Town of Bourne
Financial Review
For the Year Ended June 30, 2023

Presented by Erica Flemming, Finance Director

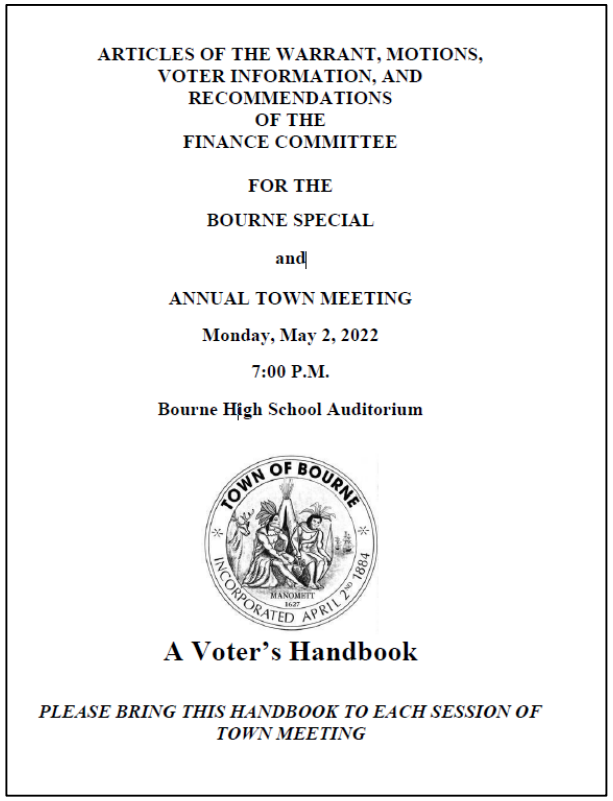
November 14, 2023

Presentation Agenda

- General Fund Financial Results
- Financial Policy Compliance
- Key Financial Indicators
- Other Funds (special revenue, trust funds, agency)
- Enterprise Funds

General Fund Operating Budget
FY2023

Annual Town Meeting	5/2/2022	Original Budget Vote	$ 73,371,341
Special Town Meeting	10/24/2022	Budget Increase	458,784
Reserve Fund Transfers	Various	Budget Increase	243,055
		Final General Fund Budget	**$ 74,073,180**



ARTICLES OF THE WARRANT, MOTIONS,
VOTER INFORMATION, AND
RECOMMENDATIONS
OF THE
FINANCE COMMITTEE

FOR THE

BOURNE SPECIAL

and

ANNUAL TOWN MEETING

Monday, May 2, 2022

7:00 P.M.

Bourne High School Auditorium

A Voter's Handbook

PLEASE BRING THIS HANDBOOK TO EACH SESSION OF TOWN MEETING

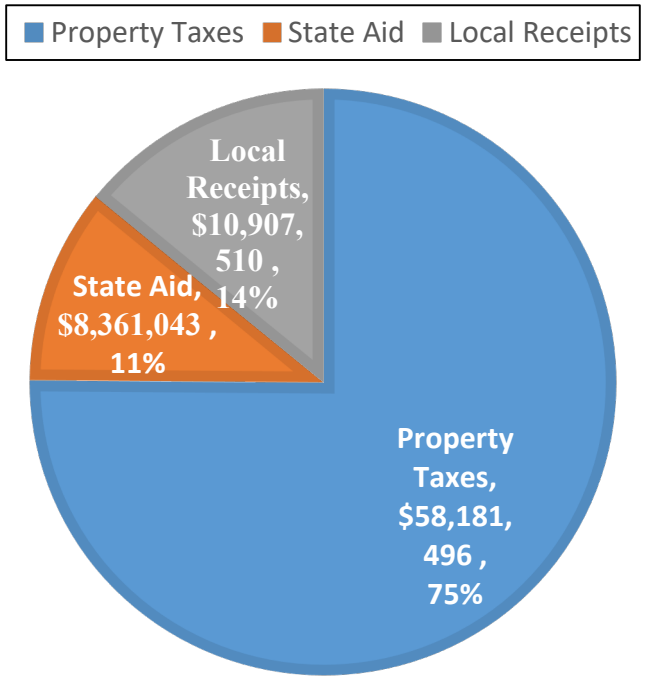
Budget Revenue Sources

Tax Levy	$ 58,627,869
State Aid, Net of Assessments	3,260,666
Local Receipts	7,518,232
Other - EF Indirect Costs	2,544,583
Other - Special Revenue Funds	2,294,223
Capital Stabilization Fund	631,500
Adjustment for off budget items (reserve fund, overlay reserve)	(803,893)
Total	**$ 74,073,180**

General Fund Revenue

Revenues

(All monies received from any source)



Major Revenue Sources:

- Property Taxes (75%) - calculated annually on the Tax Rate Recapitulation; limited to 2.5% of the previous year's levy limit plus new growth, debt exclusion and other adjustments (Cape Cod Commission Tax)
- Local Receipts (14%) – various tax and departmental revenues (motor vehicle, hotel, boat and meal taxes, recreational, licenses, permits, fees, fines, energy credits and other charges for services); ISWM HCF included as local receipt per DOR
- State Aid (11%) – Cherry Sheet Receipts (Chapter 70 Aid, Veteran's Benefits, Unrestricted General Gov't Aid, etc.)

Property Taxes
Determining the Levy Limit

A. Prior year Levy Limit

B. Add 2.5 %

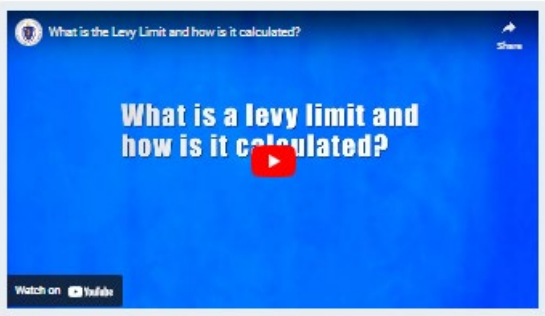
C. Add New Growth

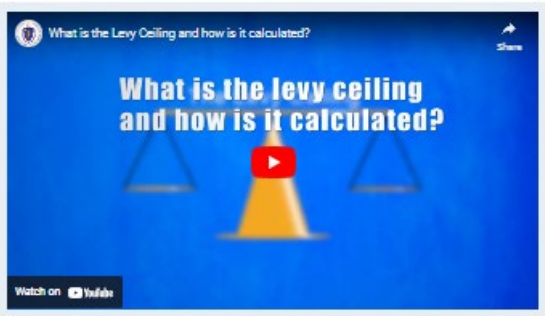
D. Add Debt Exclusion

E. Add Cape Cod Commission Tax

F. = Max Allowable Levy

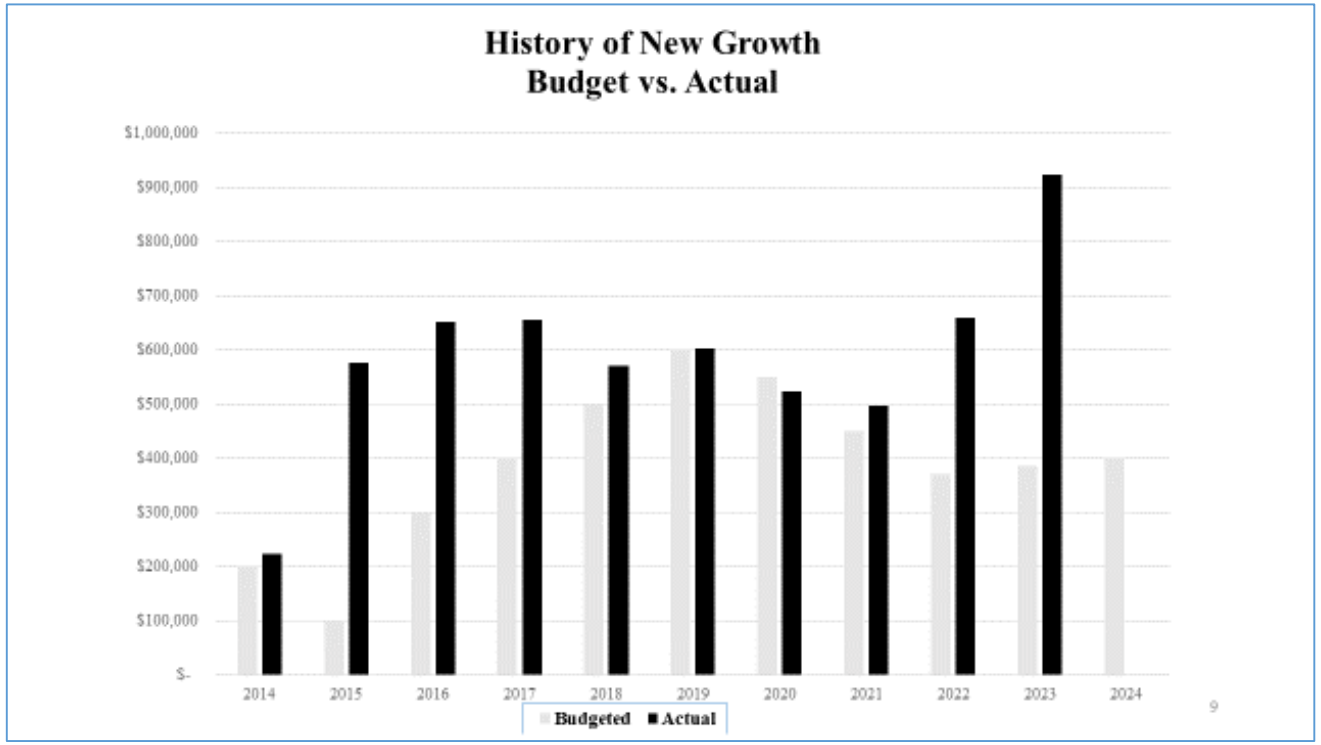
https://www.mass.gov/service-details/proposition-2-12-and-tax-rate-process





