

Town of Hampton



February 8, 2008

To: Town of Hampton

From: Mike Schwotzer, Finance Director

Subject: Un-audited Financial Reports – 2007

Due to a change in governmental auditing procedures/requirements, our auditing firm, Plodzik & Sanderson, can no longer complete their testing and review within a short enough timeframe to allow inclusion in the Hampton's Annual Report. This issue was discussed at several Board of Selectmen's meetings and it was agreed that I would submit the following pages which follow the same format as reported monthly.

The first three pages, **revenue**, show the total received exceeding the budget by almost \$306k or 4.8%. This was due mainly to the Real Estate Trust Income (bottom of the third page) being booked at a record level, \$203k above the budget amount. For further details on these monies, please turn to the Trustee of the Trust Funds' report.

The next page (1 of 1) lists the **expenditures** by major line item. The column labeled ''07 Actual' is 4% lower in total when compared to the Budget. The 2007 PO column (\$601.6k) is to the amount "encumbered" by the Selectmen at the end of the year. For comparison purposes, the same number in 2006 was \$634.9 (the listed '06 total of \$520.7k is now lower due to some POs expiring or not being spent as anticipated).

The **departmental savings** report shows that in aggregate, the departments were 3.2% or \$682.2k below budget when the effect of monies spent on grants is negated. When the final audited statements are prepared, the budget for grants will be increased due to their non-anticipated nature. This adjustment to the budget will verify these calculations but in a slightly different manner.

The next fifteen (15) pages list the **expenditures** by line and sub-line items. Positive and negative variances from budget occur in every department. That is not unusual due to a budget being an estimate of what will occur / need attention up to eighteen (18) months in the future. These variances are also exacerbated by the fact that their base numbers were generated several years ago and have been adjusted only by the rules for default budgets and not prepared by the responsible managers.

The final four pages cover the major **Revolving Funds**. The first fund, Recreation, showed an end of the year balance increasing by a little over \$3k with fees received covering the costs of the programs provided during the year. The Cable Committee spent slightly more on equipment and broadcasting expenses than was received as Franchise Fees but maintains a significant balance of \$103.5k. The PD Private Detail Fund received more income than expended and so ended the year with \$60.1k which is available for future expenditures related to the Police Department. Lastly, the Emergency Medical Services (EMS) Fund increased in a similar fashion with an end-of-the-year balance of \$286.6k

When the final audit is completed, estimated to be the end of April, it will be scanned and made available on the Town's Web site.

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