



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

**Board of Finance Minutes
Regular Meeting Minutes
Wednesday, August 17, 2016
Colchester Town Hall @ 7PM**

MEMBERS PRESENT: Chairman Rob Tarlov, Thomas Kane, James McNair, Rob Esteve and Andrea Migliaccio

MEMBERS ABSENT: Andreas Bisbikos

OTHERS PRESENT: First Selectman A Shilosky, CFO M Cosgrove, Selectman D Mizla, BOE B Bernier, Tax Collector M Wyatt, J Kelley and Clerk T. Dean

1. Call to Order

Chairman R Tarlov called the meeting to order at 7:00 p.m.

2. Additions to the Agenda - none

3. Approval of Minutes: August 3 Regular Meeting

R Tarlov corrected item #11a, remove 'ad-hoc' from sentence "Also discussed the BOE budget committee meetings"

T Kane moved to approve the Regular Board of Finance meeting minutes of August 3, 2016, seconded by A Migliaccio. Unanimously approved with one abstention by R Esteve. MOTION CARRIED

4. Citizen's Comments - none

5. Correspondence - none

6. First Selectman

a. Transfer Requests

R Tarlov requested clarifications from M Cosgrove on Finance 1095 form transfer, Assessor travel budget, Town Clerk training and Registrar training, and benefits for elected officials.

R Esteve moved to approve the block of transfers as presented, seconded by T Kane. Unanimously approved. MOTION CARRIED.

b. First Selectman's Report - none

7. Department Reports

a. Finance

M Cosgrove updated the Board on the July monthly reports. Collection rate for the current year is at 98.49. Building permits collected will show on the next report for July. Health Insurance information requested by the Board should be ready by the second meeting in September.

b. Tax Collector

DMV issues continue, with 239 bills that had to be added due to their coding error. Expecting another 1,000 to be added. Delinquent notices sent on 9/1 for personal property. Continue to work with the collection agency. Lebanon Ave. house foreclosure will be town owned.

8. Liaisons

a. Reports

Rob Esteve reported on Board of Education – Special Education Director gave an update.

b. Discussion of Liaison Assignments

R Tarlov discussed commission that need a liaison due to R Esteve's resignation. Discussed commissions that is perceived as not having much relevancy to the BOF. The Board will decide on liaison assignments at the next meeting in September.

RECEIVED
TOWN CLERK
COLCHESTER, CT
AUG 18 PM 4:00

9. New Business

a. Charter Revision discussion as it pertains to BOF

Board discussed having seven member's vs six, and the potential result of a tie vote. R Tarlov stated that forcing a tie vote may encourage the Board to dig deeper on issues. Discussed term change from six to four years. The Board agreed that 4 years seems more manageable relative to completing two terms. All items discussed have been proposed to the Charter Revision Commission for review.

10. Old Business

a. Communication during off budget season – discussion and possible action

R Tarlov presented graphs and charts created for discussion on what the Board should be communicating to the public. Each graph was discussed in detail, graphs attached. A Migliaccio suggested that the graphs only indicate the peer group vs all towns to get a better picture. R Esteve stated to also only show schools with k-12 to get a more apples to apples comparison. J McNair suggested narrative detail to show what is driving the numbers and to have a better idea of the conception behind the numbers. Discussion on revaluation and how to explain to the public how the revaluation and mill rate relates to tax amount. M Cosgrove advised the Board to not think of the BOE as its own entity but rather as one department that is expense driven without revenue.

T Kane suggested that on the bottom of each First Selectman weekly eblast that there be a concept of the month that links to the information on the town website.

b. 2016-2017 BOF Goals and Objectives – review, amend and prioritize – currently working on A1 priorities. No additions to be made at this time.

c. Recreation Field Subcommittee - update – D Mizla stated that the draft should be wrapped up by the next scheduled meeting of the subcommittee.

d. Senior Center Subcommittee – update

Presentation conducted at Town Hall on 8/10 and the Senior Center Golf Tournament on 8/13. BOS sending proposed purchase to Town Meeting on 8/31 and referendum on 9/13.

11. BOF Vacancy

a. Vice Chairman – discussion and possible action

R Esteve is resigning from the Board and is Vice Chair. The Board does not need R Esteve to resign to vote on a new Vice Chair.

J McNair moved to nominate T Kane as Vice Chair to the Board of Finance, seconded by A Migliaccio. Unanimously approved 5-0. MOTION CARRIED.

b. Process to fill vacancy – discussion

R Tarlov stated that R Esteve has been a valuable member. He appreciates his objectivity and calming influence on the Board. The Town Clerk researched vacancy requirements and state statues call for a special meeting to fill a vacancy unless Town Charter states otherwise. The Board agreed that they would like to appoint Roberta Leporte to fill R Esteve's vacancy. Her resume was impressive and she's well for their support and he leaves with a heavy heart, as his job requires more of his time.

12. Citizens Comments - none

13. Adjournment

A Migliaccio moved to adjourn at 8:32 pm, seconded by R Esteve. Unanimously approved. MOTION CARRIED.

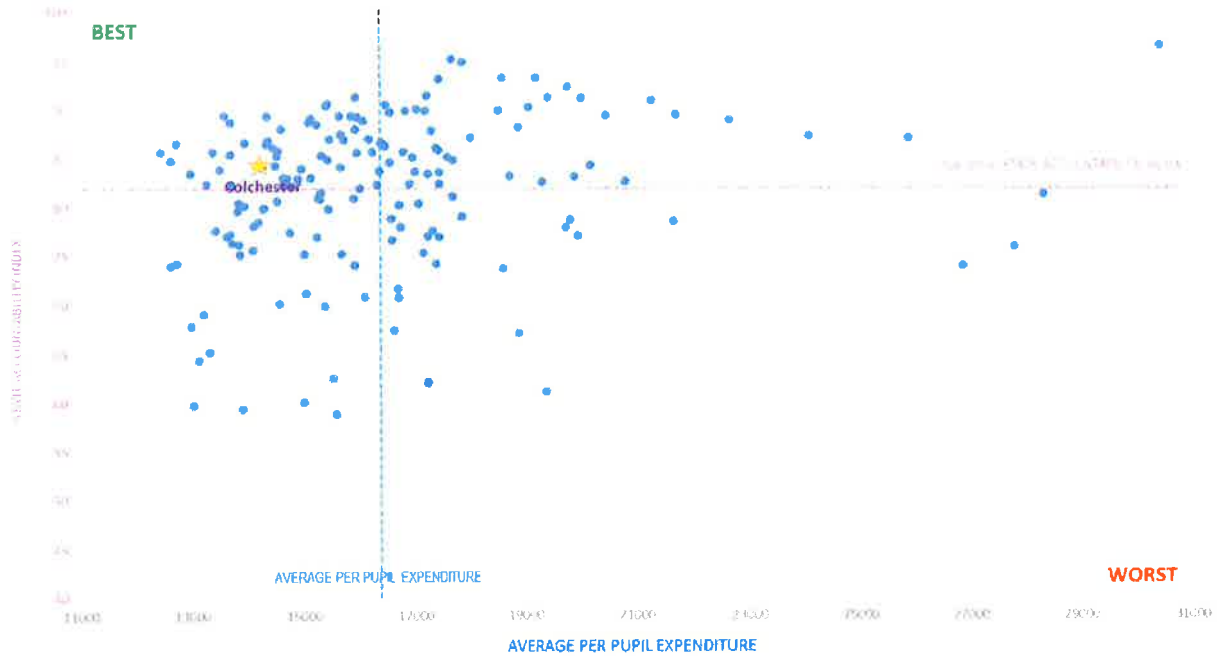
Attachment: Charts (21)

