

Memo

To: Board of Supervisors
From: Jon Altshul
Re: June 2016 Financial Report & Year-End Projections
Date: July 11, 2016

Net of pass-through accounts, as of June 30th, the general fund had revenues of \$5,949,526 and expenses of \$5,217,285 for a year-to-date surplus of \$732,241. Compared to the YTD budget, revenues were \$25,272 over budget and expenses were \$11,580 under budget for a positive budget variance of \$36,853. As of June 30th, the general fund balance was \$5,233,850.

On the expense side, Parks and Recreation was \$105,887 over-budget due to the timing of invoices paid to Gannett Fleming for the Milltown Dam study and tree work in the park. Public Works was \$22,749 over-budget due to road repairs on or around East Boot Road and related equipment rental. All other operating departments were under budget.

On the revenue side, Earned Income Tax is now \$142,698 under budget. Real Estate Property Tax is \$41,172 over budget due to a large interim payment. Real Estate Transfer Tax is \$34,031 under budget reflecting sales through May. Local Services Tax continues to be strong with a positive budget variance of \$28,995.

Other funds

- The **State Liquid Fuels Fund** had \$503,673 in revenues and \$0 expenses. The fund balance is \$503,872.
- The **Sinking Fund** had \$26,488 in revenues and \$558,983 in expenses. The fund balance is \$5,734,966.
- The **Transportation Fund** had \$10,935 in revenues and \$0 in expenses. The fund balance is \$1,072,148.
- The **Sewer Operating Fund** had \$1,612,981 in revenues and \$1,676,524 in expenses. The fund balance is \$565,494.
- The **Refuse Fund** had \$510,757 in revenues and \$506,360 in expenses. The fund balance is \$660,080.
- The **Sewer Sinking Fund** had \$1,547 in revenues and \$15,353 in expenses. The fund balance is \$2,094,261.
- The **Operating Reserve Fund** had \$1,568 in revenues and no expenses. The fund balance is \$2,484,103.
- The **Events Fund** had \$6 in revenues and no expenses. The fund balance is \$45,021.

Year-end Projections

As of June 30th, I am projecting that the general fund will end the year with a deficit of \$223,653. By contrast, the budget was adopted with a deficit of \$323,184 to be made up from the unreserved fund balance. Thus, the current projection is approximately \$100,000 more favorable than what was anticipated in December when the budget was adopted.

On the expense side, a handful of line-items are expected to go over budget, including:

- Stormwater Materials & Supplies (\$51,020 over-budget) due to deferring the Supple Valley storm sewer relining project from 2015.
- Highways-Materials & Supplies (\$53,400 over-budget) due to incidental road repair on or around East Boot Road.
- Highways Equipment Rental (\$40,000 over-budget) due to backhoe rental for cleaning out the Westtown Way yard.
- Milltown Dam (\$38,800 over-budget) due to the timing of invoices.
- Zoning Consultants (\$17,278 over-budget) due to the anticipated Paoli Pike corridor study (which is largely offset by higher grant funding)
- Legal expenses (\$16,577 over-budget) due to Hibberd Lane

These anticipated overruns are offset by:

- FEMA assistance related to Superstorm Jonas, which we expect to receive within the next month
- The police credit from 2015
- Lower than anticipated personnel costs
- Strong building permit activity
- Savings related to snow removal

The Sinking Fund is projected to have expenses of \$1,232,071, compared with a budget of \$1,831,000. Cost savings in this fund are related to the Tot-Lot renovation and the two dam projects, for which we do not expect significant construction expenses until next year. At the same time, there are a handful of replacement assets that were not anticipated during the budget process, but for which the existing assets are fully depreciated and therefore can be replaced at no cost to the General Fund, including the roof replacement for the Public Works building.

The Sewer Operating Fund is projected to be slightly under-budget by \$5,529. Because \$100,000 was allocated from the sewer fund balance towards rate stabilization, this projection corresponds with an annual deficit of \$94,471.

The Refuse Fund is projected to be \$9,610 under-budget due to conservative budget estimates for landfill fees. This projection corresponds with an annual deficit of \$73,739, as the refuse fund was adopted with an allocation of \$83,349 from fund balance.

Nothing unusual is anticipated in the year-end projections for the remaining funds.

Accounts Receivable

Utilities A/R was \$231,411 as of June 30th, up 3% from quarter 1, but still well below the high of \$322,204 in Q3 2013.

