employees contribute at least 12% 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 are currently enrolled in indemnity plans and 15% for those who enroll in HMO type plans. The City does not carry stop-loss insurance.

The City has established a liability based on historical trends of previous years and attorney's estimates of pending matters and lawsuits in which the City is involved.

Changes in the self-insurance liability for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Judgments and accrued claims, beginning of year	\$ 20,389,100	19,327,100
Incurred claims	82,499,663	79,570,451
Less payments of claims attributable to events of both current and prior fiscal years	<u>(77,222,663)</u>	<u>(78,508,451)</u>
Judgments and accrued claims, end of year	<u>\$ 25,666,100</u>	<u>20,389,100</u>

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years.

There are numerous pending matters and lawsuits in which the City is involved. The City attorneys' estimate that the potential claims against the City not recorded in the accompanying basic financial statements resulting from such litigation would not materially affect the basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Required Supplementary Information

Schedule of Employer OPEB Contributions

(Dollars in thousands)

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution (ADC)	\$ 64,186	75,763	48,450	47,760	49,857	45,818	36,817	36,817
Contributions in relation to the actuarially determined contribution	27,818	26,418	24,151	23,460	25,120	24,193	22,732	22,271
Contribution deficiency (excess)	\$ 36,368	49,345	24,299	24,300	24,737	21,625	14,085	14,546
Covered payroll	\$ 275,067	260,757	249,105	240,681	245,281	236,987	238,710	196,095
Contributions as a percentage of covered payroll	10.11 %	10.13 %	9.70 %	9.75 %	10.24 %	10.21 %	9.52 %	11.36 %

Actuarial Determined Contribution

The City's funding strategy is to contribute an incremental \$2 million to its OPEB trust fund above and beyond the pay as you go amount.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.



**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 Required Supplementary Information  
 Schedule of Changes in the City's Net OPEB Liability and Related Ratios  
 (Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:								
Service Cost	\$ 26,664,444	39,646,284	38,261,228	25,244,849	24,667,627	21,565,086	20,749,626	19,965,001
Interest Cost	30,060,346	29,558,617	22,182,324	22,588,802	27,330,585	25,308,994	25,372,266	24,607,849
Differences between expected and actual experience	—	(31,823,632)	—	(23,138,935)	—	8,829,767	—	—
Changes in assumptions or other inputs	(31,387,764)	(12,065,582)	(190,668,098)	(12,578,096)	190,345,545	64,557,764	(27,084,632)	(53,438,652)
Benefit payments	(25,817,456)	(24,417,847)	(22,151,349)	(21,460,536)	(23,119,795)	(22,192,854)	(20,732,507)	(20,271,000)
Net change in OPEB liability	(480,430)	897,840	(152,375,895)	(9,343,916)	219,223,962	98,068,757	(1,695,247)	(29,136,802)
Total OPEB liability - beginning	<u>789,996,849</u>	<u>789,099,009</u>	<u>941,474,904</u>	<u>950,818,820</u>	<u>731,594,858</u>	<u>633,526,101</u>	<u>635,221,348</u>	<u>664,358,150</u>
Total OPEB liability - ending	<u>789,516,419</u>	<u>789,996,849</u>	<u>789,099,009</u>	<u>941,474,904</u>	<u>950,818,820</u>	<u>731,594,858</u>	<u>633,526,101</u>	<u>635,221,348</u>
Plan fiduciary net position:								
Contributions - employer	27,817,456	26,417,847	24,151,349	23,460,536	25,119,795	24,192,854	22,732,507	22,271,000
Net investment income	3,763,632	3,000,421	768,885	3,636,817	299,544	1,634,141	(3,643)	589,155
Benefit payments	(25,817,456)	(24,417,847)	(22,151,349)	(21,460,536)	(23,119,795)	(22,192,854)	(20,732,507)	(20,271,000)
Admin. Expense	(59,995)	(51,949)	(47,599)	(36,465)	(23,173)	(57,869)	(63,412)	(23,551)
Net change in plan fiduciary net position	5,703,637	4,948,472	2,721,286	5,600,352	2,276,371	3,576,272	1,932,945	2,565,604
Plan fiduciary net position - beginning	<u>33,968,931</u>	<u>29,020,459</u>	<u>26,299,173</u>	<u>20,698,821</u>	<u>18,422,450</u>	<u>14,846,178</u>	<u>12,913,233</u>	<u>10,347,629</u>
Plan fiduciary net position - ending	<u>39,672,568</u>	<u>33,968,931</u>	<u>29,020,459</u>	<u>26,299,173</u>	<u>20,698,821</u>	<u>18,422,450</u>	<u>14,846,178</u>	<u>12,913,233</u>
City's net OPEB liability - ending	<u>\$ 749,843,851</u>	<u>756,027,918</u>	<u>760,078,550</u>	<u>915,175,731</u>	<u>930,119,999</u>	<u>713,172,408</u>	<u>618,679,923</u>	<u>622,308,115</u>
Plan fiduciary net position as a percentage of the OPEB liability	5.02 %	4.30 %	3.68 %	2.79 %	2.18 %	2.52 %	2.34 %	2.03 %
Covered payroll	\$ 275,067,089	260,756,779	249,104,808	240,680,974	245,281,000	236,986,885	238,709,766	196,094,885
City's net OPEB liability as a percentage of covered payroll	272.6 %	289.9 %	305.1 %	380.2 %	379.2 %	300.9 %	259.2 %	317.4 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Required Supplementary Information

Notes to Schedule of Changes in the City's Net OPEB Liability and Related Ratios

(Unaudited)

Changes of assumptions	Amount of change TPL	Description
2024:	\$ (31,387,764)	Discount rate increased from 3.74% to 4.00%
2023:	\$ (12,065,582)	Discount rate increased from 3.62% to 3.74% The Healthcare cost trend assumption for non-Medicare was decreased from beginning with 7.0% to begin with 6.75% and the Medicare healthcare cost trend was decreased from beginning with 6.0% to begin with 5.75%. The mortality assumption was updated from PUB-2010 table scaled using Scale MP-2020, applied on a gender-specific basis to PUB-2010 mortality table with generational scale MP-2021
2022:	\$ (190,668,098)	Discount rate increased from 2.29% to 3.62% The Healthcare cost trend assumption for non-Medicare was decreased from beginning with 7.25% to begin with 7.0% and the Medicare healthcare cost trend was decreased from beginning with 6.25% to begin with 6.0%.
2021:	\$ (12,578,096)	Discount rate increased from 2.34% to 2.29% The Healthcare cost trend assumption for non-Medicare was increased from beginning with 5.5% to begin with 7.25% and the Medicare healthcare cost trend was increased from beginning with 4.5% to begin with 6.25%. The mortality assumption was updated from PUB-2010 table scaled using Scale MP-2018, applied on a gender-specific basis to PUB-2010 mortality table with generational scale MP-2020 The Excise Tax (ACA Cadillac Tax) on high cost employer-sponsored health plans was replaced by a Bill in December 2019. This bill fully repealed the excise tax, and therefore is no longer considered a liability in the valuation.
2020:	\$ 190,345,545	Discount rate decreased from 3.67% to 2.34% The Healthcare cost trend assumption for non-Medicare was reduced from beginning with 6.0% to begin with 5.5% and the Medicare healthcare cost trend was reduced from beginning with 5.0% to begin with 4.5%.
2019:	\$ 64,557,764	Discount rate decreased from 3.93% to 3.67% The mortality assumption was updated from RP-2014 generational table using Scale MP-2017, applied on a gender-specific basis to PUB-2010 table scaled using Scale MP-2018, applied on a gender-specific basis. The inflation assumption was increased from 2.5% to 3.0% The Healthcare cost trend assumption for non-Medicare was reduced from beginning with 6.5% to begin with 6.0% and the Medicare healthcare cost trend was reduced from beginning with 5.5% to begin with 5.0%. The investment target allocation for Equity was reduced from 55% to 50%, the investment target allocation for Fixed Income was increased from 40% to 50%, and the investment target allocation for Cash was reduced from 5% to zero.
2018:	\$ (27,084,632)	Discount rate increased from 3.65% to 3.93% The Healthcare cost trend assumption for non-Medicare was reduced from beginning with 7.0% to begin with 6.5% and the Medicare healthcare cost trend was reduced from beginning with 6.0% to begin with 5.5%.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 Required Supplementary Information  
**Schedule of Investment Returns – Cambridge OPEB Trust Fund**  
 (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	10.90 %	10.20 %	2.70 %	17.00 %	1.50 %	10.50 %	(0.50)%	5.47 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS  
 Required Supplementary Information  
**Schedule of Pension Contributions – City of Cambridge**  
 (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 50,480,819	45,363,955	40,752,795	36,675,807	34,725,997	32,247,663	30,772,819	30,523,432	28,665,468	27,505,315
Contributions in relation to the actuarially determined contribution	50,780,819	45,663,955	41,052,795	36,975,807	35,025,997	32,547,663	31,072,819	30,823,432	28,965,468	27,805,315
Contribution deficiency (excess)	\$ (300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Covered payroll	\$ 178,314,695	166,884,661	156,697,570	151,520,779	145,977,063	138,664,148	133,664,659	127,847,305	122,094,246	135,002,508
Contributions as a percentage of covered payroll	28.48 %	27.36 %	26.20 %	24.40 %	23.99 %	23.47 %	23.25 %	24.11 %	23.72 %	20.60 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS  
 Required Supplementary Information  
 Schedule of City's Proportionate Share of the Net Pension Liability  
 (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	74,600724 %	75,150725 %	75,680723 %	76,350725 %	76,520724 %	75,216558 %	75,922581 %	76,792582 %	76,337126 %	77,532583 %
City's proportionate share of the net pension liability	\$ 188,107,388	222,397,503	2,829,921	125,468,822	183,560,092	240,258,089	137,962,572	181,785,216	212,198,096	121,984,750
City's covered payroll	200,534,069	188,081,720	179,714,385	174,895,808	164,910,395	158,786,533	152,037,721	143,648,191	144,783,082	135,002,508
City's proportionate share of the net pension liability as a percentage of covered payroll	106.61 %	84.57 %	6,350.51 %	139.39 %	89.84 %	66.09 %	110.20 %	79.02 %	68.23 %	110.67 %
City of Cambridge Retirement System fiduciary net position as a percentage of the total pension liability	87.60 %	84.60 %	99.80 %	90.65 %	85.81 %	79.89 %	88.02 %	83.08 %	80.00 %	87.51 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule excludes covered payroll for CHA special funding situation

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
**Schedule of Revenues and Expenditures – Budgetary Basis**  
Required Supplementary Information  
**General Fund – Budget and Actual**  
Year ended June 30, 2024  
(Unaudited)  
(with comparative actual amounts for 2023)

	2024 Original budget	2024 Final budget	2024 Actual	Variance favorable (unfavorable)	2023 Actual
<b>Revenues:</b>					
Property taxes	\$ 575,418,489	575,418,489	575,418,489	—	531,428,571
Provisions for tax abatements and adj.	(4,500,000)	(4,500,000)	(4,421,864)	78,136	(4,124,387)
Payments in lieu of tax receipts	8,000,000	8,000,000	8,683,470	683,470	8,454,819
Hotel/motel/meals/other excise tax	20,178,000	20,178,000	24,753,003	4,575,003	21,806,512
Intergovernmental	53,789,946	53,789,946	49,795,690	(3,994,256)	49,057,624
Sewer use	67,537,255	67,537,255	70,622,019	3,084,764	65,433,035
Motor vehicle excise	8,009,627	8,009,627	8,223,367	213,740	8,305,021
Investment income	6,660,000	6,660,000	16,167,602	9,507,602	8,731,886
Other	76,236,211	76,236,210	101,227,845	24,991,635	82,350,221
Total revenues	<u>811,329,528</u>	<u>811,329,527</u>	<u>850,469,621</u>	<u>39,140,094</u>	<u>771,443,302</u>
<b>Expenditures:</b>					
Current:					
General government	67,437,660	67,568,185	49,247,379	18,320,806	56,967,085
Public safety	186,155,455	186,189,265	180,918,279	5,270,986	175,781,189
Community maintenance and development	114,641,470	114,876,333	109,204,600	5,671,733	74,261,913
Human resource development	80,736,528	80,934,372	74,828,877	6,105,495	65,935,689
Education	245,000,000	245,000,000	241,075,839	3,924,161	229,359,430
Judgments and claims	500,000	8,825,000	8,603,303	221,697	13,697,187
State and district assessments	72,503,140	74,635,805	70,737,241	3,898,564	66,680,814
Debt service:					
Principal	67,254,000	67,254,000	67,253,998	2	66,258,737
Interest	22,331,875	22,331,875	22,131,201	200,674	20,730,242
Total expenditures	<u>856,560,128</u>	<u>867,614,835</u>	<u>824,000,717</u>	<u>43,614,118</u>	<u>769,672,286</u>
Excess (deficiency) of revenues over expenditures	<u>(45,230,600)</u>	<u>(56,285,308)</u>	<u>26,468,904</u>	<u>82,754,212</u>	<u>1,771,016</u>
<b>Other financing sources (uses):</b>					
Operating transfers in (out):					
Special revenue funds	22,155,830	22,155,830	21,115,695	(1,040,135)	19,983,983
Capital projects funds	(6,943,000)	(6,943,000)	(18,903,087)	(11,960,087)	(47,910,631)
Trust funds	27,290,000	27,290,000	3,295,268	(23,994,732)	14,580,438
Enterprise fund	727,770	727,770	727,770	—	(1,628,501)
Total other financing sources (uses)	<u>43,230,600</u>	<u>43,230,600</u>	<u>6,235,646</u>	<u>(36,994,954)</u>	<u>(14,974,711)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,000,000)</u>	<u>(13,054,708)</u>	<u>\$ 32,704,550</u>	<u>45,759,258</u>	<u>(13,203,695)</u>
<b>Other budget items:</b>					
Free cash appropriations	—	11,054,708			
Overlay surplus	2,000,000	2,000,000			
Total other budget items	<u>2,000,000</u>	<u>13,054,708</u>			
Net budget and actual	<u>\$ —</u>	<u>—</u>			

See accompanying independent auditors' report and notes to required supplementary information.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Notes to Required Supplementary Information – Schedule of Revenues and Expenditures

Year ended June 30, 2024

(Unaudited)

The City’s general fund budget is prepared on a basis other than accounting principles generally accepted in the United States of America (GAAP). The “actual” results column in the statement of revenues and expenditures – budgetary basis – general fund is 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, where applicable, are that:

Revenues are recorded when cash is received except for real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP).

Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget) but have no effect on GAAP expenditures.

Certain activities and transactions are presented in separate funds (GAAP), rather than as components of the general fund (budget).

Amounts raised for the prior years’ deficits and available funds from prior years’ surpluses are recorded as revenue items (budget) but have no effect on GAAP revenues.

In addition, there are certain differences in classifications between revenues, expenditures, and transfers.

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 2024:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>
As reported on a budgetary basis	\$ 850,469,621	824,000,717	6,235,646
Adjustments:			
Revenues to modified accrual basis	32,226,885	—	—
Expenditures, encumbrances and accruals, net	—	(24,524,204)	—
On-behalf contribution for teachers pension	32,417,328	32,417,328	—
Reclassification:			
Premium on debt issuance	—	—	736,469
Transfers not reported on a Budgetary/GAAP basis	<u>—</u>	<u>—</u>	<u>(28,392,018)</u>
As reported on a GAAP basis	\$ <u>915,113,834</u>	<u>831,893,841</u>	<u>(21,419,903)</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
General government:			
Mayor:			
Salaries and wages	\$ 757,625	607,743	149,882
Other ordinary maintenance	186,130	112,116	74,014
Travel and training	29,500	2,800	26,700
Total Mayor	<u>973,255</u>	<u>722,659</u>	<u>250,596</u>
City Manager:			
Salaries and wages	6,554,485	5,429,158	1,125,327
Other ordinary maintenance	1,811,300	1,526,034	285,266
Travel and training	101,710	65,461	36,249
Total City Manager	<u>8,467,495</u>	<u>7,020,653</u>	<u>1,446,842</u>
City Council:			
Salaries and wages	2,462,990	2,403,103	59,887
Other ordinary maintenance	179,500	123,318	56,182
Travel and training	75,200	35,142	40,058
Total City Council	<u>2,717,690</u>	<u>2,561,563</u>	<u>156,127</u>
City Clerk:			
Salaries and wages	1,583,930	1,579,772	4,158
Other ordinary maintenance	230,210	212,852	17,358
Travel and training	4,420	531	3,889
Total City Clerk	<u>1,818,560</u>	<u>1,793,155</u>	<u>25,405</u>
Law:			
Salaries and wages	2,907,000	2,896,870	10,130
Other ordinary maintenance	1,031,400	819,891	211,509
Travel and training	14,245	6,729	7,516
Total law	<u>3,952,645</u>	<u>3,723,490</u>	<u>229,155</u>
Finance:			
Salaries and wages	16,125,035	15,365,991	759,044
Other ordinary maintenance	8,377,055	7,661,806	715,249
Travel and training	149,275	100,058	49,217
Extraordinary expenditures	62,800	62,169	631
Total finance	<u>24,714,165</u>	<u>23,190,024</u>	<u>1,524,141</u>



CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Employment benefits:			
Salaries and wages	\$ 14,831,225	1,396,955	13,434,270
Other ordinary maintenance	936,460	885,185	51,275
Travel and training	280,000	188,990	91,010
Total employment benefits	<u>16,047,685</u>	<u>2,471,130</u>	<u>13,576,555</u>
Human resources:			
Salaries and wages	2,686,580	2,278,591	407,989
Other ordinary maintenance	1,192,550	936,475	256,075
Travel and training	281,500	149,579	131,921
Total human resources	<u>4,160,630</u>	<u>3,364,645</u>	<u>795,985</u>
Election commission:			
Salaries and wages	1,609,850	1,566,050	43,800
Other ordinary maintenance	792,000	613,179	178,821
Travel and training	6,770	1,199	5,571
Total election commission	<u>2,408,620</u>	<u>2,180,428</u>	<u>228,192</u>
Public celebrations:			
Salaries and wages	912,385	862,857	49,528
Other ordinary maintenance	707,650	680,085	27,565
Travel and training	1,325	250	1,075
Total public celebrations	<u>1,621,360</u>	<u>1,543,192</u>	<u>78,168</u>
Reserve:			
Other ordinary maintenance	5,000	—	5,000
Total reserve	<u>5,000</u>	<u>—</u>	<u>5,000</u>
Animal commission:			
Salaries and wages	655,495	655,494	1
Other ordinary maintenance	20,435	19,819	616
Travel and training	5,150	1,127	4,023
Total animal commission	<u>681,080</u>	<u>676,440</u>	<u>4,640</u>
Total general government	<u>67,568,185</u>	<u>49,247,379</u>	<u>18,320,806</u>
Public safety:			
Community safety:			
Salaries and wages	1,487,105	1,487,102	3
Other ordinary maintenance	1,540,325	532,312	1,008,013
Travel and training	19,000	11,853	7,147
Extraordinary expenditures	24,000	4,846	19,154
Total community safety admin	<u>3,070,430</u>	<u>2,036,113</u>	<u>1,034,317</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Fire:			
Salaries and wages	\$ 67,006,630	66,170,746	835,884
Other ordinary maintenance	2,633,590	2,452,463	181,127
Travel and training	626,500	605,468	21,032
Extraordinary expenditures	<u>195,000</u>	<u>178,003</u>	<u>16,997</u>
Total fire	<u>70,461,720</u>	<u>69,406,680</u>	<u>1,055,040</u>
Police:			
Salaries and wages	74,003,565	73,392,983	610,582
Other ordinary maintenance	3,240,875	3,067,546	173,329
Travel and training	382,500	289,802	92,698
Extraordinary expenditures	<u>740,500</u>	<u>689,699</u>	<u>50,801</u>
Total police	<u>78,367,440</u>	<u>77,440,030</u>	<u>927,410</u>
Traffic and parking:			
Salaries and wages	12,330,870	11,318,942	1,011,928
Other ordinary maintenance	4,417,040	3,897,224	519,816
Travel and training	181,000	153,093	27,907
Extraordinary expenditures	<u>70,000</u>	<u>70,000</u>	<u>—</u>
Total traffic and parking	<u>16,998,910</u>	<u>15,439,259</u>	<u>1,559,651</u>
Police review and advisory board:			
Other ordinary maintenance	1,900	704	1,196
Travel and training	<u>8,000</u>	<u>3,100</u>	<u>4,900</u>
Total police review and advisory board	<u>9,900</u>	<u>3,804</u>	<u>6,096</u>
Inspectional services:			
Salaries and wages	4,648,010	4,494,135	153,875
Other ordinary maintenance	561,960	481,332	80,628
Travel and training	18,170	6,472	11,698
Total inspectional services	<u>5,228,140</u>	<u>4,981,939</u>	<u>246,201</u>
License:			
Salaries and wages	1,654,145	1,544,271	109,874
Other ordinary maintenance	44,520	16,969	27,551
Travel and training	<u>7,520</u>	<u>2,136</u>	<u>5,384</u>
Total license	<u>1,706,185</u>	<u>1,563,376</u>	<u>142,809</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Emergency communications:			
Salaries and wages	\$ 9,346,750	9,288,087	58,663
Other ordinary maintenance	903,340	724,027	179,313
Travel and training	70,850	19,252	51,598
Extraordinary expenditures	<u>25,600</u>	<u>15,712</u>	<u>9,888</u>
Total emergency communications	<u>10,346,540</u>	<u>10,047,078</u>	<u>299,462</u>
Total public safety	<u>186,189,265</u>	<u>180,918,279</u>	<u>5,270,986</u>
Community maintenance and development:			
Public works:			
Salaries and wages	38,232,890	37,076,556	1,156,334
Other ordinary maintenance	28,928,340	27,916,446	1,011,894
Travel and training	458,360	415,278	43,082
Extraordinary expenditures	<u>1,475,000</u>	<u>584,180</u>	<u>890,820</u>
Total public works	<u>69,094,590</u>	<u>65,992,460</u>	<u>3,102,130</u>
Community development:			
Salaries and wages	12,391,762	11,236,498	1,155,264
Other ordinary maintenance	28,331,213	27,965,371	365,842
Travel and training	65,494	65,311	183
Extraordinary expenditures	<u>101,831</u>	<u>101,831</u>	<u>—</u>
Total community development	<u>40,890,300</u>	<u>39,369,011</u>	<u>1,521,289</u>
Historical commission:			
Salaries and wages	985,285	985,285	—
Other ordinary maintenance	59,300	35,110	24,190
Travel and training	<u>1,450</u>	<u>240</u>	<u>1,210</u>
Total historical commission	<u>1,046,035</u>	<u>1,020,635</u>	<u>25,400</u>
Peace commission:			
Salaries and wages	216,050	187,941	28,109
Other ordinary maintenance	9,125	5,269	3,856
Travel and training	<u>3,050</u>	<u>1,030</u>	<u>2,020</u>
Total peace commission	<u>228,225</u>	<u>194,240</u>	<u>33,985</u>
Cable television:			
Salaries and wages	714,300	506,142	208,158
Other ordinary maintenance	1,325,018	1,199,433	125,585
Travel and training	<u>3,450</u>	<u>—</u>	<u>3,450</u>
Total cable television	<u>2,042,768</u>	<u>1,705,575</u>	<u>337,193</u>
Facilities department:			
Salaries and wages	1,564,415	922,679	641,736
Other ordinary maintenance	<u>10,000</u>	<u>—</u>	<u>10,000</u>
Total facilities department	<u>1,574,415</u>	<u>922,679</u>	<u>651,736</u>
Total community maintenance and development	<u>114,876,333</u>	<u>109,204,600</u>	<u>5,671,733</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Human resource development:			
Library:			
Salaries and wages	\$ 14,501,945	13,422,962	1,078,983
Other ordinary maintenance	4,311,635	4,150,786	160,849
Travel and training	<u>137,150</u>	<u>92,399</u>	<u>44,751</u>
Total library	<u>18,950,730</u>	<u>17,666,147</u>	<u>1,284,583</u>
Human services:			
Salaries and wages	43,479,700	40,632,451	2,847,249
Other ordinary maintenance	15,875,372	14,240,921	1,634,451
Travel and training	102,340	91,748	10,592
Extraordinary expenditures	<u>40,000</u>	<u>40,000</u>	<u>—</u>
Total human services	<u>59,497,412</u>	<u>55,005,120</u>	<u>4,492,292</u>
Women's commission:			
Salaries and wages	382,405	382,400	5
Other ordinary maintenance	16,045	15,975	70
Travel and training	<u>525</u>	<u>497</u>	<u>28</u>
Total women's commission	<u>398,975</u>	<u>398,872</u>	<u>103</u>
Human rights commission:			
Salaries and wages	800,340	673,897	126,443
Other ordinary maintenance	102,100	100,932	1,168
Travel and training	<u>7,400</u>	<u>3,185</u>	<u>4,215</u>
Total human rights commission	<u>909,840</u>	<u>778,014</u>	<u>131,826</u>
Veterans benefits:			
Salaries and wages	532,615	532,610	5
Other ordinary maintenance	89,800	89,779	21
Travel and training	<u>555,000</u>	<u>358,335</u>	<u>196,665</u>
Total veterans benefits	<u>1,177,415</u>	<u>980,724</u>	<u>196,691</u>
Total human resource development	<u>80,934,372</u>	<u>74,828,877</u>	<u>6,105,495</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Education:			
Salaries and wages	\$ 203,820,725	200,473,779	3,346,946
Other ordinary maintenance	39,329,410	38,908,621	420,789
Travel and training	1,647,865	1,521,562	126,303
Extraordinary expenditures	202,000	171,877	30,123
Total education	<u>245,000,000</u>	<u>241,075,839</u>	<u>3,924,161</u>
Judgments and claims	8,825,000	8,603,303	221,697
Debt retirement:			
Principal payments	67,254,000	67,253,998	2
Interest payments	22,331,875	22,131,201	200,674
Total debt retirement	<u>89,585,875</u>	<u>89,385,199</u>	<u>200,676</u>
State and district assessments:			
MBTA assessment	11,363,115	11,363,009	106
MWRA assessment	30,601,130	30,512,841	88,289
Other State assessments	24,214,320	20,404,155	3,810,165
Cambridge Health Alliance	8,457,240	8,457,236	4
Total state and district assessments	<u>74,635,805</u>	<u>70,737,241</u>	<u>3,898,564</u>
Total general fund expenditures	<u>\$ 867,614,835</u>	<u>824,000,717</u>	<u>43,614,118</u>

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Supplemental Statements and Schedules

June 30, 2024

The following section provides detailed information on the general fund, other governmental funds, and fiduciary funds included in the basic financial statements. Information on real, personal, and excise tax collections, and a schedule of the bonds and notes payable of the City is also provided in this section.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Other Governmental Funds

June 30, 2024

**Other Governmental 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.

**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.

**Community Preservation Act**

Receipts from added 3% tax and the matching funds from the State for the preservation of open space, historic locations and affordable housing are recorded in this fund. In a similar manner to the parking fund, an amount equal to the amount appropriated to the capital projects and other grants funds, is transferred to those funds at the end of the fiscal year.

**Aggregation Adder Fund**

Consumers participating in the City's municipal energy aggregation plan are charged an operational adder of \$.002 per kWh consumed. The operational adder funds are used to support the operational costs of the program and to support renewable energy projects that create benefits for program participants. The Revolving Fund was established under and governed by M.G.L. Chapter 44, 53E ½.