Respectfully submitted,



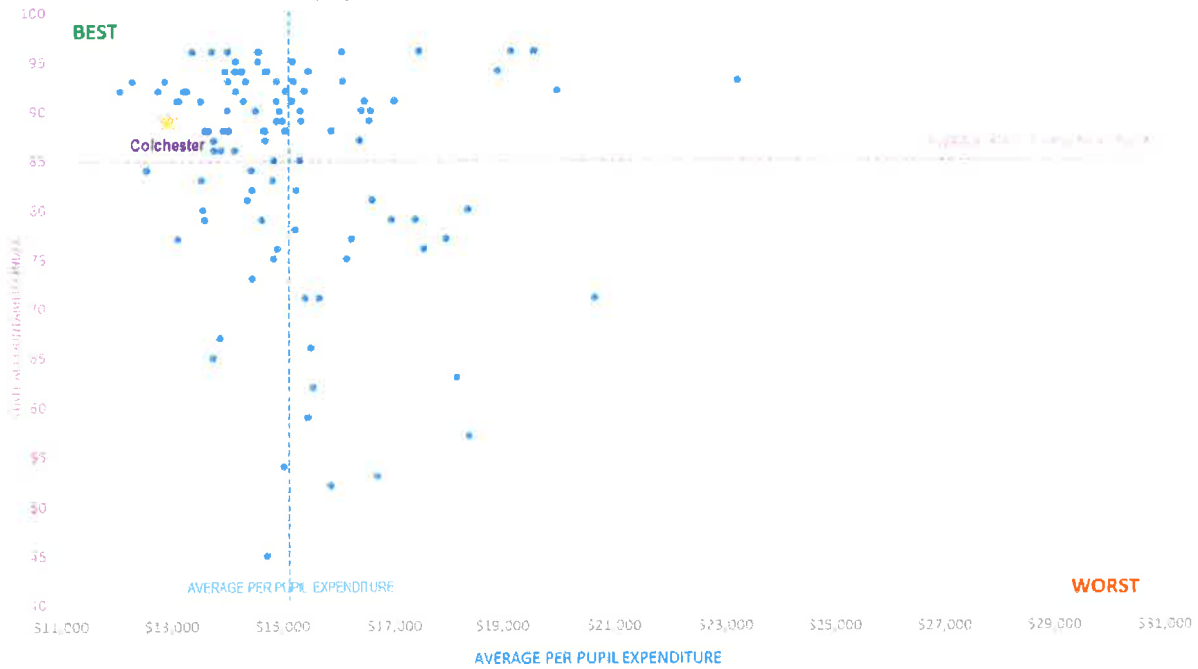
Tricia Dean, Clerk

Identify High Achieving, Low Spending Connecticut School Districts 2015 Accountability Index vs. 2014/2015 Per Pupil Expenditures All Districts



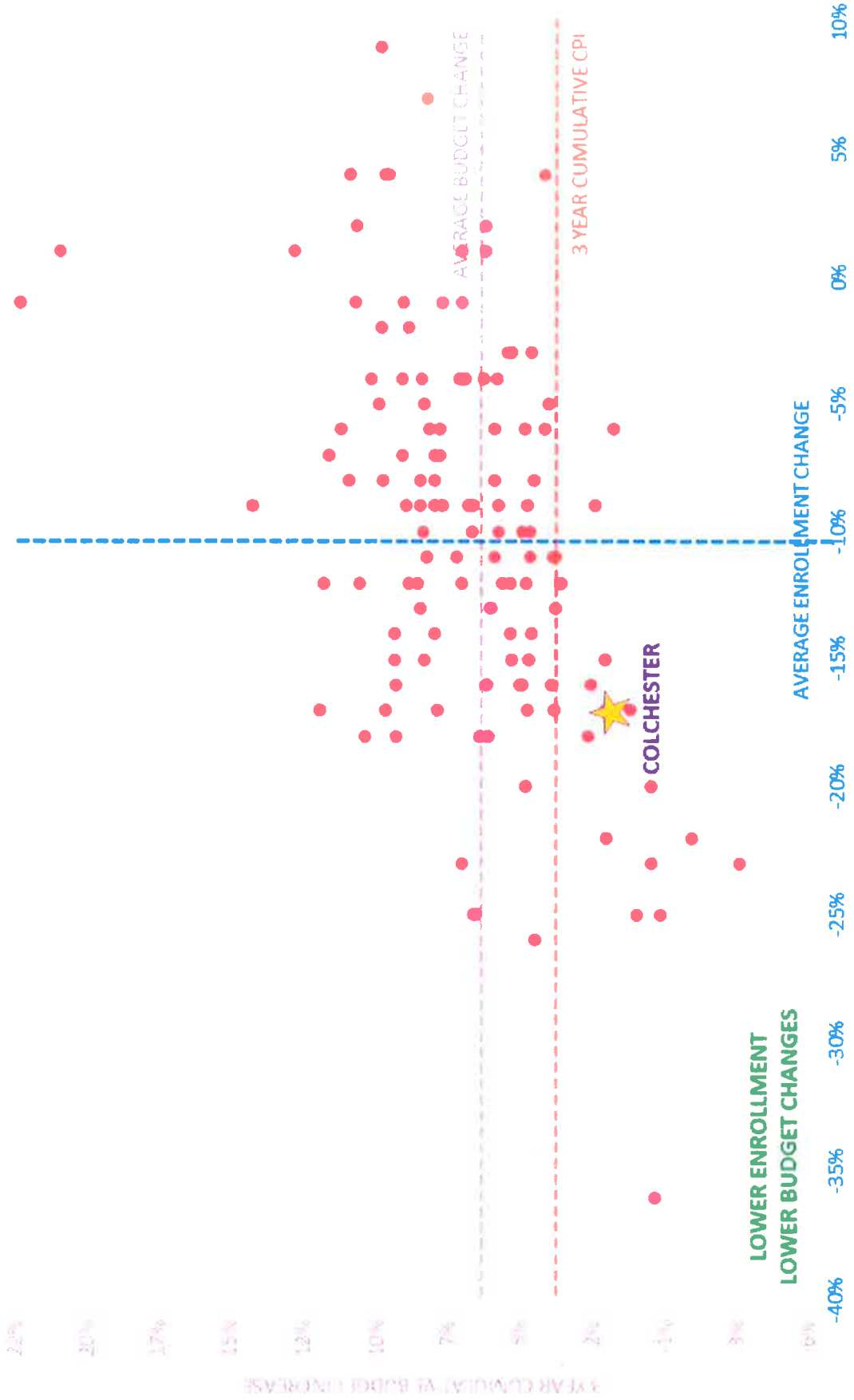
Methodology has been prepared and vetted by an outside group
(<https://www.scribd.com/document/232126367/Return-on-Educational-Investment-2014-A-District-by-District-Evaluation-of-U-S-Educational-Productivity>)

Return on Educational Investment: A district-by-district evaluation of educational productivity Connecticut - identifying high achieving, low spending school districts - Center for American Progress



