

# Memo

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To: Board of Supervisors  
From: Jon Altshul  
Re: December 2019 Financial Report--Unaudited  
Date: January 9, 2020

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As of December 31<sup>st</sup>, net of pass throughs, the general fund had revenues of \$10,727,980 and expenses of \$10,785,476 for a deficit of \$57,487. As of December 31<sup>st</sup>, the general fund balance was \$5,625,871.

On the expense side, Administration was \$59,785 over budget, due to the Transfer to Capital for Township Building being well over budget, as a result of the fact that the building vestibule project was deferred from 2018 and therefore not budgeted in 2019. Parks and Recreation, was \$38,714 over, due to the Marydell and now Bow Tree Pond projects. However, Public Works was significantly under-budget (-\$248,283), due to savings on snow removal, road work and paving, and a lower than forecast Transfer to Capital (due, in part, to not purchasing a second new Codes vehicle). Codes (-\$123,287) was helped by the decision not to hire a new fire inspector, as well as modestly higher than expected permit revenues. On the revenue side, Earned Income Tax was \$166,519 under budget, but still roughly \$58,000 higher than 2018 and about \$44,000 higher than 2017. This shortfall was more than offset by the overage for Transfer Tax (+\$212,672).

Note also that there is a discrepancy of \$379 between the General Fund deficit reported in the General Fund Summary Report (aka "the Marty" Report) and the All Funds Summary Report (aka "the Joe" report). The All Funds Summary Report reflects pass-through revenues and expenditures, whereas the General Fund Summary Report does not. There were two issues with our Pass-Thru accounts in 2019. First, the Collective Bargaining Agreement between the Fire Company and the Firefighters' Association was signed in March, but was retroactive to the beginning of the year. Staff worked closely with GFC leadership to develop a plan to gradually phase in the retroactive adjustments over several weeks. However, when it was all said and done, we under-billed the Goshen Fire Company by about \$24 for Q2. This amount will be written off. In addition, as you may remember, the PUC approved rate increases in early 2019 for Aqua's hydrants. As you know, we recharge Hershey's Mill for the cost of its hydrants. However, due to staff turnover in the first half of the year, this detail never made it into the recharge instructions, and we under-billed Hershey's Mill by \$355 for the year. However, we have now invoiced Hershey's Mill for the discrepancy, so this amount will be treated as a 2019 receivable.

## Other funds

- The **State Liquid Fuels Fund** had \$576,861 in revenues and \$577,484 in expenses. The fund balance is \$1,148.
- The **Capital Reserve Fund** had \$580,955 in revenues and \$1,130,279 in expenses. The fund balance was \$5,410,535.
- The **Transportation Fund** had \$10,183 in revenues and \$186,904 in expenses. The fund balance was \$911,724.
- The **Sewer Operating Fund** had \$3,449,093 in revenues and \$3,421,601 in expenses. The fund balance was \$976,435.
- The **Refuse Fund** had \$1,059,446 in revenues and \$1,097,401 in expenses. The fund balance was \$629,194.
- The **Bond Fund** had \$125,922 in revenues and \$2,778,590 in expenses. The fund balance was \$3,715,640.

- The **Sewer Capital Reserve Fund** had \$318,670 in revenues and \$234,474 in expenses. The fund balance is \$2,337,788.
- The **Operating Reserve Fund** had \$50,929 in revenues and no expenses. The fund balance is \$2,596,333.

#### **Accounts Receivable**

Year-end Utilities Accounts Receivable, \$168,727, was only nominally higher than last year's Q4 record low! Great job Kelly! Meanwhile, year-end Real Estate Accounts Receivable was \$9,783, which is slightly higher than in recent years.

#### **Yield on Township Funds**

As of December 31, 2019, the average weighted yield on Township funds was 1.71%. The average time until maturity for illiquid investments was 137 days. While average time till maturity was more or less unchanged from Q3, the yield fell from 2.15%, reflecting overall lower interest rates. Currently, PLGIT's liquid "PRIME" fund is yielding higher returns than any of its TERM or CD products.