EAST GOSHEN TOWNSHIP
JUNE 2016 GENERAL FUND SUMMARY
June 30, 2016

Account Title	Annual Budget	Y-T-D Budget	Y-T-D Actual	Budget-Actual Variance	Year-End Projection	Budget-YE Proj Variance
GENERAL FUND						
EMERGENCY SERVICES EXPENSES	4,345,656	2,795,897	2,601,583	(194,314)	4,159,413	(186,243)
PUBLIC WORKS EXPENSES	2,634,879	1,070,625	1,164,174	93,549	2,741,745	106,866
ADMINISTRATION EXPENSES	1,646,376	791,632	780,070	(11,562)	1,656,555	10,179
ZONING/PERMITS/CODES EXPENSES	538,192	266,693	267,127	434	490,669	(47,523)
PARK AND RECREATION EXPENSES	531,450	227,665	327,978	100,313	692,724	161,274
TOTAL CORE FUNCTION EXPENSES	9,696,553	5,152,512	5,140,932	(11,580)	9,741,107	44,554
EMERGENCY SERVICES REVENUES	67,595	44,498	33,509	(10,989)	61,279	(6,316)
PUBLIC WORKS REVENUES	974,509	228,516	299,316	70,800	1,111,285	136,776
ADMINISTRATION REVENUES	325,020	130,898	144,209	13,311	337,494	12,474
ZONING/PERMITS/CODES REVENUES	242,150	129,892	192,219	62,327	332,522	90,372
PARK AND RECREATION REVENUES	152,878	71,677	66,103	(5,574)	140,911	(11,967)
TOTAL CORE FUNCTION REVENUES	1,762,152	605,481	735,356	129,875		221,339
NET EMERGENCY SERVICES EXPENSES	4,278,061	2,751,399	2,568,074	(183,325)	4,098,134	(179,927)
NET PUBLIC WORKS EXPENSES	1,660,370	842,109	864,858	22,749	1,630,460	(29,910)
NET ADMINISTRATION EXPENSES	1,321,356	660,734	635,861	(24,873)	1,319,061	(2,295)
NET ZONING/PERMITS/CODES EXPENSES	296,042	136,801	74,908	(61,893)	158,147	(137,895)
NET PARK AND RECREATION EXPENSES	378,572	155,988	261,875	105,887	551,813	173,241
CORE FUNCTION NET SUBTOTAL	7,934,401	4,547,031	4,405,576	(141,455)	7,757,616	(176,785)
DEBT - PRINCIPAL	498,001	0	0	0	498,001	0
DEBT - INTEREST	150,270	76,353	76,352	(1)	150,270	0
TOTAL DEBT	648,271	76,353	76,352	(1)	648,271	0
TOTAL CORE FUNCTION NET	8,582,672	4,623,384	4,481,928	(141,456)	8,405,887	(176,785)
NON-CORE FUNCTION REVENUE						
EARNED INCOME TAX	4,921,500	2,694,187	2,551,489	(142,698)	4,821,500	(100,000)
REAL ESTATE PROPERTY TAX	1,997,165	1,953,525	1,994,697	41,172	2,023,658	26,493
REAL ESTATE TRANSFER TAX	525,000	262,500	228,469	(34,031)	500,000	(25,000)
CABLE TV FRANCHISE TAX	467,747	233,873	234,457	584	469,000	1,253
LOCAL SERVICES TAX	320,000	165,077	194,072	28,995	340,000	20,000
OTHER INCOME	28,076	9,611	10,986	1,375	28,076	0
TOTAL NON CORE FUNCTION REVENUE	8,259,488	5,318,773	5,214,170	(104,603)	8,182,234	(77,254)
NET RESULT	(323,184)	695,389	732,242	36,853	(223,653)	99,531

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
 ALL FUNDS JUNE 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	655,683	\$2,103,325	\$2,482,535	\$45,015	\$18,045,508	\$1,461,276
RECEIPTS											
310 TAXES	\$5,235,717	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,235,717	\$0
320 LICENSES & PERMITS	\$59,648	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,648	\$0
330 FINES & FORFEITS	\$17,097	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,097	\$0
340 INTERESTS & RENTS	\$63,192	\$226	\$26,488	\$1,199	\$367	\$484	\$1,547	\$1,568	\$6	\$95,076	\$634
350 INTERGOVERNMENTAL	\$0	\$503,447	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$503,447	\$0
360 CHARGES FOR SERVICES	\$300,851	\$0	\$0	\$0	\$1,612,613	\$510,273	\$0	\$0	\$0	\$2,423,737	\$46,146
380 MISCELLANEOUS REVENUES	\$416,669	\$0	\$0	\$9,736	\$0	\$0	\$0	\$0	\$0	\$426,405	\$423
390 OTHER FINANCING SOURCES	\$214,815	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$214,815	\$25,000
	\$6,307,989	\$503,673	\$26,488	\$10,935	\$1,612,981	\$510,757	\$1,547	\$1,568	\$6	\$8,975,942	\$72,203
EXPENDITURES											
400 GENERAL GOVERNMENT	\$643,217	\$0	\$15,599	\$0	\$0	\$0	\$15,353	\$0	\$0	\$674,169	\$0
410 PUBLIC SAFETY	\$3,419,897	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,419,897	\$0
420 HEALTH & WELFARE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
426 SANITATION & REFUSE	\$56,059	\$0	\$0	\$0	\$1,140,169	\$506,360	\$0	\$0	\$0	\$1,702,588	\$104,380
430 HIGHWAYS,ROADS & STREETS	\$1,004,193	\$0	\$66,560	\$0	\$0	\$0	\$0	\$0	\$0	\$1,070,753	\$0
450 CULTURE-RECREATION	\$297,000	\$0	\$468,432	\$0	\$0	\$0	\$0	\$0	\$0	\$765,432	\$0
460 CONSERVATION & DEVELOPMENT	\$1,039	\$0	\$8,392	\$0	\$0	\$0	\$0	\$0	\$0	\$9,431	\$0
470 DEBT SERVICE	\$96,848	\$0	\$0	\$0	\$511,355	\$0	\$0	\$0	\$0	\$608,203	\$0
480 MISCELLANEOUS EXPENDITURES	\$361,460	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$361,460	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000	\$0
	\$5,879,713	\$0	\$558,983	\$0	\$1,676,524	\$506,360	\$15,353	\$0	\$0	\$8,636,933	\$104,380
2016 SURPLUS/(DEFICIT)*	\$428,276	\$503,673	(\$532,495)	\$10,935	(\$63,543)	\$4,396	(\$13,806)	\$1,568	\$6	\$339,009	(\$32,177)
CLEARING ACCOUNT ADJUSTMENTS	\$2,243										
6/30/2016 ENDING BALANCE	\$5,233,850	\$503,872	\$5,734,966	\$1,072,148	\$565,494	\$660,080	\$2,089,518	\$2,484,103	\$45,021	\$18,389,051	\$1,429,099

