

# City of Newburyport FY2023 Year-End Financial Report

Ethan Manning, Finance Director/City Auditor

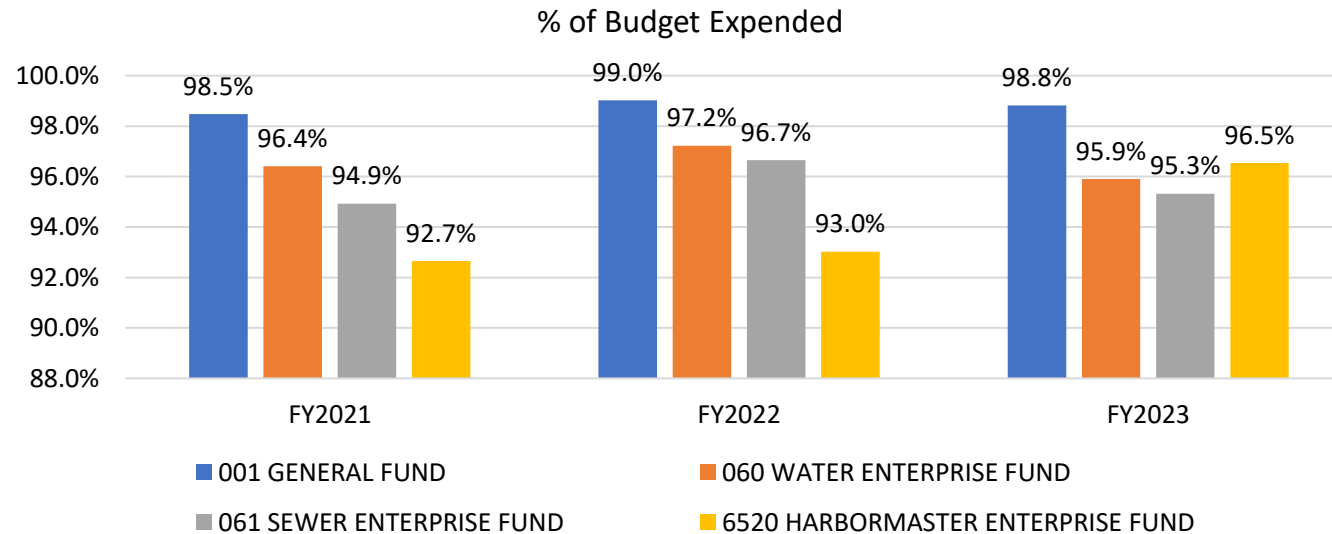
Budget & Finance Committee

August 31, 2023



# Budget “Turnbacks”

<u>Expenditures</u>	<u>FY2021</u>		<u>FY2022</u>		<u>FY2023</u>	
	Remaining Budget	% Used	Remaining Budget	% Used	Remaining Budget	% Used
001 GENERAL FUND	\$1,093,916	98.5%	\$733,469	99.0%	\$938,875	98.8%
060 WATER ENTERPRISE FUND	\$194,891	96.4%	\$159,680	97.2%	\$257,319	95.9%
061 SEWER ENTERPRISE FUND	\$381,305	94.9%	\$258,291	96.7%	\$371,228	95.3%
6520 HARBORMASTER ENTERPRISE FUND	\$34,180	92.7%	\$40,598	93.0%	\$18,558	96.5%
<b>TOTAL BUDGETARY FUNDS</b>	<b>\$1,704,292</b>	<b>98.0%</b>	<b>\$1,192,038</b>	<b>98.7%</b>	<b>\$1,585,981</b>	<b>98.3%</b>



# Largest Remaining Balances at Year-End

## General Fund

<b>Department</b>	<b>Amount</b>	<b>Reason</b>
Debt Service	\$195,481	Lower than projected
DPS-Highway	\$97,795	Fuel, supplies, capital
Sustainability	\$97,145	Lower than projected
Library	\$84,744	Staff vacancies
Police	\$81,496	Staff vacancies
Health Dept.	\$72,589	Staff vacancies
Parking	\$62,474	Staff vacancies, supplies
DPS-Parks	\$57,000	Staff vacancies
Council on Aging	\$40,758	Staff vacancies, utilities
Youth Services	\$36,469	Staff vacancies, other charges
<b>Total</b>	<b>\$825,951</b>	