#### **2019 Audit**

The auditors are scheduled to do their field work for the 2019 audit during the week of February 3-7.

**EAST GOSHEN TOWNSHIP**  
**UNAUDITED (CASH BASIS) GENERAL FUND SUMMARY**  
As of December 31, 2019

Account Title	2019 Annual Budget	2019 YTD Actual	\$ Variance	% Variance
EMERGENCY SERVICES EXPENSES	4,290,164	4,268,938	(21,226)	-0.5%
PUBLIC WORKS EXPENSES	2,633,542	2,429,828	(203,714)	-7.7%
ADMINISTRATION EXPENSES	1,834,626	1,953,630	119,004	6.5%
CODES EXPENSES	584,909	513,453	(71,456)	-12.2%
PARK AND RECREATION EXPENSES	782,875	819,400	36,525	4.7%
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,126,116</b>	<b>9,985,249</b>	<b>(140,867)</b>	<b>-1.4%</b>
EMERGENCY SERVICES REVENUES	81,901	66,900	(15,001)	-18.3%
PUBLIC WORKS REVENUES	1,003,167	1,047,735	44,568	4.4%
ADMINISTRATION REVENUES	314,323	373,542	59,219	18.8%
CODES REVENUES	258,770	310,601	51,831	20.0%
PARK AND RECREATION REVENUES	134,735	132,546	(2,189)	-1.6%
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,792,896</b>	<b>1,931,325</b>	<b>138,429</b>	<b>7.7%</b>
<b>NET EMERGENCY SERVICES</b>	<b>4,208,263</b>	<b>4,202,038</b>	<b>(6,225)</b>	<b>-0.1%</b>
<b>NET PUBLIC WORKS</b>	<b>1,630,375</b>	<b>1,382,092</b>	<b>(248,283)</b>	<b>-15.2%</b>
<b>NET ADMINISTRATION</b>	<b>1,520,303</b>	<b>1,580,088</b>	<b>59,785</b>	<b>3.9%</b>
<b>NET CODES</b>	<b>326,139</b>	<b>202,852</b>	<b>(123,287)</b>	<b>-37.8%</b>
<b>NET PARK AND RECREATION</b>	<b>648,140</b>	<b>686,854</b>	<b>38,714</b>	<b>6.0%</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,333,220</b>	<b>8,053,924</b>	<b>(279,296)</b>	<b>-3.4%</b>
DEBT - PRINCIPAL	574,000	574,000	0	0.0%
DEBT - INTEREST	226,399	226,397	(2)	0.0%
<b>TOTAL DEBT</b>	<b>800,399</b>	<b>800,397</b>	<b>(2)</b>	<b>0.0%</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>9,133,619</b>	<b>8,854,322</b>	<b>(279,297)</b>	<b>-3.1%</b>
<b>NON-CORE FUNCTION REVENUE</b>				
EARNED INCOME TAX	5,191,400	5,024,881	(166,519)	-3.2%
REAL ESTATE PROPERTY TAX	2,039,429	2,047,411	7,982	0.4%
REAL ESTATE TRANSFER TAX	585,000	797,672	212,672	36.4%
CABLE TELEVIS.FRANCHISE	450,000	447,511	(2,489)	-0.6%
LOCAL SERVICES TAX	348,000	337,315	(10,685)	-3.1%
OTHER INCOME	519,790	142,412	(377,378)	-72.6%
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>9,133,619</b>	<b>8,797,200</b>	<b>(336,419)</b>	<b>-3.7%</b>
<b>NET RESULT</b>	<b>0</b>	<b>(57,121)</b>	<b>(57,121)</b>	

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")

