

# 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: November 6, 2019

Re: Fund Balance

Total General Fund Balance for the fiscal year ending June 30, 2019 (FY2019) is \$38,497,838 as compared to the Fund Balance for the fiscal year ending June 30, 2018(FY2018) of \$35,658,086, which represents an increase of \$2,839,752. The chart below shows the breakdown of fund balance. Total Annual Expenditures per the Town's Financial Policy for FY19 is \$114,785,674. The percent of Unassigned Fund Balance to Total Annual Expenditures is 26.58%. The table below shows the components of Fund Balance along with the percentages:

Nonspendable		\$0.00	0.00%
Restricted		\$1,250,000	3.25%
Sale of Hersey House			
Committed:		\$3,979,020	10.34%
Stabilization Fund	\$2,648,124		
Stabilization Fund-Meals Tax	\$121,874		
Special Articles	\$90,038		
Lincoln School Apartments	\$1,000,000		
Unused Non-Excluded Debt	\$118,984		
Assigned		\$2,753,625	7.15%
Encumbrance	\$1,812,812		
Subsequent years expenditures	\$940,813		
Unassigned		\$30,515,193	79.26%
<b>TOTAL FUND BALANCES</b>		<b>\$38,497,838</b>	<b>100.00%</b>
Total Annual Expenditures per Town's Financial Statement		\$114,785,674	
<b>% of Unassigned Fund Balance to Total Annual Expenditures</b>			<b>26.58%</b>

The change in fund balance of \$2,839,752 is mostly attributed to three categories: surplus of revenue of approximately \$2.5 million dollars; a budget surplus of approximately \$1.25 million dollars; minus the use of Fund Balance of approximately \$0.94 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 (LIENS, DEFERRED)	\$82,652,738	\$83,495,521	\$842,783
NET STATE RECEIPTS	\$10,974,204	\$11,389,725	\$415,521
LOCAL RECEIPTS	\$10,062,829	\$11,301,757	\$1,238,928
LIGHT PLANT	\$500,000	\$504,081	\$4,081
TOTAL GENERAL FUND REVENUE	\$104,189,771	\$106,691,084	\$2,501,313

The majority of the revenue surplus is from Local Receipts (\$1.24M). The three top categories for the surplus were Investment Income (\$1,018,387); Motor Vehicle Excise (\$157,501); Ambulance Fees (\$164,087).

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

<u>Budget Surplus</u>	<u>Amount</u>	<u>%</u>
General Government	\$396,394	31.78%
Public Safety	\$340,005	27.26%
Education	\$136,657	10.95%
Employee Benefits	\$101,623	8.15%
Debt Service	\$100,717	8.07%
Culture & Recreation	\$60,782	4.87%
Human Services	\$43,558	3.49%
Public Works	\$21,155	1.70%
All others	\$46,560	3.73%
TOTAL BUDGET SURPLUS	\$1,247,451	100.00%

General Government: Budget surplus from Reserve Fund (\$169,403); Town Hall (\$68,998); Selectmen (\$53,109); Community Planning (\$55,063); all others (\$49,821).

Public Safety: Budget surplus from Street Lighting (\$32,774); Police (\$241,408); Fire (\$40,376); and Dispatch (\$26,183); all others (\$32,038)

Education: FY19 (from FY18) Encumbrance of \$90,134 not expended

Employee Benefits: Budget surplus from Group Insurance (\$80,438); all others (\$21,185).

Debt Service: Unused Non Excluded Debt Capacity (\$100,717).

Culture and Recreation: Budget surplus from Library (\$41,792); all others (\$18,990).

Human Services: Budget surplus from Veteran's benefits (\$23,421); Health (\$17,892); and all others (\$2,245).

Public Works: Budget surplus from DPW (\$18,666); all others (\$2,489).

All Others: State Assessments (\$31,339) all others (\$15,221).

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.

	Unassigned Fund Balance	Assigned Fund Balance	Committed Fund Balance	Restricted Fund Balance	TOTAL FUND BALANCE
Balance July 1, 2018	\$27,091,744	\$1,985,415	\$5,330,927	\$1,250,000	\$35,658,086
Reverse PY subsequent years	\$818,841	(\$818,841)			\$0
Reverse PY Special Articles	\$235,331		(\$235,331)		\$0
Reverse PY Res for Stab Fund	\$2,759,916		(\$2,759,916)		\$0
Reverse PY Res for Meals Tax Stab	\$562,663		(\$562,663)		\$0
Reverse PY Encumbrances	\$1,166,574	(\$1,166,574)			\$0
Reverse for Lincoln School	\$1,000,000		(\$1,000,000)		\$0
Reverse for PY Unused Nonexcluded debt	\$18,267		(\$18,267)		\$0
Reverse for PY Mooring permits	\$754,750		(\$754,750)		\$0
Reserve For subsequent years	(\$940,813)	\$940,813			\$0
Reserve For CY Special Articles	(\$90,038)		\$90,038		\$0
Reserve For CY Stabilization Fund	(\$2,648,124)		\$2,648,124		\$0
Reserve For CY Meals Tax Stab	(\$121,874)		\$121,874		\$0
Reserve For CY Encumbrances	(\$1,812,812)	\$1,812,812			\$0
Reserve for Lincoln School	(\$1,000,000)		\$1,000,000		\$0
Reserve for CY & PY Unused Nonexcluded debt	(\$118,984)		\$118,984		\$0
Close Out Revenue	\$106,533,390				\$106,533,390
Close Out Expenditures	(\$103,693,638)				(\$103,693,638)
					\$0
<b>Balance June 30, 2019</b>	<b>\$30,515,193</b>	<b>\$2,753,625</b>	<b>\$3,979,020</b>	<b>\$1,250,000</b>	<b>\$38,497,838</b>

RECAP					
	Unassigned	Assigned	Committed	Restricted	TOTAL
<b>FY18</b>	\$27,091,744	\$1,985,415	\$5,330,927	\$1,250,000	\$35,658,086
<b>FY19</b>	\$30,515,193	\$2,753,625	\$3,979,020	\$1,250,000	\$38,497,838
Difference	\$3,423,449	\$768,210	(\$1,351,907)	\$0	\$2,839,752