

# Town of Cape Elizabeth

## FINANCIAL OVERVIEW

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*RUNYON KERSTEEN OUELLETTE*

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### **About this presentation**

This presentation is intended as a tool to assist the Town Council, School Board 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*.

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# Town of Cape Elizabeth

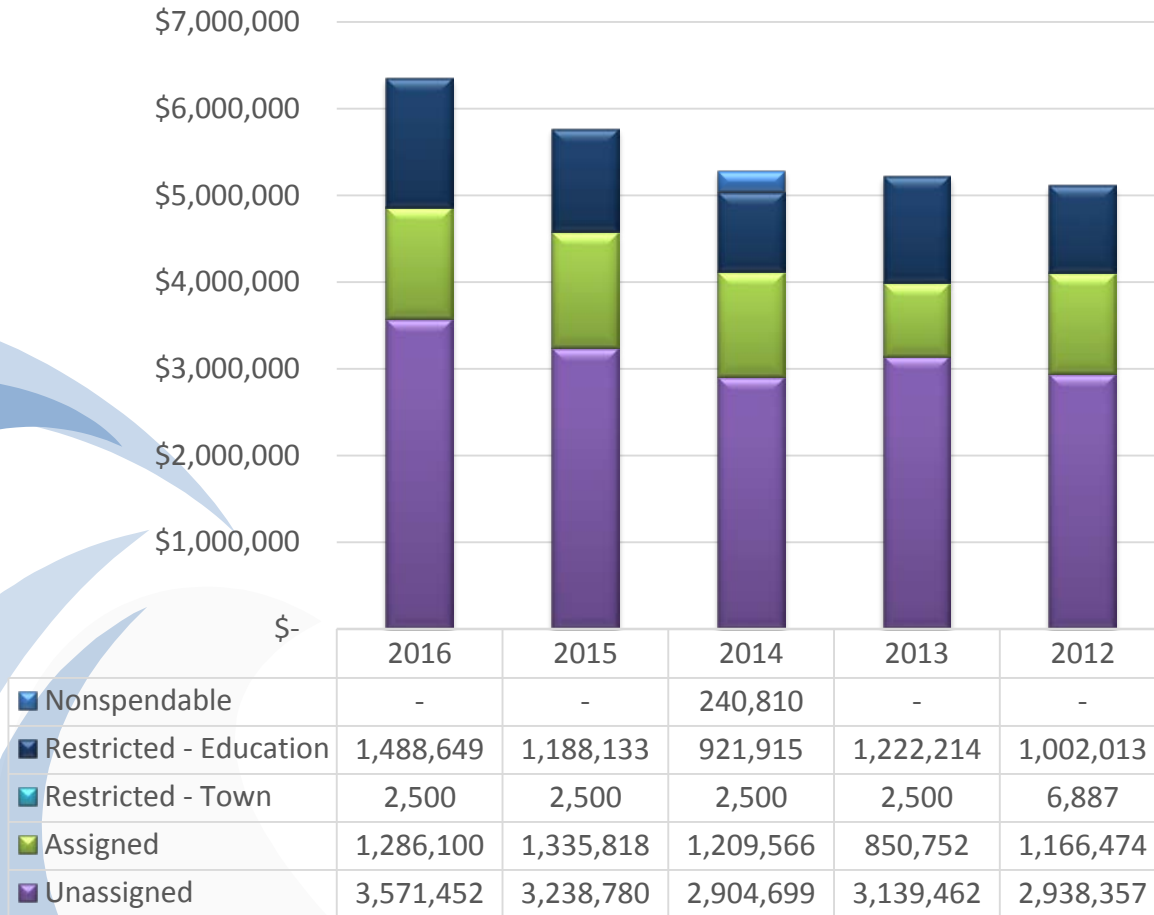
## SUMMARY OF AUDIT RESULTS

- Timing of Audit
  - Pre-audit work conducted on May 24, 2016
  - Audit performed in the two weeks starting July 11, 2016
  - Reports issued September 21, 2016
- Financial Statement Opinion - Unmodified
- Report Required by *Government Auditing Standards (GAS)*
  - No Material Weaknesses
  - No Significant Deficiencies
- No Single Audit Required by Uniform Guidance



# Town of Cape Elizabeth

## General Fund – Fund Balance



### Observations:

- **Restricted fund balance for the Town** includes unspent grant and donation balances.
- **Restricted fund balance for Education** increased by \$300K from 2015 to 2016, as the School Department spent less than anticipated.
- **Assigned fund balance** changes annually based on the status of projects and appropriations. Full detail is available in the footnotes of the financial statements.
- **Town unassigned fund balance** increased by \$333K as revenues exceeded expenditures in the current year.

