

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

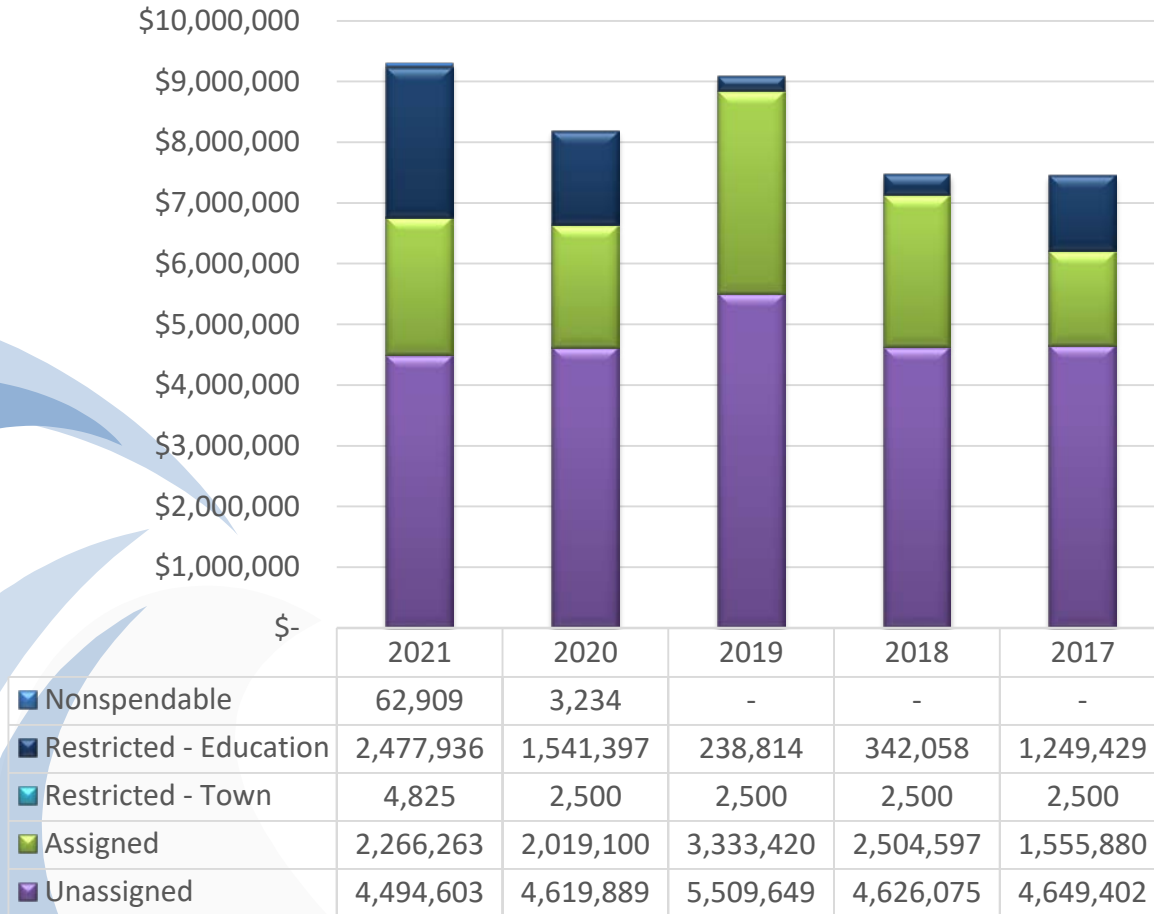
SUMMARY OF AUDIT RESULTS

- Timing of Audit
 - Pre-audit work conducted on June 14-15, 2021
 - Audit performed the week of August 23, 2021
 - Reports issued January 28, 2022
 - Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards (GAS)*
 - No Material Weaknesses, No Significant Deficiencies, No Compliance Findings
- Report Required by the Uniform Guidance
 - Coronavirus Relief Funds
 - No Compliance Findings



Town of Cape Elizabeth

General Fund – Fund Balance



- **Nonspendable fund balance** includes prepaid expenditures.
- **Restricted fund balance for the Town** includes unspent grant and donation balances.
- **Restricted fund balance for Education** increased \$936,539 from 2020 to 2021.
- **Assigned fund balance** includes approved carry forwards and budgeted use of fund balance.
- **Unassigned fund balance** represents the remaining fund balance not restricted or assigned for specific purposes.
- **Total fund balance** increased by \$1,120,416 from 2020 to 2021.

