

# Memo

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To: Board of Supervisors  
From: Jon Altshul  
Re: August 2020 Financial Report  
Date: September 8, 2020

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As of August 31<sup>st</sup>, the general fund had revenues of \$7,393,297 and expenses of \$6,691,623 for a year-to-date surplus of \$701,674 and a positive budget variance of \$121,669. Please note that this is the first positive budget variance that the Township has experienced in several months. As of August 31<sup>st</sup>, the general fund balance is \$5,893,349.

On the expense side, the Township is under budget by \$348,726. The main drivers of this increase are a combination of the 2020 budget cuts enacted in May and a later start to paving season than normal. These savings are offset by the Act 111 arbitration award for WEGO in the amount of \$229,282. Except for Emergency Services, all other operating departments are under budget.

On the revenue side, we are under budget by \$228,350, an improvement of about \$112,000 since last month. In particular, Earned Income Tax is now under budget by \$112,218, an improvement of about \$84,000 since the end of July, due to so-called "Quarter 5" receipts related to the Jul 15<sup>th</sup> EIT deadline. Real Estate Property tax also had a solid month and is only \$16,789 under budget despite the elimination of the 10% late penalty in 2020 due to the receipt of the last major commercial tax payment. Real Estate Transfer Tax is \$125,809 under budget, but we anticipate at least one major commercial sale in the second half of 2020 and substantial residential sales activity as well.

## Other funds

- The **State Liquid Fuels Fund** had \$551,169 in revenues and \$0 in expenses. The fund balance was 552,317.
- The **Capital Reserve Fund** had \$848,832 in revenues and \$1,677,149 in expenses. The fund balance was \$4,582,218.
- The **Transportation Fund** had \$2,544 in revenues and \$305,342 in expenses. The fund balance was \$608,926.
- The **Sewer Operating Fund** had \$2,539,075 in revenues and \$2,222,188 in expenses. The fund balance was \$1,293,323.
- The **Refuse Fund** had \$749,042 in revenues and \$741,041 in expenses. The fund balance was \$637,195.
- The **Bond Fund** had \$20,521 in revenues and \$333,478 in expenses. The fund balance was \$3,402,683.
- The **Sewer Capital Reserve Fund** had \$37,315 in revenues and \$250,482 in expenses. The fund balance is \$2,124,621.
- The **Operating Reserve Fund** had \$32,693 in revenues and no expenses. The fund balance is \$2,628,817.

## **Year-end Projection**

I have not made any changes since last month to the year-end projections, I have amended some projections primarily on the revenue side (EIT and Transfer Tax) and am now projecting that the General Fund finishes the year with a deficit of \$341,315, or about \$150,000 better than what I had projected in early July. Year-end projections for other funds are unchanged since last month.

