

CITY OF CAMBRIDGE,
MASSACHUSETTS



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
JULY 1, 2024 – JUNE 30, 2025

CITY OF CAMBRIDGE, MASSACHUSETTS

Annual Comprehensive
Financial Report

Fiscal Year
July 1, 2024 through June 30, 2025

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 Fresh Pond Golf Course, officially the Thomas P. O'Neill, Jr. Municipal Golf Course, a challenging 9-hole course located in West Cambridge. (Photo credit: Kyle Klein / City of Cambridge)

CITY OF CAMBRIDGE, MASSACHUSETTS

Annual Comprehensive
Financial Report

June 30, 2025

Table of Contents

	Page(s)
Introductory Section (unaudited)	
Letters of Transmittal	i–viii
Directory of Officials	ix
Organizational Chart	x
Certificate of Achievement	xi
Financial Section	
Independent Auditors' Report	1–3
Management's Discussion and Analysis – Required Supplementary Information (Unaudited)	4–14
Basic Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Balance Sheet – Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	20
Statement of Net Position – Proprietary Fund	21
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	22
Statement of Cash Flows – Proprietary Fund	23
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	25
Discretely Presented Component Units Statement of Net Position	26

CITY OF CAMBRIDGE, MASSACHUSETTS

Annual Comprehensive
Financial Report

June 30, 2025

Table of Contents

	Page(s)
Discretely Presented Component Units Statement of Revenue, Expenses and Changes in Net Position	27
Notes to Basic Financial Statements	28–72
Required Supplementary Information (Unaudited):	
Schedule of Employer Contributions – OPEB	73
Schedule of Changes in the City's Net OPEB Liability and Related Ratios	74
Notes to Schedule of Changes in the City's Net OPEB Liability and Related Ratios	75
Schedule of Investment Returns – City of Cambridge OPEB Trust	76
Schedule of Pension Contributions – City of Cambridge	77
Schedule of City's Proportionate Share of the Net Pension Liability	78
Schedule of Revenues and Expenditures – Budgetary Basis – General Fund – Budget and Actual	79
Notes to Required Supplementary Information – Schedule of Revenues and Expenditures	80
Supplemental Statements and Schedules:	
Schedule of Expenditures – Budgetary Basis – General Fund	81–86
Other Governmental Funds	88
Combining Financial Statements:	
Combining Balance Sheet – Other Governmental Funds	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds	90
Fiduciary Funds	91
Combining Statement of Net Position – Fiduciary Funds	92
Combining Statement of Changes in Net Position – Fiduciary Funds	93

CITY OF CAMBRIDGE, MASSACHUSETTS

Annual Comprehensive Financial Report

June 30, 2025

Table of Contents

	Page(s)
Other Schedules	94
Schedule of Gross Real Estate, Personal Property, and Motor Vehicle Excise Taxes	95–97
Schedule of Bonds and Notes Payable	98–99
Statistical Section (unaudited)	
General Government Expenditures by Function – GAAP Basis	101
General Government Revenues by Source – GAAP Basis	102
Net Position by Component	103
Changes in Net Position by Component	104–105
Fund Balances, Governmental Funds	106
Changes in Fund Balances, Governmental Funds	107
Assessed Value and Actual Value of Taxable Property	108
Property and Motor Vehicle Tax Rates	109
Largest Principal Taxpayers	110
Property Tax Levies and Collections	111
Ratios of Outstanding Debt by Type	112
Ratios of General Bonded Debt Outstanding	113
Direct and Overlapping Governmental Activities Debt	114
Legal Debt Margin Information	115
Demographic and Economic Statistics	116

CITY OF CAMBRIDGE, MASSACHUSETTS

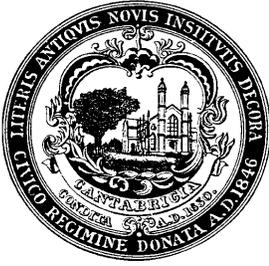
Annual Comprehensive
Financial Report

June 30, 2025

Table of Contents

	Page(s)
Principal Employers	117
Full-Time Equivalent Positions by Function/Program	118
Operating Indicators by Function/Program	119–120
Capital Asset Statistics by Function/Program	121
Annual Comprehensive Financial Report	122

INTRODUCTORY SECTION



City of Cambridge Office of the City Auditor

Auditing Department

Joseph McCann
City Auditor

January 30, 2026

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, 2025 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, 2024, 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.

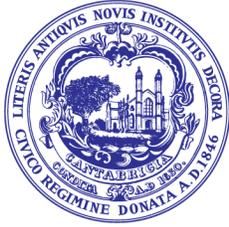
Respectfully submitted,



Claire Spinner
Assistant City Manager
for Fiscal Affairs



Joseph McCann
City Auditor



City of Cambridge

Executive Department

YI-AN HUANG
City Manager

January 30, 2026

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, 2025. 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, 2025. 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



City Hall • 795 Massachusetts Avenue • Cambridge • Massachusetts • 02139
617-349-4300 • fax: 617-349-4307 • tty: 617-492-0235 • www.cambridgema.gov

1630. Cambridge was founded as Newtowne in 1630 and served as the capital of Massachusetts Bay Colony 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.

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, 2029. 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 Superintendent was appointed by the School Committee on October 2025, effective through June 30, 2029.

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 FY25 was initiated in December 2023. 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 FY25 Budget to the City Council on April 29, 2024 and it was adopted on June 3, 2024. The Annual Budget for FY25 became effective July 1, 2024.

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. 55% 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: 2019-2023 ACS)
- 29% of residents are foreign born. Of those, over 47% were born in Asia and 21% were born in Europe. (Source: 2019-2023 ACS)
- 34% of residents speak a language other than English at home. Of these, 19% speak Spanish and 34% speak an Asian language, about half of whom speak Chinese. The remainder uses a wide variety of languages. (Source: 2019-2023 ACS)

- While the majority of new units are currently marketed as rentals, the 2019-2023 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: 2019-2023 ACS)
- 19,680 families reside in Cambridge; 8,116 are families with minor children. (Source: 2019-2023 ACS)
- 80% of residents, age 25 or older, have a four-year college degree and 50% also have a graduate degree. Only 4% of residents age 25 or older lack a high school diploma. (Source: 2019-2023 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 \$100,534 (Bureau of Economic Analysis, 2024) is identical to the Boston metro area average and higher than the Massachusetts, and U.S. averages.
- According to the Massachusetts Department of Labor, 2024 employment averaged 151,278 jobs, with private sector employment comprising 95.2% of total jobs.
- Cambridge's February 2025 unadjusted unemployment rate of 3.6%, 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 Economic Research, 2025)
- Cambridge continues to maintain a high job to resident ratio, with 1.3 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 nearly 23,000 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.
- Many of the largest biotechnology and pharmaceutical sector have their headquarters or major regional or national offices here in Cambridge including Takeda/Millennium Pharmaceuticals, Sanofi Aventis, Novartis, Alnylam, Pfizer and Biogen.
- The High-tech sector within the top 25 employers includes Google, HubSpot, Phillips North America Akamai Technologies and CarGurus.

The City retained the rare distinction of being one of 22 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 its practice of responsible management of financial operations and through improved accounting and financial reporting. The sound financial decisions continued during the past fiscal year and will benefit the City in years to come.

For FY25, the City's free cash was certified at \$184.3 million. This is a decrease of \$48.9 million from the previous year. Notable uses of Free Cash in FY25 included: Improvements to Neville Place, Federal Grant Stabilization Fund; Debt Stabilization Fund; and Department of Public Works-Operation and Street Repairs.

The City ended FY25 with a total general fund balance of \$366.8 million, which includes an 0.30% increase of general fund revenues, and is a 5.3% decrease of fund balance as compared to FY24. Each year, a portion of the fund balance is allocated to committed and assigned accounts. A total of \$166.0 million was held as committed, assigned or nonspendable in FY25, leaving an unassigned fund balance of \$200.8 million.

The property tax levy for FY25 increased by 9.21%. The ten-year average increase in the property tax levy is 6.31%. The FY25 Budget adopted by the City Council in June 2024 projected a property tax levy increase of \$53.4 million, or 9.3%, to \$628.3 million in order to fund operating and capital expenditures. The FY25 adopted operating budget increased by 8.1% as compared to FY24.

In FY25, real estate property assessed valuations totaled \$76.2 billion, a \$.4 billion or .5% increase from FY24. The City's property tax levy limit grew by \$43.5 million to \$817.5 million. The excess tax levy capacity, which is the difference between the levy limit and the tax levy was \$189.1 million in FY25, a decrease of \$9.4 million or 4.8% from FY24.

The local portion of Community Preservation Act (CPA) funds are raised through a 3% surcharge on taxes. The total amount appropriated in FY25 was \$21.3 million (\$14.7 million local, \$3.0 million State, and \$3.6 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 FY25, the City has appropriated \$301.7 million in CPA funds with approximately \$69.7 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 FY25-FY29, which was adopted by the City Council in June 2024, has an estimated cost of \$726.1 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, 2025 totaled \$694.3 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, 2024. This was the 39th 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, 2024. 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". The signature is fluid and cursive, with a large, stylized initial "Y" and "H".

Yi-An Huang
City Manager

Fiscal Year 2025
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

Catherine Zusy

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

Deputy 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

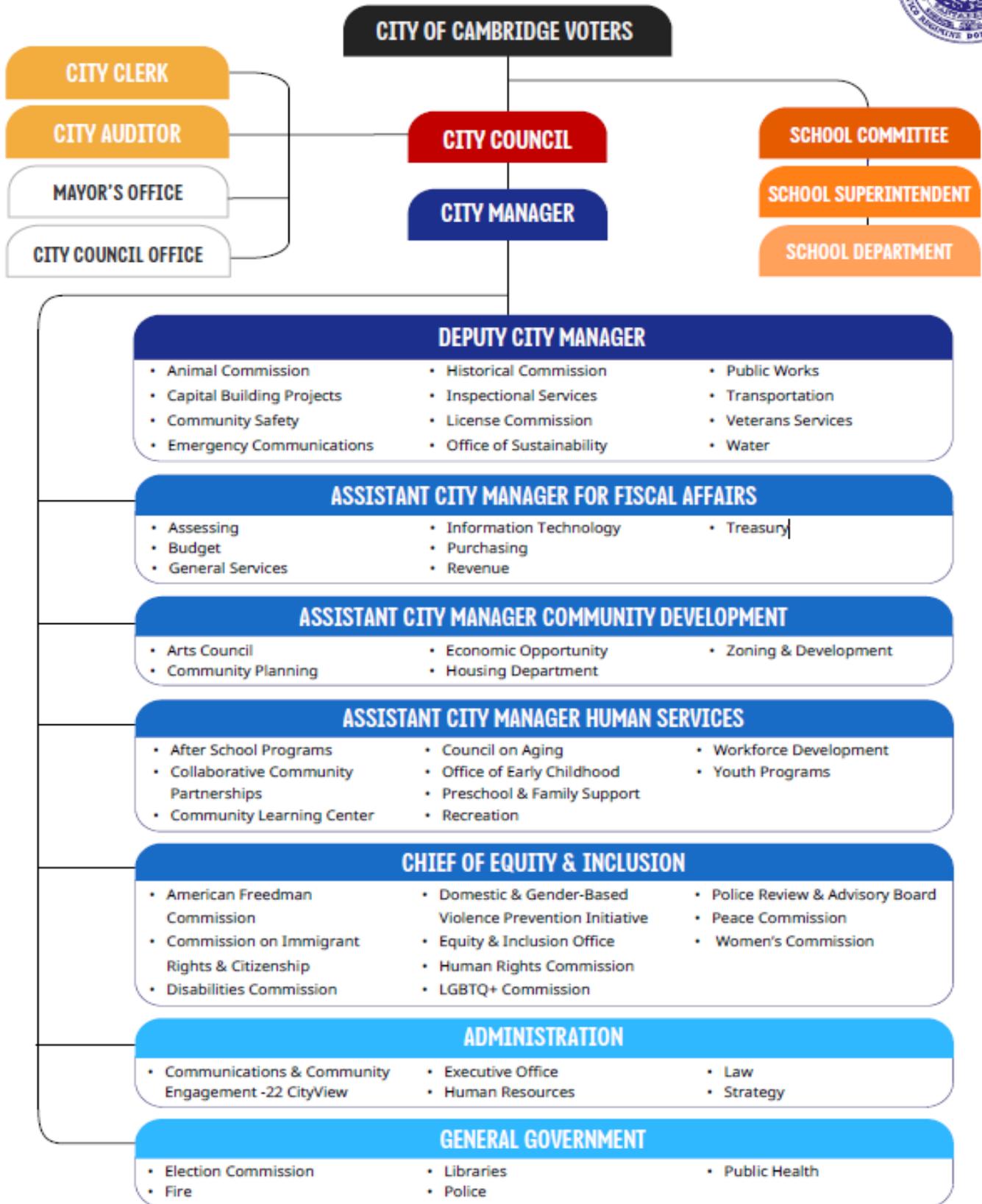
Diane Meireles

City Solicitor

Megan Bayer

City Clerk

Diane P. LeBlanc





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, 2024

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, 2025, 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, 2025, 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 section 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 January 30, 2026 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
January 30, 2026

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

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, 2025. 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

CITY OF CAMBRIDGE, MASSACHUSETTS

Management's Discussion and Analysis Required Supplementary Information (Unaudited)

June 30, 2025

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, 2024 are available from its offices at 255 Main Street 8th 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

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

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.

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

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 \$857 million, a decrease of \$14.3 million compared to the prior measurement date.
- In fiscal year 2025, the City's contribution to the OPEB Trust Fund was \$30.9 million for retirees' health benefits which offset the benefit expenses of \$28.9 million. In 2025 and 2024, the OPEB Trust Fund earned investment income, in the amount of \$2.8 million and \$3.8 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 \$77.7 million, a decrease of \$19.9 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 on June 30, 2025, by \$1.1 billion (presented as net position). Of this amount, (\$340.0) million was reported as "unrestricted net position" and \$114.6 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 \$1,301.4 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 \$961.5 million, down .34% from prior year; and net receivables of \$46.6 million, down \$2.5 million from prior year.

Governmental activities total liabilities include \$754.5 million in general obligation bonds and note payable; \$26.1 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 \$79.3 million increase in bonds payable due to continued school building construction, city fire headquarters renovation, and infrastructure improvements projects.

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Business-type activity liabilities totaled \$6.3 million, which includes \$1.3 million in accounts payable and accrued payroll expenses, \$4.0 million in general obligation bonds, \$647.0 thousand in compensated absences and \$341.0 thousand in future year workers' compensation and health benefits.

Condensed Schedule of Net Position

June 30, 2025 and 2024

(in millions)

	Governmental activities		Business type activities		Total primary government	
	June 30		June 30		June 30	
	2025	2024	2025	2024	2025	2024
Total assets and deferred outflows:						
Current and other assets	\$ 1,026.2	1,035.1	18.1	20.2	1,044.3	1,055.3
Capital assets	1,795.6	1,692.2	124.5	120.5	1,920.1	1,812.7
Total assets	2,821.8	2,727.3	142.6	140.7	2,964.4	2,868.0
Deferred outflows	96.9	170.4	—	—	96.9	170.4
Total assets and deferred outflows	\$ 2,918.7	2,897.7	142.6	140.7	3,061.3	3,038.4
Total liabilities and deferred inflows:						
Long-term liabilities	\$ 1,583.5	1,578.6	4.1	0.5	1,587.6	1,579.1
Other liabilities	228.1	248.6	2.2	1.7	230.3	250.3
Total liabilities	1,811.6	1,827.2	6.3	2.2	1,817.9	1,829.4
Deferred inflows	167.5	208.9	—	—	167.5	208.9
Total liabilities and deferred inflows	\$ 1,979.1	2,036.1	6.3	2.2	1,985.4	2,038.3
Net position:						
Net investment in capital assets	\$ 1,182.2	1,134.9	119.2	120.3	1,301.4	1,255.2
Restricted	114.6	103.5	—	—	114.6	103.5
Unrestricted	(357.2)	(376.8)	17.1	18.2	(340.1)	(358.6)
Total net position	\$ 939.6	861.6	136.3	138.5	1,075.9	1,000.1

Statement of Changes in Net Position

The City's total net position increased by \$75.9 million in fiscal year 2025 of which the governmental activities net position increased \$78.0 million and the business-type activity decreased \$2.1 million. The continued investment in the City's capital assets of \$107.4 million is the main contributor to governmental activities' increase in assets. The increase in long-term liabilities of \$8.5 million is mainly due to the increase in bonds and notes payable, partially offset by a decrease in net pension liability.

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

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

Condensed Schedule of Changes in Net Position

June 30, 2025 and 2024

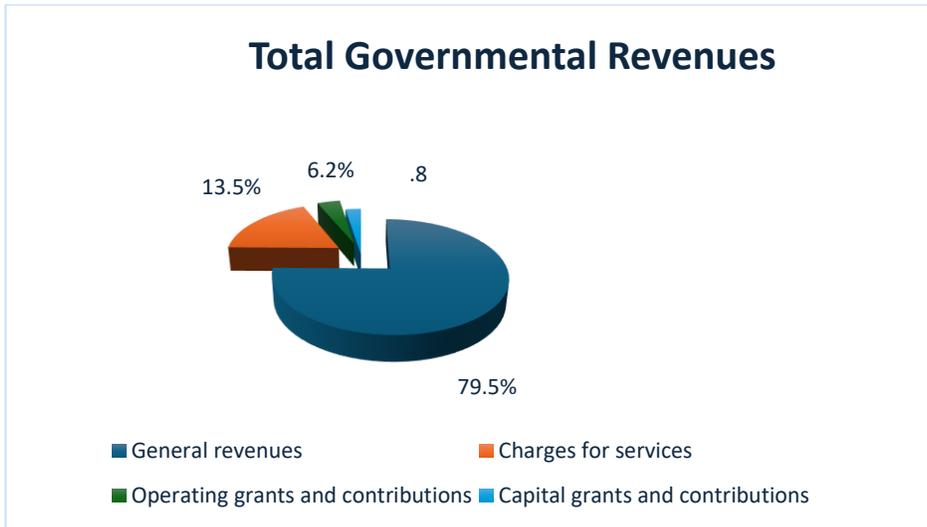
(In millions)

	Governmental activities		Business-type activity		Total primary government	
	June 30		June 30		June 30	
	2025	2024	2025	2024	2025	2024
Charges for services	\$ 144.7	162.9	20.0	19.4	164.7	182.3
Operating grants and contributions	66.8	69.9	—	—	66.8	69.9
Capital grants and contributions	8.8	7.8	—	—	8.8	7.8
General revenues:						
Taxes:						
Property taxes levied	629.4	582.2	—	—	629.4	582.2
Excises	33.9	33.3	—	—	33.9	33.3
Payment in lieu of taxes	8.9	8.7	—	—	8.9	8.7
Grants and contributions not restricted	79.2	82.2	—	—	79.2	82.2
Investment income	31.9	32.2	0.1	0.1	32.0	32.3
Miscellaneous	67.5	109.0	—	—	67.5	109.0
Total revenues	1,071.1	1,088.2	20.1	19.5	1,091.2	1,107.7
Expenses:						
General government	76.0	90.0	—	—	76.0	90.0
Public safety	201.4	196.3	—	—	201.4	196.3
Community maintenance and development	243.3	211.9	—	—	243.3	211.9
Human resource development	109.8	99.4	—	—	109.8	99.4
Education	342.7	337.2	—	—	342.7	337.2
Water department	—	—	21.5	20.2	21.5	20.2
Interest	20.6	16.8	—	—	20.6	16.8
Total expenses	993.8	951.6	21.5	20.2	1,015.3	971.8
Excess before transfers	77.3	136.6	(1.4)	(0.7)	75.9	135.9
Transfers	0.7	0.7	(0.7)	(0.7)	—	—
Change in net position	78.0	137.3	(2.1)	(1.4)	75.9	135.9
Net position – beginning	861.6	724.3	138.4	139.9	1,000.0	864.2
Net position – ending	\$ 939.6	861.6	136.3	138.5	1,075.9	1,000.1

CITY OF CAMBRIDGE, MASSACHUSETTS
 Management's Discussion and Analysis
 Required Supplementary Information (Unaudited)
 June 30, 2025

Total Revenues

Total governmental activities revenues for the City are comprised of general revenues of \$851.5 million, charges for services \$144.7 million, operating grants and contributions \$66.8 million and capital grants and contributions of \$8.8 million.



General

Real estate tax revenues are the City's largest revenue source at \$629.4 million representing 73.9% of general revenues. The assessed tax valuation base is \$76.2 billion up from \$75.9 billion assessed in the prior year showing a .47% increase, which is primarily due to new construction and FY25 amended growth.

