

Memo

To: Board of Supervisors
From: Jon Altshul
Re: October 2016 Financial Report & Year-End Projections
Date: November 8, 2016

Net of pass-through accounts, as of October 31st the general fund had revenues of \$8,403,133 and expenses of \$8,425,850 for a year-to-date deficit of \$22,716. Compared to the YTD budget, revenues were \$346,541 over budget and expenses were \$194,259 over budget for a favorable budget variance of \$152,282. As of September 30th, the general fund balance was \$4,682,711.

On the expense side, Parks and Recreation was \$154,915 over-budget due to the timing of invoices paid to Gannett Fleming for the Milltown Dam study, tree work in the park and park fencing. Public Works was \$210,777 over budget, due to the timing of repaving this year (earlier than in previous years), plus deferring the Supplee Valley slip-lining from 2015 to 2016 (we therefore bore two major storm water expenses this year: Supplee Valley and Forrest Lane). The remaining departments were under-budget.

On the revenue side, Earned Income Tax is now \$42,275 under budget, a substantial improvement over the past two months. Real Estate Property Tax is \$43,231 over budget due to a large interim payment. Real Estate Transfer Tax is now \$71,611 over budget due to the sale of 905 Airport Road in September. Local Services Tax continues to be strong with a positive budget variance of \$35,909.

Other funds

- The **State Liquid Fuels Fund** had \$503,927 in revenues and \$0 expenses. The fund balance is \$504,127.
- The **Sinking Fund** had \$36,918 in revenues and \$737,753 in expenses. The fund balance is \$5,566,626.
- The **Transportation Fund** had \$12,990 in revenues and \$0 in expenses. The fund balance is \$1,074,202.
- The **Sewer Operating Fund** had \$2,814,704 in revenues and \$2,842,041 in expenses. The fund balance is \$601,700.
- The **Refuse Fund** had \$868,663 in revenues and \$850,848 in expenses. The fund balance is \$673,498.
- The **Sewer Sinking Fund** had \$2,090 in revenues and \$144,449 in expenses. The fund balance is \$1,960,965.
- The **Operating Reserve Fund** had \$2,805 in revenues and no expenses. The fund balance is \$2,485,340.
- The **Events Fund** had \$10 in revenues and no expenses. The fund balance is \$45,025.

Year-end Projections

As of October 31st, I am projecting that the General Fund finishes the year with a surplus of \$65,527, an improvement of \$60,000 since last month. This improvement is due to three factors: 1) Real Estate Transfer Tax is up another \$15,000 due to the unexpected sale of 905 Airport Road last month, as well as expected pending sales for the remainder of 2016; 2) Earned Income Tax can safely be increased by \$35,000 due to a stronger than expected fall disbursements and 3) deferring \$10,000 for the Paoli Pike Master Plan to 2017 (and increasing that line item accordingly for 2017; see "budget update" below)

The only change since last month for other funds is in the Sinking Fund related to the approval of the reroofing project at the 10/18/16 meeting.

Budget Update

The 2017 budget was advertised in the *Daily Local News* on November 4, 2016. It is scheduled for adoption on December 6.

Since November 1, I have made three amendments to the 2017 proposed budget:

- 1) Reducing the WEGO budget by \$51,486 to reflect the WEGO proposed budget v1.7. The Police General Expense figure that appeared in the Township's original November 1 budget reflected my own estimate of police costs, based on the best available information at the time.
- 2) Increasing Consultant costs (in Administration) by \$10,000 to reflect that we will probably not incur any costs for the Paoli Pike Master Plan study until 2017 and the entire \$70,000 will be incurred next year (rather than \$10,000 in 2016 and \$60,000 in 2017, as was originally envisioned).
- 3) Increasing Volunteer Firefighters' Workers Comp by \$7,062 to reflect the actual renewals from SWIF (the only carrier that covers volunteer firefighters), offset by a \$3,611 increase in reimbursements from other municipalities.

