

Quarterly Treasurer's report on financial status as of April 5, 2016

I have used early April for this report, as there was a substantial accounts payable warrant for April 1, and it seemed that the report would more accurately reflect the current status if those payments were included.

Reading the reports: The heading indicates either General Fund (P. 1-7) or Highway Fund (P. 8-12) The column headed Budget on P. 1 is the budget amount throughout the report, regardless of other headings used. We do not use the Encumbrance or Applied For columns, but I am unable to delete them from the report. The Uncollected/Unencumbered balance is the budget minus actual, so in income, a negative number means more money has been collected than expected, and in expenses a negative number means overspent. The MTD (month to date) column isn't terribly valuable, but I cannot remove it or replace it with something else).

Income: At this time all income categories for the General Fund show that more money has been received than budgeted, except for tax income. Delinquency continues to be high: current year tax delinquency is \$123,718.17; add to that accumulated delinquency for all previous years (2008-2014) of \$76,842.37, and you get the current total of \$200,560.54 in back taxes and associated fees. The budget voted at Town Meeting for the current fiscal year was \$1,421,461; the total delinquency represents 14% of the budget. Last year the General Fund operated at a deficit, in large part due to failure to collect delinquent taxes, and at this time, the situation is the same. Despite all other categories of General Fund income being above budget, the delinquency rate is high enough to result in a current operating deficit of \$59,221. The point that is important to remember here is that all other facets of town government are funded 100% according to the budget: the schools and the State receive their required payments, the library and cemetery are paid in full their requested funding, and the highway has received the share of tax income budgeted to support road maintenance and personnel. Since all tax income is part of the General Fund, when total tax income is less than expected, it is the General Fund that reflects the shortfall.

As for Highway Fund income, the budget shows that \$50,000 in income is still pending. Of this, \$33,202 is the final payment of State Aid to Highways yet to come in, and the budget shows \$25,000 as anticipated income from the sale of the mower (or trade in on replacement). Whether the mower transaction will take place by June 30 is uncertain, so that \$25,000 income is not assured. Looking forward, the highway might not make projected income, but should be no more than \$20,000 short.

General Fund spending is a bit ahead: 75% of the way through the year, 82% of the funds have been spent. A list of overspent line items shows \$30,000 in excess spending, but this is not a true reflection of the budget status because a number of expenses show lump sum budgeting, but have detailed lines of spending for more accurate tracking of expenses. There are also a number of planned expenses which may not materialize: lister hardware \$2150; Tax mapping \$2000; delinquent tax collector pay \$2000; misc costs budgeted for Trustee funds, Planning Commission, ZBA, Administrative Assistant \$1900; Computer IT \$1500; Town Building improvements \$2000; for the most obvious examples, which could result in savings of \$11,550. In the end, if some delinquent taxes are not collected, the General Fund will still end up in a deficit, even with the possible reduced spending noted above. Based on current reports, the General Fund needs another \$50,000 to avoid a deficit.

The Highway Fund report shows that 66% of the budget has been spent. The Road Foreman explains that the mild winter, lower petroleum-related costs, lower personnel costs due to 2 rather than 3 full time employees, and resulting use of 2 trucks instead of 3, all combine to reduce overall spending. This may allow the town to purchase or finance the new tractor / mower and still stay within budget.

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