Grants and contributions not restricted to specific programs is \$79.2 million representing 9.3% of general revenues and include state cherry sheet revenues, Massachusetts Teachers Retirement System (MTRS) contributions and other unrestricted contributions. There was a \$3.0 million decrease over the prior year, which is primarily due to the decrease in MTRS contributions.

Program

Charges for services are \$144.7 million, which is a decrease of \$18.2 million from prior year and represents a decrease from a variety of department revenues. The community maintenance and development portion of \$74.2 million decreased by \$1.2 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 remained the same as prior year. The public safety portion of \$62 million decreased by \$17 million over the prior year primarily due to reduced building permit revenue.

Operating grants and contributions of \$66.8 million decreased by \$3.0 million over the prior year and account for approximately 6.2% of the total City revenues. The funding source represents several federal and state grants restricted to specific grant conditions. Contributors to the decrease is the ARPA revenue recognition of \$6.8 million offset by the increase in School grants by \$3.8 million.

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

Expenses

For the fiscal year ended June 30, 2025, expenses for government activities totaled \$993.9 million, which cover a range of services including but not limited to public safety, education, and community maintenance. The City's expenses increased by \$42.3 million or 4.4% over prior year. A portion of the increase is attributable to cost of living and employee benefit increases of approximately 3%.

As stated above, the City's affordable housing initiative and the preservation of open space are very important. This is the twenty third year of the Community Preservation Act (CPA). This program fosters investment in permanent affordable housing projects, preservation of historic locations, protection 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 2025, the City spent \$58 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 \$17.1 million and a net investment in capital assets of \$119.2 million.

Business-Type Activity decreased net position by \$2.1 million. The net position change reflects a decrease of \$2.1 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 \$858.1 million. Of this amount, \$288.2 million was restricted because the funds include grants or bonded projects that are controlled by external sources. Also, \$349.2 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 approved by the highest legislative level at the City, which is the City Council. Finally, \$25.8 million has been assigned for encumbrance balances. The remainder of the fund balance of \$194.9 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 \$200.8 million, while the total fund balance was \$366.8 million. The overall decrease in unassigned fund balance is the result of decreased revenues from the issuance of building permits and sewer charges.

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

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 22.2% of total General Fund expenditures, while the total balance represents 40.5% 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 2025 Capital fund fund balance is \$232.6 million, an increase of \$16.4 million from fiscal year 2024. This increase is a result of the significant increase in the bond issuance to fund increased capital spending on the new Tobin School scheduled for completion in the first quarter of FY26 and the ongoing 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 2025, the total fund balance was \$202.1 million which is an increase of 3.6%. The trust increased expenditures by \$20.3 million over prior year due to increase in project loan activity and still managed a 3.6% increase in total fund balance. 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 2023, 2024 and 2025, 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. The ARPA expenditures were \$22.3 million in the current year with a year-to-date grant total of \$75.9 million. The fiscal year 2025 City Grant Fund balance is \$9.0 million, an increase of \$6.9 million from 2024.

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 2025 Other governmental fund balance is \$47.5 million, an increase of \$7.4 million from 2024. This was a result of increased revenues in all of the various programs making up the Other Governmental 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 \$527.2 thousand or 2.7% as a result of a 6.8% rate increase but the System did experience a decrease in usage. Also, the FY25 operating costs increased \$1.2 million because of increases in depreciation expense, plant material costs, and employee salaries COL increase of 3%. This resulted in a decrease in the net position of \$2.1 million. The net position change reflects a slight decrease in net investment in capital assets of .06% and the decrease in unrestricted net position of \$2.1 million or 11.3%.

CITY OF CAMBRIDGE, MASSACHUSETTS
Management's Discussion and Analysis
Required Supplementary Information (Unaudited)
June 30, 2025

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 2025 actual revenues on a budgetary basis totaled \$864.2 million. This represents an increase of \$13.7 million or 1.6% from fiscal year 2024. Property taxes are the single largest revenue source, representing approximately 72.2% of general fund revenues, net of abatements. Sewer use receipts comprise the City's next largest revenue source, representing 8.3%. Other Income was lower than budget because of a decrease in building permits (\$15 million), and mitigation payments.

Expenditures

During fiscal year 2025, total expenditures increased by \$85.7 million or 10.4% on a budgetary basis mainly due to a 3.0% cost of living increase and increased operating cost.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the City's capital assets of its governmental activities and business-type activity amounted to \$1.92 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, several ongoing school building construction projects, the largest one opening in September 2025 and the City's ongoing 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, 2025

Debt

At year-end, the City had \$758.1 million in outstanding bonds compared to \$675.2 million last year.

	Governmental activities		Business-type activity		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds payable	\$ 754.5	675.2	3.6	—	758.1	675.2

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 \$50.5 million, or 8.0%, to \$678.9 million in fiscal year 2026. 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 \$189.1 million in FY25 to \$172.9 million in FY26, an 8.6% decrease.

The FY26 operating budget increased by 3.7% over the FY25 adopted budget. The FY26 Adopted Capital budget totaled \$151.1 million. The largest component of the FY26 Capital budget was the appropriation of \$49.4 million for street infrastructure improvements and surface enhancements. Also, \$26.5 million for sewer infrastructure improvements and the combined sewer overflow project. Revenues and expenditure adjustments were made to the Adopted FY26 Operating budget when the property tax rate was set in the fall of 2025 because of clearer information being available around state and property tax revenues.

New Accounting Standards

During the fiscal year ended June 30, 2025, the City adopted GASB Statement No. 101 "Compensated Absences", and GASB Statement No. 102 "Certain Risk Disclosures."

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, 2025

Assets and Deferred Outflows of Resources	Primary government			Aggregate Discretely presented component units
	Governmental activities	Business-type activity	Total	
Cash and investments	\$ 961,458,460	13,437,245	974,895,705	361,237,225
Cash and investments held by trustees	—	—	—	6,117,442
Receivables, net:				
Property taxes	8,264,604	—	8,264,604	—
Motor vehicle excise	2,042,300	—	2,042,300	—
Tax title and possessions	3,593,843	—	3,593,843	—
Leases	217,956	—	217,956	1,714,044
Subscription assets	—	—	—	10,995,594
Intergovernmental	3,532,738	—	3,532,738	—
Other	28,903,798	5,689,047	34,592,845	40,402,102
Other assets	80,000	—	80,000	186,951,349
Internal balances	(32,723)	32,723	—	—
Noncurrent leases and other receivable accounts	18,106,175	—	18,106,175	3,225,993
Notes receivable	—	—	—	250,000
Investment in other property	—	—	—	5,000,000
Development projects held for sale	—	—	—	65,785
Capital assets:				
Nondepreciable	563,202,616	45,512,204	608,714,820	21,271,705
Depreciable, net	1,232,447,007	78,001,518	1,310,448,525	251,287,409
Total assets	2,821,816,774	142,672,737	2,964,489,511	888,518,648
Deferred outflows of resources:				
Related to debt refundings	3,205,629	—	3,205,629	—
Related to pensions	62,745,437	—	62,745,437	13,548,341
Related to other post employment benefits	30,930,766	—	30,930,766	5,009,122
Total assets and deferred outflows of resources	2,918,698,606	142,672,737	3,061,371,343	907,076,111
Liabilities and Deferred Inflows of Resources				
Warrants and accounts payable	53,251,121	1,144,413	54,395,534	65,467,890
Accrued liabilities:				
Tax abatements	5,880,100	—	5,880,100	25,449,375
Accrued payroll	28,139,231	136,047	28,275,278	—
Accrued interest	11,139,105	61,804	11,200,909	25,907,573
Other	6,102,607	—	6,102,607	5,853,495
Unearned revenue	14,889,722	—	14,889,722	—
Long-term liabilities:				
Due within one year:				
Bonds and notes payable	79,033,988	415,000	79,448,988	166,205
Due to third parties	—	—	—	1,025,713
Compensated absences	12,505,000	284,000	12,789,000	27,943,239
Payroll tax deferral	—	—	—	—
Lease payable	1,330,029	—	1,330,029	8,004,857
Subscription liability	—	—	—	4,455,142
Landfill	28,333	—	28,333	—
Judgments and claims	14,725,400	150,000	14,875,400	—
Pollution remediation	1,127,750	—	1,127,750	—
Due in more than one year:				
Bonds and notes payable	675,482,731	3,598,943	679,081,674	6,050,560
Due to third parties	—	—	—	36,984,712
Compensated absences	13,625,000	363,000	13,988,000	—
Landfill	708,334	—	708,334	—
Lease payable	2,783,318	—	2,783,318	73,809,280
Subscription liability	—	—	—	4,464,372
Judgments and claims	10,826,700	190,900	11,017,600	—
Net OPEB liability	749,843,851	—	749,843,851	108,765,405
Pollution remediation	1,878,044	—	1,878,044	—
Net pension liability	128,330,964	—	128,330,964	29,271,148
Total liabilities	1,811,631,328	6,344,107	1,817,975,435	423,618,966
Deferred inflows of resources:				
Related to pensions	12,107,590	—	12,107,590	2,848,840
Related to other post employment benefits	138,062,601	—	138,062,601	27,399,103
Related to rent	17,298,909	—	17,298,909	4,893,090
Total liabilities and deferred inflows of resources	1,979,100,428	6,344,107	1,985,444,535	458,759,999
Net Position				
Net investment in capital assets	1,182,186,940	119,179,477	1,301,366,417	186,598,292
Restricted for:				
Capital projects	66,332,223	—	66,332,223	—
Community preservation	24,237,958	—	24,237,958	—
Specific purposes	23,984,717	—	23,984,717	8,900,000
Other purposes	—	—	—	14,219,515
Unrestricted	(357,143,660)	17,149,153	(339,994,507)	238,592,305
Total net position	\$ 939,598,178	136,328,630	1,075,926,808	448,310,112

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Activities

Year ended June 30, 2025

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			
					Governmental activities	Business-type activity	Total	
Primary government:								
Governmental activities:								
General government	\$ 76,054,786	225,935	—	—	(75,828,851)	—	(75,828,851)	
Public safety	201,425,000	61,981,245	557,223	—	(138,886,532)	—	(138,886,532)	
Community maintenance and development	243,326,402	74,204,764	3,778,207	8,814,349	(156,529,082)	—	(156,529,082)	
Human resource development	109,762,910	6,895,078	40,098,204	—	(62,769,628)	—	(62,769,628)	
Education	342,705,117	1,361,044	22,359,116	—	(318,984,957)	—	(318,984,957)	
Interest on long-term debt	20,579,806	—	—	—	(20,579,806)	—	(20,579,806)	
Total governmental activities	<u>993,854,021</u>	<u>144,668,066</u>	<u>66,792,750</u>	<u>8,814,349</u>	<u>(773,578,856)</u>	<u>—</u>	<u>(773,578,856)</u>	
Business-type activity:								
Water	21,474,802	19,959,109	—	—	—	(1,515,693)	(1,515,693)	
Total business-type activity	<u>21,474,802</u>	<u>19,959,109</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,515,693)</u>	<u>(1,515,693)</u>	
Total primary government	<u>\$ 1,015,328,823</u>	<u>164,627,175</u>	<u>66,792,750</u>	<u>8,814,349</u>	<u>(773,578,856)</u>	<u>(1,515,693)</u>	<u>(775,094,549)</u>	
Aggregate discretely presented component units:								
Cambridge Health Alliance	\$ 1,086,264,719	459,240,867	669,525,786	—			42,501,934	
Cambridge Redevelopment Authority	6,486,241	1,747,553	50,000	—			(4,688,688)	
Total component units	<u>\$ 1,092,750,960</u>	<u>460,988,420</u>	<u>669,575,786</u>	<u>—</u>			<u>37,813,246</u>	
General revenues:								
Taxes:								
Property taxes, levied for general purposes					\$ 629,443,105	—	629,443,105	
Excises					33,905,523	—	33,905,523	
Payments in lieu of taxes					8,900,376	—	8,900,376	
Grants and contributions not restricted					79,245,746	—	79,245,746	
Investment income					31,876,560	115,350	31,991,910	
Sale of development rights					—	—	67,540,494	
Miscellaneous					67,453,698	—	67,453,698	
Transfers					729,340	(729,340)	—	
Total general revenues and transfers					<u>851,554,348</u>	<u>(613,990)</u>	<u>850,940,358</u>	
Change in net position					77,975,492	(2,129,683)	75,845,809	
Net position – beginning, as restated (a)					<u>861,622,686</u>	<u>138,458,313</u>	<u>1,000,080,999</u>	
Net position – ending					<u>\$ 939,598,178</u>	<u>136,328,630</u>	<u>1,075,926,808</u>	

See accompanying notes to basic financial statements.

(a) Beginning of year net position of discretely presented component units was restated for GASB Statement No. 101 (CHA only).

CITY OF CAMBRIDGE, MASSACHUSETTS

Balance Sheet – Governmental Funds

June 30, 2025

Assets	General fund	Capital fund	Affordable housing trust fund	City grants fund	Other governmental funds	Total governmental funds
Cash and investments	\$ 426,672,552	260,523,021	200,036,088	25,140,313	49,086,486	961,458,460
Receivables, net:						
Property taxes	8,264,604	—	—	—	—	8,264,604
Motor vehicle excise	2,042,300	—	—	—	—	2,042,300
Tax title and possessions	3,593,843	—	—	—	—	3,593,843
Leases	18,324,130	—	—	—	—	18,324,130
Intergovernmental	—	1,867,778	—	921,625	743,335	3,532,738
Departmental and other	20,293,531	—	8,286,824	—	323,443	28,903,798
Total receivables	52,518,408	1,867,778	8,286,824	921,625	1,066,778	64,661,413
Other assets	80,000	—	—	—	—	80,000
Due from other funds	—	569,969	—	—	—	569,969
Total assets	<u>\$ 479,270,960</u>	<u>262,960,768</u>	<u>208,322,912</u>	<u>26,061,938</u>	<u>50,153,264</u>	<u>1,026,769,842</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Warrants and accounts payable	\$ 13,058,906	30,331,029	6,199,082	2,034,311	1,627,793	53,251,121
Accrued liabilities:						
Tax abatements	3,920,100	—	—	—	—	3,920,100
Judgments and claims	14,725,400	—	—	—	—	14,725,400
Accrued payroll	27,866,982	24,256	—	47,224	200,769	28,139,231
Other	5,988,096	—	—	—	114,511	6,102,607
Unearned revenue	—	—	—	14,889,722	—	14,889,722
Due to other funds	32,723	—	—	—	569,969	602,692
Total liabilities	65,592,207	30,355,285	6,199,082	16,971,257	2,513,042	121,630,873
Deferred inflows of resources:						
Unavailable revenue	29,610,962	—	—	—	157,031	29,767,993
Related to rent	17,298,909	—	—	—	—	17,298,909
Fund balances (deficit):						
Restricted	—	232,605,483	—	14,935,270	40,674,507	288,215,260
Committed	140,257,510	—	202,123,830	—	6,808,684	349,190,024
Assigned	25,756,500	—	—	—	—	25,756,500
Unassigned	200,754,872	—	—	(5,844,589)	—	194,910,283
Total fund balances (deficit)	366,768,882	232,605,483	202,123,830	9,090,681	47,483,191	858,072,067
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 479,270,960</u>	<u>262,960,768</u>	<u>208,322,912</u>	<u>26,061,938</u>	<u>50,153,264</u>	<u>1,026,769,842</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, 2025

Total fund balance – governmental funds	\$	858,072,067
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		1,790,329,593
Net lessee activities		1,206,684
Adjust deferred inflows of resources to record revenues on an accrual basis		29,767,993
Capitalized loss on debt refunding in the government-wide statements that is not capitalized in the governmental funds		3,205,629
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		754,516,719
Accrued interest on bonds		11,139,105
Compensated absences		26,130,000
Landfill		736,667
Judgments and claims		10,826,700
Tax abatements		1,960,000
Pollution remediation		3,005,794
Net pension liability, net of deferred amounts		77,693,117
Net OPEB liability, net of deferred amounts		<u>856,975,686</u>
		<u>1,742,983,788</u>
Net position of governmental activities	\$	<u><u>939,598,178</u></u>

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, 2025

	<u>General fund</u>	<u>Capital fund</u>	<u>Affordable housing trust fund</u>	<u>City Grants fund</u>	<u>Other governmental fund</u>	<u>Total governmental funds</u>
Revenues:						
Real and personal property taxes	\$ 631,730,174	—	—	—	—	631,730,174
Excises:						
Hotel/motel/meals/other	25,062,222	—	—	—	—	25,062,222
Motor vehicles	8,244,317	—	—	—	—	8,244,317
Payments in lieu of taxes	8,900,376	—	—	—	—	8,900,376
Intergovernmental	79,245,746	8,814,349	—	40,098,204	26,694,546	154,852,845
Investment income	20,282,275	141,808	9,838,782	792,762	820,933	31,876,560
Sewer use charges	69,820,523	—	—	—	—	69,820,523
Departmental and other	74,615,255	994,900	18,542,143	1,662,233	44,603,956	140,418,487
Total revenues	<u>917,900,888</u>	<u>9,951,057</u>	<u>28,380,925</u>	<u>42,553,199</u>	<u>72,119,435</u>	<u>1,070,905,504</u>
Expenditures:						
Current:						
General government	60,279,087	—	—	13,806,538	10,000	74,095,625
Public safety	191,461,418	—	—	1,559,507	—	193,020,925
Community maintenance and development	91,810,240	—	62,944,981	4,613,125	4,403,334	163,771,680
Human resource development	87,814,305	—	—	16,673,061	815,194	105,302,560
Education	295,137,393	—	—	—	21,292,278	316,429,671
Judgments and claims	4,475,914	—	—	—	—	4,475,914
State and district assessments	73,203,082	—	—	—	—	73,203,082
Capital outlays	—	185,165,480	—	—	—	185,165,480
Debt service	101,471,328	—	—	—	—	101,471,328
Total expenditures	<u>905,652,767</u>	<u>185,165,480</u>	<u>62,944,981</u>	<u>36,652,231</u>	<u>26,520,806</u>	<u>1,216,936,265</u>
Excess (deficiency) of revenues over expenditures	<u>12,248,121</u>	<u>(175,214,423)</u>	<u>(34,564,056)</u>	<u>5,900,968</u>	<u>45,598,629</u>	<u>(146,030,761)</u>
Other financing sources (uses):						
Premium on debt issuance	634,090	12,148,525	—	—	—	12,782,615
Issuance of debt	—	149,650,000	—	—	—	149,650,000
Transfers in	22,547,385	29,875,000	41,685,750	1,000,000	1,174,495	96,282,630
Transfers out	(56,116,774)	(28,471)	—	—	(39,408,045)	(95,553,290)
Total other financing (uses) sources	<u>(32,935,299)</u>	<u>191,645,054</u>	<u>41,685,750</u>	<u>1,000,000</u>	<u>(38,233,550)</u>	<u>163,161,955</u>
Net change in fund balances	<u>(20,687,178)</u>	<u>16,430,631</u>	<u>7,121,694</u>	<u>6,900,968</u>	<u>7,365,079</u>	<u>17,131,194</u>
Fund balance – beginning	<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>
Fund balance – ending	\$ <u><u>366,768,882</u></u>	<u><u>232,605,483</u></u>	<u><u>202,123,830</u></u>	<u><u>9,090,681</u></u>	<u><u>47,483,191</u></u>	<u><u>858,072,067</u></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, 2025

Net change in fund balances – total governmental funds	\$	17,131,194
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, (\$171,381,886) exceeded depreciation expense (\$66,694,347)		104,687,539
Revenues are recorded on an accrual basis		194,673
Proceeds of long-term debt (\$149,650,000) 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, (\$75,334,330) 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.		(74,315,670)
Premiums received are revenues in the governmental funds, but are increases to long-term liabilities, net of amortization, in the statement of net position		(5,014,224)
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		34,274,991
Net leasing activities		616,209
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 accrued interest (\$1,283,819), compensated absences (\$1,719,000) and in pollution remediation (\$230,254), offset by decreases in non-current claims (\$4,532,900) and landfill liabilities (\$28,333).		1,328,160
Change in net position of governmental activities	\$	77,975,492

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Net Position – Proprietary Fund