**88% of Remaining Budget**

# Revenue – Property Taxes

	FY2021 Actual	FY2022 Actual	FY2023 Estimate	FY2023 Actual	\$ Over Estimate	% Of Estimate	% Over Prior Year
<b>001 GENERAL FUND</b>							
<b><u>PROPERTY TAXES</u></b>							
412 REAL ESTATE TAX REVENUE	\$59,945,337	\$62,708,201	\$64,615,275	\$64,453,026	-\$162,248	99.7%	2.8%
411 PER PROP TAX REVENUE	\$660,509	\$814,088	\$737,943	\$730,394	-\$7,549	99.0%	-10.3%
<b>TOTAL PROPERTY TAXES</b>	<b>\$60,605,846</b>	<b>\$63,522,289</b>	<b>\$65,353,217</b>	<b>\$65,183,420</b>	<b>-\$169,798</b>	<b>99.7%</b>	<b>2.6%</b>

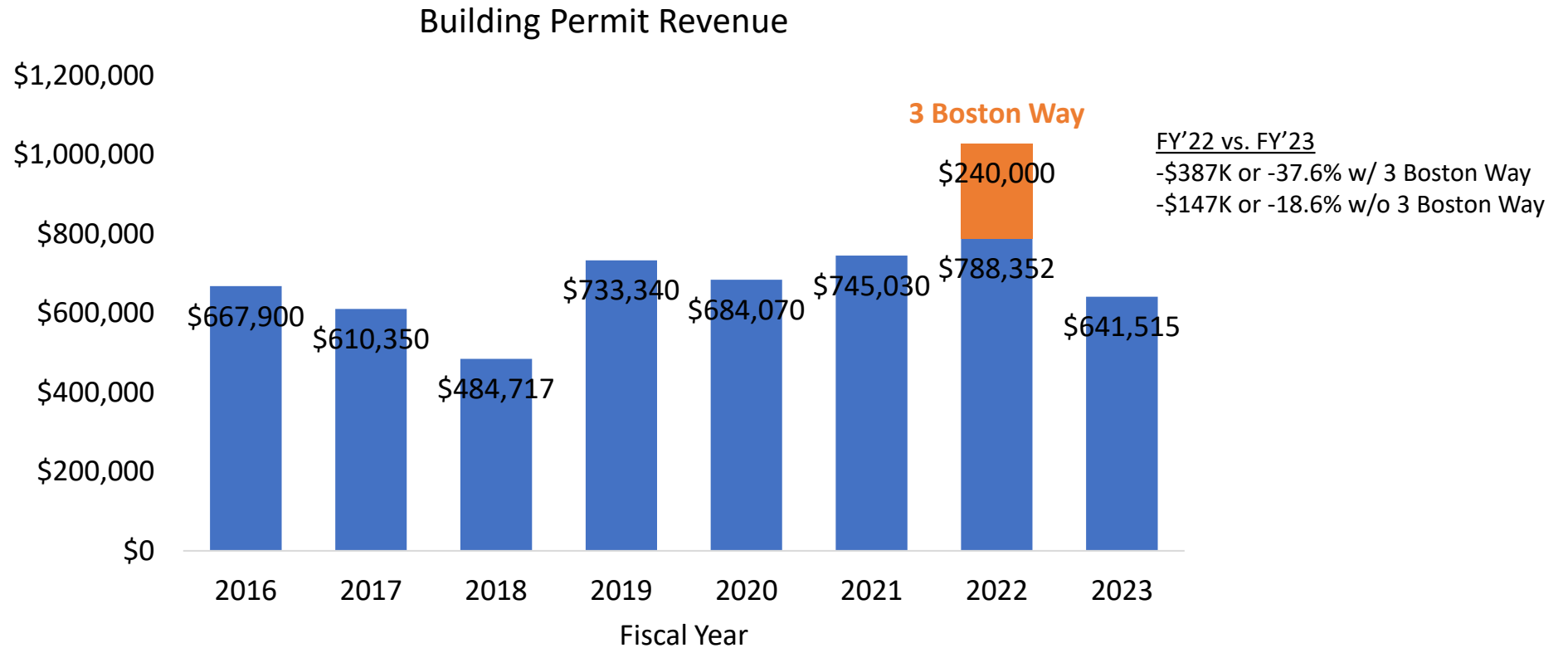
# Revenue – Local Receipts

	FY2021 Actual	FY2022 Actual	FY2023 Estimate	FY2023 Actual	\$ Over Estimate	% Of Estimate	% Over Prior Year	
<b>LOCAL RECEIPTS</b>								
401 MOTOR VEHICLE EXCISE	\$2,874,396	\$2,979,353	\$2,850,000	\$3,088,609	\$238,609	108.4%	3.7%	Meals tax +12.0% and rooms tax +4.6%
402 OTHER EXCISE	\$811,712	\$1,190,742	\$1,033,750	\$1,301,984	\$268,234	125.9%	9.3%	Based on state formula for housing authorities
403 PENALTIES/INTEREST	\$332,363	\$330,142	\$300,000	\$317,195	\$17,195	105.7%	-3.9%	
404 PAYMENT IN LIEU TAXES	\$27,196	\$27,924	\$27,000	\$25,696	-\$1,304	95.2%	-8.0%	Increase in tax title fees and rollback taxes
