

Memo

To: Board of Supervisors
From: Jon Altshul
Re: September 2018 Financial Report
Date: October 8, 2018

Net of pass-through accounts, as of September 30th, the general fund had revenues of \$8,217,583 and expenses of \$7,300,556 for a year-to-date surplus of \$917,027. Compared to the YTD budget, revenues were \$106,630 over budget and expenses were \$318,782 under budget for a positive budget variance of \$425,412. As of September 30th, the general fund balance was \$6,126,696.

On the expense side, all operating departments are now under-budget through September.

On the revenue side, Real Estate Transfer Tax (+\$128,680) continues to perform strongly and, based on recent cert activity, may end the year in an even more favorable position. Other Income (i.e. Interest; +\$24,457) and Real Estate Property Tax (+\$13,265) were also over budget. However, Earned Income Tax (-\$93,712), Local Services Tax (-\$12,236) and Cable Franchise Fees (-\$19,900) continue to underperform.

Other funds

- The **State Liquid Fuels Fund** had \$553,313 in revenues and \$0 expenses. The fund balance was \$553,815.
- The **Capital Reserve Fund** had \$615,420 in revenues and \$954,799 in expenses. The fund balance is \$5,684,652.
- The **Transportation Fund** had \$7,422 in revenues and \$863 in expenses. The fund balance is \$1,085,715.
- The **Sewer Operating Fund** had \$2,572,852 in revenues and \$2,413,448 in expenses. The fund balance is \$1,046,076.
- The **Refuse Fund** had \$872,829 in revenues and \$783,195 in expenses. The fund balance is \$703,763.
- The **Bond Fund** had \$85,287 in revenues and \$971,068 in expenses. The fund balance is \$6,450,542.
- The **Sewer Capital Reserve Fund** had \$25,624 in revenues and \$27,551 in expenses. The fund balance is \$2,160,752.
- The **Operating Reserve Fund** had \$30,959 in revenues and no expenses. The fund balance is \$2,535,313.

Year-End Projections

I am now projecting that the General Fund will finish the year with a deficit of \$171,427, an improvement of about \$33,000 since last month. This improvement is due to realizing savings in Public Works as paving season comes to an end, as well as having more confidence in the year-end Real Estate Transfer Tax figures, but is offset by higher transfers to the Capital Reserve Fund on account of the storefront project and re-carpeting at the District Court building.

I have also made adjustments to a handful of other funds year-end projections. Specifically, I am now projecting:

- The **State Liquid Fuel Fund** to finish the year with a \$562,782 in revenues and \$562,782 in expenses, for \$0 change in fund balance (no change since last quarter).
- The **Capital Reserve Fund** to finish the year with \$1,486,222 in revenues and \$1,565,473 in expenses, for a deficit of \$79,251 (compared to a projected surplus of \$112,386 last quarter). This change is due primarily to the timing of receiving grants for Sections F-G of the Paoli Pike Trail.
- The **Transportation Fund** to finish the year with \$7,600 in revenues and \$1,000 in expenses, for a surplus of \$6,600 (no change since last quarter).
- The **Sewer Operating Fund** to finish the year with \$3,521,727 in revenues and \$3,569,553 in expenses, for a deficit of \$47,826 (compared to a projected surplus of \$7,001 last quarter). This change is due primarily to the higher-than-expected cost for the Tallmadge Drive sewer line repair.
- The **Refuse Fund** to finish the year with \$1,106,902 in revenues and \$1,078,348 in expenses, for a surplus of \$28,554 (slightly better than the \$17,821 surplus projected three months ago).
- The **Bond Fund** to finish the year with a fund balance of \$6,385,843 (compared to \$5,080,160 last quarter)
- The **Sewer Capital Reserve Fund** to finish the year with \$202,000 in revenues and \$133,297 in expenses for a surplus of \$68,703 (compared to a surplus of \$79,000 last quarter).
- The **Operating Reserve Fund** to finish the year with \$42,000 in revenue and no expenses, for a surplus of \$42,000 (compared to a surplus of \$41,000 last quarter).

Accounts Receivable

As of September 30th, utilities receivables were \$207,594, down about \$11,500 from last quarter and only \$4,000 above Q1, when it reached a decade-long low. Real estate tax receivables were \$26,131, or about \$4,000 above 12 months ago, but still well below historical averages for this point in the year.

Interest

Township funds are currently earning an average yield of 1.89%, and among our illiquid investments, the average time until maturity is only about 54 days, reflecting the relatively flat yield curve. Notably, on October 5th, we placed a 6-month TERM security with PLGIT at a yield of 2.52%, which is the highest rate during my tenure with the Township and reflects recent turmoil in the bond market.