Collectively, these changes will reduce the amount of general fund expenses to be paid by fund balance by \$38,035.

EAST GOSHEN TOWNSHIP
2016 YTD & YEAR END PROJECTIONS GENERAL FUND
October 31, 2016

Account Title	2016 Budget	Y-T-D Budget	Y-T-D Actual	Budget-Actual Variance	2016 Year-End Projection (Oct)	Y/E-Budget Variance
GENERAL FUND						
EMERGENCY SERVICES EXPENSES	4,345,656	3,828,279	3,643,233	(185,046)	4,159,413	(186,243)
PUBLIC WORKS EXPENSES	2,634,879	1,924,429	2,253,127	328,698	2,727,128	92,249
ADMINISTRATION EXPENSES	1,646,376	1,285,800	1,310,326	24,526	1,665,259	18,883
ZONING/PERMITS/CODES EXPENSES	538,192	447,745	334,646	(113,099)	400,716	(137,476)
PARK AND RECREATION EXPENSES	531,450	415,082	554,263	139,181	646,270	114,820
TOTAL CORE FUNCTION EXPENSES	9,696,553	7,901,335	8,095,596	194,261	9,598,787	(97,766)
EMERGENCY SERVICES REVENUES	67,595	57,570	52,053	(5,517)	61,279	(6,316)
PUBLIC WORKS REVENUES	974,509	343,803	461,725	117,922	1,138,226	163,717
ADMINISTRATION REVENUES	325,020	287,122	331,572	44,450	372,107	47,087
ZONING/PERMITS/CODES REVENUES	242,150	210,985	302,955	91,970	296,763	54,613
PARK AND RECREATION REVENUES	152,878	143,344	127,610	(15,734)	139,976	(12,902)
TOTAL CORE FUNCTION REVENUES	1,762,152	1,042,824	1,275,915	233,091	2,008,351	246,199
NET EMERGENCY SERVICES EXPENSES	4,278,061	3,770,709	3,591,180	(179,529)	4,098,134	(179,927)
NET PUBLIC WORKS EXPENSES	1,660,370	1,580,626	1,791,403	210,777	1,588,902	(71,468)
NET ADMINISTRATION EXPENSES	1,321,356	998,678	978,754	(19,924)	1,293,152	(28,204)
NET ZONING/PERMITS/CODES EXPENSES	296,042	236,760	31,691	(205,069)	103,953	(192,089)
NET PARK AND RECREATION EXPENSES	378,572	271,738	426,653	154,915	506,294	127,722
CORE FUNCTION NET SUBTOTAL	7,934,401	6,858,511	6,819,681	(38,830)	7,590,436	(343,965)
DEBT - PRINCIPAL	498,001	203,000	203,000	0	498,001	0
DEBT - INTEREST	150,270	127,255	127,253	(2)	150,270	0
TOTAL DEBT	648,271	330,255	330,253	(2)	648,271	0
TOTAL CORE FUNCTION NET	8,582,672	7,188,766	7,149,934	(38,832)	8,238,707	(343,965)
NON-CORE FUNCTION REVENUE						
EARNED INCOME TAX	4,921,500	3,972,870	3,930,595	(42,275)	4,850,000	(71,500)
REAL ESTATE PROPERTY TAX	1,997,165	1,971,136	2,014,367	43,231	2,023,658	26,493
REAL ESTATE TRANSFER TAX	525,000	437,500	509,111	71,611	580,000	55,000
CABLE TV FRANCHISE TAX	467,747	350,810	352,531	1,721	469,000	1,253
LOCAL SERVICES TAX	320,000	255,950	291,859	35,909	348,000	28,000
OTHER INCOME	28,076	25,502	28,755	3,253	33,576	5,500
TOTAL NON CORE FUNCTION REVENUE	8,259,488	7,013,768	7,127,218	113,450	8,304,234	44,746
NET RESULT	(323,184)	(174,998)	(22,716)	152,282	65,527	388,711

