**MEMO**

**To:** Glenn Michalowski, Town Manager / Melanie Alexander, Assistant Town Manager

**From:** Samantha Bryant, Finance Director

**Subject:** Statutory Quarterly Finance Report

**Date:** July 11, 2023

Per Town Code:

*The finance director shall submit quarterly investment reports to the town manager and town council. The report shall list the institution, investment type, amount, interest rate, maturity, current market value (for maturities of over three months), and the aggregate rate of return on the investments for the quarter.*

*To ensure that adequate cash flows are available for town use, a cash flow budget report will also be required quarterly.*

*At the end of the fiscal year, the finance director will provide an aggregate report of the investments and the rate of return achieved.*

Per State Law 30A MRSA 5603.2.B:

*Upon request, provide an account of the finances of the municipality and exhibit the official records to the municipal officers or to any committee appointed by them to examine the accounts. The municipal officers shall examine the treasurer's accounts at least once every 3 months;*

Investment Report

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Institution** | **Investment Type** | **Current Value** | **Current Yield** | **Maturity** |
| Northeast Bank | Money Market Account | $2,011,414.39 | 4.85% | n/a |
| Portland Trust Co | Mutual Fund | $1,284,309.37 | 4.97% | n/a |
| Portland Trust Co | Mutual Fund | $1,112,753.65 | 4.97% | n/a |
| Lisbon Community Federal Credit Union | Savings Account | $5,918.61 | 0.20% | n/a |
| Lisbon Community Federal Credit Union | Certificate of Deposit | $21,216.14 | 2.75% | 7/15/24 |

Please also note that the Town’s operating accounts with Androscoggin Bank are earning 2.70%.

As this report is also the end of the fiscal year, here is an aggregate summary of investments and the rate of return achieved.

Investment Report

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Institution** | **Investment Type** | **6/30/23 Value** | **7/1/22 Value** | **Annual Return** |
| Northeast Bank | Money Market Account | $2,011,414.39 | n/a | 4.85% |
| Portland Trust Co IMA | Mutual Fund | $1,284,309.37 | $2,164,535.47\* | -40.67%\* |
| Portland Trust Co Pooled Sub Accounts | Mutual Fund | $1,112,753.65 | $1,047,238.09 | 6.25% |
| Lisbon Community Federal Credit Union | Savings Account | $5,921.56\*\* | $5,442.99 | 8.74%\*\* |
| Lisbon Community Federal Credit Union | Certificate of Deposit | $21,216.14 | $20,641.29 | 2.78% |

\*In March 2023, $943,885.33 was removed from this account.

\*\*An external deposit was made to this account.

Cash Flow Budget Report

On 4/1/23 there was $9,788,274.79 in the General Checking Account. On 6/30/23, there was $5,633,031.90, which was a decrease of $4,155,242.89. For comparison, on 6/30/22, there was $7,050,077.36.

The main reason for this decline was the $2,009,000 transferred from this account to Northeast Bank to secure a higher rate of return for Town funds as shown in the investment report. When factoring that in, available cash on 6/30/22 was actually ~$500k higher than at the same time last year largely due to a projected budget surplus.

The main causes of a budget surplus are motor vehicle, state sharing, and investment revenues are well above budget, while expenses overall largely were in line with budget.

Treasurer’s Accounts Review

Enclosed is an unaudited budget versus actual report for FY23.