June 30, 2025

		Enterprise fund
		Water fund
Assets:		
Current assets:		
Cash and cash equivalents	\$	13,437,245
Receivables, net		5,689,047
Due from other funds		32,723
		19,159,015
Total current assets		
Noncurrent assets:		
Capital assets:		
Nondepreciable		45,512,204
Depreciable, net		78,001,518
		123,513,722
Total noncurrent assets		123,513,722
Total assets		142,672,737
Liabilities:		
Current liabilities:		
Warrants and accounts payable		1,144,413
Accrued liabilities:		
Accrued payroll		136,047
Interest		61,804
Bonds payable, current		415,000
Compensated absences		284,000
Claims		150,000
		2,191,264
Total current liabilities		2,191,264
Noncurrent liabilities:		
Accrued liabilities:		
Bonds payable, non current		3,598,943
Compensated absences		363,000
Claims		190,900
		4,152,843
Total noncurrent liabilities		4,152,843
Total liabilities		6,344,107
Net position:		
Net investment in capital assets		119,179,477
Unrestricted		17,149,153
		136,328,630
Total net position	\$	136,328,630

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, 2025

	<u>Enterprise fund</u> <u>Water fund</u>
Operating revenues:	
Charges for services	\$ 19,959,109
Total operating revenues	<u>19,959,109</u>
Administration	5,693,937
Service and support programs	8,672,925
Interest	14,272
Depreciation	<u>7,093,668</u>
Total operating expenses	<u>21,474,802</u>
Operating loss	<u>(1,515,693)</u>
Nonoperating revenue:	
Investment earnings – other	<u>115,350</u>
Nonoperating revenue	<u>115,350</u>
Loss before transfers	(1,400,343)
Transfers to other funds	<u>(729,340)</u>
Change in net position	(2,129,683)
Total net position – beginning	<u>138,458,313</u>
Total net position – ending	\$ <u><u>136,328,630</u></u>

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Cash Flows – Proprietary Fund

Year ended June 30, 2025

	Enterprise fund
	<u>Water fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 19,456,282
Cash paid to vendors	(9,083,646)
Cash paid to employees	<u>(5,586,909)</u>
Net cash provided by operating activities	<u>4,785,727</u>
Cash flows from noncapital financing activities:	
Transfers	<u>(729,340)</u>
Net cash used in noncapital financing activities	<u>(729,340)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(9,809,363)
Proceeds from the issuance of long term debt	<u>4,061,475</u>
Net cash used in capital and related financing activities	<u>(5,747,888)</u>
Cash flows from investing activities:	
Investment income	<u>115,350</u>
Net cash provided by investing activities	<u>115,350</u>
Change in cash and cash equivalents	(1,576,151)
Cash and cash equivalents, beginning of year	<u>15,013,396</u>
Cash and cash equivalents, end of year	\$ <u><u>13,437,245</u></u>
Reconciliation of operating loss to cash provided by operating activities:	
Operating loss	\$ (1,515,693)
Depreciation	7,093,668
Changes in operating assets and liabilities:	
Accounts receivable	(502,827)
Other liabilities	<u>(289,421)</u>
Net cash provided by operating activities	\$ <u><u>4,785,727</u></u>
Noncash capital and related financing activities:	
Noncash capital acquisitions	\$ (320,302)

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Fiduciary Net Position

June 30, 2025

Assets	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Fund
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 5,834,412	5,123,550	307,649
Dividend and interest receivable	1,183,824	—	—
Lease receivable	205,505	—	—
Other assets	432,860	—	—
Due from broker for securities sold	2,752	—	—
Investments, at fair value:			
Fixed income securities	140,343,748	—	—
Equities	21,906,127	—	—
Pooled investments:			
Fixed income	179,482,057	—	—
Real estate	339,425,305	—	—
Domestic equities	566,348,367	—	—
International equities	319,576,799	—	—
International fixed income	50,995,616	—	—
Alternative	350,609,392	—	—
Total investments	<u>1,968,687,411</u>	<u>—</u>	<u>—</u>
Cash collateral on security lending	1,180,923	—	—
Right to use assets	1,437,524	—	—
Total assets	<u>\$ 1,978,965,211</u>	<u>5,123,550</u>	<u>307,649</u>
Liabilities			
Accrued liabilities	\$ 1,381,615	—	—
Cash collateral on security lending	1,180,923	—	—
Lease liability	1,695,318	—	—
Total liabilities	<u>\$ 4,257,856</u>	<u>—</u>	<u>—</u>
Deferred inflows of resources			
Related to rent	\$ 174,532	—	—
Total liabilities and deferred inflows of resources	<u>\$ 4,432,388</u>	<u>—</u>	<u>—</u>
Net Position			
Restricted for:			
Pensions	\$ 1,930,118,923	—	—
OPEB benefits	44,413,889	—	—
Individuals, organizations and other governments	<u>—</u>	<u>5,123,550</u>	<u>307,649</u>
Total net position	<u>\$ 1,974,532,812</u>	<u>5,123,550</u>	<u>307,649</u>

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2025

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Fund</u>
Additions:			
Contributions:			
Employers	\$ 109,747,184	—	—
Nonemployer – city	—	—	—
Plan members	29,681,705	—	—
Other systems	4,804,184	—	—
Commonwealth of Massachusetts	221,451	—	—
Gifts and bequests	—	239,308	495,330
Miscellaneous	—	1,044	—
	<u>144,454,524</u>	<u>240,352</u>	<u>495,330</u>
Total contributions			
Investment earnings:			
Interest and dividends	31,819,073	202,542	—
Securities lending income	70,992	—	—
Net appreciation in the fair value of investments	142,262,471	—	—
Less:			
Management fees	(9,499,572)	—	—
Borrower rebates and fees under securities lending program	<u>(64,498)</u>	<u>—</u>	<u>—</u>
Net investment earnings	<u>164,588,466</u>	<u>202,542</u>	<u>—</u>
Total additions	<u>309,042,990</u>	<u>442,894</u>	<u>495,330</u>
Deductions:			
Benefits	141,144,659	—	—
Refunds of contributions	2,560,333	—	—
Other systems	4,211,377	—	—
Administrative expenses	1,537,334	—	—
Beneficiary payments to individuals	—	291,625	496,751
Miscellaneous	—	79,600	—
	<u>149,453,703</u>	<u>371,225</u>	<u>496,751</u>
Total deductions			
Change in net position	159,589,287	71,669	(1,421)
Net position, beginning of year	<u>1,814,943,525</u>	<u>5,051,881</u>	<u>309,070</u>
Net position, end of year	\$ <u><u>1,974,532,812</u></u>	<u><u>5,123,550</u></u>	<u><u>307,649</u></u>

See accompanying notes to basic financial statements.

CITY OF CAMBRIDGE, MASSACHUSETTS

Discretely Presented Component Units

Statement of Net Position

June 30, 2025

	Component Units		
	CRA		
	CHA June 30, 2025	December 31, 2024	Total
Assets and Deferred Outflows of Resources			
Current assets:			
Cash and investments	\$ 267,939,959	93,297,266	361,237,225
Cash and investments held by trustees	6,117,442	—	6,117,442
Receivables, net:			
Leases	—	1,714,044	1,714,044
Subscription assets	10,995,594	—	10,995,594
Other	39,414,910	987,192	40,402,102
Other assets	186,789,327	162,022	186,951,349
Total current assets	511,257,232	96,160,524	607,417,756
Noncurrent assets:			
Accounts receivable	—	1,295,456	1,295,456
Lease receivable	—	1,930,537	1,930,537
Notes receivable	—	250,000	250,000
Investment in other property	—	5,000,000	5,000,000
Development projects held for sale	—	65,785	65,785
Capital assets:			
Nondepreciable	18,822,452	2,449,253	21,271,705
Depreciable, net	233,142,105	18,145,304	251,287,409
Total noncurrent assets	251,964,557	29,136,335	281,100,892
Total assets	763,221,789	125,296,859	888,518,648
Deferred outflows of resources:			
Related to pensions	12,980,495	567,846	13,548,341
Related to other post employment benefits	4,971,505	37,617	5,009,122
Total assets and deferred outflows of resources	\$ 781,173,789	125,902,322	907,076,111
Liabilities and Deferred Inflows of Resources			
Current liabilities:			
Warrants and accounts payable	\$ 64,962,461	505,429	65,467,890
Accrued liabilities:			
Accrued payroll	25,313,690	—	25,313,690
Other	25,907,573	135,685	26,043,258
Unearned revenue	5,853,495	—	5,853,495
Total current liabilities	122,037,219	641,114	122,678,333
Long-term liabilities:			
Due within one year:			
Bonds and notes payable	—	166,205	166,205
Due to third parties	1,025,713	—	1,025,713
Compensated absences	27,943,239	—	27,943,239
Lease payable	8,004,857	—	8,004,857
Subscription liability	4,455,142	—	4,455,142
Due in more than one year:			
Bonds and notes payable	—	6,056,560	6,056,560
Due to third parties	36,984,712	—	36,984,712
Compensated absences	—	—	—
Lease payable	73,809,280	—	73,809,280
Subscription liability	4,464,372	—	4,464,372
Net OPEB liability	108,540,343	225,062	108,765,405
Net pension liability	28,574,620	696,528	29,271,148
Total noncurrent liabilities	293,802,278	7,144,355	300,946,633
Total liabilities	415,839,497	7,785,469	423,624,966
Deferred inflows of resources:			
Related to pensions	2,748,858	99,982	2,848,840
Related to other post employment benefits	27,249,933	149,170	27,399,103
Related to leased property	1,564,128	3,328,962	4,893,090
Total liabilities and deferred inflows of resources	\$ 447,402,416	11,363,583	458,765,999
Net Position			
Net investment in capital assets	\$ 172,226,500	14,371,792	186,598,292
Restricted for specific purposes	—	8,900,000	8,900,000
Restricted for other purposes	9,219,515	5,000,000	14,219,515
Unrestricted	152,325,358	86,266,947	238,592,305
Total net position	\$ 333,771,373	114,538,739	448,310,112

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, 2025

<u>Functions/programs</u>	<u>Component Units</u>		<u>Total</u>
	<u>CHA June 30, 2025</u>	<u>CRA December 31, 2024</u>	
Expenses	\$ 1,086,264,719	6,486,241	1,092,750,960
Program revenues:			
Charges for services	459,240,867	1,747,553	460,988,420
Operating grants and contributions	669,525,786	50,000	669,575,786
Total program revenues	<u>1,128,766,653</u>	<u>1,797,553</u>	<u>1,130,564,206</u>
Net program revenues (expenses)	<u>42,501,934</u>	<u>(4,688,688)</u>	<u>37,813,246</u>
General revenues:			
Sale of development rights	—	67,540,494	67,540,494
Investment income	12,909,859	4,609,943	17,519,802
Total general revenues	<u>12,909,859</u>	<u>72,150,437</u>	<u>85,060,296</u>
Change in net position	55,411,793	67,461,749	122,873,542
Net position – beginning, as restated (a)	<u>278,359,580</u>	<u>47,076,990</u>	<u>325,436,570</u>
Net position – ending	\$ <u><u>333,771,373</u></u>	<u><u>114,538,739</u></u>	<u><u>448,310,112</u></u>

See accompanying notes to basic financial statements.

(a) Beginning net position for CHA was restated for the adoption of GASB 101, see note 2.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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, 2024. The System is included in the City's fiduciary fund financial statements. Complete financial statements for the System for its year ended December 31, 2024 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, 2025

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, 2025 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, 2024 are available from its offices at 255 Main Street 8th 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, 2025

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, 2025

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, 2025

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 2025, 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, 2025

(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, 2025

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, 2025

(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

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2025, 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 \$14,889,721 of American Rescue Plan Act (ARPA) funds, which were not fully spent as of June 30, 2025. 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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, 2025:

- 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. The City adopted the provisions of GASB Statement No. 101 as of July 1, 2024. The changes related to the adoption of this statement had no impact on opening net equity. The City's discreetly presented component unit (CHA) also adopted GASB Statement No. 101 which resulted in a corresponding adjustment of approximately \$1.7 million to the previously reported financial statements. The adoptions of GASB Statement No. 101 had no impact on the financial statements of the City's other discreetly presented component unit (CRA).
- 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. Implementations of the GASB Statement No. 102 had 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. 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

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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.

(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, 2025, the bank balances of uninsured and uncollateralized deposits are as follows:

Primary government	\$	2,943,182
Discretely presented component units:		
CHA		6,200,184
CRA (as of December 31, 2024)		<u>3,337,301</u>
	\$	<u>12,480,667</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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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, 2025:

<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	\$ 437,059,340	437,059,340	—	—	—
Certificates of deposit	69,046,195	69,046,195	—	—	—
U.S. agencies	163,740,994	163,740,994	—	—	—
Subtotal city	<u>669,846,529</u>	<u>669,846,529</u>	<u>—</u>	<u>—</u>	<u>—</u>
System (as of December 31, 2024):					
U.S. treasury notes and bonds	55,228,012	—	13,321,607	22,552,086	19,354,319
Municipal securities	1,540,675	—	800,176	103,103	637,396
U.S. agencies	38,919,056	1,181	48,928	1,913,500	36,955,447
Domestic corporate	39,003,950	568,547	14,836,517	13,393,969	10,204,917
Asset-backed:					
CMOs	3,995,015	—	—	—	3,995,015
Other	1,657,040	—	1,657,040	—	—
Pooled fixed-income investments	163,617,099	—	91,762,846	—	71,854,253
Subtotal system	<u>303,960,847</u>	<u>569,728</u>	<u>122,427,114</u>	<u>37,962,658</u>	<u>143,001,347</u>
OPEB Trust:					
Money market	142,747	142,747	—	—	—
U.S. agencies	15,864,058	15,864,058	—	—	—
Subtotal OPEB Trust	<u>16,006,805</u>	<u>16,006,805</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 989,814,181</u>	<u>686,423,062</u>	<u>122,427,114</u>	<u>37,962,658</u>	<u>143,001,347</u>
Discretely presented component units					
CHA:					
Money market	\$ 50,217,273	50,217,273	—	—	—
MMDT	170,167,226	170,167,226	—	—	—
Municipal bonds	5,999,856	5,999,856	—	—	—
U.S. agencies	37,215,722	37,215,722	—	—	—
U.S. treasury notes	3,007,140	3,007,140	—	—	—
Subtotal CHA	<u>266,607,217</u>	<u>266,607,217</u>	<u>—</u>	<u>—</u>	<u>—</u>
CRA (as of December 31, 2024):					
Foreign issuance	1,501,246	1,501,246	—	—	—
U.S. agencies	57,740,475	33,718,395	24,022,080	—	—
Subtotal CRA	<u>59,241,721</u>	<u>35,219,641</u>	<u>24,022,080</u>	<u>—</u>	<u>—</u>
Total discretely presented component units	<u>\$ 325,848,938</u>	<u>301,826,858</u>	<u>24,022,080</u>	<u>—</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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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

(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, 2025 were rated by Standard and Poor’s, Moody’s, and/or an equivalent national rating organization and are presented below:

<u>Investment type</u>	<u>Carrying value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Not rated</u>
City:						
Money market/MMDT	\$ 437,059,340	—	—	—	—	437,059,340
Certificates of deposit	69,046,195	—	—	—	—	69,046,195
U.S. agencies	163,740,994	—	—	—	—	163,740,994
Subtotal city	669,846,529	—	—	—	—	669,846,529
System (as of December 31, 2024):						
U.S. treasury notes and bonds	55,228,012	45,787,494	—	—	—	9,440,518
Municipal securities	1,540,675	445,760	878,073	—	—	216,842
U.S. agencies	38,919,056	1,181	—	—	—	38,917,875
Domestic corporate	39,003,950	3,514,693	1,696,931	15,467,053	16,795,708	1,529,565
Asset-backed:						
CMOs	3,995,015	2,910,527	—	—	—	1,084,488
Other	1,657,040	1,543,246	—	113,794	—	—
Pooled fixed-income investments	163,617,099	—	—	—	—	163,617,099
Subtotal system	303,960,847	54,202,901	2,575,004	15,580,847	16,795,708	214,806,387
OPEB Trust:						
Money market	142,747	—	—	—	—	142,747
U.S. agencies	15,864,058	—	—	—	—	15,864,058
Subtotal OPEB Trust	16,006,805	—	—	—	—	16,006,805
Total	\$ 989,814,181	54,202,901	2,575,004	15,580,847	16,795,708	900,659,721
Discretely presented component units						
CHA:						
Money market	\$ 50,217,273	—	—	—	—	50,217,273
MMDT	170,167,226	—	—	—	—	170,167,226
Municipal bonds	5,999,856	5,999,856	—	—	—	—
U.S. agencies	37,215,722	37,215,722	—	—	—	—
U.S. treasury notes	3,007,140	3,007,140	—	—	—	—
Subtotal CHA	266,607,217	46,222,718	—	—	—	220,384,499
CRA (as of December 31, 2024):						
Foreign Issuance	1,501,246	—	—	1,501,246	—	—
U.S. agencies	57,740,475	57,740,475	—	—	—	—
Subtotal CRA	59,241,721	57,740,475	—	1,501,246	—	—
Total discretely presented component units	\$ 325,848,938	103,963,193	—	1,501,246	—	220,384,499

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(v) *Concentration Risk*

The City has individual investments, at fair value, that exceed 5% of the City's net position as of June 30, 2025. The OPEB trust has two positions, Eli Lilly Corporation and GE Aerospace, that make up 5.8% and 6.8% of the Trust's net position, respectively, as of June 30, 2025.

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, 2024, 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, 2024, 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)	\$ 319,576,799
International fixed income pooled funds (various currencies)	<u>50,995,616</u>
	<u>\$ 370,572,415</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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2025.

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, 2025:

<u>Investments</u>	<u>Fair value</u>	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>
Equity securities	\$ 28,406,164	28,406,164	—
U.S. agencies	179,605,052	179,605,052	—
Total investments	\$ 208,011,216	208,011,216	—

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, 2025:

<u>Investments</u>	<u>Fair value</u>	<u>Level 1 inputs</u>	<u>Level 2 inputs</u>
U.S. agencies	\$ 37,215,722	37,215,722	—
U.S. treasury notes	3,007,140	3,007,140	—
Municipal bonds	5,999,856	5,999,856	—
Total investments	\$ 46,222,718	46,222,718	—

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2024:

Investments	Fair value	Level 1 inputs	Level 2 inputs
Equity securities	\$ 25,697,636	25,697,636	—
U.S. agencies	57,740,475	57,244,810	495,665
Foreign issuance	1,501,246	—	1,501,246
Total investments	\$ <u>84,939,357</u>	<u>82,942,446</u>	<u>1,996,911</u>

The System has the following fair value measurements as of December 31, 2024:

	Fair value	Level 1	Level 2
Investments by fair value level:			
Fixed income	\$ 140,343,748	55,228,012	85,115,736
Equities	21,906,127	21,906,127	—
	<u>162,249,875</u>	<u>77,134,139</u>	<u>85,115,736</u>
Investments measured at NAV:			
Commingled equity funds:			
International	319,576,799	—	—
Domestic	566,348,367	—	—
Commingled fixed income funds:			
International	50,995,616	—	—
Domestic	163,617,099	—	—
Real estate	311,019,121	—	—
Alternative:			
PRIT private equity	274,084,387	—	—
Other alternative	76,525,005	—	—
	<u>1,762,166,394</u>	<u>—</u>	<u>—</u>
Total investments	\$ <u>1,924,416,269</u>	<u>77,134,139</u>	<u>85,115,736</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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		
	2024	Redemption frequency	Redemption notice period
Commingled equity funds	\$ 885,925,166	Daily	1–30 days
Commingled fixed income funds	163,617,099	Daily	1–30 days
Real estate	311,019,121	Quarterly	1–30 days
Alternative	350,609,392	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 17 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(5) Capital Assets

