

Auditor Presentation to the  
**Town of Bridgton**

# Audit Opinion

- The Financial Statements present fairly the financial position and activities of the Town, in all material respects.
- Our opinion provides users a *reasonable* assurance about the material accuracy of the financial statements, not an absolute assurance.
- Our opinion is based on evidence gathered and examined using a risk-based approach, which means that higher risk areas receive more audit attention than lower risk areas.

# Higher Risk Areas

- The higher risk areas – areas of increased audit focus – for the Town were as follows:
  - I. Expenditures – primarily due to the volume of transactions, and the size of certain transactions
  - II. Cash balances and transactions – primarily due to the susceptibility to theft, the possibility of cash errors, and the size of the account balances
  - III. Fund Balances – primarily due to the complexity of the accounting required
  - IV. Government-wide Financial Statements – primarily due to the complexity of the accounting involved

# Budgetary Highlights

# Original and Final Budgets

## General Fund – Budgetary Basis

- Original Appropriated Budget
  - Total approved expenditures: \$16,773,786
  - Total estimated revenues: \$16,621,188
  - Net Other Financing Sources: \$27,598
  - Budgeted deficit (budgeted use of fund balance): \$125,000
- Final Budget
  - Total budgeted expenditures: \$17,047,470
  - Total estimated revenues: \$16,333,106
  - Net Other Financing Sources: \$27,598
  - Budgeted deficit: \$686,766

# Original and Final Budgets

## General Fund – Budgetary Basis

- Change in budgeted expenditures
  - Overlay for tax abatements were calculated on the date of commitment totaling \$53,489, increasing budgeted expenditures
  - Fiscal Year 2016 carry forwards were approved totaling \$193,470, increasing budgeted expenditures
  - Uses of restricted funds for their designated purposes totaled \$16,725, increasing budgeted expenditures
  - A transfer-in occurred from the employee accrued benefit reserve for \$10,000, increasing budgeted expenditures.

# Original and Final Budgets

## General Fund – Budgetary Basis

- Change in estimated revenues
  - Budgeted BETE reimbursements increased by \$8,774
  - Budgeted Homestead reimbursements increased by \$35,133
  - A clerical error in calculating the total property taxes to be committed resulted in a reduction of estimated revenues by \$331,989
- Net changes in budgeted revenues and expenditures
  - Budgeted revenues decreased by \$288,082
  - Budgeted expenditures increased by \$273,684
  - Budgeted deficit increased by \$561,766



# Budget to Actual

## General Fund – Budgetary Basis

- Revenues came in \$416,534 above budget
  - Mostly in excise taxes - \$162,658 above budget
  - Licenses and permits came in \$59,610 above budget
  - All other revenue line items came in slightly above budget
- Expenditures came in \$765,608 below budget
  - The largest variances were in Capital expenditures (\$371,453), Public works (\$177,098), Public Safety (\$139,694), and General Government (\$104,325)
  - Outside services, and Fixed charges and assessments came in over budget by \$5,675, and \$49,024, respectively.
  - Overall, the Town realized a budgetary surplus of \$492,376 instead of a budgetary deficit of \$686,766.