Town of Cape Elizabeth

GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 36,806,220	37,356,650	550,430
Licenses and permits	232,000	369,885	137,885
Intergovernmental	3,555,940	3,641,305	85,365
Charges for Services	2,346,750	1,680,089	(666,661)
Investment income	50,000	60,126	10,126
Other revenues	179,163	347,102	167,939
Total revenues	43,170,073	43,455,157	285,084
Carry forward balances and subsequent authorizations	809,810	-	(809,810)
Utilization of prior year surplus (Town)	2,019,100	-	(2,019,100)
Utilization of prior year surplus (School)	400,000	-	(400,000)
Lease proceeds	1,035,100	1,035,000	(100)
Transfers in	631,252	431,267	(199,985)
Total revenues and other sources	\$48,065,335	44,921,424	(3,143,911)

- **Taxes** were higher than budgeted due to unbudgeted supplemental taxes, collections on prior year taxes, and higher than anticipated excise taxes.
- **Licenses and permits revenue** was higher than budgeted due to an increased demand for building permits.
- **Charges for services** were lower than budgeted mostly due to community services programs that were cancelled or delayed due to the pandemic.
- **Other revenues** were higher than anticipated due to the receipt of unbudgeted, miscellaneous revenues.

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GENERAL FUND - EXPENDITURES

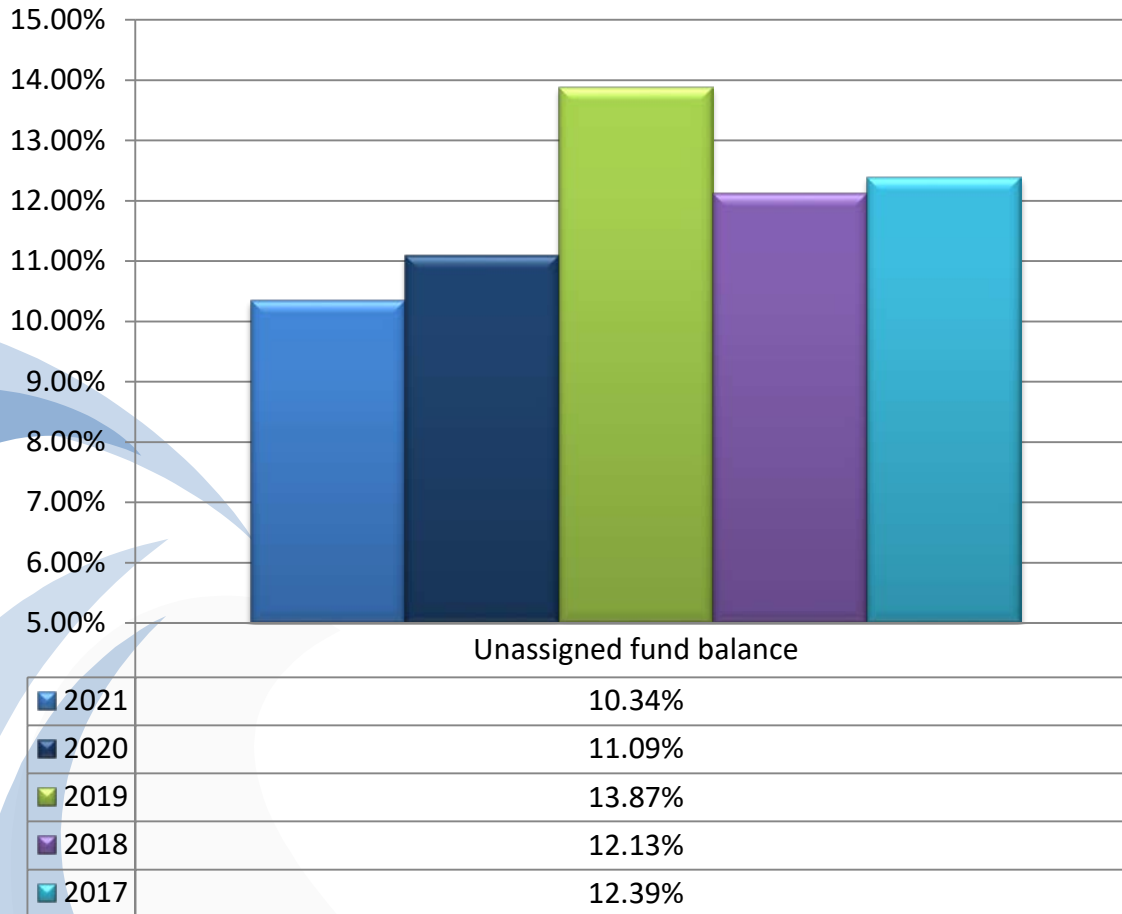
	Budget	Actual	Variance
General government	\$ 1,594,824	1,416,546	178,278
Insurance and benefits	1,782,000	1,646,105	135,895
Public works	2,037,152	1,877,885	159,267
Facilities	862,644	680,200	182,444
Public safety	3,372,768	3,105,704	267,064
Cultural and parks	2,135,020	1,567,157	567,863
Library	564,948	485,447	79,501
Human services	137,200	62,712	74,488
Education	28,369,512	27,036,788	1,332,724
Intergovernmental and overlay	1,767,160	1,566,121	201,039
Unclassified	363,799	337,809	25,990
Capital improvements	3,035,016	1,991,499	1,043,517
Debt service	1,596,335	1,573,078	23,257
Total expenditures	47,618,378	43,347,051	4,271,327
Transfers to other funds	446,957	453,957	(7,000)
Total expenditures and transfers out	\$48,065,335	43,801,008	4,264,327