History of New Growth
Budget vs. Actual

Fiscal Year	Budgeted New Growth	Actual New Growth	$ Over (Under) Budget
2024	$ 400,000	$ TBD	$ TBD
2023	$ 385,000	$ 922,570	$ 537,570
2022	$ 370,000	$ 659,406	$ 289,406
2021	$ 450,000	$ 496,943	$ 46,943
2020	$ 550,000	$ 522,773	$ (27,227)
2019	$ 600,000	$ 601,987	$ 1,987
2018	$ 500,000	$ 571,102	$ 71,102
2017	$ 400,000	$ 655,699	$ 255,699
2016	$ 300,000	$ 651,484	$ 351,484
2015	$ 100,000	$ 576,154	$ 476,154
2014	$ 200,000	$ 222,805	$ 22,805
2013	$ 150,000	$ 361,352	$ 211,352

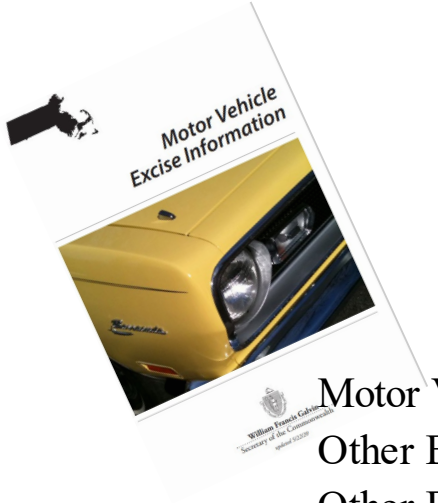


Debt Exclusion

(Added to Tax Levy)

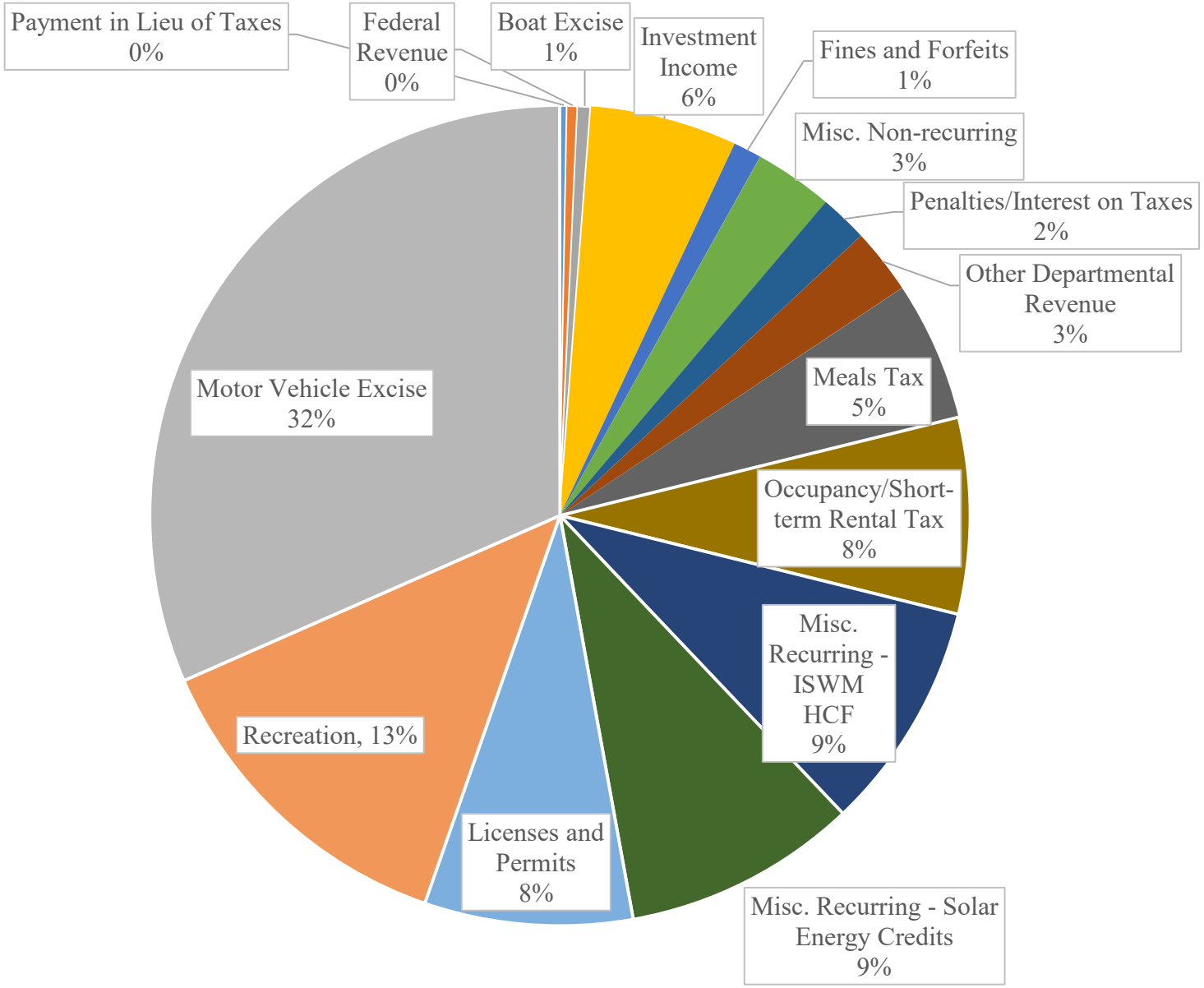
Fiscal Year	Net Excluded Debt Service
FY2024	$3,994,396
FY2023	$4,161,726
FY2022	$4,258,028
FY2021	$4,456,287
FY2020	$4,208,712
FY2019	$3,153,154
FY2018	$1,955,412
FY2017	$1,523,207
FY2016	$1,073,114

Revenue from Local Receipts
Budget vs. Actual
FY2023



	Budget	Actual	Difference	% Over (Under) Budget
Motor Vehicle Excise	$ 2,784,116	$ 3,444,480	$ 660,364	23.72%
Other Excise - Boats	55,000	52,527	(2,473)	(4.50%)
Other Excise - Occupancy	300,000	841,619	541,619	180.54%
Other Excise - Meals Tax	400,000	599,841	199,841	49.96%
Penalties & Interest	175,000	206,288	31,288	17.88%
Payments in Lieu	20,000	31,575	11,575	57.88%
Recreation	1,260,000	1,429,565	169,565	13.46%
Other Dept. Revenue	275,000	280,226	5,226	1.90%
Licenses & Permits	700,000	895,468	195,468	27.92%
Fines & Forfeits	130,000	122,384	(7,616)	(5.86%)
Investment Income	25,000	629,973	604,973	2419.89%
Medicaid	30,000	45,150	15,150	50.50%
Misc. Recurring - ISWM HCF	600,000	986,083	386,083	64.35%
Misc. Recurring - Solar Energy Credits	700,000	1,006,019	306,019	43.72%
Misc. - Non recurring	64,116	336,311	272,195	424.54%
	$ 7,518,232	$ 10,907,509	$ 3,389,277	45.08%

