

TOWN OF FREEPORT

FINANCIAL OVERVIEW

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RUNYON KERSTEEN OUELLETTE

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About this presentation

This presentation is intended as a tool to assist the Town of Freeport's 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 *RUNYON KERSTEEN OUELLETTE*.

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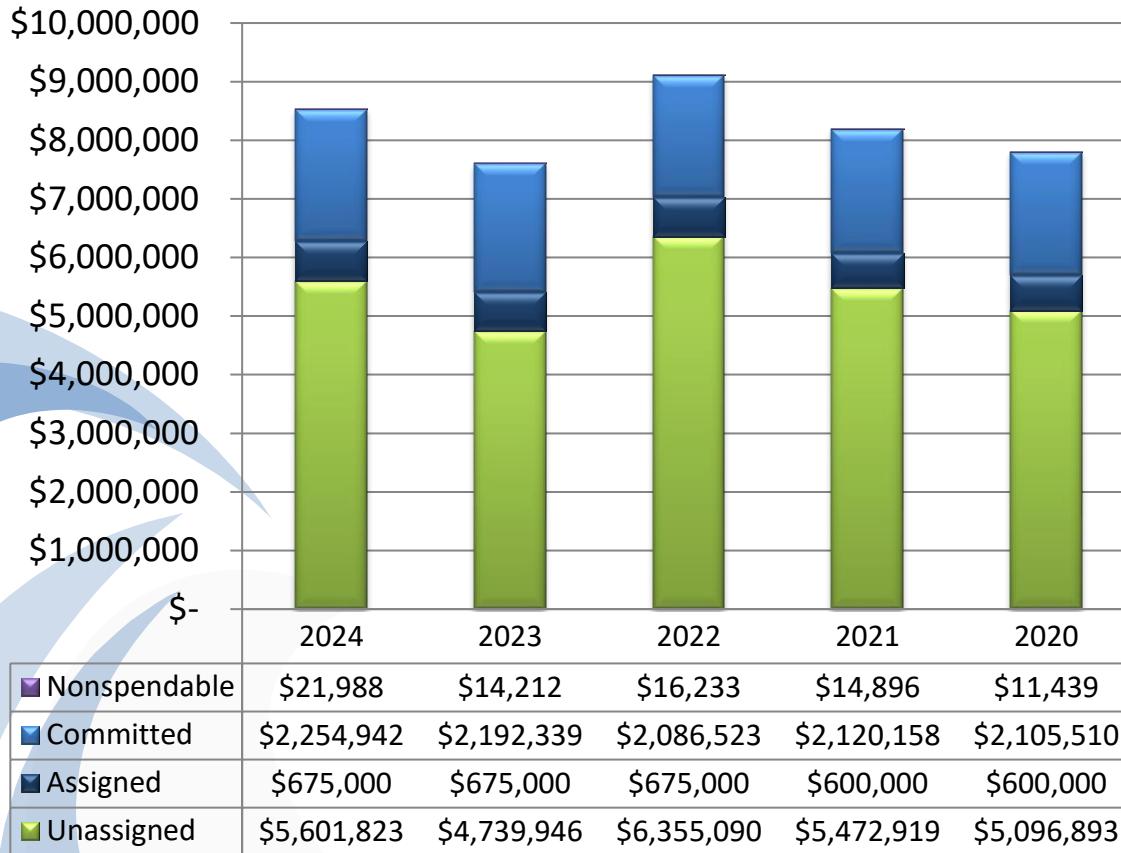
TOWN OF FREEPORT

SUMMARY OF AUDIT RESULTS

- **Timing of the Audit**
 - Pre-audit May 28, 2024
 - Audit week of August 5, 2024
- **Report Required by Government Auditing Standards (GAS)**
 - No material weaknesses
 - No significant deficiencies
- **Financial Statement Opinion - Unmodified**

TOWN OF FREEPORT

General Fund – Fund Balance



Observations:

- **Committed fund balance**, which represents amounts set aside for tax stabilization, future employee benefits, and reserves, has increased 7% (\$149K) from 2020 to 2024.
- **Assigned fund balance**, which represents the budgeted use of fund balance for the next fiscal year, increased \$75k after remaining the same for the two prior fiscal years.
- **Unassigned fund balance** has increased 10% (\$505K) from 2020 to 2024.
- **Total fund balance** increased \$932,256, or 12%, from FY 2023.
- **Total fund balance** has increased \$740K since FY 2020, or 9%.

