

**TOWN OF ORONO  
COUNCIL VIRTUAL WORKSHOP  
MONDAY, MARCH 8, 2021 AT 4:00PM**

**WATCH ONLINE AT**

<https://zoom.us/j/93183894425>

**For Dial in Only call 1-312-626-6799 Webinar ID: 931 8389 4425  
(LINK AVAILABLE AT ORONO.ORG)**

*Comments can be submitted via email prior to the meeting start time  
at [info@orono.org](mailto:info@orono.org) and during the meeting by using Zoom comment features.*

**MINUTES**

**1. Roll Call**

Present: Council Chair Tom Perry, Meghan Gardner, Cheryl Robertson, Terry Greenier, and Town Manager Sophie Wilson.

**2. FY20 Audit Review with Runyon, Kersteen Ouellette** (Video record time 00:10-24:50)

Casey Leonard of Runyon, Kersteen Ouellette reviewed the FY20 Financial Audit with the Council. *(see presentation attached)*

Council Chair Tom Perry thanked Mr. Leonard for the audit review. He also thanked the Finance Department for their efforts with the audit. He noted it was nice to hear there were no significant adverse findings in the audit and appreciated the suggestions for the future.

**3. Adjournment**

The Council adjourned at 4:25 p.m. to take a break before the 5:00 p.m. Council Meeting.

Minutes are not verbatim. A video-recorded version is available on the Town's website at [www.orono.org](http://www.orono.org).

Respectfully submitted,

Nancy W. Ward  
Executive Assistant

# TOWN OF ORONO

## FINANCIAL OVERVIEW

Presented by:  
Casey Leonard

*RUNYON KERSTEEN OUELLETTE*

Recently, the Town of Orono completed the financial audit process. We are pleased to report that the Town received an unmodified opinion, which means the financial statements are fairly stated in all material respects. Further, the Town reported no material weaknesses or significant deficiencies related to its internal controls. The remainder of this publication is dedicated to providing you with the financial results for fiscal year 2020. We hope you find this information useful and understandable. Finally, we wish to express our appreciation to all those who were so helpful to us during the audit process. It truly is a pleasure working with your staff.

### **About this presentation**

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 *RUNYON KERSTEEN OUELLETTE*.

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



### **INSIDE**

2. Summary of Audit Results
3. General Fund - Fund Balance
4. General Fund - Revenues
5. General Fund - Expenditures
6. General Fund - Revenue Distribution
7. Unassigned Fund Balance as a Percentage of Budget
8. General Fund – Expenditure Distribution

