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Haverhill

Office of the City Auditor, Room 106
Phone: 978-374-2306 Fax: 978-373-8476
aperkins@cityofhaverhill.com

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To The Honorable City Council

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Attached are the revenue and expense reports through September 2026.

The general fund revenue shows a year-over-year increase of 2.13%, which is down from 6.67% in September of last year. As anticipated, investment income has decreased due to reduced invested ARPA funds and borrowing proceeds. Investment earnings recognized through last September were \$1.1 million compared to just \$225,857 through this September. This decline in investment earnings was incorporated into the 2027 operating budget, so it is not negatively affecting budget performance. Overall, the general fund revenue is just slightly below its year-to-date collection benchmark of 24%, currently standing at 23.8%.

The general fund operating budget is progressing as planned; however, in 2027, the city has significantly reduced its operating reserves due to budget constraints. As we navigate these challenging financial conditions, it is essential for all departments to manage budgets accurately, given the limited capacity to accommodate unexpected expenses.

As discussed in the recent department head meeting, the Mayor has extended the budget freeze on all discretionary purchases until further notice.

The city's free cash has been submitted to the Massachusetts Department of Revenue for certification. As in previous years, a portion of this free cash will be allocated to high-priority capital projects, placeholders for snow and ice removal, and the 2028 operating budget. The 2028 budget process will begin earlier this year and is intended to conclude in early June.

Sincerely,

Angel A. Perkins, CPFO, CGA, CFE
Chief Financial Officer & City Auditor