

# Memo

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To: Board of Supervisors  
From: Jon Altshul  
Re: July 2017 Financial Report and 2017 Year-End Projections  
Date: August 9, 2017

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Net of pass-through accounts, as of July 31<sup>st</sup>, the general fund had revenues of \$6,860,323 and expenses of \$6,098,565 for a year-to-date surplus of \$761,758. Compared to the YTD budget, revenues were \$675,291 over budget and expenses were \$83,915 over budget for a favorable budget variance of \$591,376. As of July 31<sup>st</sup>, the general fund balance was \$5,764,943.

On the expense side, Public Works was \$70,784 over-budget due to an early start to the paving season and under-budgeting for vehicle maintenance and repairs. These overruns were partially offset by substantial savings for snow removal and lower than expected costs for storm water. Administration was \$63,457 over-budget due primarily to building repairs in the Public Works Annex over the winter. Codes was \$20,085 over budget due to lower than projected permit revenue and engineering costs associated with enforcement of the noise ordinance. Parks and Recreation was \$34,381 over-budget due to higher than expected Park Maintenance activities. Emergency Services was \$2,041 under-budget.

On the revenue side, Real Estate Transfer Tax is now \$559,736 over budget due to the sale of a large commercial building in March and strong residential sales in June; Earned Income Tax continues to have a strong year and is now \$197,023 over budget.

## Other funds

- The **State Liquid Fuels Fund** had \$525,577 revenues and \$0 expenses. The fund balance was \$525,879.
- The **Sinking Fund** had \$213,477 in revenues and \$741,805 in expenses. The fund balance is \$5,550,947.
- The **Transportation Fund** had \$3,877 in revenues and \$2,583 in expenses. The fund balance is \$1,076,154.
- The **Sewer Operating Fund** had \$2,189,079 in revenues and \$1,780,699 in expenses. The fund balance is \$960,555.
- The **Refuse Fund** had \$640,670 in revenues and \$611,189 in expenses. The fund balance is \$646,388.
- The **Sewer Sinking Fund** had \$7,149 in revenues and \$109,820 in expenses. The fund balance is \$1,981,194.
- The **Operating Reserve Fund** had \$2,726 in revenues and no expenses. The fund balance is \$2,493,330.
- The **Events Fund** had \$10 in revenues and no expenses. The fund balance is \$60,037.

## 2017 Year-End Projections

I have made a handful of changes to the year-end projections for the general fund, the sinking fund and the sewer operating fund since last month. On the General Fund side, I have increased the year-end transfer to the Sinking Fund to reflect higher-than-budgeted costs for the Public Works Vehicle Wash Bay, which is a new asset and therefore directly increases this transfer. This increase is partially offset by further increases to the year-end projection for Earned Income Tax and Real Estate Transfer Tax. As a

result, I am now projecting that the General Fund finishes the year with a very small surplus of \$2,339. On the flip side, this additional transfer-in is now reflected as a revenue in the Sinking Fund.

Year-end projections for the sewer fund are slightly improved as well, as a result of lower than anticipated invoices for operating costs at the West Goshen Sewer Treatment Plant.

Year-end projections for all funds are attached to this memo.

#### Series 2017 Bond Update

The closing on the Series 2017 Bond Update is scheduled for August 15<sup>th</sup> (i.e the day of the BOS meeting). After the funds are wired to the bond fund, I will reimburse the sinking fund for costs already incurred, per last year's reimbursement resolution. Future capital expenses for which there is no offsetting grant award will be paid directly from the bond fund. Future capital expenses for which there is an offsetting grant award will be paid from the sinking fund until the grant is closed out, after which point the bond fund will reimburse the sinking fund for the local match. For our share of sewer capital costs incurred in West Goshen, I will first draw down the balance of the 2013 DelVal notes before using the proceeds of the 2017 bonds.

Beginning next month, I will provide the Board with a detailed drawdown schedule, so that you can see how much available funding is remaining for each individual project.

#### Budget Schedule

I have begun work on the 2018 budget and would recommend that the proposed budget be presented on November 14<sup>th</sup> (no meeting on November 7<sup>th</sup>) and that the budget be adopted on December 5<sup>th</sup>, with December 19<sup>th</sup> as a contingency date. Please advise if this schedule is acceptable.

