

# Town of Durham

## FINANCIAL OVERVIEW

Presented By: Jennifer Conners

*RUNYON KERSTEEN OUELLETTE*

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### **About this presentation**

This presentation is intended as a tool to assist the Town Board of Selectmen 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*.

Please contact us at 207-773-2986 or 1-800-486-1784  
20 Long Creek Drive, South Portland, ME 04106



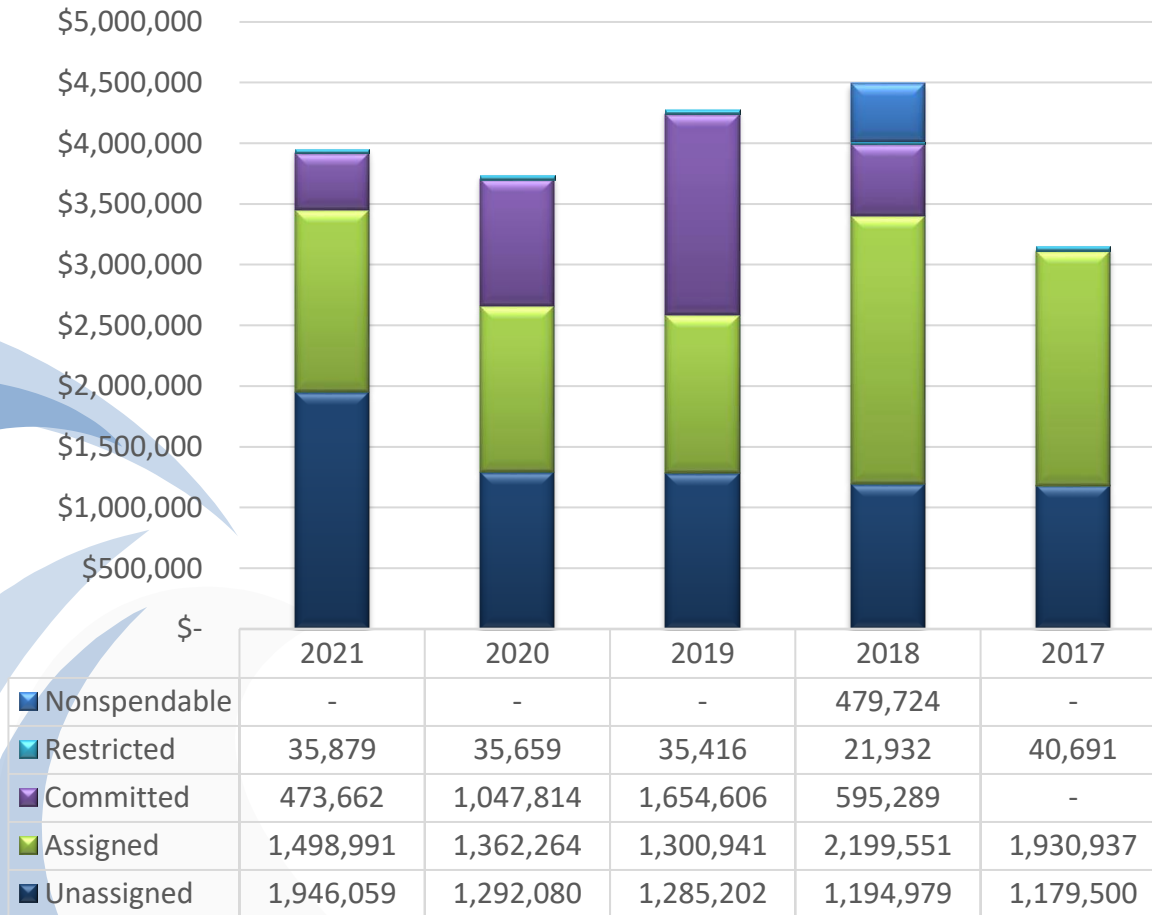
# Town of Durham

## SUMMARY OF AUDIT RESULTS

- Timing of Audit
  - Audit performed the week of March 14, 2022
  - Reports issued August 25, 2022
  - Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards (GAS)*
  - Material weakness related to cash account reconciliations
  - Significant deficiency related to segregation of duties
  - Significant deficiency related to preparation of financial statements and audit adjustments

# Town of Durham

## General Fund – Fund Balance



- **Nonspendable fund balance** includes prepaid expenditures.
- **Restricted fund balance** includes unspent grant, donation, and scholarship funds.
- **Committed fund balance** includes balances that were set aside for specific uses and are non-lapsing per town vote.
- **Assigned fund balance** includes approved carry forwards and budgeted use of fund balance.
- **Unassigned fund balance** represents the remaining fund balance not restricted or assigned for specific purposes.
- **Total fund balance** increased by \$216,774 from 2020 to 2021.