TOWN OF FREEPORT

General Fund Revenues

	Budget	Actual	Variance
Taxes	\$ 31,481,487	32,295,333	813,846
Licenses and Permits	320,400	311,264	(9,136)
Intergovernmental	2,461,500	2,807,368	345,868
Charges for Services	225,700	283,098	57,398
Fees and Fines	13,300	11,685	(1,615)
Unclassified	54,600	79,175	24,575
Investment Earnings	175,000	656,123	481,123
Total Revenues	\$34,731,987	36,444,046	1,712,059
Use of Fund Balance	675,000	-	(675,000)
Transfers In	555,000	505,000	(50,000)
Total Revenues and Other Financing Sources	\$ 35,961,987	36,949,046	987,059

Observations:

- **Taxes** were higher than budgeted, as the actual property tax revenues include overlay, net of abatements, and excise taxes, which exceeded the budget by \$453K.

- **Intergovernmental** revenues were higher than budgeted as amounts received for state revenue sharing, homestead exemption, and state road assistance, were all higher than anticipated. In addition, general assistance reimbursements were \$142K higher than budgeted due to an increase in demand.

- **Investment earnings** were higher than budgeted as amounts were budgeted conservatively, as well as due to the restructuring of accounts to maximize interest earnings.

- **Total revenues before transfers and other uses** were higher than anticipated by 5%.

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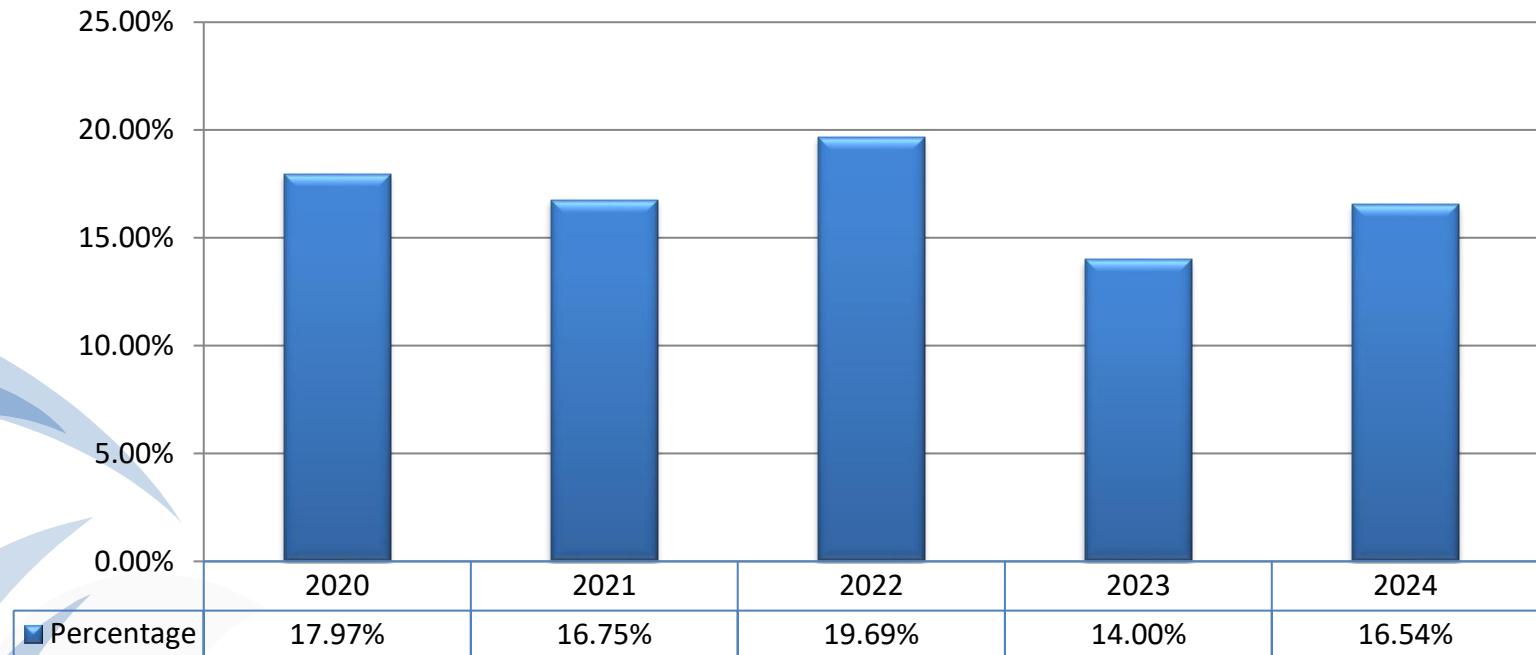
General Fund Expenditures

