

Year-End Financial Update

Below please find the summary of our 2014 financial activity, as compiled and submitted by Dana Call, *Finance*, in the Annual Town Reports.

Comparative Statement of General Fund Appropriations & Expenditures

Reflects budgeted Town appropriations, expenditures and unexpended balances for 2014:

- Amounts in the “Unexpended/(Overdraft)” column reflect line items which have come in under or over budget for 2014. The net under expended adds to the Town’s 2014 year-end fund balance (and once audited, is available to reduce the 2015 tax rate). As previously reported to the Board, the \$111,000 received from the LGC Healthtrust (Town/Employer portion), was used to directly offset budgeted premium expenditures and is reflected as “Unexpended”, throughout the various departments, resulting in a surplus balance in all health insurance line items.
- These Over/Under expended amounts incorporate Encumbrances/Carryovers to 2015 which reflect purchase orders/contracts awarded by the Board of Selectmen prior to 12/31/14, as well as certain expenditures/contracts from 2014 for which invoices had not been received by year-end. Capital projects which have not yet been completed (such as Library HVAC and Highway Truck) are carried forward into the subsequent year.
- Statement also reflects certain receipts which have been accepted by the Board and available as a direct offset to expenditures (i.e. grants/donations, legal reimbursements).
- Total net unexpended balances from operating budget line items only was \$279,769, or 2.1% of the total operating budget:
 - The largest component of savings is in *Highway* as a result of unexpended summer and winter maintenance funds totaling \$84,000. Also, both the Highway and Community Development departments had certain staffing vacancies during the year, with total combined savings of \$38,000. In addition, the Administration & Workers Compensation Insurance budgets had a combined savings of \$57,000, due primarily to a delay in hiring a consultant for the Stormwater program and a insurance premium holiday. This was offset by a \$35,000 overexpenditure in the Legal budget, as previously discussed with the Board. In addition, the Fire (overtime) and Solid Waste (vehicle maintenance) budgets were overexpended a combined \$36,000 due to unforeseen operational needs.

See chart below for details:

<i>Unaudited</i>	'14 APPROP INCL CARRYFD	RECEIPTS, GRANTS	TOTAL AVAILABLE	2014 EXPENDED	CARRYFWD TO 2015	UNEXPENDED (OVERDRFT)
GENERAL GOVERNMENT						
Town Officer's Salaries	3,240		3,240	3,176		64
Administration	524,983		524,983	489,307	2,008	33,668
Town Clerk's Expenses	257,087		257,087	257,872	2,790	(3,575)
Tax Collector's Expenses	139,730		139,730	133,149		6,581
Election and Registration	23,930		23,930	20,661		3,269
Cemetery	44,400		44,400	30,384	8,250	5,766
General Gov't Bldgs	438,840		438,840	425,473	6,850	6,517
Appraisal of Property	311,730		311,730	250,300	56,484	4,946
Information Technology	219,900		219,900	206,632	9,002	4,266
Town Museum	5		5	-		5
Searles Building	13,250		13,250	13,002		248

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<i>Continued</i>	'14 APPROP INCL CARRYFD	RECEIPTS, GRANTS	TOTAL AVAILABLE	2014 EXPENDED	CARRYFWD TO 2015	UNEXPENDED (OVERDRFT)
Legal Expenses	52,400	3,300	55,700	91,329		(35,629)
PUBLIC SAFETY						
Police Department	2,701,570		2,701,570	2,681,383		20,187
Contracted Details	5		5	-		5
Dispatching	417,580		417,580	411,287		6,293
Fire Department	3,106,875		3,106,875	3,126,949		(20,074)
Emergency Management	40,370		40,370	36,155		4,215
Community Development	499,510		499,510	472,268	2,000	25,242
HIGHWAYS, STR, BRIDGE						
Town Maintenance	1,243,694	2,428	1,246,122	1,081,921	34,413	129,788
Street Lights	14,940		14,940	16,313		(1,373)
SANITATION						
Solid Waste Disposal	833,875		833,875	850,557		(16,682)
HEALTH						
Health and Human Services	33,190		33,190	30,028		3,162
Animal Control	18,065		18,065	14,240		3,825
WELFARE						
General Assistance	57,040	1,800	58,840	37,131		21,709
CULTURE AND RECREATION						
Library	1,066,615		1,066,615	1,031,865		34,750
Recreation	210,435		210,435	189,583	5,650	15,202
Historic Comm.	4,840		4,840	1,840	2,310	690
Conservation Comm.	5,880		5,880	5,880		-
Senior Center	6,050		6,050	6,117		(67)
Cable TV Expenses	111,230		111,230	107,345		3,885
DEBT SERVICE						
Long Term Notes - P + I	-		-	-		-
Interest - TANS	500		500	1,000		(500)
CAPITAL OUTLAY / OTHER						
Highway 5 Ton Truck (2013)	175,000		175,000	-	175,000	-
Highway 5 Ton Truck (2014)	180,000		180,000	-	180,000	-
Fire SCBA Gear	4,320		4,320	4,320		-
IT Equipment	27,291		27,291	27,291		-
Solid Waste Loader	80,000		80,000	73,790		6,210
Ambulance Lease	80,000		80,000	75,099		4,901
Rail Trail	45,000		45,000	2,410	42,590	-
Library HVAC	94,871		94,871	-	94,871	-
Road Improvements	360,000		360,000	360,000		-
Campbell Farm Land Purchase	860,000		860,000	860,000		-
Capital Reserve Funds	-		-	-		-
MISCELLANEOUS						
Retirement Svc Charges	4,000		4,000	4,500		(500)
Insurance	225,320	1,639	226,959	203,159		23,800
Searles Bond Payment	-		-	-		-
Use of Searles Revenue Fund	30,000		30,000	30,000		-