**Opioid Settlement Fund**

This fund accounts for both the receipt and expenditure of funds received from opioid settlements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Balance Sheet

Other Governmental Funds

June 30, 2024

Assets	Special revenue						Total
	Community development block grant	School grants	Parking fund	Community preservation act	Aggregation Adder fund	Opioid Settlement fund	
Cash and short-term investments	\$ 576,261	7,517,492	2,993,100	26,099,400	3,311,334	2,402,519	42,900,106
Accounts receivable	—	—	145,539	149,315	—	—	294,854
Intergovernmental receivable	52,771	1,072,174	—	—	—	—	1,124,945
Total assets	\$ 629,032	8,589,666	3,138,639	26,248,715	3,311,334	2,402,519	44,319,905
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
Liabilities:							
Warrants payable	\$ 54,289	2,817,698	—	313,025	—	—	3,185,012
Accrued liabilities	4,774	175,957	1,015	115,751	—	—	297,497
Due to other funds	569,969	—	—	—	—	—	569,969
Total liabilities	629,032	2,993,655	1,015	428,776	—	—	4,052,478
Deferred inflows of resources:							
Unavailable revenue	—	—	—	149,315	—	—	149,315
Fund balances:							
Restricted	—	5,596,011	—	25,670,624	3,311,334	2,402,519	36,980,488
Committed	—	—	3,137,624	—	—	—	3,137,624
Total fund balances	—	5,596,011	3,137,624	25,670,624	3,311,334	2,402,519	40,118,112
Total liabilities, deferred inflows of resources, and fund balances	\$ 629,032	8,589,666	3,138,639	26,248,715	3,311,334	2,402,519	44,319,905

See accompanying independent auditors' report.



CITY OF CAMBRIDGE, MASSACHUSETTS

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

Other Governmental Funds

Year ended June 30, 2024

	Special revenue						Total
	Community development block grant	School grants	Parking fund	Community preservation act	Aggregation Adder fund	Opioid Settlement fund	
Revenues:							
Intergovernmental	\$ 871,112	18,382,717	508,436	3,183,000	—	—	22,945,265
Investment income	—	—	295,772	444,205	6,850	—	746,827
Other:							
Permits	—	—	1,364,618	—	—	—	1,364,618
Fines	—	—	12,183,648	—	—	—	12,183,648
Charges for services	—	—	8,717,383	—	—	—	8,717,383
Miscellaneous	—	1,538,208	84,587	16,221,200	1,109,120	2,202,519	21,155,634
Total revenues	871,112	19,920,925	23,154,444	19,848,405	1,115,970	2,202,519	67,113,375
Expenditures:							
General government	—	—	—	10,000	—	—	10,000
Community maintenance and development	449,142	—	—	2,935,296	—	—	3,384,438
Human services	245,300	—	—	—	—	—	245,300
Education	—	21,344,508	—	—	—	—	21,344,508
Total expenditures	694,442	21,344,508	—	2,945,296	—	—	24,984,246
Excess (deficiency) of revenues over expenditures	176,670	(1,423,583)	23,154,444	16,903,109	1,115,970	2,202,519	42,129,129
Other financing sources (uses):							
Transfers from other funds	—	—	—	—	—	200,000	200,000
Transfers to other funds	(176,670)	—	(23,565,695)	(16,480,000)	—	—	(40,222,365)
Excess (deficiency) of revenues over expenditures and transfers	—	(1,423,583)	(411,251)	423,109	1,115,970	2,402,519	2,106,764
Fund balances at beginning of year	—	7,019,594	3,548,875	25,247,515	2,195,364	—	38,011,348
Fund balances at end of year	\$ —	5,596,011	3,137,624	25,670,624	3,311,334	2,402,519	40,118,112

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Supplemental Statements and Schedules

June 30, 2024

**Fiduciary Funds**

**Pension (and Other Employee Benefit) Trust Funds:**

Pension Trust Fund

This pension trust fund accounts for the activities of the City of Cambridge Retirement Systems, which accumulates resources for pension benefits payments to retired City employees and employees of certain other entities.

OPEB Trust Fund

This trust fund is an irrevocable trust fund established to accumulate resources for other postemployment benefit payments to retired City employees. The assets are appropriated from the General Fund and this fund is currently not used for payments of benefits.

**Private Purpose Trust Funds**

Cemetery Trust Fund

This trust fund accounts for the activities related to the perpetual care of the City's cemetery.

Mayor's Disaster Relief Fund

The purpose of the Fund is to provide financial assistance to Cambridge residents who become victims of catastrophic fires and other natural disasters. The source of funding is private donations.

Other

The primary purpose of this fund is to provide scholarships to students of Cambridge schools.

CITY OF CAMBRIDGE, MASSACHUSETTS  
Combining Statement of Net Position - Fiduciary Funds  
June 30, 2024

	Pension and OPEB Trust Funds			Private purpose trust funds			
	Employee retirement plan December 31, 2023	OPEB Trust fund June 30, 2024	Total	Cemetery trust June 30, 2024	Mayor's disaster relief June 30, 2024	Other June 30, 2024	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 6,990,102	169,911	7,160,013	2,557,753	264,877	2,229,251	5,051,881
Dividend and interest receivable	763,109	—	763,109	—	—	—	—
Lease receivable	234,822	—	234,822	—	—	—	—
Other assets	426,298	—	426,298	—	—	—	—
Due from broker for securities sold	3,397	—	3,397	—	—	—	—
Investments, at fair value:							
Fixed income securities	102,065,005	13,440,283	115,505,288	—	—	—	—
Equities	17,790,386	26,062,374	43,852,760	—	—	—	—
Pooled investments:							
Fixed income	144,800,984	—	144,800,984	—	—	—	—
Real estate	297,512,416	—	297,512,416	—	—	—	—
Domestic equities	513,547,004	—	513,547,004	—	—	—	—
International equities	310,147,406	—	310,147,406	—	—	—	—
International fixed income	49,931,233	—	49,931,233	—	—	—	—
Alternative	332,629,644	—	332,629,644	—	—	—	—
Total investments	1,768,424,078	39,502,657	1,807,926,735	—	—	—	—
Cash collateral on security lending	2,930,498	—	2,930,498	—	—	—	—
Right to use assets	1,683,957	—	1,683,957	—	—	—	—
Total assets	<u>1,781,456,261</u>	<u>39,672,568</u>	<u>1,821,128,829</u>	<u>2,557,753</u>	<u>264,877</u>	<u>2,229,251</u>	<u>5,051,881</u>
<b>Liabilities</b>							
Accrued liabilities	599,296	—	599,296	—	—	—	—
Due to brokers for securities purchased	514,004	—	514,004	—	—	—	—
Cash collateral on security lending	2,930,498	—	2,930,498	—	—	—	—
Lease liability	1,937,054	—	1,937,054	—	—	—	—
Total liabilities	<u>5,980,852</u>	<u>—</u>	<u>5,980,852</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Deferred inflows of resources</b>							
Related to rent	204,452	—	204,452	—	—	—	—
Total liabilities and deferred inflows of resources	<u>6,185,304</u>	<u>—</u>	<u>6,185,304</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net Position</b>							
Restricted for:							
Pensions	1,775,270,957	—	1,775,270,957	—	—	—	—
OPEB Benefits	—	39,672,568	39,672,568	—	—	—	—
Individuals, organizations and other governments	—	—	—	2,557,753	264,877	2,229,251	5,051,881
Total net position	<u>\$ 1,775,270,957</u>	<u>39,672,568</u>	<u>1,814,943,525</u>	<u>2,557,753</u>	<u>264,877</u>	<u>2,229,251</u>	<u>5,051,881</u>

See independent auditors' report

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
Combining Statement of Changes in Net Position - Fiduciary Funds  
Year ended June 30, 2024

	Pension and OPEB Trust Funds			Private purpose trust funds			
	Employee retirement plan December 31, 2023	OPEB Trust fund June 30, 2024	Total	Cemetery trust June 30, 2024	Mayor's disaster relief June 30, 2024	Other June 30, 2024	Total
	Additions:						
Contributions:							
Employers	\$ 67,460,001	27,817,456	95,277,457	—	—	—	—
Nonemployer – City	508,000	—	508,000	—	—	—	—
Plan members	27,692,298	—	27,692,298	—	—	—	—
Other systems	3,137,549	—	3,137,549	—	—	—	—
Commonwealth of Massachusetts	254,518	—	254,518	—	—	—	—
Gifts and bequests	—	—	—	34,400	—	243,281	277,681
Miscellaneous	—	—	—	—	1,157	—	1,157
Total contributions	99,052,366	27,817,456	126,869,822	34,400	1,157	243,281	278,838
Investment earnings:							
Interest and dividends	29,569,766	915,228	30,484,994	178,703	3,499	42,745	224,947
Securities lending income	156,242	—	156,242	—	—	—	—
Net appreciation (depreciation) in the fair value of investments	141,118,081	2,848,404	143,966,485	—	—	—	—
Less:							
Management fees	(9,648,971)	—	(9,648,971)	—	—	—	—
Borrower rebates and fees under securities lending program	(151,619)	—	(151,619)	—	—	—	—
Net investment earnings	161,043,499	3,763,632	164,807,131	178,703	3,499	42,745	224,947
Total additions	260,095,865	31,581,088	291,676,953	213,103	4,656	286,026	503,785
Deductions:							
Benefits	107,735,989	25,817,456	133,553,445	—	—	—	—
Refunds of contributions	2,676,913	—	2,676,913	—	—	—	—
Other systems	4,738,683	—	4,738,683	—	—	—	—
Administrative expenses	1,565,816	59,995	1,625,811	—	—	—	—
Beneficiary payments to individuals	—	—	—	—	—	265,413	265,413
Miscellaneous	—	—	—	40,000	54,000	—	94,000
Total deductions	116,717,401	25,877,451	142,594,852	40,000	54,000	265,413	359,413
Change in net position	143,378,464	5,703,637	149,082,101	173,103	(49,344)	20,613	144,372
Net position, beginning of year	1,631,892,493	33,968,931	1,665,861,424	2,384,650	314,221	2,208,638	4,907,509
Net position, end of year	\$ 1,775,270,957	39,672,568	1,814,943,525	2,557,753	264,877	2,229,251	5,051,881

See independent auditors' report

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Supplemental Statements and Schedules

June 30, 2024

**Other Schedules**

The following schedules present detailed information on the City's real estate, personal property and motor vehicle excise taxes, and bonds and notes payable, as of June 30, 2024.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

June 30, 2024

	Uncollected June 30, 2023	Commitments	Abatements	Transfers to tax title	Refunds	Collections	Adjustments increase (decrease)	Uncollected June 30, 2024
Real estate taxes:								
2017	\$ 7,078	—	—	—	—	—	(2,046)	5,032
2018	—	—	—	—	—	—	—	—
2019	—	—	(14,161)	—	14,161	—	—	—
2020	17,761	—	(29,664)	(5,978)	32,588	(3,025)	—	11,682
2021	14,391	—	(189,286)	(2,172)	189,286	—	—	12,219
2022	474,939	—	(382,553)	(461,879)	601,134	(231,370)	—	271
2023	5,137,144	—	(243,766)	(702,607)	895,099	(4,700,354)	(43,768)	341,748
2024	—	552,984,028	(1,376,965)	—	869,397	(551,302,026)	3,110,785	4,285,219
Sub total real estate	\$ 5,651,313	552,984,028	(2,236,395)	(1,172,636)	2,601,665	(556,236,775)	3,064,971	4,656,171

Years with no beginning uncollected balances or activity are not presented.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
Schedule of Gross Real Estate, Personal Property, and Motor Vehicle Excise Taxes  
June 30, 2024

	Uncollected June 30, 2023	Commitments	Abatements	Transfers to tax title	Refunds	Collections	Adjustments increase (decrease)	Uncollected June 30, 2024
Personal property taxes:								
2003	\$ 2,947	—	—	—	—	—	—	2,947
2004	3,484	—	—	—	—	—	—	3,484
2005	6,158	—	—	—	—	—	—	6,158
2006	3,009	—	—	—	—	—	—	3,009
2007	7,700	—	—	—	—	—	—	7,700
2008	7,844	—	—	—	—	—	—	7,844
2009	11,292	—	—	—	—	(2,154)	—	9,138
2010	10,554	—	—	—	—	—	—	10,554
2011	15,526	—	—	—	—	—	—	15,526
2012	20,122	—	—	—	—	—	—	20,122
2013	17,035	—	—	—	—	—	—	17,035
2014	22,537	—	—	—	—	(15)	—	22,522
2015	31,569	—	—	—	—	(655)	(1)	30,913
2016	153,495	—	—	—	—	(1,024)	—	152,471
2017	227,730	—	—	—	—	(4,465)	(20)	223,245
2018	243,996	—	—	—	—	(2,742)	(39)	241,215
2019	271,856	—	—	—	—	(1,659)	—	270,197
2020	415,082	—	—	—	89	(2,221)	(1)	412,949
2021	549,897	—	—	—	837	(12,748)	(80,213)	457,773
2022	826,003	—	—	—	13,205	(36,793)	(30,693)	771,722
2023	1,223,598	—	(21,785)	—	13,210	(124,670)	(17,385)	1,072,968
2024	—	25,511,263	(6,543)	—	10,164	(23,031,198)	(132,917)	2,350,769
Sub total personal property	4,071,434	25,511,263	(28,328)	—	37,505	(23,220,344)	(261,269)	6,110,261
Other	265,991	—	—	—	—	(47,947)	9,740	227,784
Total Property Taxes	\$ 9,988,738	578,495,291	(2,264,723)	(1,172,636)	2,639,170	(579,505,066)	2,813,442	10,994,216

Years with no beginning uncollected balances or activity are not presented.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
Schedule of Gross Real Estate, Personal Property, and Motor Vehicle Excise Taxes  
June 30, 2024