# Town of Cape Elizabeth

## GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 30,350,589	\$30,510,097	\$159,508
Licenses and permits	164,000	182,400	18,400
Intergovernmental	4,151,529	4,272,996	121,467
Investment income	45,000	20,225	(24,775)
Other revenues	502,501	490,576	(11,925)
<b>Total revenues</b>	<b>35,213,619</b>	<b>35,476,294</b>	<b>262,675</b>
Carry forward balances and subsequent authorizations	1,104,316	-	(1,104,316)
Utilization of prior year surplus (Town and School)	502,000	-	(502,000)
<b>Total revenues and other sources</b>	<b>\$ 36,819,935</b>	<b>\$ 35,476,294</b>	<b>\$ (1,343,641)</b>

### *SUMMARY OF SIGNIFICANT VARIANCES*

- **Taxes** exceeded budget due to higher-than-expected excise tax collections.
- **Intergovernmental revenues** exceeded budget due to higher-than-anticipated state revenue sharing and the receipt of unbudgeted grants.
- **Investment income** was lower-than-anticipated as interest rates continue to remain low.



# Town of Cape Elizabeth

## GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	\$1,843,295	1,162,182	681,113
Public works	1,658,317	1,548,041	110,276
Facilities	374,744	336,258	38,486
Public safety	2,012,859	1,891,592	121,267
Cultural and parks	1,076,455	998,939	77,516
Human services	80,000	72,977	7,023
Education	23,411,456	22,887,223	524,233
Intergovernmental assessments	1,203,210	1,203,042	168
Insurance and benefits	1,282,000	1,246,828	35,172
Unclassified	42,468	55,879	(13,411)
Capital improvements	1,935,934	1,516,755	419,179
Debt service	1,185,780	1,181,063	4,717
<b>Total expenditures</b>	<b>\$36,106,518</b>	<b>34,100,779</b>	<b>2,005,739</b>
Transfers to other funds	713,417	713,417	-
<b>Total expenditures and transfers out</b>	<b>36,819,935</b>	<b>34,814,196</b>	<b>-</b>

### SUMMARY OF SIGNIFICANT VARIANCES

- **General government expenditures** were under budget due to overlay that was budgeted but not spent.
- **Public works expenditures** were under budget due to lower-than-anticipated salt and overtime payroll costs due to a milder winter. In addition, ecomaine fees were lower-than-anticipated due to decreased use.
- **Public safety expenditures** were under budget due to lower-than-anticipated overtime and part-time payroll costs in the Fire Department.
- **Cultural and parks expenditures** were under budget due to lower-than-expected costs related to stonewall repairs and part-time payroll for parks and Fort Williams.
- **Education expenditures** - see slide 7.
- **Capital improvement expenditures** were under budget due to the timing of projects, which will carry over to the next fiscal year.



# TOWN OF CAPE ELIZABETH

## GENERAL FUND – REVENUES – SCHOOL DEPARTMENT ONLY

	Budget	Actual	Variance
Town appropriation	\$ 19,909,467	19,909,467	-
State education subsidy	3,403,682	\$ 3,403,683	1
State agency clients	7,000	7,262	262
Activity Fees	64,500	63,425	(1,075)
Miscellaneous	2,000	7,723	5,723
<b>Total revenues</b>	<b>23,386,649</b>	<b>23,391,560</b>	<b>4,911</b>
Budgeted use of surplus	150,000	-	(150,000)
<b>Total revenues and other sources</b>	<b>\$ 23,536,649</b>	<b>\$ 23,391,560</b>	<b>\$ (145,089)</b>



# TOWN OF CAPE ELIZABETH

## GENERAL FUND - EXPENDITURES – SCHOOL DEPARTMENT ONLY

	Budget	Actual	Variance
Regular instruction	10,991,828	10,796,862	194,966
Special education instruction	3,104,307	2,992,055	112,252
Career and technical education	55,153	54,641	512
Other instruction	832,408	827,743	4,665
Student and staff support	2,287,397	2,232,158	55,239
System administration	719,162	704,678	14,484
School administration	1,175,259	1,131,337	43,922
Transportation	754,046	730,273	23,773
Facilities maintenance	2,816,590	2,742,172	74,418
Other	3,287	3,286	1
Debt service	672,019	672,018	1
<b>Total expenditures</b>	<b>23,411,456</b>	<b>22,887,223</b>	<b>524,233</b>
Transfers to other funds	125,193	125,913	-
<b>Total expenditures and transfers out</b>	<b>23,536,649</b>	<b>22,713,136</b>	<b>524,233</b>

### SUMMARY OF SIGNIFICANT VARIANCES

- **Regular instruction** expenditures were under budget as there was \$135K in contingency funds budgeted but not used. In addition, health insurance costs were lower than anticipated.
- **Special education** expenditures were under budget due to lower-than-anticipated speech service costs. In addition, there were lower salary and benefit costs as the Director's position was unfilled for part of the year.
- **Student and staff support** expenditures were under budget due to lower-than-anticipated technology and course reimbursement costs.
- **Facilities maintenance** expenditures were under budget due to one electrical improvement project that came in well below the budgeted amount.



# Town of Cape Elizabeth

## General Fund – Unassigned Fund Balance as a Percentage of Budget