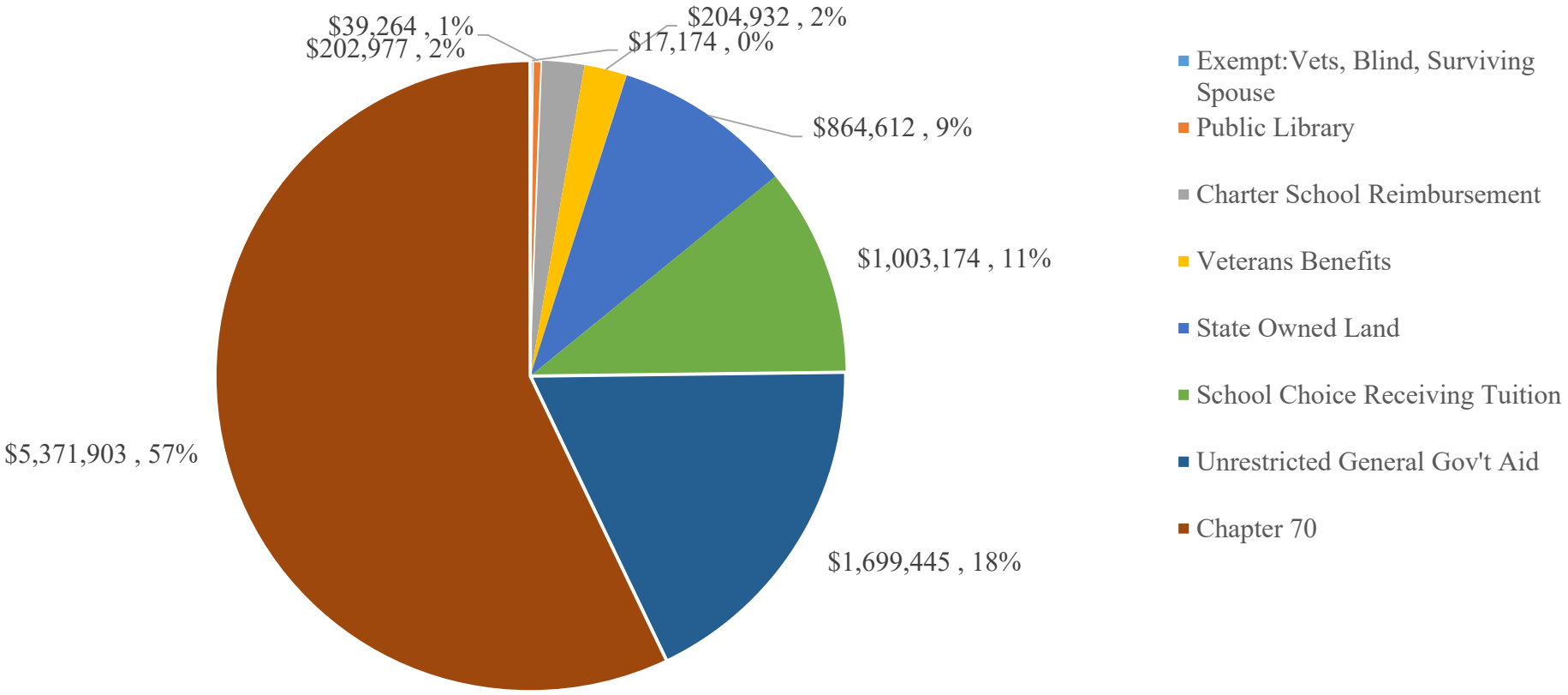
Local Receipts by Type
FY2023



State Aid by Type

(Actual Receipts)

FY2023



Total State Aid Received = $9,403,481

School Choice & Public Library Offsets = $1,042,438

General Fund Appropriations, Expenditures, and Assessments

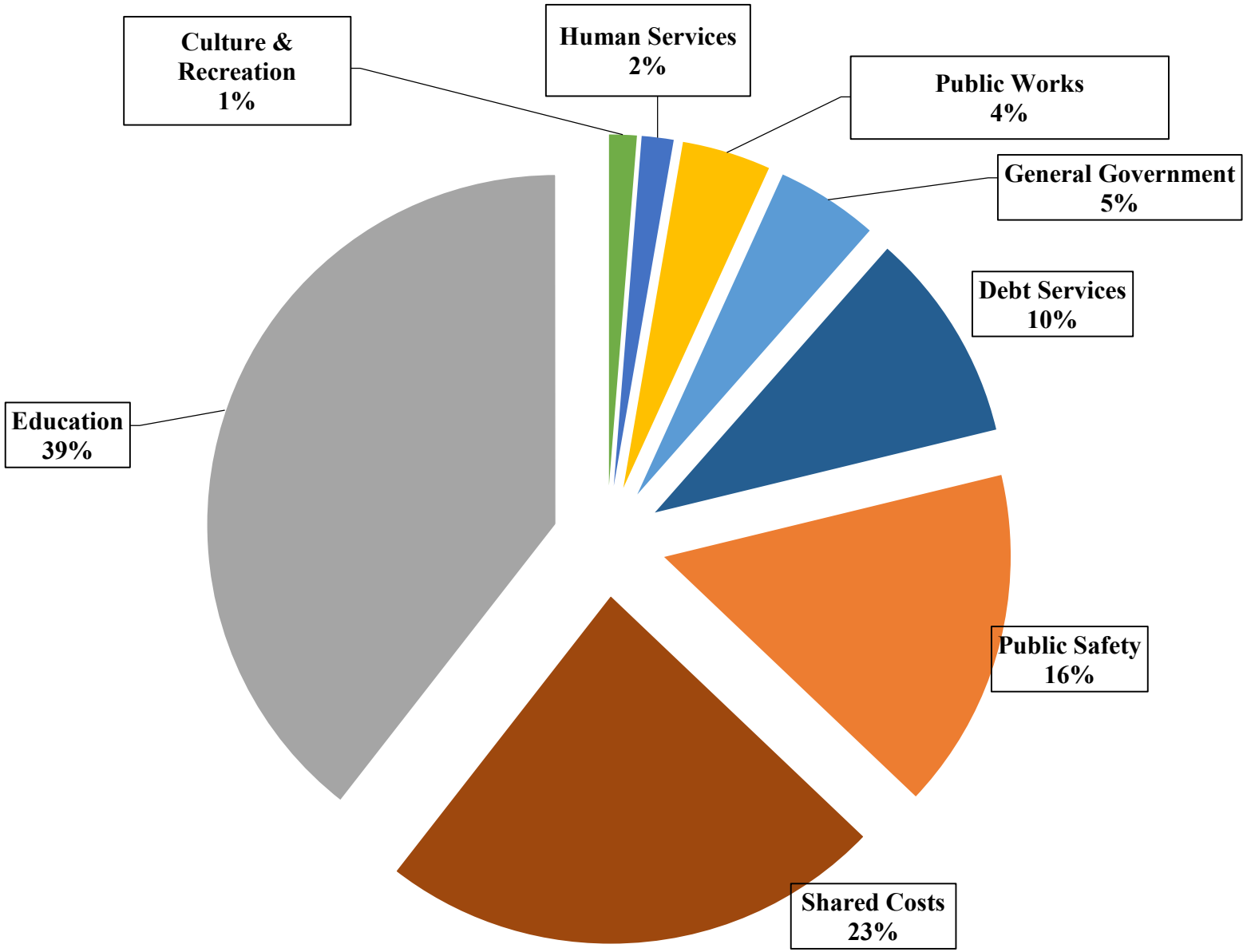
Appropriations & Expenditures
FY2023 Highlights

- The FY2023 budget of $73,371,341 (excluding reserve fund transfers) increased $1,635,765 or 2.28% from the prior year budget of $71,735,576.
- Approximately $1.1 million or 1.5% of the budget was turned back to fund balance at the close of FY2023.
- 64% of turn backs were a direct result of unexpended salary appropriations in general government and public safety due to employee turnover.
- Cherry Sheet Assessments continue to fluctuate from year to year. Significant changes relate directly to School Choice, Chart School Sending Tuition, and retired teacher health insurance.