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
 ALL FUNDS OCTOBER 2016
 * NOTE: GENERAL FUND INCLUDES PASS-THROUGH ACCOUNTS

	GENERAL FUND*	LIQUID FUELS STATE FUND	SINKING FUND	TRANSPORT. FUND	SEWER OP. FUND	REFUSE FUND	SEWER SINK FUND	OPERATING RESERVE	EVENTS FUND	TOWNSHIP FUNDS	MUNICIPAL AUTHORITY
01/01/16 BEGINNING BALANCE	\$4,803,331	\$200	6,267,461	1,061,213	629,037	655,663	\$2,103,325	\$2,482,535	\$45,015	\$18,045,508	\$1,461,276
RECEIPTS											
310 TAXES	\$7,151,134	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,151,134	\$0
320 LICENSES & PERMITS	\$77,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,817	\$0
330 FINES & FORFEITS	\$91,911	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,911	\$0
340 INTERESTS & RENTS	\$107,163	\$480	\$36,918	\$2,065	\$595	\$894	\$2,090	\$2,805	\$10	\$153,021	\$1,803
350 INTERGOVERNMENTAL	\$135,796	\$503,447	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$639,243	\$0
360 CHARGES FOR SERVICES	\$770,086	\$0	\$0	\$0	\$2,814,109	\$867,769	\$0	\$0	\$0	\$4,451,964	\$50,428
380 MISCELLANEOUS REVENUES	\$1,122,237	\$0	\$0	\$10,925	\$0	\$0	\$0	\$0	\$0	\$1,133,162	\$564
390 OTHER FINANCING SOURCES	\$297,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$297,238	\$77,000
	\$9,753,382	\$503,927	\$36,918	\$12,990	\$2,814,704	\$868,663	\$2,090	\$2,805	\$10	\$13,995,489	\$129,795
EXPENDITURES											
400 GENERAL GOVERNMENT	\$981,191	\$0	\$20,044	\$0	\$0	\$0	\$144,449	\$0	\$0	\$1,145,684	\$0
410 PUBLIC SAFETY	\$5,190,102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,190,102	\$0
420 HEALTH & WELFARE	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0
426 SANITATION & REFUSE	\$97,131	\$0	\$0	\$0	\$1,944,588	\$850,848	\$0	\$0	\$0	\$2,892,566	\$136,919
430 HIGHWAYS, ROADS & STREETS	\$1,995,437	\$0	\$147,738	\$0	\$0	\$0	\$0	\$0	\$0	\$2,143,175	\$0
450 CULTURE-RECREATION	\$517,151	\$0	\$477,107	\$0	\$0	\$0	\$0	\$0	\$0	\$994,257	\$0
460 CONSERVATION & DEVELOPMENT	\$2,147	\$0	\$92,864	\$0	\$0	\$0	\$0	\$0	\$0	\$95,011	\$0
470 DEBT SERVICE	\$352,247	\$0	\$0	\$0	\$820,454	\$0	\$0	\$0	\$0	\$1,172,701	\$0
480 MISCELLANEOUS EXPENDITURES	728,006.10	\$0	\$0	\$0	\$77,000	\$0	\$0	\$0	\$0	\$728,006	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,000	\$0
	\$9,869,411	\$0	\$737,753	\$0	\$2,842,041	\$850,848	\$144,449	\$0	\$0	\$14,444,503	\$136,919
2016 SURPLUS/(DEFICIT)*	(\$116,029)	\$503,927	(\$700,835)	\$12,990	(\$27,337)	\$17,815	(\$142,359)	\$2,805	\$10	(\$449,014)	(\$7,124)
CLEARING ACCOUNT ADJUSTMENTS	(\$4,591)										
10/31/2016 ENDING BALANCE	\$4,682,711	\$504,127	\$5,566,626	\$1,074,202	\$601,700	\$673,498	\$1,960,965	\$2,485,340	\$45,025	\$17,594,194	\$1,454,152