Update on 2017 Bonds

As of October 4, 2018, we have drawn down 21.45% of the Series 2017 GO Bonds. I am paying careful attention to the sewer fund side of the drawdowns for our share of improvements at the West Goshen Sewer Plant, as based on a recent meeting, our share of those costs may exceed available proceeds by \$112,726. Obviously, we have available funds in the Sewer Capital Reserve Fund to cover any overages in the short-term, but it's important that the potential for an overage be on your radar.

2019 Budget

As previously noted, the 2019 Proposed Budget will be presented on November 13th at 7pm, with adoption tentatively scheduled for December 4th at 7pm.

**EAST GOSHEN TOWNSHIP
GENERAL FUND SUMMARY
As of September 30, 2018**

Account Title	Annual Budget	YTD Budget	YTD Actual	Variance
EMERGENCY SERVICES EXPENSES	4,101,440	3,438,710	3,404,436	34,274
PUBLIC WORKS EXPENSES	2,637,576	1,792,180	1,572,999	219,181
ADMINISTRATION EXPENSES	2,218,972	1,313,322	1,324,537	(11,215)
CODES EXPENSES	465,911	350,891	370,161	(19,270)
PARK AND RECREATION EXPENSES	690,256	570,717	474,901	95,816
TOTAL CORE FUNCTION EXPENSES	10,114,155	7,465,820	7,147,035	318,785
EMERGENCY SERVICES REVENUES	77,628	66,252	75,292	9,040
PUBLIC WORKS REVENUES	1,010,195	320,183	323,592	3,409
ADMINISTRATION REVENUES	334,024	274,230	331,726	57,496
CODES REVENUES	259,725	209,983	229,469	19,486
PARK AND RECREATION REVENUES	140,976	125,944	102,698	(23,246)
TOTAL CORE FUNCTION REVENUES	1,822,548	996,592	1,062,777	66,185
NET EMERGENCY SERVICES	4,023,812	3,372,458	3,329,144	43,314
NET PUBLIC WORKS	1,627,381	1,471,997	1,249,408	222,589
NET ADMINISTRATION	1,884,948	1,039,092	992,810	46,282
NET CODES	206,186	140,908	140,692	216
NET PARK AND RECREATION	549,280	444,773	372,203	72,570
CORE FUNCTION NET SUBTOTAL	8,291,607	6,469,228	6,084,258	384,970
DEBT - PRINCIPAL	549,000	-	-	0
DEBT - INTEREST	249,458	153,518	153,521	(3)
TOTAL DEBT	798,458	153,518	153,521	(3)
TOTAL CORE FUNCTION NET	9,090,065	6,622,746	6,237,779	384,967
NON-CORE FUNCTION REVENUE				
EARNED INCOME TAX	5,181,600	3,987,704	3,893,992	(93,712)
REAL ESTATE PROPERTY TAX	2,026,129	2,012,872	2,026,137	13,265
REAL ESTATE TRANSFER TAX	575,000	431,250	559,930	128,680
CABLE TELEVIS.FRANCHISE	489,600	367,200	347,300	(19,900)
LOCAL SERVICES TAX	348,000	265,544	253,198	(12,346)
OTHER INCOME	469,736	49,791	74,248	24,457
TOTAL NON CORE FUNCTION REVENUE	9,090,065	7,114,361	7,154,806	40,445
NET RESULT	0	491,615	917,027	425,412

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")