General Fund Budget Appropriations & Expenditures
FY 2023

	Encumbered 7/1/2022	Appropriations	Expended	Transfers & Budget Amendments	Closed to Fund Balance	Encumbered 6/30/2023
General Government	$ 164,974	$ 4,176,483	$ 4,080,178	$ 174,709	$ 319,380	$ 116,608
Public Safety	14,694	11,981,562	11,953,997	390,894	400,143	33,010
Education	40,183	28,200,984	28,203,308	-	68	37,791
Public Works	15,491	2,825,884	2,854,563	102,089	73,639	15,262
Human Services	1,690	982,255	885,352	-	96,862	1,731
Culture & Recreation	305	1,017,469	906,434	-	110,167	1,173
Debt Services	-	6,475,500	6,389,642	-	85,858	-
Shared Costs	128,980	17,711,204	17,707,656	34,147	42,857	123,818
Total General Fund Budget	$ 366,317	$ 73,371,341	$ 72,981,130	$ 701,839	$ 1,128,974	$ 329,393
% of Budget Appropriations			99.47%		1.54%	0.45%

Expenditures by Function
FY2023



Recap of Revenues & Expenditure Turn Backs

Fiscal Year	State Revenue Over (Under) Budget	Local Receipts Over (Under) Budget	Expenditure Turn Backs	Expense TB as a % of GFOB
2023	$ (205,681)	$ 3,389,277	$ 1,128,975	1.5%
2022	$ (118,105)	$ 2,588,200	$ 1,416,508	2.0%
2021	$ 19,245	$ 541,931	$ 2,749,448	3.9%
2020	$ 520,759	$ 686,648	$ 3,272,367	4.8%
2019	$ (557,695)	$ 925,707	$ 1,866,223	
2018	$ (122,981)	$ 1,097,683	$ 1,896,073	
2017	$ (66,207)	$ 1,414,243	$ 1,677,121	
2016	$ (51,148)	$ 1,906,148	$ 764,400	
2015	$ (14,540)	$ 741,468	$ 1,192,707	
2014	$ 38,893	$ 1,076,627	$ 608,379	

Historical Cherry Sheet Assessments

	FY2024 Budgeted	FY2023	FY2022	FY2021	FY2020	FY2019
County Tax	$ 409,641	$ 407,315	$ 397,743	$ 391,477	$ 381,928	$ 372,037
Retired Teachers Health Ins	1,416,351	1,142,630	1,156,069	1,017,451	1,272,109	1,057,452
Mosquito Control Project	150,780	153,887	150,093	147,926	147,240	116,226
Air Pollution Districts	8,544	8,315	8,060	8,127	8,605	7,238
RMV Non Ren Surcharge	22,500	22,500	35,420	35,420	32,063	27,137
Mass Bay Transportation	4,310	-	-	37,088	39,391	35,310
Regional Transit	147,141	143,552	140,051	97,611	106,241	85,173
Special Education	-	-	4,260	-	19,153	-
School Choice Send Tuition	897,841	853,116	863,664	771,682	875,117	793,956
Charter School Send Tuition	2,551,036	2,205,714	2,590,980	2,218,647	2,156,427	2,119,451
Total	$ 5,608,144	$ 4,937,029	$ 5,346,340	$ 4,725,429	$ 5,038,274	$ 4,613,980
Inc (dec) from PY	13.59%	-7.66%	13.14%	-6.21%	9.20%	

Upper Cape Cod Regional Technical School Assessment

Fiscal Year	Assessment	Increase (Decrease) from Prior Year	% Change from Prior Year	Student Foundation Enrollment
FY2025	TBD	TBD	TBD	199*
FY2024	$ 3,624,750	$ 361,925	11.09%	193
FY2023	$ 3,262,825	$ (11,847)	(0.36%)	180
FY2022	$ 3,274,672	$ (62,391)	(1.87%)	180
FY2021	$ 3,337,063	$ 353,794	12.60%	185
FY2020	$ 2,808,720	$ (174,549)	(5.85%)	
FY2019	$ 2,983,269	$ (266,848)	(8.21%)	
FY2018	$ 3,250,117	$ (56,689)	(1.71%)	
FY2017	$ 3,306,806	$ 12,424	0.38%	
FY2016	$ 3,294,382	$ 382,565	13.14%	

FY2024 Foundation Enrollment = 193
*FY2025 Anticipated Enrollment as of 10.23.23

FY24 PRELIMINARY BUDGET

SCHOOL ENROLLMENT

FY24 ENROLLMENT / PERCENTAGES OF OPERATING BUDGET

	Enrollment			Percentages		
	FY24 10/1/22	FY23 10/1/21	FY22 10/1/20	FY24 10/1/22	FY23 10/1/21	FY22 10/1/20
BOURNE	193	180	180	.24338	.23316	.23622
FALMOUTH	188	195	183	.23707	.25259	.24016
MARION	26	21	17	.03279	.02720	.02231
SANDWICH	148	147	132	.18663	.19041	.17323
WAREHAM	238	229	250	.30013	.29663	.32808
	793	772	762			

Debt Service FY2023

- Total Debt Service Expended for FY2023 - $6,389,642 or 8.72% of GFOB
- Debt service consists of exempt (66%), non-exempt (27%) and funded debt (7%)
- Non-exempt, general debt totals $1,702,806 or 2.32% of GFOB
- No permanent financing during FY23
- Short-term notes will be renewed, we will continue to pay down short-term notes as required –$596K was paid down on short term notes in FY23 and permanent borrow if the amounts/timing is right.
- Reduction in outstanding debt/expense will help mitigate the affordability future obligations - Tax Exempt Lease ($441K/year) and SRF loan in connection with GF subsidy of the BBWTF ($61K/year) set to be added in FY24
- Financing strategy for future years utilizes off-budget revenue sources to finance capital items (Capital Stabilization Fund) – this will take some of the pressure from debt off the operating budget – mostly BAN pay downs; financing strategies are currently under review and do not anticipate the use of capital stabilization in FY2025 as a general fund revenue source
- Total short-term debt (all funds) @ 6/30/2023 = $5,189,625
- Total long-term debt (all funds) @ 6/30/2023 = $50,315,930 (Includes MCWT perm borrowing and TELP)
- Debt Limit = 5% of Equalized Valuations (FY2023 EQV = $6,654,695,710; 5% = $332,734,785) – Well within limits

Financial Policy Compliance

Financial Polices

Free Cash – to have certified Free Cash balance of at least 5% of the current Fiscal Year General Fund Operating Budget (GFOB) at the beginning and during the fiscal year; Certified Free Cash at July 1, 2023 was $10,115,005 or 13.1% of the GFOB.

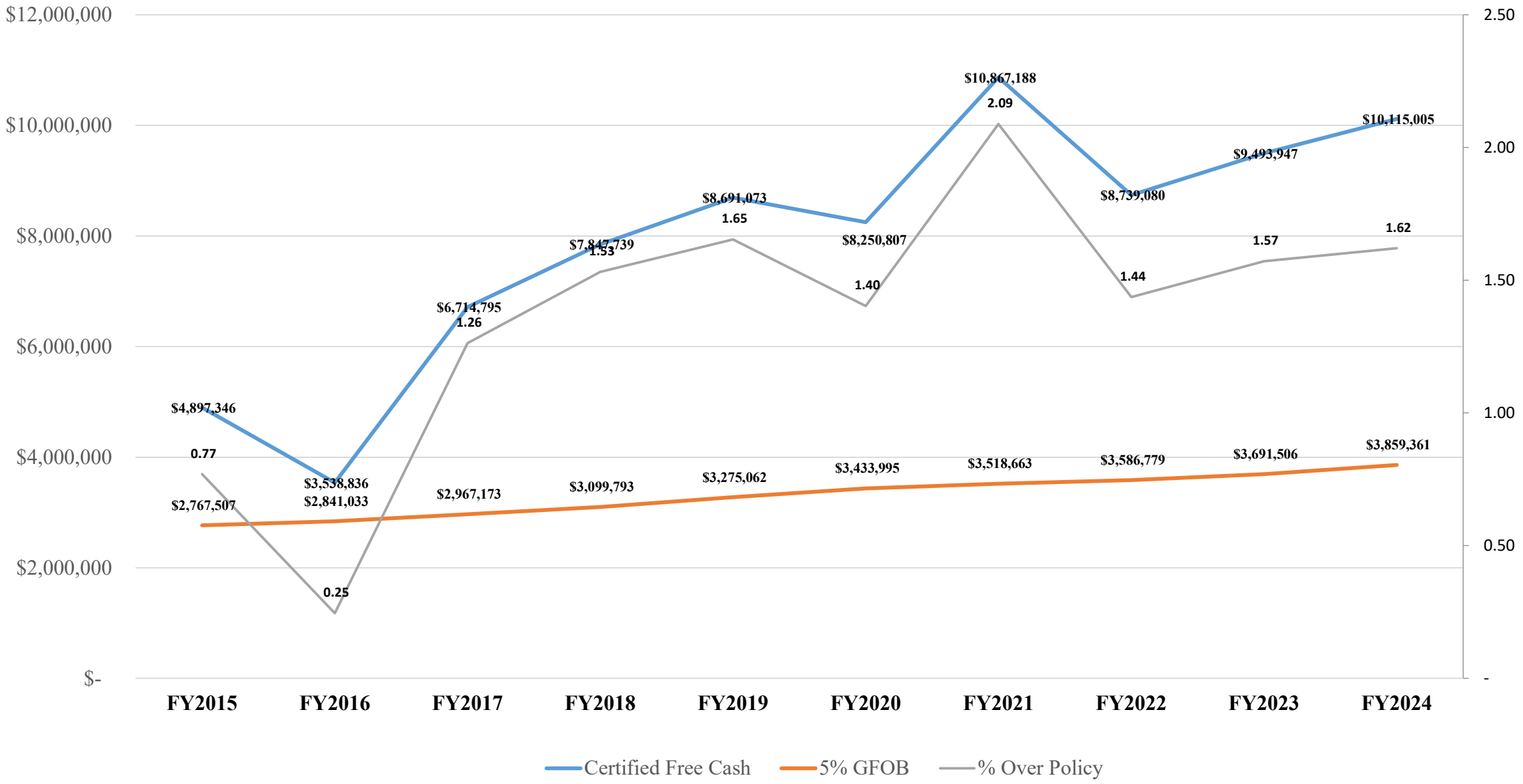
Stabilization Fund – to maintain a long term Stabilization Fund for unforeseen emergency expenses and capital projects in accordance with MGL C40 §5B and to maintain a balance of at least 6% of the GFOB; In fiscal 2023, $200,000 was transferred to the fund to meet policy. Stabilization Fund balance at July 1, 2023 was $4,681,755 or 6% of GFOB. Funds are reported at Fair Market Value and adjusted monthly.