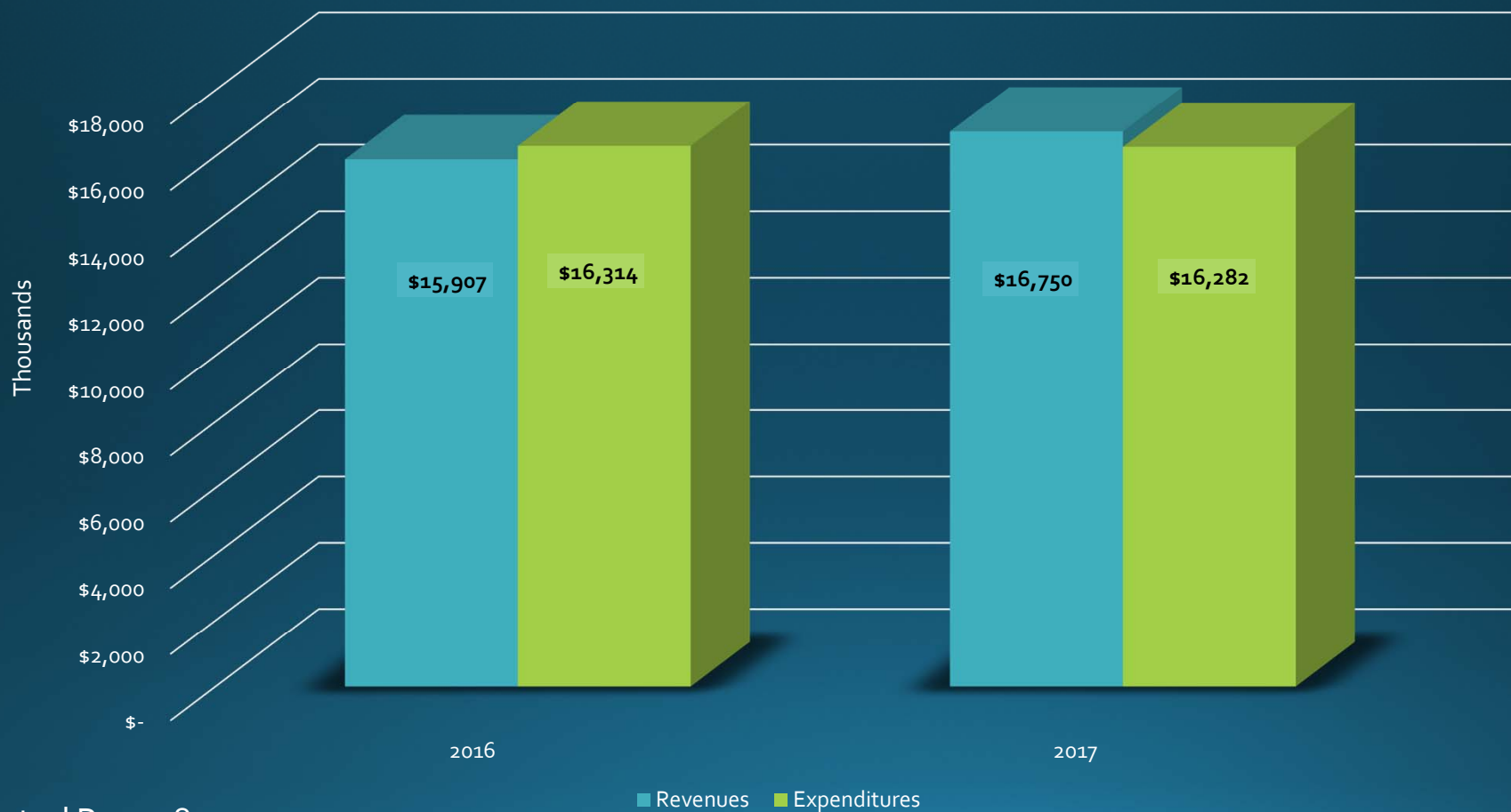
# General Fund Highlights

# General Fund

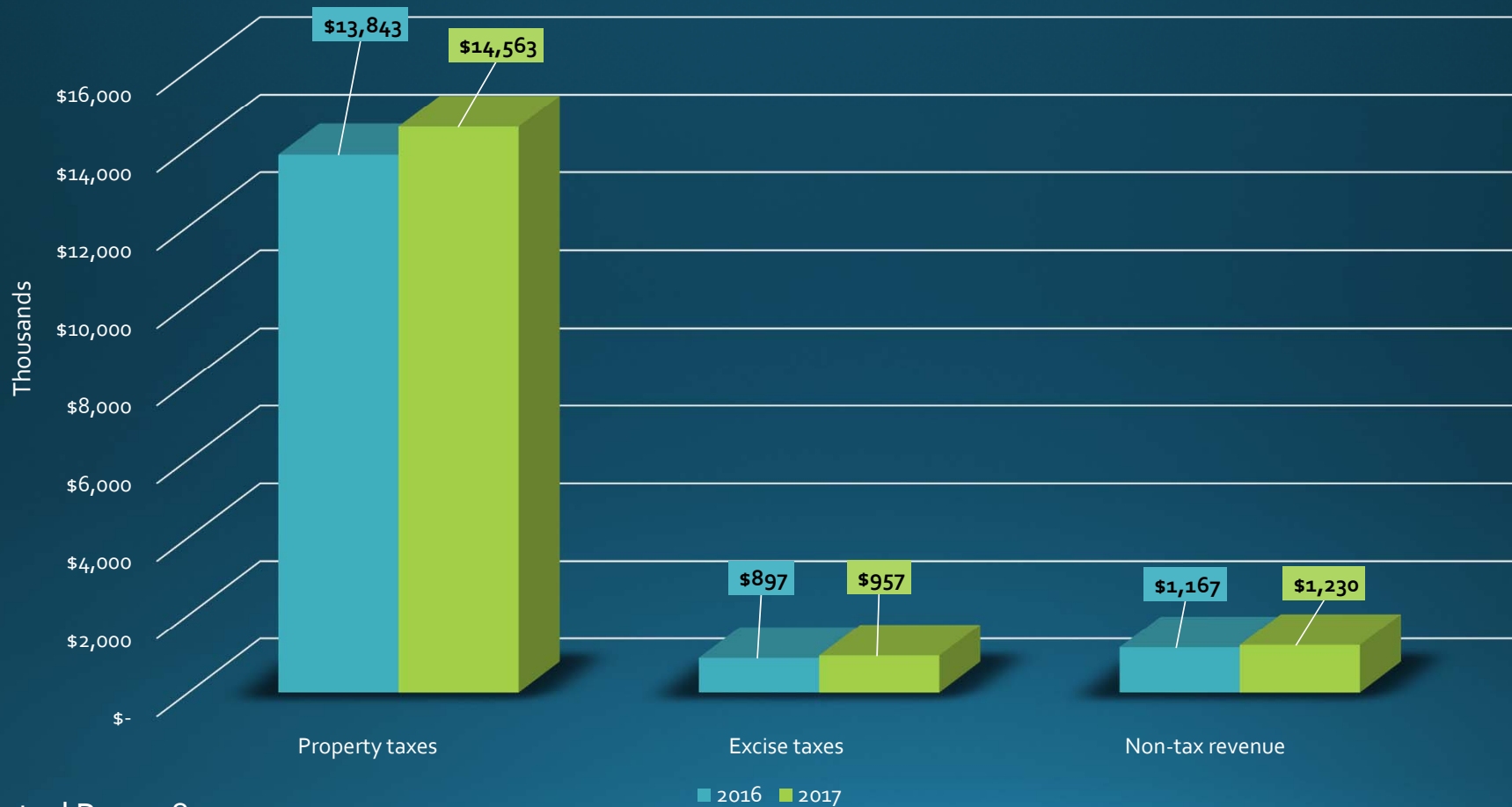
Beginning Fund Balance, as restated	\$3,967,803
Add: Taxes (property and other taxes)	15,519,716
All other revenues	1,229,924
Transfers in	214,410
Less: Operational expenditures	5,924,343
Education	9,471,872
County taxes	741,042
Debt service	118,192
TIF	26,413
Transfers out	<u>189,812</u>
Ending Fund Balance	<u>\$4,460,179</u>

