

# Memo

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To: Board of Supervisors  
From: Jon Altshul  
Re: May 2018 Financial Report  
Date: June 7, 2018

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Net of pass-through accounts, as of May 31<sup>st</sup>, the general fund had revenues of \$5,473,352 and expenses of \$4,032,112 for a year-to-date surplus of \$1,441,241. Compared to the YTD budget, revenues were \$47,756 over budget and expenses were \$174,915 under budget for a positive budget variance of \$222,672. As of May 31<sup>st</sup>, the general fund balance was \$6,711,645.

On the expense side, Emergency Services, Administration, Parks & Recreation and Public Works are all under budget, while Codes is slightly over budget (+\$2,170). Public Works, in particular, is \$169,846 under budget, due to the timing of storm water expenses and the construction work at the playground, which is a Parks & Recreation expense and not a Public Works Expense, despite being over budget by \$72,159 for snow removal. Even with all the work at the playground, Parks & Recreation is \$37,230 under-budget, due to the timing of improvements at Marydell Pond.

On the revenue side, Earned Income Tax is now \$49,771 under budget, or about 2%, and about \$65,000 lower than it was a year ago. I have no clear explanation for the discrepancy given the general strength of the economy. Cable Franchise fee revenue is clearly underperforming (\$12,829 under budget, and about \$8,500 lower than it was a year ago), presumably due to the trend of “cord cutting” as streaming services compete with traditional cable providers. I am, however, surprised that it’s taken until now for this much-discussed national trend to be reflected in our GL. Real Estate Transfer Tax is \$2,371 over budget, due to the sale of 1302 Goshen Parkway (Zeks building) in April; I would expect this revenue to perform strongly throughout the remainder of 2018 due to the relatively strong residential property market. Real Estate Tax and Other Income were both over budget, the latter due to the continued upward tick in interest rates.

## Other funds

- The **State Liquid Fuels Fund** had \$553,313 in revenues and \$0 expenses. The fund balance was \$553,815.
- The **Sinking Fund** had \$22,558 in revenues and \$272,049 in expenses. The fund balance is \$5,774,539.
- The **Transportation Fund** had \$3,004 in revenues and \$596 in expenses. The fund balance is \$1,081,565.
- The **Sewer Operating Fund** had \$1,639,351 in revenues and \$1,166,988 in expenses. The fund balance is \$1,359,035. Importantly, we over budgeted the principal payment on the 2008 Municipal Authority notes (for the Ridley Creek Sewer Plant upgrade) by \$187,000 this year, which will be reflected in next month’s financial report. The reason for this is that DelVal’s debt service schedule had an error in it, presumably dating back to when the notes were first issued in 2008. Specifically, the 2018-2019 principal payments were switched with the 2029-2030 principal payments in the worksheet. The discrepancy was just discovered when we received the debt service invoices earlier this week. As a result, the Sewer Operating Fund will have a healthy surplus this year.
- The **Refuse Fund** had \$558,142 in revenues and \$428,915 in expenses. The fund balance is \$743,335. As explained last month, this year-to-date surplus is due to finally receiving both the 2014 and 2015 commercial recycling grants from the Commonwealth in May.

- The **Bond Fund** had \$43,015 in revenues and \$539,380 in expenses. The fund balance is \$6,839,959.
- The **Sewer Sinking Fund** had \$7,439 in revenues and \$18,858 in expenses. The fund balance is \$2,151,259.
- The **Operating Reserve Fund** had \$3,322 in revenues and no expenses. The fund balance is \$2,507,677.

**EAST GOSHEN TOWNSHIP  
GENERAL FUND SUMMARY  
As of May 31, 2018**

Account Title	Annual Budget	YTD Budget	YTD Actual	Variance
EMERGENCY SERVICES EXPENSES	4,101,440	2,005,758	2,002,251	3,507
PUBLIC WORKS EXPENSES	2,637,576	908,714	761,133	147,581
ADMINISTRATION EXPENSES	2,218,972	725,611	745,221	(19,610)
CODES EXPENSES	465,911	196,846	197,528	(682)
PARK AND RECREATION EXPENSES	690,256	253,188	209,067	44,121
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,114,155</b>	<b>4,090,117</b>	<b>3,915,200</b>	<b>174,917</b>
EMERGENCY SERVICES REVENUES	77,628	12,706	10,168	(2,538)
PUBLIC WORKS REVENUES	1,010,195	142,905	165,171	22,266
ADMINISTRATION REVENUES	334,024	115,215	164,180	48,965
CODES REVENUES	259,725	109,641	108,153	(1,488)
PARK AND RECREATION REVENUES	140,976	53,810	46,919	(6,891)
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,822,548</b>	<b>434,277</b>	<b>494,590</b>	<b>60,313</b>
<b>NET EMERGENCY SERVICES</b>	<b>4,023,812</b>	<b>1,993,052</b>	<b>1,992,083</b>	<b>969</b>
<b>NET PUBLIC WORKS</b>	<b>1,627,381</b>	<b>765,809</b>	<b>595,963</b>	<b>169,846</b>
<b>NET ADMINISTRATION</b>	<b>1,884,948</b>	<b>610,396</b>	<b>581,041</b>	<b>29,355</b>
<b>NET CODES</b>	<b>206,186</b>	<b>87,205</b>	<b>89,375</b>	<b>(2,170)</b>
<b>NET PARK AND RECREATION</b>	<b>549,280</b>	<b>199,378</b>	<b>162,148</b>	<b>37,230</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,291,607</b>	<b>3,655,840</b>	<b>3,420,610</b>	<b>235,230</b>
DEBT - PRINCIPAL	549,000	-	-	0
DEBT - INTEREST	249,458	116,910	116,911	(1)
<b>TOTAL DEBT</b>	<b>798,458</b>	<b>116,910</b>	<b>116,911</b>	<b>(1)</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>9,090,065</b>	<b>3,772,750</b>	<b>3,537,521</b>	<b>235,229</b>
<b>NON-CORE FUNCTION REVENUE</b>				
EARNED INCOME TAX	5,181,600	2,386,886	2,337,115	(49,771)
REAL ESTATE PROPERTY TAX	2,026,129	1,936,178	1,972,920	36,742
REAL ESTATE TRANSFER TAX	575,000	239,583	241,954	2,371
CABLE TELEVIS.FRANCHISE	489,600	244,800	231,971	(12,829)
LOCAL SERVICES TAX	348,000	156,211	162,087	5,876
OTHER INCOME	469,736	27,661	32,714	5,053
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>9,090,065</b>	<b>4,991,319</b>	<b>4,978,762</b>	<b>(12,557)</b>
<b>NET RESULT</b>	<b>0</b>	<b>1,218,569</b>	<b>1,441,241</b>	<b>222,672</b>

