

**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	11/10/2021	Department	Finance
Agenda Item	4a.) Financial reports overview		
Est. Cost			
Background Information	<p>All Gardiner City Councilors have been given a copy of the financial reports from Runyon Kersteen Ouelette ahead of this meeting.</p> <p>This report will be reviewed by Hank Farrah who will be available to Gardiner City Council to answer any questions that they may have about the reports.</p>		
Requested Action	"I move to accept the City of Gardiner financial reports as they have been presented."		
City Manager and/or Finance Review	Acting City Manager approves the above action.		
Council Vote/ Action Taken			
Departmental Follow-Up			

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____

CITY OF GARDINER

FINANCIAL OVERVIEW

Presented by:

Hank Farrah

RUNYON KERSTEEN OUELLETTE

INSIDE

2. Summary of Audit Results
3. General Fund – Fund Balance Analysis – FY 2017-2021
4. General Fund – Revenues – Budget vs Actual
5. General Fund – Expenditures – Budget vs Actual
6. Unassigned Fund Balance as a Percentage of Budget
7. Revenue Distribution – Local vs State
8. General Fund – Expenditures Pie Chart 2021
9. General Fund – Expenditures Pie Chart 2020

About this presentation

This presentation is intended as a tool to assist the City Council and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of *RUNYON KERSTEEN OUELLETTE*.

Please contact us at 207-773-2986 or 1-800-486-1784
20 Long Creek Drive, South Portland, ME 04106



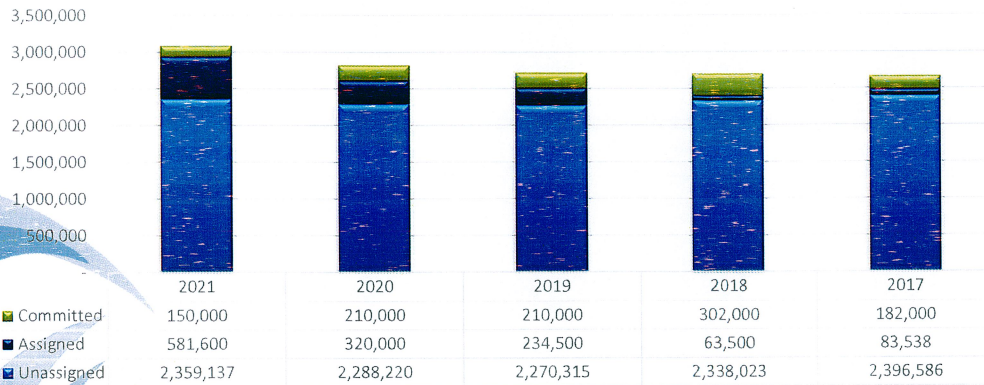
CITY OF GARDINER

SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards*
 - No Material Weaknesses
 - No Significant Deficiencies
- Single Audit was required in FY2021
 - Tested Water and Waste Disposal Systems
 - Expenditures totaled \$1.2M
 - No findings in the program

CITY OF GARDINER

GENERAL FUND – FUND BALANCE ANALYSIS – FY 2017-2021



Observations:

- Overall fund balance increased by approximately \$273K from 2020
- **Committed fund balance** is the amount of fund balance approved by the City Council prior to year-end to be allocated to Johnson Hall for its renovation project (\$150K)
- **Assigned fund balance** includes \$505K for the FY22 budget. Full detail on page 46 of the financial statements
- **Unassigned fund balance** increased by approximately \$71K. Unassigned fund balance represents the fund balance remaining after amounts have been committed, assigned or reported in other categories.



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GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 8,910,353	9,085,784	175,431
Licenses and permits	40,000	120,196	80,196
Intergovernmental	1,362,712	1,613,710	250,998
Charges for services	52,200	45,803	(6,397)
Interest earned	60,000	6,362	(53,638)
Unclassified	241,185	238,974	(2,211)
Total revenues	10,666,450	11,110,829	444,379
Use of fund balance	316,500	-	(316,500)
Use of carryforwards	70,000	-	(70,000)
Transfers in	429,028	428,058	(970)
Total revenues and other financing sources	\$ 11,481,978	11,538,887	56,909

Observations:

- **Taxes** received payments on old balances and vehicle registration from the prior year due to COVID
- **License and permits** were over budget due to building permits for large projects, significant efforts for collections on the part of code enforcement, and a new fee related to marijuana
- **Intergovernmental** was over budget due to the city using the state's originally provided figures and then reducing it by \$150,000 due to uncertainty surrounding COVID-19 related fund



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GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	\$ 1,137,341	1,127,138	10,203
Technology	93,550	90,784	2,766
Public safety	2,523,284	2,544,243	(20,959)
Public works	2,051,803	1,885,546	166,257
Community services	652,307	650,817	1,490
Education	3,758,064	3,758,064	-
County tax	395,413	395,413	-
Unclassified	68,818	12,967	55,851
Capital expenditures	-	-	-
Total expenditures	10,680,580	10,464,972	215,608
Transfers out	801,398	801,398	-
Total expenditures and other financing uses	\$ 11,481,978	11,266,370	215,608

Observations:

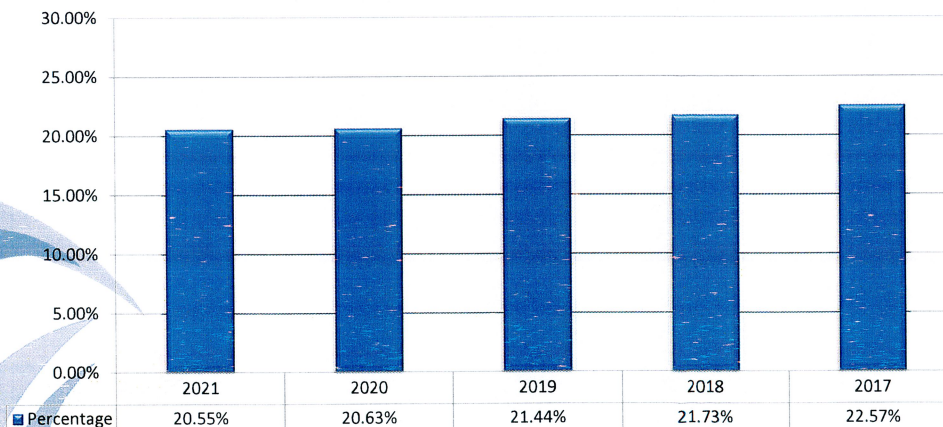
- **Public safety** came in over budget because workers comp claim caused more overtime in fire and cash out of fire chief
- **Public works** had savings in salt, fuel, and OT due to a mild winter
- **Unclassified** includes an overlay figure of \$51K



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CITY OF GARDINER

UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET



OBSERVATIONS

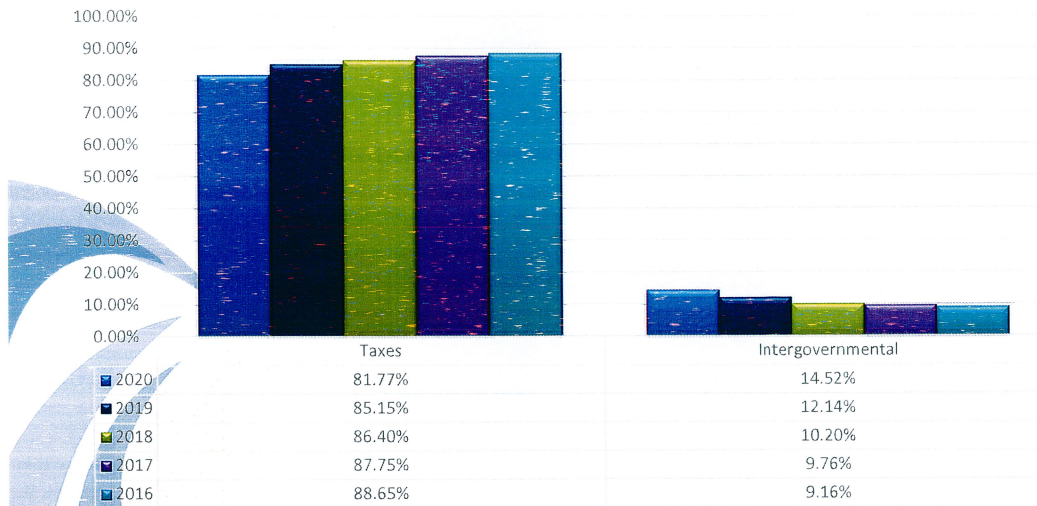
- Fund balance provides working capital for the City and enhances it's credit worthiness. Unassigned fund balance as percentage of budget equals 20.55% at June 30, 2021.
- Credit agencies typically look for a minimum ratio of unassigned fund balance to budget of 20%. We generally recommend one to two months of expenditures, which equals 8.3% to 16.7%.



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REVENUE DISTRIBUTION – LOCAL VS STATE



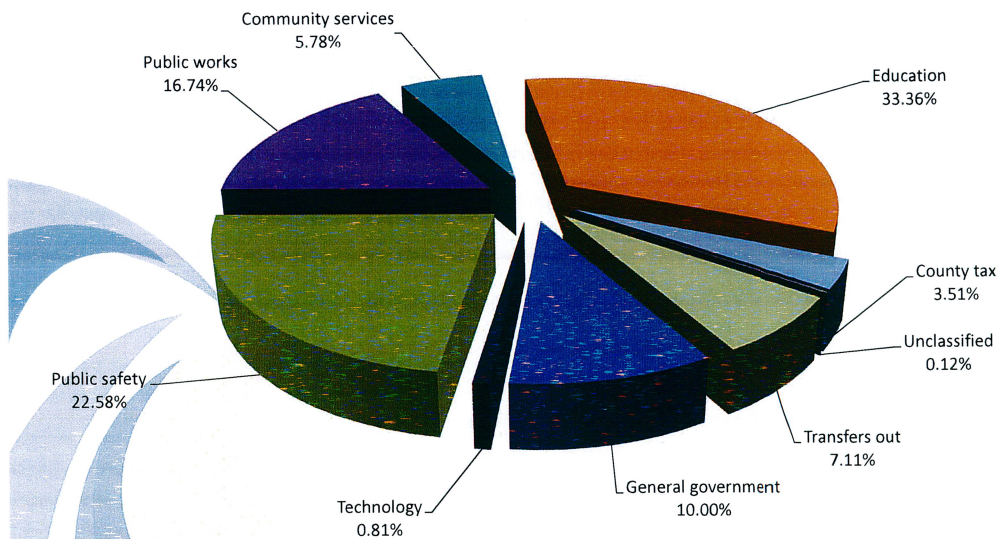
Notes:

- Taxes and intergovernmental revenues comprise 96.29% of total City revenues.
- Intergovernmental revenues include State revenue sharing, BETE and Homestead exemption reimbursements, library aid and other State grants and reimbursements.



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GENERAL FUND – EXPENDITURES PIE CHART 2021



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GENERAL FUND – EXPENDITURES PIE CHART 2020