# Town of Durham

## GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 8,475,239	8,537,190	61,951
Intergovernmental	837,699	973,663	135,964
Charges for Services	131,943	246,948	115,005
Investment income	32,740	41,644	8,904
Other revenues	10,991	7,388	(3,603)
<b>Total revenues</b>	<b>9,488,612</b>	<b>9,806,833</b>	<b>318,221</b>
Carry forward balances	316,600	-	(316,600)
Utilization of prior year surplus	29,364	-	(29,364)
<b>Total revenues and other sources</b>	<b>\$9,834,576</b>	<b>9,806,833</b>	<b>(27,743)</b>

- **Taxes** were higher than budgeted due to collections on prior year taxes and unbudgeted supplemental taxes.
- **Intergovernmental revenue** was higher than budgeted due to higher than anticipated state revenue sharing.
- **Charges for services** were higher than anticipated due to unbudgeted fire department revenues (which include ambulance billing) of \$99K, plus higher than anticipated sewer user fees.
- **Total revenues** were higher than the budget by 3%.

# Town of Durham

## GENERAL FUND - EXPENDITURES

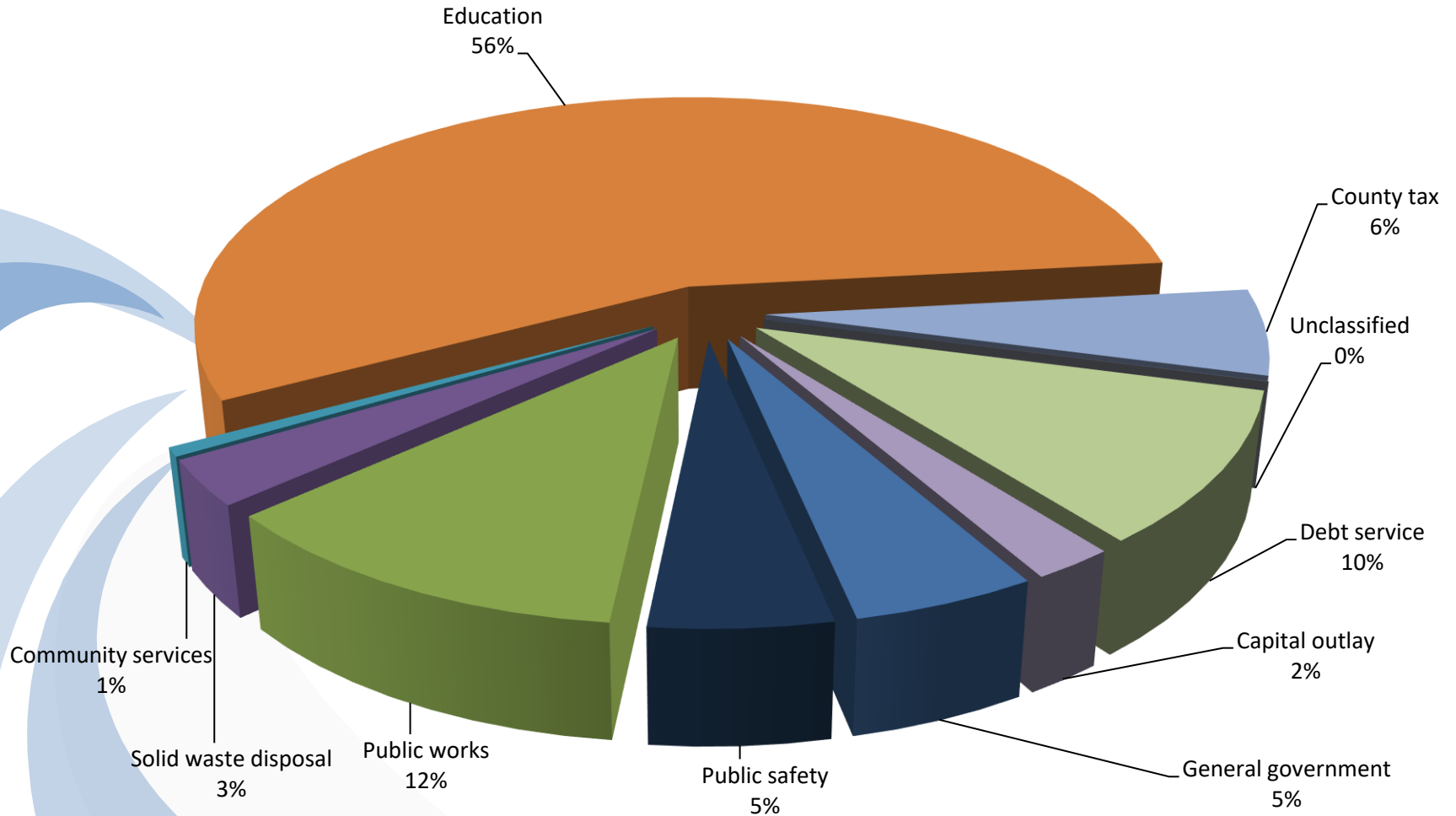
	Budget	Actual	Variance
General government	\$ 513,871	479,309	34,562
Public safety	503,351	471,836	31,515
Public works	1,188,604	1,120,242	68,362
Solid waste disposal	310,000	294,576	15,424
Community services	73,235	59,335	13,900
Education	5,349,456	5,349,456	-
County tax	558,960	558,960	-
Unclassified	107,637	1,269	106,368
Debt service	980,862	980,859	3
Capital outlay	248,600	215,493	33,107
<b>Total expenditures</b>	<b>\$9,834,576</b>	<b>9,531,335</b>	<b>303,241</b>

