

Treasurer's Report

September 13, 2022 Board of Selectman Meeting

June 2022 Final Financials (unaudited)

- June Year End closing is complete for all funds and financial reports included with this report also include the Combined BS and PL for all funds for the year.
- Tax Collections totaled \$17k for the month, and collections for the full year exceeded the budget by \$35k, once refunds of overpayments are taken into account actual Tax Revenues exceeded the budget by \$21k. General, Departmental and State Revenues all exceeded budget by significant margins as well, with the exception of LoCIP revenues (offset by no LoCIP expenses). Key drivers of favorable revenue variances include: \$80k of Tech Park refund, Building Fees (\$18.6k over budget), Conveyances (\$19.7k over budget), State ECS (\$44.3k over budget due to restoration of state funding after our budget was finalized) and Emergency Mgmt reimbursements from the state (\$9.2k over budget, state clearing a backlog of reimbursement submissions for multiple years).
- No additional appropriations needed.
- General Government expenditures totaled \$1,592,909, under budget by \$134k. This is in large part due to no LoCIP spend for the FY22 year, and by small underspends across a large number of budget lines. We did have one anomaly this year – based on the timing of the payroll schedule, our salaried employees received one extra paycheck in the current year (there was a pay date on 7/1/2021 and on 6/30/22), so many of the salary lines were overspent by one payroll. There are relatively few salaried employees, all applicable departments were able to absorb this due to underspends in other budget lines. Payroll accruals mitigate any impact for hourly employees who have to submit timesheets.
- All accruals are completed for Scotland Elementary, and as expected they have underspent their budget by \$32.5k. Once the auditors have confirmed that they don't have any adjustments to this number, the BOS will need to decide whether any of this underspend should be added to the BOE's Capital Non-Recurring account. Note that we were unsuccessful at balancing Quickbooks and Accufund again this year – there is an offsetting difference of approximately \$5k between the general fund and grant funds that we were unable to identify. The auditors will decide whether a journal entry is needed.
- Including Education and Debt Service, the Town finished the year with a deficit of \$139.1k vs. a budgeted deficit of \$463k. This is also a little worse than the \$100k deficit I predicted in my last report once all the accruals were completed.
- At the end of the year, the Town had \$190k of Reserved Fund Balance (mainly to balance the FY23 budget) and \$584k of Unreserved Fund Balance (vs. \$463.1k at 7/1/21).
- General Fund Cash balance at June 30 was \$1.7M, of which \$500k was held in a STIF investment account with the state.
- **CAPITAL:** June spend included \$130k in paving projects (split between General Fund and TAR fund), \$7k for the Town Garage project from TAR (mainly site work), \$14k for Town Hall from CNR (mainly architectural work), \$5k of bunker gear for the Fire Department from CNR and \$2k of engineering work on the Bass Road bridge project from TAR. TAR spend for the year totaled \$134k and there is a carryover of \$106k available for future years. Spend from CNR totaled \$43k and we ended the year with a balance of \$113k (\$17.8k Fire Dept, \$62.3k Public Works and

\$33.4k Town). The BOE CNR fund did not have any spend in FY22 and ended the year with a balance of \$124.5k.

- **DECLARED EMERGENCY FUND:** minimal activity through June, included an accrual for the COVID Ambulance stipends earned during the quarter and paid in early July as well as a small spend related to the video equipment in the Community Room that is used for remote access to various town meetings (including the BOS meeting). Total expenditures (and earned revenue) for FY22 totaled \$31.3k, with \$216k remaining from the ARPA funds we'd received by that date. We received another \$85k in revenues in early August and these funds will be transferred to the STIF account at the end of Q1.

July & August 2022 Financials

- Most month-end processes for the two months are complete, but have not been fully reviewed. I will be reporting on these months at the next BOS meeting.
- General Fund cash at August 31 totaled \$2.65k of which \$1.5M was held in the STIF investment account. There was another \$500k held in a STIF account for the investment and other funds (including ARPA and CNR funds). Between the two STIF accounts, the Town earned interest totaling \$1,290.78 in July and \$2,394.13 in August.

Other Key Activities

- Auditors are on-site this week for field work, and should complete their work by the end of next week (September 23). They were provided with copies of all 12 Quickbooks general ledgers as well as excel files for two funds that we keep manually. We also uploaded a significant number of work paper files. I do not expect any adjustments except for the tax account balance sheet true-up that they post each year (this will not impact our P&L or our fund balances, it's merely an offset between Accounts Receivable and Deferred Taxes on the balance sheet). As no significant items were noted during preplanning fieldwork, I expect that final fieldwork will smoothly.
- Quarterly tax returns were filed, with the exception of the State Labor Department earnings report (UC-5R). We've been working closely with the state to resolve issues that have arisen due to their new system.

Upcoming Activities

- We expect the annual workers comp audit to begin soon (we haven't heard from the auditor yet), and we are in the process of preparing the materials that will be needed.
- UCOA filing for FY21 – the state has implemented their new system and the due date for FY21 is now September 30.
- Need to finish the update to the Financial Processes document, had hoped for this to be complete before the audit, but now will aim for end of year (before budgeting begins in earnest).
- Final correcting entry to clean-up BOE balance sheet in Accufund – this may become a higher priority given the current out of balance situation between AF and Quickbooks

- Attempts to resolve ongoing “account ownership” issues with Intuit have been unsuccessful, and introduces risk in the payroll process. Will be exploring other options for payroll processing as a result.