

Memo

To: Board of Supervisors
From: Jon Altshul
Re: September 2016 Financial Report & Year-End Projections
Date: October 12, 2016

Net of pass-through accounts, as of September 30th the general fund had revenues of \$8,028,485 and expenses of \$7,537,285 for a year-to-date surplus of \$491,200. Compared to the YTD budget, revenues were \$205,316 over budget and expenses were \$161,190 over budget for a favorable budget variance of \$44,126. As of September 30th, the general fund balance was \$4,964,260.

On the expense side, Parks and Recreation was \$145,157 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 \$179,035 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 \$117,403 under budget, an improvement of about \$34,000 since last month. Real Estate Property Tax is \$40,179 over budget due to a large interim payment. Real Estate Transfer Tax has corrected itself and is now 22,513 over budget due to residential sales activity. Local Services Tax continues to be strong with a positive budget variance of \$34,613.

Other funds

- The **State Liquid Fuels Fund** had \$503,863 in revenues and \$0 expenses. The fund balance is \$504,063.
- The **Sinking Fund** had \$36,529 in revenues and \$722,562 in expenses. The fund balance is \$5,581,428.
- The **Transportation Fund** had \$12,739 in revenues and \$0 in expenses. The fund balance is \$1,073,952.
- The **Sewer Operating Fund** had \$2,491,712 in revenues and \$2,491,312 in expenses. The fund balance is \$629,437.
- The **Refuse Fund** had \$750,173 in revenues and \$764,088 in expenses. The fund balance is \$641,769.
- The **Sewer Sinking Fund** had \$1,992 in revenues and \$131,781 in expenses. The fund balance is \$1,973,536.
- The **Operating Reserve Fund** had \$2,452 in revenues and no expenses. The fund balance is \$2,484,987.
- The **Events Fund** had \$9 in revenues and no expenses. The fund balance is \$45,024.

Year-end Projections

As of September 30th, I am projecting that the General Fund finishes the year with a surplus of \$5,527. Since last month, I have made a handful of adjustments to the year-end projections, most notably increasing the Earned Income Tax and the Real Estate Transfer Tax projection. In addition, with most of the major Public Works expenses for 2016 accounted for, including most paving costs and both large stormwater improvements, it is clear that Public Works will finish the year much closer to budget than it is currently.

Updated projections for all funds are attached.

Accounts Receivable

Utilities receivables were \$239,289, up somewhat from Q2, but still well below where receivables were as recently as last year.

Banking/Cash Management

Two weeks ago, we transferred the EIT/LST and refuse savings bank accounts to the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT PRIME accounts are currently yielding 0.61%, which is much higher than what we're receiving from area banks for similar banking products. These yields reflect the passage of Act 10, which expanded the range of permissible municipal investments, as well as the suggestion of future interest rate hikes. Over the next several months, I hope to gradually move more of our savings accounts/money market and CDs over to PLGIT to capitalize on these higher returns.

Proposed Budget

We are gathering the final pieces of information for the 2016 Proposed Budget, which I plan to present at the November 1st BOS meeting. This date would allow the Board sufficient time to advertise and adopt at the December 6th meeting.

EAST GOSHEN TOWNSHIP
SEPTEMBER 2016 GENERAL FUND SUMMARY
September 30, 2016

Account Title	Annual Budget	Y-T-D Budget	Y-T-D Actual	Budget-Actual Variance	Year-End Projection	Y/E-Budget Variance
GENERAL FUND						
EMERGENCY SERVICES EXPENSES	4,345,656	3,567,668	3,383,288	(184,380)	4,159,413	(186,243)
PUBLIC WORKS EXPENSES	2,634,879	1,703,765	1,996,545	292,780	2,727,128	92,249
ADMINISTRATION EXPENSES	1,646,376	1,198,965	1,210,852	11,887	1,665,259	18,883
ZONING/PERMITS/CODES EXPENSES	538,192	405,334	302,892	(102,442)	410,716	(127,476)
PARK AND RECREATION EXPENSES	531,450	385,837	529,180	143,343	646,270	114,820
TOTAL CORE FUNCTION EXPENSES	9,696,553	7,261,569	7,422,757	161,188	9,608,787	(87,766)
EMERGENCY SERVICES REVENUES	67,595	54,891	49,577	(5,314)	61,279	(6,316)
PUBLIC WORKS REVENUES	974,509	343,619	457,364	113,745	1,138,226	163,717
ADMINISTRATION REVENUES	325,020	269,070	309,784	40,714	372,107	47,087
ZONING/PERMITS/CODES REVENUES	242,150	197,439	279,723	82,284	296,763	54,613
PARK AND RECREATION REVENUES	152,878	100,682	98,868	(1,814)	139,976	(12,902)
TOTAL CORE FUNCTION REVENUES	1,762,152	965,701	1,195,316	229,615	2,008,351	246,199
NET EMERGENCY SERVICES EXPENSES	4,278,061	3,512,777	3,333,711	(179,066)	4,098,134	(179,927)
NET PUBLIC WORKS EXPENSES	1,660,370	1,360,146	1,539,181	179,035	1,588,902	(71,468)
NET ADMINISTRATION EXPENSES	1,321,356	929,895	901,068	(28,827)	1,293,152	(28,204)
NET ZONING/PERMITS/CODES EXPENSES	296,042	207,895	23,169	(184,726)	113,953	(182,089)
NET PARK AND RECREATION EXPENSES	378,572	285,155	430,312	145,157	506,294	127,722
CORE FUNCTION NET SUBTOTAL	7,934,401	6,295,868	6,227,441	(68,427)	7,600,436	(333,965)
DEBT - PRINCIPAL	498,001	0	0	0	498,001	0
DEBT - INTEREST	150,270	114,526	114,528	2	150,270	0
TOTAL DEBT	648,271	114,526	114,528	2	648,271	0
TOTAL CORE FUNCTION NET	8,582,672	6,410,394	6,341,969	(68,425)	8,248,707	(333,965)
NON-CORE FUNCTION REVENUE						
EARNED INCOME TAX	4,921,500	3,870,613	3,753,610	(117,003)	4,820,000	(101,500)
REAL ESTATE PROPERTY TAX	1,997,165	1,969,488	2,009,637	40,149	2,023,658	26,493
REAL ESTATE TRANSFER TAX	525,000	393,750	416,263	22,513	560,000	35,000
CABLE TV FRANCHISE TAX	467,747	350,810	352,531	1,721	469,000	1,253
LOCAL SERVICES TAX	320,000	248,620	283,233	34,613	348,000	28,000
OTHER INCOME	28,076	24,187	17,895	(6,292)	33,576	5,500
TOTAL NON CORE FUNCTION REVENUE	8,259,488	6,857,468	6,833,169	(24,299)	8,254,234	(5,254)
NET RESULT	(323,184)	447,074	491,200	44,126	5,527	328,711