Ending fund balance increased by \$492,376

# General Fund Activity



# General Fund Revenues



# General Fund Balance Categories



# General Fund

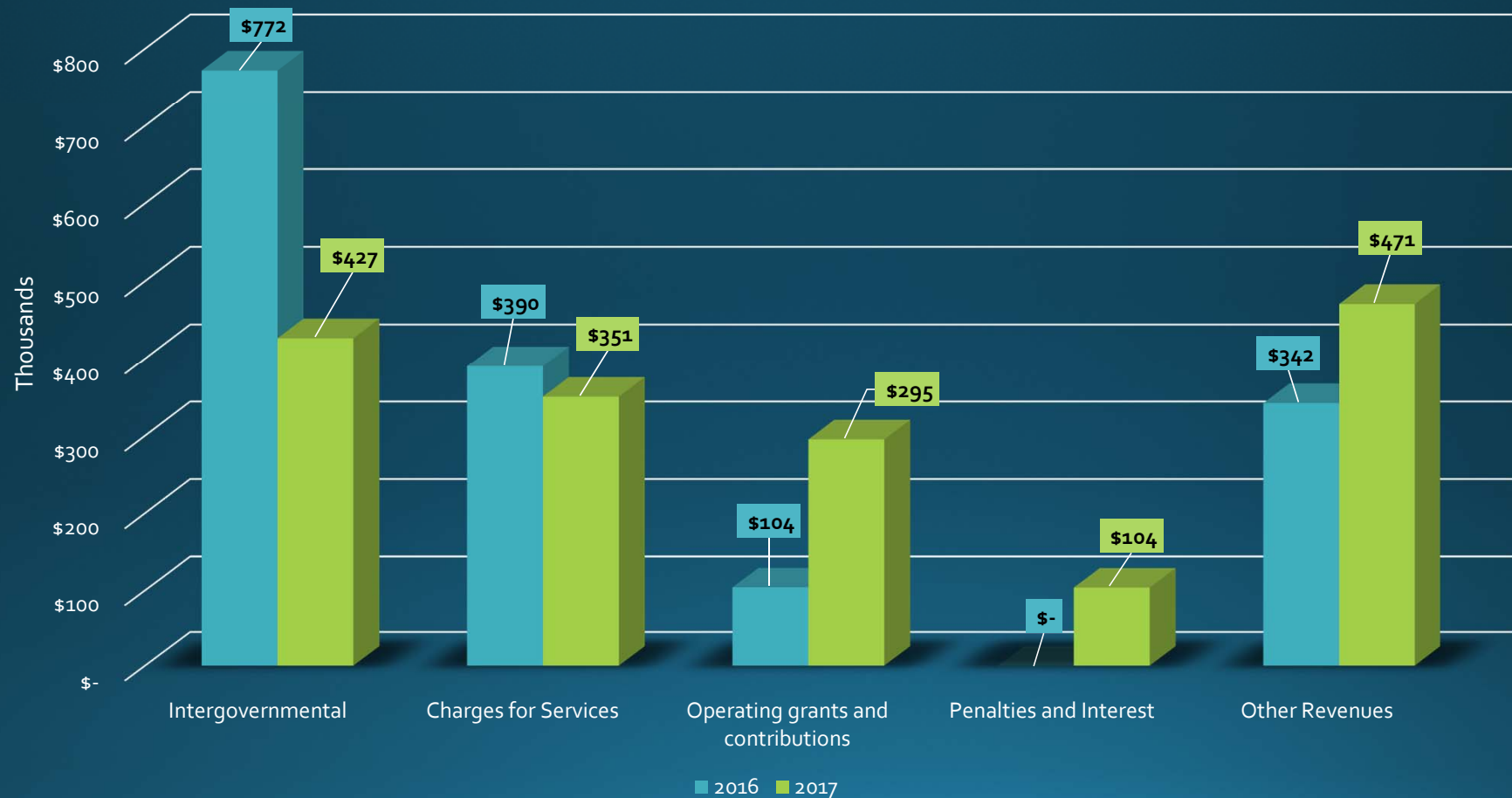
<b>Nonspendable Fund Balance</b>	<b>\$ 14,136</b>
<b>Restricted Fund Balance</b>	<b>41,350</b>
<b>Assigned Fund Balance</b>	<b>415,367</b>
<b>Unassigned Fund Balance</b>	<b><u>3,989,326</u></b>
<b>Total Ending Fund Balance</b>	<b><u>\$ 4,460,179</u></b>

The ending fund balance was 27% of the total Fiscal Year 2017 General Fund expenditures – or about 3.3 months of expenditures.