Capital asset activity for the year ended June 30, 2025, 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	\$ 208,635,430	—	—	208,635,430
Construction in progress	247,976,000	171,140,736	(69,869,580)	349,247,156
Total capital assets not being depreciated	<u>456,611,430</u>	<u>171,140,736</u>	<u>(69,869,580)</u>	<u>557,882,586</u>
Capital assets being depreciated:				
Buildings and improvements	925,574,020	2,044,310	—	927,618,330
Improvements – nonbuilding	159,842,243	5,515,468	—	165,357,711
Furniture and equipment	135,420,932	5,103,330	(2,827,149)	137,697,113
Infrastructure	829,345,983	57,447,632	—	886,793,615
Total capital assets being depreciated	<u>2,050,183,178</u>	<u>70,110,740</u>	<u>(2,827,149)</u>	<u>2,117,466,769</u>
Less accumulated depreciation for:				
Buildings and improvements	(316,430,407)	(30,053,867)	—	(346,484,274)
Improvements – nonbuilding	(77,843,065)	(5,800,121)	—	(83,643,186)
Furniture and equipment	(96,899,154)	(7,768,551)	2,827,149	(101,840,556)
Infrastructure	(329,979,938)	(23,071,808)	—	(353,051,746)
Total accumulated depreciation	<u>(821,152,564)</u>	<u>(66,694,347)</u>	<u>2,827,149</u>	<u>(885,019,762)</u>
Total capital assets being depreciated, net	<u>1,229,030,614</u>	<u>3,416,393</u>	<u>—</u>	<u>1,232,447,007</u>
Right to use assets being amortized:				
Land	873,110	—	—	873,110
Buildings	14,296,494	—	—	14,296,494
Equipment	11,379	—	—	11,379
Total right to use assets being amortized	<u>15,180,983</u>	<u>—</u>	<u>—</u>	<u>15,180,983</u>
Less accumulated amortization for:				
Land	(558,501)	(102,618)	—	(661,119)
Buildings	(8,104,135)	(1,084,320)	—	(9,188,455)
Equipment	(11,379)	—	—	(11,379)
Total accumulated amortization	<u>(8,674,015)</u>	<u>(1,186,938)</u>	<u>—</u>	<u>(9,860,953)</u>
Total right to use assets, being amortized, net	<u>6,506,968</u>	<u>(1,186,938)</u>	<u>—</u>	<u>5,320,030</u>
Total capital assets, net	\$ <u>1,692,149,012</u>	<u>173,370,191</u>	<u>(69,869,580)</u>	<u>1,795,649,623</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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

Governmental activities:		
General government	\$	4,333,720
Public safety		7,233,708
Human resource development		3,548,413
Education		12,077,232
Community maintenance and development		<u>40,688,212</u>
Total depreciation and amortization expense – governmental activities	\$	<u><u>67,881,285</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	1,999,828	—	42,044,778
Construction in progress	<u>578,534</u>	<u>7,682,643</u>	<u>(4,793,751)</u>	<u>3,467,426</u>
Total capital assets not being depreciated	<u>40,623,484</u>	<u>9,682,471</u>	<u>(4,793,751)</u>	<u>45,512,204</u>
Capital assets being depreciated:				
Buildings and improvements	100,777,459	571,943	(179,533)	101,169,869
Furniture and equipment	19,337,240	3,680,394	(361,737)	22,655,897
Infrastructure	<u>47,765,244</u>	<u>988,608</u>	<u>(7,704,915)</u>	<u>41,048,937</u>
Total capital assets being depreciated	<u>167,879,943</u>	<u>5,240,945</u>	<u>(8,246,185)</u>	<u>164,874,703</u>
Less accumulated depreciation for:				
Buildings and improvements	(51,910,150)	(3,812,188)	179,533	(55,542,805)
Furniture and equipment	(12,037,843)	(2,418,304)	361,737	(14,094,410)
Infrastructure	<u>(24,077,709)</u>	<u>(863,176)</u>	<u>7,704,915</u>	<u>(17,235,970)</u>
Total accumulated depreciation	<u>(88,025,702)</u>	<u>(7,093,668)</u>	<u>8,246,185</u>	<u>(86,873,185)</u>
Total capital assets being depreciated, net	<u>79,854,241</u>	<u>(1,852,723)</u>	<u>—</u>	<u>78,001,518</u>
Business-type activity capital assets, net	\$ <u>120,477,725</u>	<u>7,829,748</u>	<u>(4,793,751)</u>	<u>123,513,722</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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 Water fund
	General	Capital fund	Affordable housing trust fund	City grants	Other governmental funds		
Receivables:							
Property taxes	\$ 10,385,402	—	—	—	—	10,385,402	—
Motor vehicle taxes	5,793,378	—	—	—	—	5,793,378	—
Other taxes	3,993,159	—	—	—	—	3,993,159	—
Intergovernmental	—	1,867,778	—	921,625	743,335	3,532,738	—
Leases	18,324,130	—	—	—	—	18,324,130	—
Other	20,637,408	—	8,286,824	—	323,443	29,247,675	5,746,513
Gross receivables	59,133,477	1,867,778	8,286,824	921,625	1,066,778	71,276,482	5,746,513
Less allowance for uncollectibles	6,615,069	—	—	—	—	6,615,069	57,466
Net total receivables	\$ 52,518,408	1,867,778	8,286,824	921,625	1,066,778	64,661,413	5,689,047

(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:

	Unavailable
Delinquent taxes receivable	\$ 12,298,785
Deferred inflow related to rent	17,298,909
Departmental and other	17,469,208
Total unavailable for governmental funds	\$ 47,066,902

(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*.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2025.

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

Individual fund receivable and payable balances at June 30, 2025, are as follows:

Interfund balances	Receivable	Payable
General fund – payable to water fund	\$ —	32,723
Capital fund – receivable from other governmental funds – for capital items	569,969	—
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, 2025	\$ 602,692	602,692

As of June 30, 2025, 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, 2025

(8) Long-Term Obligations

Following is a summary of the governmental activities long-term obligations of the City as of June 30, 2025:

	<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	2/15/12 to 3/5/25	1.0%–5.0%	\$ 450,635,000	111,205,000	45,190,000	516,650,000	49,525,000
Urban redevelopment, serial maturities through February 15, 2035	3/3/15 to 3/5/25	2.0%–5.0%	51,905,000	20,560,000	7,990,000	64,475,000	9,270,000
Sewer, serial maturities through February 15, 2035	1/7/15 to 3/5/25	0.0%–5.0%	<u>113,851,815</u>	<u>17,885,000</u>	<u>22,154,330</u>	109,582,485	<u>20,238,988</u>
Total governmental obligation bonds			<u>\$ 616,391,815</u>	<u>149,650,000</u>	<u>75,334,330</u>	690,707,485	<u>79,033,988</u>
Add (deduct):							
Unamortized bond premium			58,795,010	12,782,615	7,768,391	63,809,234	
Current portion of long-term debt						<u>(79,033,988)</u>	
						<u>675,482,731</u>	
Other long-term obligations:							
Judgments and claims			\$ 25,458,600	77,482,152	77,388,652	25,552,100	14,725,400
Landfill postclosure care costs			765,000	—	28,333	736,667	28,333
Lease payable			5,916,487	—	1,803,140	4,113,347	1,330,029
Compensated absences			24,411,000	30,504,700	28,785,700	26,130,000	12,505,000
Net OPEB liability			756,027,918	56,784,785	62,968,852	749,843,851	—
Net pension liability			188,107,388	41,631,642	101,408,066	128,330,964	—
Pollution remediation			<u>2,775,540</u>	<u>2,458,706</u>	<u>2,228,452</u>	3,005,794	1,127,750
Total other governmental long-term obligations			<u>\$ 1,003,461,933</u>	<u>208,861,985</u>	<u>274,611,195</u>	<u>937,712,723</u>	<u>29,716,512</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

Following is a summary of the business-type activity long-term obligations of the City as of June 30, 2025:

	<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, 2035	3/5/25	5.0%	\$ —	3,640,000	—	3,640,000	415,000
Total business-type general obligation bonds			\$ —	<u>3,640,000</u>	<u>—</u>	3,640,000	<u>415,000</u>
Add (deduct):							
Unamortized bond premium			—	421,475	47,532	373,943	
Current portion of long-term debt						(415,000)	
						<u>3,598,943</u>	
Other long-term obligations:							
Judgments and claims			\$ 207,500	2,270,917	2,137,517	340,900	150,000
Compensated absences			701,000	560,900	614,900	647,000	310,000
Total other long-term obligations			\$ <u>908,500</u>	<u>2,831,817</u>	<u>2,752,417</u>	<u>987,900</u>	<u>460,000</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 79,033,988	29,565,168	108,599,156
2027	72,580,200	26,558,575	99,138,775
2028	67,599,600	23,127,500	90,727,100
2029	63,029,200	19,926,675	82,955,875
2030	58,509,497	16,945,244	75,454,741
2031–2035	217,075,000	48,645,761	265,720,761
2036–2040	87,125,000	16,310,376	103,435,376
2041–2045	45,755,000	3,898,051	49,653,051
	<u>\$ 690,707,485</u>	<u>184,977,350</u>	<u>875,684,835</u>

In March 2025, the City issued \$153,290,000 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, 2025, the City may issue approximately \$3.2 billion additional general obligation debt under the normal debt limit.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

The annual debt service requirements of the City's water enterprise fund as of June 20, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 415,000	164,811	579,811
2027	415,000	161,250	576,250
2028	415,000	140,500	555,500
2029	410,000	119,750	529,750
2030	410,000	99,250	509,250
2031–2035	<u>1,575,000</u>	<u>235,250</u>	<u>1,810,250</u>
	\$ <u>3,640,000</u>	<u>920,811</u>	<u>4,560,811</u>

(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.

A summary of principal changes in the related lease liabilities for the year ended June 30, 2025 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	\$ 5,916,487	—	(1,803,140)	4,113,347	1,330,029

Future annual lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
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
2030	440,769	24,501	465,270
Thereafter	<u>949,055</u>	<u>21,539</u>	<u>970,594</u>
	\$ <u>4,113,347</u>	<u>240,254</u>	<u>4,353,601</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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 1st by 1.0%.

For the year ended June 30, 2025, the City earned approximately \$457,240 in lease revenue and approximately \$375,823 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, 2024, 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 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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2025 and were \$47,317,084 and \$10,535,78, 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, 2025, the City reported a liability of \$128.3 million for its proportionate share of the System’s net pension liability measured as of December 31, 2024. The City’s proportion of the System’s net pension liability was based on actual contributions to the System relative to the actual 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, 2025, was as follows:

City’s proportionate share of net pension liability	\$	128,330,964
City’s proportionate share of net pension liability associated with Cambridge Health Alliance		<u>—</u>
	\$	<u>128,330,964</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

To determine employers' proportionate share of the net pension liability, allocations of net pension liability were performed. At December 31, 2024, the City was allocated 75.54% (73.85% in the prior year) of the net pension liability related to the City and 0% (.75% in the prior year) related to the Cambridge Health Alliance special funding situation described below based on the proportion of the 2024 required employer contributions.

For the year ended June 30, 2025, the City recognized pension expense (benefit) of \$39.6 million. At June 30, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
	<u> </u>	<u> </u>
Net differences between projected and actual investment earnings on pension plan investments	\$ 31,952,976	—
Net differences between expected and actual experience	13,475,777	7,458,646
Changes in employer and non-employer proportion	4,448,970	4,648,944
Changes in assumptions	<u>12,867,714</u>	<u>—</u>
	<u>\$ 62,745,437</u>	<u>12,107,590</u>

Amounts reported as deferred outflows of resources at June 30, 2025, related to pensions will be recognized in pension expense (benefit) as follows:

2026	\$ 19,006,638
2027	42,268,797
2028	(8,905,094)
2029	(1,946,989)
2030	<u>214,495</u>
Total	<u>\$ 50,637,847</u>

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, 2024, 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, 2024:

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2024 is summarized below:

Asset class	Target asset allocation	Long-term expected real rate of return
Cash	— %	1.05 %
Domestic equity	26.00	5.82
International developed markets equity	10.00	5.91
International emerging markets equity	10.00	7.06
Core fixed income	12.00	1.81
High yield fixed income	5.00	3.34
Emerging market debt	3.00	3.43
Bank Loan	3.00	2.96
Real estate	9.00	3.34
Timber & Farmland	4.00	3.82
Infrastructure	5.00	5.82
Private equity	13.00	9.20
	<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:

	1% Decrease (6.10%)	Current discount rate (7.10%)	1% Increase (8.10%)
June 30, 2025	\$ 310,283,540	128,330,964	(24,381,669)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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. During 2024, the City did not fund any portion of the CHA's contribution to the System as the special funding situation ended in 2024.

(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, 2024 measurement date is \$332.9 million based on an employer allocation percentage of 1.31%. The Commonwealth contributed \$27.5 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 and Harvard Pilgrim Health Care. The City eliminated its medical plan with Tufts Health Plan as of April 30, 2025.

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

Notes to Basic Financial Statements

June 30, 2025

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

(i) Employees Covered by the Benefit Terms

As of June 30, 2025, the following employees meet the eligibility requirements as put forth in Chapter 32B of M.G.L.:

	City
Active Plan members	3,517
Inactive members receiving benefits	2,828
Total membership	6,345
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 on June 30, 2025 was measured based on the June 30, 2025 actuarial valuation using the following assumptions:

Salary Increase. 5.3%.for Teachers and 4.0% per annum for all others.

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 8.50% (non-Medicare) and 5.25% (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 5.12% per annum. The rate is based on a blend of the 20-year Bond Buyer GO index at June 30, 2025, of 4.00% 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, 2025

was not applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate used for June 30, 2025, was assumed to be 5.12% 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 weighing 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, 2025 and the actuarial valuation assumptions as outlined above.

	<u>The plan</u>
Total OPEB Liability	\$ 772,584,504
Fiduciary net position	<u>(44,413,889)</u>
City's net OPEB liability	<u>\$ 728,170,615</u>
Fiduciary net position as a percentage of the total OPEB liability	5.75%

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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

	Increase (decrease)		
	Total OPEB liability	Plan fiduciary net position	Net OPEB liability
Balances at July 1, 2024	\$ 789,516,419	39,672,568	749,843,851
Changes for the year:			
Service cost	25,855,207	—	25,855,207
Interest	32,036,250	—	32,036,250
Difference between expected and actual experience	61,791,453	—	61,791,453
Changes in assumptions	(107,684,059)	—	(107,684,059)
Contribution – employer	—	30,930,766	(30,930,766)
Net investment income	—	2,808,674	(2,808,674)
Benefit payments	(28,930,766)	(28,930,766)	—
Administrative expenses	—	(67,353)	67,353
Net changes	<u>(16,931,915)</u>	<u>4,741,321</u>	<u>(21,673,236)</u>
Balances at June 30, 2025	\$ <u>772,584,504</u>	<u>44,413,889</u>	<u>728,170,615</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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, 2025 (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	5.12 % \$	634,379,000	728,171,000	843,705,000

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	\$ 622,496,000	728,171,000	861,000,000

(vi) *Annual Money Weighted Return*

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense was 6.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

(vii) *Condensed Statement of OPEB Net Position*

Cash and cash equivalents	\$ 142,747
Investments, at fair value:	
Fixed income securities	15,864,958
Equities	<u>28,406,184</u>
Total investments	<u>44,271,142</u>
Held in trust for OPEB benefits	\$ <u><u>44,413,889</u></u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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

Additions:

Contributions:

Employers	\$ <u>30,930,766</u>
Total contributions	<u>30,930,766</u>

Investment earnings:

Interest and dividends	1,280,575
Net appreciation in the fair value of investments	<u>1,528,099</u>
Net investment earnings	<u>2,808,674</u>
Total additions	<u>33,739,440</u>

Deductions:

Benefits	28,930,766
Administrative expenses	<u>67,353</u>
Total deductions	<u>28,998,119</u>
Change in net position	4,741,321

Net position, beginning of year	<u>39,672,568</u>
Net position, end of year	<u>\$ <u>44,413,889</u></u>

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

The City's net OPEB liability at June 30, 2024, was measured based on June 30, 2023, actuarial valuation rolled forward to the June 30, 2024 measurement date.

Employees Covered by the Benefit Terms

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

	City
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

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(i) *Actuarial Methods and Assumptions*

The total OPEB liability at June 30, 2024, was measured based on the June 30, 2023 actuarial valuation and rolled forward to June 30, 2024 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 rates are 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% 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 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 weighing 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:

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

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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

		Increase (decrease)		
		Total OPEB liability	Plan fiduciary net position	Net OPEB liability
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		(480,430)	5,703,637	(6,184,067)
Balances at June 30, 2024	\$	<u>789,516,419</u>	<u>39,672,568</u>	<u>749,843,851</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, 2024 (in thousands):

	Current rate	1% Decrease of current rate	Current discount rate	1% Increase of current rate
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

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

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

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

For the year ended June 30, 2025 the City recognized OPEB expense of \$16.6 million.

At June 30, 2025, based on the June 30, 2024 measurement date, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<u>Deferred outflows</u>	<u>Deferred inflows</u>
Difference between expected and actual experience	\$ —	23,359
Changes in assumptions	—	110,431
Net difference between projected and actual earnings on OPEB plan investments	—	4,273
Contributions subsequent to the measurement date	<u>30,931</u>	<u>—</u>
	\$ <u>30,931</u>	<u>138,063</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>Amounts</u>
2026	\$ (63,052)
2027	(52,816)
2028	(15,686)
2029	(6,509)
	<u>—</u>
Total	\$ <u>(138,063)</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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, 2024, the market value of securities on loan was \$4.8 million. The associated collateral was \$4.9 million, of which \$1.2 million was cash collateral and \$3.7 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, 2024, 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, 2024.

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(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, 2025 were as follows:

	Governmental funds					Proprietary fund
	General	Capital	Affordable housing trust fund	City Grants	Other	Enterprise fund water
General – to fund capital expenditures	\$ (25,598,000)	25,598,000	—	—	—	—
General – mitigation revenues to fund eligible capital expenditures	(3,727,000)	3,727,000	—	—	—	—
Parking – to fund administrative costs and other eligible City expenditures	21,818,045	550,000	—	—	(22,368,045)	—
General - to fund eligible parking expenditures	(1,146,024)	—	—	—	1,146,024	—
General – federal grant stabilization to fund eligible human services programs	(1,000,000)	—	—	1,000,000	—	—
Capital – to fund eligible CDBG program costs	—	(28,471)	—	—	28,471	—
Water – to fund administrative costs	729,340	—	—	—	—	(729,340)
General fund to/from Affordable Housing Fund	(24,645,750)	—	24,645,750	—	—	—
Affordable Housing Fund to/from CPA Fund	—	—	17,040,000	—	(17,040,000)	—
Total	\$ (33,569,389)	29,846,529	41,685,750	1,000,000	(38,233,550)	(729,340)

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

(14) Fund Balance Classification Details

The components of fund balance for the City's governmental funds as of June 30, 2025, 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	\$ —	—	—	—	—
Restricted:					
Property and development	—	79,002,859	—	—	16,780,042
Streets and sidewalks	—	32,267,521	—	—	—
Parks and recreation	—	25,866,000	—	3,545	9,000,429
Sewer projects	—	54,464,443	—	—	—
Library	—	312,229	—	10,085	—
Schools	—	33,766,791	—	—	—
General government	—	6,244,515	—	10,995,294	—
Human services	—	681,125	—	3,926,346	—
Aggregation Adder Fund	—	—	—	—	3,982,109
School Grants Fund Federal/State	—	—	—	—	7,851,753
Opioid Settlement Receipts Fund	—	—	—	—	3,060,174
Committed:					
Parking fund	—	—	—	—	6,808,684
Health claims	41,017,283	—	—	—	—
Budget stabilization	99,240,228	—	—	—	—
Affordable housing	—	—	202,123,830	—	—
Assigned:					
Subsequent year's expenditures	25,756,500	—	—	—	—
Unassigned (deficit)	<u>200,754,871</u>	<u>—</u>	<u>—</u>	<u>(5,844,589)</u>	<u>—</u>
Total fund balances (deficit)	\$ <u>366,768,882</u>	<u>232,605,483</u>	<u>202,123,830</u>	<u>9,090,681</u>	<u>47,483,191</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 six 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, 2025

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. In June 2025, the City Council voted to establish the Federal Grant Stabilization fund. This was established to help address the funding gaps resulting from the actual or anticipated loss of federal funding for programs and services that benefit the most vulnerable Cambridge residents. 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, 2025 are as follows:

City Stabilization fund	\$	56,002,115
Mitigation Stabilization fund		34,167,819
Community Benefits Stabilization fund		1,866,562
Universal Pre-Kindergarten Stabilization fund		1,500,000
Grant Fund Stabilization		4,000,000
Opioid Stabilization fund		<u>1,703,732</u>
Total Stabilization funds	\$	<u>99,240,228</u>

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

(b) Commitments and Contingencies

The City has \$14.1 million in encumbrances for purchase orders and contracts in the General Fund, \$125.4 million in the Capital Fund, \$14.9 million in the City Grant Funds, and \$4.0 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 Health Plan, Harvard Pilgrim and Blue Cross/Blue Shield under which it makes actual claims payments. The City eliminated its medical plan with Tufts Health Plan as of

CITY OF CAMBRIDGE, MASSACHUSETTS

Notes to Basic Financial Statements

June 30, 2025

April 30, 2025. 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 number of settlements did not exceed insurance coverage for premium based health insurance elections for fiscal years ended June 30, 2025, 2024, and 2023

