



FY 2021 Audit Results & Financial Update

December 1, 2021

Agenda

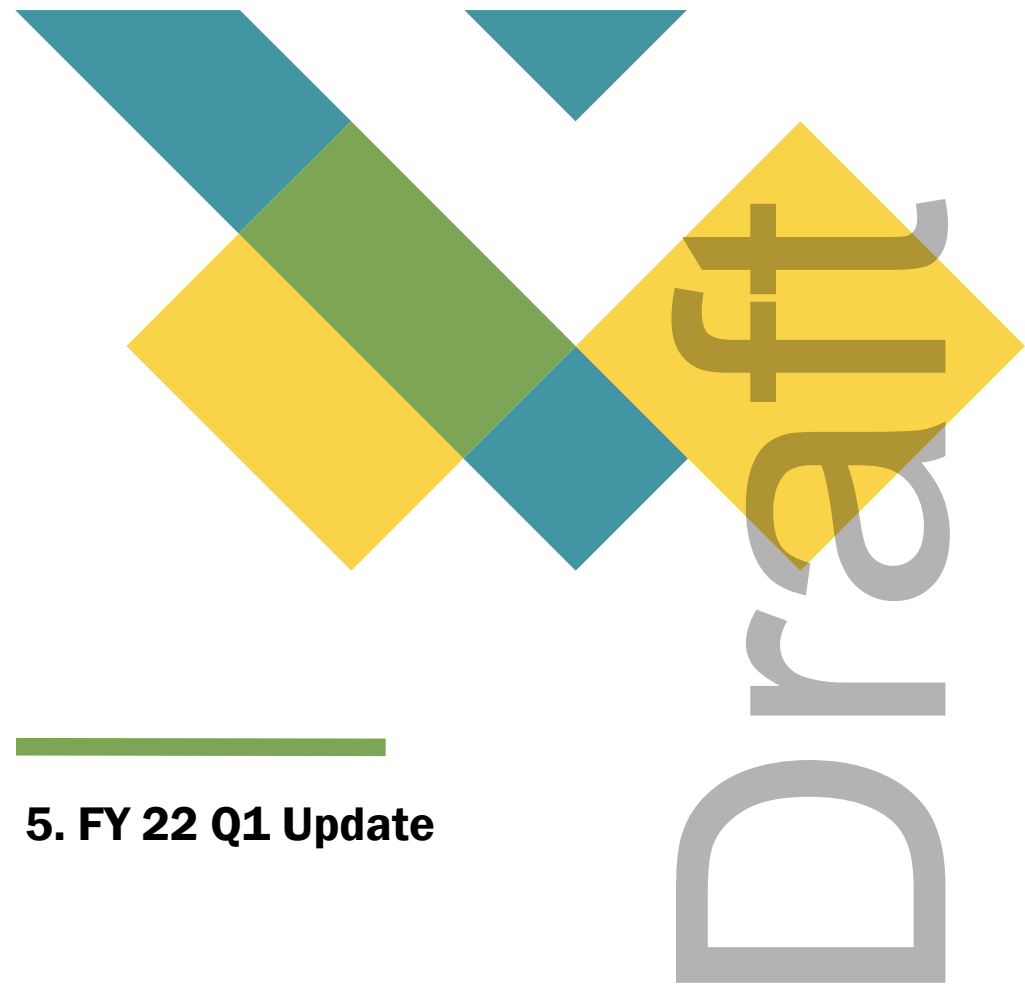
1. FY 21 Highlights

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

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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%