OPEB Trust Fund - To maintain an OPEB Trust fund to accumulate funds for Other Post Employment Benefits. The long term goal for the Trust Fund is to fully fund the OPEB Liability. Beginning in fiscal 2019, OPEB expense was incorporated into the budget. This is calculated as the amount previously budgeted plus 10% of the actual new growth for the current year. The budgeted expense in FY2023 was $279,338. The town will also strive to contribute 10% of excess free cash over policy to the fund at fall town meetings. In addition to the $279,338 budgeted, $872,538 was transferred to the trust in fiscal 2023. Total trust balance at year end was $8,068,736. The net OPEB liability as of 6/30/2022 was $63,733,984. The liability is 8.91% funded. Based on our current funding schedule and contributions, the liability has reached it's "tipping point." The liability has decreased more than 50% from the prior year valuation.

Free Cash History

Fiscal Year	Certified Free Cash	As of	Total Voted During Fiscal Year	Used for Following Fiscal Years Budget	Used for Current Fiscal Years Budget	Used for Capital	Transfer to Stabilization	Used for Articles
2024	$ 10,115,005	7/1/2023	$ 2,031,160	$ -	$ -	$ 580,250	$ 386,000	$ 1,064,910
2023	$ 9,493,947	7/1/2022	$ 4,198,028	$ -	$ -	$ 2,230,001	$ 541,000	$ 1,427,027
2022	$ 8,739,080	7/1/2021	$ 4,001,534	$ -	$ -	$ 1,905,300	$ -	$ 2,096,234
2021	$ 10,867,188	7/1/2020	$ 4,729,490	$ -	$ 180,088	$ 813,270	$ -	$ 3,736,132
2020	$ 8,250,807	7/1/2019	$ 2,123,454	$ 838,464	$ 188,500	$ 323,000	$ 10,000	$ 763,490
2019	$ 8,691,073	7/1/2018	$ 3,095,069	$ 1,100,000	$ 100,162	$ 890,772	$ 118,000	$ 886,135
2018	$ 7,847,739	7/1/2017	$ 2,515,150	$ 1,095,696	$ 204,500	$ 511,370	$ 156,000	$ 547,584
2017	$ 6,714,795	7/1/2016	$ 2,154,900	$ 795,300	$ 65,680	$ 349,836	$ 580,000	$ 364,083
2016	$ 3,538,836	7/1/2015	$ 846,676	$ 892,405	$ (648,682)	$ 249,758	$ -	$ 353,195
2015	$ 4,897,346	7/1/2014	$ 3,429,046	$ 1,792,345	$ 865,000	$ 397,800	$ -	$ 373,901
2014	$ 5,700,480	7/1/2013	$ 2,422,060	$ 2,004,000	$ 107,800	$ -	$ -	$ 310,260
2013	$ 6,510,383	7/1/2012	$ 3,216,256	$ 1,400,000	$ 464,500	$ 594,391	$ -	$ 757,365
2012	$ 5,099,679	7/1/2011	$ 1,908,922	$ 1,400,000	$ 144,395	$ 169,527	$ -	$ 195,000
2011	$ 4,347,334	7/1/2010	$ 1,340,687	$ 800,000	$ 429,375	$ 8,000	$ 88,312	$ 15,000
2010	$ 4,897,336	7/1/2009	$ 1,854,907	$ 1,780,737	$ -	$ -	$ -	$ 74,170
2009	$ 5,252,603	7/1/2008	$ 2,034,697	$ 859,245	$ 22,500	$ 244,000	$ 887,462	$ 21,490

Free Cash to Financial Policy



General Stabilization Fund History

Fiscal Year	Fund Balance BOY	Used for Budgets During Fiscal Year	Voted to Stabilization During Fiscal Year	Net Earnings	Fund Balance EOY	
2023	$ 4,433,367	$ -	$ 200,000	$ 48,389	$ 4,681,756	
2022	$ 4,472,719	$ -	$ 100,000	$ (139,352)	$ 4,433,367	*
2021	$ 4,334,068	$ -	$ -	$ 138,651	$ 4,474,740	
2020	$ 4,145,971	$ -	$ 10,000	$ 178,097	$ 4,334,068	
2019	$ 3,953,766	$ -	$ 118,000	$ 74,205	$ 4,145,971	
2018	$ 3,756,385	$ -	$ 156,000	$ 41,381	$ 3,953,766	
2017	$ 3,545,542	$ -	$ 180,000	$ 30,843	$ 3,756,385	
2016	$ 3,530,881	$ -	$ -	$ 14,661	$ 3,545,542	
2015	$ 3,517,265	$ -	$ -	$ 13,616	$ 3,530,881	
2014	$ 2,547,001	$ -	$ 950,000	$ 20,264	$ 3,517,265	
2013	$ 3,475,477	$ (950,000)	$ -	$ 21,524	$ 2,547,001	
2012	$ 3,604,838	$ (152,013)	$ -	$ 22,652	$ 3,475,477	
2011	$ 3,503,206	$ -	$ 88,312	$ 13,320	$ 3,604,838	
2010	$ 3,551,848	$ (88,312)	$ -	$ 39,670	$ 3,503,206	
2009	$ 2,612,538	$ -	$ 887,462	$ 51,848	$ 3,551,848	
2008	$ 1,248,226	$ -	$ 1,287,684	$ 76,628	$ 2,612,538	
2007	$ 1,665,563	$ (769,898)	$ 282,213	$ 70,348	$ 1,248,226	
2006	$ 1,602,827	$ (400,000)	$ 400,000	$ 62,736	$ 1,665,563	
2005	$ 1,583,200	$ (200,000)	$ 183,603	$ 36,024	$ 1,602,827	
2004	$ 1,906,905	$ (400,000)	$ 50,000	$ 26,295	$ 1,583,200	

**Due to financial market conditions, unrealized losses resulted in FY2022*

Financial Indicators

International City/County Management Association: fiscal condition measurers ability to "maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change."

MA Division of Local Services has identified 12 indicators that track specific metrics to determine whether a trend is or could be a source of fiscal stress. Analyzing these indicators should be part of budget planning process as a way to identify the community's fiscal strengths and challenges that may impact policy needs.

Financial Indicators

Revenue

1. Net Operating Revenues
2. Revenues Related To Economic Growth
3. State Aid
4. Property Tax Revenue
   - 4a. Levy Limit Analysis
   - 4b. Assessed Values
5. Uncollected Receivables