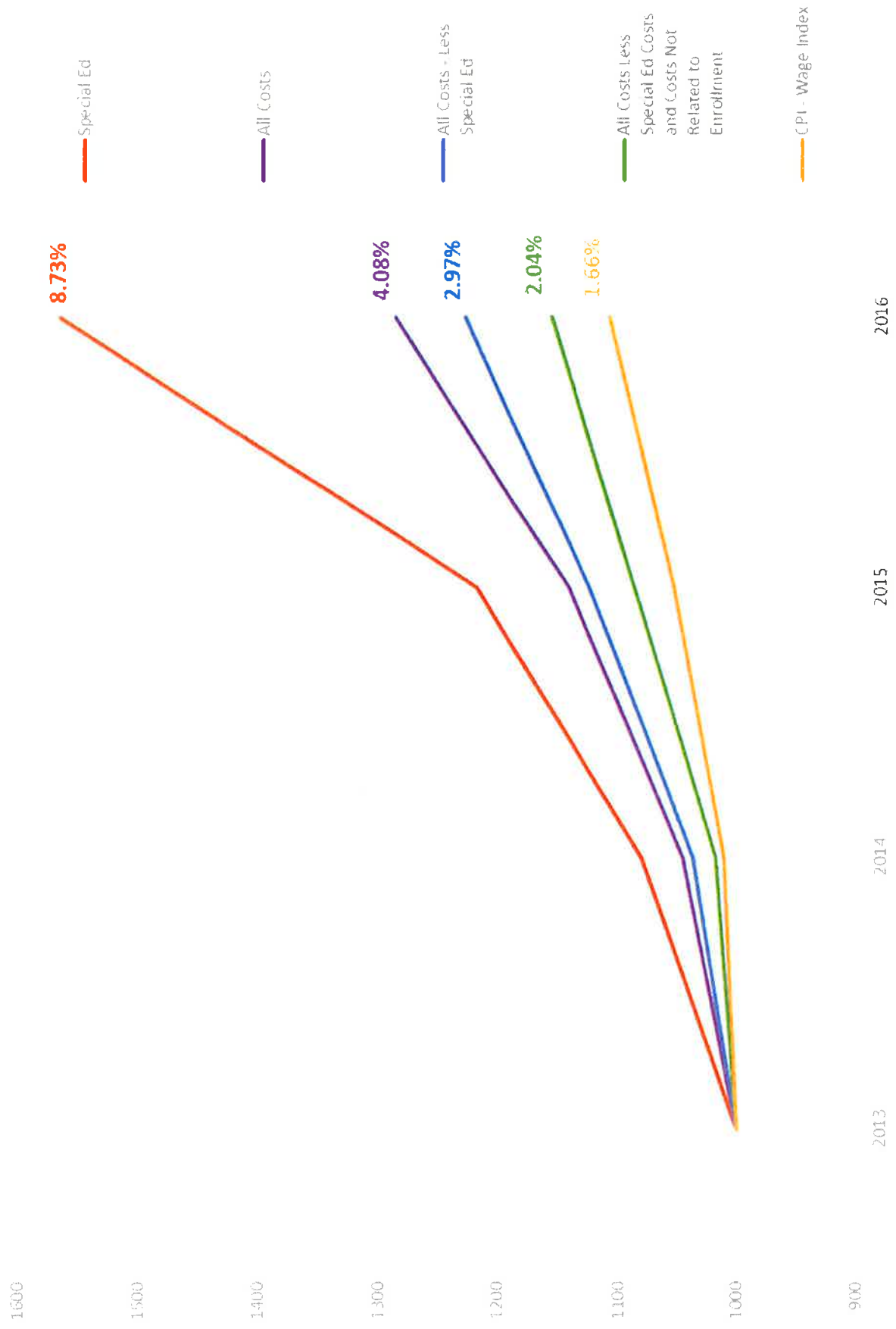
Source: Center for American Progress <https://interactives.americanprogress.org/projects/edu-roi/2014/index.php?state=CT>
2011 State Achievement and 2012/2013 per pupil expenditure

CHANGING ENROLLMENT (2013 -2015) VS BUDGET CHANGES (2014 - 2016)



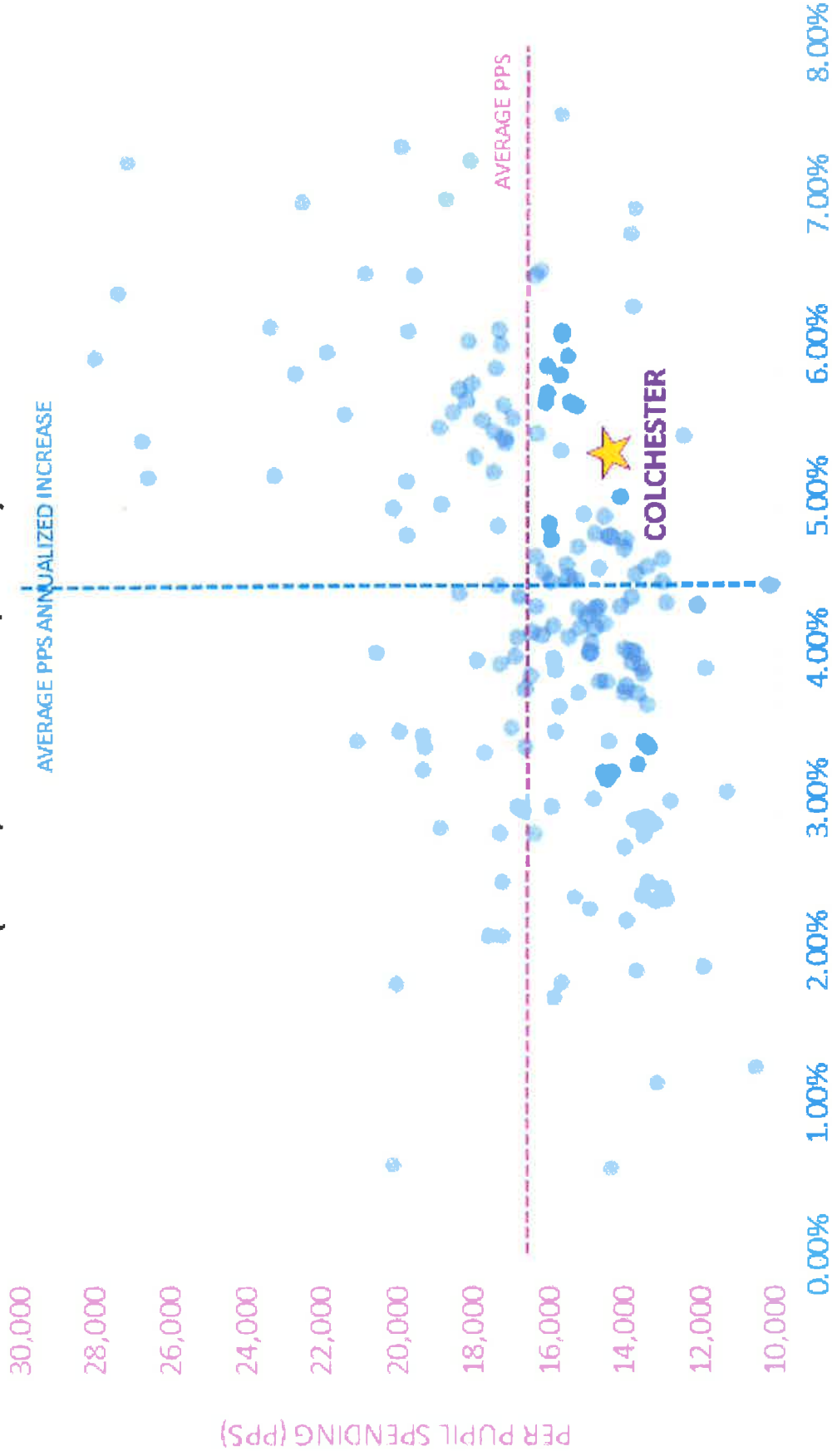
3 YEAR ENROLLMENT CHANGE

Cost Per Pupil - 2013/14 - 2016/17



PER PUPIL SPENDING

(2008/09 to 2013/2014)

