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# Town of Cape Elizabeth

## FINANCIAL OVERVIEW

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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

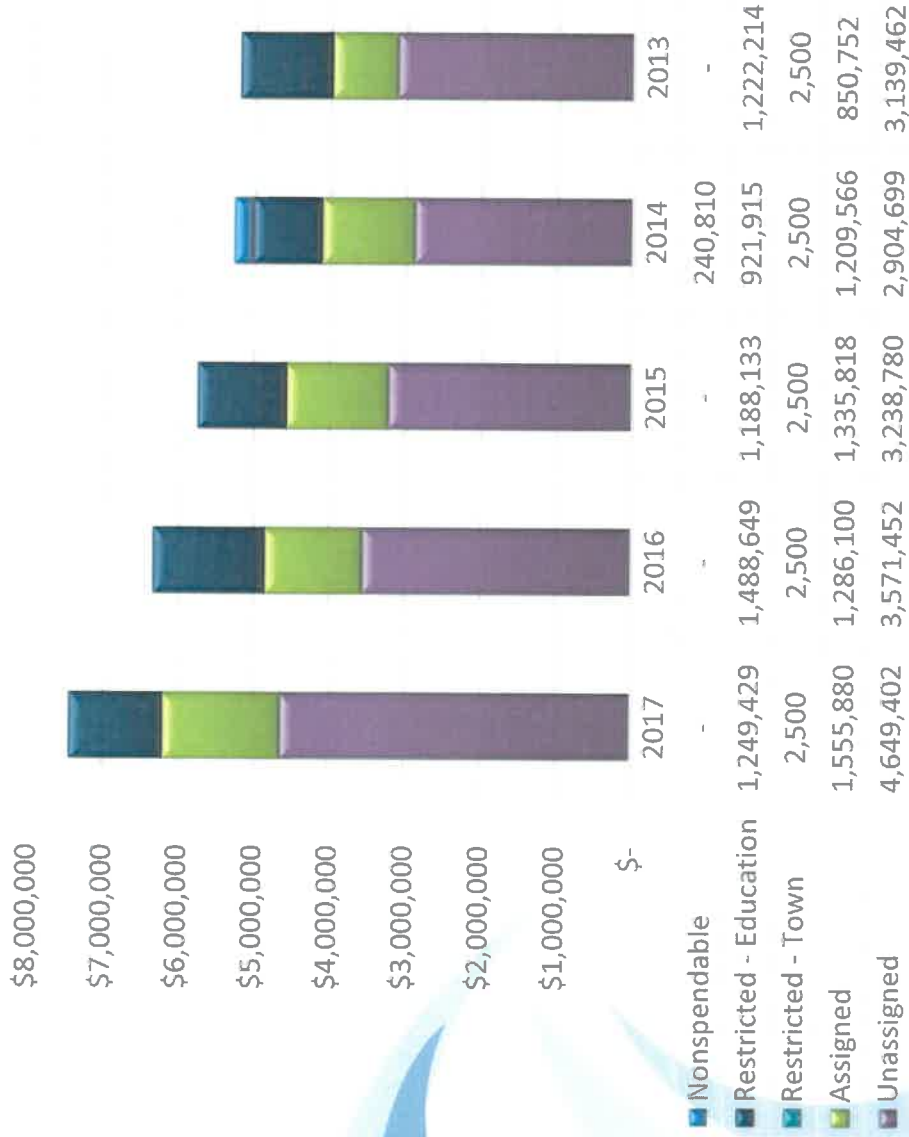
## SUMMARY OF AUDIT RESULTS

- Timing of Audit
  - Pre-audit work conducted on May 25 & 26, 2017
  - Audit performed in the two weeks starting July 17, 2017
  - Reports issued December 1, 2017
  - Financial Statement Opinion - Unmodified
- Report Required by *Government Auditing Standards (GAS)*
  - No Material Weaknesses
  - Two 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** decreased \$239K from 2016 to 2017 due to the planned use of fund balance.
- **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 \$1.08 million as current year revenues exceeded expenditures.
- **Total fund balance** increased by \$1.1 million from 2016 to 2017.