Year-End Financial Update

<i>Continued</i>	'14 APPROP INCL CARRYFD	RECEIPTS, GRANTS	TOTAL AVAILABLE	2014 EXPENDED	CARRYFWD TO 2015	UNEXPENDED (OVERDRFT)
Other Reimbursable Grants	-	-	-	-		-
Donations/Gifts	-	4,659	4,659	4,573		86
Property Maintenance Trust	50,000		50,000	50,000		-
Earned Time Trust	30,000		30,000	30,000		-
Refunds and Abatements	90,503	1,185	91,688	170,858		(79,170)
OTHER GOVERNMTL DIV'S						
School District	39,803,181		39,803,181	39,803,181		
County	2,279,316		2,279,316	2,279,316		
Village Districts	16,146		16,146	16,146		
TOTALS	56,836,707	15,011	56,851,718	56,017,790	622,218	211,710

General Fund Revenue Report

Presents estimated revenues as determined in setting the 2014 tax rate, as compared to actual annual revenues for 2014 and for 2013:

- Outside of one-time financing sources, 2014 revenue came in approximately \$274,000, or 4.6% higher than what was budgeted for the tax rate and is generally available towards 2014 fund balance (and once audited, the 2015 tax rate);
- The Town continues to benefit from State/Federal Grants and other funding. Outside of annual Meals & Rooms and Highway Block distributions, totals for the past several years were as follows. For 2014, these include a State of NH EM grant for public safety equipment.
 - 2014 - \$15,592 (plus \$144,000 pending for Round 4 Highway truck)
 - 2013 - \$53,050 (plus \$140,000 pending for Round 3 Highway truck)
 - 2012 - \$413,056
 - 2011 - \$146,784
- Other general revenues such as Motor Vehicle registrations, Building Permits and Ambulance revenues came in higher than budgeted; at the time the tax rate was set, estimates were used based on prior year averages:
 - Average motor vehicle registrations for 2012-2014 were \$2,998,000, whereas actual for 2014 was \$3,175,860.
 - Average building permit revenues for 2012-2014 were \$182,000, whereas actual for 2014 was \$234,393.

REVENUE REPORT - COMPARATIVE ANALYSIS AS OF DECEMBER 31, 2014

<i>Unaudited</i>	Estimated Revenue For 2014	Actual Revenue @ 12/31/14	Actual Revenue @ 12/31/13	Increase (Decrease) 14-13	2014 % of Estimate Received
SOURCES OF REVENUE:					
<u>TAXES</u>					
Yield/Excavation Tax	1,990	1,990	753	1,237	100.0%
Interest & Penalties on Taxes	210,000	215,747	268,522	(52,775)	102.7%
Boat Taxes	16,550	17,001	16,693	308	102.7%
<u>INTERGOVTL</u>					
Highway Block Grant	277,616	278,612	272,719	5,893	100.4%
Rooms and Meals	673,023	673,023	617,641	55,382	100.0%