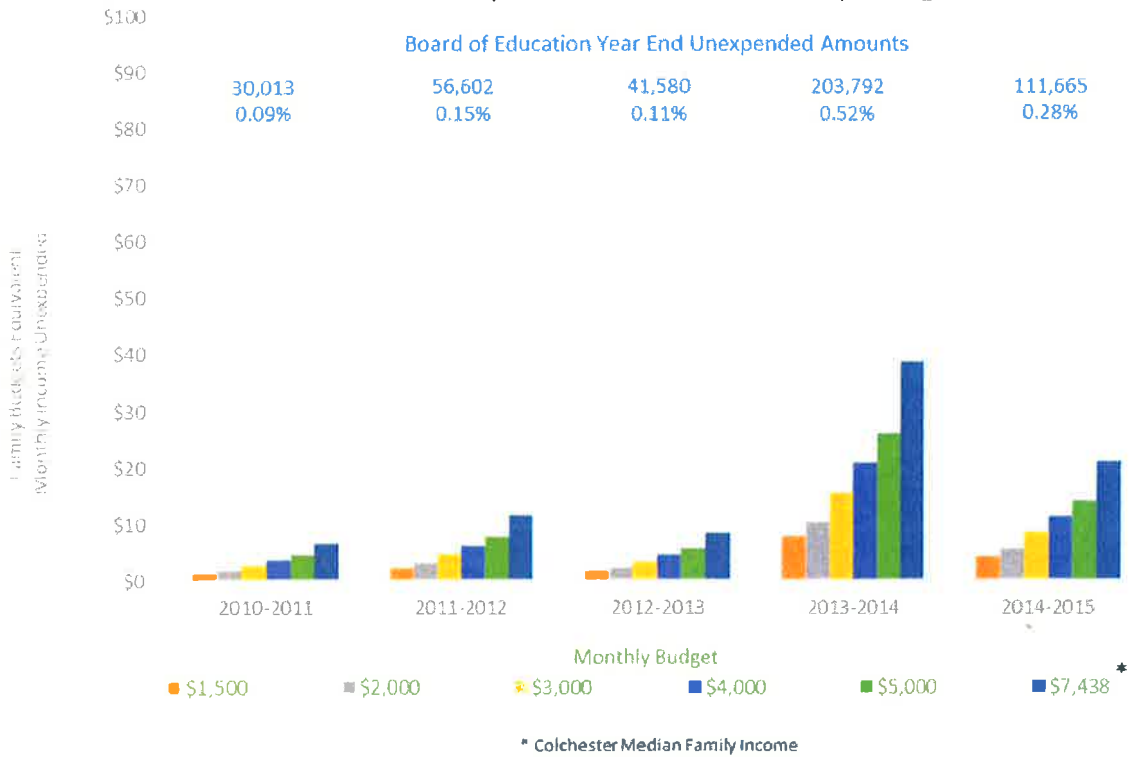


PER PUPIL SPENDING (PPS) ANNUALIZED INCREASE

Source - State of Connecticut Department of Education (latest available data)

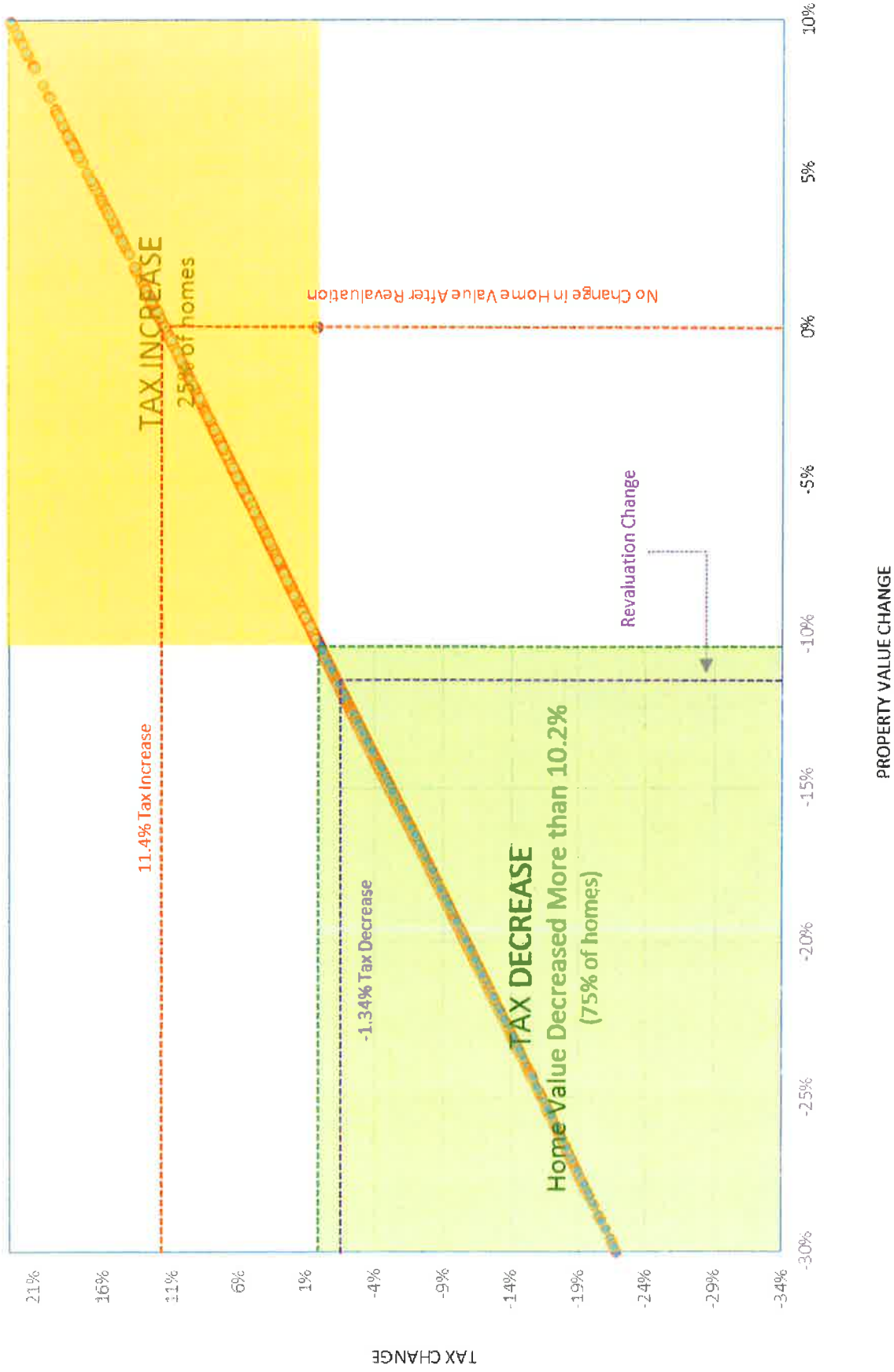


BOE Year End Unexpended Funds vs Family Budgets



	End of Year Unexpended			Equivalent Money Left at the End of the Month On a Family Monthly Budget Of:					
	BOE		Equivalent Dollars Median Colchester Household Income *	1500	2000	3000	4000	5000	7438 *
	\$	% of the Budget							
2010-2011	30,013	0.09%	79	1.32	1.76	2.64	3.53	4.41	6.56
2011-2012	56,602	0.15%	137	2.31	3.07	4.61	6.15	7.69	11.43
2012-2013	41,580	0.11%	99	1.66	2.22	3.32	4.43	5.54	8.24
2013-2014	203,792	0.52%	465	7.82	10.43	15.65	20.86	26.08	38.79
2014-2015	111,665	0.28%	251	4.22	5.63	8.45	11.26	14.08	20.94

2012 TAX CHANGES AS RESULT OF 2011 REVALUATION



2012 RESIDENCES' TAX CHANGES AS RESULT OF 2011 REVALUATION



Average Change in Property Value -11.44% If your house went down in value by more than 10.2%, you will have a tax decrease, if it went up in value or down less than 10.2%, you will have a tax increase.