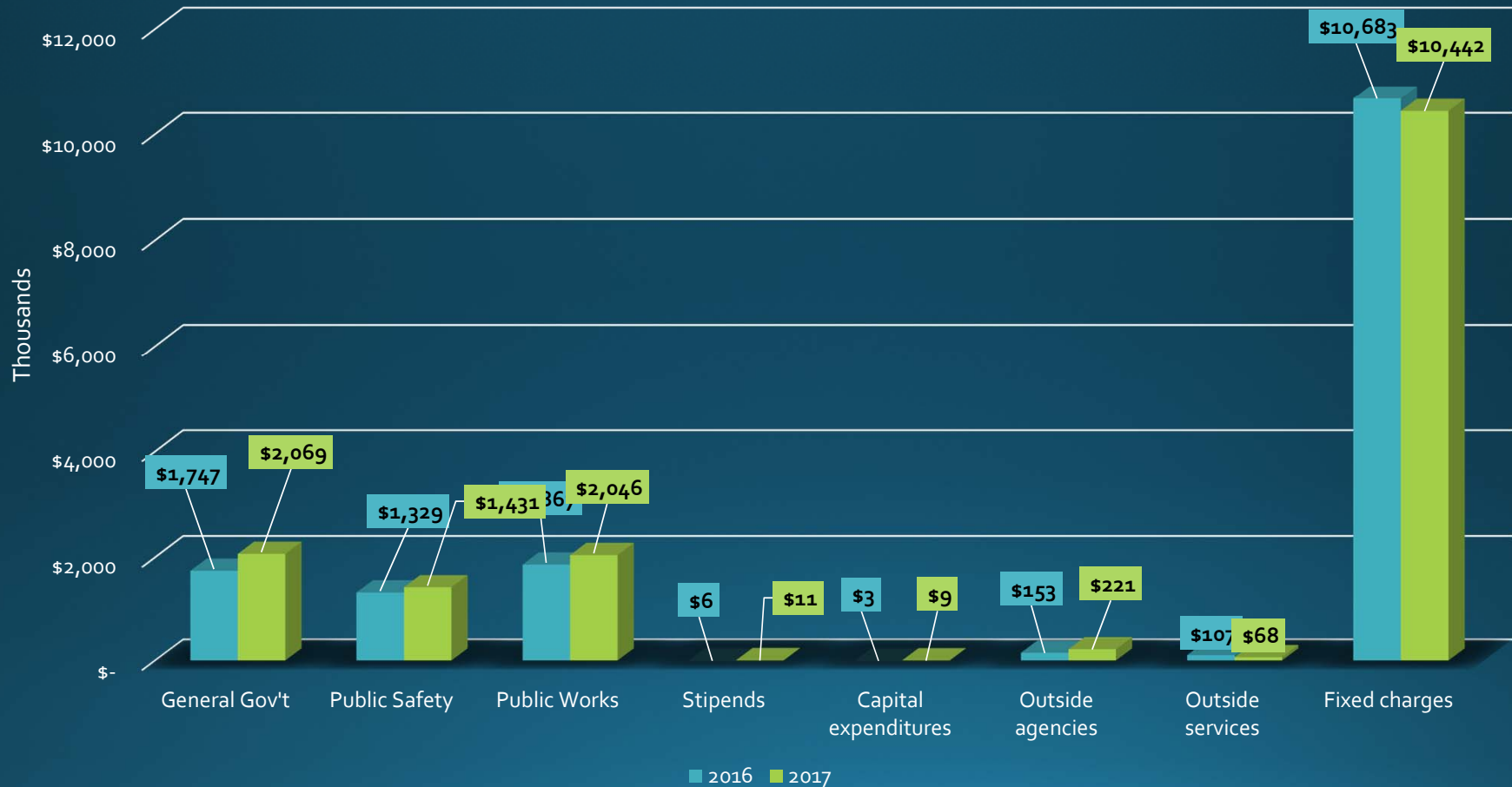
Governmental-wide



# Governmental Activities Non-Tax Revenues



# Governmental Activities Expenses



# Other Comments

A reminder that we do not issue an opinion on your system of internal controls. It remains the management's and the board's responsibility to implement a robust system to safeguard assets and to remain accountable.

Fraud is a very real danger – especially for smaller entities. A financial statement audit is not designed to detect fraud, nor is it an objective of the audit. Management and the board are responsible for fraud prevention and detection measures.

Thank you to the staff for their assistance during the audit.

# Questions