

TOWN OF SANFORD

FINANCIAL STATEMENT PRESENTATION

June 30, 2010

Financial Overview

Presented by:
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RUNYON KERSTEEN OUELLETTE

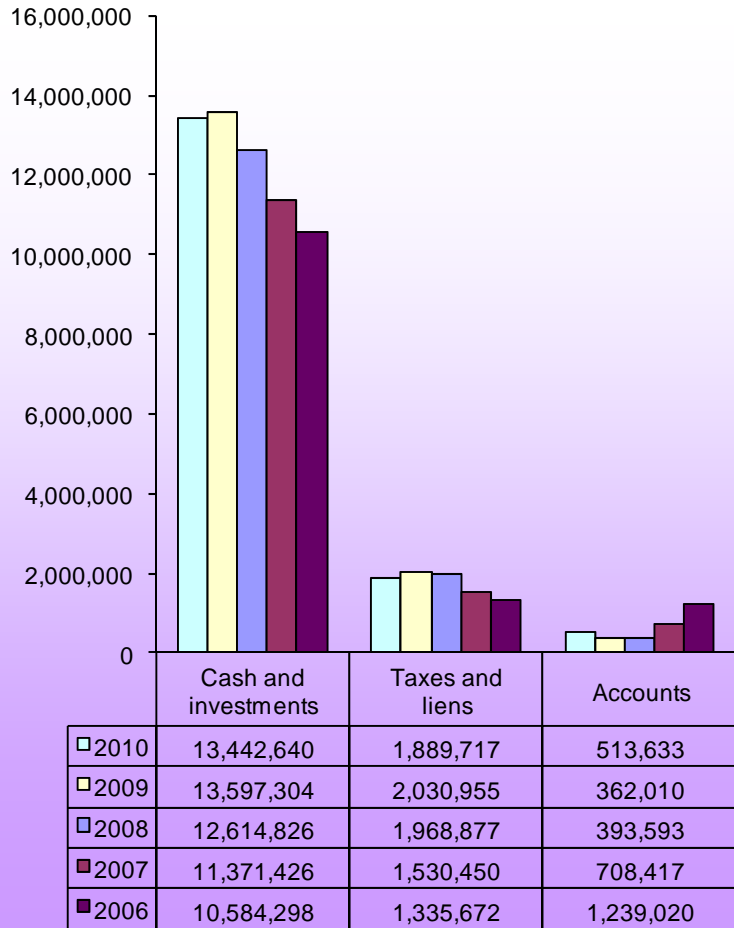
The Town of Sanford completed the financial audit process. The Town has received an unqualified opinion for fiscal year 2010.

Further, the Town had two significant deficiencies required to be reported under *Government Auditing Standards* and two findings related to its administration of federal awards.

The remainder of this publication is dedicated to providing you with the financial results for fiscal year 2010 as well as trend information for certain areas.

Key Performance Indicators

General Fund Assets



INSIDE

1. Assets
2. Liabilities And Fund Equity
3. Revenues Table
4. Expenditure Table
5. Fund balance analysis
6. General Fund revenues and expenditures
7. Components of net assets and reconciliation
8. Comparisons to other municipalities

SUMMARY OF SIGNIFICANT CHANGES

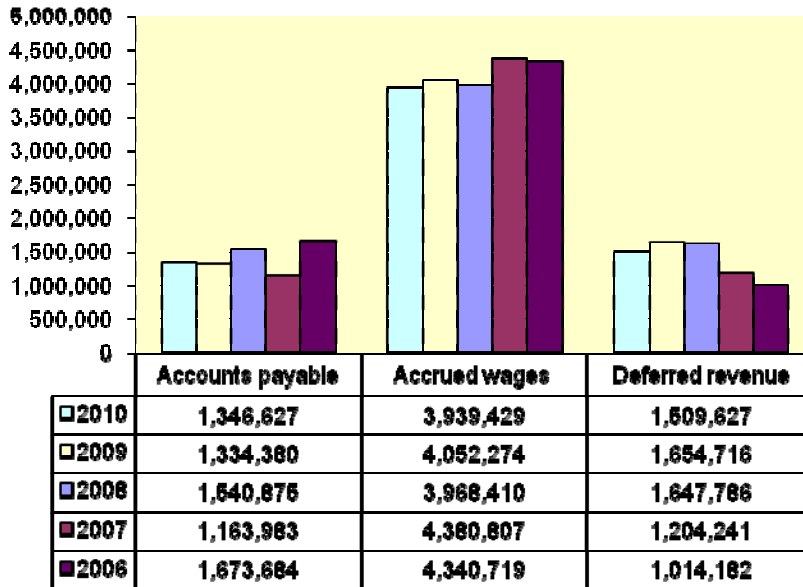
- Cash is down over \$150K from prior year.
- Taxes receivable are \$141K lower than prior year.
- Accounts receivable is up \$150K from prior year.