	Uncollected June 30, 2023	Commitments	Abatements	Transfers to tax title	Refunds	Collections	Adjustments increase (decrease)	Uncollected June 30, 2024
Motor vehicle excise taxes:								
1986	\$ 2,643	—	—	—	—	—	—	2,643
1987	57,217	—	—	—	—	—	—	57,217
1988	71,208	—	—	—	—	—	—	71,208
1989	75,893	—	—	—	—	—	—	75,893
1990	67,625	—	—	—	—	(5)	—	67,620
1991	50,804	—	—	—	—	(22)	—	50,782
1992	51,276	—	—	—	—	(23)	—	51,253
1993	48,542	—	—	—	—	—	—	48,542
1994	51,390	—	—	—	—	—	—	51,390
1995	55,723	—	—	—	—	—	—	55,723
1996	55,105	—	—	—	—	—	—	55,105
1997	46,812	—	—	—	—	—	—	46,812
1998	61,354	—	—	—	—	—	—	61,354
1999	107,848	—	—	—	—	—	—	107,848
2000	167,584	—	—	—	—	—	—	167,584
2001	209,799	—	—	—	—	—	—	209,799
2002	190,287	—	—	—	—	—	—	190,287
2003	169,121	—	—	—	—	—	—	169,121
2004	140,271	—	—	—	—	(354)	—	139,917
2005	112,899	—	—	—	—	(173)	—	112,726
2006	100,038	—	—	—	—	(313)	—	99,725
2007	132,500	—	—	—	—	(637)	—	131,863
2008	112,644	—	—	—	—	(566)	—	112,078
2009	93,970	—	—	—	54	(212)	—	93,812
2010	108,260	—	—	—	120	(430)	—	107,950
2011	109,436	—	—	—	—	(443)	—	108,993
2012	100,393	—	—	—	—	(386)	—	100,007
2013	94,851	—	—	—	82	(418)	—	94,515
2014	100,747	—	—	—	851	(1,424)	—	100,174
2015	101,511	—	—	—	777	(1,528)	(3)	100,757
2016	105,848	—	—	—	5,864	(6,560)	—	105,152
2017	103,899	—	(92)	—	13,349	(14,534)	—	102,622
2018	112,143	—	(489)	—	14,732	(18,445)	—	107,941
2019	141,145	—	(121)	—	5,049	(10,589)	—	135,484
2020	144,435	—	(207)	—	24,475	(32,422)	(6)	136,275
2021	165,451	—	(2,814)	—	10,503	(35,238)	(6)	137,896
2022	326,579	—	(7,477)	—	28,347	(121,078)	(33)	226,338
2023	598,384	897,464	(85,186)	—	79,590	(1,086,191)	(189)	403,872
2024	—	7,908,887	(157,629)	—	39,028	(6,954,034)	(674)	835,578
<b>Total motor vehicle</b>	<b>\$ 4,545,635</b>	<b>8,806,351</b>	<b>(254,015)</b>	<b>—</b>	<b>222,821</b>	<b>(8,286,025)</b>	<b>(911)</b>	<b>5,033,856</b>

Years with no beginning uncollected balances or activity are not presented.

See accompanying independent auditors' report.



CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds and Notes Payable

Year ended June 30, 2024

	Interest rates	Issue dates	Final maturity date	Balance June 30, 2023	Additions	Retired	Balance June 30, 2024
Inside debt limit:							
Old Police Station Renovations	2.00%–3.00%	2/15/2012	2/15/2032	4,725,000	—	525,000	4,200,000
Refunding Bonds (2004, 2005, 2006)	1.00%–5.00%	3/22/2012	1/1/2024	1,020,000	—	1,020,000	—
King School Renovations	2.00%–3.00%	2/19/2013	2/15/2033	16,500,000	—	1,650,000	14,850,000
Old Police Station Renovations	2.00%–3.00%	2/19/2013	2/15/2033	2,020,000	—	205,000	1,815,000
King School Renovations	3.00%–5.00%	2/18/2014	2/15/2034	10,175,000	—	925,000	9,250,000
Kendall Square Improvements	5.00%	2/18/2014	2/15/2024	100,000	—	100,000	—
Street/Sidewalk Reconstruction	5.00%	2/18/2014	2/15/2024	100,000	—	100,000	—
Harvard Square Tunnel Improvements	5.00%	2/18/2014	2/15/2024	100,000	—	100,000	—
Cambridge Common Improvements	5.00%	2/18/2014	2/15/2024	50,000	—	50,000	—
Sewer Reconstruction	5.00%	2/18/2014	2/15/2024	1,290,000	—	1,290,000	—
MCWT Loan (CWP-13-03)	2.00%	1/7/2015	1/15/2025	2,856,858	—	1,413,073	1,443,785
King School Renovations	2.00%–5.00%	3/3/2015	2/15/2035	24,600,000	—	2,050,000	22,550,000
344 Broadway Building Renovations (Comprehensive)	2.00%–5.00%	3/3/2015	2/15/2025	300,000	—	150,000	150,000
School Building Renovations	2.00%–5.00%	3/3/2015	2/15/2025	150,000	—	75,000	75,000
Kendall Square Surface Improvements	2.00%–5.00%	3/3/2015	2/15/2025	800,000	—	400,000	400,000
Cambridge Common Improvements	2.00%–5.00%	3/3/2015	2/15/2025	230,000	—	115,000	115,000
Danehy Park Improvements	2.00%–5.00%	3/3/2015	2/15/2025	230,000	—	115,000	115,000
Street/Sidewalk Reconstruction	2.00%–5.00%	3/3/2015	2/15/2025	200,000	—	100,000	100,000
Golf Course Improvements	2.00%–5.00%	3/3/2015	2/15/2025	110,000	—	55,000	55,000
Sewer Reconstruction	2.00%–5.00%	3/3/2015	2/15/2025	4,635,000	—	2,320,000	2,315,000
Refunding Bonds (2005, 2006, 2007 and 2008)	2.00%–4.00%	3/4/2015	1/1/2028	20,865,000	—	5,170,000	15,695,000
School Building Renovations (Kennedy Longfellow Roof)	2.00%–4.00%	3/1/2016	2/15/2026	750,000	—	250,000	500,000
King Open and Cambridge St. Upper School and Community Complex	2.00%–4.00%	3/1/2016	2/15/2036	7,150,000	—	550,000	6,600,000
Building Renovations (344 Broadway and Comprehensive)	2.00%–4.00%	3/1/2016	2/15/2026	1,050,000	—	350,000	700,000
Street/Sidewalk Reconstruction	2.00%–4.00%	3/1/2016	2/15/2026	1,200,000	—	400,000	800,000
Harvard Square Reconstruction	2.00%–4.00%	3/1/2016	2/15/2026	150,000	—	50,000	100,000
Sewer Reconstruction	2.00%–4.00%	3/1/2016	2/15/2026	3,815,000	—	1,275,000	2,540,000
MCWT Loan (CWP-13-03-A)	2.00 %	2/11/2016	1/15/2026	4,520,332	—	1,474,499	3,045,833
Building Renovation/Energy Improvements	3.00%–5.00%	3/1/2017	2/15/2027	930,000	—	235,000	695,000
Kennedy School Roof Replacement	3.00%–5.00%	3/1/2017	2/15/2027	820,000	—	205,000	615,000
King Open and Cambridge St. Upper School and Community Complex	3.00%–5.00%	3/1/2017	2/15/2037	13,905,000	—	995,000	12,910,000
School Building Roof Repairs	3.00%–5.00%	3/1/2017	2/15/2027	925,000	—	235,000	690,000
School Boiler Maintenance	3.00%–5.00%	3/1/2017	2/15/2027	180,000	—	45,000	135,000
Comprehensive Facilities Improvements Plan	3.00%–5.00%	3/1/2017	2/15/2027	1,860,000	—	465,000	1,395,000
Cambridge Common Improvements	3.00%–5.00%	3/1/2017	2/15/2027	180,000	—	45,000	135,000
Harvard Square Surface Reconstruction	3.00%–5.00%	3/1/2017	2/15/2027	1,300,000	—	325,000	975,000
Street/Sidewalk Reconstruction	3.00%–5.00%	3/1/2017	2/15/2027	740,000	—	185,000	555,000
Sewer Reconstruction	3.00%–5.00%	3/1/2017	2/15/2027	8,385,000	—	2,100,000	6,285,000
Library Construction (Refunding)	4.00 %	6/12/2017	2/15/2029	2,885,000	—	490,000	2,395,000
CRLS Renovations (Refunding)	4.00 %	6/12/2017	2/15/2029	8,235,000	—	1,390,000	6,845,000
MWRA bond	—	11/27/2017	11/15/2023	1,730	—	1,730	—
King Open and Cambridge St Upper School and Community Complex	3.0%–5.0%	3/1/2018	2/15/2038	44,325,000	—	2,955,000	41,370,000
Municipal Facilities Improvement Plan	4.3%–5.0%	3/1/2018	2/15/2028	2,200,000	—	440,000	1,760,000
Fletcher Maynard Academy Roof	4.3%–5.0%	3/1/2018	2/15/2028	650,000	—	130,000	520,000
School Boiler Maintenance	4.3%–5.0%	3/1/2018	2/15/2028	215,000	—	45,000	170,000
Street / Sidewalk Reconstruction	4.3%–5.0%	3/1/2018	2/15/2028	1,750,000	—	350,000	1,400,000
Sewer Reconstruction	4.3%–5.0%	3/1/2018	2/15/2028	7,270,000	—	1,460,000	5,810,000
City Hall Improvements (Design)	5.0 %	3/6/2019	2/15/2024	365,000	—	365,000	—
831 Massachusetts Avenue/3 Bigelow St (MP/Feasibility)	5.0 %	3/6/2019	2/15/2024	180,000	—	180,000	—
Fire Headquarters (Design)	5.0 %	3/6/2019	2/15/2024	545,000	—	545,000	—
Tobin School (Design)	5.0 %	3/6/2019	2/15/2024	545,000	—	545,000	—
King Open and Cambridge St Upper School and Community Complex	3.00%–5.00%	3/6/2019	2/15/2039	36,675,000	—	2,295,000	34,380,000
Municipal Facilities Improvement Plan	5.0 %	3/6/2019	2/15/2029	2,585,000	—	435,000	2,150,000
School Boiler Maintenance	5.0 %	3/6/2019	2/15/2029	330,000	—	55,000	275,000
School Boiler Maintenance	5.0 %	3/6/2019	2/15/2029	300,000	—	50,000	250,000
East Grand Junction design	5.0 %	3/6/2019	2/15/2024	365,000	—	365,000	—
Harvard Square Kiosk	5.0 %	3/6/2019	2/15/2029	510,000	—	85,000	425,000
Street/Sidewalk Reconstruction	5.0 %	3/6/2019	2/15/2029	1,555,000	—	260,000	1,295,000
Riverside Reconstruction	5.0 %	3/6/2019	2/15/2029	1,555,000	—	260,000	1,295,000
Sewer Reconstruction	5.0 %	3/6/2019	2/15/2029	8,445,000	—	1,415,000	7,030,000
MWRA Bond	—	3/7/2019	2/15/2030	2,021,901	—	299,704	1,722,197

