

**REPORT OF THE FINANCE COMMITTEE
FOR THE
TOWN OF WORTHINGTON
2018 ANNUAL REPORT**

The intent of this report is to provide information on the results of operations on the most recently ended fiscal year, [Fiscal Year 2018], which closed June 30, 2018 and a status report on the current Fiscal Year 2019 budget.

FISCAL YEAR 2018

The tax levy for Fiscal Year 2018 was 2,713,451.37 with a resulting tax rate of 15.82. The town taxed under its levy limit (unused taxing capacity) by 135,183.63. The average single family residential value was 246,404.00 and the average single family tax bill was 3,898.11. This resulted in a 42.68 dollar decrease for the average single family tax bill. At year end actual local receipts exceeded estimates by 131,339.72 and unspent appropriations in the amount of 133,584.71 were closed. It should be noted that this amount is net of a school choice assessment deficit of 7,100.00 which was the result of the actual FY2018 school choice assessment being 7,100.00 higher than what was budgeted. The school choice assessment is a charge to the town for children who live in Worthington but opt to go to another school system for which the town must pay. As a result of operations the 7/1/18 Free Cash was certified at 302,112.00.

Each year the Reserve Fund is created by an appropriation at Annual Town Meeting pursuant to M.G.L. Ch.40, s.6. Its' purpose is to provide funding for extraordinary or unforeseen expenditures. Transfers by formal requests are approved or disapproved by the Finance Committee. To approve a transfer from the fund to another appropriation, the Finance Committee must find that the request is for either an extraordinary or unforeseen purpose and not just because the appropriation is depleted or overspent. In Fiscal Year 2018, 10,000.00 was budgeted in the Reserve Fund and six transfers were approved that totaled 1,712.10. The following is a list of the approved Fiscal Year 2018 Reserve Fund Transfers:

No. 1	Finance Committee Expense	5.00
No. 2	Accounting Software	209.02
No. 3	Tax Title Foreclosure Maintenance	104.37
No. 4	Council on Aging	50.76
No. 5	Selectboard Expense	1,315.00
No. 6	Building Inspector Expense	27.95
	Total:	1,712.10

FISCAL YEAR 2019

The Fiscal Year 2019 Annual Town Meeting and one Special Town Meeting held in October approved a total of 4,197,845.60 in appropriations. The town operating budget totaled 1,699,393.25; the town school budget totaled 1,103,087.35 and vocational education totaled 192,933.00. The town also appropriated 84,299.00 to Gateway RSD as the town's share of Gateway debt. This resulted in a grand total operating budget of 3,079,712.60. This was an 113,363.25 dollar increase and a 3.82 percent increase from the prior year. The school budget represents 35.82 percent of the total town operating budget. If we add the vocational education amount to the town school budget total, the total education budget represents 42.08 percent of the total town operating budget. It should also be noted that there are other school related costs that are not appropriated in the above mentioned school budget but are contained in other operating appropriations such as the cost of the Conwell building and fringe benefits for school employees. The Conwell building appropriation totals 102,500.00 and fringe benefits such as health insurance total 124,222

which is included in the Group Insurance appropriation. In addition, as mentioned above the town is charged an assessment from the State for the cost of Worthington students that through the School Choice Program attend schools in other towns. This assessment per the Fiscal Year 2019 cherry sheet is 350,274.00 and while it is not appropriated at town meeting, it is added to the town's budget.

In addition to the operating budget, the town appropriated a total of 559,875.00 from the General Stabilization Fund. The amount of 210,000.00 was appropriated for a new ten wheel highway plow truck. Also 76,500.00 was appropriated for additional design services and 40,000.00 right of way costs relative to the reconstruction of route 143 and 172,325.00 for the Adams Road bridge. In addition, 8,000.00 was appropriated for a new box for the garbage compactor and 4,000.00 for site work for the new paper compactor. 43,050.00 was appropriated for the demolition of the Moran house and 4,000.00 to paint the north side of town hall. An appropriation of 2,000.00 was also made to equip two new police officers. To help replenish those votes, the town voted the sum of 278,618.00 from Free Cash into the General Stabilization Fund. The town also appropriated the sum of 33,840.00 from a balance in the Fiscal Year 2018 Voced appropriation into the Conwell Stabilization Fund.

The revenue budget projected 727,308.00 in estimated receipts from state and local sources, 2,811,544.00 from property tax revenue, 278,618.00 from Free Cash, 559,875.00.00 from the General Stabilization Fund, 235,800.00 in "Chapter 90" state highway aid and 52,434.00.00 from other available funds.

The tax levy for Fiscal Year 2019 was 2,811,544.47 with a resulting tax rate of 16.30. The town taxed under its levy limit (unused taxing capacity) by 132,613.53. The average single family residential value was 247,439.00 and the average single family tax bill was 4,033.26. This is an increase of 135.14 from Fiscal Year 2018.

As always, we would hope that this report will help to inform you of town budget actions as well as other information that can be found on the Finance Committee's page on the town's web site <https://worthington-ma.us/municipal-directory/finance-committee/> . In closing, we also would like to thank all town departments for their help in the budget process and hope to see you all at the Fiscal Year 2020 Annual Town Meeting.

Respectfully submitted:

Joe Boudreau (Chair)
Paul Dunlevy
Gretchen Eliason
Bart Niswonger
Melinda Rose