**EAST GOSHEN TOWNSHIP**  
**General Fund Summary Core Function**  
**As of July 31, 2017**

Account Title	Annual Budget	YTD Budget	YTD Actual	Variance
EMERGENCY SERVICES EXPENSES	4,520,632	3,207,431	3,213,664	(6,233)
PUBLIC WORKS EXPENSES	2,615,463	1,152,785	1,179,022	(26,237)
ADMINISTRATION EXPENSES	1,883,346	923,415	940,867	(17,452)
CODES EXPENSES	413,748	238,835	246,500	(7,665)
PARK AND RECREATION EXPENSES	682,542	415,336	441,659	(26,323)
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,115,731</b>	<b>5,937,802</b>	<b>6,021,712</b>	<b>(83,910)</b>
EMERGENCY SERVICES REVENUES	61,480	46,571	54,845	8,274
PUBLIC WORKS REVENUES	1,005,147	245,089	200,542	(44,547)
ADMINISTRATION REVENUES	377,720	196,426	150,420	(46,006)
CODES REVENUES	279,875	178,039	165,619	(12,420)
PARK AND RECREATION REVENUES	272,435	78,449	70,391	(8,058)
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,996,657</b>	<b>744,574</b>	<b>641,817</b>	<b>(102,757)</b>
<b>NET EMERGENCY SERVICES</b>	<b>4,459,152</b>	<b>3,160,860</b>	<b>3,158,819</b>	<b>2,041</b>
<b>NET PUBLIC WORKS</b>	<b>1,610,316</b>	<b>907,696</b>	<b>978,480</b>	<b>(70,784)</b>
<b>NET ADMINISTRATION</b>	<b>1,505,626</b>	<b>726,989</b>	<b>790,446</b>	<b>(63,457)</b>
<b>NET CODES</b>	<b>133,873</b>	<b>60,796</b>	<b>80,881</b>	<b>(20,085)</b>
<b>NET PARK AND RECREATION</b>	<b>410,107</b>	<b>336,887</b>	<b>371,268</b>	<b>(34,381)</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,119,074</b>	<b>5,193,228</b>	<b>5,379,895</b>	<b>(186,667)</b>
DEBT - PRINCIPAL	520,999	0	0	0
DEBT - INTEREST	129,198	76,848	76,853	(5)
<b>TOTAL DEBT</b>	<b>650,197</b>	<b>76,848</b>	<b>76,853</b>	<b>(5)</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>8,769,271</b>	<b>5,270,076</b>	<b>5,456,747</b>	<b>(186,671)</b>
<b>NON-CORE FUNCTION REVENUE</b>				
REAL ESTATE PROPERTY TAX	2,027,128	1,995,352	2,002,500	7,148
OTHER INCOME	40,341	18,308	33,339	15,031
CABLE TELEVIS.FRANCHISE	473,690	236,844	240,456	3,612
REAL ESTATE TRANSFER TAX	525,000	312,500	872,236	559,736
EARNED INCOME TAX	4,916,400	2,693,629	2,890,652	197,023
LOCAL SERVICES TAX	348,000	183,825	179,323	(4,502)
				0
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>8,330,559</b>	<b>5,440,458</b>	<b>6,218,505</b>	<b>778,047</b>
<b>NET RESULT</b>	<b>(438,712)</b>	<b>170,382</b>	<b>761,758</b>	<b>591,376</b>

