

Date: November 5, 2007

To: Hampton Board of Selectmen cc: Fred Welch; Budget Committee

From: Mike Schwotzer

Subject: October '07 Income / Expense Statements / Revolvers

Attached is a copy of the Income and Expense Statements for the month ending October 31, 2007. The first three pages detail the income; the next page (numbered 16 of 16) is the summary by department; the next page is entitled: "Calculation ... YE Savings" and shows how I calculate the estimated year end under spending; the next fifteen pages (numbered 1, 2, ... 15 of 16) are the expenses by line item; then the remainder is the revolving accounts (Rec.; Cable; Detail; and EMS). The 2007 budget column uses the default budget as adjusted by the BoS.

Due to a tight reporting schedule, this month's written comments will be in an abbreviated fashion, but when I appear before the Board of Selectmen on November 19th, I will try to answer any questions that have arisen.

Notable items:

- I still believe that total Income for the year will be 97–98% of the budgeted level. If you add to the current YTD total (\$4,538.2k) the second State Shared Revenues payment (December @ \$72k), Rooms & Meals at budget (\$554.5k), two more "average" months of Motor Vehicle Fees (\$453k), plus the budget payment from the Trust Funds (\$545k), you will end the year around \$6.16M vs. a budget of \$6.37M. This does not take into account any of the other departmental sources that will continue through the last two months of the year.
- The Expense summary (marked 16 of 16) shows the year to date expenses by department. At the end of October, the operating departments (without Debt Service) were 2.96% or \$635k (annualized) below budget. I am using the revised calculations I introduced in September (see next page) to remove the effect of money spent on "Grants" (the majority being FEMA money). I believe that this month's level of estimated year end departmental savings (in the 3% area) is sustainable. I will be continually monitoring this during the last quarter and especially the final weeks of the year.
- On pages 1 through 15, the majority of the departments are below the 83% level and don't have any major issues. A few sub-

departments “appear” to be over budget due to the booking of the Grant and April Storm costs. At year end, the auditors will “increase” the budget in an amount equal to the money received from grant agencies which cover these expenditures.

- In October, \$2.0M in TANs was borrowed, a month later than in 2006. Once the tax revenues start to be collected this month, these will be paid off with the accompanying interest expense.
- On page 15 of 16, at the bottom, \$423k of the 2006 encumbered POs still remains open. Of this, open Warrant Article account for \$325k, \$48k for engineering (non-FEMA covered expenses), \$18k in the PD (all POs are active) and \$31k in other, the majority being issued by PW. Most of these should be completed or will be liquidated by the end of the month.
- With regards to the revolving accounts (Funds 024 - 027), the income shown for the EMS fund (027) only reflects seven plus months vs. ten months of expenses. Comstar’s report (copy attached) runs a month behind on average. Additionally, billings were hampered by a lengthy loss of the internet connection (now fixed with a new phone line) by the FD. A major effort to file all the delayed reports is underway.