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds and Notes Payable

Year ended June 30, 2024

	Interest rates	Issue dates	Final maturity date	Balance June 30, 2023	Additions	Retired	Balance June 30, 2024
King Open and Cambridge St. Upper School and Community Complex	2.00%-5.00%	3/5/2020	2/15/2040	7,480,000	—	440,000	7,040,000
City Hall Improvements (Construction)	5.0 %	3/5/2020	2/15/2030	565,000	—	85,000	480,000
Tobin School (Design)	5.0 %	3/5/2020	2/15/2025	3,570,000	—	1,785,000	1,785,000
School Building Upgrades	5.0 %	3/5/2020	2/15/2025	280,000	—	140,000	140,000
Municipal Facilities Improvement Plan	5.0 %	3/5/2020	2/15/2025	1,070,000	—	535,000	535,000
Harvard Square Kiosk	5.0 %	3/5/2020	2/15/2030	1,150,000	—	165,000	985,000
Street/Sidewalk Reconstruction	5.0 %	3/5/2020	2/15/2030	2,300,000	—	330,000	1,970,000
Riverside Reconstruction	5.0 %	3/5/2020	2/15/2030	1,150,000	—	165,000	985,000
Sewer Reconstruction	5.0 %	3/5/2020	2/15/2030	11,975,000	—	1,720,000	10,255,000
City Hall Improvements (Construction)	5.0 %	3/3/2021	2/15/2031	5,915,000	—	740,000	5,175,000
Tobin School (Design)	2.00%-5.00%	3/3/2021	2/15/2041	10,440,000	—	580,000	9,860,000
School Buildings Upgrades	5.0 %	3/3/2021	2/15/2031	1,165,000	—	155,000	1,010,000
Municipal Facilities Improvement Plan	5.0 %	3/3/2021	2/15/2031	9,855,000	—	1,235,000	8,620,000
River St. Firehouse Construction Improvements	5.0 %	3/3/2021	2/15/2031	3,280,000	—	410,000	2,870,000
Lexington Ave Firehouse Construction Improvements	5.0 %	3/3/2021	2/15/2031	2,630,000	—	330,000	2,300,000
Refunding (CRLS & Old Police Station 2010-2011)	5.0 %	3/3/2021	2/15/2031	13,980,000	—	1,885,000	12,095,000
Harvard Square Kiosk Infrastructure Improvements	5.0 %	3/3/2021	2/15/2031	655,000	—	85,000	570,000
Harvard Square Kiosk Surface Enhancement	5.0 %	3/3/2021	2/15/2031	985,000	—	125,000	860,000
Street/Sidewalk Reconstruction	5.0 %	3/3/2021	2/15/2031	3,280,000	—	410,000	2,870,000
Riverside Reconstruction	5.0 %	3/3/2021	2/15/2031	4,600,000	—	575,000	4,025,000
Sewer Reconstruction	5.0 %	3/3/2021	2/15/2031	14,700,000	—	1,850,000	12,850,000
Tobin School (Construction)	2.25-5.0%	3/2/2022	2/15/2042	50,005,000	—	2,635,000	47,370,000
Municipal Facilities Improvement Plan (FY22)	5.0 %	3/2/2022	2/15/2032	3,775,000	—	485,000	3,290,000
School Buildings Upgrades (FY22)	5.0 %	3/2/2022	2/15/2032	1,365,000	—	170,000	1,195,000
Municipal Facilities Improvement Plan - Lafayette St. Fire	5.0 %	3/2/2022	2/15/2027	720,000	—	180,000	540,000
Fire Headquarters Construction	5.0 %	3/2/2022	2/15/2032	3,045,000	—	340,000	2,705,000
Riverside Reconstruction	5.0 %	3/2/2022	2/15/2032	2,285,000	—	255,000	2,030,000
Street/Sidewalk Reconstruction	5.0 %	3/2/2022	2/15/2032	3,800,000	—	425,000	3,375,000
Sewer Reconstruction	5.0 %	3/2/2022	2/15/2032	11,030,000	—	1,230,000	9,800,000
Fire Headquarters Construction	5.0 %	3/1/2023	2/15/2033	1,790,000	—	180,000	1,610,000
Tobin School (Construction)	4.0%-5.0%	3/1/2023	2/15/2043	43,090,000	—	2,155,000	40,935,000
Complete Streets/Sidewalk Reconstruction	5.0 %	3/1/2023	2/15/2033	1,795,000	—	180,000	1,615,000
East Grand Junction design	5.0 %	3/1/2023	2/15/2033	450,000	—	45,000	405,000
Riverside Reconstruction	5.0 %	3/1/2023	2/15/2033	2,685,000	—	270,000	2,415,000
Sewer Reconstruction	5.0 %	3/1/2023	2/15/2033	34,140,000	—	3,430,000	30,710,000
Fire Headquarters Construction	5.0 %	3/6/2024	2/15/2034	—	14,095,000	—	14,095,000
Fire Headquarters Construction	5.0 %	3/6/2024	2/15/2034	—	880,000	—	880,000
Tobin School (Construction)	4.0%-5.0%	3/6/2024	2/15/2044	—	80,830,000	—	80,830,000
Municipal Facilities Improvement Plan (FY23)	5.0 %	3/6/2024	2/15/2034	—	12,860,000	—	12,860,000
Municipal Facilities Improvement Plan (FY24)	5.0 %	3/6/2024	2/15/2034	—	8,330,000	—	8,330,000
School Facilities Improvement	5.0 %	3/6/2024	2/15/2034	—	1,145,000	—	1,145,000
Harvard Square Kiosk	5.0 %	3/6/2024	2/15/2034	—	2,205,000	—	2,205,000
Peabody/Raymond Playground	5.0 %	3/6/2024	2/15/2034	—	2,200,000	—	2,200,000
Linear Park	5.0 %	3/6/2024	2/15/2034	—	2,645,000	—	2,645,000
Bike Lanes - Mass Avenue	5.0 %	3/6/2024	2/15/2034	—	1,765,000	—	1,765,000
Complete Streets/Sidewalk Reconstruction FY23	5.0 %	3/6/2024	2/15/2034	—	7,050,000	—	7,050,000
Complete Streets/Sidewalk Reconstruction FY24	5.0 %	3/6/2024	2/15/2034	—	3,525,000	—	3,525,000
Central Square Street Reconstruction	5.0 %	3/6/2024	2/15/2034	—	2,645,000	—	2,645,000
Sewer Reconstruction	5.0 %	3/6/2024	2/15/2034	—	20,045,000	—	20,045,000
Total inside debt limit				523,425,821	160,220,000	67,254,006	616,391,815
Total debt outstanding				\$ 523,425,821	160,220,000	67,254,006	616,391,815

See accompanying independent auditors' report.

# STATISTICAL SECTION

CITY OF CAMBRIDGE, MASSACHUSETTS

June 30, 2024

Statistical Section

This part of the City of Cambridge’s annual comprehensive financial report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Page
Financial trends:	101
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
<i>(See accompanying Management’s Discussion and Analysis, Statement of Net Position and Statement of Activities):</i>	
General Government Expenditures by Function (GAAP Basis) – Last Ten Fiscal Years	
General Government Revenues by Source (GAAP Basis) – Last Ten Fiscal Years	
Net Position by Component – Last Ten Fiscal Years	
Changes in Net Position by Component– Last Ten Fiscal Years	
Fund Balances of Governmental Funds – Last Ten Fiscal Years	
Changes in Fund Balances of Government Funds – Last Ten Fiscal Years	
Revenue capacity:	108
<i>These schedules contain information to help the reader assess the City’s most significant revenue source, the property tax:</i>	
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	
Property and Motor Vehicle Tax Rates – Last Ten Fiscal Years	
Largest Principal Taxpayers – Current Year and Ten Years Ago	
Property Tax Levies and Collections – Last Ten Fiscal Years	
Debt capacity:	112
<i>These schedules contain information to assist the reader in assessing the City’s current debt outstanding and their ability to issue additional debt in the future:</i>	
<i>(See accompanying note 8 of the basic financial statements):</i>	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	
Direct and Overlapping Governmental Activities Debt	
Legal Debt Margin Information – Last Ten Fiscal Years	
Demographic and economic information:	116
<i>These schedules contain information to help the reader understand the economic environment with which the City’s financial activities take place and assist with comparisons over time and among other City’s:</i>	
Demographic and Economic Statistics – Last Ten Calendar Years	
Principal Employers – Current Year and Ten Years Ago	
Operating information:	118
<i>These schedules contain information to provide contextual information about the City’s operations and resources to help readers gain an understanding of the City’s economic condition:</i>	
Full-Time Position Employees by Function/Program – Last Ten Fiscal Years	
Operating Indicators by Function/Program – Last Ten Fiscal Years	
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	
Sources: Unless otherwise noted, the information contained in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 General Government Expenditures by Function (GAAP Basis) (1)  
 Last Ten Fiscal Years  
 (Dollars in thousands)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	\$ 33,317	38,656	38,852	43,290	41,039	41,729	49,577	49,050	53,527	58,885
Percentage of total	6.6 %	7.3 %	6.9 %	7.3 %	6.6 %	6.3 %	6.8 %	6.7 %	6.9 %	7.1 %
Percentage change	0.2	16.0	0.5	11.4	(5.2)	1.7	18.8	(1.1)	9.1	10.0
Public safety	117,991	116,756	128,759	132,296	139,422	143,442	147,363	158,856	170,269	178,812
Percentage of total	23.5 %	22.0 %	22.9 %	22.2 %	22.3 %	21.7 %	20.3 %	21.6 %	21.9 %	21.5 %
Percentage change	4.9	(1.0)	10.3	2.7	5.4	2.9	2.7	7.8	7.2	5.0
Community maintenance and development	46,004	46,667	48,449	51,393	54,666	56,419	63,664	67,516	70,864	81,009
Percentage of total	9.2 %	8.8 %	8.6 %	8.6 %	8.7 %	8.6 %	8.8 %	9.2 %	9.1 %	9.7 %
Percentage change	13.4	1.4	3.8	6.1	6.4	3.2	12.8	6.1	5.0	14.3
Human resource	34,302	36,155	38,125	41,678	45,380	48,359	46,812	55,117	63,570	72,639
Percentage of total	6.8 %	6.8 %	6.8 %	7.0 %	7.3 %	7.3 %	6.4 %	7.5 %	8.2 %	8.7 %
Percentage change	4.4	5.4	5.4	9.3	8.9	6.6	(3.2)	17.7	15.3	14.3
Education	168,367	183,324	197,087	209,886	218,767	234,864	258,815	242,833	252,436	272,012
Percentage of total	33.6 %	34.5 %	35.0 %	35.2 %	35.0 %	35.6 %	35.6 %	33.1 %	32.4 %	32.7 %
Percentage change	(4.8)	8.9	7.5	6.5	4.2	7.4	10.2	(6.2)	4.0	7.8
Judgments and claims	122	2,715	371	197	2,311	201	19,684	14,318	13,697	8,549
Percentage of total	— %	0.5 %	0.1 %	— %	0.4 %	— %	2.7 %	2.0 %	1.8 %	1.0 %
Percentage change	134.6	2,125.4	(86.3)	(46.9)	1,073.1	(91.3)	9,693.0 (2)	(27.3) (3)	(4.3) (3)	(37.6)
State assessments	50,184	52,024	53,427	56,316	57,931	60,243	61,846	64,456	66,681	70,737
Percentage of total	10.0 %	9.8 %	9.5 %	9.4 %	9.3 %	9.1 %	8.5 %	8.8 %	8.6 %	8.5 %
Percentage change	5.2	3.7	2.7	5.4	2.9	4.0	2.7	4.2	3.5	6.1
Debt service	51,359	54,814	57,823	61,826	66,014	74,276	78,833	82,107	86,986	89,251
Percentage of total	10.2 %	10.3 %	10.3 %	10.4 %	10.6 %	11.3 %	10.8 %	11.2 %	11.2 %	10.7 %
Percentage change	3.4	6.7	5.5	6.9	6.8	12.5	6.1	4.2	5.9	2.6
Total expenditures	\$ 501,646	531,111	562,893	596,882	625,530	659,533	726,594	734,253	778,030	831,894
Percentage of total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percentage change	1.7	5.9	6.0	6.0	4.8	5.4	10.2	1.1	6.0	6.9

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) During fiscal year 2021, the City acquired open space land through eminent domain.

(3) During fiscal years 2022 and 2023, the City acquired a building through eminent domain.

(4) During fiscal year 2024, the City acquired a parcel of land through eminent domain.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 General Government Revenues by Source (GAAP Basis) (1)  
 Last Ten Fiscal Years  
 (Dollars in thousands)

Source	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Property taxes	\$ 342,853	356,247	375,682	391,038	412,522	439,072	477,369	497,042	530,537	579,388
Percentage of total	65.4 %	63.5 %	63.4 %	61.8 %	62.7 %	62.9 %	64.6 %	67.1 %	64.7 %	63.3 %
Percentage change	4.5	3.9	5.5	4.1	5.5	6.4	8.7	4.1	6.7	9.2
Motor vehicle excises	7,200	7,452	8,035	7,727	8,351	6,996	8,437	8,053	8,305	8,223
Percentage of total	1.4 %	1.3 %	1.4 %	1.2 %	1.3 %	1.0 %	1.1 %	1.1 %	1.0 %	0.9 %
Percentage change	(0.4)	3.5	7.8	(3.8)	8.1	(16.2)	20.6	(4.6)	3.1	(1.0)
Hotel/motel/meals/other	17,861	19,213	19,959	20,938	21,511	19,717	3,581	12,348	21,807	24,753
Percentage of total	3.4 %	3.4 %	3.4 %	3.3 %	3.3 %	2.8 %	0.5 %	1.7 %	2.7 %	2.7 %
Percentage change	8.1	7.6	3.9	4.9	2.7	(8.3)	(81.8)	244.8	76.6	13.5
Fines	488	364	342	304	282	374	115	107	99	102
Percentage of total	0.1 %	0.1 %	0.1 %	— %	— %	0.1 %	— %	— %	— %	— %
Percentage change	(2.4)	(25.4)	(6.0)	(11.1)	(7.2)	32.6	(69.3)	(7.0)	(7.5)	3.0
Intergovernmental	45,503	52,554	65,150	67,599	70,843	82,997	88,639	71,847	76,348	82,213
Percentage of total	8.7 %	9.4 %	11.0 %	10.7 %	10.8 %	11.9 %	12.0 %	9.7 %	9.3 %	9.0 %
Percentage change	(22.3)	15.5	24.0	3.8	4.8	17.2	6.8	(18.9)	6.3	7.7
Licenses and permits	27,561	32,181	29,051	40,662	41,272	40,396	58,174	47,331	61,592	53,773
Percentage of total	5.3 %	5.7 %	4.9 %	6.4 %	6.3 %	5.8 %	7.9 %	6.4 %	7.5 %	5.9 %
Percentage change	18.1	16.8	(9.7)	40.0	1.5	(2.1)	44.0	(18.6)	30.1	(12.7)
Payment in lieu of taxes	8,082	9,191	8,101	7,389	7,793	8,028	8,219	8,535	8,455	8,684
Percentage of total	1.5 %	1.6 %	1.4 %	1.2 %	1.2 %	1.1 %	1.1 %	1.2 %	1.0 %	0.9 %
Percentage change	4.2	13.7	(11.9)	(8.8)	5.5	3.0	2.4	3.8	(0.9)	2.7
Investment income	1,523	3,274	4,877	6,025	7,925	9,404	1,387	(2,197)	10,712	19,428
Percentage of total	0.3 %	0.6 %	0.8 %	1.0 %	1.2 %	1.3 %	0.2 %	(0.3)%	1.3 %	2.1 %
Percentage change	(6.1)	115.0	49.0	23.5	31.5	18.7	(85.3)	(258.4)	587.6	(81.4)
Charges for services	47,921	48,819	48,334	51,427	54,875	55,906	54,122	57,210	65,433	75,879
Percentage of total	9.1 %	8.7 %	8.2 %	8.1 %	8.3 %	8.0 %	7.3 %	7.7 %	8.0 %	8.3 %
Percentage change	14.9	1.9	(1.0)	6.4	6.7	1.9	(3.2)	5.7	14.4	16.0
Departmental/other	25,363	31,403	33,067	39,531	32,973	35,268	38,791	40,883	36,863	62,671
Percentage of total	4.9 %	5.7 %	5.6 %	6.2 %	5.0 %	5.1 %	5.3 %	5.5 %	4.5 %	6.8 %
Percentage change	5.4	23.8	5.3	19.5	(16.6)	7.0	10.0	5.4	(9.8)	70.0
<b>Total revenues</b>	<b>\$ 524,355</b>	<b>560,698</b>	<b>592,598</b>	<b>632,640</b>	<b>658,347</b>	<b>698,158</b>	<b>738,834</b>	<b>741,159</b>	<b>820,151</b>	<b>915,114</b>
Percentage of total	100.0 %	100.1 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	99.9 %
Percentage change	3.0	6.9	5.7	6.8	4.1	6.0	5.8	0.3	10.7	11.6

