

# FY11 Budget Revenue Forecast Update

Sudbury FinCom

July 12, 2010



**TOWN OF SUDBURY**

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- Update on key revenue assumptions since Annual Town Meeting (ATM) :
  1. Final State Aid figures released on 7/1/10 (updated from conference committee release on 6/25)
  2. Overall Revenue Forecast

As of July 1, 2010

# **1. STATE AID FORECAST**

# While final state aid levels are better than the Warrant....

**Massachusetts Department of Revenue  
Division of Local Services  
FY2011 Local Aid Assessments  
SUDBURY + LINCOLN-SUDBURY**

## Comments

	<u>FY10 Budget</u>	<u>FY11 Budget (Warrant)</u>	<u>FY11 Budget (ATM)</u>	<u>FY11 FINAL</u>	<u>FY11 ATM vs. FINAL (%)</u>	<u>FY11 ATM vs. FINAL (\$)</u>
<b>TOWN - SUDBURY</b>						
<b>Education</b>						
Chapter 70	4,280,621	3,959,574	4,221,900	4,184,481	-0.9%	(37,419)
Other	67,406	62,351	64,036	83,874	31.0%	19,838
Sub-Total	4,348,027	4,021,925	4,285,936	4,268,355	-0.4%	(17,581)
<b>General Government</b>						
Unrestricted	1,233,349	1,140,848	1,171,682	1,184,015	1.1%	12,333
Other	98,650	91,251	93,718	85,316	-9.0%	(8,402)
Sub-Total	1,331,999	1,232,099	1,265,400	1,269,331	0.3%	3,931
Total Estimated Gross Receipts <sup>(a)</sup>	5,680,026	5,254,024	5,551,336	5,537,686	-0.2%	(13,650)
Charges <sup>(b)</sup>	(216,056)	(216,056)	(211,556)	(233,892)	10.6%	(22,336)
Total Estimated Net Receipts	5,463,970	5,037,968	5,339,780	5,303,794	-0.7%	(35,986)
<b>REGIONAL - LSRHS</b>						
Chapter 70	2,471,805	2,286,420	2,528,471	2,500,432	-1.1%	(28,039)
Other	252,004	228,426	239,403	245,095	2.4%	5,692
Total Estimated Gross Receipts	2,723,809	2,514,846	2,767,874	2,745,527	-0.8%	(22,347)
Charges	(41,896)	(41,896)	(41,896)	(34,202)	-18.4%	7,694
Total Estimated Net Receipts	2,681,913	2,472,950	2,725,978	2,711,325	-0.5%	(14,653)
Sudbury Share (\$)	2,252,832	2,072,489	2,286,628	2,258,520	-1.2%	(28,108)
Sudbury Share (%)	84.0%	83.8%	83.9%	83.3%	-0.7%	
<b>TOTAL: SUDBURY + LSRHS <sup>(c)</sup></b>						
Total Estimated Gross Receipts	7,968,051	7,361,625	7,873,108	7,824,696	-0.6%	(48,411)
Charges	(251,249)	(251,168)	(246,700)	(262,382)	6.4%	(15,683)
Total Estimated Net Receipts	7,716,802	7,110,457	7,626,408	7,562,314	-0.8%	(64,094)

- ▶ Final state aid levels as signed by the Governor were posted on July 1<sup>st</sup>
  - ▶ As compared to the State Senate estimates posted on 6/3, final aid levels are approx. (\$69K) lower
- ▶ Final state aid levels are fairly close to the assumptions used at ATM
  - ▶ Gross receipts approx. (\$48K) lower
  - ▶ Potential to offset shortfall with revenues from local meals and room tax
  - ▶ Within range of budget approved at ATM