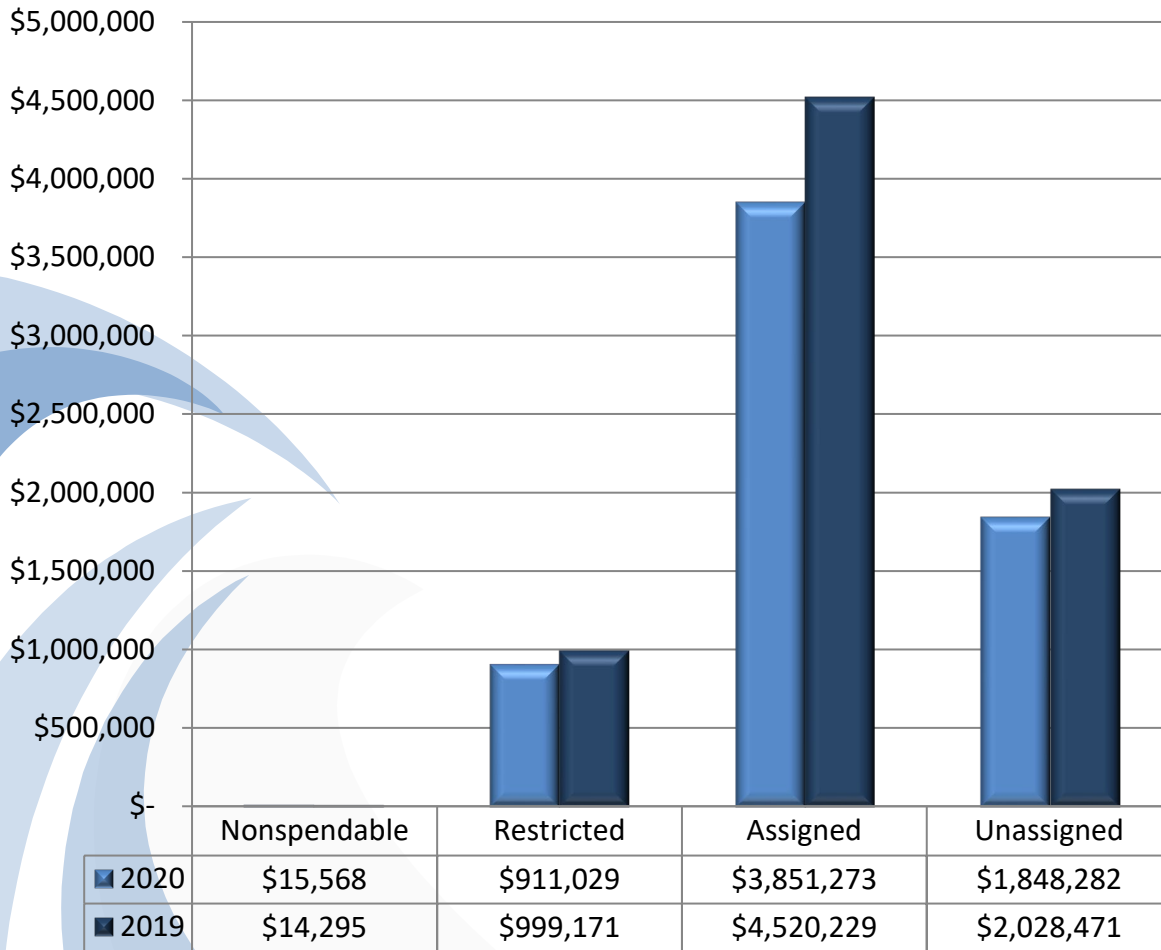
# TOWN OF ORONO

## SUMMARY OF AUDIT RESULTS

- Financial Statement Opinion – Unmodified
- Report Required by *Government Auditing Standards (GAS)*
  - No Material Weaknesses
  - No Significant Deficiencies
  - Recommendations:
    - Capital Asset Records

# TOWN OF ORONO

## GENERAL FUND - FUND BALANCE



### Definitions and Observations:

- **Nonspendable fund balance** represents resources which cannot be spent because they are not in a spendable form.
- **Restricted fund balance** comprises resources with constraints placed on their use externally imposed by creditors, grantors, contributors or laws or regulations of other governments.
- **Assigned fund balance** represents resources that are constrained by the Town's intent to be used for specific purposes and changes annually based on the status of projects and appropriations.
- **Unassigned fund balance** is what remains after amounts are recognized in other categories.

# TOWN OF ORONO

## GENERAL FUND - REVENUES

	Budget	Actual	Variance
Taxes	\$ 13,874,362	\$ 13,749,493	\$ (124,869)
Intergovernmental	2,676,177	2,722,183	46,006
Licenses and permits	115,200	111,839	(3,361)
Interest Income	110,000	101,093	(8,907)
Charges for services	610,060	510,688	(99,372)
Other revenue	188,150	218,667	30,517
<b>Total revenues</b>	<b>17,573,949</b>	<b>17,413,963</b>	<b>(159,986)</b>
Transfers in	138,725	154,833	16,108
Loan proceeds	189,492	189,492	-
Utilization of assigned balance	893,608	-	(893,608)
Use of prior year surplus	350,000	-	(350,000)
<b>Total revenues and other financing sources</b>	<b>\$19,145,774</b>	<b>\$17,758,288</b>	<b>(1,387,486)</b>

**Tax revenues** were under budget primarily to the effect of the Pandemic on tax collections.

**Intergovernmental revenues** were over budget primarily due to greater-than-expected state revenue sharing and other state grants and reimbursements

**Charges for services** were under budget primarily due to lower-than-expected fees related to ambulance services.

**Other revenues** were over budget primarily due to the receipt of an unbudgeted Maine Criminal Justice Academy training reimbursement.