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
ALL FUNDS YEAR END PROJECTION JUNE 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	655,683	\$2,103,325	\$2,482,535	\$45,015	\$18,045,508	\$1,461,276
RECEIPTS											
310 TAXES	\$8,154,158	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,154,158	\$0
320 LICENSES & PERMITS	\$59,715	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,715	\$0
330 FINES & FORFEITS	\$34,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,376	\$0
340 INTERESTS & RENTS	\$126,302	\$390	\$41,650	\$1,400	\$600	\$821	\$2,500	\$6,500	\$10	\$180,173	\$1,079
350 INTERGOVERNMENTAL	\$147,932	\$503,447	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,051,379	\$0
360 CHARGES FOR SERVICES	\$524,219	\$0	\$0	\$0	\$3,256,964	\$989,613	\$0	\$0	\$0	\$4,770,796	\$46,146
380 MISCELLANEOUS REVENUES	\$158,581	\$0	\$0	\$9,736	\$0	\$0	\$0	\$0	\$0	\$168,317	\$423
390 OTHER FINANCING SOURCES	\$960,442	\$0	\$369,006	\$0	\$28,092	\$0	\$205,750	\$0	\$15,000	\$1,578,290	\$75,000
	\$10,165,725	\$503,837	\$810,656	\$11,136	\$3,285,656	\$990,435	\$208,250	\$6,500	\$15,010	\$15,997,205	\$122,648
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,275,125	\$0	\$277,560	\$0	\$0	\$0	\$0	\$0	\$0	\$1,552,685	\$0
410 PUBLIC SAFETY	\$4,586,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,586,063	\$0
420 HEALTH & WELFARE	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0
426 SANITATION & REFUSE	\$123,000	\$0	\$0	\$0	\$2,423,382	\$1,064,173	\$186,103	\$0	\$0	\$3,796,658	\$179,136
430 HIGHWAYS,ROADS & STREETS	\$2,420,738	\$503,837	\$257,945	\$346,500	\$0	\$0	\$0	\$0	\$0	\$3,529,020	\$0
450 CULTURE-RECREATION	\$645,415	\$0	\$628,674	\$0	\$0	\$0	\$0	\$0	\$0	\$1,274,089	\$0
460 CONSERVATION & DEVELOPMENT	\$7,529	\$0	\$67,892	\$0	\$0	\$0	\$0	\$0	\$0	\$75,421	\$0
470 DEBT SERVICE	\$668,767	\$0	\$0	\$0	\$881,744	\$0	\$0	\$0	\$0	\$1,550,511	\$28,092
480 MISCELLANEOUS EXPENDITURES	\$641,741	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$641,741	\$0
490 OTHER FINANCING USES	\$15,000	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$90,000	\$0
	\$10,389,378	\$503,837	\$1,232,071	\$346,500	\$3,380,126	\$1,064,173	\$186,103	\$0	\$0	\$17,102,188	\$207,228
2016 SURPLUS/(DEFICIT)*	(\$223,653)	\$0	(\$421,415)	(\$335,364)	(\$94,471)	(\$73,739)	\$22,147	\$6,500	\$15,010	(\$1,104,984)	(\$84,580)
PROJECTED 12/31/2016 ENDING BAI	<u>\$4,579,679</u>	<u>\$200</u>	<u>\$5,846,046</u>	<u>\$725,849</u>	<u>\$534,567</u>	<u>\$581,945</u>	<u>\$2,125,472</u>	<u>\$2,489,035</u>	<u>\$60,025</u>	<u>\$16,942,815</u>	<u>\$1,376,696</u>