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 ALL FUNDS YEAR END PROJECTION OCTOBER 2016
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	GENERAL FUND*	LIQUID FUELS STATE FUND	SINKING FUND	TRANSPORT. FUND	SEWER OP. FUND	REFUSE FUND	SEWER SINK FUND	OPERATING RESERVE	EVENTS FUND	TOWNSHIP FUNDS	MUNICIPAL AUTHORITY
01/01/16 BEGINNING BALANCE	\$4,803,331	\$200	6,267,461	1,061,213	629,037	655,683	\$2,103,325	\$2,482,535	\$45,015	\$18,045,508	\$1,461,276
RECEIPTS											
310 TAXES	\$8,270,658	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,270,658	\$0
320 LICENSES & PERMITS	\$118,040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$118,040	\$0
330 FINES & FORFEITS	\$34,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,376	\$0
340 INTERESTS & RENTS	\$130,892	\$390	\$44,650	\$2,350	\$700	\$925	\$2,500	\$6,500	\$12	\$188,919	\$1,543
350 INTERGOVERNMENTAL	\$135,531	\$503,447	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,038,978	\$0
360 CHARGES FOR SERVICES	\$866,035	\$0	\$0	\$0	\$3,325,049	\$992,945	\$0	\$0	\$0	\$5,184,029	\$50,428
380 MISCELLANEOUS REVENUES	\$1,372,704	\$0	\$0	\$10,925	\$0	\$0	\$0	\$0	\$0	\$1,383,629	\$564
390 OTHER FINANCING SOURCES	\$940,197	\$0	\$342,353	\$0	\$28,092	\$0	\$205,750	\$0	\$15,000	\$1,531,392	\$77,000
	\$11,868,433	\$503,837	\$787,003	\$13,275	\$3,353,841	\$993,870	\$208,250	\$6,500	\$15,012	\$17,750,021	\$129,535
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,243,217	\$0	\$252,560	\$0	\$0	\$0	\$186,103	\$0	\$0	\$1,681,880	\$0
410 PUBLIC SAFETY	\$5,908,288	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,908,288	\$0
420 HEALTH & WELFARE	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0
426 SANITATION & REFUSE	\$112,000	\$0	\$0	\$0	\$2,487,500	\$1,052,476	\$0	\$0	\$0	\$3,651,976	\$154,000
430 HIGHWAYS,ROADS & STREETS	\$2,421,588	\$503,837	\$260,842	\$0	\$0	\$0	\$0	\$0	\$0	\$3,186,267	\$0
450 CULTURE-RECREATION	\$587,420	\$0	\$600,375	\$0	\$0	\$0	\$0	\$0	\$0	\$1,187,795	\$0
460 CONSERVATION & DEVELOPMENT	\$5,730	\$0	\$285,492	\$0	\$0	\$0	\$0	\$0	\$0	\$291,222	\$0
470 DEBT SERVICE	\$671,013	\$0	\$0	\$0	\$881,744	\$0	\$0	\$0	\$0	\$1,552,757	\$28,092
480 MISCELLANEOUS EXPENDITURES	\$832,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$832,650	\$0
490 OTHER FINANCING USES	\$15,000	\$0	\$0	\$0	\$77,000	\$0	\$0	\$0	\$0	\$92,000	\$0
	\$11,802,906	\$503,837	\$1,399,269	\$0	\$3,446,244	\$1,052,476	\$186,103	\$0	\$0	\$18,390,835	\$182,092
2016 SURPLUS/(DEFICIT)*	\$65,527	\$0	(\$612,266)	\$13,275	(\$92,403)	(\$68,606)	\$22,147	\$6,500	\$15,012	(\$640,814)	(\$52,557)
PROJECTED 12/31/2016 ENDING BALANCE	\$4,868,858	\$200	\$5,655,194	\$1,074,488	\$536,634	\$597,077	\$2,125,472	\$2,489,035	\$60,027	\$17,406,985	\$1,408,719