**EAST GOSHEN TOWNSHIP  
GENERAL FUND SUMMARY  
As of August 31, 2020**

Account Title	2020 Annual Budget	2020 YTD Budget	2020 YTD Actual	\$ Variance	% Variance
EMERGENCY SERVICES EXPENSES	4,379,933	3,171,906	3,382,672	210,766	6.6%
PUBLIC WORKS EXPENSES	2,774,562	1,648,908	1,305,871	(343,037)	-20.8%
ADMINISTRATION EXPENSES	1,886,456	1,198,186	1,181,745	(16,441)	-1.4%
CODES EXPENSES	522,011	348,236	277,133	(71,103)	-20.4%
PARK AND RECREATION EXPENSES	881,005	560,490	431,146	(129,344)	-23.1%
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,443,967</b>	<b>6,927,726</b>	<b>6,578,566</b>	<b>(349,160)</b>	<b>-5.0%</b>
EMERGENCY SERVICES REVENUES	72,000	57,917	38,081	(19,836)	-34.2%
PUBLIC WORKS REVENUES	1,000,284	246,064	326,024	79,960	32.5%
ADMINISTRATION REVENUES	318,829	160,824	198,364	37,540	23.3%
CODES REVENUES	272,870	201,708	193,087	(8,621)	-4.3%
PARK AND RECREATION REVENUES	132,620	73,471	56,834	(16,637)	-22.6%
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,796,603</b>	<b>739,984</b>	<b>812,390</b>	<b>72,406</b>	<b>9.8%</b>
<b>NET EMERGENCY SERVICES</b>	<b>4,307,933</b>	<b>3,113,989</b>	<b>3,344,591</b>	<b>230,602</b>	<b>7.4%</b>
<b>NET PUBLIC WORKS</b>	<b>1,774,278</b>	<b>1,402,844</b>	<b>979,847</b>	<b>(422,997)</b>	<b>-30.2%</b>
<b>NET ADMINISTRATION</b>	<b>1,567,627</b>	<b>1,037,362</b>	<b>983,380</b>	<b>(53,982)</b>	<b>-5.2%</b>
<b>NET CODES</b>	<b>249,141</b>	<b>146,528</b>	<b>84,046</b>	<b>(62,482)</b>	<b>-42.6%</b>
<b>NET PARK AND RECREATION</b>	<b>748,385</b>	<b>487,019</b>	<b>374,312</b>	<b>(112,707)</b>	<b>-23.1%</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,647,364</b>	<b>6,187,742</b>	<b>5,766,176</b>	<b>(421,566)</b>	<b>-6.8%</b>
DEBT - PRINCIPAL	349,999	-	-	0	0.0%
DEBT - INTEREST	203,872	112,623	113,058	435	0.4%
<b>TOTAL DEBT</b>	<b>553,871</b>	<b>112,623</b>	<b>113,058</b>	<b>435</b>	<b>0.4%</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>9,201,235</b>	<b>6,300,365</b>	<b>5,879,234</b>	<b>(421,131)</b>	<b>-6.7%</b>
<b>NON-CORE FUNCTION REVENUE</b>					
EARNED INCOME TAX	5,130,800	3,760,951	3,648,733	(112,218)	-3.0%
REAL ESTATE PROPERTY TAX	2,042,779	2,017,610	2,000,821	(16,789)	-0.8%
REAL ESTATE TRANSFER TAX	650,000	435,000	309,191	(125,809)	-28.9%
CABLE TELEVIS.FRANCHISE	457,200	342,900	325,957	(16,943)	-4.9%
LOCAL SERVICES TAX	345,000	252,980	230,944	(22,036)	-8.7%
OTHER INCOME	575,456	70,928	65,266	(5,662)	-8.0%
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>9,201,235</b>	<b>6,880,369</b>	<b>6,580,912</b>	<b>(299,457)</b>	<b>-4.4%</b>
<b>NET RESULT</b>	<b>0</b>	<b>580,004</b>	<b>701,678</b>	<b>121,674</b>	

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")