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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Judgments and accrued claims, beginning of year	\$ 25,666,100	20,389,100
Incurred claims	79,753,069	82,499,663
Less payments of claims attributable to events of both current and prior fiscal years	<u>(79,526,169)</u>	<u>(77,222,663)</u>
Judgments and accrued claims, end of year	\$ <u>25,893,000</u>	<u>25,666,100</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)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution (ADC)	\$ 63,684	64,186	75,763	48,450	47,760	49,857	45,818	36,817	36,817
Contributions in relation to the actuarially determined contribution	30,931	27,818	26,418	24,151	23,460	25,120	24,193	22,732	22,271
Contribution deficiency (excess)	<u>\$ 32,753</u>	<u>36,368</u>	<u>49,345</u>	<u>24,299</u>	<u>24,300</u>	<u>24,737</u>	<u>21,625</u>	<u>14,085</u>	<u>14,546</u>
Covered payroll	\$ 299,506	275,067	260,757	249,105	240,681	245,281	236,987	238,710	196,095
Contributions as a percentage of covered payroll	10.33 %	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>2025</u>	<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	\$ 25,855,207	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	32,036,250	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	61,791,453	—	(31,823,632)	—	(23,138,935)	—	8,829,767	—	—
Changes in assumptions or other inputs	(107,684,059)	(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	<u>(28,930,766)</u>	<u>(25,817,456)</u>	<u>(24,417,847)</u>	<u>(22,151,349)</u>	<u>(21,460,536)</u>	<u>(23,119,795)</u>	<u>(22,192,854)</u>	<u>(20,732,507)</u>	<u>(20,271,000)</u>
Net change in OPEB liability	(16,931,915)	(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>789,516,419</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>	<u>664,358,150</u>
Total OPEB liability - ending	<u>772,584,504</u>	<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	30,930,766	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	2,808,674	3,763,632	3,000,421	768,885	3,636,817	299,544	1,634,141	(3,643)	589,155
Benefit payments	(28,930,766)	(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	<u>(67,353)</u>	<u>(59,995)</u>	<u>(51,949)</u>	<u>(47,599)</u>	<u>(36,465)</u>	<u>(23,173)</u>	<u>(57,869)</u>	<u>(63,412)</u>	<u>(23,551)</u>
Net change in plan fiduciary net position	4,741,321	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>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>	<u>10,347,629</u>
Plan fiduciary net position - ending	<u>44,413,889</u>	<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>728,170,615</u>	<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	5.75 %	5.02 %	4.30 %	3.68 %	2.79 %	2.18 %	2.52 %	2.34 %	2.03 %
Covered payroll	\$ 299,506,034	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	243.1 %	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
2025:	\$ (107,684,059)	Discount rate increased from 4.0% to 5.12%
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)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	6.90 %	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)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 47,317,084	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
Contributions in relation to the actuarially determined contribution	47,317,084	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
Contribution deficiency (excess)	\$ —	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Covered payroll	\$ 191,992,845	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
Contributions as a percentage of covered payroll	24.65 %	28.48 %	27.36 %	26.20 %	24.40 %	23.99 %	23.47 %	23.25 %	24.11 %	23.72 %

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)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	75.540000 %	74.600724 %	75.150725 %	75.680723 %	76.350725 %	76.520724 %	75.216558 %	75.922581 %	76.792582 %	76.337126 %
City's proportionate share of the net pension liability	\$ 128,330,964	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
City's covered payroll	191,992,845	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
City's proportionate share of the net pension liability as a percentage of covered payroll	149.61 %	106.61 %	84.57 %	6,350.51 %	139.39 %	89.84 %	66.09 %	110.20 %	79.02 %	68.23 %
City of Cambridge Retirement System fiduciary net position as a percentage of the total pension liability	91.91 %	87.60 %	84.60 %	99.80 %	90.65 %	85.81 %	79.89 %	88.02 %	83.08 %	80.00 %

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, 2025
(Unaudited)
(with comparative actual amounts for 2024)

	2025 Original Budget	2025 Final Budget	2025 Actual	Variance favorable (unfavorable)	2024 Actual
Revenues:					
Property taxes	\$ 626,330,105	626,330,105	628,388,753	2,058,648	575,418,489
Provisions for tax abatements and adj.	(4,500,000)	(4,500,000)	(4,692,865)	(192,865)	(4,421,864)
Payments in lieu of tax receipts	8,000,000	8,000,000	8,900,376	900,376	8,683,470
Hotel/motel/meals/other excise tax	22,400,000	22,400,000	25,062,222	2,662,222	24,753,003
Intergovernmental	51,088,615	51,088,615	51,766,835	678,220	49,795,690
Sewer use	74,166,700	74,166,700	72,096,254	(2,070,446)	70,622,019
Motor vehicle excise	8,034,839	8,034,839	8,244,317	209,478	8,223,367
Investment income	5,100,000	5,100,000	17,256,323	12,156,323	16,167,602
Other	85,088,826	85,088,826	57,134,139	(27,954,687)	101,227,845
Total revenues	<u>875,709,085</u>	<u>875,709,085</u>	<u>864,156,354</u>	<u>(11,552,731)</u>	<u>850,469,621</u>
Expenditures:					
Current:					
General government	70,293,534	71,471,374	65,234,527	6,236,847	49,247,379
Public safety	195,363,045	195,647,500	192,395,267	3,252,233	180,918,279
Community maintenance and development	120,799,471	122,410,131	119,052,250	3,357,881	109,204,600
Human resource development	95,586,140	95,609,205	89,408,157	6,201,048	74,828,877
Education	268,250,000	268,250,000	267,983,657	266,343	241,075,839
Judgments and claims	350,000	890,000	837,914	52,086	8,603,303
State and district assessments	73,373,675	74,447,385	73,203,082	1,244,303	70,737,241
Debt service:					
Principal	75,334,330	75,334,330	75,334,330	—	67,253,998
Interest	26,555,950	26,555,950	26,274,881	281,069	22,131,201
Total expenditures	<u>925,906,145</u>	<u>930,615,875</u>	<u>909,724,065</u>	<u>20,891,810</u>	<u>824,000,717</u>
Excess (deficiency) of revenues over expenditures	<u>(50,197,060)</u>	<u>(54,906,790)</u>	<u>(45,567,711)</u>	<u>9,339,079</u>	<u>26,468,904</u>
Other financing sources (uses):					
Operating transfers in (out):					
Special revenue funds	22,854,100	22,854,100	20,672,021	(2,182,079)	21,115,695
Capital projects funds	(11,433,000)	(11,433,000)	(25,598,000)	(14,165,000)	(18,903,087)
Trust funds	36,046,620	36,046,620	(19,841,562)	(55,888,182)	3,295,268
Enterprise fund	729,340	729,340	729,340	—	727,770
Total other financing sources (uses)	<u>48,197,060</u>	<u>48,197,060</u>	<u>(24,038,201)</u>	<u>(72,235,261)</u>	<u>6,235,646</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,000,000)</u>	<u>(6,709,730)</u>	<u>\$ (69,605,912)</u>	<u>(62,896,182)</u>	<u>32,704,550</u>
Other budget items:					
Free cash appropriations	—	4,709,730			
Overlay surplus	2,000,000	2,000,000			
Total other budget items	<u>2,000,000</u>	<u>6,709,730</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, 2025

(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, 2025:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>
As reported on a budgetary basis	\$ 864,156,354	909,724,065	(24,038,201)
Adjustments:			
Revenues to modified accrual basis	26,265,623	—	—
Expenditures, encumbrances and accruals, net	—	(31,550,209)	—
On-behalf contribution for teachers pension	27,478,911	27,478,911	
Reclassification:			
Premium on debt issuance	—	—	634,090
Transfers not reported on a Budgetary/GAAP basis	—	—	(9,531,188)
As reported on a GAAP basis	\$ <u>917,900,888</u>	<u>905,652,767</u>	<u>(32,935,299)</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
General government:			
Mayor:			
Salaries and wages	\$ 1,053,305	868,773	184,532
Other ordinary maintenance	213,600	162,852	50,748
Travel and training	<u>40,000</u>	<u>27,450</u>	<u>12,550</u>
Total Mayor	<u>1,306,905</u>	<u>1,059,075</u>	<u>247,830</u>
City Manager:			
Salaries and wages	5,326,995	4,885,115	441,880
Other ordinary maintenance	1,434,150	1,343,894	90,256
Travel and training	<u>83,930</u>	<u>54,209</u>	<u>29,721</u>
Total City Manager	<u>6,845,075</u>	<u>6,283,218</u>	<u>561,857</u>
City Council:			
Salaries and wages	2,680,300	2,561,296	119,004
Other ordinary maintenance	61,500	23,988	37,512
Travel and training	<u>75,200</u>	<u>34,402</u>	<u>40,798</u>
Total City Council	<u>2,817,000</u>	<u>2,619,686</u>	<u>197,314</u>
City Clerk:			
Salaries and wages	1,924,410	1,924,405	5
Other ordinary maintenance	267,210	267,187	23
Travel and training	<u>4,420</u>	<u>500</u>	<u>3,920</u>
Total City Clerk	<u>2,196,040</u>	<u>2,192,092</u>	<u>3,948</u>
Law:			
Salaries and wages	3,103,975	2,826,371	277,604
Other ordinary maintenance	1,134,800	860,259	274,541
Travel and training	<u>17,545</u>	<u>10,983</u>	<u>6,562</u>
Total law	<u>4,256,320</u>	<u>3,697,613</u>	<u>558,707</u>
Finance:			
Salaries and wages	17,358,500	16,655,527	702,973
Other ordinary maintenance	10,409,115	9,747,772	661,343
Travel and training	149,275	119,285	29,990
Extraordinary expenditures	<u>1,062,800</u>	<u>1,060,000</u>	<u>2,800</u>
Total finance	<u>28,979,690</u>	<u>27,582,584</u>	<u>1,397,106</u>
Employment benefits:			
Salaries and wages	10,922,484	9,160,064	1,762,420
Other ordinary maintenance	958,635	903,005	55,630
Travel and training	<u>380,000</u>	<u>380,000</u>	<u>0</u>
Total employment benefits	<u>12,261,119</u>	<u>10,443,069</u>	<u>1,818,050</u>
Equity and inclusion:			
Salaries and wages	1,390,950	1,117,090	273,860
Other ordinary maintenance	853,150	473,427	379,723
Travel and training	<u>26,280</u>	<u>10,271</u>	<u>16,009</u>
Total equity and inclusion	<u>2,270,380</u>	<u>1,600,788</u>	<u>669,592</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Human resources:			
Salaries and wages	\$ 3,964,320	3,606,451	357,869
Other ordinary maintenance	1,267,550	1,090,331	177,219
Travel and training	<u>281,500</u>	<u>141,797</u>	<u>139,703</u>
Total human resources	<u>5,513,370</u>	<u>4,838,579</u>	<u>674,791</u>
Election commission:			
Salaries and wages	1,869,745	1,869,741	4
Other ordinary maintenance	589,140	572,487	16,653
Travel and training	<u>8,470</u>	<u>1,321</u>	<u>7,149</u>
Total election commission	<u>2,467,355</u>	<u>2,443,549</u>	<u>23,806</u>
Public celebrations:			
Salaries and wages	972,730	972,727	3
Other ordinary maintenance	837,900	834,233	3,667
Travel and training	<u>1,325</u>	<u>250</u>	<u>1,075</u>
Total public celebrations	<u>1,811,955</u>	<u>1,807,210</u>	<u>4,745</u>
Reserve:			
Other ordinary maintenance	<u>40,000</u>	<u>—</u>	<u>40,000</u>
Total reserve	<u>40,000</u>	<u>—</u>	<u>40,000</u>
Animal commission:			
Salaries and wages	683,160	647,538	35,622
Other ordinary maintenance	17,855	17,786	69
Travel and training	<u>5,150</u>	<u>1,740</u>	<u>3,410</u>
Total animal commission	<u>706,165</u>	<u>667,064</u>	<u>39,101</u>
Total general government	<u>71,471,374</u>	<u>65,234,527</u>	<u>6,236,847</u>
Public safety:			
Community safety:			
Salaries and wages	1,975,725	1,862,665	113,060
Other ordinary maintenance	1,062,100	1,017,144	44,956
Travel and training	38,000	6,023	31,977
Extraordinary expenditures	<u>15,000</u>	<u>10,822</u>	<u>4,178</u>
Total community safety admin	<u>3,090,825</u>	<u>2,896,654</u>	<u>194,171</u>
Fire:			
Salaries and wages	71,708,985	71,061,896	647,089
Other ordinary maintenance	2,224,520	2,176,792	47,728
Travel and training	626,500	622,016	4,484
Extraordinary expenditures	<u>195,000</u>	<u>190,292</u>	<u>4,708</u>
Total fire	<u>74,755,005</u>	<u>74,050,996</u>	<u>704,009</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Police:			
Salaries and wages	\$ 76,541,955	76,378,293	163,662
Other ordinary maintenance	3,238,875	2,984,781	254,094
Travel and training	382,500	370,518	11,982
Extraordinary expenditures	<u>782,500</u>	<u>714,949</u>	<u>67,551</u>
Total police	<u>80,945,830</u>	<u>80,448,541</u>	<u>497,289</u>
Traffic and parking:			
Salaries and wages	12,919,250	12,271,558	647,692
Other ordinary maintenance	4,886,790	4,429,758	457,032
Travel and training	201,000	155,504	45,496
Extraordinary expenditures	<u>70,000</u>	<u>69,996</u>	<u>4</u>
Total traffic and parking	<u>18,077,040</u>	<u>16,926,816</u>	<u>1,150,224</u>
Police review and advisory board:			
Other ordinary maintenance	1,900	—	1,900
Travel and training	<u>8,000</u>	<u>6,200</u>	<u>1,800</u>
Total police review and advisory board	<u>9,900</u>	<u>6,200</u>	<u>3,700</u>
Inspectional services:			
Salaries and wages	4,964,485	4,956,578	7,907
Other ordinary maintenance	561,960	362,377	199,583
Travel and training	<u>18,170</u>	<u>6,999</u>	<u>11,171</u>
Total inspectional services	<u>5,544,615</u>	<u>5,325,954</u>	<u>218,661</u>
License:			
Salaries and wages	1,957,700	1,723,120	234,580
Other ordinary maintenance	44,520	15,620	28,900
Travel and training	<u>7,520</u>	<u>1,100</u>	<u>6,420</u>
Total license	<u>2,009,740</u>	<u>1,739,840</u>	<u>269,900</u>
Emergency communications:			
Salaries and wages	10,153,255	10,153,255	—
Other ordinary maintenance	964,840	779,443	185,397
Travel and training	70,850	45,226	25,624
Extraordinary expenditures	<u>25,600</u>	<u>22,342</u>	<u>3,258</u>
Total emergency communications	<u>11,214,545</u>	<u>11,000,266</u>	<u>214,279</u>
Total public safety	<u>195,647,500</u>	<u>192,395,267</u>	<u>3,252,233</u>
Community maintenance and development:			
Public works:			
Salaries and wages	41,503,785	41,503,781	4
Other ordinary maintenance	31,850,150	30,992,684	857,466
Travel and training	583,360	575,377	7,983
Extraordinary expenditures	<u>1,545,000</u>	<u>1,481,850</u>	<u>63,150</u>
Total public works	<u>75,482,295</u>	<u>74,553,692</u>	<u>928,603</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Community development:			
Salaries and wages	\$ 9,091,712	8,601,975	489,737
Other ordinary maintenance	1,769,563	1,735,346	34,217
Travel and training	<u>47,946</u>	<u>26,053</u>	<u>21,893</u>
Total community development	<u>10,909,221</u>	<u>10,363,374</u>	<u>545,847</u>
Historical commission:			
Salaries and wages	1,034,510	1,023,132	11,378
Other ordinary maintenance	59,300	32,542	26,758
Travel and training	<u>2,500</u>	<u>335</u>	<u>2,165</u>
Total historical commission	<u>1,096,310</u>	<u>1,056,009</u>	<u>40,301</u>
Peace commission:			
Salaries and wages	264,830	264,827	3
Other ordinary maintenance	9,125	6,654	2,471
Travel and training	<u>3,050</u>	<u>1,030</u>	<u>2,020</u>
Total peace commission	<u>277,005</u>	<u>272,511</u>	<u>4,494</u>
Cable television:			
Salaries and wages	782,040	632,433	149,607
Other ordinary maintenance	1,095,475	981,121	114,354
Travel and training	<u>3,450</u>	<u>0</u>	<u>3,450</u>
Total cable television	<u>1,880,965</u>	<u>1,613,554</u>	<u>267,411</u>
Facilities department:			
Salaries and wages	1,832,660	1,107,960	724,700
Other ordinary maintenance	10,000	7,000	3,000
Travel and training	<u>30,000</u>	<u>9,344</u>	<u>20,656</u>
Total facilities department	<u>1,872,660</u>	<u>1,124,304</u>	<u>748,356</u>
Office of sustainability:			
Salaries and wages	1,672,665	1,659,237	13,428
Other ordinary maintenance	1,461,010	1,153,924	307,086
Travel and training	<u>10,000</u>	<u>8,546</u>	<u>1,454</u>
Total office of sustainability	<u>3,143,675</u>	<u>2,821,707</u>	<u>321,968</u>
Housing department:			
Salaries and wages	2,617,175	2,467,120	150,055
Other ordinary maintenance	25,129,700	24,779,979	349,721
Travel and training	<u>1,125</u>	<u>—</u>	<u>1,125</u>
Total housing department	<u>27,748,000</u>	<u>27,247,099</u>	<u>500,901</u>
Total community maintenance and development	<u>122,410,131</u>	<u>119,052,250</u>	<u>3,357,881</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Human resource development:			
Library:			
Salaries and wages	\$ 14,853,465	14,818,484	34,981
Other ordinary maintenance	4,400,800	4,393,708	7,092
Travel and training	137,150	120,790	16,360
Total library	<u>19,391,415</u>	<u>19,332,982</u>	<u>58,433</u>
Human services:			
Salaries and wages	47,139,808	44,442,385	2,697,423
Other ordinary maintenance	26,148,507	22,875,803	3,272,704
Travel and training	133,690	99,106	34,584
Extraordinary expenditures	40,000	40,000	—
Total human services	<u>73,462,005</u>	<u>67,457,294</u>	<u>6,004,711</u>
Women's commission:			
Salaries and wages	476,000	475,997	3
Other ordinary maintenance	17,545	17,504	41
Travel and training	525	266	259
Total women's commission	<u>494,070</u>	<u>493,767</u>	<u>303</u>
Human rights commission:			
Salaries and wages	790,755	790,751	4
Other ordinary maintenance	83,020	81,812	1,208
Travel and training	7,400	5,448	1,952
Total human rights commission	<u>881,175</u>	<u>878,011</u>	<u>3,164</u>
Veterans benefits:			
Salaries and wages	773,405	773,404	1
Other ordinary maintenance	114,735	114,430	305
Travel and training	492,400	358,269	134,131
Total veterans benefits	<u>1,380,540</u>	<u>1,246,103</u>	<u>134,437</u>
Total human resource development	<u>95,609,205</u>	<u>89,408,157</u>	<u>6,201,048</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

General Fund

Schedule of Expenditures – Budgetary Basis

Year ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	Variance positive (negative)
Education:			
Salaries and wages	\$ 224,750,000	224,746,729	3,271
Other ordinary maintenance	41,355,325	41,289,776	65,549
Travel and training	1,969,675	1,914,204	55,471
Extraordinary expenditures	<u>175,000</u>	<u>32,948</u>	<u>142,052</u>
Total education	<u>268,250,000</u>	<u>267,983,657</u>	<u>266,343</u>
Judgments and claims	890,000	837,914	52,086
Debt retirement:			
Principal payments	75,334,330	75,334,330	—
Interest payments	<u>26,555,950</u>	<u>26,274,881</u>	<u>281,069</u>
Total debt retirement	<u>101,890,280</u>	<u>101,609,211</u>	<u>281,069</u>
State and district assessments:			
MBTA assessment	11,835,255	11,815,248	20,007
MWRA assessment	31,600,985	31,407,738	193,247
Other State assessments	22,339,975	21,308,930	1,031,045
Cambridge Health Alliance	<u>8,671,170</u>	<u>8,671,166</u>	<u>4</u>
Total state and district assessments	<u>74,447,385</u>	<u>73,203,082</u>	<u>1,244,303</u>
Total general fund expenditures	\$ <u>930,615,875</u>	<u>909,724,065</u>	<u>20,891,810</u>

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Supplemental Statements and Schedules

