

# TOWN OF FREEPORT

## 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 of Freeport's 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*.

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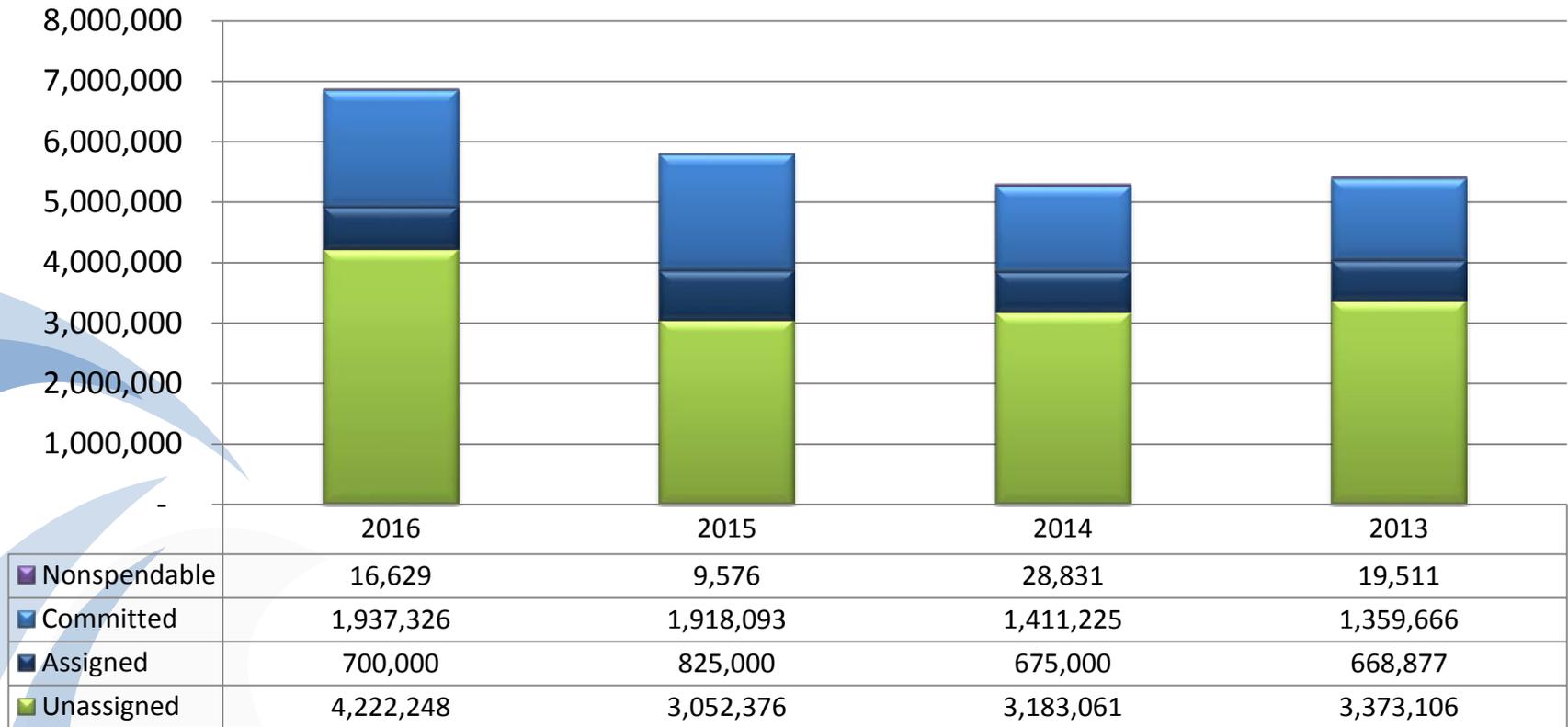
# TOWN OF FREEPORT

## SUMMARY OF AUDIT RESULTS

- **Timing of the Audit**
  - Pre-audit June 2, 2016
  - Audit week of August 8, 2016
  - Reports issued September 30, 2016
- **Report Required by Government Auditing Standards (GAS)**
  - No material weaknesses
  - No Significant Deficiencies
- **Financial Statement Opinion - Unmodified**

# TOWN OF FREEPORT

## General Fund – Fund Balance



### Observations:

- Total fund balance increased \$1,455,043 in the last four fiscal years, or 27%.
- The largest increase has been in committed fund balance, with a 42% increase from 2013 – 2016.
- Unassigned fund balance has increased 25% from 2013 – 2016.