Runyon
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Town of Sanford

TOWN OF SANFORD

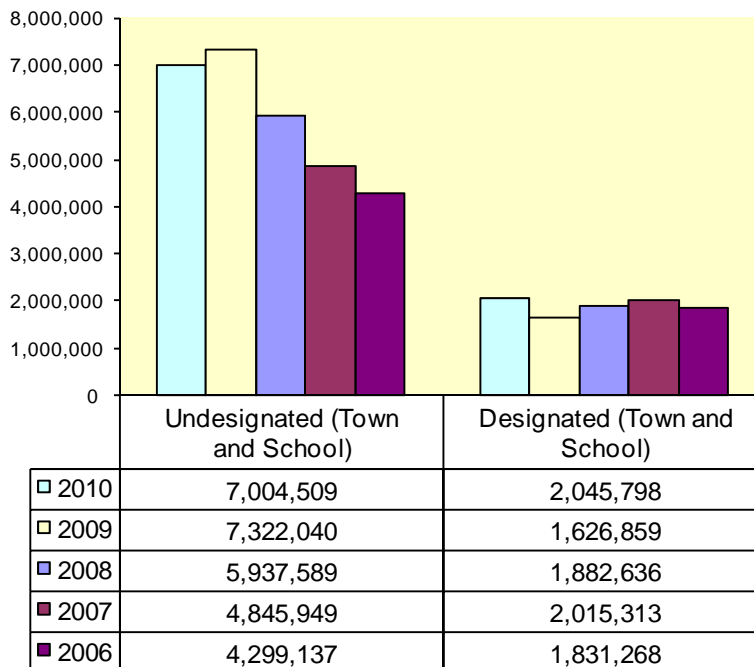
GENERAL FUND LIABILITIES



SUMMARY OF SIGNIFICANT CHANGES

- Changes in accounts payable are a result of the timing of payments at year end.
- The largest component of accrued wages is teacher summer salaries (\$3,736,996). Teacher summer salaries represent payroll earned prior to June, 30 2010, but paid in July and August of 2010. This amount is not accrued for budgetary purposes.
- Deferred revenue represents taxes still unpaid 60 days after the end of the year. These amounts are not recognized as revenues in the current year.

GENERAL FUND BALANCE



SUMMARY OF SIGNIFICANT CHANGES

- Designated fund balance changes annually based on the status of capital improvements as well as amounts used toward the subsequent year budget. Detail can be seen in the notes to the financial statements (page 29).
- Undesignated fund balance (town and school) has decreased by \$317,531 as a result of operations. Total fund balance increased by \$101,408. Undesignated fund balance is 12.6% of general fund budget at 6/30/10. RKO typically recommends approximately 8-16% of budget or one to two month's expenditures.

TOWN OF SANFORD

GENERAL FUND REVENUES

	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
<i>Taxes</i>	26,694,412	26,932,703	238,291
<i>Licenses, permits and fees</i>	1,666,631	1,891,666	225,035
<i>Intergovernmental</i>	24,917,781	25,226,464	308,683
<i>Investment income</i>	120,000	137,633	17,633
<i>Other</i>	147,490	165,898	18,408
<i>Total revenue</i>	53,546,314	54,354,364	808,050
<i>Budgeted use of fund balance</i>	2,040,798	-	(2,040,798)
<i>Total revenue and other source</i>	55,587,112	54,354,364	(1,232,748)

SUMMARY OF SIGNIFICANT VARIANCES

- Licenses, permits and fees were over-budget due to dispatch and ambulance revenues being higher than anticipated.

TOWN OF SANFORD

GENERAL FUND EXPENDITURES

	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
<i>General government</i>	4,884,076	5,029,622	(145,546)
<i>Public services</i>	1,784,707	1,656,480	128,227
<i>Public safety</i>	6,875,061	7,245,419	(370,358)
<i>Public works</i>	3,766,727	3,484,851	281,876
<i>County tax</i>	780,673	780,673	-
<i>Education</i>	33,888,775	33,493,969	394,806
<i>Other</i>	765,771	508,529	257,242
<i>Capital improvement</i>	1,488,836	818,612	670,224
<i>Debt service</i>	1,352,486	1,327,936	24,550
<i>Total expenditures</i>	55,587,112	54,346,091	1,241,021

SUMMARY OF SIGNIFICANT VARIANCES

- Detail for departmental expenditures can be seen on pages 39-41 of the financial statements
- The favorable variance in capital improvements has been carried forward for ongoing projects as designated fund balance.
- General government expenditures exceeded budget due to employee benefits and legal services.
- Public safety was over budget due to dispatch.
- Other includes the budgeted amount for overlay of \$264,778.

