

Memo

To: Board of Supervisors
From: Jon Altshul
Re: September 2019 Financial Report
Date: October 7, 2019

As of September 30th, net of pass throughs, the general fund had revenues of \$8,364,252 and expenses of \$7,740,091 for a year-to-date surplus of \$624,161. Compared to the year-to-date budget, revenues were \$220,775 over budget, and expenses were \$191,803 under budget for a positive budget variance of \$412,578. As of September 30th, the general fund balance was \$5,967,831.

On the expense side, all operating departments were under-budget. On the revenue side, the short fall with Earned Income Tax (-\$145,725) is more than offset by strong Real Estate Transfer receipts (+\$189,892) and Interest Income (+\$49,107).

Other funds

- The **State Liquid Fuels Fund** had \$565,553 in revenues and \$0 in expenses. The fund balance is \$567,324.
- The **Capital Reserve Fund** had \$95,924 in revenues and \$823,895 in expenses. The fund balance was \$5,231,888.
- The **Transportation Fund** had \$7,998 in revenues and \$107,619 in expenses. The fund balance was \$988,825.
- The **Sewer Operating Fund** had \$2,578,701 in revenues and \$2,531,864 in expenses. The fund balance was \$995,780.
- The **Refuse Fund** had \$811,800 in revenues and \$816,689 in expenses. The fund balance was \$662,260.
- The **Bond Fund** had \$102,129 in revenues and \$1,050,222 in expenses. The fund balance was \$5,420,215.
- The **Sewer Capital Reserve Fund** had \$143,839 in revenues and \$206,579 in expenses. The fund balance is \$2,190,852.
- The **Operating Reserve Fund** had \$13,094 in revenues and no expenses. The fund balance is \$2,558,498.

Year End Projections

I am now projecting that the General Fund will finish the year with a deficit of \$191,284, an improvement of about \$66,000 since last month. The improvement is related to being able to make firmer projections for roads-related expenses as a result of the end of paving season.

The projection reflects overages in Administration (+\$17,452), due to the larger-than-planned scope of the vestibule project, and Parks and Recreation (+67,386), due to the environmental remediation at Highland Ave and the Park (the insurance proceeds are posted as an Admin revenue), weak fundraising and the first wave of engineering invoices related to the Bow Tree Pond project.

Projections for Other Funds are modestly changed in several funds, generally in a positive direction, from last month and are summarized below:

- The **State Liquid Fuels Fund** is forecast to have \$574,000 in revenues and expenses, or \$11,786 more than budget due to a higher than anticipated SLF allocation in 2019.

- The **Capital Reserve Fund** is forecast to have \$824,575 in revenues (compared to a budget of \$753,575) and \$1,285,296 in expenses (compared to \$1,014,500 budgeted) for a negative budget variance of \$41,796. The drivers of this overage were the deferral to 2019 and higher-than-expected costs of the vestibule and wash bay projects, which are being partially offset by the likely deferral of the Hershey Mill Dam breaching and the installation of the radio booster until 2020.
- The **Transportation Fund** is forecast to have a negative budget variance of \$97,992 due to the Hibberd Lane/Paoli Pike traffic signal, although it appears that the Boot Road restriping project will be deferred to 2020.
- The **Sewer Operating Fund** is forecast to have a negative budget variance of \$24,928.
- The **Refuse Fund** is forecast to finish the year with a positive budget variance of \$72,337, but still run a deficit of \$73,241. This improvement is related to receiving both our 2017 and 2018 Commercial Recycling grants in 2019. The 2018 award (\$53,496), was higher-than-expected.
- The **Sewer Capital Reserve Fund** is forecast to have a positive budget variance of \$142,056 due primarily to the cost of the sewer camera and trailer being charged through this fund.
- The **Operating Reserve Fund** is forecast to have a positive budget variance of \$3,000 due to interest income.

Yield on Township Funds

The average yield on all Township funds is 2.15% and the average time until maturity for illiquid funds is 133 days, compared with 2.28% and 219 days from three months ago.

Account Receivable

Utilities A/R fell to \$171,681, which is just above its historical low from 2018 Q4. 2019 Real Estate Tax A/R, or \$29,380, is slightly higher than it has been over the past 3 years.

2020 Proposed Budget

As previously discussed, I will present the 2020 Proposed Budget at the BOS meeting on November 12th in order to adopt at the first meeting in December.

