

## Treasurer's comments on FY 2021-22

Each year the town's accounts end with either a surplus or a deficit. As these numbers accumulate over several years, they are called a "fund balance." Historically the Highway Fund has been allowed to retain its fund balance and use it the following year. The General Fund is not allowed to carry forward, which is why the Selectboard often chooses to put part of the surplus toward the next year's budget, reducing the amount that needs to be raised in taxes. It can also be called "deficit spending" since the town plans to spend more than it receives, in order to use up these monies. A remaining fund balance may be earmarked for significant one-time expenses, like a new loader, or renovations to a building, or put toward a reserve fund, among other options. The decision on how to allocate the accumulated fund balance is put to the voters at town meeting every year.

The General Fund started the year with a cumulative fund balance of \$166,823, of which \$45,056 was used to reduce taxes during fiscal year 2021-22. During the year, income was overbudget by \$232,610, largely due to successful efforts to address chronic delinquent taxes. Over the past years, some delinquent tax accounts have been more than 5 years old, resulting in windfalls when they are brought current. Assuming that delinquency is kept to 2 years or less, the town will no longer receive large unanticipated payments that can reduce the amount needed to be raised by taxes. General fund expenses ended underbudget by \$9,682. The surplus for the fiscal year resulted in a cumulative fund balance of \$364,059, roughly 1/3 of which was approved by the voters at the March 2022 Town Meeting to be used to reduce taxes in fiscal year 2022-23.

The Highway Fund started the year with a cumulative fund balance of \$148,149. Income was \$28,832 over budget, while expenses exceeded budget by \$8,782. The fiscal year budget for 2021-22 gave \$66,070 toward taxes, with an additional \$82,079 budgeted for fiscal year 2022-23. If the Highway Fund performs according to budget, the cumulative fund balance will be reduced from the current \$102,129 to about \$20,000.

The town has also received funding through the American Rescue Plan Act (ARPA), the Covid-19 federal economic stimulus law, thus providing the town with funds to invest in building and equipment improvements, or other projects that have been postponed due to cost. The first use of these funds is to digitize the land records and surveys, making them available online. Other possible uses include making the town office handicapped accessible, improving the computer equipment needed for better running of Zoom meetings, among other possibilities.

All in all, the town's finances are in good shape.

Respectfully submitted,

Ellen DesMeules