ALL FUNDS DECEMBER 31, 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
<b>01/01/19 BEGINNING BALANCE</b>	<b>\$5,689,163</b>	<b>\$1,771</b>	<b>\$5,959,859</b>	<b>\$1,088,446</b>	<b>\$948,943</b>	<b>\$667,149</b>	<b>\$2,253,592</b>	<b>\$2,545,404</b>	<b>\$19,154,328</b>	<b>\$25,923</b>	<b>\$6,368,308</b>
<b>RECEIPTS</b>											
310 TAXES	\$8,283,877	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,283,877	\$0	\$0
320 LICENSES & PERMITS	\$459,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$459,700	\$0	\$0
330 FINES & FORFEITS	\$63,695	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,695	\$0	\$0
340 INTERESTS & RENTS	\$222,679	\$11,854	\$121,552	\$10,183	\$15,909	\$9,207	\$195,430	\$50,929	\$637,742	(\$170)	\$125,922
350 INTERGOVERNMENTAL	\$360,478	\$565,007	\$0	\$0	\$0	\$0	\$0	\$0	\$925,484	\$29,078	\$0
360 CHARGES FOR SERVICES	\$446,812	\$0	\$0	\$0	\$3,432,072	\$1,041,682	\$0	\$0	\$4,920,566	\$5,248	\$0
380 MISCELLANEOUS REVENUES	\$1,981,826	\$0	\$350	\$0	\$1,111	\$8,557	\$0	\$0	\$1,991,845	\$565	\$0
390 OTHER FINANCING SOURCES	\$1,006,256	\$0	\$459,053	\$0	\$0	\$0	\$123,240	\$0	\$1,588,548	\$263,972	\$0
	\$12,825,323	\$576,861	\$580,955	\$10,183	\$3,449,093	\$1,059,446	\$318,670	\$50,929	\$18,871,458	\$298,693	\$125,922
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$1,536,822	\$0	\$749,298	\$0	\$0	\$0	\$0	\$0	\$2,286,120	\$0	\$0
410 PUBLIC SAFETY	\$6,452,757	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,452,757	\$0	\$0
420 HEALTH & WELFARE	\$147,468	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,468	\$0	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$2,061,541	\$1,097,401	\$194,622	\$0	\$3,353,564	\$299,744	\$0
430 HIGHWAYS,ROADS & STREETS	\$2,027,959	\$577,484	\$150,960	\$186,904	\$0	\$0	\$0	\$0	\$2,943,307	\$0	\$1,903,277
450 CULTURE-RECREATION	\$750,511	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750,511	\$0	\$875,313
460 CONSERVATION & DEVELOPMENT	\$5,431	\$0	\$106,781	\$0	\$0	\$0	\$0	\$0	\$112,212	\$0	\$0
470 DEBT SERVICE	\$824,658	\$0	\$0	\$0	\$975,940	\$0	\$0	\$0	\$1,800,598	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$1,137,217	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,137,217	\$0	\$0
490 OTHER FINANCING USES	\$0	\$0	\$123,240	\$0	\$384,120	\$0	\$39,852	\$0	\$547,212	\$0	\$0
	\$12,882,823	\$577,484	\$1,130,279	\$186,904	\$3,421,601	\$1,097,401	\$234,474	\$0	\$19,530,965	\$299,744	\$2,778,590
<b>2019 SURPLUS/(DEFICIT)*</b>	<b>(\$57,500)</b>	<b>(\$623)</b>	<b>(\$549,324)</b>	<b>(\$176,722)</b>	<b>\$27,492</b>	<b>(\$37,955)</b>	<b>\$84,196</b>	<b>\$50,929</b>	<b>(\$659,507)</b>	<b>(\$1,051)</b>	<b>(\$2,652,668)</b>
<b>CLEARING ACCOUNT ADJUSTMENTS</b>	<b>(\$5,791)</b>										
<b>12/31/19 ENDING BALANCE</b>	<b>\$5,625,871</b>	<b>\$1,148</b>	<b>\$5,410,535</b>	<b>\$911,724</b>	<b>\$976,435</b>	<b>\$629,194</b>	<b>\$2,337,788</b>	<b>\$2,596,333</b>	<b>\$18,489,029</b>	<b>\$24,873</b>	<b>\$3,715,640</b>

\* Note the \$379 discrepancy in the General Fund deficit compared to the General Fund Summary report. A detailed explanation is provided in the memo