Expenditure

6. Operating Expenditures
7. Personnel Costs
8. Pension Liability
9. Long Term Debt
10. Debt Service
11. Reserves

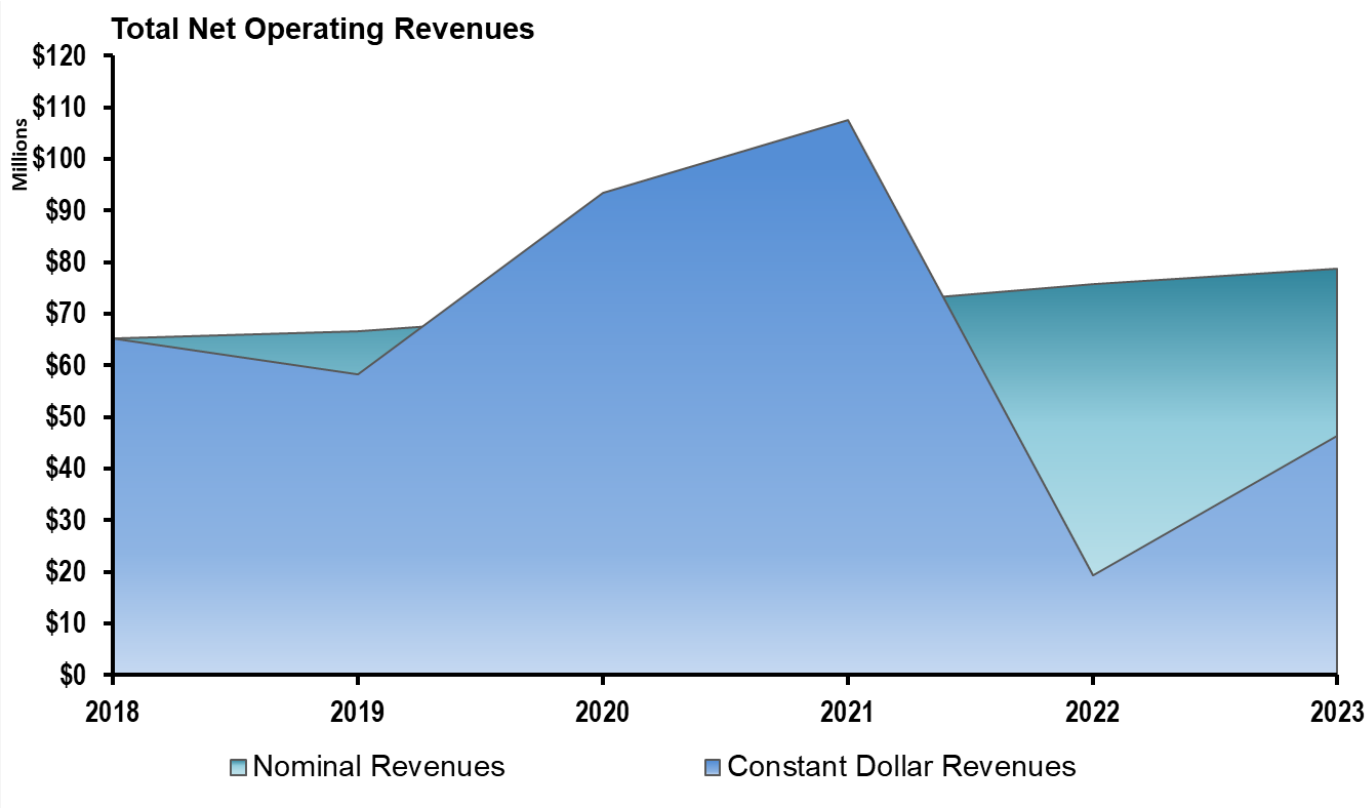
Demographic

12. Population and Enrollment

https://www.youtube.com/@malocalservices

Net Operating Revenues

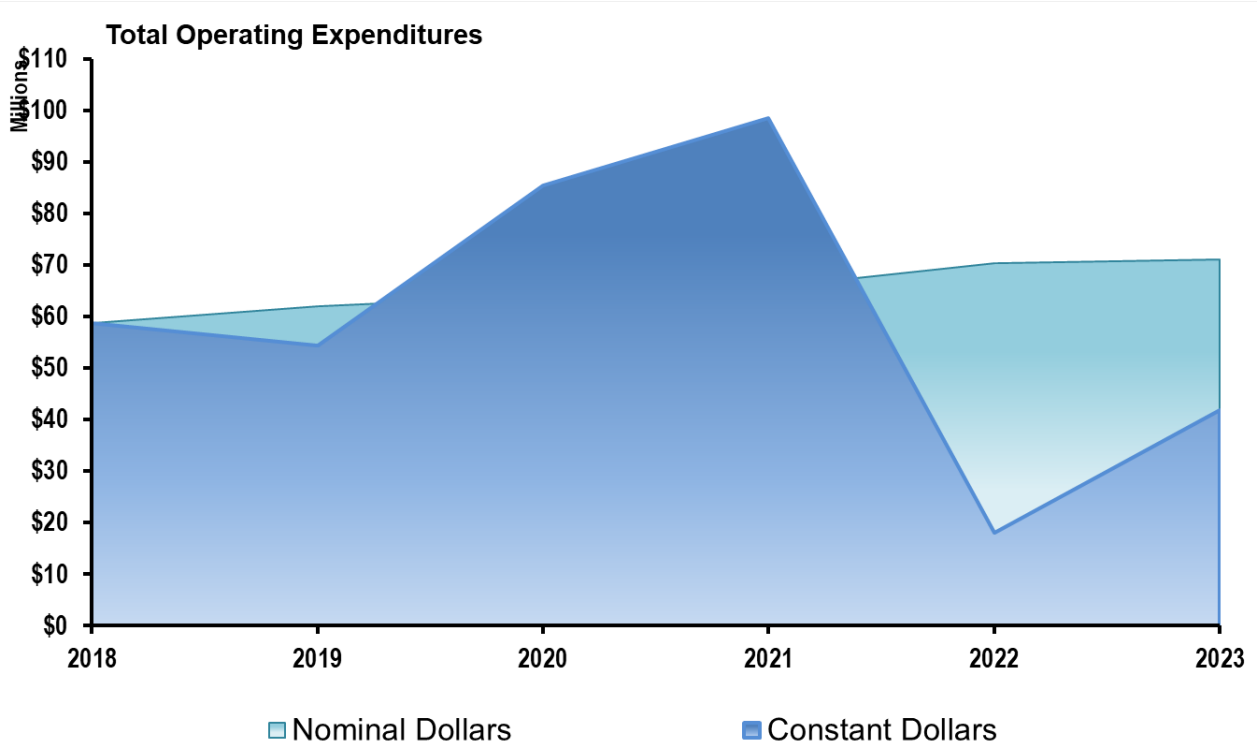
Consistent revenue growth is one measure of a town's ability to maintain existing service levels in the face of increasing costs



Nominal revenues show consistent growth from year-to-year, but if we adjust for inflation, we see dip in this growth. A trend of decreasing net operating revenues, after accounting for the effects of inflation, is a warning indicator; if municipal revenues are decreasing, they may soon be insufficient to maintain a consistent level of service. Likewise, a high degree of volatility in the rate of year-to-year change may also be a warning sign.

Operating Expenditures

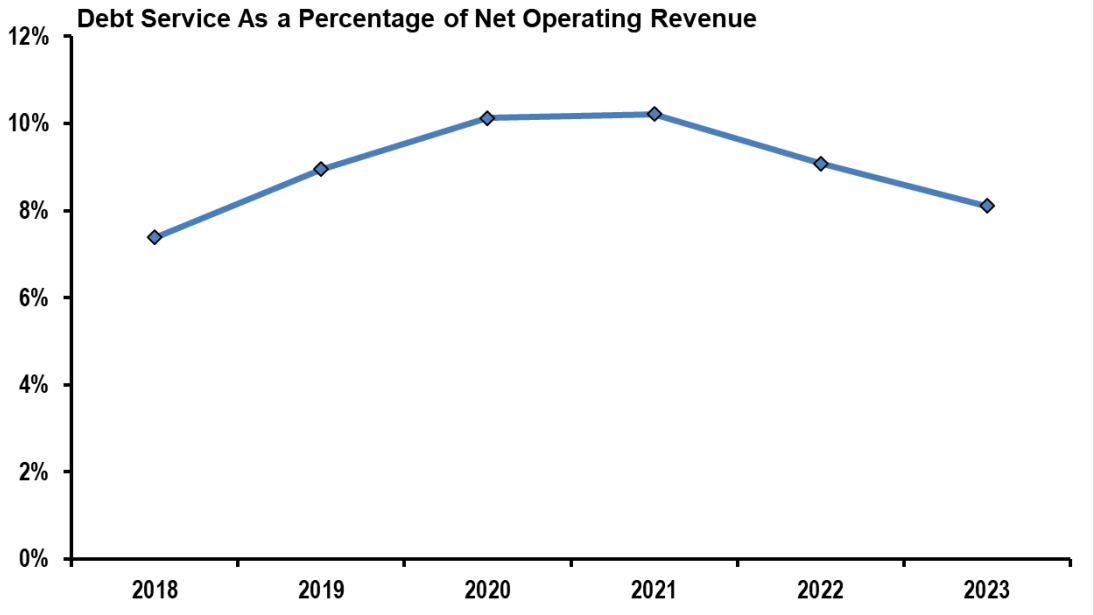
This indicator measures the annual percentage change in total operating budget expenditures.