	Budget	Actual	Variance
General Government	\$ 2,511,100	2,257,234	253,866
Public Safety	3,882,175	3,870,969	11,206
Public Works	2,775,550	2,583,194	192,356
Community Services	988,710	976,036	12,674
Education	21,239,560	21,239,560	-
Insurance and Benefits	2,612,800	2,517,405	95,395
County and Transit Tax	1,525,142	1,525,097	45
Unclassified	356,650	352,982	3,668
Debt Service	70,300	70,276	24
Total Expenditures	\$35,961,987	35,392,753	569,234
Transfers Out	-	677,348	(677,348)
Total Expenditures and Other Financing Uses	\$35,961,987	36,070,101	(108,114)

- **General government** expenditures were under budget due to two positions that were vacant for at least part of the year.
- **Public works** expenditures were under budget as less road work was completed due to staff shortages. In addition, there were budgeted positions that were unfilled for a portion of the year.
- **Insurance and Benefits** expenditures were under budget due to benefits related to unfilled positions.
- **Total expenditures** before transfers out were under budget by 2%.
- **Transfers** of \$677K were not budgeted as amounts were transferred to the reserves based on the fund balance policy.

TOWN OF FREEPORT

UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET

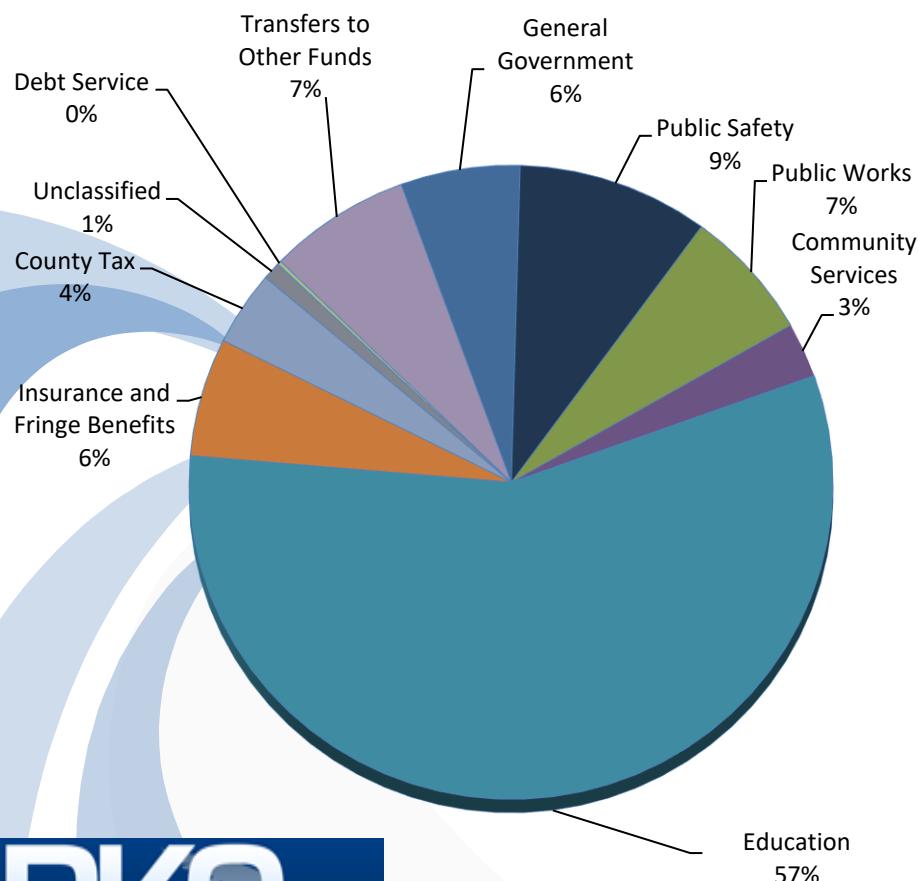


- Unassigned fund balance increased as a percentage of budget over FY 2023.
- The Town's fund balance policy target is 1 ½ months of the budget, or approximately 12.5%, with an additional 5% of the target allowed for a maximum fund balance.
- Compared to the FY 2025 budget, the FY 2024 unassigned fund balance exceeds the maximum by approximately \$754K.

