

TOWN OF HINGHAM

ACCOUNTING DEPARTMENT

Susan M. Nickerson
Town Accountant



To: Tom Mayo, Town Administrator
Board of Selectmen
Advisory Committee

From: Sue Nickerson, Town Accountant

Date: December 11, 2018

Re: Fund Balance

Total General Fund Balance for the fiscal year ending June 30, 2018 (FY2018) is \$35,658,086 as compared to the Fund Balance for the fiscal year ending June 30, 2017 (FY2017) of \$32,561,028, which represents an increase of \$3,097,058. The chart below shows the breakdown of fund balance. Total Annual Expenditures per the Town's Financial Policy for FY18 is \$112,180,550. The percent of Unassigned Fund Balance to Total Annual Expenditures is 24.15%. The table below shows the components of Fund Balance along with the percentages:

Nonspendable		\$0.00	0.00%
Restricted		\$1,250,000	3.51%
Sale of Hersey House			
Committed:		\$5,330,927	14.95%
Stabilization Fund	\$2,759,916		
Stabilization Fund-Meals Tax	\$562,663		
Mooring Permits	\$754,750		
Special Articles	\$235,331		
Lincoln School Apartments	\$1,000,000		
Unused Non-Excluded Debt	\$18,267		
Assigned		\$1,985,415	5.57%
Encumbrance	\$1,166,574		
Subsequent years expenditures	\$818,841		
Unassigned		\$27,091,744	75.98%
TOTAL FUND BALANCES		\$35,658,086	100.00%
Total Annual Expenditures per Town's Financial Policy		\$112,180,550	
% of Unassigned Fund Balance to Total Annual Expenditures			24.15%

The change in fund balance of \$3,097,058 is mostly attributed to three categories: surplus of revenue of approximately \$3.63 million dollars; a budget surplus of approximately \$1.82 million dollars; minus the use of Fund Balance of \$2.43 million dollars. The following illustrates two of the categories:

Total General Revenue: The following chart shows the surplus of forecasted revenue:

	FORECAST	ACTUAL	VARIANCE
TAX LEVY	\$80,165,227	\$80,293,408	\$128,181
NET STATE RECEIPTS	\$10,745,129	\$10,874,410	\$129,281
LOCAL RECEIPTS	\$9,203,515	\$12,589,857	\$3,386,342
LIGHT PLANT	\$500,000	\$486,601	(\$13,399)
TOTAL GENERAL FUND REVENUE	\$100,613,871	\$104,244,276	\$3,630,405

The majority of the revenue surplus is from Local Receipts (\$3.39M). The five top categories for the surplus were Licenses & Permits (\$1,751,429); Investment Income (\$566,896); Motor Vehicle Excise (\$484,565); Ambulance Fees (\$436,913); and Meals Tax (\$95,598). The net of all other local receipts totaled \$50,941.

Total General Fund Expenditures: The following chart shows categories of budget surplus:

<u>Budget Surplus</u>	<u>Amount</u>	<u>%</u>
Employee Benefits	\$588,869	32.38%
General Government	\$446,474	24.55%
Culture & Recreation	\$190,640	10.48%
Public Works	\$175,379	9.64%
Debt Service	\$125,287	6.89%
Public Safety	\$96,352	5.30%
Human Services	\$95,321	5.24%
Education	\$94,112	5.17%
All others	\$6,327	0.35%
TOTAL BUDGET SURPLUS	<u>\$1,818,761</u>	<u>100.00%</u>

Employee Benefits: Budget surplus from Group Insurance (\$556,394); all others (\$32,475).

General Government: Budget surplus from Town Hall (\$240,660); Reserve Fund (\$78,339); IT (\$38,754); Selectmen (\$23,008); Accounting (\$14,956); Town Clerk (\$12,192); Assessors (\$10,236); all others (\$28,329).

Culture and Recreation: Budget surplus from Library (\$184,220); all others (\$6,420)

Public Works: Budget surplus from DPW (\$110,859); Landfill (\$45,027); and Engineering (\$19,493).

Debt Service: Savings of the refunding of older debt (\$175,379).

Public Safety: Budget surplus from Street Lighting (\$32,774); Police (\$29,814); Fire (\$21,813); and Animal Control (\$11,939)

Human Services: Budget surplus from Veteran's benefits (\$60,841); Health (\$30,447); and all others (\$4,033).

Education: FY18 (from FY17) Encumbrance of \$94,112 not expended.

All Others: Unclassified (\$6,327).

The above increases to Fund Balance are one-time occurrences and should not be viewed as an ongoing increase to Fund Balance in future years.

TOWN OF: HINGHAM
FISCAL 2018 - ANALYSIS OF FUND BALANCE - GENERAL FUND

	Unassigned Fund Balance	Assigned Fund Balance	Committed Fund Balance	Restricted Fund Balance	TOTAL FUND BALANCE
Balance July 1, 2017	\$22,981,179	\$2,499,447	\$5,830,402	\$1,250,000	\$32,561,028
Reverse PY subsequent years	\$1,237,000	(\$1,237,000)			\$0
Reverse PY Special Ed Trust					\$0
Reverse PY Special Articles	\$180,709		(\$180,709)		\$0
Reverse PY Res for Stab Fund	\$2,894,176		(\$2,894,176)		\$0
Reverse PY Res for Meals Tax Stab	\$1,000,165		(\$1,000,165)		\$0
Reverse PY Mooring Permits	\$755,352		(\$755,352)		\$0
Reverse PY Encumbrances	\$1,262,447	(\$1,262,447)			\$0
Reverse for Lincoln School	\$1,000,000		(\$1,000,000)		\$0
Reserve For subsequent years	(\$818,841)	\$818,841			\$0
Reserve For CY Special Articles	(\$235,331)		\$235,331		\$0
Reserve For CY Stabilization Fund	(\$2,759,916)		\$2,759,916		\$0
Reserve For CY Meals Tax Stab	(\$562,663)		\$562,663		\$0
Reserve for CY Mooring permits	(\$754,750)		\$754,750		\$0
Reserve For CY Encumbrances	(\$1,166,574)	\$1,166,574			\$0
Reserve for Lincoln School	(\$1,000,000)		\$1,000,000		\$0
Reserve for CY Unused Nonexcluded debt	(\$18,267)		\$18,267		\$0
Close Out Revenue	\$104,748,376				\$104,748,376
Close Out Expenditures	(\$101,651,318)				(\$101,651,318)
					\$0
Balance June 30, 2018	\$27,091,744	\$1,985,415	\$5,330,927	\$1,250,000	\$35,658,086

RECAP					
	Unassigned	Assigned	Committed	Restricted	TOTAL
FY17	\$22,981,179	\$2,499,447	\$5,830,402	\$1,250,000	\$32,561,028
FY18	\$27,091,744	\$1,985,415	\$5,330,927	\$1,250,000	\$35,658,086
Difference	\$4,110,565	(\$514,032)	(\$499,475)	\$0	\$3,097,058