

**FINANCE ADMINISTRATION
MEMORANDUM**

TO: Jeffrey D. Kobrock, City Manager, and City Department Heads
FROM: Pat Coty, Finance Administrator
DATE: November 1, 2005
SUBJECT: October 2005 Finance Reports

Attached are the City's financials for October 2005 in the new reporting format.

Automobile excise tax collected in the month of October decreased by \$14,451.75 below collections through October 2004. Year to date excise tax collections were \$8,339.45 below collections through the same period in the last fiscal year. Year to date real estate tax receipts were 4.29% above the same period in 2004. Overall the City's revenues collected in July through October are 11.74% above the benchmark of 33.32%, and remain on par with previous years.

October expenditures are also on par with prior years. The City's debt service payments were made in October. This accounts for the year to date percentage being 4.68% higher than the benchmark. Most departments are running close to or below the norm.

****REMINDER**** The new reports are also available in the "FINANCE" folder on the shared drive. Each month's reports are in the associated subfolder. Please let me know if you have questions or concerns in regard to the new reporting format.

**City of Gardiner
Undesignated Fund Balance Policy**

I. Purpose

The purpose of the undesignated fund balance policy shall be to create a guideline for the level of fund balance in the General Fund that the City should maintain for contingencies and other working capital requirements.

II. Objective

A. The undesignated fund balance (UFB) consists of those available expendable financial resources in a governmental fund that are not the object of a tentative management plan (i.e., designated for other purposes). Sufficient levels of UFB can ensure the continued orderly operation of government and provision of services to residents and the continued stability of the tax structure. Local governments that have a sufficient level of UFB can avoid or reduce budget cutbacks and tax increases if budget shortfalls develop during the fiscal year.

B. The City of Gardiner shall strive to maintain the level of UFB at an amount between 8.33% and 16.67% of the approved appropriation for the municipal budget, the City's portion of MSAD #11 local assessment, county and overlay, or between one- and two-months expenditures.

C. After each fiscal year's audit, those funds, both additional revenues and expenditures not spent during the year less any receivables that are not designated for any other authorized purposes, are to be added to the unrestricted fund balance from the previous year.

D. For any surplus in the UFB identified in the City's audited financial statements that exceeds the target level in B. above, the City Manager should detail the amount and submit a recommendation to the City Council in regards to the disposition of the surplus UFB, with consideration to be given first to the capital improvement plan schedules and/or distribution to various capital reserve accounts.

