

Boston Ends Fiscal 2011 With A Surplus

Revenues come in \$20M over budget, but spending exceeds plan by \$14M

The City of Boston ended FY11 with a \$5.9M General Fund surplus. That compares with a \$9.1M surplus in the previous year. Driving this surplus were revenues that exceeded budget estimates by \$20.2M. The extra revenue covered actual spending that was \$14.3M over budget. The surplus represents 0.2% of total city spending. This surplus will become part of the free cash calculation for FY13 which will be needed to help mitigate the loss of federal grant funds and possible state aid cuts.

FY11 General Fund Financial Summary

Figures in millions

| | Budget | Actual | Variance |
|--------------|-----------|-----------|----------|
| Revenues | \$2,409.5 | \$2,429.7 | \$20.2 |
| Expenditures | \$2,409.5 | \$2,423.8 | \$14.3 |
| Surplus | | \$5.9 | |

Spending

In FY11, city spending of \$2.423B exceeded the budget by \$14.3M. Reserving extra funds in the Execution of Courts account as a contingency for the Supreme Judicial Court's decision in the Quinn Bill case is the primary factor for the Judgments & Claims expense over budget.

Select Spending Account Deficits

Figures in millions

| | Budget | Actual | Deficit |
|--------------------|---------|---------|----------|
| Judgments & Claims | \$3.5 | \$21.0 | (\$17.5) |
| Police | \$270.9 | \$275.8 | (\$4.9) |
| Fire | \$176.4 | \$178.0 | (\$1.6) |
| Snow Removal | \$15.9 | \$21.5 | (\$5.5) |

Spending over budget by the Police Department (-\$4.9M) and for snow removal (-\$5.5M) contributed to the deficit. Accounts spending less than budget include health insurance (\$3.5M) and temporary debt (\$4.5M).

Income

As in past years, the City's conservative revenue estimates produced a revenue surplus at year end. Revenues totaled \$2.429B in FY11, \$20.2M more than budgeted. The Motor Vehicle Excise generated \$13.4M over budget estimates. Other revenue accounts exceeding budget estimates include departmental revenue (\$7.3M), building permits (\$6.7M), meals excise (\$3.9M) and aircraft fuel excise (\$2.8M).

Select Revenue Account Surplus

Figures in millions

| | Budget | Actual | Surplus |
|-----------------------|---------|---------|---------|
| Motor Vehicle Excise | \$33.6 | \$47.0 | \$13.4 |
| Department Revenue | \$137.1 | \$144.4 | \$7.3 |
| Building Permits | \$16.8 | \$23.5 | \$6.7 |
| Other Excise Taxes | \$106.8 | \$112.1 | \$5.3 |
| Street Furniture Pgm. | \$1.5 | \$2.4 | \$0.9 |

Once again, these surpluses combined with other growth areas allowed the City to forego using at least \$24M in budgeted revenues. This includes \$18M in available fund balance revenues (Free Cash) and \$6M in surplus property funds that the City originally included in its revenue budget. Additionally, these five areas offset revenue sources that did not reach their budget target such as parking fines which produced \$4.9M less than expected.