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
 ALL FUNDS SEPTEMBER 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	\$6,866,561	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,866,561	\$0
320 LICENSES & PERMITS	\$72,378	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,378	\$0
330 FINES & FORFEITS	\$89,435	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,435	\$0
340 INTERESTS & RENTS	\$87,677	\$416	\$36,529	\$1,814	\$541	\$733	\$1,992	\$2,452	\$9	\$132,164	\$1,508
350 INTERGOVERNMENTAL	\$126,847	\$503,447	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$630,294	\$0
360 CHARGES FOR SERVICES	\$718,112	\$0	\$0	\$0	\$2,491,171	\$749,440	\$0	\$0	\$0	\$3,958,724	\$50,428
380 MISCELLANEOUS REVENUES	\$790,771	\$0	\$0	\$10,925	\$0	\$0	\$0	\$0	\$0	\$801,696	\$564
390 OTHER FINANCING SOURCES	\$297,198	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$297,198	\$25,000
	\$9,048,979	\$503,863	\$36,529	\$12,739	\$2,491,712	\$750,173	\$1,992	\$2,452	\$9	\$12,848,449	\$77,500
EXPENDITURES											
400 GENERAL GOVERNMENT	\$920,488	\$0	\$20,044	\$0	\$0	\$0	\$131,781	\$0	\$0	\$1,072,313	\$0
410 PUBLIC SAFETY	\$4,824,054	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,824,054	\$0
420 HEALTH & WELFARE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
426 SANITATION & REFUSE	\$86,722	\$0	\$0	\$0	\$1,765,448	\$764,088	\$0	\$0	\$0	\$2,616,259	\$129,750
430 HIGHWAYS,ROADS & STREETS	\$1,763,757	\$0	\$147,738	\$0	\$0	\$0	\$0	\$0	\$0	\$1,911,495	\$0
450 CULTURE-RECREATION	\$478,001	\$0	\$477,107	\$0	\$0	\$0	\$0	\$0	\$0	\$955,107	\$0
460 CONSERVATION & DEVELOPMENT	\$2,087	\$0	\$77,673	\$0	\$0	\$0	\$0	\$0	\$0	\$79,760	\$0
470 DEBT SERVICE	\$136,147	\$0	\$0	\$0	\$700,864	\$0	\$0	\$0	\$0	\$837,011	\$0
480 MISCELLANEOUS EXPENDITURES	\$682,935	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$682,935	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000	\$0
	\$8,894,192	\$0	\$722,562	\$0	\$2,491,312	\$764,088	\$131,781	\$0	\$0	\$13,003,934	\$129,750
2016 SURPLUS/(DEFICIT)*	\$154,788	\$503,863	(\$686,033)	\$12,739	\$400	(\$13,915)	(\$129,789)	\$2,452	\$9	(\$155,485)	(\$52,250)
CLEARING ACCOUNT ADJUSTMENTS	\$6,141										
9/30/2016 ENDING BALANCE	\$4,964,260	\$504,063	\$5,581,428	\$1,073,952	\$629,437	\$641,769	\$1,973,536	\$2,484,987	\$45,024	\$17,898,455	\$1,409,026

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
 ALL FUNDS YEAR END PROJECTION SEPTEMBER 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	\$8,220,658	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,220,658	\$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
	\$11,818,433	\$503,837	\$787,003	\$13,275	\$3,353,841	\$993,870	\$208,250	\$6,500	\$15,012	\$17,700,021	\$129,535
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,243,217	\$0	\$32,560	\$0	\$0	\$0	\$186,103	\$0	\$0	\$1,461,880	\$0
410 PUBLIC SAFETY	\$5,918,288	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,918,288	\$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
	\$11,812,906	\$503,837	\$1,179,269	\$0	\$3,446,244	\$1,052,476	\$186,103	\$0	\$0	\$18,180,835	\$182,092
2016 SURPLUS/(DEFICIT)*	\$5,527	\$0	(\$392,266)	\$13,275	(\$92,403)	(\$58,606)	\$22,147	\$6,500	\$15,012	(\$480,814)	(\$52,557)
PROJECTED 12/31/2016 ENDING BALANCE	\$4,808,858	\$200	\$5,875,194	\$1,074,488	\$536,634	\$597,077	\$2,125,472	\$2,489,035	\$60,027	\$17,566,985	\$1,408,719