- **General government expenditures** were under budget as costs related to legal services and elections were lower than anticipated.
- **Insurance expenditures** were under budget as costs related to retirement contributions and human resources services were lower than anticipated.
- **Public works expenditures** were under budget due to lower than anticipated costs related to road treatment, equipment, and ecomaine fees.
- **Facilities expenditures** were under budget as costs related to the Community Center building and the pool were lower than anticipated due to closures.
- **Public safety expenditures** were under budget due to lower training costs due to the pandemic. In addition, write offs for ambulance receivables were lower than anticipated.
- **Education expenditures** – see slide 7.
- **Intergovernmental and overlay expenditures** were under budget as overlay was only used to offset abatements of \$17K.
- **Cultural and parks expenditures** were under budget as community services programs were either cancelled or delayed due to the pandemic.
- **Capital improvements expenditures** were under budget due to the timing of projects and many were carried over to the next fiscal year. 5



Town of Cape Elizabeth

General Fund – Unassigned Fund Balance as a Percentage of Revenues



- **Current Town Fund Balance Policy** sets a targeted unassigned fund balance of 8.33% of annual General Fund revenues.
- **The Targeted Unassigned Fund Balance** based on the FY 2021 revenues would be \$3,619,815.
- **The FY 2020 Unassigned Fund Balance** of \$4,494,603 is currently \$874,788 higher than the Town's targeted unassigned fund balance.
- This is a decrease over the prior fiscal year as last year's unassigned fund balance exceeded the target by about \$1.2 million.

TOWN OF CAPE ELIZABETH

GENERAL FUND – REVENUES – SCHOOL DEPARTMENT ONLY

	Budget	Actual	Variance
Town appropriation	\$26,271,063	26,271,063	-
State education subsidy	1,734,364	1,731,960	(2,404)
State agency clients	6,000	-	(6,000)
Other state funds	8,085	4,325	(3,760)
Activity fees	64,000	39,730	(24,270)
Rental Income	2,000	545	(1,455)
Miscellaneous	4,500	94,667	90,167
Total revenues	28,090,012	28,142,290	52,278
Utilization of Fund Balance	400,000	-	(400,000)
Total revenues and other sources	\$28,490,012	28,142,290	(347,722)

- **State agency client revenue** was lower than budgeted based on current year enrollment.
- **Activity fees revenue** was lower than anticipated as school activities were reduced due to the pandemic.
- **Total revenues** were within .19% of the budget.