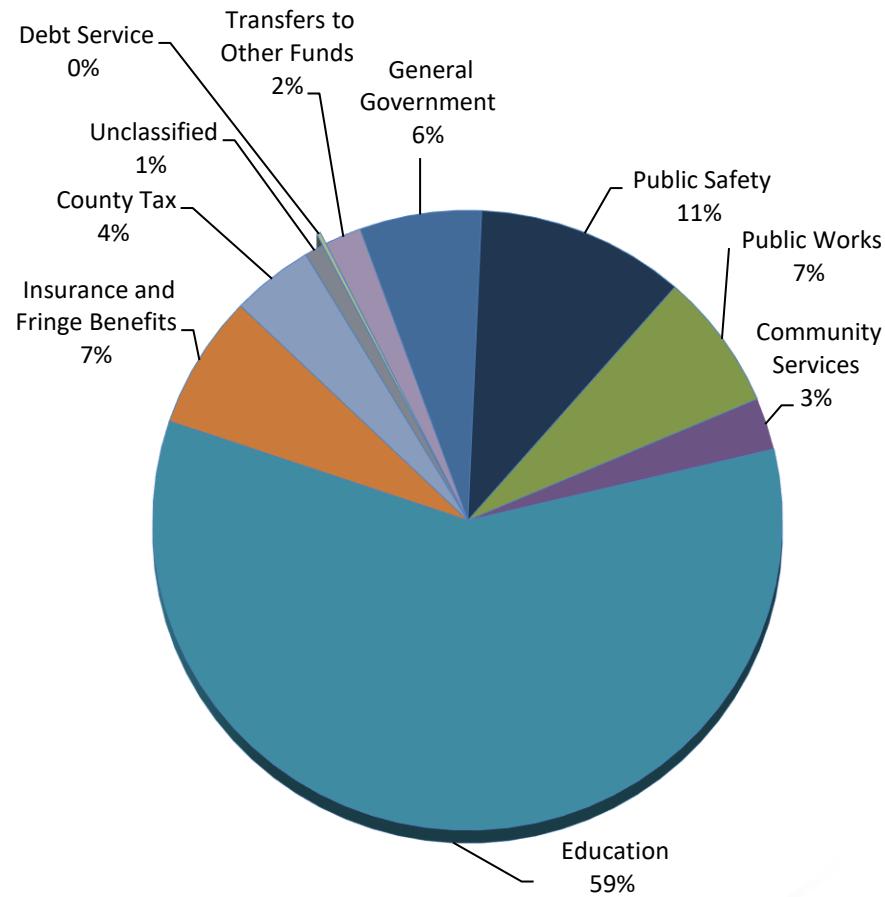
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Expenditures (Pie Chart)