**Footnotes:**

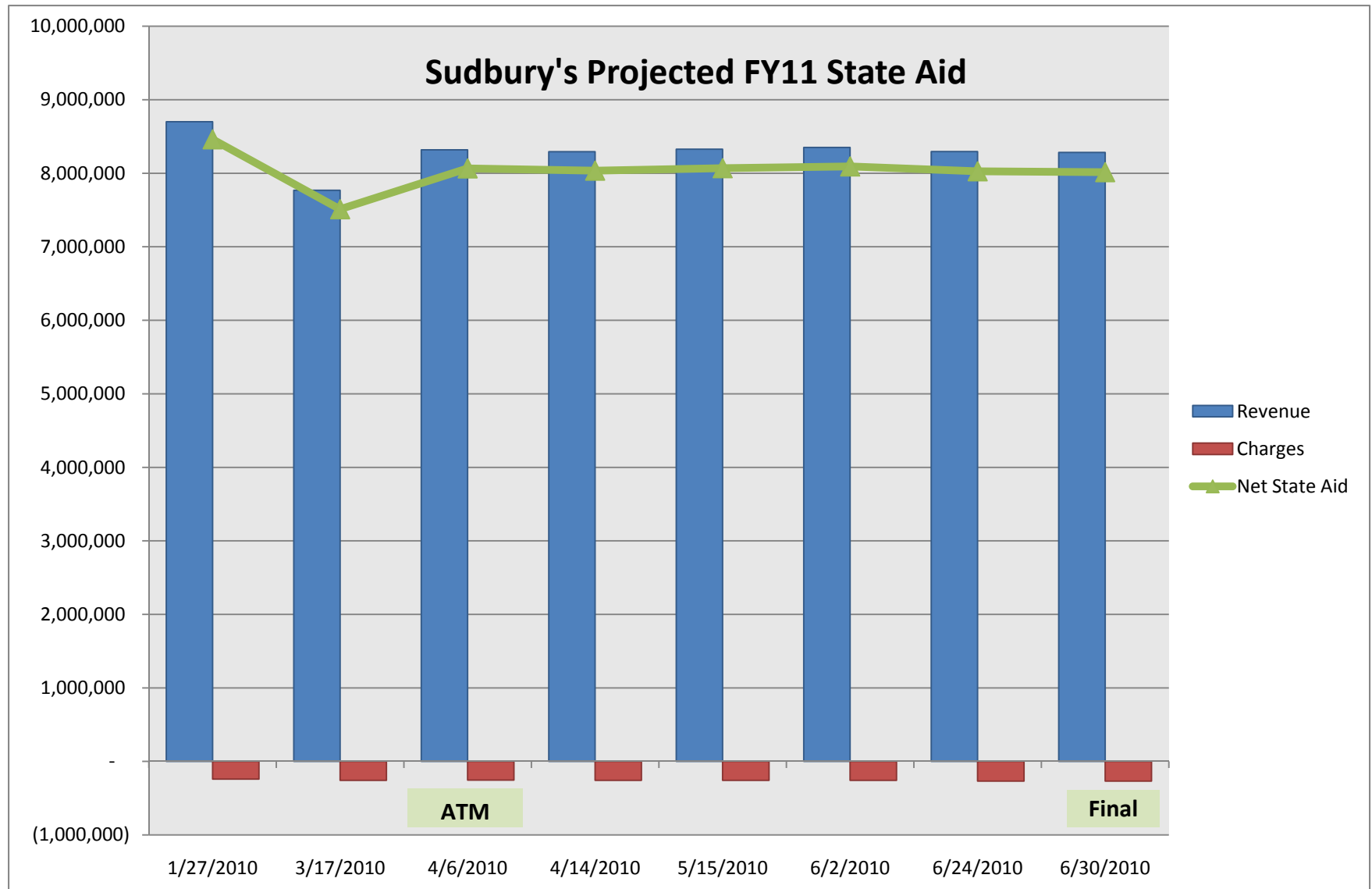
(a) In the Warrant, this figure is listed as the "State Aid (CherrySheet)" line item within the Receipts section of the Summary Budget Data table on page FC-17.

(b) In the Warrant, this figure is included in the "Other Charges To Be Raised" line item of the Summary Budget Data table of page FC-17.

(c) Totals include Sudbury share of LSRHS Estimated Gross Receipts and Charges.

..... they are slightly below forecasts used at ATM

# State Aid went through many iterations during the budget cycle....



...but finished close to estimates used at ATM

As of July 1, 2010

## **2. OVERALL REVENUE FORECAST**

# Forecast at the time of the publication of the Warrant....

RECEIPTS	FY09 Actual	FY10 Budget	FY11 Budget (Warrant)	Growth from FY10 to FY11 as per the Warrant	
				%	\$
State Aid (Cherry Sheet) <sup>(a)</sup>	\$ 5,650,528	\$ 5,680,026	\$ 5,254,024	-7.5%	\$ (426,002)
School Debt Reimbursement	1,702,597	1,702,597	1,702,597	0.0%	-
Local Receipts	4,287,194	4,058,288	3,652,860	-10.0%	(405,428)
Free Cash	294,110	-	-		-
Other Receipts *	472,320	321,000	-	-100.0%	(321,000)
Sub-Total	12,406,749	11,761,911	10,609,481	-9.8%	(1,152,430)
Enterprise Funds	774,359	969,387	1,012,397	4.4%	43,010
Tax Levy	63,263,124	65,529,152	67,448,759	2.9%	1,919,607
<b>TOTAL RECEIPTS</b>	<b>\$ 76,444,232</b>	<b>\$ 78,260,450</b>	<b>\$ 79,070,637</b>	<b>1.0%</b>	<b>\$ 810,187</b>
 TOTAL (excl. Enterprise Funds)	 \$ 75,669,873	 \$ 77,291,063	 \$ 78,058,240	 1.0%	 \$ 767,177

