



# **Quarterly Financial Report**

FY2024 Q1

*Submitted to the Select Board and Finance Committee*

*By the Carlisle Financial Management Team*

## Introduction



This report summarizes a review of the town's quarterly performance. The goals of this report are financial transparency and information sharing with town decision makers. The report contains four financial reviews:

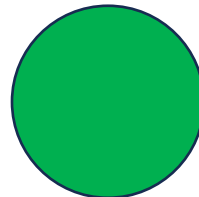
- Operating expenses
- Revenue performance
- Capital/Services updates
- Financial monitoring




This report's narrative serves as a quick glance guide; however, a full review is available in excel form and attached. The green-highlighted items indicate financial areas with little to no concern. The yellow-highlighted items indicate items the financial management team is monitoring. The red-highlighted items indicate issues that must be addressed before the fiscal year closes.



### Operating Budget Expenses



Overall, the operating budget is performing as expected. Although town departments have expended 26.57% of appropriated funds as of September 30, 2023, large payments to include the annual retirement assessment, liability insurance, and several software contracts inflates this percentage. If you remove these expected Q1 expenses, town departments will have spent less than 25 percent of the budget.

*Concerning Line Items* 

#### **Treasurer Collector**


A one-time retirement payment made this fall will require an end-of-year transfer

### **DPW Road Maintenance**

Deferred line painting (3-years) caused this line to exceed expectations. While it may require additional funding, we are not recommending a transfer at this time.

### **Liability Insurance**

Although we increased this line item in FY24, it did not match actual costs. We expect this line to be in deficit by \$5-15k by year end and must be accounted for in FY25 calculations.

*Monitored Budget Items* 

### **Town Hall Maintenance**

This line is currently exceeding expectations, but only due to software contracts. There are no long term concerns for this budget item.

### **Assessors**

This line is currently exceeding expectations, but only due to a software contract. There are no long term concerns for this budget item.

### **Library**

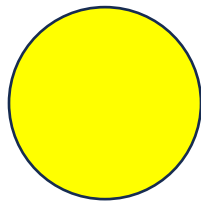
This line is currently exceeding expectations, but only due to an automation contract (Merrimack Valley). There are no long term concerns for this budget item.

### **Unemployment Insurance**


Regulation and state guidance requires that we pay UE claims even when they are likely fraudulent. Our finance team monitors these closely and returns funding when claims prove fraudulent. There are no long term concerns for this budget item.



Revenue



Q1 revenue receipts are slightly below budgeted projections. However, large revenue drivers like motor vehicle excise tax payments and transfer station stickers do not begin until calendar year 2024. There are no long-term concerns with our revenue projections based on Q1 findings.

*Concerning Line Items* 

**Building Permits**

Permit funding is lagging historical trends, resulting in less projected revenue. The Financial Management Team is monitoring this account.

**Septic Licenses**

Needs further investigation.

**Veteran Benefits**

Carlisle does not have any current Chapter 115 clients; therefore, this line is over projected. This is a moving target so budgeting for this must be conservative.

*Line Items Needing Further Research*

**Solar Lease**


This is a 20-year contract and should be added to the annual revenue projections.

**Elderly and Veteran Abatements**

Needs further investigation.

**Charging Stations**

This is not accounted for in town revenue projections and should be added.

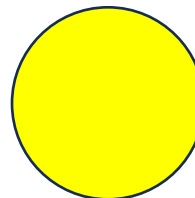
*Monitored Budget Items* 

**All Yellow Highlights**

None of the items identified in yellow present any concerns or deviation from past expectations. Future improved reports will further define how carefully these line items need to be monitored, but for now, they are watched, but not concerning.



**Capital and Professional Services**



While there are no financial monitoring concerns with the town's capital and professional services line items, the Finance Team is committed in FY2024 to improve project monitoring to

ensure timely completion, staff assistance, and adherence to the town's financial management policies to include Free Cash generation.

**Professional Fees (Various)** 

Will provide funding for Chart of Account and GIS projects in FY2024. Further refinement of the plan for these funds will be necessary.