Year-End Financial Update

<i>Continued</i> SOURCES OF REVENUE:	Estimated Revenue	Actual Revenue	Actual Revenue	Increase (Decrease)	2014 % of Estimate
<u>LICENSES AND PERMITS</u>	For 2014	@ 12/31/14	@ 12/31/13	14-13	Received
M V Permit Fees	3,000,000	3,175,860	2,972,391	203,469	105.9%
Building Permits	200,000	234,393	192,741	41,652	117.2%
Other Licenses and Permits:					
Dog Licenses	19,650	20,003	19,530		
Animal Officer Fees	2,350	2,600	1,940		
Planning Board Fees	16,000	16,572	26,474		
Board of Adjustment Fees	7,800	9,036	6,598		
Town Clerk Miscellaneous	5,100	6,943	6,729		
Gun Permits	1,300	1,770	2,660		
Subtotal Other Licenses/Permits	52,200	56,924	63,931	(7,007)	109.0%
<u>CHARGES FOR SERVICES</u>					
Cable TV Fees	244,000	250,630	237,788	12,842	102.7%
Income from Departments:					
Special Duty-Contracted Police	24,000	40,486	30,263		
Welfare Reimbursements	1,200	1,800	3,260		
Community Dev Miscellaneous	5,300	6,941	5,502		
Police Dept Miscellaneous	4,000	3,401	11,936		
Ambulance Fees	230,000	249,089	258,600		
Fire Dept Miscellaneous	20,000	27,290	28,723		
Transfer Station Fees	60,000	54,405	72,511		
Police - Accident Reports	1,800	1,835	2,216		
Recreation - Swim Lessons	3,483	3,483	3,250		
Subtotal Income from Dept's	349,783	388,730	416,261	(27,531)	111.1%
<u>MISCELLANEOUS REVENUES</u>					
Interest on Deposits	3,800	5,119	3,059	2,060	134.7%
Sale of Town Property	41,500	34,845	17,314	17,531	84.0%
Other Miscellaneous Revenues:					
Intergovernmental Misc	5,000	9,315	7,221		
Other State/Fed Grants/FEMA	17,000	15,592	37,412		
Insurance/Other Reimb/Refunds	5,000	5,362	18,798		
Parking Fines	750	1,185	905		
Town Building Rent	2,600	2,975	3,950		
Selectmen Miscellaneous	6,000	10,439	3,173		
Donations	100	-	1,800		
Treasurer's Miscellaneous	1,000	1,354	1,130		
Town Clerk - Copy Fees	50	46	451		
Subtotal Other Miscellaneous	37,500	46,268	74,840	(28,572)	123.4%
Income from Revenue/Trust Funds	31,895	31,895	56,764	(24,869)	100.0%
Income from Other Sources:					
Conservation Funds	160,000	160,000	-	160,000	100.0%
Highway Truck Grant Funds	144,000	-	-	-	0.0%
Grants/Donations Accepted/Expended	0	2,859	15,638	(12,779)	100.0%
TOTAL REVENUES	6,143,857	6,273,896	5,227,055	1,046,841	102.1%

Year-End Financial Update

General Fund Balance Sheet / Municipal Debt

Presents estimated year-end balances for asset, liability and fund balance accounts:

- General fund assets are primarily limited to cash on hand and uncollected property taxes; investment of these cash balances is limited due to timing of requests for payment to the Windham School District.
- General fund liabilities are primarily made up of remaining amounts owed to the School district for the school portion of taxes raised; this amount will be transferred to the School District in increments from January to June 2015.
- Fund balance represents the difference between assets and liabilities (i.e. it does not represent a “cash balance” in a bank account); changes in fund balance from year to year are impacted favorably by unexpended budget amounts and revenues exceeding budget (as discussed above), however, the change in fund balance is also affected by changes in receivables, payables and deferred revenues throughout the year. See below for balance sheet and prior year budgetary fund balance details:

BALANCE SHEET – General Fund as of December 31, 2014

Unaudited

ASSETS

Cash	\$18,765,384
Taxes receivable, net	2,641,291
Accounts receivable	148,745
Due from other funds	1,895
Due from other governments	7,950
Restricted cash - performance bonds	344,789
Other assets	28,952
Total Assets	\$21,939,006

LIABILITIES & FUND BALANCES

Liabilities

Accounts payable and accruals	\$ 11,345
Deposits	344,789
Deferred revenue	203,201
Due to other funds	3,905
Due to other governments	19,813,976
Total Liabilities	20,377,216

Fund Balances

Nonspendable fund balance	18,749
Committed fund balance	317,461
Assigned fund balance	409,757
Unassigned fund balance	815,823
Total Fund Balances	1,561,790

Total Liabilities & Fund Balances	\$21,939,006
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Year-End Financial Update

Unassigned Fund Balance History:

End of year budgetary basis fund balance (per annual audited financial statements):	2013	2012	2011 (restated)	2010
Available for tax rate setting	\$734,024	\$736,411	\$866,129	\$734,689
Amount used to reduce next year's tax rate	\$434,024	\$436,411	\$602,311	\$434,689
Remainder	\$300,000	\$300,000	\$263,818	\$300,000

Town Debt (reflected in Town-wide financial statements, not fund statement presented above):

Original Issue: \$700,000 / July 2014 / Enterprise Bank / Interest Rate of 3.91%

Purpose: Purchase Campbell Farm Property

Repayment: It is expected that the Conservation Commission will allocate funds from the Conservation Land fund each year, to make the payment bond payment, thus Town budget funds should not be required to pay the debt service throughout the term of the bond.

