

January 6, 2006

PRESS RELEASE

PRESS RELEASE

PRESS RELEASE

Town Administrator Sue P. Sheppard announced today that with the completion of the FY2004/2005 audit, the Town has realized a fiscal year operating surplus of \$406,282, bringing the total unrestricted fund balance to \$4,844,301 or 8% of the fiscal year 2005/2006 budget. The total fund balance is \$5,942,822 including \$479,254 reserved and restricted for both open space and capital improvements. The audit was filed with the Auditor General by the state mandated filing date of January 3, 2006.

Town Administrator Sheppard said, "Our audit results, once again, indicate our Town is fiscally strong and that many of our past deficiencies have been eliminated. Thanks to the fine work of Finance Director Stephen Woerner, Assistant Finance Director Donna Sullivan and with the cooperation of the School Department and Water Commission teams, this year's audit went smoothly and the result is a timely audit."

Town Council President Elizabeth Robinson noted, "This is the first time since I've been on the Town Council that the audit has been finished on time. I'm pleased that this goal was accomplished during my tenure as Council President, and I welcome the cooperative working relationship between Mr. Woerner, the administration, the School Department, and the Water Commission."

Finance Director Stephen Woerner added, "None of this could have been done without the fine work of the Finance Department staff. This achievement was accomplished with a year long effort by everyone to make sure our internal goals and auditing timelines were met."

The operating surplus occurred as a result of over budget revenues of \$1,213,173, which offset over expenditures of \$806,891. The extra 0.25% of video lottery revenue produced additional revenues of \$740,081 from Lincoln Park. There were also significant revenue increases from recording and building fees. These increases worked to offset tax collection deficiencies of \$413,914 which reflected tax abatements and the restriction by the State to the 5.5% levy requirement.

There were a number of expenditure variances including settlements of \$387,055 (A. T. Cross and Mental Health Services); rescue overtime of \$118,729 which reflect staff shortages; snow removal deficit of \$193,804; police surplus of \$92,763 reflecting attrition savings; and health insurance deficit of \$104,537.

The fiscal year 2004/2005 audit will be available on the Town's website in the finance section at www.lincolnri.org by January 15.

Contact: Sue P. Sheppard/Stephen Woerner
333-8420

###