410 FEES	\$298,646	\$247,606	\$245,000	\$303,754	\$58,754	124.0%	22.7%	
416 OTHER DEPARTMENT REVENUE	\$72,014	\$75,865	\$70,000	\$74,019	\$4,019	105.7%	-2.4%	Decrease in building permits
417 LICENSES/PERMITS	\$945,583	\$1,349,322	\$951,000	\$1,044,914	\$93,914	109.9%	-22.6%	Prior-year court fines were higher due to courts reopening/COVID backlog
419 FINES & FORFEITS	\$4,898	\$6,708	\$6,000	\$5,753	-\$247	95.9%	-14.2%	
420 INVESTMENT INCOME	\$59,770	\$45,382	\$45,250	\$543,574	\$498,324	1201.3%	1097.8%	Due to increases in interest rates
458 MEDICAID REIMBURSEMENT	\$115,227	\$285,482	\$110,000	\$157,897	\$47,897	143.5%	-44.7%	
421 MISCELLANEOUS RECURRING	\$100,880	\$241,413	\$200,000	\$179,605	-\$20,395	89.8%	-25.6%	* Varies based on eligible activity & timing of reimbursement requests
422 MISCELLANEOUS NON-RECURRING	\$162,454	\$477,713	\$0	\$685,325	\$685,325	0.0%	43.5%**	
<b>TOTAL LOCAL RECEIPTS</b>	<b>\$5,805,138</b>	<b>\$7,257,652</b>	<b>\$5,838,000</b>	<b>\$7,728,325</b>	<b>\$1,890,325</b>	<b>132.4%</b>	<b>6.5%</b>	

\* 421 Miscellaneous Recurring Revenue: Veterans Services (\$101,965), Cell tower lease payments (\$29,095), Animal Control (\$26,858), Firehouse Repayment Agreement (\$15,003), FWS Refuge Revenue Sharing (\$5,174), Police Incident/Accident (\$1,133) and Other Small Recurring Receipts (\$377).