ALL FUNDS AUGUST 2020

\* 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>01/01/20 BEGINNING 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>\$2,596,124</b>	<b>\$18,488,820</b>	<b>\$24,873</b>	<b>\$3,715,640</b>
<b>RECEIPTS</b>											
310 TAXES	\$6,231,038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,231,038	\$0	\$0
320 LICENSES & PERMITS	\$333,618	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$333,618	\$0	\$0
330 FINES & FORFEITS	\$36,637	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,637	\$0	\$0
340 INTERESTS & RENTS	\$124,330	(\$327)	\$163,407	\$2,544	\$4,362	\$2,086	\$35,864	\$32,693	\$364,958	(\$116)	\$20,521
350 INTERGOVERNMENTAL	\$5,097	\$551,495	\$684,925	\$0	\$0	\$0	\$0	\$0	\$1,241,518	\$3,231	\$0
360 CHARGES FOR SERVICES	\$253,451	\$0	\$0	\$0	\$2,463,038	\$746,956	\$0	\$0	\$3,463,446	\$846	\$0
380 MISCELLANEOUS REVENUES	\$1,091,081	\$0	\$500	\$0	\$1,620	\$0	\$0	\$0	\$1,093,202	\$423	\$0
390 OTHER FINANCING SOURCES	\$291,978	\$0	\$0	\$0	\$70,054	\$0	\$1,451	\$0	\$363,484	\$271,536	\$0
	\$8,367,230	\$551,169	\$848,832	\$2,544	\$2,539,075	\$749,042	\$37,315	\$32,693	\$13,127,899	\$275,920	\$20,521
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$864,635	\$0	\$70,425	\$0	\$0	\$0	\$0	\$0	\$935,060	\$0	\$0
410 PUBLIC SAFETY	\$4,736,884	\$0	\$162,415	\$0	\$0	\$0	\$0	\$0	\$4,899,298	\$0	\$0
420 HEALTH & WELFARE	\$118,040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$118,040	\$0	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$1,586,939	\$741,041	\$0	\$0	\$2,327,980	\$295,232	\$0
430 HIGHWAYS,ROADS & STREETS	\$996,805	\$0	\$680,997	\$305,342	\$0	\$0	\$0	\$0	\$1,983,144	\$0	\$14,538
450 CULTURE-RECREATION	\$366,916	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$366,916	\$0	\$318,941
460 CONSERVATION & DEVELOPMENT	\$1,310	\$0	\$763,312	\$0	\$0	\$0	\$0	\$0	\$764,622	\$0	\$0
470 DEBT SERVICE	\$137,043	\$0	\$0	\$0	\$612,744	\$0	\$0	\$0	\$749,786	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$897,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$897,133	\$0	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$22,505	\$0	\$250,482	\$0	\$272,987	\$0	\$0
	\$8,118,765	\$0	\$1,677,149	\$305,342	\$2,222,188	\$741,041	\$250,482	\$0	\$13,314,967	\$295,232	\$333,478
<b>2020 SURPLUS/(DEFICIT)*</b>	<b>\$248,465</b>	<b>\$551,169</b>	<b>(\$828,317)</b>	<b>(\$302,798)</b>	<b>\$316,888</b>	<b>\$8,001</b>	<b>(\$213,167)</b>	<b>\$32,693</b>	<b>(\$187,067)</b>	<b>(\$19,312)</b>	<b>(\$312,957)</b>
<b>CLEARING ACCOUNT ADJUSTMENTS</b>	<b>\$19,018</b>										
<b>08/31/20 ENDING BALANCE</b>	<b>\$5,893,354</b>	<b>\$552,317</b>	<b>\$4,582,218</b>	<b>\$608,926</b>	<b>\$1,293,323</b>	<b>\$637,195</b>	<b>\$2,124,621</b>	<b>\$2,628,817</b>	<b>\$18,320,770</b>	<b>\$5,561</b>	<b>\$3,402,683</b>

**East Goshen Township**  
**2020 General Fund Year End Projection, as of August 31, 2020**

Account Title	2020 Adopted	2020 Projected
POLICE EXPENSES	3,884,680	4,113,962
OTHER EMERGENCY SERVICE EXPENSES	495,253	469,096
PUBLIC WORKS EXPENSES	2,760,338	2,444,563
ADMINISTRATION EXPENSES	1,900,680	1,866,806
ZONING/PERMITS/CODES EXPENSES	522,011	449,192
PARK AND RECREATION EXPENSES	881,005	632,143
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,443,967</b>	<b>9,975,762</b>
POLICE REVENUES	38,000	32,000
OTHER EMERGENCY SERVICES REVENUES	33,905	21,646
PUBLIC WORKS REVENUES	1,000,284	1,036,281
ADMINISTRATION REVENUES	318,829	355,518
ZONING/PERMITS/CODES REVENUES	272,870	250,892
PARK AND RECREATION REVENUES	132,620	75,307
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,796,508</b>	<b>1,771,644</b>
<b>NET POLICE</b>	<b>3,846,680</b>	<b>4,081,962</b>
<b>NET OTHER EMERGENCY SERVICES</b>	<b>461,348</b>	<b>447,450</b>
<b>NET PUBLIC WORKS</b>	<b>1,760,054</b>	<b>1,408,282</b>
<b>NET ADMINISTRATION</b>	<b>1,581,851</b>	<b>1,511,288</b>
<b>NET ZONING/PERMITS/CODES</b>	<b>249,141</b>	<b>198,300</b>
<b>NET PARK AND RECREATION</b>	<b>748,385</b>	<b>556,836</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,647,459</b>	<b>8,204,118</b>
DEBT - PRINCIPAL	349,999	349,999
DEBT - INTEREST	203,872	203,872
<b>TOTAL DEBT SERVICE</b>	<b>553,871</b>	<b>553,871</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>9,201,330</b>	<b>8,757,989</b>
<b>NON-CORE FUNCTION REVENUE</b>		
EARNED INCOME TAXES	5,130,800	4,950,000
REAL ESTATE PROPERTY TAX	2,042,779	2,032,779
REAL ESTATE TRANSFER TAX	650,000	600,000
CABLE TV FRANCHISE TAX	457,200	440,000
LOCAL SERVICES TAX	345,000	300,000
OTHER INCOME*	113,895	93,895
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>8,739,674</b>	<b>8,416,674</b>
<b>NET RESULT</b>	<b>(461,656)</b>	<b>(341,315)</b>