EAST GOSHEN TOWNSHIP
GENERAL FUND SUMMARY
As of September 30, 2019

Account Title	2019 Annual Budget	2019 YTD Budget	2019 YTD Actual	\$ Variance	% Variance
EMERGENCY SERVICES EXPENSES	4,290,164	3,585,055	3,525,795	(59,260)	-1.7%
PUBLIC WORKS EXPENSES	2,633,542	1,802,769	1,774,549	(28,220)	-1.6%
ADMINISTRATION EXPENSES	1,834,626	1,339,519	1,293,057	(46,462)	-3.5%
CODES EXPENSES	584,909	437,515	379,694	(57,821)	-13.2%
PARK AND RECREATION EXPENSES	782,875	630,702	630,664	(38)	0.0%
TOTAL CORE FUNCTION EXPENSES	10,126,116	7,795,560	7,603,758	(191,802)	-2.5%
EMERGENCY SERVICES REVENUES	81,901	69,651	57,784	(11,867)	-17.0%
PUBLIC WORKS REVENUES	1,003,167	311,565	347,662	36,097	11.6%
ADMINISTRATION REVENUES	314,323	262,753	326,380	63,627	24.2%
CODES REVENUES	258,770	195,647	231,912	36,265	18.5%
PARK AND RECREATION REVENUES	134,735	112,851	114,682	1,831	1.6%
TOTAL CORE FUNCTION REVENUES	1,792,896	952,467	1,078,422	125,955	13.2%
NET EMERGENCY SERVICES	4,208,263	3,515,404	3,468,010	(47,394)	-1.3%
NET PUBLIC WORKS	1,630,375	1,491,204	1,426,887	(64,317)	-4.3%
NET ADMINISTRATION	1,520,303	1,076,766	966,677	(110,089)	-10.2%
NET CODES	326,139	241,868	147,781	(94,087)	-38.9%
NET PARK AND RECREATION	648,140	517,851	515,982	(1,869)	-0.4%
CORE FUNCTION NET SUBTOTAL	8,333,220	6,843,093	6,525,337	(317,756)	-4.6%
DEBT - PRINCIPAL	574,000	-	-	0	0.0%
DEBT - INTEREST	226,399	136,334	136,333	(1)	0.0%
TOTAL DEBT	800,399	136,334	136,333	(1)	0.0%
TOTAL CORE FUNCTION NET	9,133,619	6,979,427	6,661,669	(317,758)	-4.6%
NON-CORE FUNCTION REVENUE					
EARNED INCOME TAX	5,191,400	4,071,088	3,925,363	(145,725)	-3.6%
REAL ESTATE PROPERTY TAX	2,039,429	2,019,760	2,025,539	5,779	0.3%
REAL ESTATE TRANSFER TAX	585,000	438,750	628,642	189,892	43.3%
CABLE TELEVIS.FRANCHISE	450,000	337,500	337,434	(66)	0.0%
LOCAL SERVICES TAX	348,000	259,330	255,163	(4,167)	-1.6%
OTHER INCOME	519,790	64,582	113,689	49,107	76.0%
TOTAL NON CORE FUNCTION REVENUE	9,133,619	7,191,010	7,285,830	94,820	1.3%
NET RESULT	0	211,583	624,161	412,578	

