

CITY OF AUBURN

FINANCIAL OVERVIEW

Presented by:

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RUNYON KERSTEEN OUELLETTE

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About this presentation

This presentation is intended as a tool to assist the City Council, School Committee, Audit Committee 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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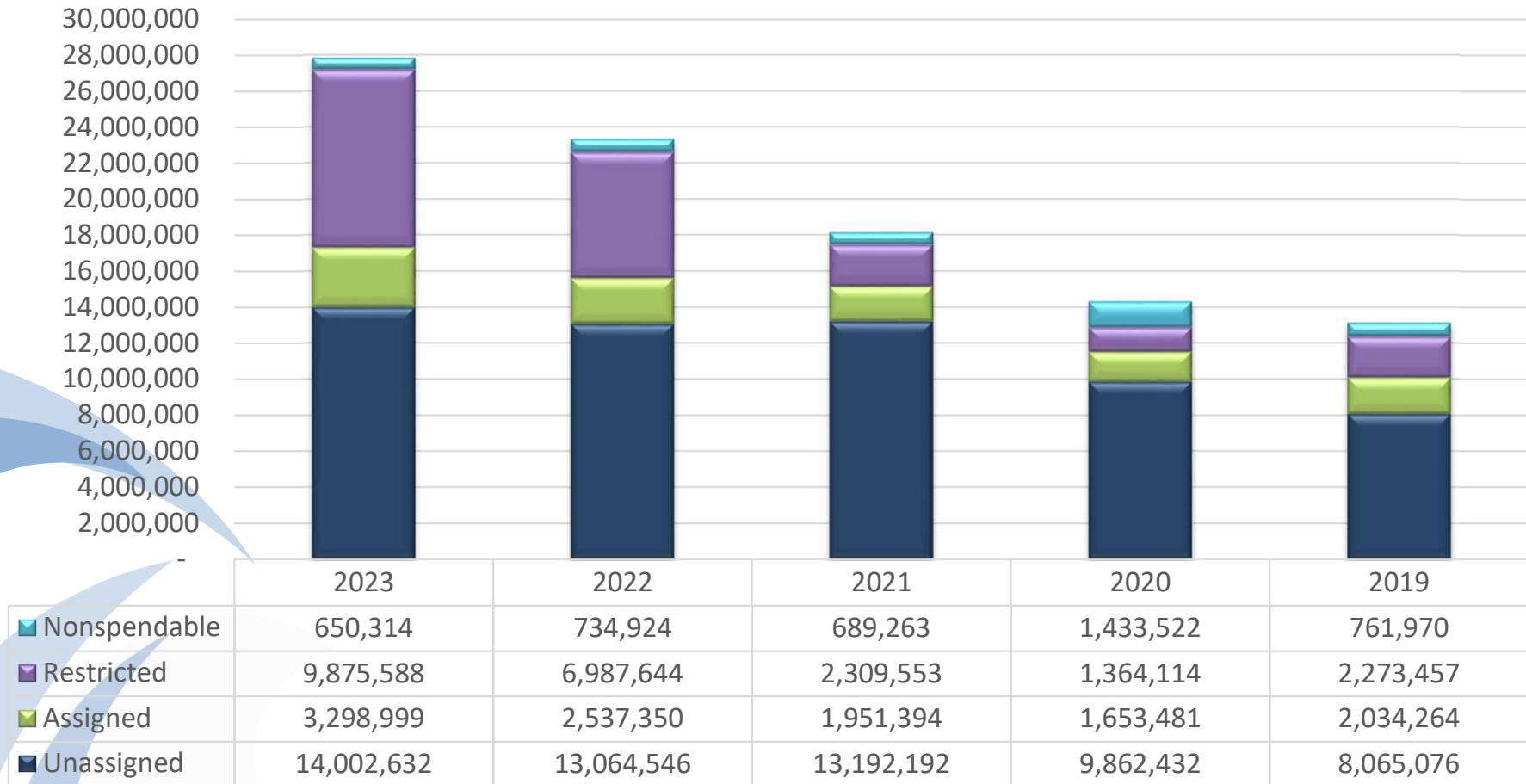
CITY OF AUBURN

SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards*
 - Material Weaknesses
 - Grant account reconciliations
 - Bank reconciliations
 - City accounting software to school accounting software reconciliation
 - Maintenance of capital asset records
 - Significant Deficiency
 - Preparation of financial statements
 - Other comments / recommendations
- Reports Required by the Uniform Guidance
 - Programs Tested:
 - Coronavirus State and Local Fiscal Recovery Funds
 - Community Development Block Grant – Entitlement Grants Cluster
 - Child Nutrition Cluster
 - Elementary and Secondary School Emergency Relief
 - Title IA
 - Highway Planning and Construction (FHA) Cluster
 - Findings:
 - Reporting - Coronavirus State and Local Fiscal Recovery Funds
 - Activities Allowed/ Allowable Costs - Child Nutrition Cluster
 - Program Income Community Development Block Grant – Entitlement Grants Cluster

CITY OF AUBURN

GENERAL FUND - FUND BALANCE ANALYSIS – FY 2019-2023



- Total fund balance increased in 2023 from \$23,324,464 to \$27,827,533, which is an increase of \$4,503,069.
- Please refer to page 13 of the financial statements for descriptions of the fund balance classifications and page 28 for a composition of each 2023 balance.

CITY OF AUBURN

GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 53,857,320	\$ 54,373,113	\$ 515,793
Intergovernmental	45,916,745	47,188,220	1,271,475
Licenses and permits	385,250	475,259	90,009
Charges for services – municipal	2,277,200	2,397,183	119,983
Charges for services – school	264,910	355,529	90,619
Fines, forfeits and penalties	28,000	18,176	(9,824)
Interest	30,000	278,143	248,143
Miscellaneous	120,000	688,969	568,969
Total revenues	102,879,425	105,774,592	2,895,167
Transfers from other funds	1,414,000	-	(1,414,000)
Use of surplus - City	2,050,839	-	(2,050,839)
Use of surplus - School	1,251,726	-	(1,251,726)
Total revenues and other financing sources	\$107,595,990	\$ 105,774,592	\$ 1,821,398

- **Tax revenues** were over budget due to greater-than-expected excise taxes and the change in deferred taxes.

- **Intergovernmental** revenues were over budget primarily due to higher-than-expected state revenue sharing and state education subsidy.

- **Interest** revenues were over budget due to higher-than-expected rates of return.

- **Miscellaneous** revenues were over budget due the receipt of unbudgeted donations.

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GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	\$ 13,774,618	\$ 11,991,743	\$ 1,782,875
Public safety	11,306,750	11,460,197	(153,447)
Health, welfare and recreation	1,971,759	2,044,326	(72,567)
Public services	7,185,269	6,822,438	362,831
Other agencies	4,645,744	4,649,304	(3,560)
Education	55,732,090	52,454,440	3,277,650
Other appropriations	9,754,957	9,239,430	515,527
Total expenditures	104,371,187	98,661,878	5,709,309
Transfers to other funds	3,224,803	2,904,086	320,717
Total expenditures and other financing uses	\$ 107,595,990	\$ 101,565,964	\$ 6,030,026

- **General government** expenditures were under budget primarily due to lower-than-expected costs related to business and community development, as well as lower-than-expected benefit cost increases.