Average Taxpayer Change in Taxes of all Properties -1.34%

% of Homeowners with a decrease in taxes 75%

% of Homeowners with a tax decrease or increase less than \$100 87%

Healthierwood Drive

	Number of Homes	49
Homes that went down in value		49
Homes that went up in value		0
Average change		-10%
Median change		-10%
Down by more (+) or less (1) than Town avg		-1%
Largest Increase/Smallest Decrease		-4%
Largest Decrease		-18%
Taxes		
% of Homes w/ a 11.4% mil rate increase		100%
Percentage of homes with a tax increase		39%
Homes w/ a tax decrease of (-2.6% average)		30
Homes w/ a tax increase of (+1.9% average)		19
Average change		0.2%
Median change		0.4%
Largest decrease		-8%
Largest increase/smallest decrease		7%

Bigelow Road

	Number of Homes	20
Homes that went down in value		19
Homes that went up in value		1
Average change		-12%
Median change		-14%
Down by more (+) or less (1) than Town avg		1%
Largest Increase/Smallest Decrease		4%
Largest Decrease		-18%
Taxes		
Homes w/ a 11.4% mil rate increase		20
Percentage of homes with a tax increase		25%
Homes w/ a tax decrease of (-4.5% average)		15
Homes w/ a tax increase of (+4.7% average)		5
Average change		-2%
Median change		-4%
Largest decrease		-18%
Largest increase/smallest decrease		16%

Average Change in Property Value

-11.44%

If your house went down in value by more than 10.2%, you will have a tax decrease, if it went up in value or down less than 10.2%, you will have a tax increase.

Average Taxpayer Change in Taxes of all Properties

-1.34%

% of Homeowners with a decrease in taxes

75%

% of Homeowners with a tax decrease or increase less than \$100

87%

Nelkin Road

Number of Homes

34

	Homes that went down in value	34
	Homes that went up in value	0
	Average change	-14%
	Median change	-14%
	Down by more (+) or less (1) than Town avg	3%
	Largest Increase/Smallest Decrease	-9%
	Largest Decrease	-21%
	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	3%
	Homes w/ a tax decrease of (-4.6% average)	33
	Homes w/ a tax increase of (+1.7% average)	1
Taxes	Average change	-5%
	Median change	-5%
	Largest decrease	-12%
	Largest increase/smallest decrease	2%

Colchester Commons

Number of Homes

95

	Homes that went down in value	32
	Homes that went up in value	63
	Average change	4%
	Median change	3%
	Down by more (+) or less (1) than Town avg	-15%
	Largest Increase/Smallest Decrease	27.1%
	Largest Decrease	-29.0%
	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	97%
	Homes w/ a tax decrease of (-10.7% average)	2
	Homes w/ a tax increase of (+16.6% average)	92
Taxes	Average change	16%
	Median change	15%
	Largest decrease	-29%
	Largest increase/smallest decrease	42%

Average Change in Property Value -11.44%
 If your house went down in value by more than 10.2%, you will have a tax decrease, if it went up in value or down less than 10.2%, you will have a tax increase.
 Average Taxpayer Change in Taxes of all Properties -1.34%
 % of Homeowners with a decrease in taxes 75%
 % of Homeowners with a tax decrease or increase less than \$100 87%

Mill Hill Road Number of Homes **65** **Ashley Lane** Number of Homes **18**

	Homes went down in value	64
	Homes that went up in value	1
Change in Value	Average change	-13%
	Median change	-14%
	Down by more (+) or less (1) than Town avg	2%
	Largest Increase/Smallest Decrease	3%
	Largest Decrease	-22%
Taxes	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	18%
	Homes w/ a tax decrease of (-4.6% average)	53
	Homes w/ a tax increase of (+1.7% average)	12
	Average change	-3%
	Median change	-4%
	Largest decrease	-13%
	Largest increase/smallest decrease	15%

Change in Value	Homes went down in value	17	
	Homes that went up in value	1	
	Average change	-9%	
	Median change	-8%	
	Down by more (+) or less (1) than Town avg	-3%	
	Largest Increase/Smallest Decrease	0.4%	
	Largest Decrease	-16%	
Taxes	Homes w/ a 11.4% mil rate increase	100%	
	Percentage of homes with a tax increase	61%	
	Homes w/ a tax decrease of (-3.6% average)	7	
	Homes w/ a tax increase of (+5.5% average)	11	
	Average change	2%	
	Median change	3%	
	Largest decrease	-7%	
		Largest increase/smallest decrease	12%

Average Change in Property Value

-11.44%

If your house went down in value by more than 10.2%, you will have a tax decrease, if it went up in value or down less than 10.2%, you will have a tax increase.

Average Taxpayer Change in Taxes of all Properties

-1.34%

% of Homeowners with a decrease in taxes

75%

% of Homeowners with a tax decrease or increase less than \$100

87%

Middletown Avenue

Number of Homes

126

Amston Road

54

Change in Value	Homes went down in value	110
	Homes that went up in value	16
	Average change	-8%
	Median change	-9%
	Down by more (+) or less (1) than Town avg	-4%
	Largest Increase/Smallest Decrease	10%
	Largest Decrease	-38%
Taxes	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	76%
	Homes w/ a tax decrease of (-4.85% average)	30
	Homes w/ a tax increase of (+5.1% average)	96
	Average change	3%
	Median change	2%
	Largest decrease	-31%
Largest increase/smallest decrease	23%	

Change in Value	Homes went down in value	54
	Homes that went up in value	0
	Average change	-12%
	Median change	-13%
	Down by more (+) or less (1) than Town avg	1%
	Largest Increase/Smallest Decrease	-5%
	Largest Decrease	-26%
Taxes	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	35%
	Homes w/ a tax decrease of (-5.3% average)	35
	Homes w/ a tax increase of (+2.9% average)	19
	Average change	-2%
	Median change	-3%
	Largest decrease	-17%
Largest increase/smallest decrease	6%	

4

Average Change in Property Value

-11.44%

If your house went down in value by more than 10.2%, you will have a tax decrease, if it went up in value or down less than 10.2%, you will have a tax increase.