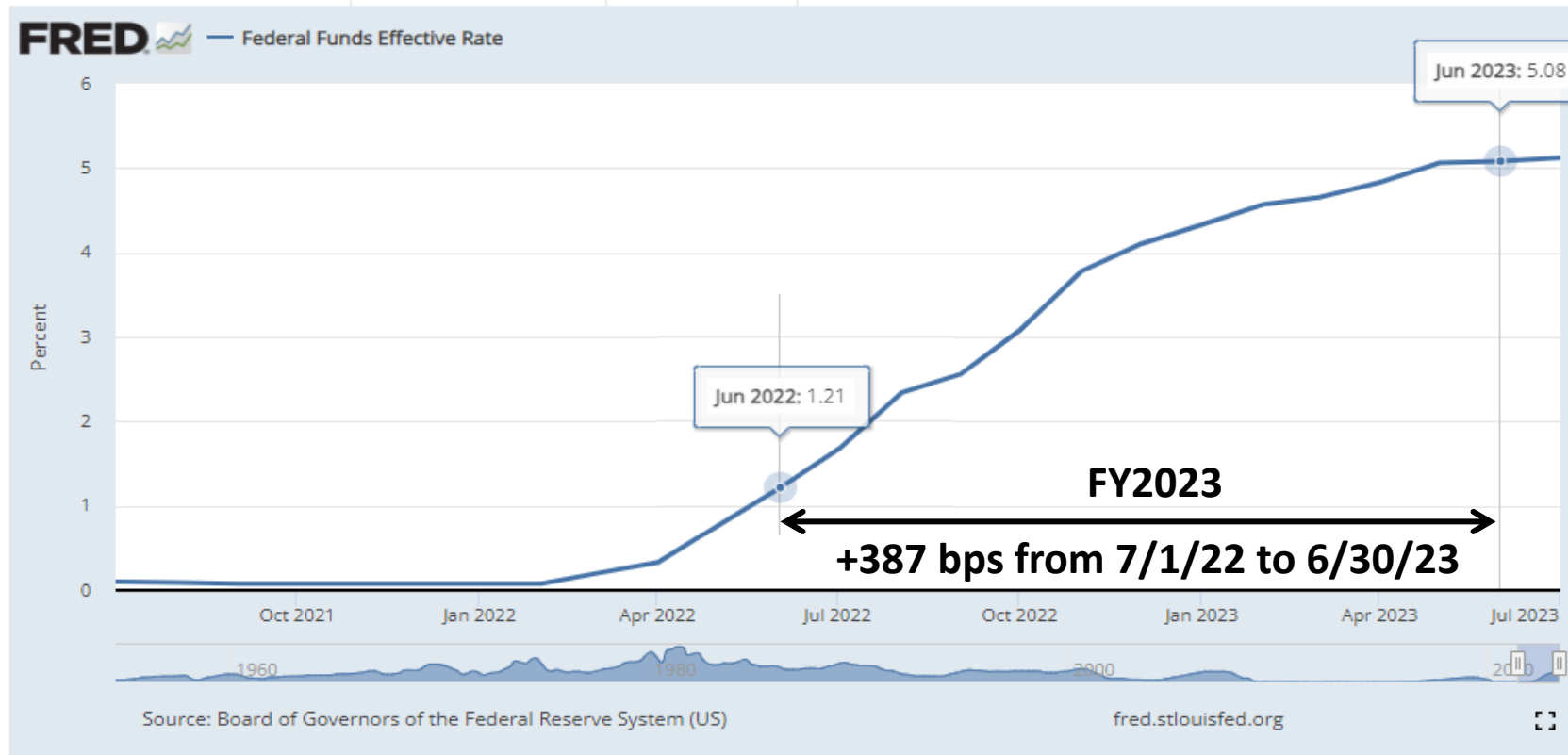
\*\* 422 Miscellaneous Non-Recurring Revenue: **Fire Boat Insurance Proceeds (\$550,273)**, Health Insurance Reimbursements (\$34,904), Prior-Year Closeouts (\$29,854), Prior-Year Reimbursements (\$21,305), PCB Settlement (\$17,414) Police Evidence (\$13,512), Sale of Surplus Equipment (\$5,000) and Other Small One-Time Receipts (\$13,063).

# Revenue – Local Receipts: Building Permits



# Revenue – Local Receipts: Investment Income

Fed Rate Hikes 2022-2023 to Tame Inflation



FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
July 26, 2023	+25	5.25% to 5.50%
May 3, 2023	+25	5.00% to 5.25%
March 22, 2023	+25	4.75% to 5.00%
Feb 1, 2023	+25	4.50% to 4.75%
Dec 14, 2022	+50	4.25% to 4.50%
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

FY'23

# Revenue – Local Receipts: Non-Recurring

- \$685,325 in misc. non-recurring revenue
  - Includes \$550,273 from fire boat insurance proceeds rec'd 3/13/2023

## Accounting treatment for insurance proceeds >\$150,000:

Because G.L. c. 44 § 53 establishes insurance and restitution proceeds as a class of receipts that may be spent for a particular purpose without first being certified as free cash, the Director has determined that money received for an insurance claim or restitution in an amount greater than \$150,000 is available for appropriation for that restricted purpose until June 30. The accounting officer should establish a receipt reserved for appropriation account and credit the proceeds to that account. **Any proceeds not appropriated by the legislative body by June 30 to repair or replace the damaged property close to the general fund.** In the ordinary course, the proceeds would then become part of the free cash certified by the Director as of the following July 1 and once certified, may be appropriated for any lawful purpose.