TOWN OF CAPE ELIZABETH

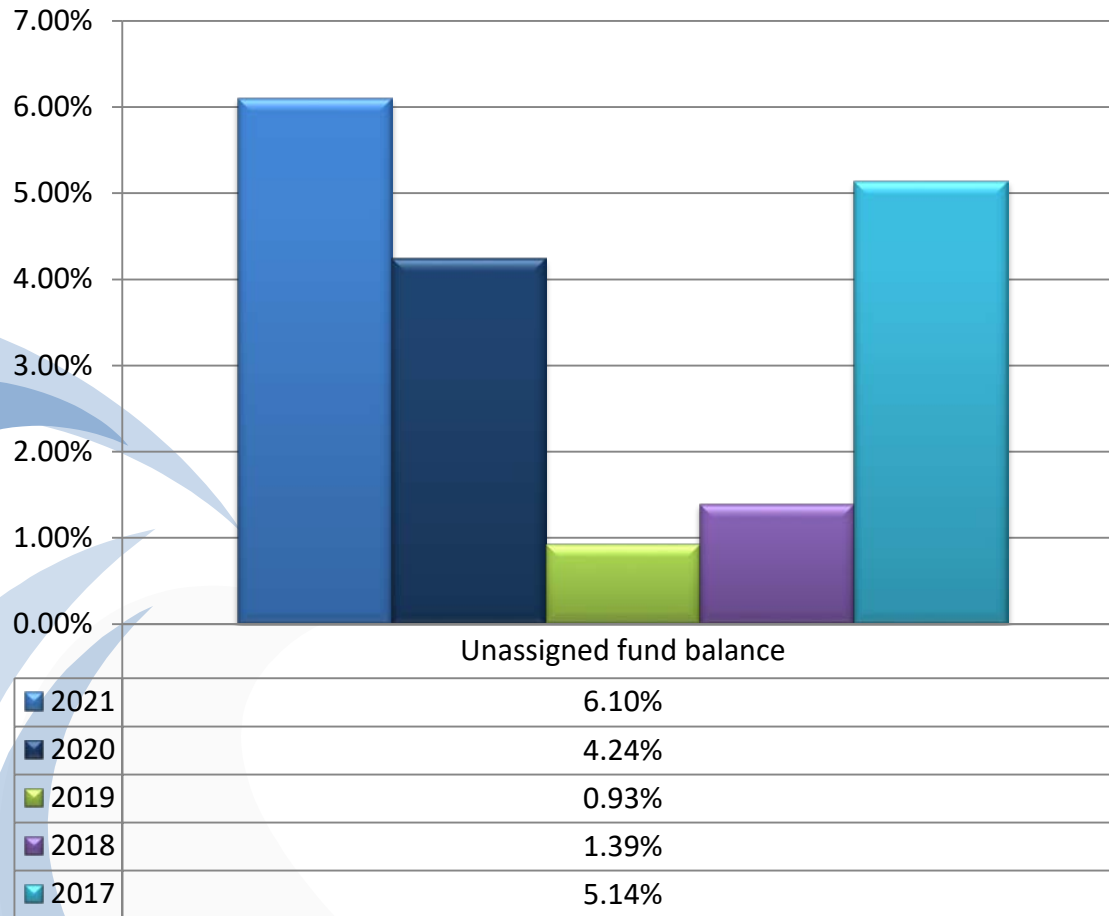
GENERAL FUND - EXPENDITURES – SCHOOL DEPARTMENT ONLY

	Budget	Actual	Variance
Regular instruction	\$13,637,620	13,565,041	72,579
Special education instruction	3,830,113	3,499,888	330,225
Other instruction	993,516	713,563	279,953
Student and staff support	3,186,968	2,781,137	405,831
System administration	815,328	813,281	2,047
School administration	1,275,047	1,268,414	6,633
Transportation	891,624	723,321	168,303
Facilities maintenance	3,284,496	3,217,343	67,153
Debt service	454,800	454,800	-
Total expenditures	28,369,512	27,036,778	1,332,724
Transfers out	120,500	127,500	(7,000)
Total expenditures and transfers out	\$28,490,012	27,164,278	1,325,724

- **Regular instruction expenditures** were under budget due to unfilled positions and enrollment in health insurance that differed from what was budgeted.
- **Special education expenditures** were under budget due to one unfilled position and the reduced need for specialized and legal services.
- **Other instruction expenditures** were under budget due to a reduction in school activities due to the pandemic.
- **Student and staff support** expenditures were under budget as costs related to professional development, course reimbursement, and technology supplies were lower than anticipated.
- **Transportation expenditures** were under budget due to a reduction in school activities.
- **Total expenditures** were 4.7% less than originally budgeted.