TOWN OF SANFORD

Change in Total Fund Balance

	<u>2010</u>
Change in fund balance:	
Favorable revenue variance	808,050
Favorable expenditure variance	1,241,021
Use of prior year designated balances	(418,806)
Budgeted use of Town surplus	(936,992)
Budgeted use of school surplus	(685,000)
Transfers out	(86,686)
Decrease in teacher summer salaries	179,821
Total change in fund balance	101,408
Fund balance 7/1/09	8,948,899
Fund balance 6/30/10	9,050,307

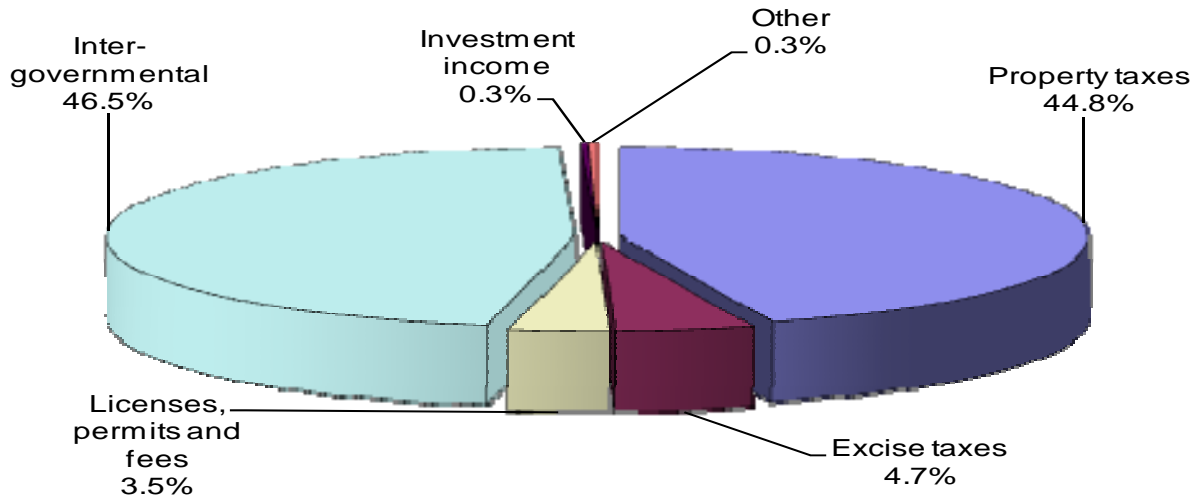
Fund balance comparison

	<u>2010</u>	<u>2009</u>
Fund balance:		
Unreserved:		
Designated - subsequent year (Town)	650,000	650,000
Designated - capital plan	658,224	725,825
Designated - School Department	685,000	225,000
Designated - Adult Education	52,574	26,034
Undesignated - School Department	(869,717)	(417,220)
Undesignated - Town	7,874,226	7,739,260
Total fund balance	9,050,307	8,948,899

