

# Holyoke reports nearly \$2.4M free cash surplus

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HOLYOKE – The city of Holyoke is reported a nearly \$2.4 million free cash surplus for fiscal 2022, a welcome change from the negative balance a year earlier.

In a letter, Mayor Joshua A. Garcia said the city was informed of a free cash surplus — unrestricted money from a previous year by the Massachusetts Department of Revenue’s Local Service Division.

“Though this is good news and a sign the city is moving in a positive direction, we have a lot more work to ensure we have a strong fiscal foundation and direction,” Garcia wrote.

The Free Cash Certification Sheet showed \$1.68 million worth of deficits, subtracted from the overall amount. “The deficits are a combination of different revenue accounts from previous fiscal years, some going way back,” Garcia stated.

The mayor called for instituting financial controls for smoother transitions from one fiscal year to another.

Garcia praised City Auditor Tanya Wdowiak for aggressively tackling the account deficits and transfers. The Mayor stated he would present plans to use the free cash for one-time investments, including bolstering the Emergency Stabilization Account and investing in capital needs.

Garcia proposed shifting \$1.5 million in money collected from the cannabis industry to a special host agreement account. Retained earnings from the Sewer Enterprise Fund were \$593,032, attributed to collecting outstanding payments.

The City Council’s Finance Committee, helmed by councilor at-large Joseph M. McGiverin, discussed the surplus on Monday.

McGiverin was pleased with the news compared to past years when the city received no surplus dollars or recorded shortfalls.

Wdowiak said the Unreserved Designated Fund Balance or revenues “above and beyond” budgeting was \$3 million. According to state figures, about \$1.6 million went unspent in fiscal 2021.

Around \$997,000 of the \$1.68 million deficit was reconciled in the current fiscal year, according to Wdowiak. “A lot of these things are very old,” she said. “We’re going to have to keep plugging away.”

Deferred revenue was added back onto the financial sheet, allowing the city to claim nearly \$2.4 million in free cash. Deferred revenue included fees, closures, excise, personal property and real estate taxes.