



# TOWN OF BARRINGTON

## NEW HAMPSHIRE

Office of the Town Administrator

### 2023 Second Quarter Financial Analysis

#### July 19, 2023

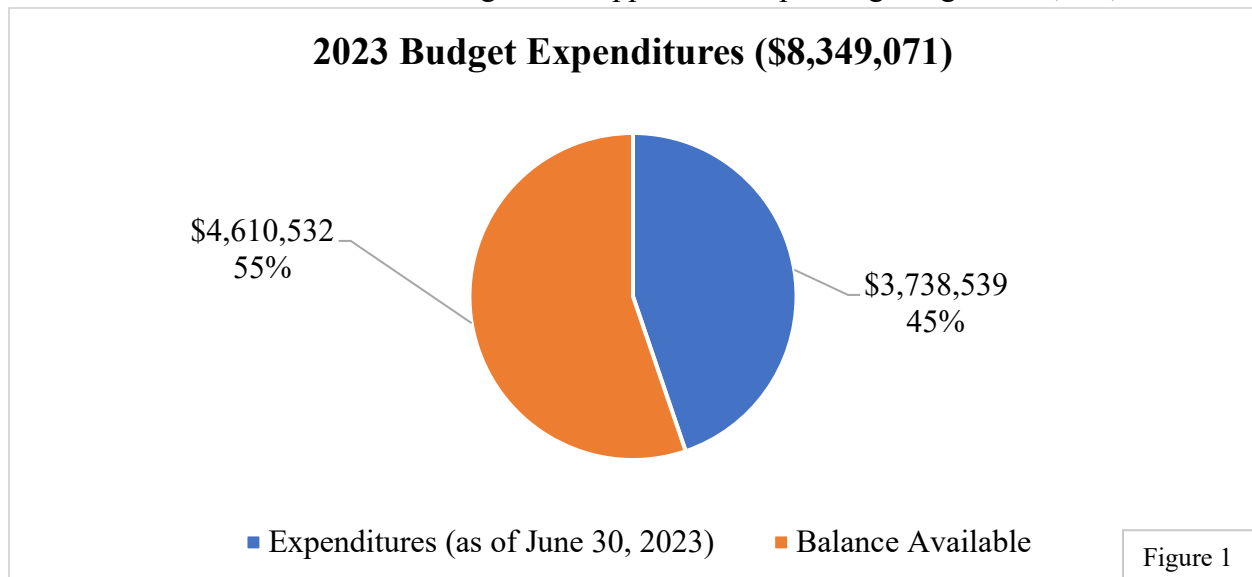
The 2023 operating budget was approved at Town Meeting on March 28, 2023. The total operating budget was \$8,349,071 (Article #8: \$8,279,529 + Article #22: \$69,542) with an estimated \$4,229,535 in offsetting revenue. The data and analysis below is based on June 30<sup>th</sup> numbers representing 50% of the Town's fiscal year.

#### Executive Summary

The Town is in a comfortable financial position with expenditures and revenues meeting expectations. The 2023 operating budget expenditures represent 45% of the approved budget and 2023 revenue collections represent 47% of the estimate.

#### 2023 Q2 Expenditures

At the March 28, 2023 Town Meeting, voters approved an operating budget of **\$8,349,071**.