\* EXCLUDING TRANSFER FROM FUND BALANCE

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")  
**2020 YEAR END PROJECTION ALL FUNDS, AS OF AUGUST 31, 2020**

	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>1/1/20 FUND 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>\$2,596,124</b>	<b>\$18,488,820</b>	<b>\$24,873</b>	<b>\$3,715,640</b>
310 TAXES	\$7,879,979								7,879,979		\$0
320 LICENSES & PERMITS	\$448,159								448,159		\$0
330 FINES & FORFEITS	\$52,000								52,000		\$0
340 INTERESTS & RENTS	\$175,120	\$10,000	\$80,556	\$4,000	\$16,000	\$7,500	\$35,000	\$40,000	368,176		\$50,000
350 INTERGOVERNMENTAL	\$394,766	\$541,604	\$3,011,000						3,947,370		\$0
360 CHARGES FOR SERVICES	\$345,372				\$3,477,053	\$1,051,498	\$160,000		5,033,923		\$0
380 MISCELLANEOUS REVENUES	\$2,003,169								2,003,169	\$565	\$0
390 OTHER FINANCING SOURCES	\$996,653		\$635,982						1,632,635	\$354,435	\$0
	12,295,218	551,604	3,727,538	4,000	3,493,053	1,058,998	195,000	40,000	21,365,411	\$355,000	\$50,000
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$1,350,904		\$344,245						1,695,149		
410 PUBLIC SAFETY	\$6,736,013								6,736,013		
420 HEALTH & WELFARE	\$6,000								6,000		
426 SANITATION & REFUSE	\$126,739				\$2,123,329	\$1,136,729			3,386,797	\$355,000	\$56,636
430 HIGHWAYS,ROADS & STREETS	\$2,057,827	551,604	\$592,749	\$315,342					3,517,522	\$0	\$0
450 CULTURE-RECREATION	\$568,969		\$796,336						1,365,305	\$0	\$974,165
460 CONSERVATION & DEVELOPMENT	\$2,277		\$2,904,987						2,907,264	\$0	\$0
470 DEBT SERVICE	\$578,188				\$977,510				1,555,698	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$1,209,616								1,209,616	\$0	\$0
490 OTHER FINANCING USES					\$474,435		\$195,000		669,435	\$0	\$0
	\$12,636,533	\$551,604	\$4,638,317	\$315,342	\$3,575,274	\$1,136,729	\$195,000	\$0	23,048,799	\$355,000	\$1,030,801
SURPLUS/(DEFICIT)	(\$341,315)	\$0	(\$910,779)	(\$311,342)	(\$82,221)	(\$77,731)	\$0	\$40,000	(\$1,683,388)	\$0	(\$980,801)
PROJECTED YEAR-END FUND BALANCE	<b>\$5,284,557</b>	<b>\$1,148</b>	<b>\$4,499,756</b>	<b>\$600,382</b>	<b>\$894,214</b>	<b>\$551,463</b>	<b>\$2,337,788</b>	<b>\$2,636,124</b>	<b>\$16,805,432</b>	<b>\$24,873</b>	<b>\$2,734,839</b>