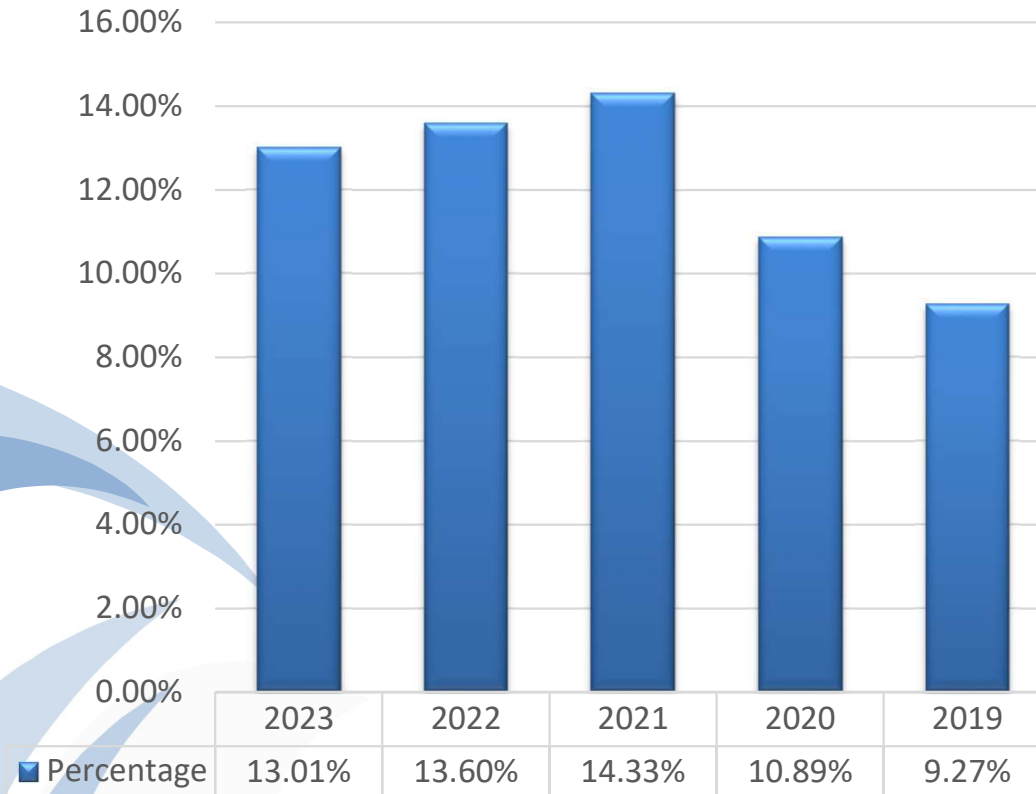
- **Public safety** expenditures were over budget due to overtime as vacancies have been an issue.

- **Public services** expenditures were under budget primarily due to public works staffing shortages.