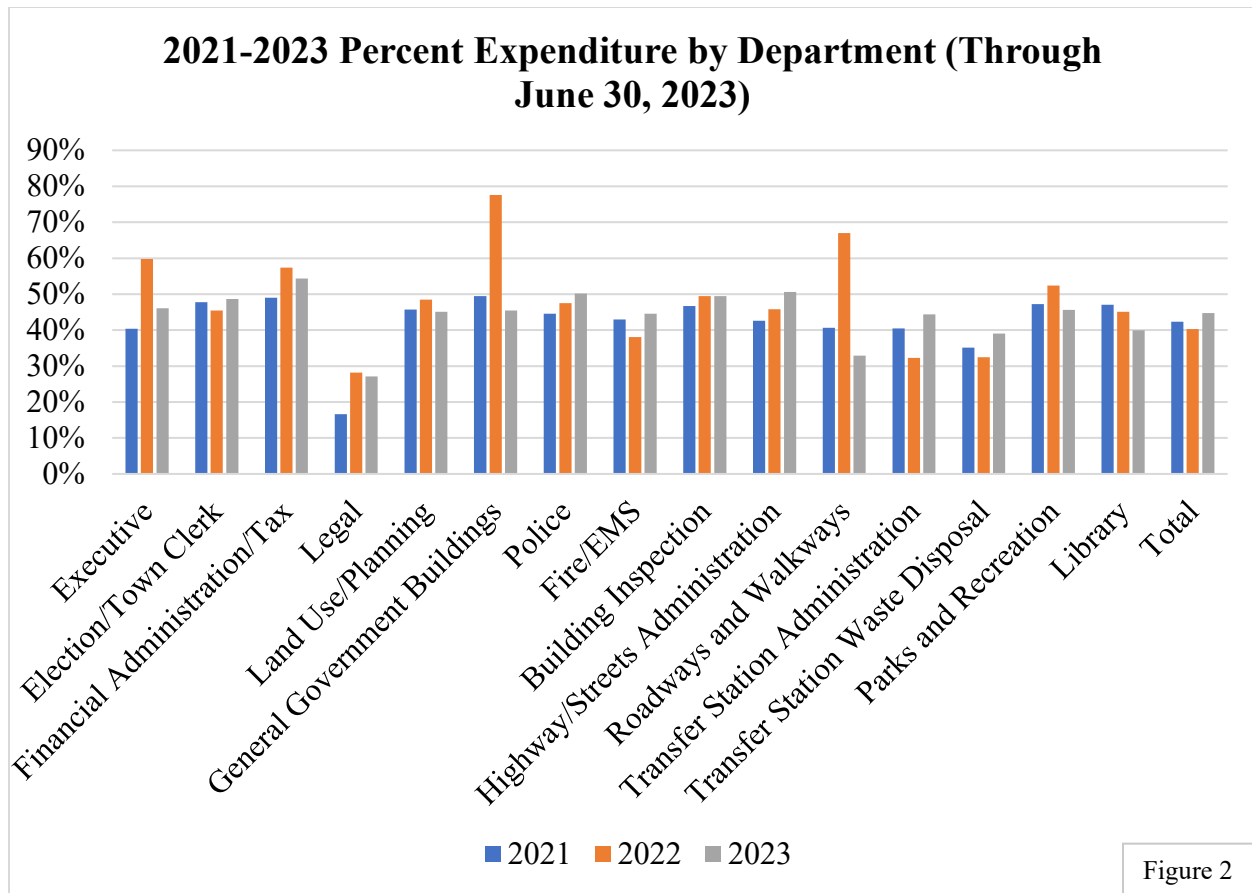
The chart above (**Figure 1**) illustrates that the Town has expended \$3,738,539 of the approved operating budget and has \$4,610,532 remaining. Expenditures currently total 45% of the approved budget and represent some one-time annual contract payments (insurance, for example). The Town is comfortably within budget and tracking consistently with previous years (2020: 45%, 2021: 42%, 2022: 40%).



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The chart above (**Figure 2**) demonstrates the percent of 2023 budget expenditures of most departments as compared to 2021 and 2022. This data shows that most departments are in line with expected expenditures and below the 50% benchmark. Financial Administration/Tax is trending higher than 50% because we completed our audit sooner and more assessing work (vs. revaluation work) has been accomplished in the first half of the year. Roadways and Walkways is much different than 2021 and 2022 and below 50% due to the timing of the paving work being completed (timing can be impacted by weather and our wet summer has delayed paving projects). All other departments are tracking in line with the approved budget and prior year expenditures.



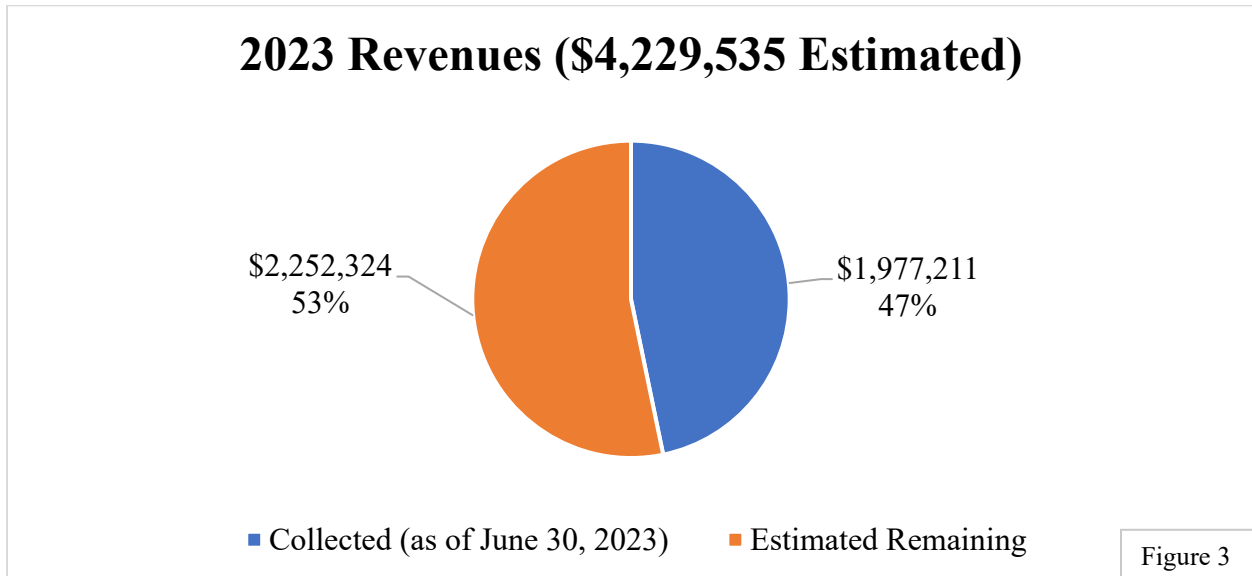
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## 2023 Q2 Revenues