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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% |
|---------------|---------------------------------|

| | |
|----------------------|-------------------------------|
| <u>(13,062,819)</u> | unassigned fund balance @ 22% |
|----------------------|-------------------------------|

| | |
|---------------------|--|
| \$ 7,926,620 | |
|---------------------|--|

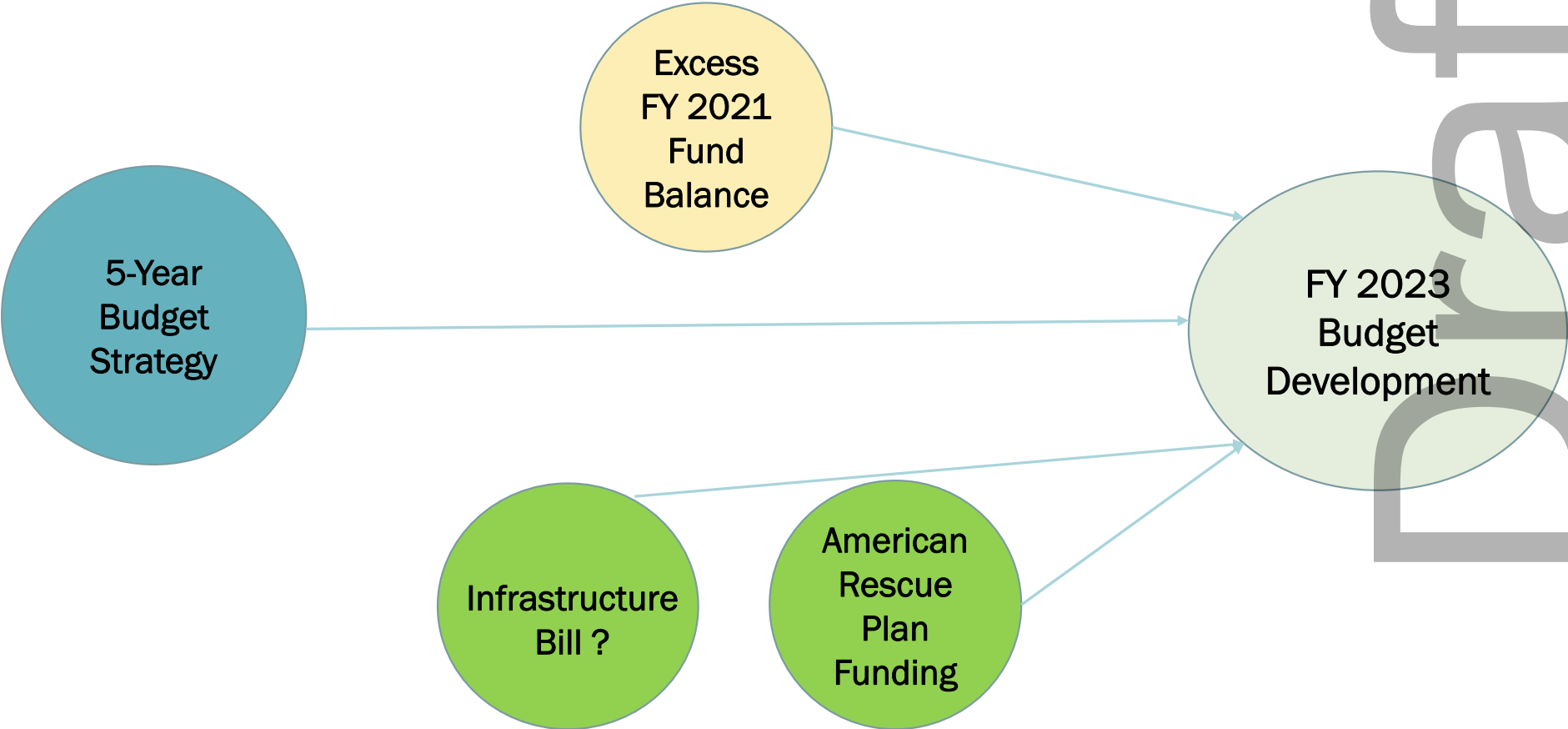
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GF– Fund Balance Recommendation

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

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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
- Follow-up discussion at January 2022 work session to discuss uses

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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

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| 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



Dr. [unclear]



Questions ?

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