# TOWN OF ORONO

## GENERAL FUND - EXPENDITURES

	Budget	Actual	Variance
General government	\$ 1,709,057	\$ 1,381,317	\$ 327,740
Public services	873,025	794,867	78,158
Public safety	3,759,702	3,617,318	142,384
Public works	1,782,460	1,589,592	192,868
Education	6,827,436	6,827,436	-
County tax	682,020	682,020	-
Debt service	702,341	697,163	5,178
Capital expenditures	1,717,820	1,315,118	402,702
<b>Total expenditures</b>	<b>18,053,861</b>	<b>16,904,831</b>	<b>1,149,030</b>
Transfers out	1,091,913	1,468,447	(376,534)
<b>Total expenditures and other financing uses</b>	<b>\$ 19,145,774</b>	<b>\$ 18,373,278</b>	<b>\$ 772,496</b>

**General government expenditures** were under budget primarily due to lower-than-expected costs related to assessing and tax abatements.

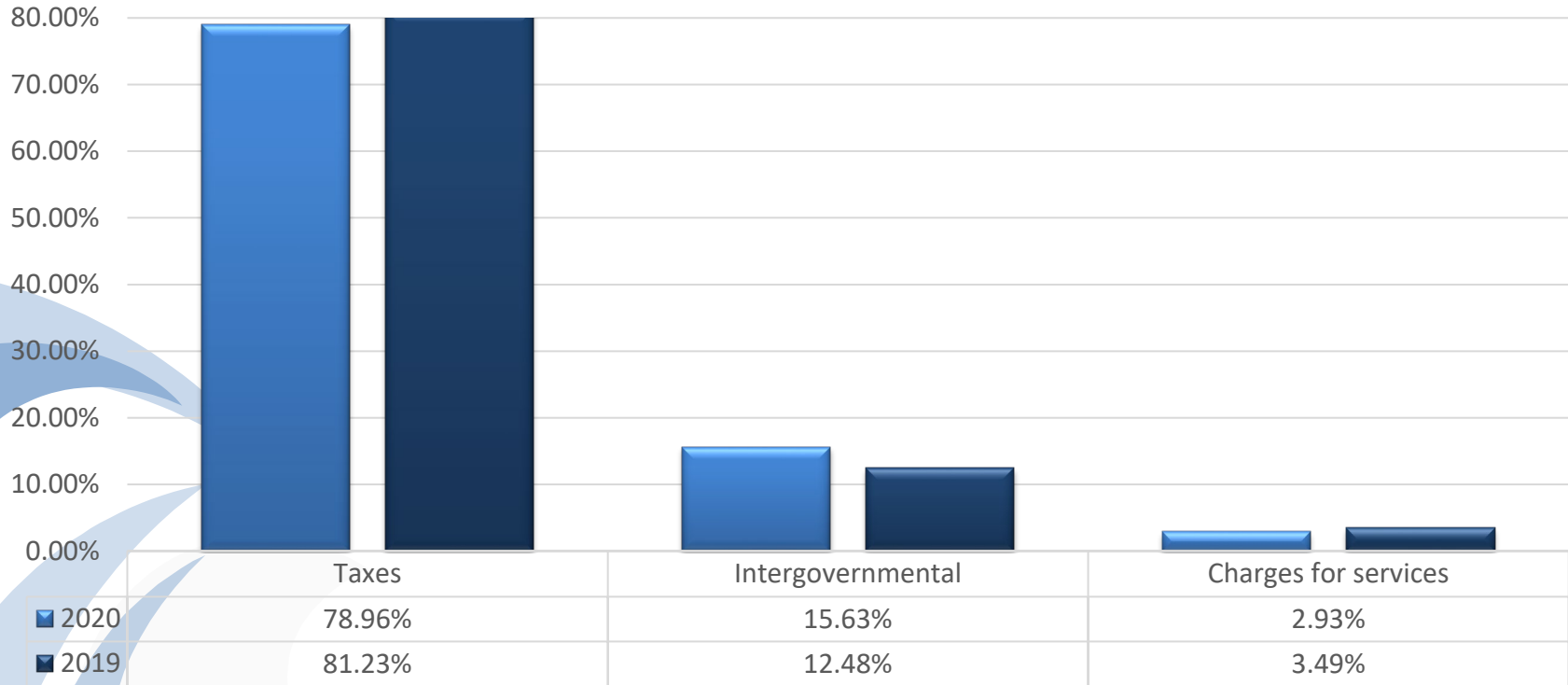
**Public safety expenditures** were under budget primarily due to lower-than-expected Police Department costs, mainly caused by unexpected vacancies.