	Year	Principal	Interest	Payment	Balance
					700,000.00
2015	7/1/15	59,684.16	26,095.23	85,779.39	640,315.84
2016	7/1/16	60,674.45	25,104.94	85,779.39	579,641.39
2017	7/1/17	63,115.42	22,663.97	85,779.39	516,525.97
2018	7/1/18	65,583.23	20,196.16	85,779.39	450,942.74
2019	7/1/19	68,147.53	17,631.86	85,779.39	382,795.21
2020	7/1/20	70,771.10	15,008.29	85,779.39	312,024.11
2021	7/1/21	73,579.25	12,200.14	85,779.39	238,444.86
2022	7/1/22	76,456.20	9,323.19	85,779.39	161,988.66
2023	7/1/23	79,445.64	6,333.75	85,779.39	82,543.02
2024	7/1/24	82,543.02	3,236.37	85,779.39	0.00
		\$700,000.00	\$157,793.90	\$857,793.90	

During 2014 the Town entered into a lease/purchase arrangement for Police and Fire vehicles, and continues to make payments on previous leases for Highway and Fire equipment, the annual principal and interest payments for which are contained in the Town's annual operating budget. In addition in 2014, the Town entered into a 3-year lease agreement for the purchase of a new ambulance, with funding for the annual payments being proposed to voters each year through the Town's Capital Improvement Program.

Additionally, the Town entered into a \$2,000,000 Tax Anticipation note in 2014. This note was structured as a line of credit and was available to assist the Town with its cash flow needs, however, working cooperatively with the Windham School District, the Town was able to meet its cash flow requirements without drawing on this line of credit during 2014. The Town intends to renew the line of credit for an additional year. Interest will be paid at a rate of 2.89% (subject to adjustment), only on balances drawn.

Year-End Financial Update

Special Fund Summary

Presents year-to-date activity for all non-general fund accounts, which are designated for a specific purpose:

Special Funds	1/1/14	Income	Disbursements	Interest	12/31/14
Cable TV Trust Fund	279,882.60	22,000.00	19,465.00	347.73	282,765.33
Searles Special Revenue	7,938.20	27,088.25	20,458.07	20.64	14,589.02
Searles Donation Fund	5,382.15	16,597.00	21,824.00	9.43	164.58
Expendable Health Trust	164,468.63	433,035.45	451,220.51	235.93	146,519.50
Cemetery Operation Fund	109,443.39	1,200.00	0.00	166.83	110,810.22
Conservation Land Trust	639,382.71	334,254.46	667,811.72	526.46	306,351.91
Road Bond Fund	9,244.18	0.00	0.00	9.13	9,253.31
Law Enforcement Fund	969.98	0.00	0.00	0.96	970.94
Town Clerk Special Acct	3,043.39	8,367.31	11,411.00	0.30	0.00*
Conservation Special	2,157.57	0.00	0.00	2.19	2,159.76
Recreation – Lacrosse	21,747.14	47,037.92	45,025.52	10.06	23,769.60
Recreation – Programs	9,060.58	73,895.64	75,227.30	8.05	7,736.97
Police Public Safety Rev	55,784.05	404,862.50	385,586.94	121.39	75,181.00
Police Fed Forfeitures	23,546.54	0.00	21,305.66	5.45	2,246.33
Fire Public Safety Rev	26,759.51	29,857.62	24,298.37	32.90	32,351.66
Subdivision Escrow	87,291.45	69,140.25	55,334.92	82.77	101,179.55
Miscellaneous	6.24	0.20	6.44	0.00	0.00*
School Impact Fees	335,580.58	100,976.00	200,000.00	185.66	236,742.24
Police Impact Fees	53,306.54	13,717.92	519.02	48.71	66,554.15
Fire Impact Fees	62,788.38	28,577.08	0.00	61.06	91,426.52
Rte 28 Emerg Resp Fund	11,250.92	0.00	0.00	19.21	11,270.13
Rail to Trail Fund	100.37	0.00	0.00	0.08	100.45
Grand Total	\$1,909,135.10	\$1,610,607.60	\$1,999,494.47	\$1,894.94	\$1,522,143.17
Trustees of Trust funds:					
Property Trust	\$36,117.98	\$50,000.00	\$85,774.63	\$3.65	\$347.00
Earned Time Expend Trust	\$158,988.91	\$30,000.00	\$0	\$14.20	\$189,003.11
Museum Trust	\$4,560.13	\$0	\$0	\$0.48	\$4,560.61