June 30, 2025

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, 2025

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, 2025

	Special revenue						Total
	Community development block grant	School grants	Parking fund	Community preservation act	Aggregation Adder fund	Opioid Settlement fund	
Assets							
Cash and short-term investments	\$ 628,523	8,728,498	6,643,287	25,994,495	3,982,109	3,109,574	49,086,486
Accounts receivable	—	—	166,412	157,031	—	—	323,443
Intergovernmental receivable	1,365	741,970	—	—	—	—	743,335
Total assets	\$ 629,888	9,470,468	6,809,699	26,151,526	3,982,109	3,109,574	50,153,264
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Warrants payable	\$ 53,235	1,426,520	—	98,638	—	49,400	1,627,793
Accrued liabilities	6,684	192,195	1,015	115,386	—	—	315,280
Due to other funds	569,969	—	—	—	—	—	569,969
Total liabilities	629,888	1,618,715	1,015	214,024	—	49,400	2,513,042
Deferred inflows of resources:							
Unavailable revenue	—	—	—	157,031	—	—	157,031
Fund balances:							
Restricted	—	7,851,753	—	25,780,471	3,982,109	3,060,174	40,674,507
Committed	—	—	6,808,684	—	—	—	6,808,684
Total fund balances	—	7,851,753	6,808,684	25,780,471	3,982,109	3,060,174	47,483,191
Total liabilities, deferred inflows of resources, and fund balances	\$ 629,888	9,470,468	6,809,699	26,151,526	3,982,109	3,109,574	50,153,264

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, 2025

	Special revenue						Total
	Community development block grant	School grants	Parking fund	Community preservation act	Aggregation Adder fund	Opioid Settlement fund	
Revenues:							
Intergovernmental	\$ 819,916	22,359,117	557,223	2,958,290	—	—	26,694,546
Investment income			254,344	558,622	7,967	—	820,933
Other:							
Permits	—	—	—	—	—	—	—
Fines	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—
Miscellaneous	—	1,188,903	24,081,514	17,576,153	662,808	1,094,578	44,603,956
Total revenues	819,916	23,548,020	24,893,081	21,093,065	670,775	1,094,578	72,119,435
Expenditures:							
General government	—	—	—	10,000	—	—	10,000
Community maintenance and development	470,116	—	—	3,933,218	—	—	4,403,334
Human services	378,371	—	—	—	—	436,923	815,294
Education	—	21,292,278	—	—	—	—	21,292,278
Total expenditures	848,487	21,292,278	—	3,943,218	—	436,923	26,520,906
Excess (deficiency) of revenues over expenditures	(28,571)	2,255,742	24,893,081	17,149,847	670,775	657,655	45,598,529
Other financing sources (uses):							
Transfers from other funds	28,571	—	1,146,024	—	—	—	1,174,595
Transfers to other funds	—	—	(22,368,045)	(17,040,000)	—	—	(39,408,045)
Excess (deficiency) of revenues over expenditures and transfers	—	2,255,742	3,671,060	109,847	670,775	657,655	7,365,079
Fund balances at beginning of year	—	5,596,011	3,137,624	25,670,624	3,311,334	2,402,519	40,118,112
Fund balances at end of year	\$ —	7,851,753	6,808,684	25,780,471	3,982,109	3,060,174	47,483,191

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Supplemental Statements and Schedules

June 30, 2025

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, 2025

Assets	Pension and OPEB Trust Funds			Private purpose trust funds			
	Employee retirement plan December 31, 2024	OPEB Trust fund June 30, 2025	Total	Cemetery trust June 30, 2025	Mayor's disaster relief June 30, 2025	Other June 30, 2025	Total
	Cash and cash equivalents	\$ 5,691,665	142,747	5,834,412	2,712,723	228,498	2,182,329
Dividend and interest receivable	1,183,824	—	1,183,824	—	—	—	—
Lease receivable	205,505	—	205,505	—	—	—	—
Other assets	432,860	—	432,860	—	—	—	—
Due from broker for securities sold	2,752	—	2,752	—	—	—	—
Investments, at fair value:							
Fixed income securities	140,343,748	—	140,343,748	—	—	—	—
Equities	21,906,127	—	21,906,127	—	—	—	—
Pooled investments:							
Fixed income	163,617,099	15,864,958	179,482,057	—	—	—	—
Real estate	311,019,121	28,406,184	339,425,305	—	—	—	—
Domestic equities	566,348,367	—	566,348,367	—	—	—	—
International equities	319,576,799	—	319,576,799	—	—	—	—
International fixed income	50,995,616	—	50,995,616	—	—	—	—
Alternative	350,609,392	—	350,609,392	—	—	—	—
Total investments	1,924,416,269	44,271,142	1,968,687,411	—	—	—	—
Cash collateral on security lending	1,180,923	—	1,180,923	—	—	—	—
Right to use assets	1,437,524	—	1,437,524	—	—	—	—
Total assets	<u>\$ 1,934,551,322</u>	<u>44,413,889</u>	<u>1,978,965,211</u>	<u>2,712,723</u>	<u>228,498</u>	<u>2,182,329</u>	<u>5,123,550</u>
Liabilities							
Accrued liabilities	\$ 1,381,615	—	1,381,615	—	—	—	—
Cash collateral on security lending	1,180,923	—	1,180,923	—	—	—	—
Lease liability	1,695,318	—	1,695,318	—	—	—	—
Total liabilities	<u>\$ 4,257,856</u>	<u>—</u>	<u>4,257,856</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred inflows of resources							
Related to rent	\$ 174,532	—	174,532	—	—	—	—
Total liabilities and deferred inflows of resources	<u>\$ 4,432,388</u>	<u>—</u>	<u>4,432,388</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Position							
Restricted for:							
Pensions	\$ 1,930,118,923	—	1,930,118,923	—	—	—	—
OPEB Benefits	—	44,413,889	44,413,889	—	—	—	—
Individuals, organizations and other governments	—	—	—	2,712,723	228,498	2,182,329	5,123,550
Total net position	<u>\$ 1,930,118,923</u>	<u>44,413,889</u>	<u>1,974,532,812</u>	<u>2,712,723</u>	<u>228,498</u>	<u>2,182,329</u>	<u>5,123,550</u>

See independent auditors' report

CITY OF CAMBRIDGE, MASSACHUSETTS

Combining Statement of Changes in Net Position - Fiduciary Funds

Year ended June 30, 2025

	<u>Pension and OPEB Trust Funds</u>			<u>Private purpose trust funds</u>			
	<u>Employee retirement plan December 31, 2024</u>	<u>OPEB Trust fund June 30, 2025</u>	<u>Total</u>	<u>Cemetery trust June 30, 2025</u>	<u>Mayor's disaster relief June 30, 2025</u>	<u>Other June 30, 2025</u>	<u>Total</u>
Additions:							
Contributions:							
Employers	\$ 78,816,418	30,930,766	109,747,184	—	—	—	—
Nonemployer – City	—	—	—	—	—	—	—
Plan members	29,681,705	—	29,681,705	—	—	—	—
Other systems	4,804,184	—	4,804,184	—	—	—	—
Commonwealth of Massachusetts	221,451	—	221,451	—	—	—	—
Gifts and bequests	—	—	—	28,300	—	211,008	239,308
Miscellaneous	—	—	—	—	1,044	—	1,044
Total contributions	113,523,758	30,930,766	144,454,524	28,300	1,044	211,008	240,352
Investment earnings:							
Interest and dividends	30,538,498	1,280,575	31,819,073	166,670	2,177	33,695	202,542
Securities lending income	70,992	—	70,992	—	—	—	—
Net appreciation (depreciation) in the fair value of investments	140,734,372	1,528,099	142,262,471	—	—	—	—
Less:							
Management fees	(9,499,572)	—	(9,499,572)	—	—	—	—
Borrower rebates and fees under securities lending program	(64,498)	—	(64,498)	—	—	—	—
Net investment earnings	161,779,792	2,808,674	164,588,466	166,670	2,177	33,695	202,542
Total additions	275,303,550	33,739,440	309,042,990	194,970	3,221	244,703	442,894
Deductions:							
Benefits	112,213,893	28,930,766	141,144,659	—	—	—	—
Refunds of contributions	2,560,333	—	2,560,333	—	—	—	—
Other systems	4,211,377	—	4,211,377	—	—	—	—
Administrative expenses	1,469,981	67,353	1,537,334	—	—	—	—
Beneficiary payments to individuals	—	—	—	—	—	291,625	291,625
Miscellaneous	—	—	—	40,000	39,600	—	79,600
Total deductions	120,455,584	28,998,119	149,453,703	40,000	39,600	291,625	371,225
Change in net position	154,847,966	4,741,321	159,589,287	154,970	(36,379)	(46,922)	71,669
Net position, beginning of year	1,775,270,957	39,672,568	1,814,943,525	2,557,753	264,877	2,229,251	5,051,881
Net position, end of year	\$ 1,930,118,923	44,413,889	1,974,532,812	2,712,723	228,498	2,182,329	5,123,550

See independent auditors' report

CITY OF CAMBRIDGE, MASSACHUSETTS

Supplemental Statements and Schedules

June 30, 2025

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, 2025.

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

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

June 30, 2025

	Uncollected June 30, 2024	Commitments	Abatements	Transfers to tax title	Refunds	Collections	Adjustments increase (decrease)	Uncollected June 30, 2025
Real estate taxes:								
2017	\$ 5,032	—	—	—	—	—	—	5,032
2020	11,682	—	—	—	—	—	—	11,682
2021	12,219	—	—	—	—	—	—	12,219
2022	271	—	(68,467)	—	392,269	(324,073)	—	—
2023	341,748	—	(67,611)	—	304,971	(348,861)	(230,247)	—
2024	4,285,219	—	(213,405)	—	298,377	(3,554,024)	(18,664)	797,503
2025	—	602,339,895	(1,309,022)	—	789,057	(597,871,922)	208,462	4,156,470
Sub total real estate	\$ 4,656,171	602,339,895	(1,658,505)	—	1,784,674	(602,098,880)	(40,449)	4,982,906

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, 2025

	Uncollected June 30, 2024	Commitments	Abatements	Transfers to tax title	Refunds	Collections	Adjustments increase (decrease)	Uncollected June 30, 2025
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	9,138	—	—	—	—	—	—	9,138
2010	10,554	—	—	—	—	—	—	10,554
2011	15,526	—	—	—	—	—	—	15,526
2012	20,122	—	—	—	—	—	—	20,122
2013	17,035	—	—	—	—	—	—	17,035
2014	22,522	—	—	—	—	—	—	22,522
2015	30,913	—	—	—	—	—	—	30,913
2016	152,471	—	—	—	—	(474)	—	151,997
2017	223,245	—	—	—	—	(334)	—	222,911
2018	241,215	—	—	—	—	(162)	—	241,053
2019	270,197	—	—	—	—	(552)	—	269,645
2020	412,949	—	—	—	—	(1,935)	(1,683)	409,331
2021	457,773	—	—	—	—	(10,689)	(4,270)	442,814
2022	771,722	—	—	—	—	(262,299)	3	509,426
2023	1,072,968	—	—	—	—	(676,630)	295,117	691,455
2024	2,350,769	—	—	—	8,519	(1,408,865)	351,393	1,301,816
2025	—	29,228,340	(1,026)	—	60,318	(28,182,323)	(338,556)	766,753
Sub total personal property	6,110,261	29,228,340	(1,026)	—	68,837	(30,544,263)	302,004	5,164,153
Other	227,784	—	—	—	—	—	10,559	238,343
Total Property Taxes	\$ 10,994,216	631,568,235	(1,659,531)	—	1,853,511	(632,643,143)	272,114	10,385,402

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, 2025

	Uncollected June 30, 2024	Commitments	Abatements	Transfers to tax title	Refunds	Collections	Adjustments increase (decrease)	Uncollected June 30, 2025
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	67,620	—	—	—	—	—	—	67,620
1991	50,782	—	—	—	—	—	—	50,782
1992	51,253	—	—	—	—	—	—	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	—	—	—	—	(21)	—	190,266
2003	169,121	—	—	—	—	—	—	169,121
2004	139,917	—	—	—	—	—	—	139,917
2005	112,726	—	—	—	—	—	—	112,726
2006	99,725	—	—	—	—	—	(1)	99,724
2007	131,863	—	—	—	—	(186)	—	131,677
2008	112,078	—	(55)	—	—	(864)	—	111,159
2009	93,812	—	—	—	—	(669)	—	93,143
2010	107,950	—	—	—	—	(458)	—	107,492
2011	108,993	—	—	—	—	(370)	—	108,623
2012	100,007	—	—	—	—	(124)	(10)	99,873
2013	94,515	—	—	—	—	(226)	—	94,289
2014	100,174	—	—	—	—	(73)	(22)	100,079
2015	100,757	—	—	—	—	(397)	(77)	100,283
2016	105,152	—	(64)	—	64	(1,737)	(7)	103,408
2017	102,622	—	(436)	—	811	(940)	(45)	102,012
2018	107,941	—	(156)	—	605	(1,620)	(8)	106,762
2019	135,484	—	—	—	931	(4,661)	(12)	131,742
2020	136,275	—	(1,317)	—	5,080	(12,604)	(16)	127,418
2021	137,896	—	(344)	—	1,202	(25,061)	(26)	113,667
2022	226,338	—	(4,744)	—	10,740	(63,038)	(38)	169,258
2023	403,872	—	(10,537)	—	48,061	(162,219)	32	279,209
2024	835,578	891,067	(98,167)	—	105,252	(1,263,417)	(475)	469,838
2025	—	8,186,354	(141,219)	—	47,907	(6,741,447)	(676)	1,350,919
Total motor vehicle	\$ 5,033,856	9,077,421	(257,039)	—	220,653	(8,280,132)	(1,381)	5,793,378

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, 2025

	Interest rates	Issue dates	Final maturity date	Balance June 30, 2024	Additions	Retired	Balance June 30, 2025
Inside debt limit:							
Old Police Station Renovations	2.00%–3.00%	2/15/2012	2/15/2032	4,200,000	—	525,000	3,675,000
King School Renovations	2.00%–3.00%	2/19/2013	2/15/2033	14,850,000	—	1,650,000	13,200,000
Old Police Station Renovations	2.00%–3.00%	2/19/2013	2/15/2033	1,815,000	—	205,000	1,610,000
King School Renovations	3.00%–5.00%	2/18/2014	2/15/2034	9,250,000	—	925,000	8,325,000
MCWT Loan (CWP-13-03)	2.00%	1/7/2015	1/15/2025	1,443,785	—	1,443,785	—
King School Renovations	2.00%–5.00%	3/3/2015	2/15/2035	22,550,000	—	2,050,000	20,500,000
344 Broadway Building Renovations (Comprehensive)	2.00%–5.00%	3/3/2015	2/15/2025	150,000	—	150,000	—
School Building Renovations	2.00%–5.00%	3/3/2015	2/15/2025	75,000	—	75,000	—
Kendall Square Surface Improvements	2.00%–5.00%	3/3/2015	2/15/2025	400,000	—	400,000	—
Cambridge Common Improvements	2.00%–5.00%	3/3/2015	2/15/2025	115,000	—	115,000	—
Danehy Park Improvements	2.00%–5.00%	3/3/2015	2/15/2025	115,000	—	115,000	—
Street/Sidewalk Reconstruction	2.00%–5.00%	3/3/2015	2/15/2025	100,000	—	100,000	—
Golf Course Improvements	2.00%–5.00%	3/3/2015	2/15/2025	55,000	—	55,000	—
Sewer Reconstruction	2.00%–5.00%	3/3/2015	2/15/2025	2,315,000	—	2,315,000	—
Refunding Bonds (2005, 2006, 2007 and 2008)	2.00%–4.00%	3/4/2015	1/1/2028	15,695,000	—	5,775,000	9,920,000
School Building Renovations (Kennedy Longfellow Roof)	2.00%–4.00%	3/1/2016	2/15/2026	500,000	—	250,000	250,000
King Open and Cambridge St. Upper School and Community Complex	2.00%–4.00%	3/1/2016	2/15/2036	6,600,000	—	550,000	6,050,000
Building Renovations (344 Broadway and Comprehensive)	2.00%–4.00%	3/1/2016	2/15/2026	700,000	—	350,000	350,000
Street/Sidewalk Reconstruction	2.00%–4.00%	3/1/2016	2/15/2026	800,000	—	400,000	400,000
Harvard Square Reconstruction	2.00%–4.00%	3/1/2016	2/15/2026	100,000	—	50,000	50,000
Sewer Reconstruction	2.00%–4.00%	3/1/2016	2/15/2026	2,540,000	—	1,270,000	1,270,000
MCWT Loan (CWP-13-03-A)	2.00%	2/11/2016	1/15/2026	3,045,833	—	1,506,545	1,539,288
Building Renovation/Energy Improvements	3.00%–5.00%	3/1/2017	2/15/2027	695,000	—	235,000	460,000
Kennedy School Roof Replacement	3.00%–5.00%	3/1/2017	2/15/2027	615,000	—	205,000	410,000
King Open and Cambridge St. Upper School and Community Complex	3.00%–5.00%	3/1/2017	2/15/2037	12,910,000	—	995,000	11,915,000
School Building Roof Repairs	3.00%–5.00%	3/1/2017	2/15/2027	690,000	—	230,000	460,000
School Boiler Maintenance	3.00%–5.00%	3/1/2017	2/15/2027	135,000	—	45,000	90,000
Comprehensive Facilities Improvements Plan	3.00%–5.00%	3/1/2017	2/15/2027	1,395,000	—	465,000	930,000
Cambridge Common Improvements	3.00%–5.00%	3/1/2017	2/15/2027	135,000	—	45,000	90,000
Harvard Square Surface Reconstruction	3.00%–5.00%	3/1/2017	2/15/2027	975,000	—	325,000	650,000
Street/Sidewalk Reconstruction	3.00%–5.00%	3/1/2017	2/15/2027	555,000	—	185,000	370,000
Sewer Reconstruction	3.00%–5.00%	3/1/2017	2/15/2027	6,285,000	—	2,100,000	4,185,000
Library Construction (Refunding)	4.00%	6/12/2017	2/15/2029	2,395,000	—	485,000	1,910,000
CRLS Renovations (Refunding)	4.00%	6/12/2017	2/15/2029	6,845,000	—	1,385,000	5,460,000
King Open and Cambridge St. Upper School and Community Complex	3.0%–5.0%	3/1/2018	2/15/2038	41,370,000	—	2,955,000	38,415,000
Municipal Facilities Improvement Plan	4.3%–5.0%	3/1/2018	2/15/2028	1,760,000	—	440,000	1,320,000
Fletcher Maynard Academy Roof	4.3%–5.0%	3/1/2018	2/15/2028	520,000	—	130,000	390,000
School Boiler Maintenance	4.3%–5.0%	3/1/2018	2/15/2028	170,000	—	45,000	125,000
Street / Sidewalk Reconstruction	4.3%–5.0%	3/1/2018	2/15/2028	1,400,000	—	350,000	1,050,000
Sewer Reconstruction	4.3%–5.0%	3/1/2018	2/15/2028	5,810,000	—	1,460,000	4,350,000
King Open and Cambridge St. Upper School and Community Complex	3.00%–5.00%	3/6/2019	2/15/2039	34,380,000	—	2,295,000	32,085,000
Municipal Facilities Improvement Plan	5.0%	3/6/2019	2/15/2029	2,150,000	—	430,000	1,720,000
School Boiler Maintenance	5.0%	3/6/2019	2/15/2029	275,000	—	55,000	220,000
School Boiler Maintenance	5.0%	3/6/2019	2/15/2029	250,000	—	50,000	200,000
Harvard Square Kiosk	5.0%	3/6/2019	2/15/2029	425,000	—	85,000	340,000
Street/Sidewalk Reconstruction	5.0%	3/6/2019	2/15/2029	1,295,000	—	260,000	1,035,000
Riverside Reconstruction	5.0%	3/6/2019	2/15/2029	1,295,000	—	260,000	1,035,000
Sewer Reconstruction	5.0%	3/6/2019	2/15/2029	7,030,000	—	1,410,000	5,620,000
MWRA Bond	—%	3/7/2019	2/15/2030	1,722,197	—	419,000	1,303,197