- **General government expenditures** were under budget due to turnover in the manager's/administrative assistant position.
- **Public safety expenditures** were under budget due to the budgeted but unused capital amounts.
- **Public works expenditures** were under budget due to the budgeted but unused capital amounts, as well as the timing of some projects.
- **Unclassified expenditures** were under budget as the budget includes the amount raised in overlay that was only used to offset \$1,269 in abatements.
- **Capital improvements expenditures** were under budget due to the timing of projects.



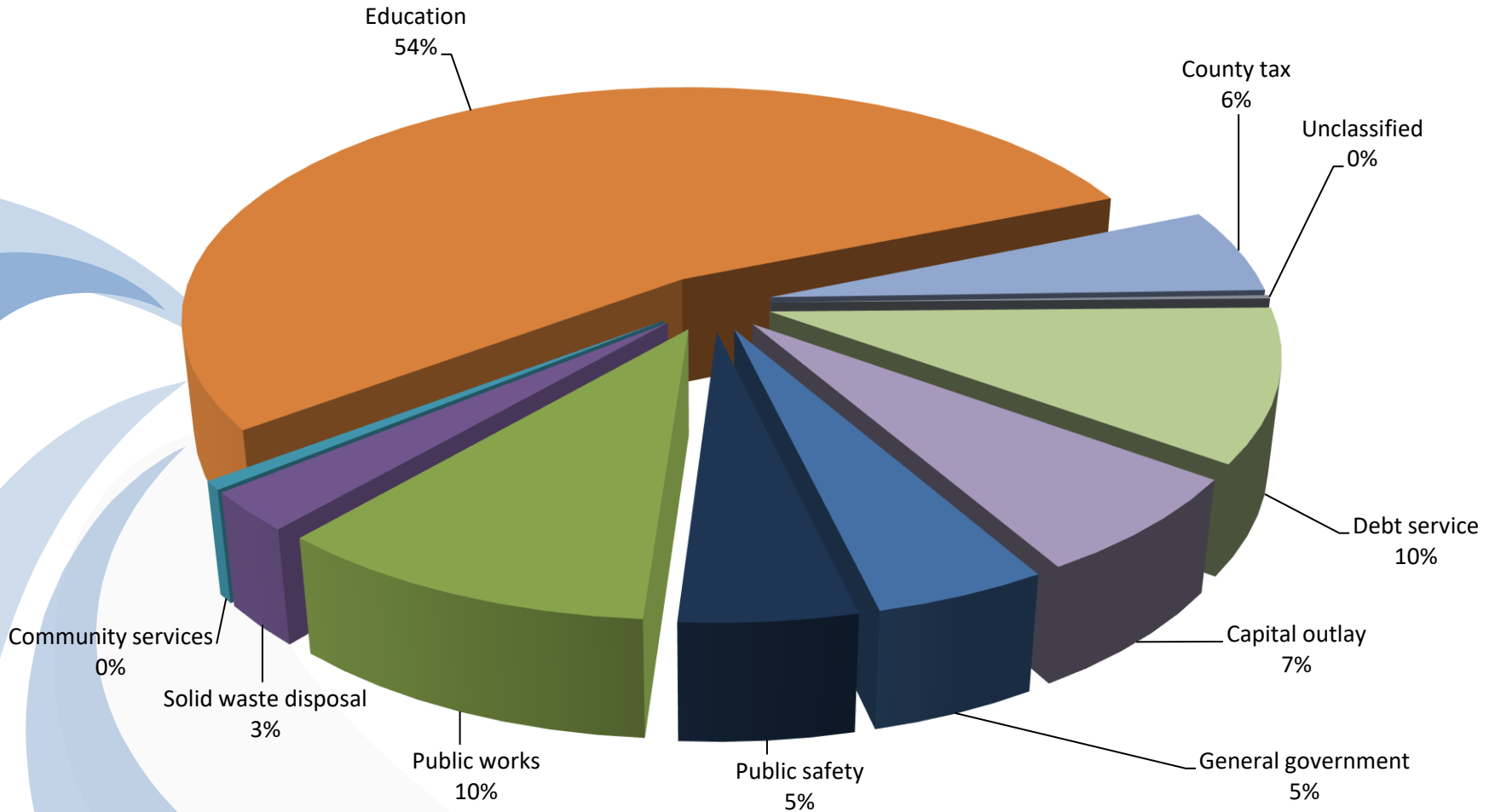
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## General Fund – 2021 Expenditure Distribution