	FY09 Actual	FY10 Budget	FY11 Budget (Warrant)
* Other Receipts			
Retirement Trust Fund	\$ 25,000	\$ -	\$ -
Abatement Surplus	421,000	321,000	-
Prior Year Articles/Recoveries	26,320	-	-
Sub-Total Other	\$ 472,320	\$ 321,000	\$ -

## Footnotes:

(a) This figures represents the State Aid amount for Sudbury only; from a reporting and budget presentation perspective, State Aid for LSRHS is contained within the *LS Operating Assessment, Net* line item on page 3 and within the *LS Offsets/Re-apportionments* line item on page FC-17, respectively, of the Warrant.

...tax levy growth offset by ~ \$1.2M shortfall in other tax receipts

# Forecast for state aid was adjusted going into ATM....

RECEIPTS	FY09 Actual	FY10 Budget	FY11 Budget (ATM)	Growth from FY10 to FY11 as per ATM	
				%	\$
State Aid (Cherry Sheet)	\$ 5,650,528	\$ 5,680,026	\$ 5,551,336	-2.3%	\$ (128,690)
School Debt Reimbursement	1,702,597	1,702,597	1,702,597	0.0%	-
Local Receipts	4,287,194	4,058,288	3,652,860	-10.0%	(405,428)
Free Cash	294,110	-	-		-
Other Receipts	472,320	321,000	-	-100.0%	(321,000)
Sub-Total	12,406,749	11,761,911	10,906,793	-7.3%	(855,118)
Enterprise Funds	774,359	969,387	1,012,397	4.4%	43,010
Tax Levy	63,263,124	65,529,152	67,448,759	2.9%	1,919,607
<b>TOTAL RECEIPTS</b>	<b>\$ 76,444,232</b>	<b>\$ 78,260,450</b>	<b>\$ 79,367,949</b>	<b>1.4%</b>	<b>\$ 1,107,499</b>
TOTAL (excl. Enterprise Funds)	\$ 75,669,873	\$ 77,291,063	\$ 78,355,552	1.4%	\$ 1,064,489

## Comments

- Based on the revised stated aid assumptions, non-override budgets were adjusted (i.e. increased) and the suggested override amount was reduced from approximately \$1.7M to \$1.2M as reported at ATM.
- Including the Sudbury share of LS, the total increase in revenues from the Warrant to ATM was approximately \$0.5 million.

...based on updated state forecasts & input from state legislators



# Final state aid figures have now come in ....

RECEIPTS	FY09 Actual	FY10 Budget	FY11 Budget	FY11 Budget	Change from ATM to Final	
			(ATM)	FINAL	%	\$
State Aid (Cherry Sheet)	\$ 5,650,528	\$ 5,680,026	\$ 5,551,336	\$ 5,537,686	-0.2%	\$ (13,650) <sup>(a)</sup>
School Debt Reimbursement	1,702,597	1,702,597	1,702,597	1,702,597	0.0%	\$ -
Local Receipts	4,287,194	4,058,288	3,652,860	3,652,860	0.0%	\$ -
Free Cash	294,110	-	-	-		\$ -
Other Receipts	472,320	321,000	-	-		\$ -
Sub-Total	12,406,749	11,761,911	10,906,793	10,893,143	-0.1%	\$ (13,650)
Enterprise Funds	774,359	969,387	1,012,397	1,012,397	0.0%	\$ -
Tax Levy	63,263,124	65,529,152	67,448,759	67,448,759	0.0%	\$ -
<b>TOTAL RECEIPTS</b>	<b>\$ 76,444,232</b>	<b>\$ 78,260,450</b>	<b>\$ 79,367,949</b>	<b>\$ 79,354,299</b>	<b>0.0%</b>	<b>\$ (13,650)</b>
TOTAL (excl. Enterprise Funds)	\$ 75,669,873	\$ 77,291,063	\$ 78,355,552	\$ 78,341,902	0.0%	\$ (13,650)

## Comments

- ▶ Final Cherry Sheet forecasts from the State are slightly below assumptions used at ATM.
  - ▶ Including charges, net state aid is down approximately (\$64K) from ATM.
- ▶ To date, there are no changes to the forecasts for other revenue sources presented at ATM.

### Footnotes:

(a) Including LSRHS, the total reduction in gross receipts from ATM to the Final State Aid budget was approximately (\$48K).

...and are slightly below the estimates used at ATM