



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	02/03/2021	Department	Finance
Agenda Item	4.c FY 2020 Audit Report/ Finance Director Brown and Hank Farrah, RKO		
Est. Cost	n/a		

Background Information

Representation from Runyon, Kersteen, Ouelette, Frank Farrah, will be present to give an audit presentation to the City Council.

Denise Brown will also be present to help facilitate the conversation.

Requested Action	'I move to accept the FY20 Audit Report from Runyon, Kersteen, Ouelette.'
City Manager and/or Finance Review	The City Manager recommends 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 2016-2020
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 2020
9. General Fund – Expenditures Pie Chart 2019

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



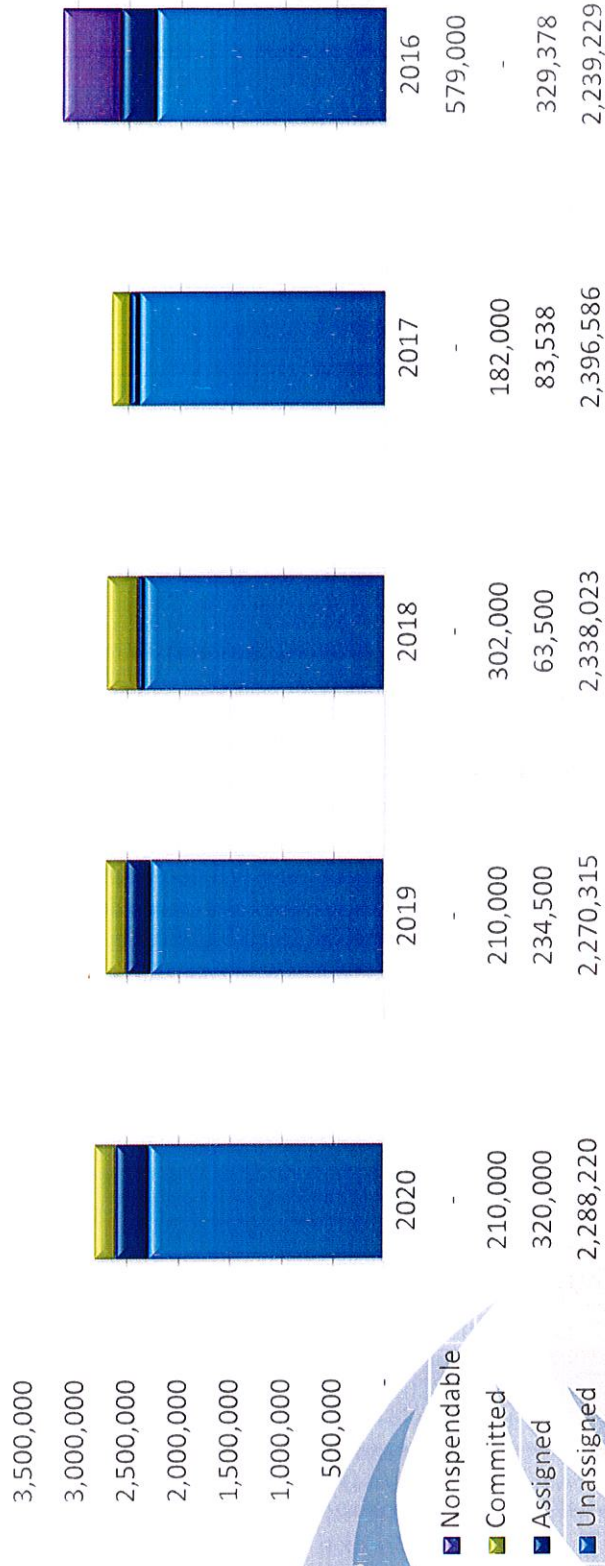
CITY OF GARDINER

SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards*
 - No Material Weaknesses
 - No Significant Deficiencies
- Single Audit was not required in FY2020

CITY OF GARDINER

GENERAL FUND – FUND BALANCE ANALYSIS – FY 2016-2020



Observations:

- Overall fund balance increased by approximately \$103K from 2019.
- **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) and Libby Hill Tower (\$60K).
- **Assigned fund balance** includes \$250K for the FY21 budget. Full detail on page 45 of the financial statements.
- **Unassigned fund balance** increased by approximately \$18K. 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	\$ 8,914,483	8,965,477	50,994
Licenses and permits	21,000	52,738	31,738
Intergovernmental	1,263,182	1,277,939	14,757
Charges for services	51,700	46,490	(5,210)
Interest earned	100,000	54,117	(45,883)
Unclassified	112,927	131,919	18,992
Total revenues	10,463,292	10,528,680	65,388
Use of fund balance	274,631	-	(274,631)
Use of carryforwards	9,500	-	(9,500)
Transfers in	345,787	340,886	(4,901)
Total revenues and other financing sources	\$ 11,093,210	10,869,566	(223,644)

Observations:

- Taxes received substantial payments on old balances.
- License and permits were over budget due to building permits for large projects.
- Interest earned was under budget due to a decrease in rates during the fiscal year.