Municipal revenues offset services and expenditures. Revenues are estimated throughout the budget cycle and finalized estimates are provided during tax-rate setting. The tax rate is set based on the amount of money necessary to fund appropriations after accounting for all revenue sources.



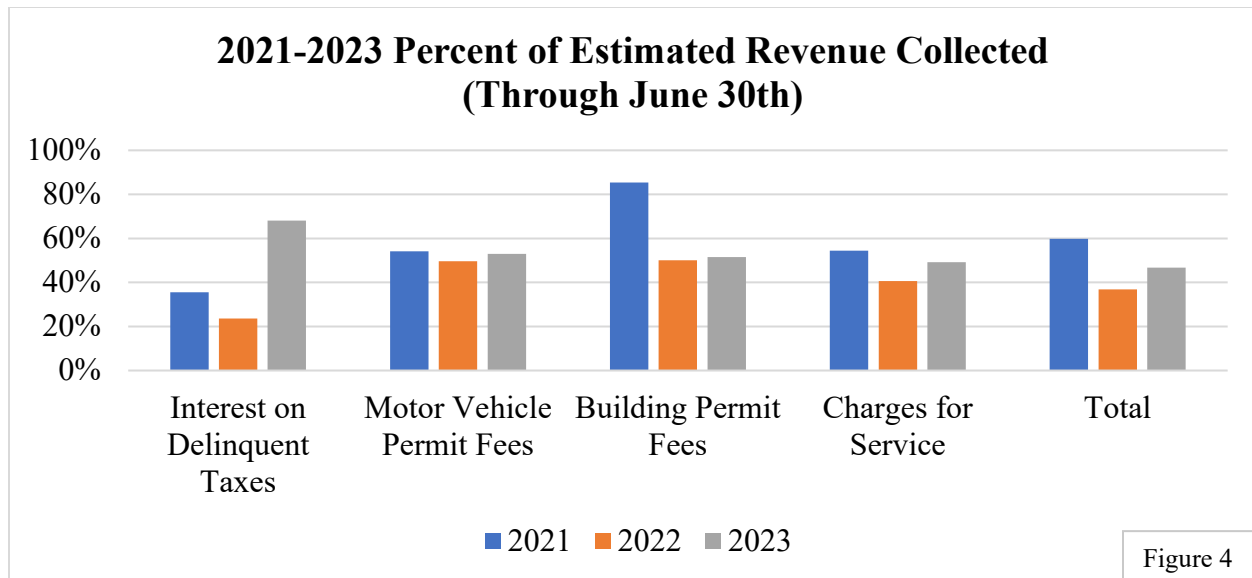
The chart above (**Figure 3**) illustrates that the Town has collected 47% (\$1,977,211) of the estimated revenue and has \$2,252,324 remaining. The largest outstanding revenue item is State funding (Rooms and Meals and Highway Block Grant) which is typically collected in Q4. Based on the State's increase to Rooms and Meals Tax distribution the State funding represents 25% of our overall revenue in 2023. Figure 4 demonstrates a more specific review of locally collected revenue sources.



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The chart above (**Figure 4**) represents the percent of the estimated revenue which has been collected as compared to the same data from 2021 and 2022. The specific categories presented account for 84% of the locally collected revenue (63% of all revenue). During the COVID-19 pandemic, the Town experienced lower property tax delinquencies, resulting in lower revenue from interest on delinquent taxes. Collection rates have returned to normal levels (slightly higher delinquency) which has resulted in additional revenue from interest on delinquent taxes. This trend can be seen in Figure 4. In 2021, the mild spring and building permit fee increase contributed to an abnormally high revenue collection, the 2022 and 2023 collection returned to 50% as expected. The only large revenue item different in 2023 vs. 2021 and 2022 is interest on investments. In 2021/2022, we budgeted/collected less than \$10,000 in interest. So far in 2023, we have collected nearly \$150,000 in interest. This interest helps to offset resident appropriations, resulting in a lower property tax rate. We are on track to meet or exceed most revenue categories.