**Munis Cash Module – ATM 4/25/22** 

Project nearing completion. Actively managed by the Finance Team with an anticipated close out date of June 1, 2024.

**Tax Title & Foreclosures** 

Annual appropriation (town meeting) to assist the Treasurer Collector with tax-title management. Properly monitored.

**Master Plan** 

Remaining funds from the original Master Plan. Repurposing these funds for implementation with an anticipated close out date of June 1, 2024.

**Municipal Facilities Warrant Articles** 

This is a combination of several Town Meeting Warrant articles appropriating funds for MFC use. While there are no financial control concerns with this funding, these articles do need reconciliation with the operating budget and long-term capital plan.

**Town Hall IT Equipment ATM 5/8/23** 

Replacing employee and Town Hall systems is underway with an anticipated close out date of June 1, 2024.

**Greenough Barn ATM 5/8/23** 

The RFP for this project is nearing completion. Next steps include soliciting and awarding bids. Spring 2024 is the anticipated construction date with the anticipated account closure date being summer 2024.

**Internal Security Cameras ATM 5/8/23** 

The Town Administrator is working with the school department to procure new security camera equipment with an anticipated close out date of June 1, 2024.

**Corey Auditorium Lighting - ATM 5/8/23** 

Procurement to begin in November 2023 with an anticipated close out date of June 1, 2024.

**Police Cruiser - ATM 5/8/23** 

Project complete. Excess funds will be returned to the general fund (Free Cash).

**AFIS Machine - ATM 4/25/22**



Procurement complete (state contract). Expected delivery date in winter 2023 with an anticipated funds close out date of June 1, 2024.

**Firearms - ATM 4/25/22**



Procurement complete (state contract). Delivered in October 2023 with an anticipated funds close out date of June 1, 2024.

**Fire UTV Trailer - ATM 4/25/22**



Project complete. Excess funds will be returned to the general fund (Free Cash).

**Fire Hose - ATM 5/8/23**



Project is still in the procurement phase with an anticipated funds close out date of June 1, 2025.

**DPW Dump Truck - ATM 5/8/23**



Procurement complete (state contract). Expected delivery date for this item is winter 2024 with an anticipated close out date of June 1, 2024.

**BOH Water Resource Protection - ATM 5/2017**



This account carries over annually to assist the Board of Health with town water quality monitoring and management. It is reconciled annually and monitored by the department and the Financial Management Team.

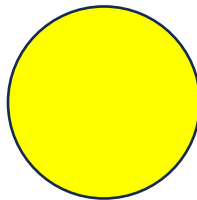
**Encumbrances (FY23 FUNDS)**



The Town Accountant authorizes and monitors encumbrances requested by departments. These funds exist to support pre-approved FY23 projects in the new fiscal year. These funds close to the general fund in June 2024.



**Financial Monitoring**



Town Officials and the Financial Management Team are committed to providing transparent budget reporting and adherence to the town's published financial policies.

**Town Reserves**



Town policy requires setting aside 12 percent of the annual operating budget in reserve. As of September 30, 2023, the Town has \$5,897,676 in reserve or 17.29%,

FY24 Operating Budget \$34,104,340

Stabilization as of 9/30/23 \$1,271,946

Certified Free Cash as of 9/30/23 \$4,625,730

**Cash Reconciliation** 

Town policy requires reconciliation of cash receipts between the Treasurer and Accountant within 30 days of the end of a month.

Cash is reconciled as of 9/30/23.

**Internal Audit** 

Town policy requires quarterly internal auditing of cash receipts and by the Financial Management Team. This is a new policy that the Financial Management Team is looking to establish by the end of quarter two.

**Department Reconciliation** 

The Town Accountant reconciles expenditures and revolving funds with departments monthly. Not every department responds to this request. The Financial Management Team recommends reinforcement of this monitoring procedure from the Finance Committee and Select Board.

Last budget versus actual was sent to departments for September 2023.

**External Audit** 

The town procured a new auditing firm for FY23. Marcum initiated their FY23 engagement in August and has started their virtual inspection. Marcum's field work will begin in early November with a public presentation of their findings scheduled for January 2024.