**Public works expenditures** were under budget primarily due to lower-than-expected costs related to contracted services, salt and calcium chloride, salaries and health insurance costs.

**Capital expenditures** were under budget due to COVID-19, which severely limited construction activities. Unspent amounts have been carried forward to the next year.

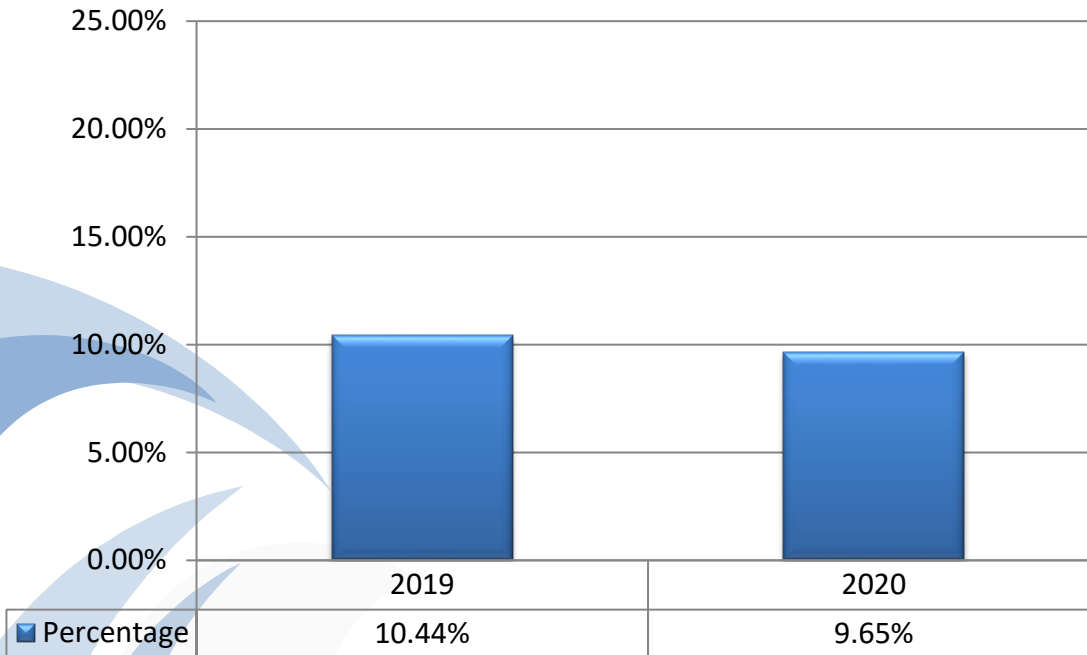
# TOWN OF ORONO

## GENERAL FUND - REVENUE DISTRIBUTION



# TOWN OF ORONO

## UNASSIGNED FUND BALANCE AS A PERCENTAGE OF BUDGET



- Fund balance provides working capital for the Town and enhances its credit worthiness.
- We generally recommend one to two months of expenditures which equals 8.3% to 16.7%.



# TOWN OF ORONO

## GENERAL FUND - EXPENDITURE DISTRIBUTION

