



FY 2022 Audit Results & Financial Update

December 7, 2022



Agenda

1. FY 22 Highlights

2. Other Funds

3. General Fund

4. Framework

**5. FY 22 Excess
Fund Balance**



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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Other Fund FY 22 Results

- Debt Fund – addition of \$3.6 million in fund balance (return of \$3.4 million loan for initial LOBS expenditures)
- Transit Fund – addition of \$13.3 million in fund balance (ARPA \$, return of SMAP & personnel savings)
- Parking Fund – addition of \$383K in fund balance
- Housing Fund – addition of \$157K in fund balance
- Stormwater Fund – addition of \$947K in fund balance
- OPEB Liability – addition in net OPEB liability of \$704K

General Fund (GF)– Fund Balance Results

- Incredibly strong end to FY 2022 attributed to:
 - Conservative budgeting
 - Sales tax growth
 - Personnel savings from vacant positions
- Overall fund balance is up by \$1,937,965 (\$36.3 million)
- Available fund balance is up by \$1,251,831 (\$22.2 million)
- Available fund balance percent is 31.5%

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GF - Available Fund Balance

- Available Fund Balance calculation

$$\$22,241,270 / \$70,701,396 = 31.5\%$$

(unassigned fund balance/total expenditures)

- Amount Available to Appropriate per calculation

\$ 22,241,270	unassigned fund balance @ 31.5%
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<u>(15,554,307)</u>	unassigned fund balance @ 22%
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\$ 6,686,963	
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GF– Fund Balance Recommendation

- Things to consider when determining amount to appropriate:
 - Each year, budget gets bigger (larger denominator)
 - FY 2022 expenditures were still lower than normal
 - Higher than typical carryforward
- Recommendation
 - Reduce the amount available to appropriate to \$4.0 million

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GF– Fund Balance Recommendation

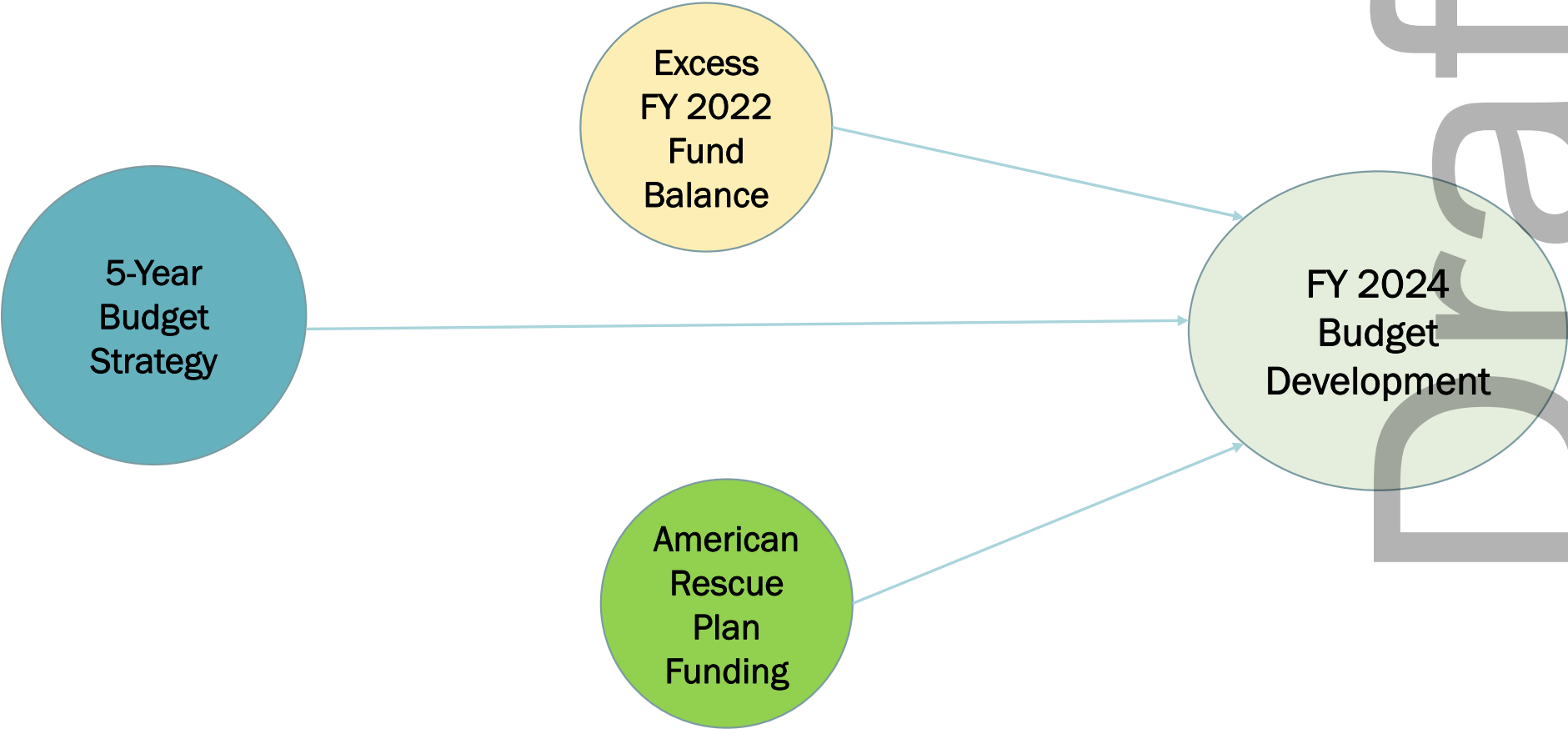
Calculation: $\$18.2 \text{ million} / \$81.3 \text{ million} = 22.4\%$
(estimated unassigned fund balance/total expenditures)

Numerator: $\$22.2 \text{ million}$ FY 2022 unassigned fund balance
 $(4.0) \text{ million}$ Recommended excess fund balance appropriation
 $\$18.2 \text{ million}$

Denominator: $\$76.7 \text{ million}$ FY 2023 General Fund adopted budget
 $(2.5) \text{ million}$ Typical year-end savings
 3.1 million FY 2022 carryforward
 4.0 million Recommended excess fund balance appropriation
 $\$81.3 \text{ million}$

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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

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Strategic Use of Fund Balance

- Capital Needs:
 - Parks & Recreation projects identified as interests during ARPA conversations
 - Public Safety Radios (gap from 2/3 bonds)
 - Other projects in the Town's CIP
- Building Maintenance
- Fleet Replacement (including green fleet investments)
- Affordable Housing

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Next Steps -

Follow up at work session
to discuss possible uses



Questions ?

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