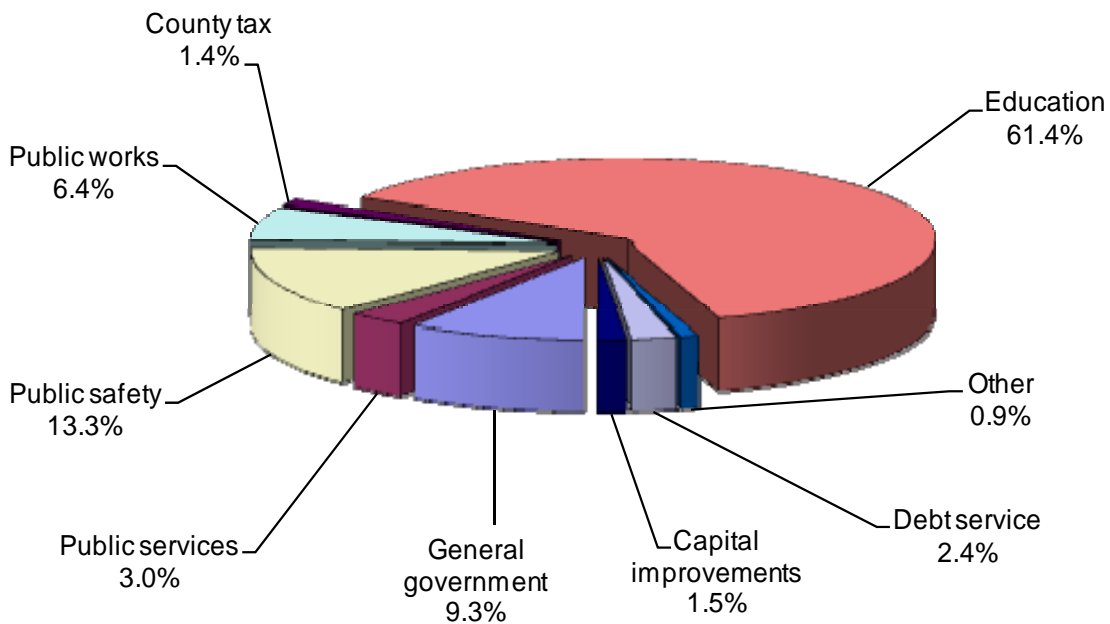
TOWN OF SANFORD

2010 REVENUES AND EXPENDITURES - GENERAL FUND

Revenues

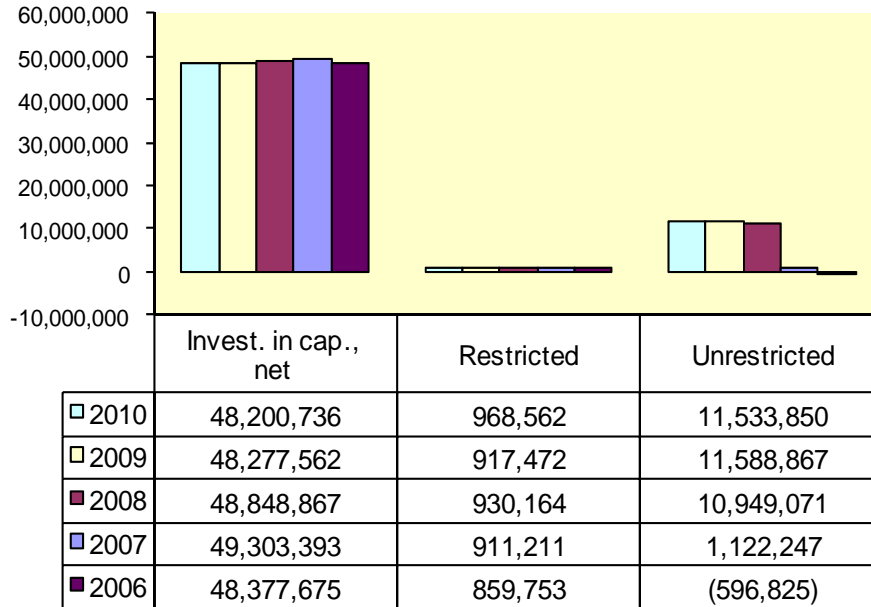


Expenditures



TOWN OF SANFORD

COMPONENTS OF NET ASSETS



SIGNIFICANT RECONCILING ENTITY-WIDE ADJUSTMENTS

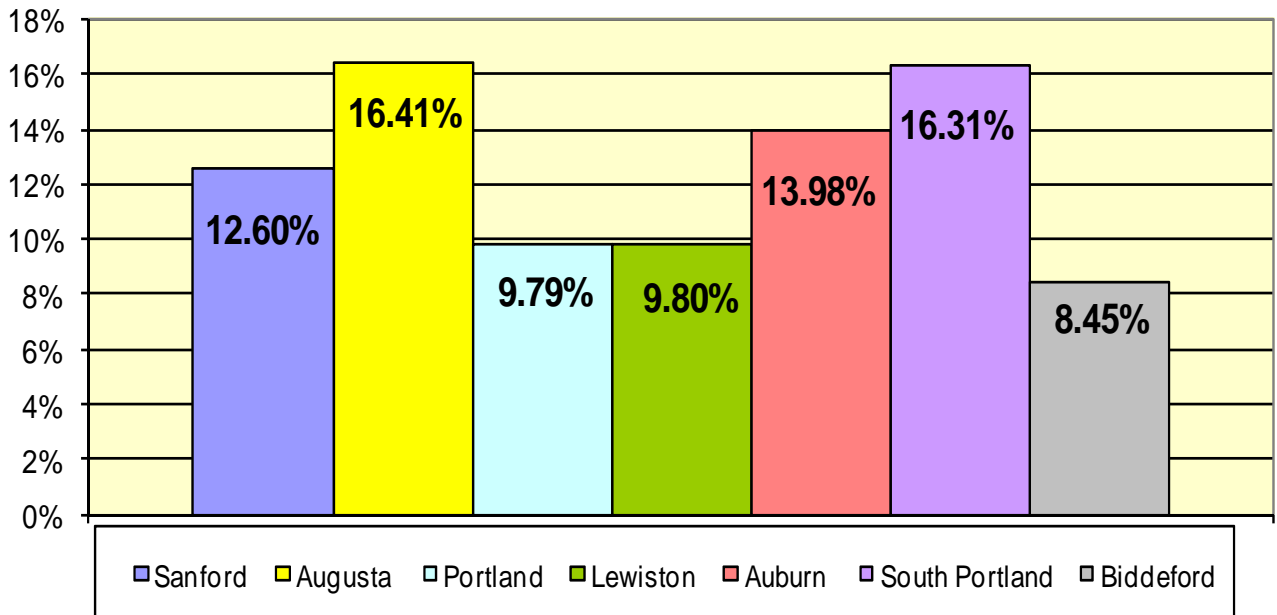
- Recording capital assets net of accumulated depreciation
- Eliminating interfund balances.
- Eliminating deferred revenue.
- Recording long-term debt, capital leases and accrued vacation/sick.

GOVERNMENTAL FUNDS NET ASSET - RECONCILIATION

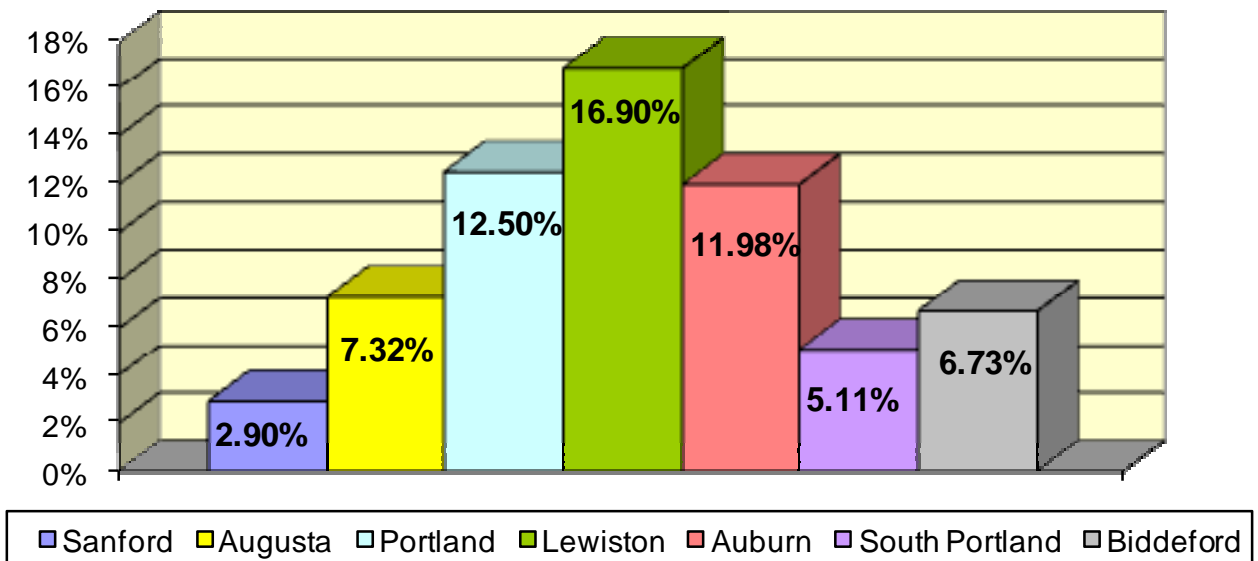
Fund Balance Governmental Funds (Statement 3)	14,696,636
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	59,204,447
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	1,509,627
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	(14,707,562)
Net assets of governmental activities (Statement 1)	60,703,148

TOWN OF SANFORD

UNDESIGNATED FUND BALANCE AS A % OF BUDGET COMPARED TO OTHER CITIES



DEBT SERVICE AS A % OF BUDGET COMPARED TO OTHER CITIES



TOWN OF SANFORD

FINAL WORDS

This presentation is intended as a tool to assist the Town Council 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

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