

**CITY OF WARWICK**  
**FINANCE DEPARTMENT**  
**3275 POST ROAD**  
**WARWICK, RHODE ISLAND 02886**  
**(401) 738-2015**

To: Mayor Frank J. Picozzi and the Members of the Honorable City Council

From: Peder Schaefer, Finance Director

Subject: Preliminary Financial Results – FY 22

Date: October 12, 2022

In compliance with Section 6-3 (4) of the Warwick City Charter, here follows the preliminary City financial results for Fiscal Year 2021-2022.

**Revenues:**

Preliminary continuing city revenues exceeded original (May of 2021) estimates by \$4.3 million. This does not include any use of the \$5.5 million in American Rescue funds pledged to support the FY 22 budget or the use of \$5.9 million in fund balance drawdown that had been incorporated in the enacted FY 22 budget. Revenue estimates for FY 22 were updated in May of 2022, and our preliminary results indicate an improvement on those estimates by almost \$2.2 million.

- Property tax collections were over \$2.6 million greater than originally estimated. This collections improvement was also greater than projected this May.
- State aid fell \$1.7 million below original estimates most of which was associated with car tax reimbursements but were better than estimated in May of 2022. Federal aid exceeded estimates by \$0.4 million reflecting FEMA payments associated with the pandemic.
- Improvement in licenses and fees was as forecast in May of 2022 as a variety of building and real estate revenues improved by over \$2 million from original estimates.
- Other revenues also improved by \$1.2 million from original estimates as hospitality related revenue improved.

**Expenses:**

Expenses were almost \$5.4 million less than originally budgeted and \$0.7 million less than projected this past May.

- Central Administrative costs were \$1.9 million below budgeted levels although \$1.3 million was associated with ARPA pledges for IT and the Police Department which remain available in the capital budget and have not been executed. City Clerk, Legislative, Canvassers, Finance, and the Collector's Office all had surpluses of over \$100,000 offset by over \$200,000 in debt interest payments associated with the February 2022 school bond issue.

- Public Safety costs were \$1.4 million over budget as a deficit in the fire department of \$1.5 million was offset by a small surplus in the police department and by FEMA reimbursements.

- Social services spending which includes recreational activities were \$0.4 million under the budget as originally enacted, as senior center and senior transportation costs were curtailed at the beginning of the year.
- A surplus of over \$2.5 million was registered in physical resources which includes planning and public works. Planning's \$1.3 million surplus was associated with special grants which remain available in the new-year. Public Work's had a surplus of over \$200,000 associated with the delay in occupying the Sawtooth Building. Also tipping fee costs were \$300,000 under budget. There were additional personnel savings throughout the department including the rink and pool.
- Employee benefit and capital costs were \$1.7 million under the original budget with savings in both health insurance and police pensions. Also, \$800,000 budgeted to cover contract renewals was not necessary to distribute to municipal and police departments as vacancies remained high.
- Warwick Public Schools reports that they expect to report a balanced budget for FY 22.

<b>City of Warwick 10/2022 FY 2021-2022 REVENUES (Millions of \$)</b>	<b>FY 2021 Audited Actual</b>	<b>FY 2022 Budget 21-May</b>	<b>FY 2022 Projected 22-May</b>	<b>FY 2022 Preliminary 22-Oct</b>	<b>FY 2022 Surplus 21-May</b>	<b>FY 2022 Surplus 22-May</b>
STATE AID	44.3	59.8	57.3	58.1	(1.7)	0.8
FEDERAL AID	10.1	2.1	2.6	2.5	0.4	(0.1)
AMERICAN RESCUE PLAN		5.5	4.6	1.7	(3.8)	(2.9)
LICENSES AND FEES	8.5	8.0	9.9	10.0	2.0	0.1
OTHER	15.6	13.9	15.1	15.2	1.3	0.1
ENTERPRISE FUND	2.6	3.0	2.7	2.7	(0.3)	-
PROPERTY TAXES	240.2	234.9	236.2	237.5	2.6	1.3
FUND BALANCE DRAW	-	5.9	-	-	5.9	-
<b>TOTAL REVENUES</b>	<b>\$321.3</b>	<b>\$333.1</b>	<b>\$328.4</b>	<b>\$327.7</b>	<b>\$6.4</b>	<b>(0.7)</b>
<b>EXPENSES</b>						
EXECUTIVE AND ADMIN	14.6	17.2	16.4	15.3	1.9	1.1
PUBLIC SAFETY	47.8	48.1	48.7	49.5	(1.4)	(0.8)
SOCIAL SERVICES	5.4	5.0	4.7	4.6	0.4	0.1
PHYSICAL RESOURCES	12.0	17.6	15.1	15.1	2.5	0.0
BENEFITS AND CAPITAL	68.3	71.3	69.9	69.6	1.7	0.3
SCHOOLS	171.3	173.9	173.6	173.6	0.3	-
<b>TOTAL EXPENSES</b>	<b>\$319.4</b>	<b>\$333.1</b>	<b>\$328.4</b>	<b>\$327.7</b>	<b>\$5.4</b>	<b>\$0.7</b>

In summary, without drawing on fund balance and using just \$1.7 million of qualifying American Rescue government services funding (ARPA), the City of Warwick ran a balanced general fund operating budget during the year ending June 30, 2022. These are preliminary numbers and subject to change.

<b>Fiscal Year 2021-2022 City of Warwick Budget (In Millions of Dollars)</b>	<b>FY 22 Enacted 5/25/2021</b>	<b>FY 22 Revised 5/25/2022</b>	<b>FY 22 Preliminary 10/1/2022</b>
Recurring Revenues	\$321.7	\$323.8	\$326.0
One-Time Revenues			
American Rescue	\$5.5	\$4.6	\$1.7
Fund Balance	\$5.9	\$0.0	\$0.0
One time Revenues	\$11.4	\$4.6	\$0.0
<b>Total Revenues</b>	<b>\$333.1</b>	<b>\$328.4</b>	<b>\$327.7</b>
Expenses			
Municipal	\$159.2	\$154.7	\$154.0
School	\$173.9	\$173.7	\$173.7
<b>Total Expenses</b>	<b>\$333.1</b>	<b>\$328.4</b>	<b>\$327.7</b>
Deficit/Surplus	\$0.0	\$0.0	\$0.0

The unassigned fund balance of the city of over \$26 million has been preserved. Also, all but \$1.7 million of the \$5.5 million of American Rescue funding that had been pledged to support the FY 22 operating budget has been freed up and will be available, pending completion of the audit, for the Mayor and Council to pledge to new projects, or for general operating support of the City during the FY 24 budget cycle.