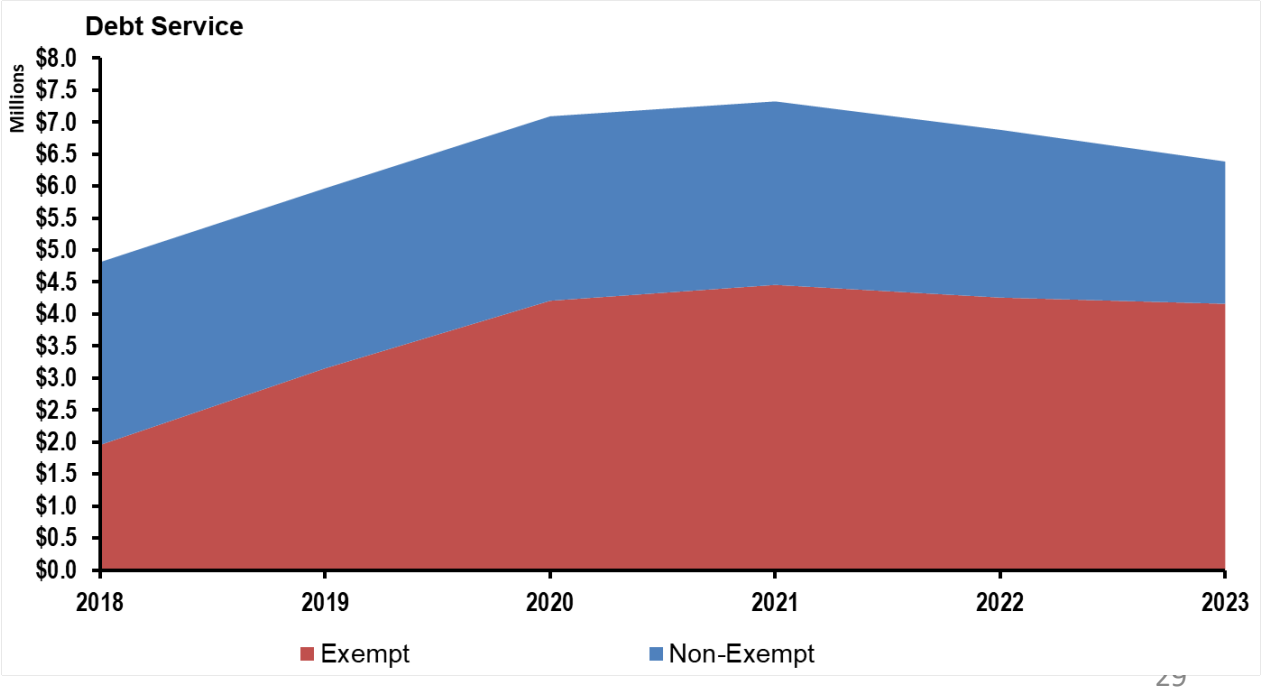


It is natural for spending to increase over time, so an upward trend itself is not a warning indicator. A steep increase in annual operating costs, after accounting for inflation, may indicate that a community's expenses are unsustainable without accompanying revenue increases or budget adjustments

Debt Service

Annual debt service in excess of 10 percent of net operating revenues may indicate that the town's debt load is too high. A trend of increasing debt load may negatively affect a community's ability to maintain spending on essential services as more revenues must be set aside to service debt. Conversely, a declining trend may indicate that the town is not maintaining investment in its capital assets and is losing the capacity to do so as operating expenses take on a greater proportion of the budget. The town should find a favorable balance between these two extremes, ideally set by policy

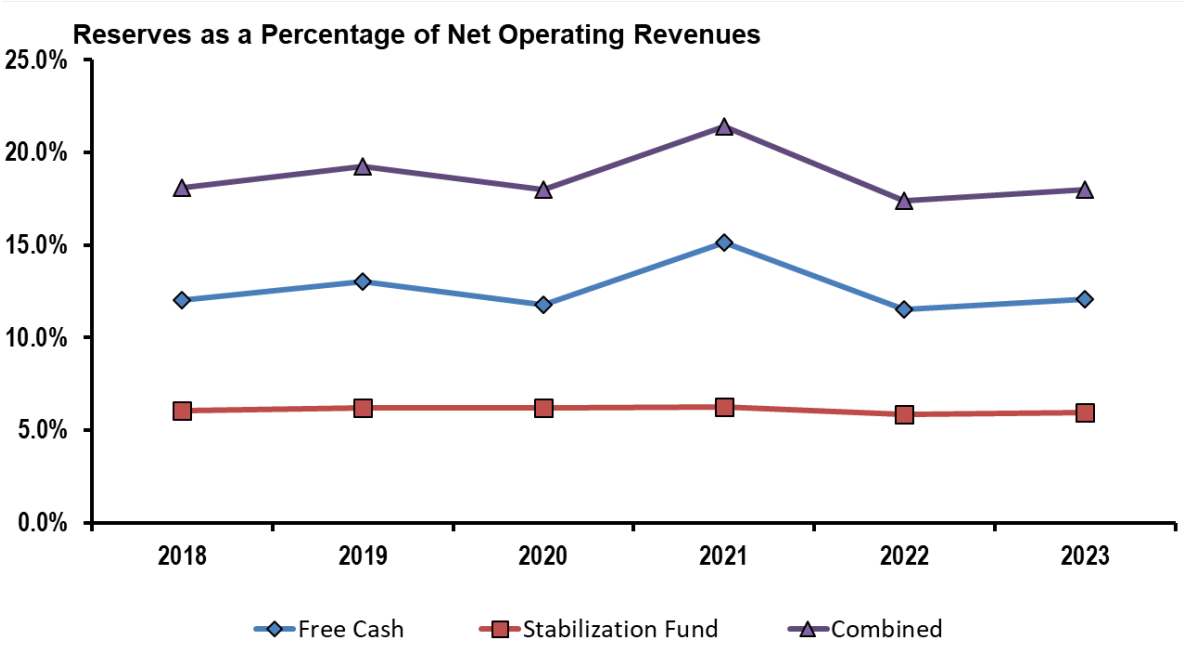


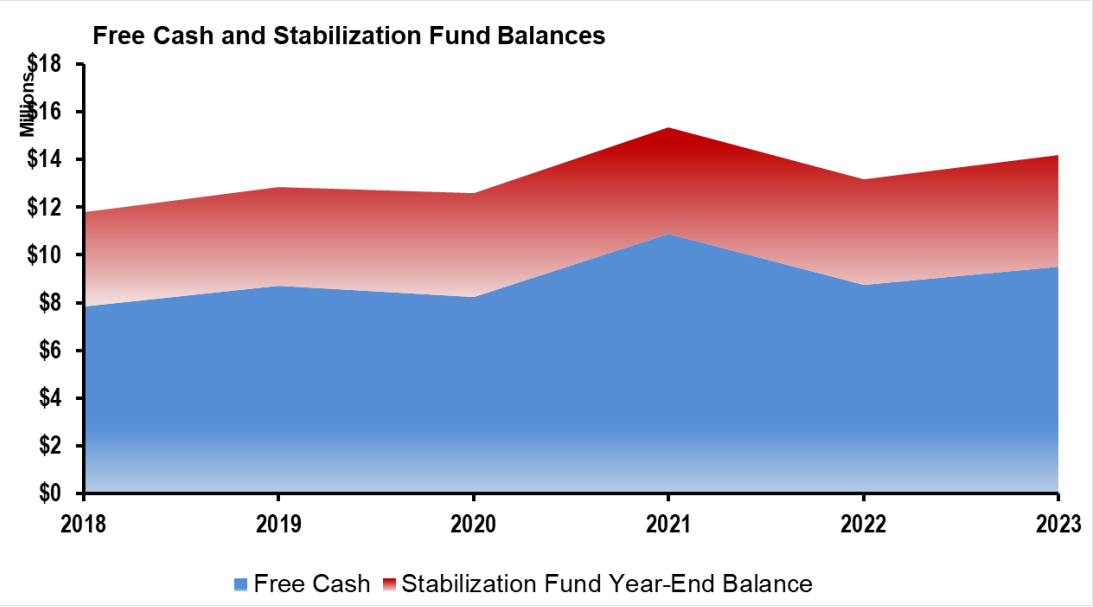


Reserves

Maintaining a healthy level of reserves allows a town to finance emergencies and other unforeseen needs, hold money for specific future purposes, or in limited instances, to serve as revenue sources for the annual budget. Reserve balances and policies can also positively impact the Town's credit rating and consequently its long-term cost to fund major projects.

Declining reserves as a percentage of a town's net operating revenue is considered a warning indicator by credit rating agencies, and may indicate a declining ability to finance town obligations in the face of an emergency. Reserves below 5-7% of revenues may be considered unfavorable. Ideally, town reserve levels should be set by policy.





