



FY 2021 Audit Results & Financial Update

December 1, 2021

Agenda

1. FY 21 Highlights

2. General Fund

3. Framework

4. Other Funds

5. FY 22 Q1 Update



Financial Highlights

Unqualified Opinion

- Independent External Auditors

Award for Excellence in Financial Reporting

- Government Finance Officers Association (GFOA)

Triple A Bond Rating

- Moody's and Standard & Poors

General Fund (GF)– Fund Balance Results

- Incredibly strong end to FY 2021 attributed to:
 - Conservative budgeting
 - Sales tax growth
 - Personnel savings from hiring freeze
- Overall fund balance is up by \$7,028,454 (\$34.3 million)
- Available fund balance is up by \$5,913,496 (\$21.0 million)
- Available fund balance percent is 35.3%

GF - Available Fund Balance

- Available Fund Balance calculation

$$\$20,989,439 / \$59,376,447 = 35.3\%$$

(unassigned fund balance/total expenditures)

- Amount Available to Appropriate per calculation

\$ 20,989,439 unassigned fund balance @ 35.3%

(13,062,819) unassigned fund balance @ 22%

\$ 7,926,620

GF– Fund Balance Recommendation

- FY 2021 expenditures lower than usual
 - Budget cuts - \$2.2 million (maintenance, vehicles, OPEB)
 - Hiring freeze - \$2.5 million over normal personnel savings
- Recommendation
 - Reduce the amount available to appropriate to **\$4.5 million**