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
 ALL FUNDS SEPTEMBER 30, 2019
 * 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
01/01/19 BEGINNING BALANCE	\$5,689,163	\$1,771	\$5,959,859	\$1,088,446	\$948,943	\$667,149	\$2,253,592	\$2,545,404	\$19,154,328	\$25,923	\$6,368,308
RECEIPTS											
310 TAXES	\$6,900,778	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,900,778	\$0	\$0
320 LICENSES & PERMITS	\$344,104	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$344,104	\$0	\$0
330 FINES & FORFEITS	\$44,679	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$44,679	\$0	\$0
340 INTERESTS & RENTS	\$179,342	\$547	\$89,341	\$7,998	\$12,669	\$7,593	\$31,789	\$13,094	\$342,373	(\$128)	\$102,129
350 INTERGOVERNMENTAL	\$352,975	\$565,007	\$0	\$0	\$0	\$0	\$0	\$0	\$917,981	\$29,078	\$0
360 CHARGES FOR SERVICES	\$353,195	\$0	\$0	\$0	\$2,565,540	\$804,207	\$0	\$0	\$3,722,942	\$3,188	\$0
380 MISCELLANEOUS REVENUES	\$1,098,119	\$0	\$350	\$0	\$492	\$0	\$0	\$0	\$1,098,961	\$565	\$0
390 OTHER FINANCING SOURCES	\$312,565	\$0	\$6,233	\$0	\$0	\$0	\$112,050	\$0	\$430,848	\$243,592	\$0
	\$9,585,757	\$565,553	\$95,924	\$7,998	\$2,578,701	\$811,800	\$143,839	\$13,094	\$13,802,666	\$276,296	\$102,129
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,010,439	\$0	\$550,827	\$0	\$0	\$0	\$0	\$0	\$1,561,266	\$0	\$0
410 PUBLIC SAFETY	\$5,175,442	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,175,442	\$0	\$0
420 HEALTH & WELFARE	\$108,533	\$0	\$0	\$0	\$0	\$0	\$187,106	\$0	\$295,640	\$0	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$1,562,854	\$816,689	\$0	\$0	\$2,379,543	\$257,952	\$0
430 HIGHWAYS,ROADS & STREETS	\$1,463,904	\$0	\$121,210	\$107,619	\$0	\$0	\$0	\$0	\$1,692,734	\$0	\$247,702
450 CULTURE-RECREATION	\$563,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$563,721	\$0	\$802,520
460 CONSERVATION & DEVELOPMENT	\$1,599	\$0	\$39,807	\$0	\$0	\$0	\$0	\$0	\$41,406	\$0	\$0
470 DEBT SERVICE	\$160,104	\$0	\$0	\$0	\$744,889	\$0	\$0	\$0	\$904,993	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$835,707	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$835,707	\$0	\$0
490 OTHER FINANCING USES	\$0	\$0	\$112,050	\$0	\$224,120	\$0	\$19,472	\$0	\$355,642	\$0	\$0
	\$9,319,451	\$0	\$823,895	\$107,619	\$2,531,864	\$816,689	\$206,579	\$0	\$13,806,096	\$257,952	\$1,050,222
2019 SURPLUS/(DEFICIT)*	\$266,306	\$565,553	(\$727,971)	(\$99,621)	\$46,837	(\$4,889)	(\$62,740)	\$13,094	(\$3,430)	\$18,344	(\$948,093)
CLEARING ACCOUNT ADJUSTMENTS	\$12,363										
09/30/2019 ENDING BALANCE	\$5,967,831	\$567,324	\$5,231,888	\$988,825	\$995,780	\$662,260	\$2,190,852	\$2,558,498	\$19,163,260	\$44,267	\$5,420,215

2019 GENERAL FUND YEAR-END PROJECTION

Projected as of 9/30/19; Net of Pass Throughs

Account Title	2019 Budget	2019 Projected	Dollar Variance	Percentage Variance
EMERGENCY SERVICES EXPENSES	4,290,164	4,263,915	(26,249)	-0.6%
PUBLIC WORKS EXPENSES	2,633,542	2,533,265	(100,277)	-3.8%
ADMINISTRATION EXPENSES	1,834,626	1,919,905	85,279	4.6%
ZONING/PERMITS/CODES EXPENSES	584,909	506,281	(78,628)	-13.4%
PARK AND RECREATION EXPENSES	782,875	826,076	43,201	5.5%
TOTAL CORE FUNCTION EXPENSES	10,126,116	10,049,441	(76,675)	-0.8%
EMERGENCY SERVICES REVENUES	81,901	71,905	(9,996)	-12.2%
PUBLIC WORKS REVENUES	1,003,167	1,025,489	22,322	2.2%
ADMINISTRATION REVENUES	314,323	382,150	67,827	21.6%
ZONING/PERMITS/CODES REVENUES	258,770	292,737	33,967	13.1%
PARK AND RECREATION REVENUES	134,735	110,550	(24,185)	-18.0%
TOTAL CORE FUNCTION REVENUES	1,792,896	1,882,832	89,936	5.0%
NET EMERGENCY SERVICES	4,208,263	4,192,010	(16,253)	-0.4%
NET PUBLIC WORKS	1,630,375	1,507,776	(122,599)	-7.5%
NET ADMINISTRATION	1,520,303	1,537,755	17,452	1.1%
NET ZONING/PERMITS/CODES	326,139	213,544	(112,595)	-34.5%
NET PARK AND RECREATION	648,140	715,526	67,386	10.4%
CORE FUNCTION NET SUBTOTAL	8,333,220	8,166,610	(166,610)	-2.0%
DEBT - PRINCIPAL	574,000	574,000	0	0.0%
DEBT - INTEREST	226,399	226,399	0	0.0%
TOTAL DEBT SERVICE	800,399	800,399	0	0.0%
TOTAL CORE FUNCTION NET	9,133,619	8,967,009	(166,610)	(0)
NON-CORE FUNCTION REVENUE				
EARNED INCOME TAXES	5,191,400	5,050,000	(141,400)	-2.7%
REAL ESTATE PROPERTY TAX	2,039,429	2,041,054	1,625	0.1%
REAL ESTATE TRANSFER TAX	585,000	750,000	165,000	28.2%
CABLE TV FRANCHISE TAX	450,000	450,000	0	0.0%
LOCAL SERVICES TAX	348,000	345,000	(3,000)	-0.9%
OTHER INCOME	519,790	139,670	(380,120)	-73.1%
TOTAL NON CORE FUNCTION REVENUE	9,133,619	8,775,724	(357,895)	-3.9%
NET RESULT	0	(191,284)		