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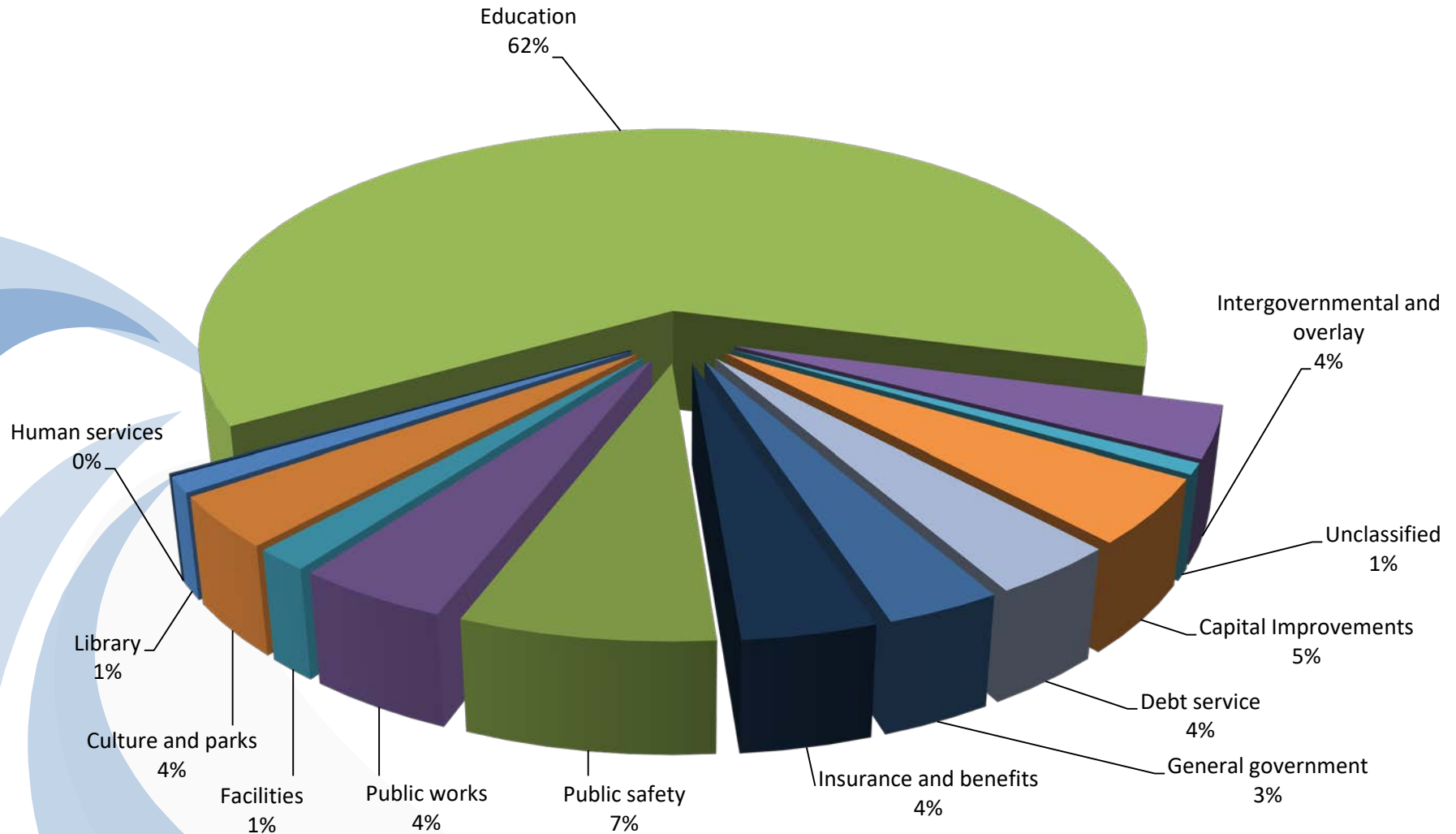
General Fund – School Department Fund Balance as a Percentage of Budget



- The State of Maine currently allows school departments to carry up to 3% of their budget as an unassigned balance.
- The School Department's unassigned fund balance of \$1,737,936 is 6.1% of the budget and exceeds the State's threshold.
- The State's threshold will increase in FY 2022 and currently the School Department is under the new threshold.
- The School Department has already assigned \$740,000 of its fund balance to be used in the FY 2022 budget.

Town of Cape Elizabeth

General Fund – 2021 Expenditure Distribution



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General Fund – 2020 Expenditure Distribution