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GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	\$ 1,127,282	1,055,104	72,178
Technology	90,580	104,963	(14,383)
Public safety	2,408,567	2,321,265	87,302
Public works	1,951,246	1,804,077	147,169
Community services	608,189	592,176	16,013
Education	3,770,478	3,770,478	-
County tax	362,004	362,004	-
Unclassified	34,680	15,910	18,770
Capital expenditures	49,631	49,631	-
Total expenditures	10,402,657	10,075,608	327,049
Transfers out	690,553	690,553	-
Total expenditures and other financing uses	\$ 11,093,210	10,766,161	327,049

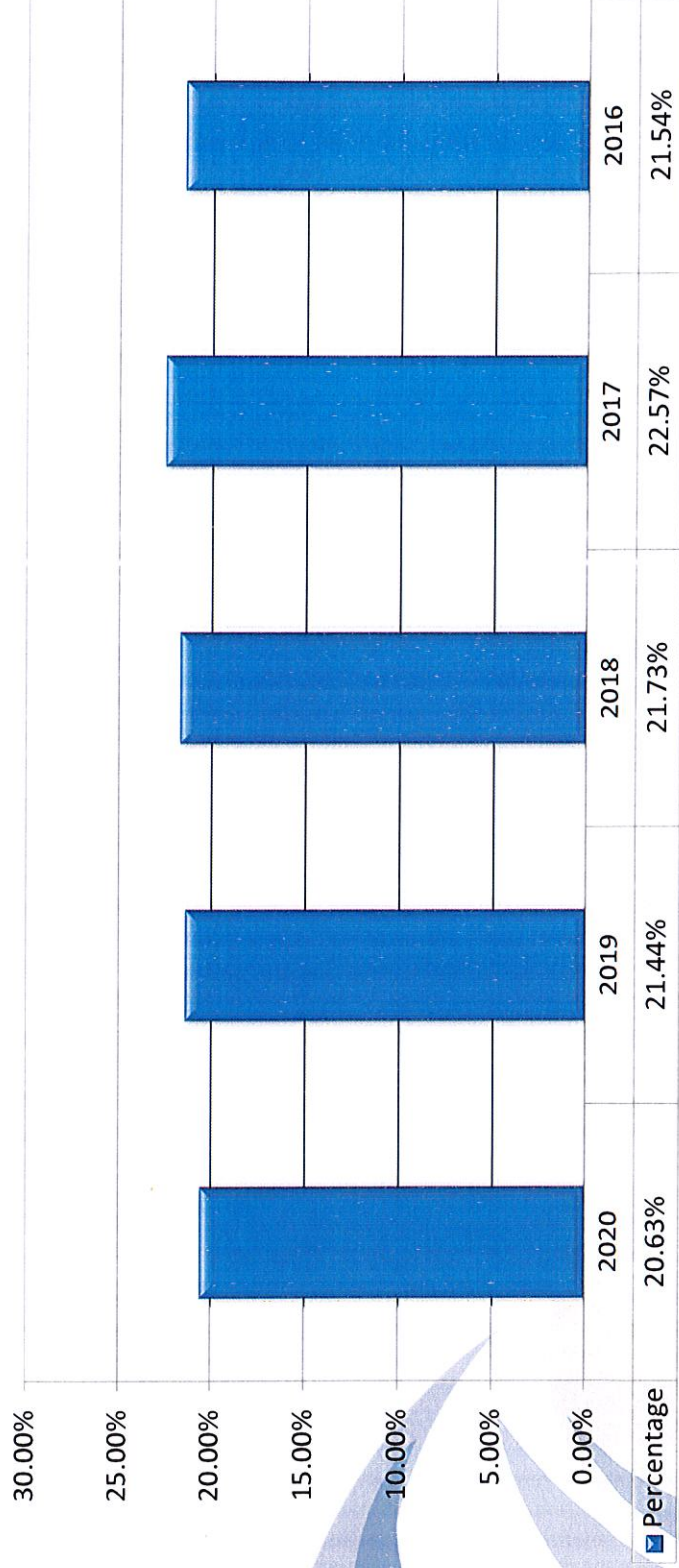
Observations:

- **General government** had savings in legal fees and contingency.
- **Public safety** came in under budget with police salaries and benefits.
- **Public works** had savings in salt, fuel, supplies, and professional services.