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")

ALL FUNDS MAY 2018

\* 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	TOWNSHIP FUNDS	MUNICIPAL AUTHORITY	BOND FUND
<b>01/01/18 BEGINNING BALANCE</b>	<b>\$5,531,289</b>	<b>\$502</b>	<b>6,024,031</b>	<b>1,079,157</b>	<b>886,672</b>	<b>614,128</b>	<b>\$2,162,678</b>	<b>\$2,504,354</b>	<b>\$18,057,119</b>	<b>\$142,331</b>	<b>7,336,323</b>
<b>RECEIPTS</b>											
310 TAXES	\$4,752,019	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,752,019	\$0	\$0
320 LICENSES & PERMITS	\$235,871	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$235,871	\$0	\$0
330 FINES & FORFEITS	\$14,084	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,084	\$0	\$0
340 INTERESTS & RENTS	\$77,359	\$2	\$18,330	\$3,004	\$3,010	\$1,983	\$7,439	\$3,322	\$114,448	\$572	\$43,015
350 INTERGOVERNMENTAL	\$32,667	\$553,311	\$0	\$0	\$0	\$0	\$0	\$0	\$585,978	\$0	\$0
360 CHARGES FOR SERVICES	\$176,426	\$0	\$0	\$0	\$1,636,341	\$556,159	\$0	\$0	\$2,368,927	\$1,128	\$0
380 MISCELLANEOUS REVENUES	\$509,742	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$509,742	\$564	\$0
390 OTHER FINANCING SOURCES	\$131,569	\$0	\$4,228	\$0	\$0	\$0	\$0	\$0	\$135,797	\$30,071	\$0
	<b>\$5,929,738</b>	<b>\$553,313</b>	<b>\$22,558</b>	<b>\$3,004</b>	<b>\$1,639,351</b>	<b>\$558,142</b>	<b>\$7,439</b>	<b>\$3,322</b>	<b>\$8,716,866</b>	<b>\$32,335</b>	<b>\$43,015</b>
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$605,324	\$0	\$34,974	\$0	\$0	\$0	\$0	\$0	\$640,297	\$0	\$0
410 PUBLIC SAFETY	\$2,797,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,797,137	\$0	\$0
420 HEALTH & WELFARE	\$50,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,371	\$0	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$955,765	\$428,915	\$18,858	\$0	\$1,403,538	\$153,869	\$256,359
430 HIGHWAYS,ROADS & STREETS	\$600,847	\$0	\$158,154	\$596	\$0	\$0	\$0	\$0	\$759,596	\$0	\$0
450 CULTURE-RECREATION	\$178,080	\$0	\$70,320	\$0	\$0	\$0	\$0	\$0	\$248,400	\$0	\$283,021
460 CONSERVATION & DEVELOPMENT	\$692	\$0	\$8,603	\$0	\$0	\$0	\$0	\$0	\$9,295	\$0	\$0
470 DEBT SERVICE	\$138,385	\$0	\$0	\$0	\$181,222	\$0	\$0	\$0	\$319,607	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$384,092	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$384,092	\$0	\$0
490 OTHER FINANCING USES	\$71	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,071	\$0	\$0
	<b>\$4,754,999</b>	<b>\$0</b>	<b>\$272,049</b>	<b>\$596</b>	<b>\$1,166,988</b>	<b>\$428,915</b>	<b>\$18,858</b>	<b>\$0</b>	<b>\$6,642,405</b>	<b>\$153,869</b>	<b>\$539,380</b>
<b>2018 SURPLUS/(DEFICIT)*</b>	<b>\$1,174,738</b>	<b>\$553,313</b>	<b>(\$249,492)</b>	<b>\$2,408</b>	<b>\$472,363</b>	<b>\$129,227</b>	<b>(\$11,419)</b>	<b>\$3,322</b>	<b>\$2,074,461</b>	<b>(\$121,535)</b>	<b>(\$496,364)</b>
<b>CLEARING ACCOUNT ADJUSTMENTS</b>	<b>\$5,618</b>										
<b>04/30/2018 ENDING BALANCE</b>	<b><u>\$6,711,645</u></b>	<b><u>\$553,815</u></b>	<b><u>\$5,774,539</u></b>	<b><u>\$1,081,565</u></b>	<b><u>\$1,359,035</u></b>	<b><u>\$743,355</u></b>	<b><u>\$2,151,259</u></b>	<b><u>\$2,507,677</u></b>	<b><u>\$20,882,891</u></b>	<b><u>\$20,797</u></b>	<b><u>\$6,839,959</u></b>