(From: Local Finance Opinion 2018-2, MA Division of Local Services)



# Revenue – State Aid/Transfers In

	FY2021 Actual	FY2022 Actual	FY2023 Estimate	FY2023 Actual	\$ Over Estimate	% Of Estimate	% Over Prior Year
460 STATE AID	\$4,777,125	\$5,173,682	\$5,588,785	\$5,694,685	\$105,900	101.9%	10.1%
497 INTERFUND TRANSFERS IN	\$947,921	\$1,203,418	\$1,607,030	\$1,516,957	-\$90,073	94.4%	26.1%
<b>TOTAL GENERAL FUND</b>	<b>\$72,136,030</b>	<b>\$77,157,041</b>	<b>\$78,387,033</b>	<b>\$80,123,387</b>	<b>\$1,736,354</b>	<b>102.2%</b>	<b>3.8%</b>

Revenue Collected Over Estimate

# Revenue – Enterprise Funds

	<b>FY2021 Actual</b>	<b>FY2022 Actual</b>	<b>FY2023 Estimate</b>	<b>FY2023 Actual</b>	<b>\$ Over Estimate</b>	<b>% Of Estimate</b>	<b>% Over Prior Year</b>
<b>WATER ENTERPRISE FUND</b>	<u>\$5,839,817</u>	<u>\$5,551,049</u>	<u>\$6,096,614</u>	<u>\$6,422,174</u>	<u>\$325,560</u>	<u>105.3%</u>	<u>15.7%</u>
<b>SEWER ENTERPRISE FUND</b>	<u>\$7,974,691</u>	<u>\$7,843,373</u>	<u>\$7,527,340</u>	<u>\$8,032,350</u>	<u>\$505,009</u>	<u>106.7%</u>	<u>2.4%</u>
<b>HARBORMASTER ENTERPRISE FUND</b>	<u>\$697,545</u>	<u>\$684,363</u>	<u>\$520,360</u>	<u>\$609,147</u>	<u>\$88,786</u>	<u>117.1%</u>	<u>-11.0%</u>

# FY2023 Use of Free Cash

	(general fund free cash)	(enterprise fund retained earnings)		
	Free Cash	Water	Sewer	Harbormaster
7/1/22 Balance	\$3,963,176	\$937,918	\$1,516,385	\$773,356
Market Landing Park Temporary Power				\$20,000
Waterfront Culvert Replacement	\$655,525			
Stabilization Trust Fund	\$500,000			
FY22 Parklet Fees	\$18,647			
Tax Rate	\$706,177			
Essex Tech	\$10,741			
Fire Personnel	\$164,891			
Plant Chemicals		\$86,000	\$120,000	
HVAC City Hall	\$30,000			
Special/Capital Transfer	\$532,352	\$255,998	\$595,616	\$404
Snow & Ice	\$253,294			
Health Insurance	\$61,195			
Harbormaster Personnel				\$15,000
<b>Ending Balance</b>	<b>\$1,030,354</b>	<b>\$595,920</b>	<b>\$800,769</b>	<b>\$737,952</b>

# Free Cash/Retained Earnings Estimates

	Free Cash	Water	Sewer	Harbormaster
Ending Balance	\$1,030,354	\$595,920	\$800,769	\$737,952
Budget "Turnbacks"	\$938,875	\$257,319	\$371,228	\$18,558
Revenue Over Estimate	\$1,736,354	\$325,560	\$505,009	\$88,786
<b>Total</b>	<b>\$3,705,584</b>	<b>\$1,178,800</b>	<b>\$1,677,006</b>	<b>\$845,296</b>
Prior Year	\$3,963,176	\$937,918	\$1,516,385	\$773,356
Change	(\$257,592)	\$240,882	\$160,621	\$71,940

Note: Includes \$550,273 from Fire Boat Insurance Proceeds

**Not Certified & For Illustrative Purposes Only**  
**DOR calculation takes other data into account**  
 (receivables, Ch. 90 deficits, pending grant reimbursements, etc.)