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UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET



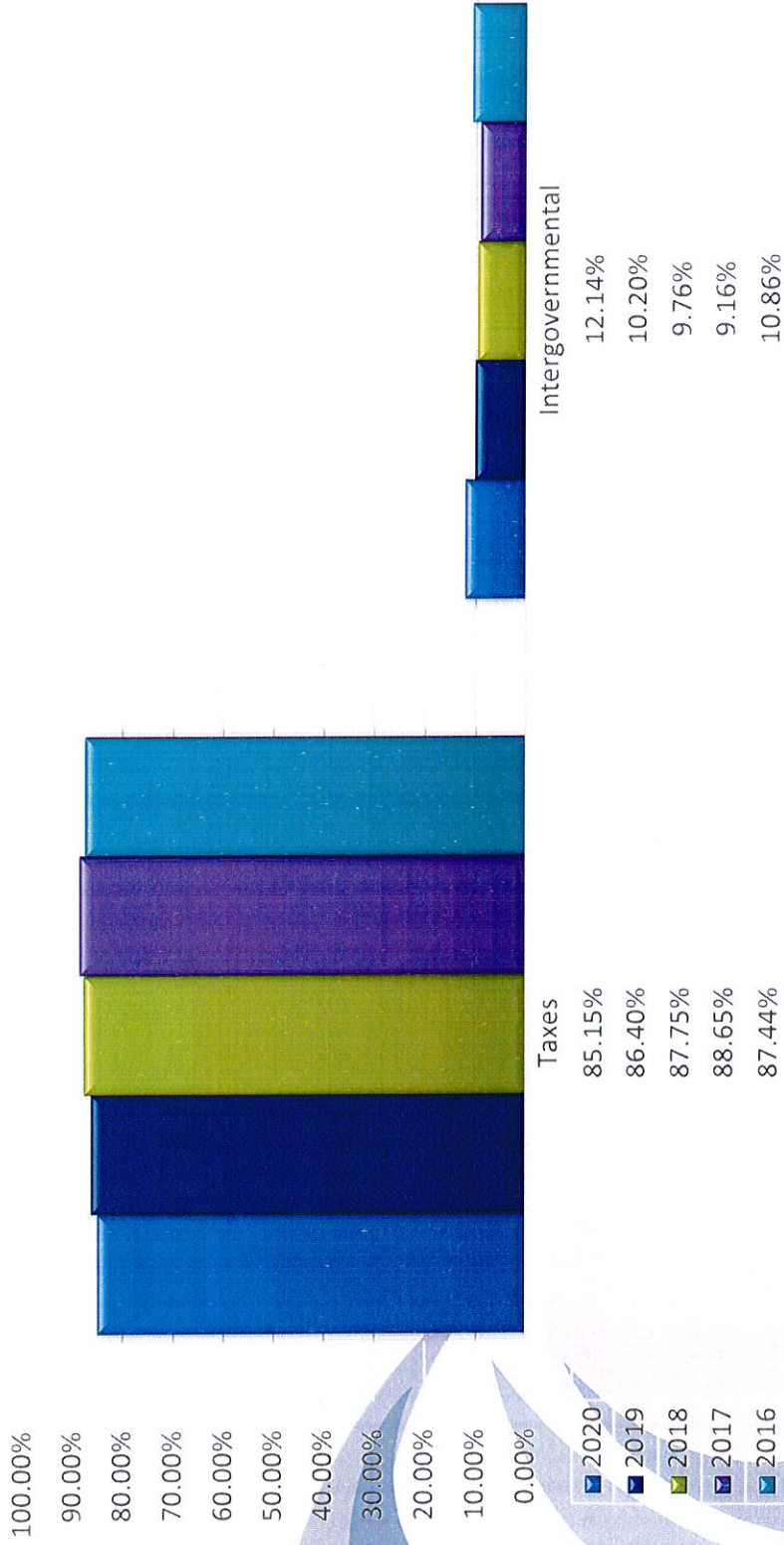
OBSERVATIONS

- Fund balance provides working capital for the City and enhances its credit worthiness.
- Unassigned fund balance as percentage of budget equals 20.63% at June 30, 2020.
- 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%.
- When you take the TIF Funds deficit into account, the unassigned fund balance as a percentage of budget falls to 18.85%.