# TOWN OF FREEPORT

## General Fund Revenues

	Budget	Actual	Variance
Taxes	23,945,025	25,086,213	1,141,188
Licenses and Permits	235,200	320,646	85,446
Intergovernmental	1,067,500	1,395,444	327,944
Charges for Services	198,500	233,993	35,493
Fees and Fines	100,400	103,457	3,057
Unclassified	26,250	133,011	106,761
Investment Earnings	15,000	24,700	9,700
<b>Total Revenues</b>	<b>25,587,875</b>	<b>27,297,464</b>	<b>1,709,586</b>
Use of Fund Balance	675,000	-	(675,000)
Transfers In	580,000	581,570	1,570
<b>Total Revenues and Other Financing Sources</b>	<b>26,842,875</b>	<b>27,879,034</b>	<b>1,036,156</b>

### Observations:

- Taxes were higher than budgeted, as the actual property tax revenues include overlay, net of abatements, and excise taxes, which exceeded the budget by \$419K.
- Licenses and permits were higher than budgeted as building, plumbing and electrical permits were \$57K higher and clerk licenses and fees were \$19K higher than anticipated.
- Intergovernmental revenues were higher than budgeted as BETE program reimbursements were \$283K higher and State revenue sharing was \$35K higher than anticipated.
- Unclassified revenues are budgeted conservatively and include unbudgeted revenues from the lobsterman triathlon and the sale of tax acquired property.



# TOWN OF FREEPORT

## General Fund Expenditures

	Budget	Actual	Variance
General Government	1,660,391	1,505,434	154,957
Public Safety	2,504,933	2,368,731	136,202
Public Works	2,237,430	2,023,399	214,031
Community Services	850,095	763,311	86,784
Education	16,548,807	16,548,807	-
Insurance and Benefits	1,691,200	1,552,037	139,163
County Tax	941,811	941,811	-
Unclassified	228,550	248,555	(20,005)
Debt Service	179,658	179,657	1
<b>Total Expenditures</b>	<b>26,842,875</b>	<b>26,131,742</b>	<b>711,133</b>
Transfers Out	-	675,000	(675,000)
<b>Total Expenditures and Other Financing Uses</b>	<b>26,842,875</b>	<b>26,806,742</b>	<b>36,133</b>

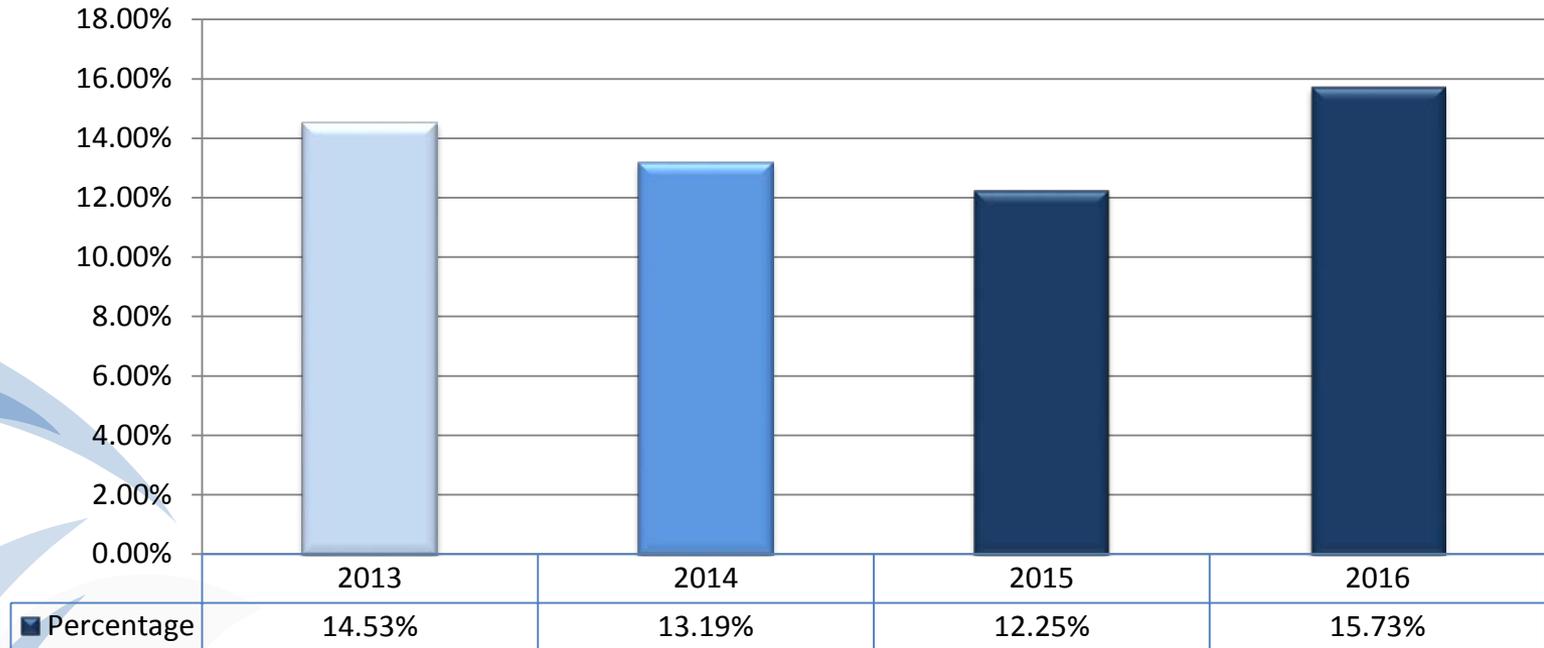
### Observations:

- General Government expenditures were under budget as the Town incurred lower legal fees, equipment and fuel costs for administration than anticipated.
- Public Safety expenditures were under budget due to the retirement of the fire chief and a reduction in call-pay staff in the fire department.
- Public Works expenditures were under budget due to a milder winter and there were lower over time and surface treatment costs than anticipated. In addition, there were certain road projects that were budgeted in FY 2016 but completed in FY 2017.
- Community Services expenditures were under budget as the Town incurred lower costs for general assistance. In addition, library salaries were lower than anticipated as the Library Director retired in February.
- Insurance and Benefits costs were under budget due to lower than anticipated workers' compensation premiums and lower benefit costs due to staff turnover.



# TOWN OF FREEPORT

## UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET

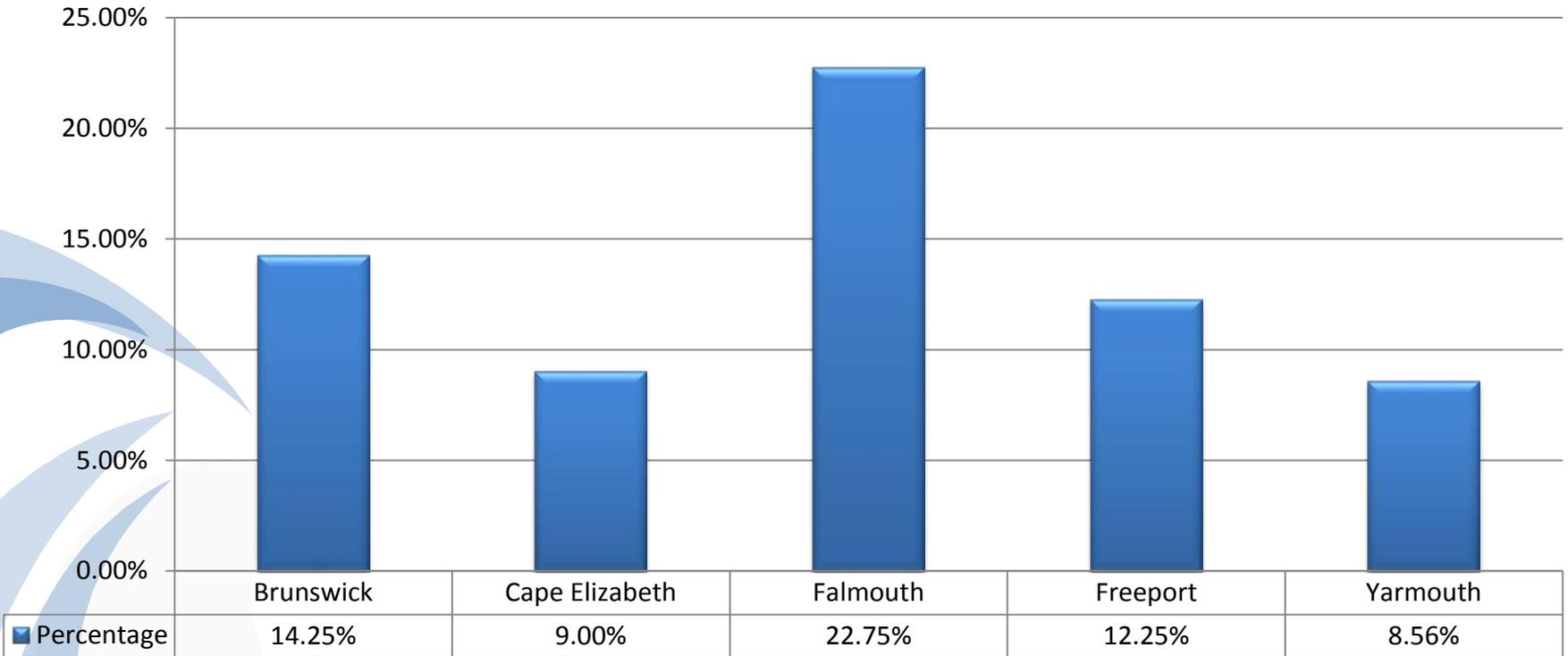


### *Observations:*

- Unassigned fund balance as a percentage of budget increased 3.5% in FY 2016, even after a transfers to reserves of \$675,000.

# TOWN OF FREEPORT

UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET –  
AS COMPARED TO OTHER MUNICIPALITIES (FY 2015)



# TOWN OF FREEPORT

## Expenditures (Pie Chart)