(1) Includes General Fund revenues only. Operating Transfers In have been excluded from all years.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Net Position by Component

Last Ten Years

(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 637,618,851	673,717,401	729,145,088	778,225,743	835,512,790	897,045,989	974,121,911	1,056,682,141	1,122,537,598	1,134,957,824
Restricted	52,949,329	73,349,849	68,958,578	85,639,778	115,165,139	128,190,015	99,545,820	91,430,350	81,252,767	103,475,114
Unrestricted	15,974,060	1,931,327	(14,425,882)	(391,023,437)	(406,887,103)	(435,226,779)	(472,917,546)	(485,001,077)	(479,467,174)	(376,810,252)
Total governmental activities net position	\$ 706,542,240	748,998,577	783,677,784	472,842,084	543,790,826	590,009,225	600,750,185	663,111,414	724,323,191	861,622,686
Business-type activities:										
Net investment in capital assets	\$ 120,185,083	120,185,083	125,305,918	131,655,638	133,726,139	132,390,620	130,617,563	128,494,627	124,561,795	120,251,904
Unrestricted	13,379,993	17,982,299	13,682,522	10,988,999	11,893,193	15,132,817	16,119,526	16,632,919	15,288,039	18,206,409
Total business-type activities net position	\$ 133,565,076	138,167,382	138,988,440	142,644,637	145,619,332	147,523,437	146,737,089	145,127,546	139,849,834	138,458,313
Primary government:										
Net investment in capital assets	\$ 757,803,934	793,902,484	854,451,006	909,881,381	969,238,929	1,029,436,609	1,104,739,474	1,185,176,768	1,247,099,393	1,255,209,728
Restricted	52,949,329	73,349,849	68,958,578	85,639,778	115,165,139	128,190,015	99,545,820	91,430,350	81,252,767	103,475,114
Unrestricted	29,354,053	19,913,626	(743,360)	(380,034,438)	(394,993,910)	(420,093,962)	(456,798,020)	(468,368,158)	(464,179,135)	(358,603,843)
Total primary government net position	\$ 840,107,316	887,165,959	922,666,224	615,486,721	689,410,158	737,532,662	747,487,274	808,238,960	864,173,025	1,000,080,999

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
Changes in Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 29,002,206	56,389,559	58,919,949	69,141,946	51,368,261	63,737,058	84,470,614	60,826,687	68,068,341	89,977,542
Public safety	138,554,014	134,762,503	155,775,352	145,638,049	165,325,582	171,741,473	171,262,519	171,198,138	204,182,997	196,270,034
Community maintenance and development	102,203,863	112,901,226	96,825,775	111,620,459	124,737,385	131,786,256	140,099,327	152,720,825	163,304,654	211,933,917
Human resource development	50,644,258	53,357,816	56,006,242	56,913,782	66,384,654	69,285,452	69,863,526	85,625,284	96,128,264	99,360,403
Education	211,018,908	228,453,104	246,388,426	245,765,315	263,665,736	287,638,382	331,705,869	329,434,190	325,883,981	337,197,597
Interest on long-term debt	9,381,387	10,938,908	10,430,981	13,443,479	15,588,780	15,769,932	11,258,477	12,269,454	15,848,271	16,833,923
Total governmental activities	<u>540,804,636</u>	<u>596,803,116</u>	<u>624,346,725</u>	<u>642,523,030</u>	<u>687,070,398</u>	<u>739,958,553</u>	<u>808,660,332</u>	<u>812,074,578</u>	<u>873,416,508</u>	<u>951,573,416</u>
<b>Business-type activities:</b>										
Water	14,226,883	14,228,525	15,855,491	14,198,148	15,767,827	14,627,842	16,742,698	18,136,546	25,166,532	20,214,116
Total business-type activities expenses	<u>14,226,883</u>	<u>14,228,525</u>	<u>15,855,491</u>	<u>14,198,148</u>	<u>15,767,827</u>	<u>14,627,842</u>	<u>16,742,698</u>	<u>18,136,546</u>	<u>25,166,532</u>	<u>20,214,116</u>
Total primary government expenses	<u>\$ 555,031,519</u>	<u>611,031,641</u>	<u>640,202,216</u>	<u>656,721,178</u>	<u>702,838,225</u>	<u>754,586,395</u>	<u>825,403,030</u>	<u>830,211,124</u>	<u>898,583,040</u>	<u>971,787,532</u>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Public safety	\$ 53,782,729	58,678,631	56,139,937	69,974,862	71,036,237	63,768,630	78,251,139	72,973,692	88,043,100	79,041,091
Community maintenance and development	50,851,436	52,489,213	42,067,768	52,798,914	58,110,137	55,956,156	55,639,225	62,135,368	66,154,780	75,447,404
Human resource development	4,726,472	4,978,730	5,562,842	5,932,108	5,907,990	4,513,183	2,268,049	4,931,754	6,214,511	7,046,805
Other activities	1,649,398	2,266,034	2,336,489	2,233,207	1,901,559	1,601,729	1,395,209	1,740,214	1,412,719	1,343,024
Operating grants and contributions	23,282,530	24,526,412	22,482,361	21,969,498	26,284,533	30,903,480	34,400,275	56,207,553	53,611,233	69,863,494
Capital grants and contributions	21,913,519	15,508,261	4,857,466	19,479,360	15,829,377	3,124,221	3,499,683	5,879,918	2,221,276	7,784,007
Total governmental activities program revenues	<u>156,206,084</u>	<u>158,447,281</u>	<u>133,446,863</u>	<u>172,387,949</u>	<u>179,069,833</u>	<u>159,867,399</u>	<u>175,453,580</u>	<u>203,868,499</u>	<u>217,657,619</u>	<u>240,525,825</u>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water	20,091,724	19,288,216	17,210,466	18,465,997	19,323,749	17,164,177	16,547,109	17,101,070	18,101,401	19,431,903
Total business-type program revenues	<u>20,091,724</u>	<u>19,288,216</u>	<u>17,210,466</u>	<u>18,465,997</u>	<u>19,323,749</u>	<u>17,164,177</u>	<u>16,547,109</u>	<u>17,101,070</u>	<u>18,101,401</u>	<u>19,431,903</u>
Total primary government program revenues	<u>\$ 176,297,808</u>	<u>177,735,497</u>	<u>150,657,329</u>	<u>190,853,946</u>	<u>198,393,582</u>	<u>177,031,576</u>	<u>192,000,689</u>	<u>220,969,569</u>	<u>235,759,020</u>	<u>259,957,728</u>
<b>Net (expense) revenue:</b>										
Governmental activities	\$ (384,598,552)	(438,355,835)	(490,899,862)	(470,135,081)	(508,000,566)	(580,091,154)	(633,206,752)	(608,206,079)	(655,758,889)	(711,047,591)
Business-type activities	5,864,841	5,059,691	1,354,975	4,267,849	3,555,922	2,536,335	(195,589)	(1,035,476)	(7,065,131)	(782,213)
Total primary government net expense	<u>\$ (378,733,711)</u>	<u>(433,296,144)</u>	<u>(489,544,887)</u>	<u>(465,867,232)</u>	<u>(504,444,644)</u>	<u>(577,554,819)</u>	<u>(633,402,341)</u>	<u>(609,241,555)</u>	<u>(662,824,020)</u>	<u>(711,829,804)</u>



CITY OF CAMBRIDGE, MASSACHUSETTS

Changes in Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 343,594,775	356,993,674	374,927,115	390,851,108	412,526,951	441,912,832	475,764,483	497,284,716	532,622,271	582,224,003
Excise taxes	25,079,784	26,806,239	27,876,390	28,971,646	29,620,301	27,336,175	11,614,255	20,066,820	30,297,354	33,308,322
Unrestricted grants and contributions	45,502,677	52,554,349	65,150,348	67,599,080	70,843,377	82,996,910	88,724,457	71,846,505	76,348,078	82,213,018
Payments in lieu of taxes	8,082,220	9,191,431	8,100,931	7,388,601	7,793,155	8,028,511	8,219,285	8,535,070	8,454,819	8,683,470
Investment income	1,662,538	3,256,036	7,678,166	7,488,958	8,041,502	11,892,353	1,601,222	(2,289,499)	17,399,828	32,241,938
Miscellaneous	36,626,619	31,296,358	41,128,314	51,310,617	49,403,546	53,420,907	63,167,981	74,398,951	53,476,817	108,948,565
Transfers	709,855	714,085	717,805	719,125	720,475	721,865	723,285	724,745	(1,628,501)	727,770
Total governmental activities	461,258,468	480,812,172	525,579,069	554,329,135	578,949,307	626,309,553	649,814,968	670,567,308	716,970,666	848,347,086
Business-type activities:										
Investment income	192,482	256,700	183,888	107,473	139,248	89,635	132,526	150,678	158,918	118,462
Transfers	(709,855)	(714,085)	(717,805)	(719,125)	(720,475)	(721,865)	(723,285)	(724,745)	1,628,501	(727,770)
Total business-type activities	(517,373)	(457,385)	(533,917)	(611,652)	(581,227)	(632,230)	(590,759)	(574,067)	1,787,419	(609,308)
Total primary government	\$ 460,741,095	480,354,787	525,045,152	553,717,483	578,368,080	625,677,323	649,224,209	669,993,241	718,758,085	847,737,778
Change in net position:										
Governmental activities	\$ 76,659,916	42,456,337	34,679,207	84,194,054	70,948,742	46,218,399	16,608,216	62,361,229	61,211,777	137,299,495
Business-type activities	5,347,468	4,602,306	821,058	3,656,197	2,974,695	1,904,105	(786,348)	(1,609,543)	(5,277,712)	(1,391,521)
Total primary government	\$ 82,007,384	47,058,643	35,500,265	87,850,251	73,923,437	48,122,504	15,821,868	60,751,686	55,934,065	135,907,974

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable	\$ 2,077,459	1,536,290	2,466,688	2,505,371	3,325,529	7,133,833	2,745,846	4,058,567	6,088,722	2,891,066
Assigned	—	12,180,000	14,200,000	11,000,000	16,500,000	24,500,000	25,000,000	21,500,000	20,800,000	32,935,000
Committed	70,997,088	71,455,514	86,509,702	99,295,248	102,798,057	106,771,288	94,005,924	85,064,764	86,636,011	103,520,039
Unassigned	202,673,242	215,772,588	229,632,250	255,838,733	265,107,570	225,659,635	222,627,360	210,647,024	212,131,237	248,109,955
Total general fund	\$ 275,747,789	300,944,392	332,808,640	368,639,352	387,731,156	364,064,756	344,379,130	321,270,355	325,655,970	387,456,060
All other governmental funds:										
Nonspendable	\$ 2,199,328	2,234,567	2,244,204	2,276,704	2,323,744	2,368,203	— (1)	—	—	—
Restricted	98,314,260	102,467,578	117,848,103	142,910,928	166,882,864	196,004,621	232,378,182	261,487,524	263,105,639	269,882,700
Committed	54,314,647	43,524,368	51,545,527	56,345,935	51,476,442	71,647,804	104,059,974	117,550,792	155,379,351	198,139,760
Unassigned (deficit)	—	—	—	—	—	—	(21,312,871)	(17,350,073)	(29,662,145)	(14,537,647)
Total all other governmental funds	\$ 154,828,235	148,226,513	171,637,834	201,533,567	220,683,050	270,020,628	315,125,285	361,688,243	388,822,845	453,484,813