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REVENUE DISTRIBUTION – LOCAL VS STATE



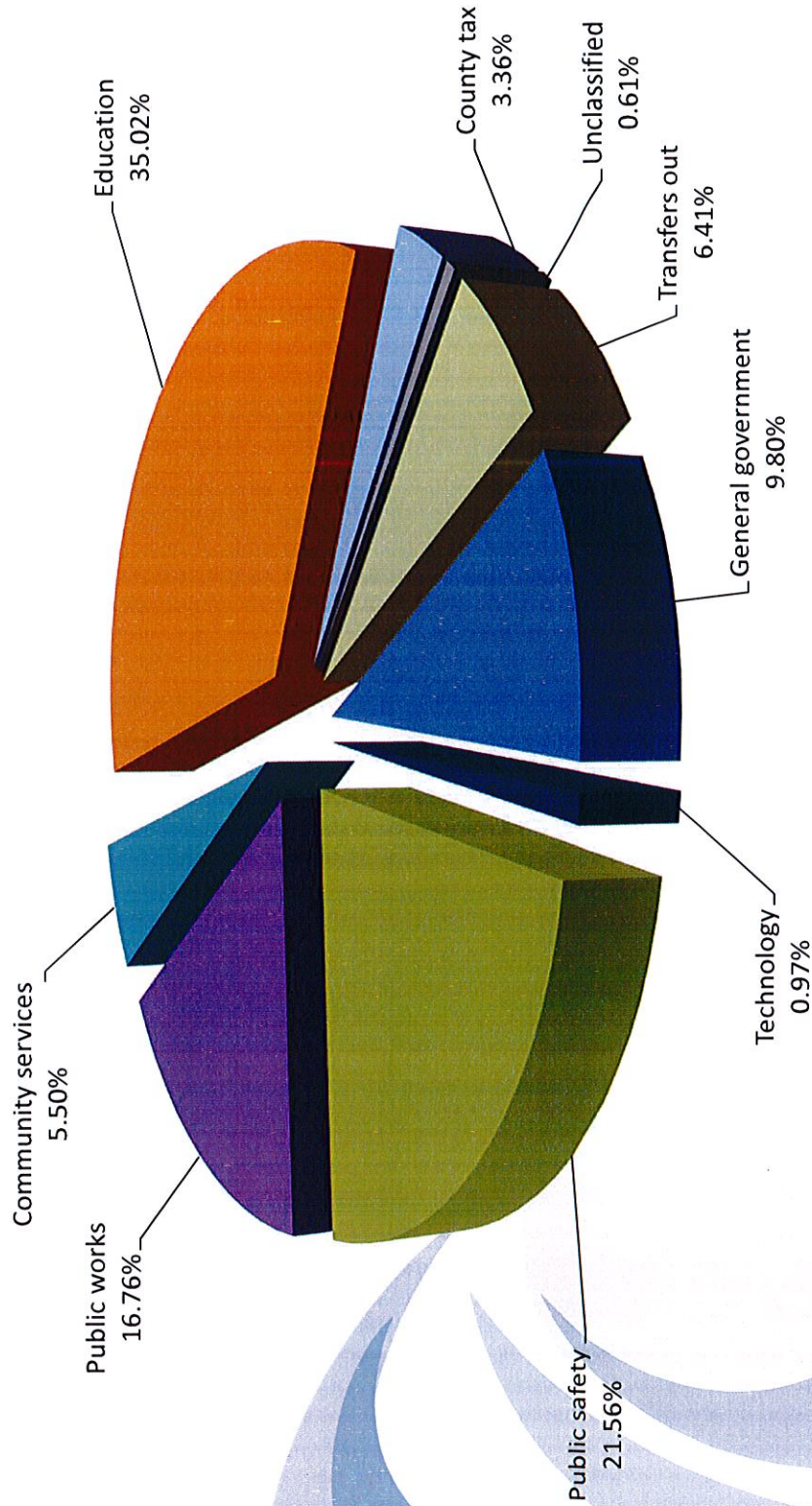
Notes:

- Taxes and intergovernmental revenues comprise 97.29% 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 2020



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GENERAL FUND – EXPENDITURES PIE CHART 2019