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")
2019 YEAR-END PROJECTION ALL FUNDS
 As of Septmeber 30, 2019

	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
1/1/19 FUND BALANCE	\$5,689,163	\$1,771	\$5,959,859	\$1,088,446	\$948,943	\$667,149	\$2,253,592	\$2,545,404	\$19,154,328	\$25,923	\$6,368,308
310 TAXES	\$8,183,254								8,183,254	\$0	\$0
320 LICENSES & PERMITS	\$456,659								456,659	\$0	\$0
330 FINES & FORFEITS	\$63,000								63,000	\$0	\$0
340 INTERESTS & RENTS	\$219,162	\$10,000	\$105,000	\$9,100	\$16,000	\$9,000	\$40,000	\$45,000	453,262	\$0	\$110,000
350 INTERGOVERNMENTAL	\$361,253	\$564,000	\$253,400	\$257,500					1,436,153	\$32,307	\$0
360 CHARGES FOR SERVICES	\$422,550				\$3,532,857	\$1,029,703	\$272,050		5,257,160	\$3,188	\$0
380 MISCELLANEOUS REVENUES	\$1,948,951				\$492				1,949,443	\$565	\$0
390 OTHER FINANCING SOURCES	\$987,442		\$466,175						1,453,617	\$322,000	\$0
	12,642,271	574,000	824,575	266,600	3,549,349	1,038,703	312,050	45,000	19,252,548	\$358,060	\$110,000
EXPENDITURES											
400 GENERAL GOVERNMENT	\$1,434,983		\$845,802						2,280,785	\$0	\$0
410 PUBLIC SAFETY	\$6,410,352								6,410,352	\$0	\$0
420 HEALTH & WELFARE									-	\$0	\$0
426 SANITATION & REFUSE	\$156,733				\$2,182,521	\$1,111,944	\$187,106		3,638,304	\$346,481	\$1,994,718
430 HIGHWAYS,ROADS & STREETS	\$2,124,163	\$574,000	\$163,534	\$672,992					3,534,689	\$0	\$0
450 CULTURE-RECREATION	\$759,823								759,823	\$0	\$1,070,533
460 CONSERVATION & DEVELOPMENT	\$8,033		\$167,960						175,993	\$0	\$0
470 DEBT SERVICE	\$824,659				\$976,756				1,801,415	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$1,114,809								1,114,809	\$0	\$0
490 OTHER FINANCING USES			\$108,000		\$415,000		\$67,000		590,000	\$0	\$0
	\$12,833,555	\$574,000	\$1,285,296	\$672,992	\$3,574,277	\$1,111,944	\$254,106	\$0	20,306,170	\$346,481	\$3,065,251
SURPLUS/(DEFICIT)	(\$191,284)	\$0	(\$460,721)	(\$406,392)	(\$24,928)	(\$73,241)	\$57,944	\$45,000	(\$1,053,622)	\$11,579	(\$2,955,251)
PROJECTED YEAR-END FUND BALANCE	\$5,497,878	\$1,771	\$5,499,138	\$682,054	\$924,015	\$593,908	\$2,311,536	\$2,590,404	\$18,100,705	\$37,502	\$3,413,057