

September 2014

Boston Ends FY14 with a Surplus for 21st Year

Revenues totaled \$41.6M over budget, spending exceeded appropriations by \$32.1M

The City of Boston ended FY14 with a \$9.5M General Fund operating surplus, slightly larger than the \$8.2M surplus in FY13. The surplus is due to the fact that actual receipts exceeded estimated revenues by \$41.6M or 1.6%, which was greater than the \$32.1M that actual spending exceeded final appropriations. The General Fund surplus represents 0.36% of city spending of \$2.645B.

FY14 General Fund Summary

Figures in Millions			
	Budget	Actual	Variance
Revenues	\$2,612.8	\$2,654.4	\$41.6
Expenditures	\$2,612.8	\$2,644.9	(\$32.1)
Surplus		\$9.5	

Expenditure

With total FY14 spending of \$2.645B, the \$32.1M over appropriations is primarily due to over spending in the Police (-\$20.4M) and Fire (-\$508,427) Departments because of overtime costs. Also, the City spent \$10M more than budgeted for court judgments.

FY14 Select Spending Accounts

Figures in millions			
	Budget	Actual	Variance
Judgments & Claims	\$3.5	\$13.5	(\$10)
Police	\$300.6	\$321	(\$20.4)
Fire	\$200.4	\$200.9	(\$0.5)
Snow Removal	\$18.5	\$23.1	(\$4.6)

The City spent \$23.1M for snow removal in

FY14, which was more in line with normal costs and significantly above the \$5.4M spent in FY12.

Revenue

The City's conservative revenue estimates once again produced a revenue surplus at year end. Actual receipts of \$2.654B in FY14 were \$41.6M over budget estimates. The excise surplus of \$25.1M included room occupancy (\$10.4M), aircraft fuel (\$6.3M), and meals (\$2.9M). The surplus in state aid (\$13.2M) is due to a supplemental state appropriation which increased funding for the charter tuition reimbursement, bringing the appropriation to nearly full funding.

FY14 Select Revenue Accounts

Figures in millions			
	Budget	Actual	Variance
Property Tax	\$1589.5	\$1590.3	\$0.8
State Aid	\$409.2	\$422.4	\$13.2
Excise Receipts	\$140.7	\$165.8	\$25.1
Building Permits	\$24.0	\$40.1	\$16.1
Dept. Revenue	\$58.7	\$75.5	\$16.8
PILOTs	\$24.0	\$24.9	\$0.9

For the fourth year in a row, the revenue surpluses have allowed the City to forego using budgeted revenues. In FY14, unused revenues totaled \$57.3M, which included the full budget of free cash (\$40M) and parking meter receipts (\$16.5M). The \$9.5M surplus in FY14 will be added to the year-end fund balance and will be included in next fiscal year's free cash certification.