

## TRUSTEES OF THE TRUST FUNDS

A total of \$1,127,195 was turned over to the Town's General Fund as trust fund income for 1991. As \$1 Million was factored into the property tax rate, \$127,195 will benefit the 1992 tax rate.

Net revenue from the Real Estate Trust Fund (RETF) was \$1,119,792. The Trust Department of the First National bank of Portsmouth does an outstanding job in providing professional banking assistance in managing the RETF under contract to the Trustees. Its 1991 fees were 19,335 (from gross revenue), or less than 1.7 percent of income, which is considerably less than 8% (\$91,000) authorized by the State for such assistance. Interest rates continued to decline in 1991; in fact, by years' end, most bank rates available to the public fell below 5% for the first time in over 20 years. Yet, the amount turned over to the Town was just over one-half of one percent less than 1990. This can be attributed to our Trustees, beginning in 1989, authorizing our bank to "go out" 4, 5, and 6 years to lock in the higher long-term interest rates of certain Federal securities. Most of the RETF investment portfolio is now in such U.S. Government obligations or money markets based on them. Only \$300,000 remains in Federally insured certificates of deposit in banks or savings institutions (with interest paid to our bank monthly). Accrued interest on all RETF investments is paid to the Town for the year in which it is earned.

The RETF grew in 1991 by \$145,932 in new deposits (compared to \$407,957 in 1990); the principal of the fund now stands at \$11,374,984.46. An additional \$1.635 Million is due over 20 years on 84 outstanding mortgages under that program of the Selectmen's. Of the original 650 Town owned lots, 69 remain unsold (45 in the HBIC Master Lease area). The march Town Meeting approved a policy for the Selectmen to take back deeds and cancel mortgage notes in default, with the lots reverting to lease status; three lots reverted in 1991 and three others are pending.

The Board of Trustees continued to manage the older Poor, Library and Cemetery Perpetual Care trust funds. Income for each was less in 1991 mainly due to the default, in December, on notes purchased 20 years ago. A claim has been filed with the FDIC for the interest and principal on the notes, which have a maturity date of June 1, 1996. The amount in the Cemetery Burial Trust Fund increased by \$27,300, representing the 1989 and 1990 proceeds from the sale of cemetery lots (and as appropriated into the trust fund by the march 1991 Town Meeting). The principal now stands at \$78,961.

A new trust, the Campbell Sports Scholarship Trust Fund for children, from the heirs of Irving "Soup" Campbell, was accepted by Town Meeting in March. One-half of the income each year is placed with, and becomes part of, the principal; the trust can also grow by donations from the public.

Finally, the Trustees also manage two Capital Reserve Funds. The only