ALL FUNDS SEPTEMBER 30, 2018

* NOTE: GENERAL FUND INCLUDES PASS-THROUGH ACCOUNTS

	GENERAL FUND*	LIQUID FUELS STATE FUND	CAP RESV FUND	TRANSPORT. FUND	SEWER OP. FUND	REFUSE FUND	SEWER CAP RESV FUND	OPERATING RESERVE	TOWNSHIP FUNDS	MUNICIPAL AUTHORITY	BOND FUND
01/01/18 BEGINNING BALANCE	\$5,531,289	\$502	6,024,031	1,079,157	886,672	614,128	\$2,162,678	\$2,504,354	\$18,057,119	\$142,331	7,336,323
RECEIPTS											
310 TAXES	6,794,107.93	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,794,108	\$0	\$0
320 LICENSES & PERMITS	357,804.40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$357,804	\$0	\$0
330 FINES & FORFEITS	48,056.44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,056	\$0	\$0
340 INTERESTS & RENTS	149,590.36	\$2	\$117,198	\$6,629	\$7,602	\$7,409	\$25,624	\$30,959	\$345,013	\$513	\$85,287
350 INTERGOVERNMENTAL	321,662.16	\$553,311	\$250,000	\$0	\$0	\$0	\$0	\$0	\$1,124,974	\$0	\$0
360 CHARGES FOR SERVICES	357,150.65	\$0	\$0	\$0	\$2,564,803	\$865,420	\$0	\$0	\$3,787,374	\$3,128	\$0
380 MISCELLANEOUS REVENUES	1,002,845.73	\$0	\$12,866	\$793	\$447	\$0	\$0	\$0	\$1,016,951	\$564	\$0
390 OTHER FINANCING SOURCES	284,140.19	\$0	\$235,357	\$0	\$0	\$0	\$0	\$0	\$519,497	\$90,071	\$0
	\$9,315,358	\$553,313	\$615,420	\$7,422	\$2,572,852	\$872,829	\$25,624	\$30,959	\$13,993,777	\$94,276	\$85,287
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,025,817	\$0	\$72,306	\$0	\$0	\$0	\$0	\$0	\$1,098,123	\$0	\$0
410 PUBLIC SAFETY	\$4,984,544	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,984,544	\$0	\$0
420 HEALTH & WELFARE	\$84,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,371	\$0	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$1,686,688	\$783,195	\$27,551	\$0	\$2,497,434	\$215,795	\$256,359
430 HIGHWAYS,ROADS & STREETS	\$1,318,790	\$0	\$518,326	\$863	\$0	\$0	\$0	\$0	\$1,837,979	\$0	\$0
450 CULTURE-RECREATION	\$410,141	\$0	\$334,258	\$0	\$0	\$0	\$0	\$0	\$744,399	\$0	\$714,709
460 CONSERVATION & DEVELOPMENT	\$2,394	\$0	\$29,910	\$0	\$0	\$0	\$0	\$0	\$32,304	\$0	\$0
470 DEBT SERVICE	\$175,951	\$0	\$0	\$0	\$636,759	\$0	\$0	\$0	\$812,710	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$806,656	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$806,656	\$0	\$0
490 OTHER FINANCING USES	\$71	\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$90,071	\$71	\$0
	\$8,808,735	\$0	\$954,799	\$863	\$2,413,448	\$783,195	\$27,551	\$0	\$12,988,591	\$215,866	\$971,068
2018 SURPLUS/(DEFICIT)*	\$506,623	\$553,313	(\$339,379)	\$6,558	\$159,404	\$89,635	(\$1,927)	\$30,959	\$1,005,187	(\$121,590)	(\$885,781)
CLEARING ACCOUNT ADJUSTMENTS	\$88,784										
09/31/2018 ENDING BALANCE	\$6,126,696	\$553,815	\$5,684,652	\$1,085,715	\$1,046,076	\$703,763	\$2,160,752	\$2,535,313	\$19,896,783	\$20,741	\$6,450,542

EAST GOSHEN TOWNSHIP
2018 GENERAL FUND YEAR END PROJECTIONS
As of September 30, 2018

Account Title	2018 Budget	Year-End Projection as of Sept 30	\$ Variance
EMERGENCY SERVICES EXPENSES	4,101,440	4,098,940	(2,500)
PUBLIC WORKS EXPENSES	2,620,236	2,501,437	(118,799)
ADMINISTRATION EXPENSES	2,236,312	2,336,497	100,185
CODES EXPENSES	465,911	499,511	33,600
PARK AND RECREATION EXPENSES	690,256	619,087	(71,169)
TOTAL CORE FUNCTION EXPENSES	10,114,155	10,055,471	(58,684)
EMERGENCY SERVICES REVENUES	77,628	82,880	5,252
PUBLIC WORKS REVENUES	1,010,195	1,003,501	(6,694)
ADMINISTRATION REVENUES	334,024	383,047	49,023
CODES REVENUES	259,725	264,395	4,670
PARK AND RECREATION REVENUES	140,976	115,970	(25,006)
TOTAL CORE FUNCTION REVENUES	1,822,548	1,849,793	27,245
NET EMERGENCY SERVICES	4,023,812	4,016,060	(7,752)
NET PUBLIC WORKS	1,610,041	1,497,936	(112,105)
NET ADMINISTRATION	1,902,288	1,953,450	51,162
NET CODES	206,186	235,116	28,930
NET PARK AND RECREATION	549,280	503,117	(46,163)
CORE FUNCTION NET SUBTOTAL	8,291,607	8,205,679	(85,928)
DEBT - PRINCIPAL	549,000	549,000	0
DEBT - INTEREST	249,458	249,458	0
TOTAL DEBT	798,458	798,458	0
TOTAL CORE FUNCTION NET	9,090,065	9,004,137	(85,928)
NON-CORE FUNCTION REVENUE			
EARNED INCOME TAX	5,181,600	5,131,600	(50,000)
REAL ESTATE PROPERTY TAX	2,026,129	2,038,840	12,711
REAL ESTATE TRANSFER TAX	575,000	750,000	175,000
CABLE TELEVIS.FRANCHISE	489,600	464,600	(25,000)
LOCAL SERVICES TAX	348,000	348,000	0
OTHER INCOME	469,736	99,670	(370,066)
TOTAL NON CORE FUNCTION REVENUE	9,090,065	8,832,710	(257,355)
NET RESULT	0	(171,427)	