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")  
 ALL FUNDS JULY 2017  
 \* 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
<b>01/01/17 BEGINNING BALANCE</b>	<b>\$5,099,106</b>	<b>\$302</b>	<b>6,079,275</b>	<b>1,074,859</b>	<b>552,175</b>	<b>616,907</b>	<b>\$2,083,864</b>	<b>\$2,490,604</b>	<b>\$60,027</b>	<b>\$18,057,119</b>	<b>\$1,415,651</b>
<b>RECEIPTS</b>											
310 TAXES	\$6,227,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,227,151	\$0
320 LICENSES & PERMITS	\$16,033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,033	\$0
330 FINES & FORFEITS	\$27,448	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,448	\$0
340 INTERESTS & RENTS	\$94,996	\$66	\$22,473	\$3,085	\$470	\$2,715	\$7,149	\$2,726	\$10	\$133,690	\$5,377
350 INTERGOVERNMENTAL	\$50	\$525,511	\$191,005	\$0	\$0	\$0	\$0	\$0	\$0	\$716,566	\$0
360 CHARGES FOR SERVICES	\$261,061	\$0	\$0	\$0	\$2,176,735	\$637,956	\$0	\$0	\$0	\$3,075,751	\$5,692
380 MISCELLANEOUS REVENUES	\$719,729	\$0	\$0	\$793	\$11,874	\$0	\$0	\$0	\$0	\$732,395	\$0
390 OTHER FINANCING SOURCES	\$170,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,645	\$70,000
	<b>\$7,517,112</b>	<b>\$525,577</b>	<b>\$213,477</b>	<b>\$3,877</b>	<b>\$2,189,079</b>	<b>\$640,670</b>	<b>\$7,149</b>	<b>\$2,726</b>	<b>\$10</b>	<b>\$11,099,679</b>	<b>\$81,069</b>
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$779,724	\$0	\$261,121	\$0	\$0	\$0	\$109,820	\$0	\$0	\$1,150,664	\$0
410 PUBLIC SAFETY	\$4,083,087	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,083,087	\$0
420 HEALTH & WELFARE	\$0	\$0	\$0	\$0	\$1,166,870	\$0	\$0	\$0	\$0	\$1,166,870	\$0
426 SANITATION & REFUSE	\$63,692	\$0	\$0	\$0	\$0	\$611,189	\$0	\$0	\$0	\$674,881	\$314,652
430 HIGHWAYS,ROADS & STREETS	\$973,918	\$0	\$155,519	\$2,583	\$0	\$0	\$0	\$0	\$0	\$1,132,019	\$0
450 CULTURE-RECREATION	\$394,704	\$0	\$133,897	\$0	\$0	\$0	\$0	\$0	\$0	\$528,601	\$0
460 CONSERVATION & DEVELOPMENT	\$2,199	\$0	\$191,269	\$0	\$0	\$0	\$0	\$0	\$0	\$193,468	\$0
470 DEBT SERVICE	\$98,276	\$0	\$0	\$0	\$543,830	\$0	\$0	\$0	\$0	\$642,106	\$0
480 MISCELLANEOUS EXPENDITURES	\$450,546	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450,546	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000	\$0
	<b>\$6,846,145</b>	<b>\$0</b>	<b>\$741,805</b>	<b>\$2,583</b>	<b>\$1,780,699</b>	<b>\$611,189</b>	<b>\$109,820</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,092,242</b>	<b>\$314,652</b>
<b>2017 SURPLUS/(DEFICIT)*</b>	<b>670,967</b>	<b>\$525,577</b>	<b>(\$528,328)</b>	<b>\$1,295</b>	<b>\$408,380</b>	<b>\$29,481</b>	<b>(\$102,670)</b>	<b>\$2,726</b>	<b>\$10</b>	<b>\$1,007,438</b>	<b>(\$233,583)</b>
<b>CLEARING ACCOUNT ADJUSTMENTS</b>	<b>(\$5,130)</b>										
<b>7/31/2017 ENDING BALANCE</b>	<b>\$5,764,943</b>	<b>\$525,879</b>	<b>\$5,550,947</b>	<b>\$1,076,154</b>	<b>\$960,555</b>	<b>\$646,388</b>	<b>\$1,981,194</b>	<b>\$2,493,330</b>	<b>\$60,037</b>	<b>\$19,059,426</b>	<b>\$1,182,067</b>

**EAST GOSHEN TOWNSHIP**  
**2017 YEAR-END PROJECTION SUMMARY**  
**July 31, 2017**

Account Title	2017 Budget	2017 Y/E Projection (July)	Projected Variance
GENERAL FUND			
EMERGENCY SERVICES EXPENSES	4,520,632	4,524,132	3,500
PUBLIC WORKS EXPENSES	2,615,463	2,576,073	(39,390)
ADMINISTRATION EXPENSES	1,883,346	2,187,185	303,839
ZONING/PERMITS/CODES EXPENSES	413,748	423,677	9,929
PARK AND RECREATION EXPENSES	682,542	684,909	2,367
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,115,731</b>	<b>10,395,975</b>	<b>280,244</b>
-			
EMERGENCY SERVICES REVENUES	61,480	149,646	88,166
PUBLIC WORKS REVENUES	1,005,147	1,018,534	13,387
ADMINISTRATION REVENUES	377,720	371,563	(6,157)
ZONING/PERMITS/CODES REVENUES	279,875	258,653	(21,222)
PARK AND RECREATION REVENUES	272,435	226,126	(46,309)
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,996,657</b>	<b>2,024,522</b>	<b>27,865</b>
-			
NET EMERGENCY SERVICES EXPENSES	4,459,152	4,374,486	(84,666)
NET PUBLIC WORKS EXPENSES	1,610,316	1,557,539	(52,777)
NET ADMINISTRATION EXPENSES	1,505,626	1,815,621	309,995
NET ZONING/PERMITS/CODES EXPENSES	133,873	165,024	31,151
NET PARK AND RECREATION EXPENSES	410,107	458,783	48,676
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,119,074</b>	<b>8,371,453</b>	<b>252,379</b>
-			
DEBT - PRINCIPAL	520,999	520,999	0
DEBT - INTEREST	129,198	147,386	18,188
<b>TOTAL DEBT</b>	<b>650,197</b>	<b>668,385</b>	<b>18,188</b>
-			
<b>TOTAL CORE FUNCTION NET</b>	<b>8,769,271</b>	<b>9,039,838</b>	<b>270,567</b>
-			
<b>NON-CORE FUNCTION REVENUE</b>			
EARNED INCOME TAX	4,916,400	5,080,000	163,600
REAL ESTATE PROPERTY TAX	2,027,128	2,019,935	(7,193)
REAL ESTATE TRANSFER TAX	525,000	1,055,000	530,000
CABLE TV FRANCHISE TAX	473,690	480,000	6,310
LOCAL SERVICES TAX	348,000	344,900	(3,100)
OTHER INCOME	40,341	62,341	22,000
-			
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>8,330,559</b>	<b>9,042,176</b>	<b>711,617</b>
-			
<b>NET RESULT</b>	<b>(438,712)</b>	<b>2,339</b>	