(1) The City adopted GASB Statement No. 84. Amount was reclassified to fiduciary funds.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
**Changes in Fund Balances, Governmental Funds**  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Real and personal property taxes	\$ 342,853,089	356,247,426	375,682,378	391,037,632	412,521,742	439,072,292	477,368,683	497,041,998	530,536,843	579,388,067
Excises:										
Hotel/motel/meals/other	17,861,201	19,212,693	19,958,924	20,937,973	21,510,878	19,717,395	3,580,611	12,348,390	21,806,512	24,753,003
Motor vehicles	7,200,225	7,452,353	8,035,187	7,727,124	8,350,538	6,995,547	8,436,599	8,052,896	8,305,021	8,223,367
Payments in lieu of taxes	8,082,220	9,191,431	8,100,931	7,388,601	7,793,155	8,028,511	8,219,285	8,535,070	8,454,819	8,683,470
Intergovernmental	90,698,726	92,589,021	92,490,175	109,047,938	112,957,287	117,024,611	126,624,415	133,933,976	132,180,587	159,860,519
Investment income	1,662,538	3,557,639	7,678,166	7,488,958	8,041,502	11,892,353	1,601,222	(2,289,499)	17,399,828	32,241,938
Sewer use charges	47,920,611	48,818,911	48,333,542	51,427,534	54,874,965	55,905,811	54,122,053	57,209,823	65,433,035	75,879,104
Departmental and other	90,340,819	98,811,972	107,094,771	131,502,497	128,690,248	123,660,843	145,550,964	155,513,322	150,469,917	199,103,179
<b>Total revenues</b>	<b>606,619,429</b>	<b>635,881,446</b>	<b>667,374,074</b>	<b>726,558,257</b>	<b>754,740,315</b>	<b>782,297,363</b>	<b>825,503,832</b>	<b>870,345,976</b>	<b>934,586,562</b>	<b>1,088,132,647</b>
<b>Expenditures:</b>										
General government	33,939,319	39,263,469	40,855,932	43,683,064	41,449,503	50,281,754	71,317,756	57,310,892	59,580,829	81,373,651
Public safety	119,194,172	117,208,429	129,514,130	133,068,609	140,283,863	145,514,494	148,370,600	160,385,626	172,498,891	180,983,023
Community maintenance and development	56,099,790	72,599,793	56,863,214	69,020,813	77,089,105	80,627,760	64,227,813	107,860,572	82,993,418	130,408,064
Human resource development	42,342,999	43,971,684	45,924,052	49,756,470	54,190,381	57,164,748	57,940,605	72,760,840	81,784,902	89,717,396
Education (1)	180,839,120	196,938,970	209,648,999	222,577,254	231,529,272	249,464,084	273,059,469	259,098,095	275,398,160	293,356,424
Judgments and claims	121,540	2,714,745	371,023	196,843	2,311,069	201,386	19,683,893	14,317,752	13,697,187	8,548,927
Slate and district assessments	50,184,292	52,023,584	53,426,731	56,316,174	57,931,297	60,242,559	61,845,579	64,455,971	66,680,814	70,737,241
Capital outlays (2)	125,479,923	90,735,725	77,094,496	112,083,782	130,991,266	93,610,507	104,782,104	122,025,465	155,948,958	198,925,429
Debt service:										
Interest (1)	11,652,622	12,900,991	13,215,082	14,511,131	16,705,848	18,513,046	18,681,892	19,434,525	20,606,612	21,930,667
Principal (1)	39,847,940	42,151,998	44,607,836	47,713,335	49,201,478	55,660,616	60,119,718	62,605,344	66,258,737	67,254,006
<b>Total expenditures</b>	<b>659,701,717</b>	<b>670,509,388</b>	<b>671,521,495</b>	<b>748,927,475</b>	<b>801,683,082</b>	<b>811,280,954</b>	<b>880,029,429</b>	<b>940,255,082</b>	<b>995,448,508</b>	<b>1,143,234,828</b>
Excess of revenues over (under) expenditures	(53,082,288)	(34,627,942)	(4,147,421)	(22,369,218)	(46,942,767)	(28,983,591)	(54,525,597)	(69,909,106)	(60,861,946)	(55,102,181)
<b>Other financing sources (uses):</b>										
Premium on bond issue	12,114,100	3,518,738	3,046,706	81,188	100,954	8,237,904	18,234,723	10,888,544	10,060,664	20,616,469
Bond proceeds	126,701,390	48,990,000	77,350,000	87,295,350	84,362,625	45,695,000	88,310,000	81,750,000	83,950,000	160,220,000
Transfer in	68,446,221	60,642,718	53,059,097	56,239,646	76,999,512	135,922,418	110,697,565	104,509,661	118,864,363	84,949,972
Transfer out	(67,736,366)	(59,928,633)	(52,341,292)	(55,520,521)	(76,279,037)	(135,200,553)	(109,974,280)	(103,784,916)	(120,492,864)	(84,222,202)
Payments to Fiscal Escrow Agent	(42,222,413)	—	(21,881,521)	—	—	—	(21,458,124)	—	—	—
<b>Total other financing sources (uses)</b>	<b>97,302,932</b>	<b>53,222,823</b>	<b>59,422,990</b>	<b>88,095,663</b>	<b>85,184,054</b>	<b>54,654,769</b>	<b>85,811,884</b>	<b>93,363,289</b>	<b>92,382,163</b>	<b>181,564,239</b>
<b>Net change in fund balances</b>	<b>\$ 44,220,644</b>	<b>18,594,881</b>	<b>55,275,569</b>	<b>65,726,445</b>	<b>38,241,287</b>	<b>25,671,178</b>	<b>31,286,287</b>	<b>23,454,183</b>	<b>31,520,217</b>	<b>126,462,058</b>
Debt service as a percentage of noncapital expenditures	9.64 %	9.50 %	9.73 %	9.77 %	9.83 %	10.34 %	10.16 %	10.03 %	10.35 %	9.44 %

(1) 2014 thru 2018 adjusted to reflect reclassification of debt service payments that are included in education expense in basic financial statements.  
 (2) Capital outlays that do not qualify as capital assets have been reclassified into the appropriate expense line.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (In millions of dollars)

Fiscal year ended June 30	Residential property	Commercial property	Industrial property	Personal property	Total taxable assessed value (1)	Residential rate	Personal, commercial and industrial rate	Weighted average direct rate
2015	\$ 18,562	6,577	3,914	1,090	30,143	7.82	19.29	12.23
2016	21,584	7,187	4,687	1,222	34,680	6.99	17.71	11.04
2017	24,498	7,998	5,747	1,387	39,630	6.49	16.12	10.17
2018	26,426	8,907	6,812	1,474	43,619	6.29	14.81	9.65
2019	29,419	10,051	7,912	1,595	48,977	5.94	13.71	9.04
2020	32,335	12,171	8,763	1,679	54,948	5.75	12.68	8.60
2021	34,136	13,798	10,422	1,878	60,234	5.85	11.85	8.45
2022	35,118	14,771	12,104	1,960	63,953	5.92	11.23	8.31
2023	37,466	15,849	15,616	2,209	71,140	5.86	10.38	8.00
2024	39,460	16,033	17,951	2,439	75,883	5.92	10.46	8.10

(1) As of January 1st of the previous calendar year.

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to the fair value.  
 Tax rates are per \$1,000 of assessed value.

Source: City of Cambridge Finance Department

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**

Property and Motor Vehicle Tax Rates (1)

Last Ten Fiscal Years

<u>Fiscal year</u>		<u>Residential real property</u>	<u>Commercial and industrial real property</u>	<u>Personal property</u>	<u>Motor vehicle</u>
2015	\$	7.82	19.29	19.29	25.00
2016		6.99	17.71	17.71	25.00
2017		6.49	16.12	16.12	25.00
2018		6.29	14.81	14.81	25.00
2019		5.94	13.71	13.71	25.00
2020		5.75	12.68	12.68	25.00
2021		5.85	11.85	11.85	25.00
2022		5.92	11.23	11.23	25.00
2023		5.86	10.38	10.38	25.00
2024		5.92	10.46	10.46	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.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Largest Principal Taxpayers  
Current Year and Ten Years Ago

Taxpayer	2024			Taxpayer	2014		
	Taxable assessed value	Amount of tax	Percentage of total tax levy		Taxable assessed value	Amount of tax	Percentage of total tax levy
Massachusetts Institute of Technology (1)	\$ 8,739,820,100	88,822,985	15.4%	Massachusetts Institute of Technology (1)	\$ 2,051,720,900	39,790,002	12.11%
Alexandria Real Estate	4,149,467,200	43,390,737	7.5%	BioMed Realty Trust	1,014,742,900	20,650,287	6.29
BioMed Realty Trust	2,820,715,800	23,717,700	4.1%	Equity Partners	759,766,500	18,003,462	5.48
Boston Properties	2,266,446,500	20,638,080	3.6%	Boston Properties	652,771,700	13,342,654	4.06
DivcoWest	1,806,658,100	16,956,345	2.9%	Presidents & Fellows of Harvard College (1)	405,801,000	5,584,719	1.70
Healthpeak	1,361,912,000	14,209,012	2.5%	New England Development	234,975,500	4,802,899	1.46
MBA-Rogers Street, LLC	886,353,400	9,189,593	1.6%	Novartis Pharmaceuticals	233,908,600	4,781,092	1.46
PREEF American Reit II Corp.	651,795,000	7,022,309	1.2%	PREEF American Reit II Corp.	209,200,900	4,276,066	1.30
Presidents & Fellows of Harvard College (1)	857,078,300	6,274,788	1.1%	RB Kendall Fee LLC	202,797,500	4,130,001	1.26
Novartis Pharmaceuticals	517,111,800	5,408,989	0.9%	Alexandria Real Estate	180,324,100	3,619,744	1.10
Total	\$ 24,057,358,200	235,620,538	40.80 %	Total	\$ 5,946,009,600	118,980,926	36.22 %

(1) Excludes in-lieu payment on exempt property  
Source: City of Cambridge Finance Department

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Property Tax Levies and Collections (1)

Last Ten Fiscal Years

(In millions of dollars)

Fiscal year ended June 30	Taxes levied (2) for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount	Percentage of levy
2015	\$ 342.30	337.50	98.60 %	3.14	340.64	99.52 %
2016	355.80	350.20	98.43	2.96	353.16	99.26
2017	375.30	368.40	98.16	2.30	370.70	98.77
2018	392.70	387.58	98.70	1.85	389.43	99.17
2019	413.60	408.50	98.77	1.84	410.34	99.21
2020	442.30	434.90	98.33	5.66	440.56	99.61
2021	476.70	469.60	98.51	3.61	473.21	99.27
2022	498.40	492.32	98.78	2.95	495.27	99.37
2023	534.60	527.94	98.75	3.92	527.94	98.75
2024	578.50	573.45	99.13	N/A	573.45	99.13

(1) Real and personal property taxes.

(2) Gross tax levied before overlay reserve.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal year	Governmental activities				Business-type activities		Percentage of per capita income (a)	Per capita (a)	Ratio of debt to taxable assessed valuation (b)
	General obligation bonds	Section 108 HUD notes payable	Notes payable	Lease liability	General obligation bonds	Total primary government (c)			
2015	\$ 395,616,908	—	3,542,451	—	10,140,000	409,299,359	8.55	3,892	1.36
2016	402,454,910	—	2,944,394	—	7,720,000	413,119,304	8.60	3,928	1.19
2017	440,665,990	—	2,842,916	—	5,300,000	448,808,906	9.08	4,268	1.32
2018	477,490,177	—	2,842,916	—	2,880,000	483,213,093	10.09	4,595	1.11
2019	509,916,155	—	2,842,916	—	460,000	513,219,071	10.72	4,880	1.05
2020	504,418,755	—	2,842,916	—	—	507,261,671	10.59	4,824	0.92
2021	524,119,158	—	2,842,916	—	—	526,962,074	11.10	5,011	0.87
2022	548,071,069	—	—	5,604,020	—	553,675,089	7.66	4,676	0.87
2023	569,205,307	—	—	5,839,555	—	575,044,862	7.96	4,857	0.81
2024	675,186,825	—	—	5,916,487	—	681,103,312	9.42	5,752	0.90

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- a. See page 116 for per capita income and population data. These ratios are calculated using per capita income and population from prior calendar year.
- b. See page 108 for the taxable assessed valuation figures.
- c. Beginning in FY2017, General Obligation bonds include unamortized bond premium.

See accompanying independent auditors' report.



**CITY OF CAMBRIDGE, MASSACHUSETTS**

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>General obligation bonds outstanding</u>	<u>Total taxable assessed value</u>	<u>Per capita (a)</u>	<u>Ratio of debt to taxable assessed valuation (b)</u>
2015	\$ 405,756,908	30,143,000,000	3,858	1.35
2016	410,174,910	34,680,000,000	3,900	1.18
2017	445,965,990	39,630,000,000	4,241	1.13
2018	480,370,177	43,619,000,000	4,568	1.10
2019	510,376,155	48,977,000,000	4,853	1.04
2020	504,418,755	54,948,000,000	4,797	0.92
2021	524,119,158	60,234,892,929	4,984	0.87
2022	548,071,069	63,952,953,737	4,629	0.86
2023	569,205,307	71,139,912,521	4,807	0.80
2024	675,186,825	75,883,594,799	5,702	0.89

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- a. See page 116 for median family income and population data. These ratios are calculated using median family income and population from prior calendar year.
- b. See page 108 for the taxable assessed valuation figures.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 Direct and Overlapping Governmental Activities Debt  
 June 30, 2024

Name of unit	Direct debt and Lease liability (1)	Outstanding overlapping debt (2)	Percentage applicable to City of Cambridge	Total City of Cambridge direct and overlapping debt and lease liability
City of Cambridge	\$ 681,103,312		100.00 %	681,103,312
Massachusetts Water Resources Authority		2,640,386,000	5.35%	141,345,953
Total direct and overlapping debt	<u>\$ 681,103,312</u>	<u>2,640,386,000</u>		<u>822,449,265</u>

(1) Includes unamortized bond premium and lease liability.

(2) Overlapping debt amount and calculation obtained from Massachusetts Water Resources Authority (MWRA).

Per the MWRA – the overlapping debt percentages are based on the MWRA's debt service portion of its current fiscal year sewer assessment.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2024:

Fiscal year 2024 equalized valuation (1)	\$ 70,337,058,800
Debt limit (5% of assessed value) (2)	<u>3,516,852,940</u>
Debt applicable to limit:	
General obligation bonds	616,391,815
Total authorized/unissued	<u>418,159,500</u>
Total debt outstanding plus authorized/unissued	1,034,551,315
Less general obligation bonds exempted by authority of the State legislature	
Amount within debt limit	<u>1,034,551,315</u>
Legal debt margin	\$ <u>2,482,301,625</u>

	Fiscal year (dollars in thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 1,486,690	1,486,690	1,978,541	1,978,541	2,472,468	2,472,468	3,175,287	3,175,287	3,516,853	3,516,853
Total net debt applicable to limit	<u>474,434</u>	<u>634,382</u>	<u>616,477</u>	<u>645,116</u>	<u>662,305</u>	<u>873,974</u>	<u>841,364</u>	<u>977,109</u>	<u>1,070,225</u>	<u>1,034,551</u>
Legal debt margin	\$ <u>1,012,256</u>	<u>852,308</u>	<u>1,362,064</u>	<u>1,333,425</u>	<u>1,810,163</u>	<u>1,598,494</u>	<u>2,333,923</u>	<u>2,198,178</u>	<u>2,446,628</u>	<u>2,482,302</u>
Total net debt applicable to the limit as a percentage of debt limit	31.91 %	42.67 %	31.16 %	32.61 %	26.79 %	35.35 %	26.50 %	30.77 %	30.43 %	29.42 %

(1) In order to determine appropriate relative values for the purpose of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes his own determination of fair cash value of the taxable property in each municipality. This is known as "equalized valuation." The last redetermination of "equalized valuation" for the City was made as of January 1, 2022.