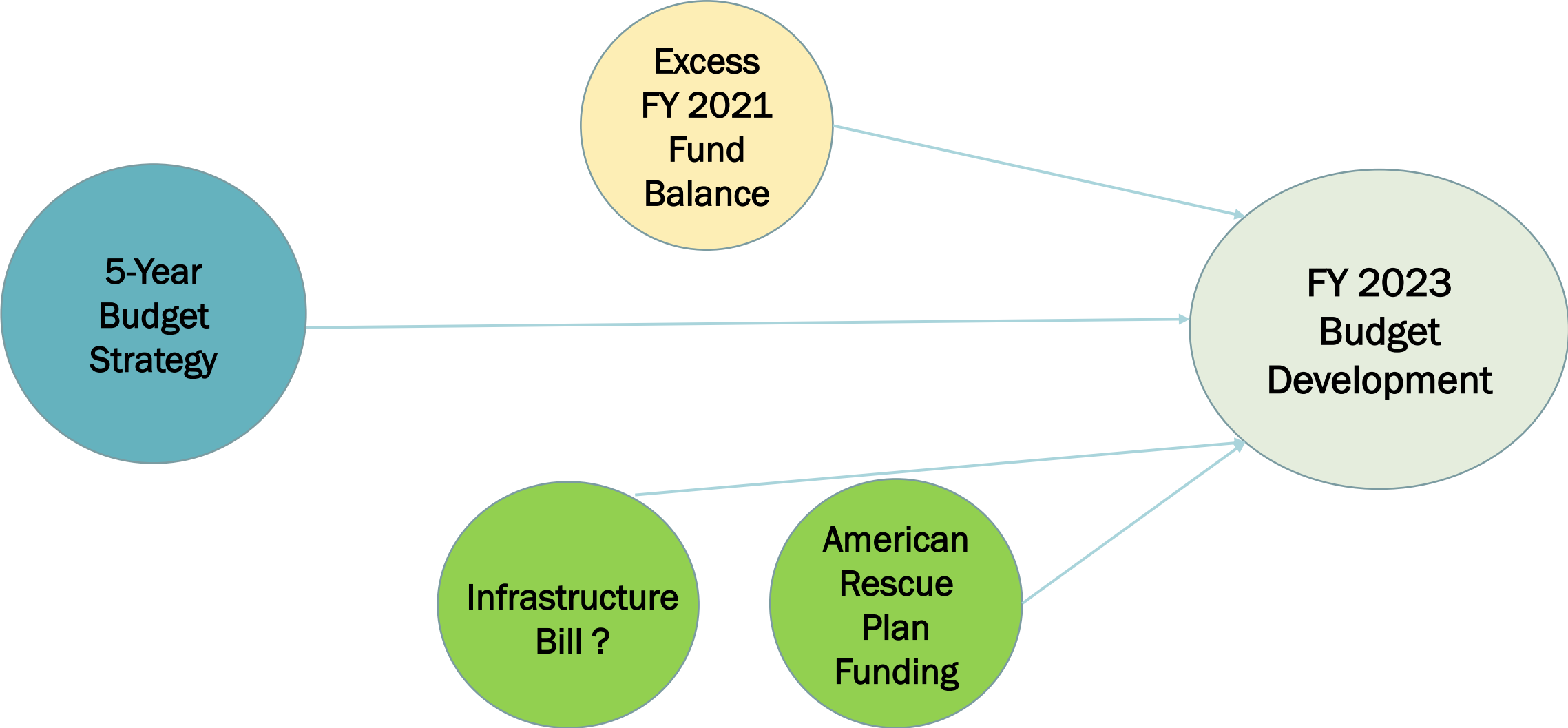
GF– Fund Balance Recommendation

Calculation: $\$16.5 \text{ million} / \$72.5 \text{ million} = 22.8\%$
(estimated unassigned fund balance/total expenditures)

Numerator: $\$21.0 \text{ million}$ FY 2021 unassigned fund balance
 $(4.5) \text{ million}$ Recommended excess fund balance appropriation
 $\$16.5 \text{ million}$

Denominator: $\$71.0 \text{ million}$ FY 2022 General Fund adopted budget
 $(5.0) \text{ million}$ Typical year-end savings
 2.0 million FY 2021 carryforward
 4.5 million Recommended excess fund balance appropriation
 $\$72.5 \text{ million}$

Framework – Project Needs & Sources of Funding



Strategic Use of Fund Balance

- Here tonight to introduce topic to Council
- Tie back to needs identified in 5-year budget strategy
- Funding provides ability to address:
 - Council & community interests
 - Organizational needs
 - Recovery & restoration from pandemic

Strategic Use of Fund Balance

- Affordable Housing
- Building and Fleet Maintenance
- Compensation and Classification Study Implementation
- Capital Needs
- Follow-up discussion at January 2022 work session to discuss uses

Other Fund FY 21 Results



- **Debt Fund** – reduction of \$2.3 million in fund balance (loaned \$3.4 million for initial LOBS expenditures)
- **Transit Fund** – addition of \$7.1 million in fund balance (first round of CARES \$ & personnel savings)
- **Parking Fund** – reduction of \$174k in fund balance (pandemic)
- **Housing Fund** – addition of \$143k in fund balance
- **Stormwater Fund** – planned reduction of \$1.8 million in fund balance (Booker Creek Storage Basin)
- **OPEB Trust** – reduction in net OPEB liability of \$26.8 million (retiree health savings)

FY 2022 Q1 Revenue Update

Revenue Source	FY 2022 Q1	FY 2021 Q1	Difference
Property Taxes	\$ 5,890,805	\$ 4,376,418	\$ 1,514,387
Sales Taxes	-	-	-
Other Taxes	189,453	93,736	95,717
Intergovernmental	696,522	1,063,885	(367,363)
Charges for Services	685,644	343,406	342,238
Licenses & Permits	503,448	748,151	(244,703)
Other Revenues	<u>238,311</u>	<u>104,786</u>	<u>133,525</u>
Total	\$ 8,204,183	\$ 6,730,382	\$ 1,473,801

FY 2022 Q1 Expenditure Update



- At the end of the 1st quarter, we would expect to have spent about 25% of the budget; actual is 21.9%
- Town has spent 24.8% of personnel budget
- Town has spent 15% of operating budget



Questions ?