CITY OF CAMBRIDGE, MASSACHUSETTS

Schedule of Bonds and Notes Payable

Year ended June 30, 2025

	Interest rates	Issue dates	Final maturity date	Balance June 30, 2024	Additions	Retired	Balance June 30, 2025
King Open and Cambridge St. Upper School and Community Complex	2.00%-5.00%	3/5/2020	2/15/2040	7,040,000	—	440,000	6,600,000
City Hall Improvements (Construction)	5.0 %	3/5/2020	2/15/2030	480,000	—	80,000	400,000
Tobin School (Design)	5.0 %	3/5/2020	2/15/2025	1,785,000	—	1,785,000	—
School Building Upgrades	5.0 %	3/5/2020	2/15/2025	140,000	—	140,000	—
Municipal Facilities Improvement Plan	5.0 %	3/5/2020	2/15/2025	535,000	—	535,000	—
Harvard Square Kiosk	5.0 %	3/5/2020	2/15/2030	985,000	—	165,000	820,000
Street/Sidewalk Reconstruction	5.0 %	3/5/2020	2/15/2030	1,970,000	—	330,000	1,640,000
Riverside Reconstruction	5.0 %	3/5/2020	2/15/2030	985,000	—	165,000	820,000
Sewer Reconstruction	5.0 %	3/5/2020	2/15/2030	10,255,000	—	1,715,000	8,540,000
City Hall Improvements (Construction)	5.0 %	3/3/2021	2/15/2031	5,175,000	—	740,000	4,435,000
Tobin School (Design)	2.00%-5.00%	3/3/2021	2/15/2041	9,860,000	—	580,000	9,280,000
School Buildings Upgrades	5.0 %	3/3/2021	2/15/2031	1,010,000	—	155,000	855,000
Municipal Facilities Improvement Plan	5.0 %	3/3/2021	2/15/2031	8,620,000	—	1,235,000	7,385,000
River St. Firehouse Construction Improvements	5.0 %	3/3/2021	2/15/2031	2,870,000	—	410,000	2,460,000
Lexington Ave Firehouse Construction Improvements	5.0 %	3/3/2021	2/15/2031	2,300,000	—	330,000	1,970,000
Refunding (CRLS & Old Police Station 2010-2011)	5.0 %	3/3/2021	2/15/2031	12,095,000	—	1,885,000	10,210,000
Harvard Square Kiosk Infrastructure Improvements	5.0 %	3/3/2021	2/15/2031	570,000	—	85,000	485,000
Harvard Square Kiosk Surface Enhancement	5.0 %	3/3/2021	2/15/2031	860,000	—	125,000	735,000
Street/Sidewalk Reconstruction	5.0 %	3/3/2021	2/15/2031	2,870,000	—	410,000	2,460,000
Riverside Reconstruction	5.0 %	3/3/2021	2/15/2031	4,025,000	—	575,000	3,450,000
Sewer Reconstruction	5.0 %	3/3/2021	2/15/2031	12,850,000	—	1,845,000	11,005,000
Tobin School (Construction)	2.25-5.0%	3/2/2022	2/15/2042	47,370,000	—	2,635,000	44,735,000
Municipal Facilities Improvement Plan (FY22)	5.0 %	3/2/2022	2/15/2032	3,290,000	—	475,000	2,815,000
School Buildings Upgrades (FY22)	5.0 %	3/2/2022	2/15/2032	1,195,000	—	170,000	1,025,000
Municipal Facilities Improvement Plan - Lafayette St. Fire	5.0 %	3/2/2022	2/15/2027	540,000	—	180,000	360,000
Fire Headquarters Construction	5.0 %	3/2/2022	2/15/2032	2,705,000	—	340,000	2,365,000
Riverside Reconstruction	5.0 %	3/2/2022	2/15/2032	2,030,000	—	255,000	1,775,000
Street/Sidewalk Reconstruction	5.0 %	3/2/2022	2/15/2032	3,375,000	—	425,000	2,950,000
Sewer Reconstruction	5.0 %	3/2/2022	2/15/2032	9,800,000	—	1,230,000	8,570,000
Fire Headquarters Construction	5.0 %	3/1/2023	2/15/2033	1,610,000	—	180,000	1,430,000
Tobin School (Construction)	4.0%-5.0%	3/1/2023	2/15/2043	40,935,000	—	2,155,000	38,780,000
Compete Streets/Sidwalk Reconstruction	5.0 %	3/1/2023	2/15/2033	1,615,000	—	180,000	1,435,000
East Grand Junction design	5.0 %	3/1/2023	2/15/2033	405,000	—	45,000	360,000
Riverside Reconstruction	5.0 %	3/1/2023	2/15/2033	2,415,000	—	270,000	2,145,000
Sewer Reconstruction	5.0 %	3/1/2023	2/15/2033	30,710,000	—	3,425,000	27,285,000
Fire Headquarters Construction	5.0 %	3/6/2024	2/15/2034	14,095,000	—	1,410,000	12,685,000
Fire Headquarters Construction	5.0 %	3/6/2024	2/15/2034	880,000	—	90,000	790,000
Tobin School (Construction)	4.0%-5.0%	3/6/2024	2/15/2044	80,830,000	—	4,045,000	76,785,000
Municipal Facilities Improvement Plan (FY23)	5.0 %	3/6/2024	2/15/2034	12,860,000	—	1,290,000	11,570,000
Municipal Facilities Improvement Plan (FY24)	5.0 %	3/6/2024	2/15/2034	8,330,000	—	835,000	7,495,000
School Facilities Improvement	5.0 %	3/6/2024	2/15/2034	1,145,000	—	120,000	1,025,000
Harvard Square Kiosk	5.0 %	3/6/2024	2/15/2034	2,205,000	—	225,000	1,980,000
Peabody/Raymond Playground	5.0 %	3/6/2024	2/15/2034	2,200,000	—	220,000	1,980,000
Linear Park	5.0 %	3/6/2024	2/15/2034	2,645,000	—	265,000	2,380,000
Bike Lanes - Mass Avenue	5.0 %	3/6/2024	2/15/2034	1,765,000	—	180,000	1,585,000
Complete Streets/Sidewalk Reconstruction FY23	5.0 %	3/6/2024	2/15/2034	7,050,000	—	705,000	6,345,000
Complete Streets/Sidewalk Reconstruction FY24	5.0 %	3/6/2024	2/15/2034	3,525,000	—	355,000	3,170,000
Central Square Street Reconstruction	5.0 %	3/6/2024	2/15/2034	2,645,000	—	265,000	2,380,000
Sewer Reconstruction	5.0 %	3/6/2024	2/15/2034	20,045,000	—	2,015,000	18,030,000
School Upgrades (2023)	5.0 %	3/5/2025	2/15/2035	—	1,610,000	—	1,610,000
School Upgrades (2024)	5.0 %	3/5/2025	2/15/2035	—	445,000	—	445,000
School Upgrades (2025)	5.0 %	3/5/2025	2/15/2035	—	2,290,000	—	2,290,000
Tobin School (Construction)	3.0-5.0	3/5/2025	2/15/2045	—	42,375,000	—	42,375,000
Tobin School (Construction)	3.0-5.0	3/5/2025	2/15/2045	—	26,970,000	—	26,970,000
Fire Headquarters Construction	5.0 %	3/5/2025	2/15/2035	—	26,825,000	—	26,825,000
Municipal Facilities Improvement Plan (FY24)	5.0 %	3/5/2025	2/15/2035	—	6,795,000	—	6,795,000
Beudo - MFIP	5.0 %	3/5/2025	2/15/2035	—	895,000	—	895,000
Deferred - MFIP	5.0 %	3/5/2025	2/15/2035	—	1,700,000	—	1,700,000
Muni Fleet - MFIP	5.0 %	3/5/2025	2/15/2035	—	895,000	—	895,000
CB - MFIP	5.0 %	3/5/2025	2/15/2035	—	315,000	—	315,000
Arts MFIP	5.0 %	3/5/2025	2/15/2035	—	90,000	—	90,000
Peabody/Raymond Playground	5.0 %	3/5/2025	2/15/2035	—	500,000	—	500,000
Rafferty Park	5.0 %	3/5/2025	2/15/2035	—	1,285,000	—	1,285,000
Linear Park	5.0 %	3/5/2025	2/15/2035	—	1,790,000	—	1,790,000
Bike Lanes - Mass Avenue	5.0 %	3/5/2025	2/15/2035	—	6,260,000	—	6,260,000
Complete Streets/Sidewalk Reconstruction FY25	5.0 %	3/5/2025	2/15/2035	—	4,470,000	—	4,470,000
Complete Streets/Sidewalk Reconstruction FY24	5.0 %	3/5/2025	2/15/2035	—	6,255,000	—	6,255,000
Sewer Reconstruction	5.0 %	3/5/2025	2/15/2035	—	17,885,000	—	17,885,000
Total inside debt limit				616,391,815	149,650,000	75,334,330	690,707,485
Outside debt limit:							
Water:							
Water Works Construction	5.0 %	3/5/2025	2/15/2035	—	2,995,000	—	2,995,000
Treatment Plant Equipment	5.0 %	3/5/2025	2/15/2035	—	180,000	—	180,000
Ozone Generator	5.0 %	3/5/2025	2/15/2030	—	465,000	—	465,000
Total outside debt limit				—	3,640,000	—	3,640,000
Total debt outstanding				\$ 616,391,815	153,290,000	75,334,330	694,347,485

See accompanying independent auditors' report.

STATISTICAL SECTION

CITY OF CAMBRIDGE, MASSACHUSETTS

June 30, 2025

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: <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. (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	101
Revenue capacity: <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	108
Debt capacity: <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: (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	112
Demographic and economic information: <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	116
Operating information: <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	118
<i>Sources: Unless otherwise noted, the information contained in these schedules is derived from the annual comprehensive financial reports for the relevant year.</i>	

CITY OF CAMBRIDGE, MASSACHUSETTS
 General Government Expenditures by Function (GAAP Basis) (1)

Last Ten Fiscal Years

(Dollars in thousands)

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	\$ 38,656	38,852	43,290	41,039	41,729	49,577	49,050	53,527	58,885	60,279
Percentage of total	7.3 %	6.9 %	7.3 %	6.6 %	6.3 %	6.8 %	6.7 %	6.9 %	7.1 %	6.7 %
Percentage change	16.0	0.5	11.4	(5.2)	1.7	18.8	(1.1)	9.1	10.0	2.4
Public safety	116,756	128,759	132,296	139,422	143,442	147,363	158,856	170,269	178,812	191,462
Percentage of total	22.0 %	22.9 %	22.2 %	22.3 %	21.7 %	20.3 %	21.6 %	21.9 %	21.5 %	21.1 %
Percentage change	(1.0)	10.3	2.7	5.4	2.9	2.7	7.8	7.2	5.0	7.1
Community maintenance and development	46,667	48,449	51,393	54,666	56,419	63,664	67,516	70,864	81,009	91,810
Percentage of total	8.8 %	8.6 %	8.6 %	8.7 %	8.6 %	8.8 %	9.2 %	9.1 %	9.7 %	10.1 %
Percentage change	1.4	3.8	6.1	6.4	3.2	12.8	5.0	14.3	13.3	
Human resource	36,155	38,125	41,678	45,380	48,359	46,812	55,117	63,570	72,639	87,814
Percentage of total	6.8 %	6.8 %	7.0 %	7.3 %	7.3 %	6.4 %	7.5 %	8.2 %	8.7 %	9.7 %
Percentage change	5.4	5.4	9.3	8.9	6.6	(3.2)	17.7	15.3	14.3	20.9
Education	183,324	197,087	209,886	218,767	234,864	258,815	242,833	252,436	272,012	295,137
Percentage of total	34.5 %	35.0 %	35.2 %	35.0 %	35.6 %	35.6 %	33.1 %	32.4 %	32.7 %	32.6 %
Percentage change	8.9	7.5	6.5	4.2	7.4	10.2	(6.2)	4.0	7.8	8.5
Judgments and claims	2,715	371	197	2,311	201	19,684	14,318	13,697	8,549	4,476
Percentage of total	0.5 %	0.1 %	— %	0.4 %	— %	2.7 %	2.0 %	1.8 %	1.0 %	0.5 %
Percentage change	2,125.4	(86.3)	(46.9)	1,073.1	(91.3)	9,693.0 (2)	(27.3) (3)	(4.3) (3)	(37.6) (4)	(47.6)
State assessments	52,024	53,427	56,316	57,931	60,243	61,846	64,456	66,681	70,737	73,203
Percentage of total	9.8 %	9.5 %	9.4 %	9.3 %	9.1 %	8.5 %	8.8 %	8.6 %	8.5 %	8.1 %
Percentage change	3.7	2.7	5.4	2.9	4.0	2.7	4.2	3.5	6.1	3.5
Debt service	54,814	57,823	61,826	66,014	74,276	78,833	82,107	86,986	89,251	101,472
Percentage of total	10.3 %	10.3 %	10.4 %	10.6 %	11.3 %	10.8 %	11.2 %	11.2 %	10.7 %	11.2 %
Percentage change	6.7	5.5	6.9	6.8	12.5	6.1	4.2	5.9	2.6	13.7
Total expenditures	\$ 531,111	562,893	596,882	625,530	659,533	726,594	734,253	778,030	831,894	905,653
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	5.9	6.0	6.0	4.8	5.4	10.2	1.1	6.0	6.9	8.9

(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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Property taxes	\$ 356,247	375,682	391,038	412,522	439,072	477,369	497,042	530,537	579,388	631,730
Percentage of total	63.5 %	63.4 %	61.8 %	62.7 %	62.9 %	64.6 %	67.1 %	64.7 %	63.3 %	68.8 %
Percentage change	3.9	5.5	4.1	5.5	6.4	8.7	4.1	6.7	9.2	9.0
Motor vehicle excises	7,452	8,035	7,727	8,351	6,996	8,437	8,053	8,305	8,223	8,244
Percentage of total	1.3 %	1.4 %	1.2 %	1.3 %	1.0 %	1.1 %	1.1 %	1.0 %	0.9 %	0.9 %
Percentage change	3.5	7.8	(3.8)	8.1	(16.2)	20.6	(4.6)	3.1	(1.0)	0.3
Hotel/motel/meals/other	19,213	19,959	20,938	21,511	19,717	3,581	12,348	21,807	24,753	25,062
Percentage of total	3.4 %	3.4 %	3.3 %	3.3 %	2.8 %	0.5 %	1.7 %	2.7 %	2.7 %	2.7 %
Percentage change	7.6	3.9	4.9	2.7	(8.3)	(81.8)	244.8	76.6	13.5	1.2
Fines	364	342	304	282	374	115	107	99	102	123
Percentage of total	0.1 %	0.1 %	— %	— %	0.1 %	— %	— %	— %	— %	— %
Percentage change	(25.4)	(6.0)	(11.1)	(7.2)	32.6	(69.3)	(7.0)	(7.5)	3.0	20.6
Intergovernmental	52,554	65,150	67,599	70,843	82,997	88,639	71,847	76,348	82,213	79,246
Percentage of total	9.4 %	11.0 %	10.7 %	10.8 %	11.9 %	12.0 %	9.7 %	9.3 %	9.0 %	8.6 %
Percentage change	15.5	24.0	3.8	4.8	17.2	6.8	(18.9)	6.3	7.7	(3.6)
Licenses and permits	32,181	29,051	40,662	41,272	40,396	58,174	47,331	61,592	53,773	37,682
Percentage of total	5.7 %	4.9 %	6.4 %	6.3 %	5.8 %	7.9 %	6.4 %	7.5 %	5.9 %	4.1 %
Percentage change	16.8	(9.7)	40.0	1.5	(2.1)	44.0	(18.6)	30.1	(12.7)	(29.9)
Payment in lieu of taxes	9,191	8,101	7,389	7,793	8,028	8,219	8,535	8,455	8,684	8,900
Percentage of total	1.6 %	1.4 %	1.2 %	1.2 %	1.1 %	1.1 %	1.2 %	1.0 %	0.9 %	1.0 %
Percentage change	13.7	(11.9)	(8.8)	5.5	3.0	2.4	3.8	(0.9)	2.7	2.5
Investment income	3,274	4,877	6,025	7,925	9,404	1,387	(2,197)	10,712	19,428	20,282
Percentage of total	0.6 %	0.8 %	1.0 %	1.2 %	1.3 %	0.2 %	(0.3)%	1.3 %	2.1 %	2.2 %
Percentage change	115.0	49.0	23.5	31.5	18.7	(85.3)	(258.4)	587.6	(81.4)	4.4
Charges for services	48,819	48,334	51,427	54,875	55,906	54,122	57,210	65,433	75,879	69,821
Percentage of total	8.7 %	8.2 %	8.1 %	8.3 %	8.0 %	7.3 %	7.7 %	8.0 %	8.3 %	7.6 %
Percentage change	1.9	(1.0)	6.4	6.7	1.9	(3.2)	5.7	14.4	16.0	(8.0)
Departmental/other	31,403	33,067	39,531	32,973	35,268	38,791	40,883	36,863	62,671	36,811
Percentage of total	5.7 %	5.6 %	6.2 %	5.0 %	5.1 %	5.3 %	5.5 %	4.5 %	6.8 %	4.0 %
Percentage change	23.8	5.3	19.5	(16.6)	7.0	10.0	5.4	(9.8)	70.0	(41.3)
Total revenues	\$ 560,698	592,598	632,640	658,347	698,158	738,834	741,159	820,151	915,114	917,901
Percentage of total	100.1 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percentage change	6.9	5.7	6.8	4.1	6.0	5.8	0.3	10.7	11.6	0.3

(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)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities:										
Net investment in capital assets	\$ 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	1,182,186,940
Restricted	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	114,554,898
Unrestricted	<u>1,931,327</u>	<u>(14,425,882)</u>	<u>(391,023,437)</u>	<u>(406,887,103)</u>	<u>(435,226,779)</u>	<u>(472,917,546)</u>	<u>(485,001,077)</u>	<u>(479,467,174)</u>	<u>(376,810,252)</u>	<u>(357,143,660)</u>
Total governmental activities net position	<u>\$ 748,998,577</u>	<u>783,677,784</u>	<u>472,842,084</u>	<u>543,790,826</u>	<u>590,009,225</u>	<u>600,750,185</u>	<u>663,111,414</u>	<u>724,323,191</u>	<u>861,622,686</u>	<u>939,598,178</u>
Business-type activities:										
Net investment in capital assets	\$ 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	119,179,477
Unrestricted	<u>17,982,299</u>	<u>13,682,522</u>	<u>10,988,999</u>	<u>11,893,193</u>	<u>15,132,817</u>	<u>16,119,526</u>	<u>16,632,919</u>	<u>15,288,039</u>	<u>18,206,409</u>	<u>17,149,153</u>
Total business-type activities net position	<u>\$ 138,167,382</u>	<u>138,988,440</u>	<u>142,644,637</u>	<u>145,619,332</u>	<u>147,523,437</u>	<u>146,737,089</u>	<u>145,127,546</u>	<u>139,849,834</u>	<u>138,458,313</u>	<u>136,328,630</u>
Primary government:										
Net investment in capital assets	\$ 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	1,301,366,417
Restricted	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	114,554,898
Unrestricted	<u>19,913,626</u>	<u>(743,360)</u>	<u>(380,034,438)</u>	<u>(394,993,910)</u>	<u>(420,093,962)</u>	<u>(456,798,020)</u>	<u>(468,368,158)</u>	<u>(464,179,135)</u>	<u>(358,603,843)</u>	<u>(339,994,507)</u>
Total primary government net position	<u>\$ 887,165,959</u>	<u>922,666,224</u>	<u>615,486,721</u>	<u>689,410,158</u>	<u>737,532,662</u>	<u>747,487,274</u>	<u>808,238,960</u>	<u>864,173,025</u>	<u>1,000,080,999</u>	<u>1,075,926,808</u>

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Changes in Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Expenses:										
Governmental activities:										
General government	\$ 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	76,054,786
Public safety	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	201,425,000
Community maintenance and development	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	243,326,402
Human resource development	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	109,762,910
Education	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	342,705,117
Interest on long-term debt	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	20,579,806
Total governmental activities	<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>	<u>993,854,021</u>
Business-type activities:										
Water	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	21,474,802
Total business-type activities expenses	<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>	<u>21,474,802</u>
Total primary government expenses	<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>	<u>1,015,328,823</u>
Program revenues:										
Governmental activities:										
Charges for services:										
Public safety	\$ 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	61,981,245
Community maintenance and development	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	74,204,764
Human resource and development	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	6,895,078
Other activities	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	1,586,979
Operating grants and contributions	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	66,792,750
Capital grants and contributions	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	8,814,349
Total governmental activities program revenues	<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>	<u>220,275,165</u>
Business-type activities:										
Charges for services:										
Water	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	19,959,109
Total business-type program revenues	<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>	<u>19,959,109</u>
Total primary government program revenues	<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>	<u>240,234,274</u>
Net (expense) revenue:										
Governmental activities	\$ (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)	(773,578,856)
Business-type activities	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)	(1,515,693)
Total primary government net expense	<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>	<u>(775,094,549)</u>

CITY OF CAMBRIDGE, MASSACHUSETTS

Changes in Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 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	629,443,105
Excise taxes	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	33,905,523
Unrestricted grants and contributions	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	79,245,746
Payments in lieu of taxes	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	8,900,376
Investment income	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	31,876,560
Miscellaneous	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	67,453,698
Transfers	714,085	717,805	719,125	720,475	721,865	723,285	724,745	(1,628,501)	727,770	729,340
Total governmental activities	<u>480,812,172</u>	<u>525,579,069</u>	<u>554,329,135</u>	<u>578,949,307</u>	<u>626,309,553</u>	<u>649,814,968</u>	<u>670,567,308</u>	<u>716,970,666</u>	<u>848,347,086</u>	<u>851,554,348</u>
Business-type activities:										
Investment income	256,700	183,888	107,473	139,248	89,635	132,526	150,678	158,918	118,462	115,350
Transfers	(714,085)	(717,805)	(719,125)	(720,475)	(721,865)	(723,285)	(724,745)	1,628,501	(727,770)	(729,340)
Total business-type activities	<u>(457,385)</u>	<u>(533,917)</u>	<u>(611,652)</u>	<u>(581,227)</u>	<u>(632,230)</u>	<u>(590,759)</u>	<u>(574,067)</u>	<u>1,787,419</u>	<u>(609,308)</u>	<u>(613,990)</u>
Total primary government	<u>\$ 480,354,787</u>	<u>525,045,152</u>	<u>553,717,483</u>	<u>578,368,080</u>	<u>625,677,323</u>	<u>649,224,209</u>	<u>669,993,241</u>	<u>718,758,085</u>	<u>847,737,778</u>	<u>850,940,358</u>
Change in net position:										
Governmental activities	\$ 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	77,975,492
Business-type activities	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)	(2,129,683)
Total primary government	<u>\$ 47,058,643</u>	<u>35,500,265</u>	<u>87,850,251</u>	<u>73,923,437</u>	<u>48,122,504</u>	<u>15,821,868</u>	<u>60,751,686</u>	<u>55,934,065</u>	<u>135,907,974</u>	<u>75,845,809</u>

See accompanying independent auditors' report.

