

Memorandum - 1/18/21  
Finance Department  
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**FY21 Q2 Treasurer's Financial Report**

To: The Honorable Mayor and City Council

Please find the second quarter financial report for FY21 ending December 31<sup>st</sup>, 2020 in an unaudited format. Notable items are as follows:

**General Fund (Governmental Funds)**

The City's General Fund projects a \$168,000 surplus through the FY21 fiscal year, a sizeable improvement of \$70,000 over last quarter's report and includes revenue projections exceeding that of the original budget established two years ago. 88% of projected revenue for the fiscal year has already been recognized reducing the risk of drastic changes to these projections but the negative impacts of COVID-19 still remain very prevalent particularly for our small businesses in Winooski.

Total property tax revenue has been revised down by \$9,000 due to isolated Errors & Omissions adjustments but service charges mentioned in prior reports including building permits continue to expand as commercial interest in Winooski remains strong. Other important revenue items to note include continued rental income from the O'Brien Community Center with FY21 projections only 5% off from budget and \$109,000 of revenue from the sale of 10 Cedar Street which is almost balanced out by the related insurance claim expense.

General fund related expenses have consumed 41.8% of the budget, .1% lower than the same period year over year and fiscal year projections remain \$111,000 under budget. Partial position vacancies throughout a couple departments and operational expenses pertaining to the Myers pool have provided monetary savings but health care costs while currently below budget always present the risk of drastically changing the expense forecast.

**Enterprise Funds**

The Water Fund (Fund 201) projects a surplus of \$60,000, flipping the prior deficit around as water charge revenue estimates have expanded slightly and newly recognized miscellaneous revenue contributes another \$84,000 which consists of allocation fees charged to new developments. Typically loan proceeds can distort surpluses however the additional loan proceeds were nearly matched by Hickok Street improvement costs which indicates that the surplus is operational and not a result of accounting or timing trickery.



The Wastewater Fund (Fund 205) still projects a deficit of \$33,000 but the removal of loan proceeds and the corresponding expenses results in an operation surplus above \$50,000. Salary expenses are right on target just below 50% of their annual budget and expenses utilizing beyond their budget are either related to the loan proceeds or are limited in overall impact such as professional services and collection system maintenance.

The Combined Parking Garage Fund (Fund 207) has closed the potential gap in unrecoverable income from \$245,000 for the 2021 fiscal year to \$185,000. The revenue calculations used to predict this are conservative in nature adjusting appropriately for any holiday volume which leaves room for even further improvement during the next quarter. Despite the vast expense budget, there was only a \$20,000 increase over last quarter with a majority of that being credit card fees which are thought of as a cost of goods sold outside of government accounting.

The Community Services Fund (Fund 400) has improved its estimated deficit by \$14,500 from last quarter with a new projected deficit of \$26,700. Significant items include COVID-19 related grant revenue for the Thrive Afterschool Program and a corresponding increase in part-time salaries.

The TIF Fund (Fund 600) is projected to close with a deficit of \$270,800, a minor improvement over the last quarter report as income from the VT State College PILOT tax program increased. The TIF fund is not budgeted to break even so this deficit does not represent any misappropriation of funds.

The Rental Registry Fund (Fund 702) projects a deficit of \$69,500, only \$1k greater than the prior quarterly report. The additional rental registry revenue also mentioned is still possible but none has been recognized yet.

The Community & Economic Development Fund (Fund 805) projects a surplus of \$26,000 for the 2021 fiscal year, a minor contraction from the prior treasurer's report as expenses settle slightly higher. As mentioned in the prior report, little deviation is expected for this fund.

This report covers the second quarter of the 2021 fiscal year but represents the fourth quarter to be impacted by COVID-19. Although the full impacts of COVID-19 remain unknown, no drastic measures have been required to maintain reasonable cash balances in the general fund which currently stands above \$3 million. As such, the City of Winooski continues to operate within financial expectations and the likelihood of significant costs due to the lack of liquidity remains low.

Thank you. Respectfully submitted,

Alexander Anastasi-Hill