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
2018 YEAR END PROJECTION AS OF SEPTEMBER 30, 2018

* NOTE: GENERAL FUND INCLUDES PASS-THROUGH ACCOUNTS

	GENERAL FUND*	LIQUID FUELS STATE FUND	CAP RESV FUND	TRANSPORT. FUND	SEWER OP. FUND	REFUSE FUND	SEWER CAP RESV FUND	OPERATING RESERVE	TOWNSHIP FUNDS	MUNICIPAL AUTHORITY	BOND FUND
01/01/18 BEGINNING BALANCE	\$5,531,289	\$502	6,024,031	1,079,157	886,672	614,128	\$2,162,678	\$2,504,354	\$18,057,119	\$142,331	7,336,323
RECEIPTS											
310 TAXES	8,265,640.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,265,640	\$0	\$0
320 LICENSES & PERMITS	475,184.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$475,184	\$0	\$0
330 FINES & FORFEITS	58,020.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,020	\$0	\$0
340 INTERESTS & RENTS	190,176.25	\$9,471	\$138,750	\$7,600	\$10,000	\$8,000	\$32,000	\$42,000	\$437,997	\$514	\$100,000
350 INTERGOVERNMENTAL	324,374.07	\$553,311	\$250,000	\$0	\$0	\$0	\$0	\$0	\$1,127,685	\$0	\$0
360 CHARGES FOR SERVICES	418,395.78	\$0	\$0	\$0	\$3,511,727	\$1,098,902	\$0	\$0	\$5,029,025	\$3,128	\$0
380 MISCELLANEOUS REVENUES	1,845,325.57	\$0	\$12,866	\$0	\$0	\$0	\$0	\$0	\$1,858,192	\$565	\$0
390 OTHER FINANCING SOURCES	960,492.00	\$0	\$1,084,606	\$0	\$0	\$0	\$170,000	\$0	\$2,215,098	\$102,071	\$0
	\$12,537,608	\$562,782	\$1,486,222	\$7,600	\$3,521,727	\$1,106,902	\$202,000	\$42,000	\$19,466,841	\$106,278	\$100,000
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,883,603	\$0	\$548,422	\$0	\$0	\$0	\$0	\$0	\$2,432,024	\$0	\$2,605
410 PUBLIC SAFETY	\$6,170,040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,170,040	\$0	\$0
420 HEALTH & WELFARE	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0
426 SANITATION & REFUSE	\$132,605	\$0	\$0	\$0	\$2,420,180	\$1,078,348	\$133,297	\$0	\$3,764,430	\$246,681	\$256,359
430 HIGHWAYS,ROADS & STREETS	\$2,147,005	\$562,782	\$610,739	\$1,000	\$0	\$0	\$0	\$0	\$3,321,526	\$0	\$0
450 CULTURE-RECREATION	\$559,368	\$0	\$334,258	\$0	\$0	\$0	\$0	\$0	\$893,626	\$0	\$791,516
460 CONSERVATION & DEVELOPMENT	\$5,730	\$0	\$72,055	\$0	\$0	\$0	\$0	\$0	\$77,785	\$0	\$0
470 DEBT SERVICE	\$821,606	\$0	\$0	\$0	\$877,373	\$0	\$0	\$0	\$1,698,979	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$983,078	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$983,078	\$0	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$272,000	\$0	\$0	\$0	\$272,000	\$0	\$0
	\$12,709,034	\$562,782	\$1,565,473	\$1,000	\$3,569,553	\$1,078,348	\$133,297	\$0	\$19,619,488	\$246,681	\$1,050,480
2018 SURPLUS/(DEFICIT)*	(\$171,427)	\$0	(\$79,251)	\$6,600	(\$47,826)	\$28,554	\$68,703	\$42,000	(\$152,647)	(\$140,403)	(\$950,480)
12/31/2018 PROJ ENDING BALANCE	<u>\$5,359,863</u>	<u>\$502</u>	<u>\$5,944,780</u>	<u>\$1,085,757</u>	<u>\$838,846</u>	<u>\$642,682</u>	<u>\$2,231,381</u>	<u>\$2,546,354</u>	<u>\$18,650,166</u>	<u>\$1,928</u>	<u>\$6,385,843</u>