- **Other appropriations** were under budget primarily due to the receipt of unbudgeted donations and the sale of laptops back to Apple.

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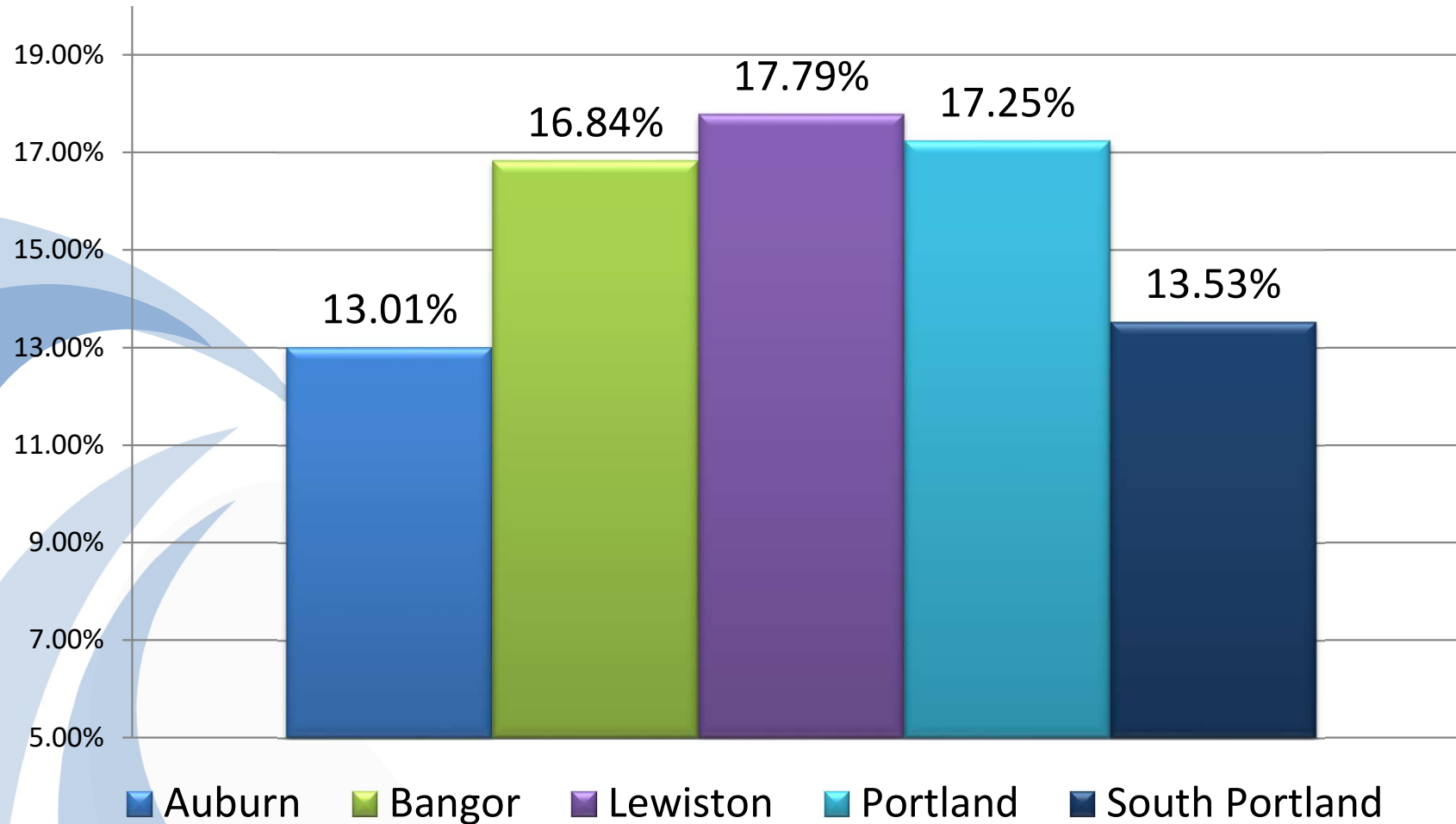
UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET



- We generally recommend an unassigned fund balance as a percentage of budget equal to one to two months of expenditures, which equals 8.33% to 16.67%.
- It is the City's policy to: *maintain unrestricted fund balance in the general fund of no less than **10%** and no more than **14%** of general fund annual budget. In the event that the unassigned fund balance drops below this level, the City will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three (3) years. Amounts in excess of the target shall be brought to the City Council in the form of a Council Order before use for City Council approval.*
- Using the City's policy, unrestricted fund balance as a percentage of budget for 2023 equaled 16.08% and so the amount in excess of the 14% target equaled \$2,238,192.

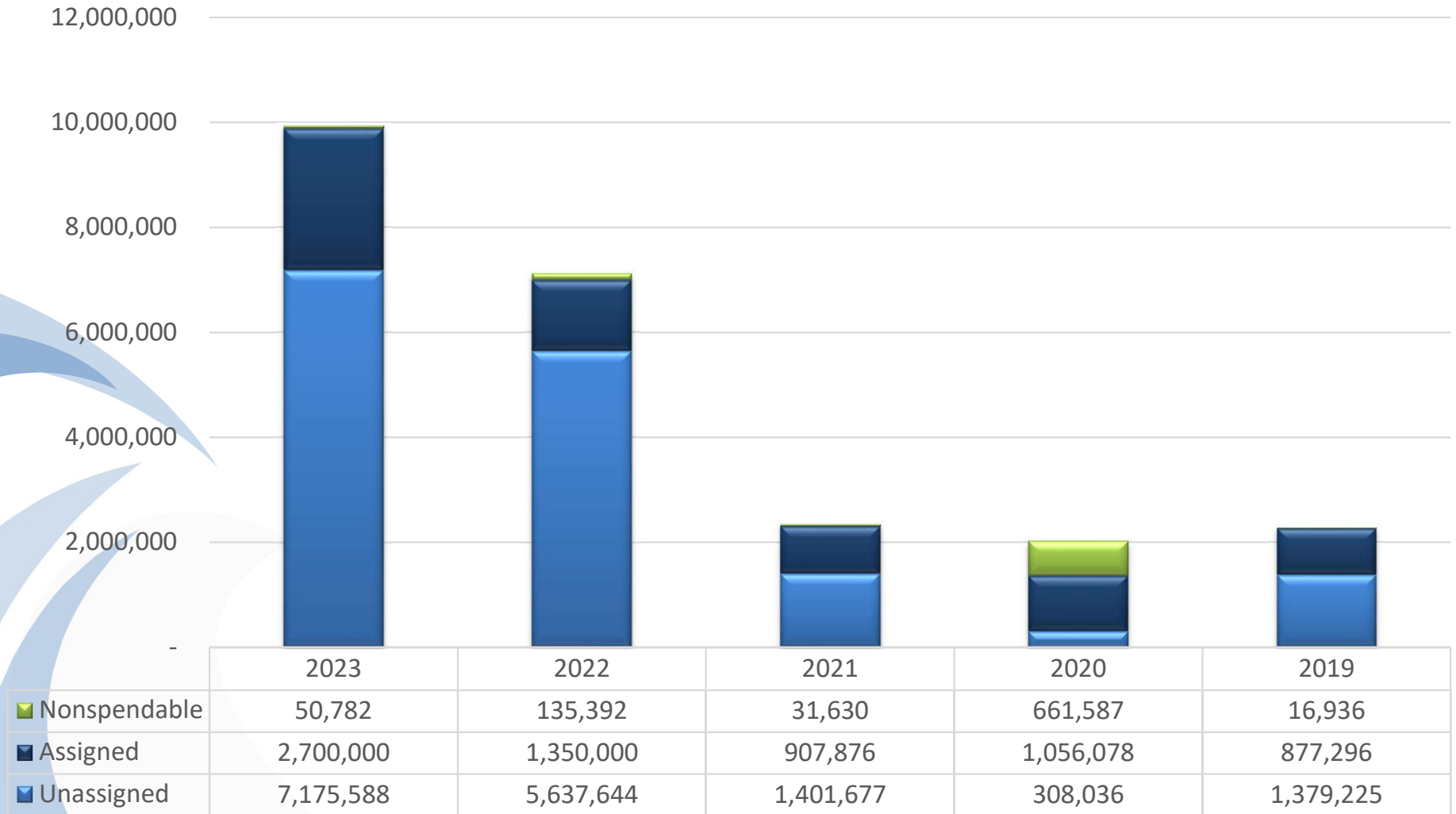
CITY OF AUBURN

UNASSIGNED FUND BALANCE AS PERCENTAGE OF BUDGET AS COMPARED TO OTHER CITIES – FY 2023



CITY OF AUBURN – SCHOOL DEPARTMENT

GENERAL FUND - FUND BALANCE ANALYSIS – FY 2019-2023



Total fund balance increased by \$2,803,334 over the prior year.

CITY OF AUBURN – SCHOOL DEPARTMENT

GENERAL FUND – REVENUES

	Budget	Actual	Variance
Property taxes	\$ 19,164,875	\$ 19,164,875	\$ -
Intergovernmental	35,050,579	35,337,836	287,257
Charges for services	186,910	202,957	16,047
Other revenues	77,999	552,437	474,438
Total revenues	54,480,363	55,258,105	777,742
Use of fund balance	1,251,725	-	(1,251,725)
Total revenues and other financing sources	\$ 55,732,088	\$ 55,258,105	(473,983)

- **Intergovernmental** revenues were over budget primarily due to higher-than-expected State education subsidy.

- **Other revenues** were over budget primarily due to the receipt of unbudgeted donations and the sale of laptops back to Apple.

CITY OF AUBURN – SCHOOL DEPARTMENT

GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
Regular instruction	\$ 20,492,301	\$ 18,491,353	\$ 2,000,948
Special education instruction	12,237,270	10,726,067	1,511,203
Other instruction	893,935	942,625	(48,690)
Student and staff support	3,291,341	3,475,056	(183,715)
System administration	1,217,268	1,216,489	779
School administration	2,362,170	2,255,717	106,453
Transportation and buses	1,824,534	2,113,505	(288,971)
Facilities maintenance	5,281,610	5,193,449	88,161
Other expenditures	405,111	321,925	83,186
Debt service	7,726,548	7,718,585	7,963
Total expenditures	\$ 55,732,088	\$ 52,454,771	\$ 3,277,317

- **Regular instruction** expenditures were under budget primarily due to the hiring of new teachers at lower rates and teacher vacancies.

- **Special education instruction** expenditures were under budget due to lower-than-expected out-of-district placement costs and teacher vacancies.

- **Transportation and buses** expenditures were over budget primarily due higher-than-expected contracted repairs due to vacancies in the bus mechanic position.