(2) Under Massachusetts Statutes, the Normal Debt Limit of the City is 5% of the valuation of taxable property as of the last equalized valuation.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Demographic and Economic Statistics

Last Ten Calendar Years

Year	Population (1)	Median family income (1)	Per capita income (1)	Median age (1)	School enrollment (2)	Unemployment rate (3)
2015	105,162	\$ 88,574	45,521	30.2	6,539	3.50
2016	105,162	88,574	45,521	30.2	6,607	2.80
2017	105,162	88,574	45,521	30.2	6,794	4.30
2018	105,162	88,574	45,521	30.2	7,072	3.60
2019	105,162	88,574	45,521	30.2	7,052	1.60
2020	105,162	88,574	45,521	30.2	7,091	1.50
2021	105,162	88,574	45,521	30.2	6,678	1.80
2022	118,403	107,490	61,036	30.6	6,612	2.20
2023	118,403	107,490	61,036	30.6	6,627	2.30
2024	118,403	107,490	61,036	30.6	6,915	3.30

(1) Source 2013–2021: U.S. Department of Commerce, Bureau of Census, Decennial Census, 2010  
 Source 2022-2023: US Department of Commerce, Bureau of Census, Decennial Census, 2020

(2) Source: Massachusetts Department of Education

(3) Source: State Executive Office of Labor and Workforce Development

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Principal Employers (1)

Current Year and Ten Years Ago

Employer	2024			Employer	2014		
	Employees	Rank	Percentage of total city employment		Employees	Rank	Percentage of total city employment
Harvard University	13,299	1	8.79 %	Harvard University	11,298	1	10.43 %
MIT	9,043	2	5.98	MIT	8,960	2	8.27
Cambridge Innovation Center	3,883	3	2.57	City of Cambridge (2)	2,869	3	2.65
City of Cambridge (2)	3,594	4	2.38	Novartis Institute	2,472	4	2.28
Takeda Pharmaceutical	3,504	5	2.32	Sanofi/Genzyme	2,000	5	1.85
Sanofi	2,433	6	1.61	Biogen Idec	1,815	6	1.68
Novartis Institute	2,188	7	1.45	Cambridge Health Alliance	1,797	7	1.66
Google	2,100	8	1.39	Mt. Auburn Hospital	1,785	8	1.65
Broad Institute	1,936	9	1.28	Cambridge Innovation Center	1,472	9	1.36
HUBSPOT	1,771	10	1.17	Vertex Pharmaceuticals	1,298	10	1.20
	<b>43,751</b>		<b>28.94 %</b>		<b>35,766</b>		<b>33.03 %</b>
Total average employed	151,304				108,329		

(1) Totals based on full time equivalents (FTE's), when available.

(2) Includes the Cambridge School Department

Source: Cambridge Community Development Department and cited employers

Source: Massachusetts Division of Employment and Training.

See accompanying independent auditors' report.

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 Full-Time Equivalent Positions by Function/Program  
 Last Ten Fiscal Years

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
Executive management	18	19	18	22	22	22	30	30	35	47
Clerk	10	10	10	9	10	10	10	10	11	11
Law	11	11	13	13	13	13	15	15	16	16
Finance (1)	87	91	97	97	100	100	102	102	103	110
Other	14	15	16	16	14	14	15	15	17	17
Subtotal	140	146	154	157	159	159	172	172	182	201
Public safety:										
Fire	285	285	283	283	285	285	285	285	285	300
Police	318	319	316	322	327	329	329	329	331	334
Traffic	82	82	83	85	85	85	87	87	89	93
Inspectional	27	28	28	28	29	29	29	29	30	31
Emergency communication	41	42	50	51	53	53	55	55	57	58
Other	26	28	29	29	30	30	30	30	36	26
Subtotal	779	784	789	798	809	811	815	815	828	842
Community maintenance:										
Public works	215	222	228	232	239	242	247	247	248	272
Community development	45	49	54	57	61	61	66	66	68	76
Other	12	11	11	12	12	11	11	11	11	18
Subtotal	272	282	293	301	312	314	324	324	327	366
Human resource development:										
Library	68	68	69	70	72	75	82	82	84	91
Human services	143	144	160	163	172	173	177	177	188	209
Other	6	6	6	6	6	6	6	6	8	9
Subtotal	217	218	235	239	250	254	265	265	280	309
Education	1,470	1,504	1,548	1,586	1,653	1,716	1,749	1,750	1,710	1,810
Water	55	55	55	55	57	58	59	59	59	60
Grand total	2,933	2,989	3,074	3,136	3,240	3,312	3,384	3,385	3,386	3,588

(1) Includes Human Resources

Source: FTE Report, Budget Department

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Emergency communications:</b>										
911 call pickups (land lines)	18,135	17,567	17,325	14,086	14,294	12,968	22,846	10,448	8,776	9,862
911 call pickups (cell phones)	17,203	17,424	14,700	18,358	19,860	30,252	27,685	43,751	40,149	26,052
Percent of 911 calls answered within 20 seconds	99 %	99 %	99 %	99 %	99 %	99 %	99 %	99 %	99 %	99 %
Percent of dispatchers and supervisors fully cross-certified	30 %	33 %	35 %	45 %	36 %	40 %	43 %	45 %	41 %	38 %
<b>Fire:</b>										
Number of state-mandated inspections of facilities	1,088	1,088	1,110	1,150	1,150	1,170	1,170	1,170	1,190	1,225
First response to fire emergency within 4-6 minutes	95 %	95 %	93 %	93 %	90 %	90 %	90 %	90 %	95 %	95 %
Respond to EMS requests within 4-6 minutes, 90% of the time	95 %	95 %	93 %	93 %	90 %	90 %	90 %	90 %	90 %	90 %
<b>Inspectional:</b>										
Number of BZA applications	167	141	173	158	130	135	154	175	179	161
Number of compliance inspections (buildings)	4,641	6,383	6,316	6,433	5,872	4,371	6,290	7,227	8,170	9,317
Number of compliance inspections and re-inspections	1,999	1,999	2,712	2,640	2,409	1,949	3,238	2,190	2,466	1,834
Number of inspections (housing complaints)	4,076	4,081	4,610	3,191	4,085	3,498	5,272	4,109	4,588	3,994
Number of licensed dumpster inspections completed	635	633	1,097	1,108	1,007	937	906	928	819	851
<b>Police:</b>										
Number of part 1 crimes reported	3,010	2,850	2,362	2,340	2,412	1,129	2,558	2,611	3,209	3,251
Average number of days between identified Part 1 crime patterns and the elimination of the pattern by an arrest or increase in police presence	34	24	21	76	41	16	22	32	19	24
Number of accidents citywide	1,733	1,560	1,589	1,444	1,413	2,331	961	1,305	1,468	1,698
Number of bicycle accidents citywide	169	168	174	139	155	116	60	108	155	197
<b>Traffic:</b>										
Short-term, on street spaces managed by parking meters and pay citations	3,161	3,167	3,114	2,874	2,910	2,737	2,711	2,621	2,648	2,643
Percent of tickets paid within 21 days from issuance without a notice	62.0 %	62.6 %	60.1 %	55.0 %	55.0 %	57.0 %	70.7 %	69.0 %	59.1 %	60.3 %
Percent of tickets issued this fiscal year that have been paid this year	85.6 %	86.1 %	78.5 %	74.0 %	67.0 %	70.0 %	76.9 %	80.0 %	89.7 %	89.2 %
<b>Community Development:</b>										
Number of projects undergoing urban design review	25	41	43	38	38	30	41	47	39	14
Number of small businesses assisted through the Small Business Enhancement Program and Retail Interior Accessibility Program (a)	41	29	43	35	23	17	21	16	7	22
Transportation demand management programs that encourage walking, bicycling, and public transit (a)	10	10	12	10	16	20	19	17	27	14
Number of local/regional transportation infrastructure projects that advance the City's environmental, public health, and community livability goals (a)	10	10	11	15	23	27	32	42	39	39
New rental units under development and existing units preserved as affordable housing with City financing (h)	124	104	125	140	—	338	—	190	74	421
New affordable homeownership units under development with City financing and older homes rehabilitated for new buyers	11	11	14	11	11	12	18	16	10	13
New affordable inclusionary housing units approved	57	98	56	127	44	134	206	8	3	102
New households purchasing affordable homes through CDD	16	10	12	18	20	16	8	15	23	16
<b>Public Works:</b>										
Number of CPS buildings with food scrap collection for composting (e)	10	13	14	18	18	18	14	—	13	13
Complete planting requests within 1 year (percent of requests)	90 %	80 %	70 %	68 %	69 %	90 %	100 %	100 %	100 %	97 %
<b>Water:</b>										
Meters replaced	314	327	427	438	304	222	375	383	450	382
Number of fire hydrants replaced	101	66	15	15	85	56	66	28	54	60
<b>Human Services:</b>										
ADA trainings, technical assistance sessions, and disability awareness trainings provided to City staff and other public entities	260	200	200	196	215	215	202	290	360	350
Number of clients served in youth and family services programs (d)	2,600	2,600	2,695	2,610	2,616	2,670	n/a	1,443	1,621	1,801
Number of clients served through domestic violence and abuse prevention programs	70	68	70	68	65	64	52	50	90	83
Number of clients served through homelessness prevention/service programs (g)	4,700	3,597	3,500	3,500	3,750	3,900	3,025	1,850	2,630	3,086
Number of students served at Community Learning Center	881	890	900	840	840	830	776	715	800	760
Number of clients receiving case management and information and referral services through elderly services (d)	3,553	3,800	3,900	3,700	3,900	3,800	n/a	2,745	4,100	4,600
Number of families placed in housing Multi-Service Center	25	35	37	25	26	20	60	60	55	45
Number of residents served through the Cambridge Employment Program (CEP)	257	240	250	245	275	240	163	250	266	355
Number of youth recreation and swimming classes/participants (b)	121	141	138	1,145	1,180	850	—	418	1,600	2,200
Number of books distributed to children, families, and staff	8,700	9,450	9,550	9,000	9,400	9,300	6,002	7,888	9,250	8,900
Number of parents participating in Baby University and Alumni Association activities (d) (f)	141	161	159	130	135	130	n/a	20	26	25
Number of families participating in Center for Families programming	864	715	725	750	725	700	518	675	700	750
Number of children served in summer camps	949	1,050	1,070	1,153	1,083	1,052	700	800	855	898
Number of teens enrolled in school year programming	397	500	500	500	500	400	200	300	300	300
Number of teens involved in summer programming (c)	369	378	375	1,475	1,475	1,500	700	900	900	1,000

**CITY OF CAMBRIDGE, MASSACHUSETTS**  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Library:										
Check-outs	1,326,584	1,249,878	1,218,788	1,200,835	1,683,119	1,393,407	656,993	1,709,304	1,750,051	1,805,299
Select, purchase, and catalog new acquisitions for library collection	47,147	50,427	48,520	52,326	56,769	29,756	53,858	51,784	54,315	53,642
Number of items in collection	401,469	374,290	391,263	330,863	416,458	449,097	502,181	510,637	521,075	537,053
Provide a welcoming environment for all visitors at Main Library	579,935	592,377	556,196	565,422	553,623	379,975	28,872	358,042	423,083	450,205
Number of visitors to the branches	377,542	368,046	348,002	340,668	418,716	308,324	8,555	307,077	436,293	513,686
Education:										
Total enrollment	6,539	6,607	6,794	7,072	7,052	7,091	6,678	6,612	6,627	6,915

Note:

- (a) Beginning in FY19 this indicator was revised for more accurate measure
- (b) Beginning in FY18 this measurement was changed from the number of classes to the number of participants
- (c) Beginning in FY18 this measurement includes the Mayor's Program
- (d) Due to the pandemic, in FY21 these indicators were calculated differently and would not be an accurate benchmark in relation to prior years, therefore were not included in this chart.
- (e) In FY22, due to operational issues related to COVID-19, the School Department did not offer any food scrap collection for composting. This practice has resumed in FY23.
- (f) Beginning in FY22 this measurement includes only parents participating. It does not include Alumni Association activities.
- (g) Beginning in FY22 the calculation method of this measurement was changed.
- (h) Beginning in FY24 the older homes rehabilitated for new buyers is no longer included in the count

Source: Budget Department

See accompanying independent auditors' report.



CITY OF CAMBRIDGE, MASSACHUSETTS  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Function/program	Fiscal year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Emergency vehicles	32	31	31	33	33	32	30	32	40	40
Maintenance facility	1	1	1	1	1	1	1	1	1	1
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	80	80	80	80	80	80	80	80	80	80
Traffic:										
Garages	2	2	2	2	2	2	2	2	2	2
Public works:										
Collection trucks	15	15	15	15	19	19	19	19	13	19
Streets (miles)	125	125	125	125	125	125	125	125	133	132
Electric:										
Streetlights	7,110	7,279	7,257	7,268	7,268	7,300	7,306	7,315	7,014	7,280
Traffic signals	185	188	180	181	187	191	192	200	185	216
Sewer:										
Sanitary sewers (miles)	151	148	148	149	148	148	148	148	148	148
Storm sewers (miles)	95	97	97	97	97	97	98	97	96	97
Library:										
Main library	1	1	1	1	1	1	1	1	1	1
Number of branches	6	6	6	6	6	6	6	6	6	6
Parks and recreation:										
Acreage	497	497	497	497	497	497	497	503	503	503
Playgrounds	59	59	59	59	59	59	61	63	61	61
Baseball/softball diamonds	23	23	23	23	23	23	21	21	20	20
Soccer/football fields	10	10	10	10	10	10	10	10	10	10
Youth centers	5	5	5	5	5	5	5	5	5	5
Senior centers	2	2	2	2	2	2	2	2	2	2
Water:										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	185	185	195	195	195	195	195	195	185	185
Fire hydrants	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,854	1,935
Storage capacity (gallons) (000)	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Reservoirs (gallons) (000)	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,954,000
Education:										
Elementary schools	12	12	12	12	12	12	12	12	12	12
High school	1	1	1	1	1	1	1	1	1	1

Source: Budget Department

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Annual Comprehensive Financial Report

Year ended June 30, 2024

Electronic Publishing	KPMG LLP
Paper	70 pound Finch
Covers and Dividers	80 pound coated
Printing – Laser Printing/Text	KPMG LLP
Printing – Covers and Dividers	KPMG LLP
Composing	KPMG LLP
Cover and Divider Design	KPMG LLP