Average Taxpayer Change in Taxes of all Properties

-1.34%

% of Homeowners with a decrease in taxes

75%

% of Homeowners with a tax decrease or increase less than \$100

87%

Boulder Road

Number of Homes

28

Bulkeley Hill Road

Number of Homes

76

	Homes went down in value	28
	Homes that went up in value	0
	Average change	-21%
	Median change	-21%
	Down by more (+) or less (1) than Town avg	9%
	Largest Increase/Smallest Decrease	-20%
	Largest Decrease	-21%
	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	0%
	Homes w/ a tax decrease (-11.6% average)	28
	Homes w/ a tax increase	0
	Average change	-12%
	Median change	-12%
	Largest decrease	-13%
	Largest increase/smallest decrease	-11%

	Homes went down in value	76
	Homes that went up in value	0
	Average change	-13%
	Median change	-13%
	Down by more (+) or less (1) than Town avg	1%
	Largest Increase/Smallest Decrease	-3%
	Largest Decrease	-27%
	Homes w/ a 11.4% mil rate increase	100%
	Percentage of homes with a tax increase	25%
	Homes w/ a tax decrease (-4.3% average)	57
	Homes w/ a tax increase (+2.6% average)	19
	Average change	-3%
	Median change	-3%
	Largest decrease	-19%
	Largest increase/smallest decrease	8%

Taxes

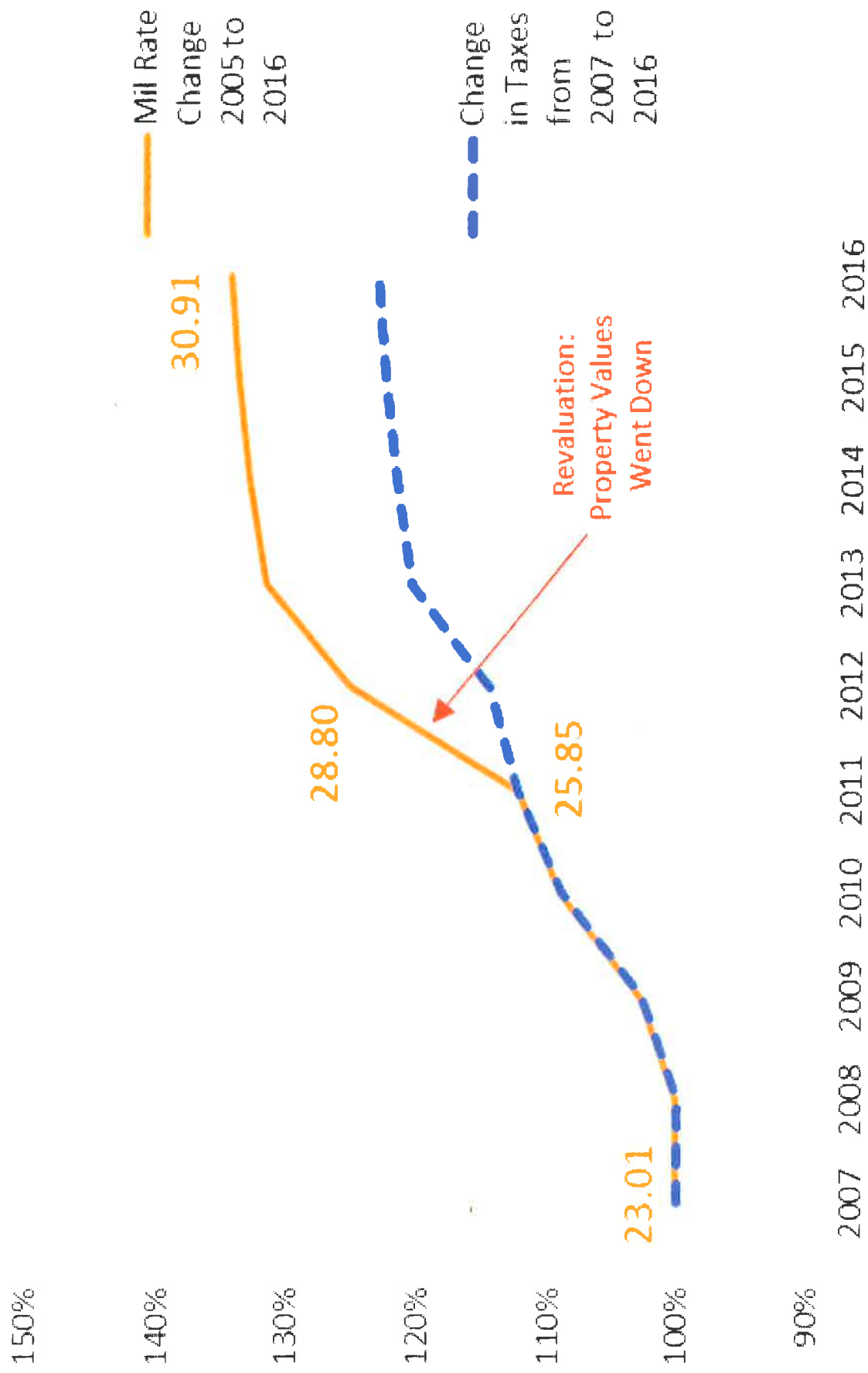
Taxes

2011 Revaluation Impact on 2012 Taxpayers

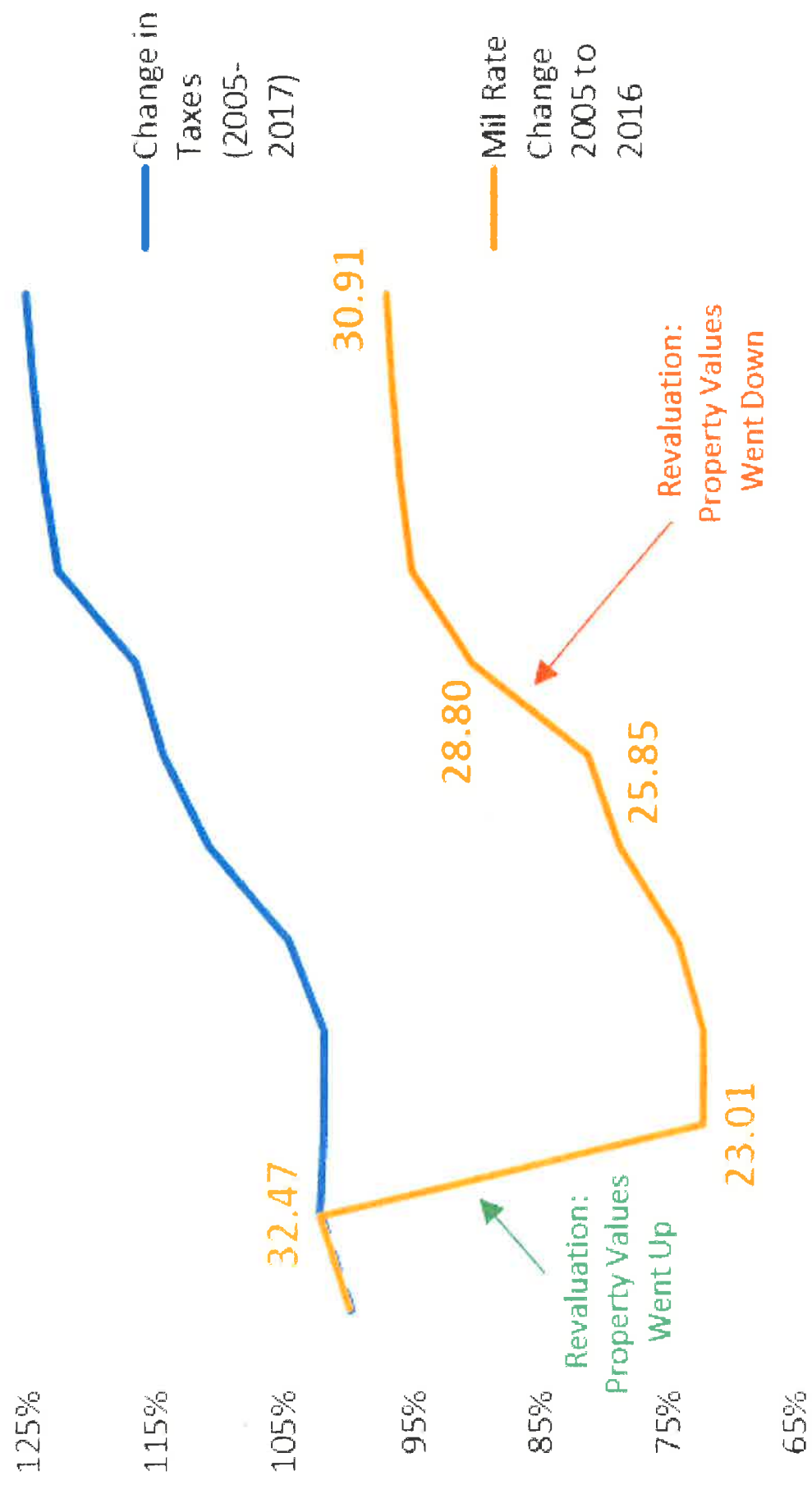
	# of Taxpayers with a mill rate increase of 11.41%	100%
	# of Taxpayers with less than a 11.41% tax increase	99%
	# of Taxpayers with <5.00% tax increase (<\$250)	94%
4005 ¹	# of Taxpayers with <2.00% tax increase (<\$100)	87%
HOUSEHOLDS	# of Taxpayers with <1.00% tax increase (<\$50)	83%
	# of Taxpayers with no tax increase	0%
	# of Taxpayers with a tax decrease	75%
	Average Tax Impact on 80% of homes around median	-2.6%