JULY 2017--2017 YEAR-END PROJECTIONS  
ALL FUNDS JULY 2017

\* 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	TWP BOND FUND (NEW)	SEWER BOND FUND (NEW)	OPERATING RESERVE	EVENTS FUND	TOWNSHIP FUNDS	MUNICIPAL AUTHORITY
01/01/17 BEGINNING BALANCE	\$5,099,106	\$302	6,079,275	1,074,859	552,175	616,907	\$2,083,864	\$0	\$0	\$2,490,604	\$60,027	\$18,057,119	\$1,415,651
<b>RECEIPTS</b>													
310 TAXES	\$9,049,935	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,049,935	\$0
320 LICENSES & PERMITS	\$30,725	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,725	\$0
330 FINES & FORFEITS	\$122,249	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,249	\$0
340 INTERESTS & RENTS	\$159,727	\$5,203	\$37,000	\$4,000	\$600	\$4,900	\$247,000	\$0	\$0	\$15,500	\$12	\$473,942	\$6,500
350 INTERGOVERNMENTAL	\$142,586	\$525,511	\$541,005	\$257,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,466,602	\$0
360 CHARGES FOR SERVICES	\$764,000	\$0	\$0	\$0	\$3,631,506	\$1,047,000	\$0	\$0	\$0	\$0	\$0	\$5,442,507	\$16,000
380 MISCELLANEOUS REVENUES	\$1,434,425	\$0	\$0	\$793	\$11,874	\$0	\$0	\$0	\$0	\$0	\$0	\$1,447,091	\$0
390 OTHER FINANCING SOURCES	\$1,043,666	\$0	\$1,223,688	\$0	\$0	\$0	\$0	\$5,310,000	\$2,840,000	\$0	\$0	\$10,417,354	\$100,755
	\$12,747,314	\$530,713	\$1,801,693	\$262,293	\$3,643,980	\$1,051,900	\$247,000	\$5,310,000	\$2,840,000	\$15,500	\$12	\$28,450,405	\$123,255
<b>EXPENDITURES</b>													
400 GENERAL GOVERNMENT	\$1,843,490	\$0	\$714,751	\$0	\$0	\$0	\$110,000	\$0	\$0	\$0	\$0	\$2,668,241	\$0
410 PUBLIC SAFETY	\$6,321,127	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,321,127	\$0
420 HEALTH & WELFARE	\$112,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$112,585	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$2,510,397	\$1,072,825	\$0	\$0	\$0	\$0	\$0	\$3,583,222	\$600,000
430 HIGHWAYS,ROADS & STREETS	\$2,237,891	\$530,713	\$276,557	\$515,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,560,161	\$0
450 CULTURE-RECREATION	\$642,114	\$0	\$714,000	\$0	\$0	\$0	\$0	\$438,785	\$0	\$0	\$0	\$1,794,899	\$0
460 CONSERVATION & DEVELOPMENT	\$4,485	\$0	\$245,000	\$0	\$0	\$0	\$0	\$1,178,183	\$0	\$0	\$0	\$1,427,668	\$0
470 DEBT SERVICE	\$689,500	\$0	\$0	\$0	\$893,055	\$0	\$0	\$0	\$0	\$0	\$0	\$1,582,555	\$0
480 MISCELLANEOUS EXPENDITURES	\$893,785	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$893,785	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$100,755	\$0	\$0	\$0	\$0	\$0	\$60,039	\$160,794	\$0
	\$12,744,975	\$530,713	\$1,950,308	\$515,000	\$3,504,207	\$1,072,825	\$110,000	\$1,616,968	\$0	\$0	\$60,039	\$22,105,035	\$600,000
2017 SURPLUS/(DEFICIT)*	2,339	\$0	(\$148,615)	(\$252,708)	\$139,773	(\$20,925)	\$137,000	\$3,693,032	\$2,840,000	\$15,500	(\$60,027)	\$6,345,369	(\$476,745)
5/31/2017 ENDING BALANCE	\$5,101,445	\$302	\$5,930,660	\$822,152	\$691,948	\$595,982	\$2,220,864	\$3,693,032	\$2,840,000	\$2,506,104	\$0	\$24,402,487	\$938,906