CITY OF CAMBRIDGE, MASSACHUSETTS

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General fund:										
Nondspendable	\$ 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	25,756,500
Committed	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	140,257,510
Unassigned	<u>215,772,588</u>	<u>229,632,250</u>	<u>255,838,733</u>	<u>265,107,570</u>	<u>225,659,635</u>	<u>222,627,360</u>	<u>210,647,024</u>	<u>212,131,237</u>	<u>248,109,955</u>	<u>200,754,872</u>
Total general fund	\$ <u>300,944,392</u>	<u>332,808,640</u>	<u>368,639,352</u>	<u>387,731,156</u>	<u>364,064,756</u>	<u>344,379,130</u>	<u>321,270,355</u>	<u>325,655,970</u>	<u>387,456,060</u>	<u>366,768,882</u>
All other governmental funds:										
Nondspendable (1)	\$ 2,234,567	2,244,204	2,276,704	2,323,744	2,368,203	—	—	—	—	—
Restricted	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	288,215,260
Committed	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	208,932,514
Unassigned (deficit)	—	—	—	—	—	(21,312,871)	(17,350,073)	(29,662,145)	(14,537,647)	(5,844,589)
Total all other governmental funds	\$ <u>148,226,513</u>	<u>171,637,834</u>	<u>201,533,567</u>	<u>220,683,050</u>	<u>270,020,628</u>	<u>315,125,285</u>	<u>361,688,243</u>	<u>388,822,845</u>	<u>453,484,813</u>	<u>491,303,185</u>

(1) The City adopted GASB Statement No. 84 in fiscal year 2021. Amount was reclassified into fiduciary funds.

See accompanying independent auditors' report.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Real and personal property taxes	\$ 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	631,730,174
Excises:										
Hotel/motel/meals/other	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	25,062,222
Motor vehicles	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	8,244,317
Payments in lieu of taxes	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	8,900,376
Intergovernmental	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	154,852,846
Investment income	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	31,876,560
Sewer use charges	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	69,820,523
Departmental and other	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	140,418,487
Total revenues	635,881,446	667,374,074	726,558,257	754,740,315	782,297,363	825,503,832	870,345,976	934,586,562	1,088,132,647	1,070,905,505
Expenditures:										
General government	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	74,177,876
Public safety	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	193,020,925
Community maintenance and development	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	177,555,274
Human resource development	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	105,302,560
Education (1)	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	316,429,671
Judgments and claims	2,714,745	371,023	196,843	2,311,069	201,386	19,683,893	14,317,752	13,697,187	8,548,927	4,475,914
State and district assessments	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	73,203,082
Capital outlays (2)	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	171,381,886
Debt service:										
Interest (1)	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	26,054,747
Principal (1)	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	75,334,330
Total expenditures	670,509,388	671,521,495	748,927,475	801,683,082	811,280,954	880,029,429	940,255,082	995,448,508	1,143,234,828	1,216,936,265
Excess of revenues over (under) expenditures	(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)	(146,030,760)
Other financing sources (uses):										
Premium on bond issue	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	12,782,615
Bond proceeds	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	149,650,000
Transfer in	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	96,282,630
Transfer out	(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)	(95,553,290)
Payments to Fiscal Escrow Agent	—	(21,691,521)	—	—	—	(21,456,124)	—	—	—	—
Total other financing sources (uses)	53,222,823	59,422,990	88,095,663	85,184,054	54,654,769	85,811,884	93,363,289	92,382,163	181,564,239	163,161,955
Net change in fund balances	\$ 18,594,881	55,275,569	65,726,445	38,241,287	25,671,178	31,286,287	23,454,183	31,520,217	126,462,058	17,131,195
Debt service as a percentage of noncapital expenditures	9.50 %	9.73 %	9.77 %	9.83 %	10.34 %	10.16 %	10.03 %	10.35 %	9.44 %	10.23 %

(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
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
2025	40,134	14,876	18,693	2,537	76,240	6.35	11.52	8.80

(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

Fiscal year		Residential real property	Commercial and industrial real property	Personal property	Motor vehicle
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
2025		6.35	11.52	11.52	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	2025			Taxpayer	2015		
	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)	\$ 9,173,970,500	102,129,612	14.1%	Massachusetts Institute of Technology (1)	\$ 2,290,153,400	41,958,708	12.29%
Alexandria Real Estate	4,246,918,400	48,910,049	6.9%	BioMed Realty Trust	1,169,048,100	22,417,980	6.57
BioMed Realty Trust	2,732,675,800	29,396,292	3.9%	Boston Properties	845,806,600	16,289,318	4.77
Boston Properties	2,549,138,075	28,356,693	3.8%	Equity Partners	571,512,400	10,553,343	3.09
DivcoWest	1,893,371,000	17,485,924	2.7%	Presidents & Fellows of Harvard College (1)	423,374,500	5,426,154	1.59
Healthpeak	1,325,197,500	15,266,725	2.3%	Novartis Pharmaceuticals	249,889,700	4,820,372	1.41
MBA-Rogers Street, LLC	866,726,900	9,893,685	1.5%	New England Development	235,845,500	4,549,460	1.33
Presidents & Fellows of Harvard College (1)	820,355,800	6,984,422	1.1%	Alexandria Real Estate	234,646,500	4,458,974	1.31
PREEF American Reit II Corp.	569,352,700	6,558,943	1.1%	PREEF American Reit II Corp.	231,186,300	4,459,584	1.31
Novartis Pharmaceuticals	503,610,000	5,801,587	0.9%	RB Kendall Fee LLC	212,935,800	4,092,397	1.20
Total	\$ 24,681,316,675	270,783,932	38.30 %	Total	\$ 6,464,398,800	119,026,290	34.87 %

(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
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	3.62	473.22	99.27
2022	498.40	492.32	98.78	3.14	495.46	99.41
2023	534.60	527.94	98.75	4.64	532.58	99.62
2024	578.50	573.45	99.13	4.66	578.11	99.93
2025	631.57	625.20	98.99	N/A	625.20	98.99

(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		Total primary government (c)	Percentage of per capita income (a)	Per capita (a)	Ratio of debt to taxable assessed valuation (b)
	General obligation bonds	Notes payable	Lease liability	General obligation bonds					
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
2025	754,516,719	—	4,113,347	4,013,943		762,644,009	10.55	6,441	1.00

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 113 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

Fiscal year		General obligation bonds outstanding	Total taxable assessed value	Per capita (a)	Ratio of debt to taxable assessed valuation (b)
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
2025		758,530,662	76,240,599,650	6,406	0.99

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, 2025

<u>Name of unit</u>	<u>Direct debt and lease liability (1)</u>	<u>Outstanding overlapping debt (2)</u>	<u>Percentage applicable to City of Cambridge</u>	<u>Total City of Cambridge direct and overlapping debt and lease liability</u>
City of Cambridge	\$ 758,630,066	—	100.00 %	758,630,066
Massachusetts Water Resources Authority	—	2,467,889,044	5.37%	132,401,644
Total direct and overlapping debt	<u>\$ 758,630,066</u>	<u>2,467,889,044</u>		<u>891,031,710</u>

(1) Includes unamortized bond premium and lease liability. Excludes debt from the Enterprise Fund.

(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 2025:

Fiscal year 2025 equalized valuation (1)	\$ 85,379,281,500
Debt limit (5% of assessed value) (2)	<u>4,268,964,075</u>
Debt applicable to limit:	
General obligation bonds	694,347,485
Total authorized/unissued	<u>362,235,500</u>
Total debt outstanding plus authorized/unissued	1,056,582,985
Less general obligation bonds exempted by authority of the State legislature	<u>—</u>
Amount within debt limit	<u>1,056,582,985</u>
Legal debt margin	\$ <u>3,212,381,090</u>

	<u>Fiscal year (dollars in thousands)</u>									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit	\$ 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	4,268,964
Total net debt applicable to limit	<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>	<u>1,056,582</u>
Legal debt margin	\$ <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>	<u>3,212,382</u>
Total net debt applicable to the limit as a percentage of debt limit	42.67 %	31.16 %	32.61 %	26.79 %	35.35 %	26.50 %	30.77 %	30.43 %	29.42 %	24.75 %

(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 their 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, 2024.

(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

<u>Year</u>	<u>Population (1)</u>	<u>Median family income (1)</u>	<u>Per capita income (1)</u>	<u>Median age (1)</u>	<u>School enrollment (2)</u>	<u>Unemployment rate (3)</u>
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
2025	118,403	107,490	61,036	30.6	7,027	3.50

(1) Source 2016–2021: U.S. Department of Commerce, Bureau of Census, Decennial Census, 2010

Source 2022-2025: 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

2025				2015			
Employer	Employees	Rank	Percentage of total city employment	Employer	Employees	Rank	Percentage of total city employment
Harvard University	13,630	1	8.97 %	Harvard University	10,980	1	9.85 %
MIT	9,301	2	6.12 %	MIT	8,455	2	7.58 %
Cambridge Innovation Center	5,011	3	3.30 %	City of Cambridge (2)	2,927	3	2.63 %
City of Cambridge (2)	3,851	4	2.53 %	Novartis Institute	2,704	4	2.43 %
Takeda Pharmaceutical	3,378	5	2.22 %	Biogen Idec	2,660	5	2.39 %
Broad Institute	3,316	6	2.18 %	Mt. Auburn Hospital	1,922	6	1.72 %
Sanofi	2,294	7	1.51 %	Cambridge Health Alliance	1,704	7	1.53 %
Novartis Institute	2,184	8	1.44 %	Sanofi/Genzyme	1,640	8	1.47 %
Google	2,100	9	1.38 %	Cambridge Innovation Center	1,574	9	1.41 %
Cambridge Health Alliance	1,962	10	1.29 %	Akamai Technologies	1,367	10	1.23 %
	<u>47,027</u>		<u>30.94 %</u>		<u>35,933</u>		<u>32.24 %</u>
Total average employed	151,959				111,498		

(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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government:										
Executive management	19	18	22	22	22	30	30	35	47	47
Clerk	10	10	9	10	10	10	10	11	11	12
Law	11	13	13	13	13	15	15	16	16	16
Finance (1)	91	97	97	100	100	102	102	103	110	122
Other	15	16	16	14	14	15	15	17	17	18
Subtotal	146	154	157	159	159	172	172	182	201	215
Public safety:										
Fire	285	283	283	285	285	285	285	285	300	300
Police	319	316	322	327	329	329	329	331	334	334
Traffic	82	83	85	85	85	87	87	89	93	93
Inspectional	28	28	28	29	29	29	29	30	31	31
Emergency communication	42	50	51	53	53	55	55	57	58	62
Other	28	29	29	30	30	30	30	36	26	31
Subtotal	784	789	798	809	811	815	815	828	842	851
Community maintenance:										
Public works	222	228	232	239	242	247	247	248	272	274
Community development	49	54	57	61	61	66	66	68	76	51
Other	11	11	12	12	11	11	11	11	18	47
Subtotal	282	293	301	312	314	324	324	327	366	372
Human resource development:										
Library	68	69	70	72	75	82	82	84	91	95
Human services	144	160	163	172	173	177	177	188	209	214
Other	6	6	6	6	6	6	6	8	9	12
Subtotal	218	235	239	250	254	265	265	280	309	321
Education	1,504	1,548	1,586	1,653	1,716	1,749	1,750	1,710	1,810	1,834
Water	55	55	55	57	58	59	59	59	60	61
Grand total	2,989	3,074	3,136	3,240	3,312	3,384	3,385	3,386	3,588	3,654

(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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Emergency communications:										
911 call pickups (land lines)	17,567	17,325	14,086	14,294	12,968	22,846	10,448	8,776	9,862	9,998
911 call pickups (cell phones)	17,434	14,700	18,358	19,860	30,252	27,685	43,751	40,149	26,052	49,056
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	33 %	35 %	45 %	36 %	40 %	43 %	45 %	41 %	38 %	40 %
Fire:										
Number of state-mandated inspections of facilities	1,088	1,110	1,150	1,150	1,170	1,170	1,170	1,190	1,225	1,225
First response to fire emergency within 4-8 minutes	95 %	93 %	93 %	90 %	90 %	90 %	90 %	95 %	95 %	90 %
Respond to EMS requests within 4-6 minutes, 90% of the time	95 %	93 %	93 %	90 %	90 %	90 %	90 %	90 %	90 %	92 %
Inspectional:										
Number of BZA applications	141	173	158	130	135	154	175	179	161	93
Number of compliance inspections (buildings)	6,383	6,316	6,433	5,872	4,371	6,290	7,227	8,170	9,317	8,723
Number of compliance inspections and re-inspections	1,999	2,712	2,640	2,409	1,949	3,238	2,190	2,466	1,834	2,218
Number of inspections (housing complaints)	4,087	4,610	3,191	4,085	3,498	5,272	4,109	4,588	3,994	4,024
Number of licensed dumpster inspections completed	633	1,097	1,108	1,007	937	906	928	819	851	860
Police:										
Number of part 1 crimes reported	2,850	2,362	2,340	2,412	1,129	2,558	2,611	3,209	3,251	3,779
Average number of days between identified Part 1 crime patterns and the elimination of the pattern by an arrest or increase in police presence	24	21	76	41	16	22	32	19	24	27
Number of accidents citywide	1,560	1,589	1,444	1,473	2,331	961	1,305	1,468	1,698	1,619
Number of bicycle accidents citywide	168	174	139	155	116	60	108	155	197	185
Traffic:										
Short-term, on street spaces managed by parking meters and pay citations	3,167	3,114	2,874	2,910	2,737	2,711	2,621	2,648	2,643	2,582
Percent of tickets paid within 21 days from issuance without a notice	62.6 %	60.1 %	55.0 %	55.0 %	57.0 %	70.7 %	69.0 %	59.1 %	60.3 %	60 %
Percent of tickets issued this fiscal year that have been paid this year	86.1 %	78.5 %	74.0 %	67.0 %	70.0 %	76.9 %	80.0 %	89.7 %	89.2 %	90 %
Community Development:										
Number of projects undergoing urban design review	41	43	38	38	30	41	47	39	14	14
Number of small businesses assisted through the Small Business Enhancement Program and Retail Interior Accessibility Program (a)	29	43	35	23	17	21	16	7	22	31
Transportation demand management programs that encourage walking, bicycling, and public transit (a)	10	12	10	16	20	19	17	27	14	15
Number of local/regional transportation infrastructure projects that advance the City's environmental, public health, and community livability goals (a)	10	11	15	23	27	32	42	39	39	30
New rental units under development and existing units preserved as affordable housing with City financing (h)	104	125	140	—	338	—	190	74	421	132
New affordable homeownership units under development with City financing and older homes rehabilitated for new buyers	11	14	11	11	12	18	16	10	13	26
New affordable inclusionary housing units approved	98	56	127	44	134	206	8	3	102	3
New households purchasing affordable homes through CDD	10	12	18	20	16	8	15	23	16	27
Public Works:										
Number of CPS buildings with food scrap collection for composting (e)	13	14	18	18	18	14	—	13	13	13
Complete planting requests within 1 year (percent of requests)	80 %	70 %	68 %	69 %	90 %	100 %	100 %	100 %	97 %	100 %
Water:										
Meters replaced	327	427	438	304	222	375	383	450	382	211
Number of fire hydrants replaced	66	15	15	85	56	66	28	54	60	8
Human Services:										
ADA trainings, technical assistance sessions, and disability awareness trainings provided to City staff and other public entities	200	200	196	215	215	202	290	360	350	450
Number of clients served in youth and family services programs (d)	2,600	2,695	2,610	2,616	2,670	n/a	1,443	1,621	1,801	1,861
Number of clients served through domestic violence and abuse prevention programs	68	70	68	55	64	52	50	90	83	65
Number of clients served through homelessness prevention/service programs (g)	3,597	3,500	3,500	3,750	3,900	3,025	1,850	2,630	3,086	3,321
Number of students served at Community Learning Center	890	900	840	840	830	776	715	800	760	775
Number of clients receiving case management and information and referral services through elderly services (d)	3,800	3,900	3,700	3,900	3,800	n/a	2,745	4,100	4,600	4,700
Number of families placed in housing Multi-Service Center	35	37	25	26	20	60	60	55	45	40
Number of residents served through the Cambridge Employment Program (CEP)	240	250	245	275	240	163	250	266	355	420
Number of youth recreation and swimming classes/participants (b)	141	136	1,145	1,180	850	—	418	1,600	2,200	3,377
Number of books distributed to children, families, and staff	9,450	9,550	9,000	9,400	9,300	6,002	7,888	9,250	8,900	9,700
Number of parents participating in Baby University and Alumni Association activities (d) (f)	161	159	130	135	130	n/a	20	26	25	26
Number of families participating in Center for Families programming	715	725	750	725	700	518	675	700	750	800
Number of children served in summer camps	1,050	1,070	1,153	1,083	1,052	700	800	855	898	943
Number of teens enrolled in school year programming	500	500	500	500	400	200	300	300	300	182
Number of teens involved in summer programming (c)	378	375	1,475	1,475	1,500	700	900	1,000	1,067	

CITY OF CAMBRIDGE, MASSACHUSETTS

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Library:										
Check-outs	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	1,987,469
Select, purchase, and catalog new acquisitions for library collection	50,427	48,520	52,326	56,769	29,756	53,858	51,784	54,315	53,642	50,862
Number of items in collection	374,290	391,263	330,863	416,458	449,097	502,181	510,637	521,075	537,053	367,097
Provide a welcoming environment for all visitors at Main Library	592,377	556,198	565,422	553,623	379,975	28,872	358,042	423,083	450,205	459,779
Number of visitors to the branches	368,046	348,002	340,668	418,716	308,324	8,555	307,077	436,293	513,686	549,597
Education:										
Total enrollment	6,607	6,794	7,072	7,052	7,091	6,678	6,612	6,627	6,915	7,027

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 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Emergency vehicles	31	31	33	33	32	30	32	40	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	19	19	19	19	13	19	19
Streets (miles)	125	125	125	125	125	125	125	133	132	132
Electric:										
Streetlights	7,279	7,257	7,268	7,268	7,300	7,306	7,315	7,014	7,280	7,280
Traffic signals	188	180	181	187	191	192	200	185	216	225
Sewer:										
Sanitary sewers (miles)	148	148	149	148	148	148	148	148	148	148
Storm sewers (miles)	97	97	97	97	97	98	97	96	97	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	503	503	503	505
Playgrounds	59	59	59	59	59	61	63	61	61	63
Baseball/softball diamonds	23	23	23	23	23	21	21	20	20	21
Soccer/football fields	10	10	10	10	10	10	10	10	10	11
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	195	195	195	195	195	195	185	185	186
Fire hydrants	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,854	1,935	1,880
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	4,954,000	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, 2025

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