1. 2,000 homes on either side of median assessed value (173,000) Range from \$126,200 to 280,800 (Market Value \$180,000 to \$401,143) and with assessment changes between +22.8% and -34.2% (+ or - 300% of the -11.4% average)

Revaluation: Impact on Mil Rates vs Tax Increases 2007 to 2016

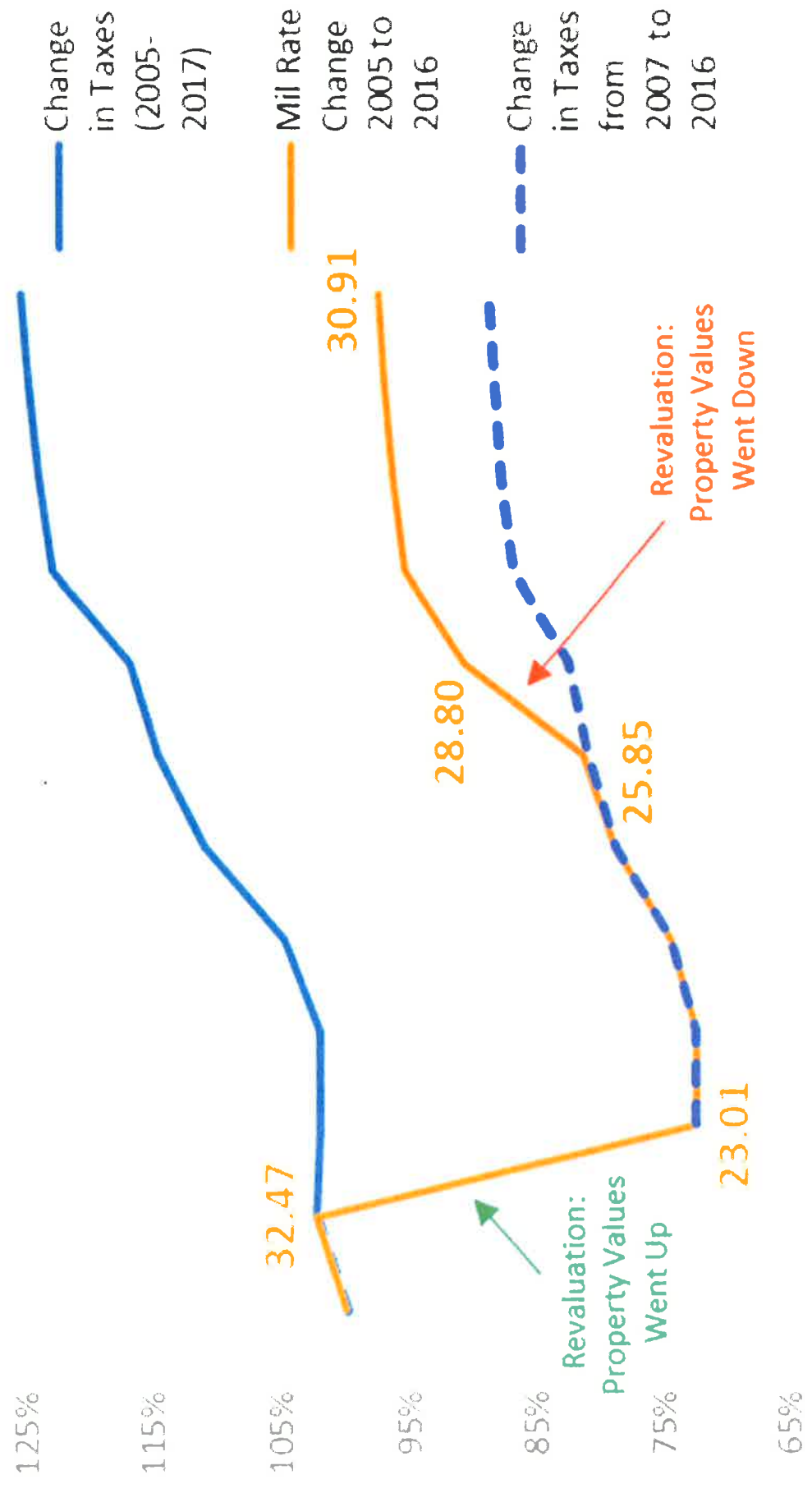


Revaluation: Impact on Mil Rates vs Tax Increases 2005 to 2016



2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Revaluation: Impact on Mil Rates vs Tax Increases



2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

④ 7

	Assessed Value	X	Mill Rate	Tax (/1000)	Change
Town	2011	-11.44%	25.85	\$5,117	-\$69
	2012		28.80	\$5,048	
Town	2011	-10.23%	25.85	\$5,117	\$0
	2012		28.80	\$5,117	

	Assessed Value	X	Mill Rate	Tax (/1000)	Change
Home #1 (Tax Increase)	2011	-3.0%	25.85	\$5,705	\$458
	2012		28.80	\$6,163	
Home #2 (Tax Decrease)	2011	-17.4%	25.85	\$6,408	-\$510
	2012		28.80	\$5,898	
Home #3 (No Change)	2011	-10.21%	25.85	\$5,470	\$2
	2012		28.80	\$5,472	
Neighborhood (72 homes)	2011	-11.25%	25.85	\$6,712	-\$76
	2012		28.80	\$6,636	