2023

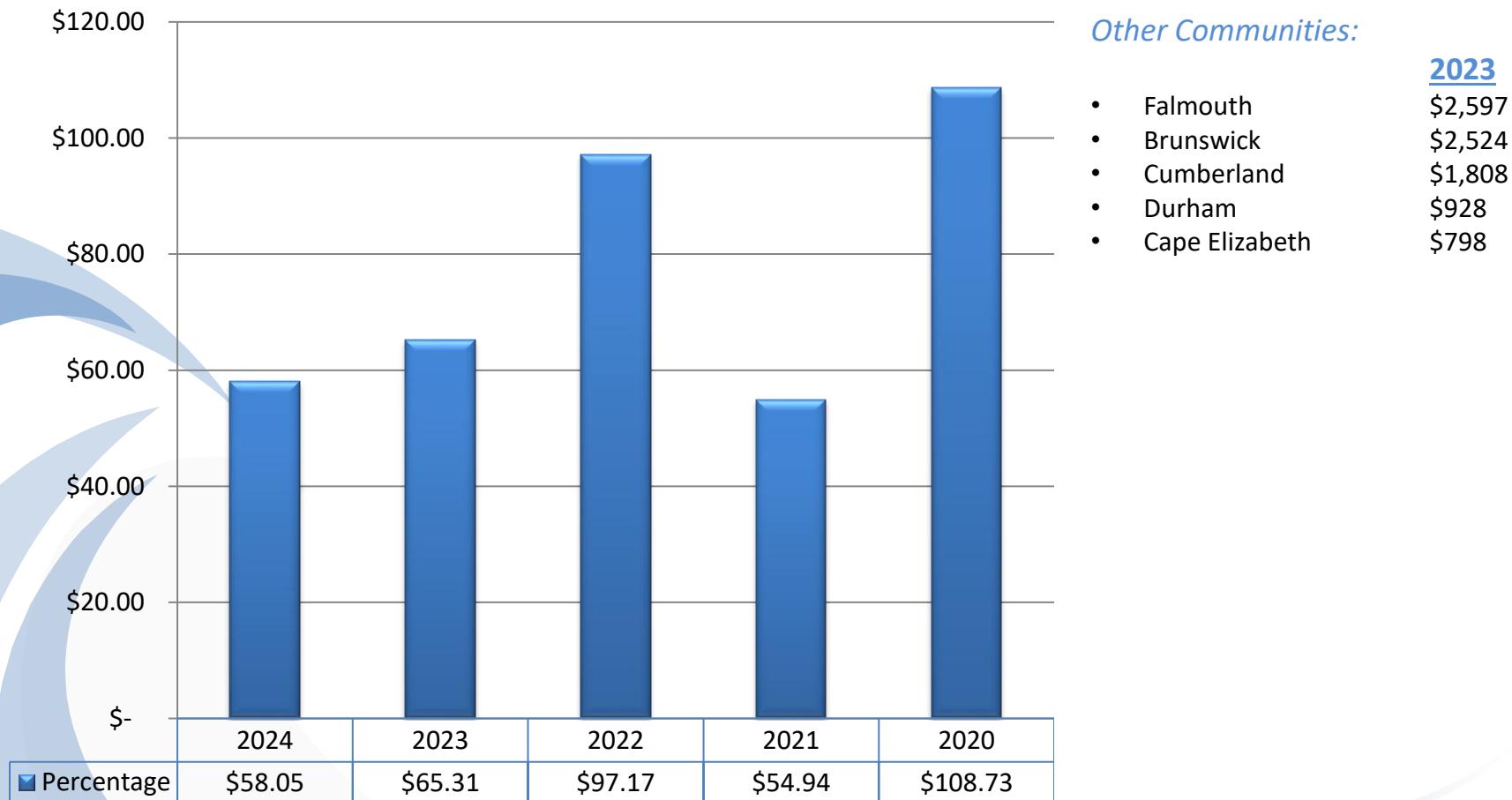


2024



TOWN OF FREEPORT

Debt per Capita on Bonded Debt



TOWN OF FREEPORT

TOWN RESERVES

	6/30/2024	6/30/2023	Change
Police Department	481,001	478,546	2,455
Fire Department	170,573	208,514	(37,941)
Rescue Department	565,778	520,648	45,130
Public Works	498,557	398,058	100,499
Recycling	283,496	286,996	(3,500)
Comprehensive Improvement	2,877,479	3,293,375	(415,896)
Municipal Buildings	1,531,823	1,473,504	38,231
Boards and Committees	177,380	275,511	(98,131)
Capital Projects	6,843,734	6,660,559	183,175
Total Capital Reserves	\$13,429,821	\$13,595,711	(165,890)
General Fund	691,463	638,152	53,311
Total Reserves	\$14,121,284	\$14,233,863	(112,579)

- **Rescue reserve** increased due to a transfer in to be used for rescue equipment.
- **Public works reserve** increased due to transfers in to be used for vehicle replacements.
- **Comprehensive reserve** decreased due to the bridge work and Arnold Road reconstruction.
- **Municipal Buildings reserve** decreased due to the planned spending on the comprehensive plan update.
- **Capital reserves** increased due to revenues and investment income that exceeded expenditures and transfers out.
- **Total reserves** decreased 1%.