Other Funds

Health Insurance Trust, OPEB & Stabilization Funds
Summary of Fund Activity

Trust Fund Account	Balance July 1, 2022	Deposits/ Transfers	Amounts Expended	Net Earnings (Change in FMV)	Balance June 30, 2023
Self Insurance Claims Trust	$ 5,904,652	8,929,182	8,744,450	255,619	$ 6,345,003
Employees Insurance Withholding Trust	$ 2,124,183	2,905,195	2,837,628	96,629	$ 2,288,379
OPEB Trust Fund	$ 6,232,755	1,151,876	-	684,105	$ 8,068,736
Stabilization Fund	$ 4,433,367	200,000	-	48,389	$ 4,681,756
Stabilization Fund-Capital Projects	$ 3,728,665	647,035	631,500	84,827	$ 3,829,027
Future Solid Stabilization	$ 534,306	-	-	11,498	$ 545,804
Climate Resiliency Stabilization	$ 150,092	-	50,000	2,589	$ 102,681
Special Education Reserve Fund - MGL 40 § C. 13E	$ 355,375	100,000	-	10,984	$ 466,359

(Funds can be distributed after a majority vote of the school committee and board of selectman)

Receipts Reserved for Appropriation

Proceeds that are earmarked by law and placed in separate accounts for appropriation for particular purposes. For example, parking meter proceeds may be appropriated to offset certain expenses for parking meters and the regulation of parking and other traffic activities

Source: MA DOR DLS, Municipal Finance Glossary, May 2008

Receipts Reserved for Appropriation

Special Revenue Fund	Balance July 1, 2022	Revenues	Transfers In (Out)	Expended	Balance June 30, 2023
Municipal Waterways Fund Receipts Reserved	$ 808,359	$ 422,343	$ (365,000)	$ -	$ 865,702
Ambulance Maintenance Fund Receipts Reserved	$ 2,141,876	1,865,823	(1,500,000)	(116,438)	$ 2,391,261
Conservation Fund Receipts Reserved	$ 47,579	31,585	(30,000)	(150)	$ 49,014
			$ (1,895,000)		

Transfers to General Fund Operating Budget	$ 1,670,000
Transfer to Capital Projects	225,000
	$ 1,895,000

Ambulance revenues monies from the CPE program established in FY21.

FY23 =$216,344

Bourne Received more than
$8,000,000
in grant funding during fiscal year 2023

FY23 Grant Funding Received (Outside General Fund Budget)

- Chapter 90, State Aid to Highways **= $1,096,520**
- **W**inter **R**ecovery **A**ssistance **P**rogram = $356,513
- CCM Fiber Grant Program **= $250,000**
- COMIRS Radio Upgrade = $106,222
- State 911 Support & Training = $105,918
- Muni Public Safety Earmark = $80,000
- School Circuit Breaker = $699,816
- Special Education Cluster (94-142) = $276,933
- Title I = $170,728
- PL874 Grant (Federal Military Aid) = $158,930
- Foundation Reserve (State Military Aid) **= $781,657**
- CARES ESSER II = **$769,099**
- CARES ESSER III = **$755,593**
- ESSER Transportation = $91,230
- MA Life Science Center = $103,443
- Innovation Pathways = $80,000
- Cares Summer Program = $142,427
- **C**ommunity **P**artnership for **C**hildren Coordinator = $121,500
- High Quality Instruction Materials = $73,000
- Skills Capital Grant = $71,522
- Accelerating Literacy Learning = $65,000

American Rescue Plan Act (ARPA)

ARPA Direct Funding

Project Description	Funds Committed	% of Total Award
School - Camera Upgrade	$ 43,339	
School - Middle School PA	100,000	
School - Phone Upgrade	40,043	
School - Wireless Access Points	70,000	
	253,382	12.25%
Sewer - Low Pressure System Upgrade	518,505	
Sewer - Manhole project	561,052	
	1,079,557	52.19%
Town - C19 Surveillance and Tests	63,698	
Town - Community Building Clean Up	150,134	
Town - IT Infrastructure Upgrades	292,289	
Town - Library Stabilization	95,960	
Town - MO Beach FS Trailers	25,000	
Town - MO Beach Headers	108,430	
	735,511	35.56%
Total award	$ 2,068,450	

- Total Direct Funds Awarded = $2,068,460
- Funds must be committed no later than 12/31/2024 and expended no later than 12/31/2026
- County ARPA awarded in FY23 for the purchase of two ambulances ($750,276) and school technology plan ($107,115)
- State ARPA Earmarks to be expended in FY24 ($40,000 - Fire Stations Boiler Replacement; $100,000 - Community Building Generator Replacement)

Enterprise Funds

Enterprise Funds

An enterprise fund, authorized by MGL Ch. 44§53F ½, is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services.

Bourne operates two enterprise funds:

1. Trash Disposal - **I**ntegrated **S**olid **W**aste **M**anagement Department
2. Sewer - Sewer Department

*****Both funds are self supporting and do not require subsidies from the General Fund*****

Enterprise Funds
ISWM & Sewer

- ISWM retained earnings increased from $10,219,777 to $11,169,107 at year end – increase of $949,330 or 9.3%. Total fund equities at year end increased from $26,640,337 to $29,944,088; this includes $18,774,981 reserved for various purposes (ie capital articles, post closure, etc)

- Sewer retained earnings increased from $ 856,818 to $1,010,701 at year end – an decrease of $153,883 or 17.96%

ISWM Revenues
Budget vs. Actual
FY2023

	Budget	Actual	Difference	% Over (Under) Budget
User Charges	$ 12,938,043	$ 17,058,332	$ 4,120,289	31.85%
Other Departmental Revenue	200,000	265,749	65,749	32.87%
Investment Income	125,000	680,295	555,295	444.24%
Total Revenues	$ 13,263,043	$ 18,004,376	$ 4,741,333	35.75%

ISWM
Appropriations & Expenditures
FY2023

	Encumbered Balance 7/1/2022	Appropriation/ Borrowing	Expenditures	Transfers In (Out)	Closed to Fund Balance	Encumbered Balance 6/30/2023
Operating Budget:						
Salaries	$ -	$ 2,234,137	$ 1,974,544	$ -	$ 259,593	$ -
Expenses	91,141	6,685,600	6,837,269	513,917	72,116	381,273
Debt Service	-	452,310	452,310	-	-	-
Reserve Fund	-	600,000	-	(600,000)	-	-
Host Community Fee	-	900,000	986,083	86,083	-	-
Subtotal	91,141	10,872,047	10,250,206	-	331,709	381,273
Indirect Costs	-	2,390,996	-	(2,390,996)	-	-
Total Expenses	$ 91,141	$ 13,263,043	$ 10,250,206	$ (2,390,996)	$ 331,709	$ 381,273

Sewer Revenues
Budget vs. Actual
FY2023

	Budget	Actual	Difference	% Over (Under) Budget
User Charges:				
Sewer User Fees	$ 1,411,638	$ 1,336,633	$ (75,005)	
Sewer User Charges Added to Taxes	-	51,607	51,607	
Subotal User Charges	1,411,638	1,388,240	(23,398)	(1.66%)
Other Departmental revenue	25,000	268,284	243,284	973.14%
Investment Income	10,000	27,075	17,075	170.75%
Retained Earnings	74,000	74,000	-	0.00%
Total Revenues	**$ 1,520,638**	**$ 1,757,599**	**$ 236,961**	**15.58%**

Sewer
Appropriations & Expenditures
FY2023

	Encumbered Balance 7/1/2022	Appropriation/ Borrowing	Expenditures	Transfers In (Out)	Closed to Fund Balance	Encumbered Balance 6/30/2023
Operating Budget:						
Salaries	$ -	$ 189,441	$ 171,640	$ -	$ 17,801	$ -
Expenses	167,323	439,875	491,534	71,548	79,118	108,094
Wareham - Operating Expense	-	430,757	430,756	-	1	
Wareham - Capital Assessment		188,478	224,029	35,552	1	
Debt Service	-	36,000	11,400	(24,600)	-	-
Reserve Fund	-	50,000	-	(50,000)	-	-
Subtotal	167,323	1,334,551	1,329,359	32,500	96,921	108,094
Indirect Costs	-	153,587	-	(153,587)	-	-
Total Expenses	$ 167,323	$ 1,488,138	$ 1,329,359	$ (121,087)	$ 96,921	$ 108,094

Conclusion

- Overall, the Town's financial position is favorable and sustainable based on current services provided. The town is compliant with Financial Policies and Industry Standards – DOR certifications are current, Financial Statement Audits have resulted in unqualified opinions and our bond rating remains stable.
- Recent windfalls in federal funding, like ARPA and ESSER, have been utilized in the current year for capital purchases and school services. While this has allowed for savings and increases in reserves, we need to be mindful of their conclusions and work this into future year financial plans – these sources are not expected to be available in FY25.
- This time last year, we were experiencing periods of record high inflationary costs, rising interest rates and an overall decline in the financial markets. Today, consumer inflation has improved from last year, but is still above the Fed's target. Interest rates have remained unchanged since July 2023, but the Federal Reserve has alluded to another hike before year end and a higher interest rate environment for a longer duration. Financial markets have rallied and modest returns are expected to close out 2023.
- We must continue to be mindful of the current economic state and be proactive (not reactive) with budgeting strategies, especially grant funding used to offset operations and capital items that will require financing.
- The Finance Team will continue to explore and implement strategies to strengthen our positions, including a bond rating upgrade and financial policy reviews (financial policy review is currently underway with he assistance of the UMASS Collins Center for public management)

Any Questions?