# Town of Cape Elizabeth

## GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	31,677,103	31,960,564	283,461
Licenses and permits	164,500	289,417	124,917
Intergovernmental	3,471,809	3,506,445	34,636
Charges for Services	1,478,115	1,412,108	(66,007)
Investment income	35,000	22,729	(12,271)
Other revenues	329,515	343,808	14,293
<b>Total revenues</b>	<b>37,156,042</b>	<b>37,535,071</b>	<b>379,029</b>
Carry forward balances and subsequent authorizations	1,106,015	-	(1,106,015)
Utilization of prior year surplus (Town and School)	825,000	-	(825,000)
Transfers in	311,183	393,110	81,927
<b>Total revenues and other sources</b>	<b>39,398,240</b>	<b>37,928,181</b>	<b>(1,470,059)</b>

### SUMMARY OF SIGNIFICANT VARIANCES

- Taxes exceeded budget due to better collections on taxes outstanding from prior years and higher than anticipated excise taxes.
- Licenses and permits exceeded budget due to higher than anticipated building, electrical, and plumbing permits.
- Charges for services were lower than anticipated as community services program, pool, and waste disposal fees were all lower than anticipated.



# Town of Cape Elizabeth

## GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	1,948,038	1,202,343	745,695
Public works	1,701,405	1,596,387	105,018
Facilities	797,765	727,644	70,121
Public safety	2,090,879	1,935,217	155,662
Cultural and parks	2,484,455	2,251,089	233,366
Human services	53,659	50,663	2,996
Education	24,245,246	24,069,769	175,477
Intergovernmental assessments	1,268,646	1,268,866	(220)
Insurance and benefits	1,487,000	1,335,329	151,671
Unclassified	32,715	56,901	(24,186)
Capital improvements	1,792,500	893,462	899,038
Debt service	1,368,908	1,224,193	144,715
<b>Total expenditures</b>	<b>39,271,216</b>	<b>36,611,863</b>	<b>2,659,353</b>
Transfers to other funds	127,024	224,569	(97,545)
<b>Total expenditures and transfers out</b>	<b>39,398,240</b>	<b>36,836,432</b>	<b>2,561,808</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 chloride costs due to a milder winter. In addition, ecomaine fees were lower-than-anticipated due to decreased use.
- **Public safety expenditures** were under budget as training and education reimbursement costs for the police department were lower than anticipated. In addition, the fire department experienced fewer calls for fires, which resulted in lower call pay costs.
- **Cultural and parks expenditures** were under budget as the budget included \$63K in carryforwards approved in the prior fiscal year. In addition, costs related to the improvements to the community center and tree maintenance were lower than anticipated.
- **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.
- **Insurance and benefit expenditures** were under budget as retirement contributions and health insurance premiums were lower than anticipated.
- **Debt service expenditures** were under budget as the first debt payment for the transfer station was budgeted in FY 2017 but did not take place until FY 2018.

# TOWN OF CAPE ELIZABETH

## GENERAL FUND – REVENUES – SCHOOL DEPARTMENT ONLY

	Budget	Actual	Variance
Town appropriation	20,854,275	20,854,274	(1)
State education subsidy	2,624,954	2,673,547	48,593
State agency clients	-	6,203	6,203
Activity fees	67,418	64,770	(2,648)
Miscellaneous	4,715	29,243	24,528
<b>Total revenues</b>	<b>23,551,362</b>	<b>23,628,037</b>	<b>76,675</b>
Transfer in	286,183	283,110	(3,073)
Budgeted use of surplus	450,000	-	(450,000)
<b>Total revenues and other sources</b>	<b>24,287,545</b>	<b>23,911,147</b>	<b>(376,398)</b>

### SUMMARY OF SIGNIFICANT VARIANCES

- **State education subsidy** exceeded the budget as the State's budget was finalized after the School Department's budget was passed.
- **Miscellaneous revenues** exceeded the budget due to the receipt of unbudgeted miscellaneous amounts.



# TOWN OF CAPE ELIZABETH

## GENERAL FUND - EXPENDITURES – SCHOOL DEPARTMENT ONLY

	Budget	Actual	Variance
Regular instruction	11,279,872	11,279,872	-
Special education instruction	3,211,809	3,211,809	-
Career and technical education	55,172	54,660	512
Other instruction	862,936	843,639	19,297
Student and staff support	2,429,434	2,385,139	44,295
System administration	756,264	756,264	-
School administration	1,139,730	1,139,730	-
Transportation	822,358	710,985	111,373
Facilities maintenance	3,162,832	3,162,832	-
Other	2,839	2,839	-
Debt service	522,000	522,000	-
<b>Total expenditures</b>	<b>24,245,246</b>	<b>24,069,769</b>	<b>175,477</b>
Transfers out	42,299	97,359	(55,060)
<b>Total expenditures and transfers out</b>	<b>24,287,545</b>	<b>24,167,128</b>	<b>120,417</b>

### SUMMARY OF SIGNIFICANT VARIANCES

- **Student and staff support expenditures** were under budget due to lower than anticipated stipend and course reimbursement costs.
- **Transportation expenditures** were under budget due to payments from field and athletic trips that offset the salary and benefit costs for drivers.



# Town of Cape Elizabeth

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