# Other Funds >\$500,000 (as of 6/30/2023)

Fund/Org	Classification	Fund Type	Description	Beg. Balance	Change	Ending Bal.
1	General Fund	General Fund	General Fund	9,270,134	(731,712)	8,538,422
60	Enterprise Funds	Water Enterprise	Water Fund	1,460,360	104,797	1,565,157
61	Enterprise Funds	Sewer Enterprise	Sewer Fund	2,226,046	(352,258)	1,873,788
6520	Enterprise Funds	Harbor. Enterprise	Harbormaster Fund	879,265	(8,712)	870,553
2459	Special Revenue Funds	School	Rev Sch Choice Salaries	2,212,217	(666,834)	1,545,384
2466	Special Revenue Funds	School	Curriculum/Staff	548,454	161,028	709,481
2484	Special Revenue Funds	School	50/50 Education Reimb Program <sup>1</sup>	1,451,264	(462,315)	988,948
2111	Special Revenue Funds	State Grant	ARPA Coronavirus	1,390,495	(18,166)	1,372,329
2723	Special Revenue Funds	RRFA	Rsv Appr Sew I/Inflow Fee	571,817	22,110	593,927
2739	Special Revenue Funds	RRFA	Paid Parking Fund	894,226	118,987	1,013,213
2803	Special Revenue Funds	Revolving	Rev Recreation Services	610,620	41,686	652,305
70	Special Revenue Funds	CPA	Community Preservation Fund	3,231,086	537,659	3,768,745
3120	Capital Project Funds	Capital	Roadway & Sidewalk Improvements	1,079,076	(570,994)	508,082
3400	Capital Project Funds	Capital	Data Center Rebuild	0	594,378	594,378
3807	Capital Project Funds	Capital	Station 2 Design/Feasibility Study	4,198,337	(799,787)	3,398,550
4127	Capital Project Funds	Capital	Clairfier Upgrades	0	590,000	590,000
4602	Capital Project Funds	Capital	Market Landing GF Transfer	0	655,525	655,525
3806421	Capital Project Funds	Capital	Phillips Dr. Improvement - Drainage	2,545,692	(722,915)	1,822,777
3806450	Capital Project Funds	Capital	Phillips Dr. Drainage Improvement - Water Lines	1,814,000	(438,806)	1,375,194
81	Trust & Agency Funds	Trust	Non-Expendable Trust Funds	1,686,757	0	1,686,757
82	Trust & Agency Funds	Trust	Expendable Trust Funds	1,206,244	(106,817)	1,099,427
8263	Trust & Agency Funds	Trust	Stabilization Trust Fund	3,941,395	560,531	4,501,927
8280	Trust & Agency Funds	Trust	OPEB Trust Fund	1,192,227	84,247	1,276,474
8287	Trust & Agency Funds	Trust	Plum Island Utility Trust Fund <sup>2</sup>	2,135,035	(27,700)	2,107,335

<sup>1</sup>State Special Education Reimbursement Fund ("Circuit Breaker")

<sup>2</sup>Includes surplus balance from 4005 - Plum Island Hydrant Replacement Project

# ARPA Update

## American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds

First 50% of Municipal Allocation	957,142	Received 6/16/21
First 50% of County Reallocation	1,776,212	Received 8/17/21
Second 50% of Municipal Allocation	957,142	Received 7/6/22
Second 50% of County Reallocation	1,776,212	Received 9/23/22
<b>Total Funding</b>	<b>5,466,708</b>	
Phillips Drive Drainage Project	1,000,000	ORDR252_05_24_2021 [Approved 8/30/21]
Streets & Sidewalks	2,400,000	ORDR335_03_28_2022 [Approved 4/11/22]
Joppa Park Walkway	100,000	ORDR334_03_28_2022 [Approved 4/25/22]
Data Center Rebuild	594,378	TRAN00153_05_08_2023 [Approved 6/26/23]
Hale Street Pedestrian Safety	125,000	TRAN00165_08_14_2023 [Approved 8/28/23]
<b>Total Appropriations</b>	<b>4,219,378</b>	
<b>Current Balance:</b>	<b><u>1,247,330</u></b>	
Amesbury Interconnection	250,000	ORDR336_03_28_2022 [In B&F Cmte]
Lower Atkinson Common Improvements	569,512	TRAN00153_05_08_2023 [In B&F Cmte]
<b>Proposed Spending</b>	<b>819,512</b>	
<b>Current Balance Less Proposed Spending:</b>	<b><u>427,818</u></b>	

# Authorized & Unissued Debt

<b>Date of Authorization</b>	<b>Amount Authorized</b>	<b>Amount Bonded, Rescinded or Paid Down</b>	<b>Date Bonded, Rescinded or Paid Down</b>	<b>Amount Remaining</b>	<b>Purpose</b>
11/26/2019	\$6,000,000	\$0		\$6,000,000	Public Streets, Walkways & Sidewalks
5/31/2022	\$750,000	\$0		\$750,000	Central Waterfront Bulkhead
7/11/2022	\$3,000,000	\$0		\$3,000,000	Market Landing Park Expansion (CPA)
9/27/2022	\$2,574,000	\$0		\$2,574,000	Bartlet Mall Frog Pond Improvements (CPA)
1/30/2023	\$9,190,000	\$4,211,000	5/25/2022	\$4,979,000	West End Fire Station
<b>Total</b>	<b>\$21,514,000</b>	<b>\$4,211,000</b>		<b>\$17,303,000</b>	

For a copy of the full report and this presentation, visit:

<https://www.cityofnewburyport.com/financials>

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