# Town of Durham

## General Fund – 2020 Expenditure Distribution



# Town of Durham

## General Fund – 2021 Committed Fund Balances - Reserves

Funds	Balance 1/1/2021	Receipts	Disbursements	Balance 12/31/2021	Adjustments	Balance 12/31/2021
Emergency fund	16,953	-	-	16,953	-	16,953
Restoration fund	38,120	108	-	38,228	-	38,228*
Telecommunications	84,007	44,861	98,129	30,739	2,282	33,021
Municipal capital	97,632	-	-	97,632	-	97,632
Recreation	15,682	7,339	12,213	10,808	9,330	20,138
Fire/Rescue capital	252,351	-	116,950	135,401	90,000	225,401
Public works capital	447,599	-	377,180	70,419	218,620	289,039
Eureka capital	1,719	-	-	1,719	-	1,719
Eureka center telecom	1,000	-	-	1,000	-	1,000
Grants	27,077	-	-	27,077	-	27,077
Unspent bond proceeds	65,165	-	21,479	43,686	-	43,686*
<b>Total</b>	<b>1,047,305</b>	<b>52,308</b>	<b>625,951</b>	<b>473,662</b>	<b>320,232</b>	<b>793,894</b>

\*Held in separate bank accounts



# Town of Durham

## General Fund – 2021 Restricted Fund Balances

Funds	Balance 1/1/2021	Receipts	Disbursements	Transfers	Balance 12/31/2021
Jackson Tupper Memorial Fund	\$ 123	-	-	-	123
Durham Heating Fund	10,666	-	706	1,025	10,985
Giving Tree	1,025	868	-	(1,025)	868
Historical District Commission	1,330	-	-	-	1,330
<b>Subtotal – restricted funds in operating account</b>	<b>13,145</b>	<b>868</b>	<b>706</b>	<b>-</b>	<b>13,306</b>
River Park Project	7,917	18	-	-	7,935
Scholarship Fund	14,597	41	-	-	14,638
<b>Total</b>	<b>\$ 35,659</b>	<b>927</b>	<b>706</b>	<b>-</b>	<b>35,879</b>

# Town of Durham

## Available Funds

Total operating cash 12/31/2021	4,038,041.00	
Estimated non-tax revenues (first 7 1/4 months)	1,342,465.58	** Taxes due beginning of August
Estimated expenditures (until next taxes are raised)	<u>(5,628,321.21)</u>	Operating expenditures for 7 1/4 months
Shortfall	(247,814.63)	
Operating cash balance 12/31/2021	4,038,041.00	
Restricted balances held in operating cash (1)	(13,306.00)	
Committed balances held in operating cash (2)	<u>(711,980.00)</u>	Can only be used for capital and other purposes
Available for expenditures	3,312,755.00	4 Months of expenditures
Actual expenditures through 12/31/2021	9,315,842.00	*
One month's worth of expenditures	776,320.17	

\*Excludes capital expenditures

\*\*Excludes property and supplemental taxes

(1) - Scholarship and River Park restricted balances are held in separate bank accounts.

(2) - Durham Restoration Fund and Unspent Bond Proceeds are held in separate bank accounts.