53

18

Bull Hill Road

Tax Impact				Annual Increases Between			
TOTAL	Decrease	Increase	No Change	\$0.00 to \$12	\$12.01 to \$24	\$24.01 to \$52	\$52.01 to \$104
5237 ¹	3938 75.2%	1296 24.7%	3 0.06%	79	78	155	250
				< \$12	< \$24	< \$52	< \$104
				4012	4090	4245	4495
				76.6%	78.1%	81.1%	85.8%
				+0.00% to <0.25%	0.25% to <0.50%	0.50% to <1.00%	1.00% to <2.00%
				67	86	140	211
				<0.25%	<0.50%	<1.00%	<2.00%
				4008	4094	4234	4445
76.5%	78.2%	80.8%	84.9%				

Tax Impact				Annual Increases Between			
	Decrease	Increase	No Change	\$0.01 to \$12	\$12.01 to \$24	\$24.01 to \$52	\$52.01 to \$104
4005 ²	3074 76.75%	931 23.25%	4 0.10%	57	63	114	181
				< \$12.01	< \$24.01	< \$52.01	< \$104.01
				3135	3198	3312	3493
				78.28%	79.85%	82.70%	87.22%
				+0.00% to <0.25%	0.25% to <0.50%	0.50% to <1.00%	1.00% to <2.00%
				50	70	116	178
				<0.25%	<0.50%	<1.00%	<2.00%
				3128	3198	3314	3492
78.1%	79.9%	82.7%	87.2%				

¹ Home assessed between 70K and 500K and with assessment changes between +22.8% and -34.2% (+ or - 300% of the average (11.4%))

² 2,000 homes on either side of median assessed value (173,000) Range from \$126,200 to 280,800 (Market Value \$180,000 to \$401,143)

6

Summary of 2011/2012 Revaluation/Taxes (James McNair)

tax change range	Count	%
0%	221	3%
0.1% to 0.99%	340	5%
1% to 2%	382	5%
3%-4%	355	5%
5%-9%	511	8%
10% to 49%	383	6%
50% to 99%	36	1%
Over 100%	61	1%
tax reduction	4,073	64%
	6,362	-1.3%
assessment change		
range	Count	
50% or more reduction	39	1%
10% to 49% reduction	4,548	71%
0.1% to 9% reduction	1,264	20%
no change	135	2%
1% to 9%	116	2%
10% to 49%	176	3%
50% to 99%	30	0%
Over 100%	54	1%
	6,362	-11.0%



RELATIONSHIP OF MILL RATE TO TAXES PAID¹

	Current Residential Assessment per Household		Mill Rate			Tax on Average Residential Assessment	
	70% of Assesed Market Value on Last Revaluation	Rank ² Peer Group	2015/2016 Fiscal Year	Rank ² Peer Group	State Rank ³	Amount Per Household	Rank ² Peer Group
Colchester	152,451	8	30.76	4	69	4,689	9
Cromwell	155,617		31.38			4,883	
East Hampton	188,564		27.78			5,238	
Ellington	157,831		30.50			4,814	
Ledyard	155,528		30.40			4,728	
North Branford	174,039		31.08			5,409	
Seymour	148,749		34.59			5,145	
Suffield	216,113		27.78			6,004	
Wolcott	167,693		28.08			4,709	
Salisbury	526,573		10.70		190	5,634	
Greenwich	1,106,549		11.271		189	12,472	
Hartford	16,199		74.29		1	1,203	
Waterbury	49,836		58.22		2	2,901	

1. Connecticut 2013 Income by Towns - Data source: 2009-2013 American Community Survey (ACS) 5-year Estimates - Compiled by DECD Research
 2013 Equalized Grand List - (State of Connecticut Office of Policy Management) http://www.ct.gov/opm/cwp/view.asp?a=2987&q=385970&opmNav_GID=1807

2. Peer Group Rank - 1 (highest) - 9 (lowest)

3. State Rank - 1 (highest) - 190 (lowest)

Many people use the mill rate to determine whether a Town's taxes are higher than another's. Mill Rates, by themselves do not illustrate the differences in taxes paid. The mill rate is multiplied by a home's assessment (70% of the market value on the last revaluation date) and then divided by 1000 to arrive at the tax. (Colchester Avg. Home: 152,451 x 30.76 / 1000)

The chart above shows the mill rates in our peer towns as well as the two towns with the lowest mill rates in CT and the two towns with the highest mill rates. Salisbury and Greenwich have the lowest mill rates, but because their homes are assessed at much higher amounts than most towns, the lowest mill rate does not translate into the lowest tax. Conversely, Waterbury and Hartford with their high mill rates do not have the highest taxes. Although many things need to be considered, such as level of services, quality of education, etc, the major contributor to low tax to mill rate ratio in Hartford and Waterbury are their high nonresidential grand lists. Hartford at 79% and Waterbury at 49%, compared to Colchester at 26%.

Among our Peer Towns, there are 5 towns with lower 2015/2016 mill rates than Colchester, but when multiplied by the average assessed value (on the last revaluation date), Colchester has the lowest tax on the average household. As many things go into assessments and mil rate calculations, this comparison is intended to illustrate how mill rates relate to home values in different towns. With all other things being equal, if our market values were twice as high, the mill rate would be 1/2 of 30.76 and the taxes paid the same. Conversely if the market values go down through revaluation, the mill rate would be higher than 30.76, but if expenses, state aid and other nontax revenue remained the same, taxes paid would not change.

1. Connecticut 2013 Income by Towns - Data source: 2009-2013 American Community Survey (ACS) 5-year Estimates - Compiled by DECD Research
 2013 Equalized Grand List - (State of Connecticut Office of Policy Management) http://www.ct.gov/opm/cwp/view.asp?a=2987&q=385970&opmNav_GID=1807

UNASSIGNED FUND BALANCE POLICY AND HISTORY

The Town's Unassigned Fund Balance Policy was created by Board of Finance in 2010, and amended in 2012.

The Unassigned Fund Balance is our rainy day fund/emergency fund/opportunity fund. It is also one of the key measures the rating companies use. Post 2008, the rating companies would like to see the amount above 10%, (of our operating budget) we do not want to tie that much capital up when there are so many current needs, so we have chosen to balance the % and needs by using 7 - 10% as our goal. Having a policy, and following it, is also a key measure. In the two months between the Moody's and Fitch reviews (below), one major thing happened - we did not use the 2010/2011 budgeted transfer from fund balance. Lower ratings = higher interest rates paid on our bonds. Although we have used unassigned fund balance during the years for unexpected expenses last year's snow removal expense and a large legal expense, we have not used it in the proposed budgets as a revenue item.

From the Town's audit:

- In June 2011, Moody's Investors Service downgraded the Town's bond rating to Aa3 from Aa2 mainly due to consistent declines in reserve levels from 2006 to 2010 driven by the Town's practice of appropriating General Fund reserves to balance annual operating budgets (mill rate relief), and revenue shortfalls in those years. Moody's went on to note that the FY 2011-2012 adopted budget did not include a fund balance appropriation which will help prevent any further decline in reserves and stabilize the Town's financial position.
- In August 2011, Fitch Ratings affirmed the Town's bond rating of AA. Fitch noted that Town finances are stabilizing after four years of planned draws on General Fund funds balance, and that the Town has a below average debt burden with a rapid payout, and a strong tax collection rate. Fitch also noted the recently approved fund balance policy which sets forth that reserve levels will be maintained within a range of 7-10% of total expenditures.

Many use the terms General Fund and Unassigned Fund Balance synonymously, but General Fund includes other accounts such as Assigned Fund Balances (earmarked for future anticipated expense) or Restricted Fund Balances (which can only be used for specific expenses).

