

# Memo

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To: Board of Supervisors  
From: Jon Altshul  
Re: September 2020 Financial Report  
Date: October 12, 2020

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As of September 30<sup>th</sup>, the general fund had revenues of \$8,207,399 and expenses of \$7,970,244 for a year-to-date surplus of \$237,155 and a positive budget variance of \$368,311. As of September 30<sup>th</sup>, the general fund balance is \$5,761,158.

On the expense side, the Township is under budget by \$561,705. 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 \$193,394, an improvement of about \$34,000 since last month. In particular, Real Estate Transfer Tax, Local Services Tax, Real Estate Tax, and Permit revenue all had strong Septembers, despite a modest under-performance in Earned Income Tax.

## Other funds

- The **State Liquid Fuels Fund** had \$551,179 in revenues and \$0 in expenses. The fund balance was 552,328.
- The **Capital Reserve Fund** had \$1,247,439 in revenues and \$2,100,785 in expenses. The fund balance was \$4,557,189.
- The **Transportation Fund** had \$2,654 in revenues and \$305,342 in expenses. The fund balance was \$609,036.
- The **Sewer Operating Fund** had \$2,629,189 in revenues and \$2,491,651 in expenses. The fund balance was \$1,113,973.
- The **Refuse Fund** had \$772,255 in revenues and \$838,157 in expenses. The fund balance was \$563,292.
- The **Bond Fund** had \$20,709 in revenues and \$469,969 in expenses. The fund balance was \$3,266,379.
- The **Sewer Capital Reserve Fund** had \$37,689 in revenues and \$267,431 in expenses. The fund balance is \$2,108,046.
- The **Operating Reserve Fund** had \$33,161 in revenues and no expenses. The fund balance is \$2,629,285.

## **Year-end Projection**

I have revised the 2020 year-end projections, primarily on the revenue side, and am now projecting that the General Fund will finish the year with a deficit of \$248,884. Year-end projections for other funds are included in the All Funds Summary projection.

## **Accounts Receivable**

Utilities Accounts Receivable ticked up in Q3 from a record low \$147,239 to \$173,506, which is still well below historical averages. Real Estate Tax Receivables are only modestly—about \$5,000—above historical averages despite the elimination of the penalty period, which provided residents with more time to pay their bills.

### **Yield on Township Accounts**

The weighted average yield on Township account has fallen to a paltry 25 basis points. We only have \$494,000 in Township funds tied up in two CDs, yielding 1.35% and 1.50%, which will mature in 61 days. At this point, the market for municipal securities simply does not exist. M&T is offering us 23 basis points on regular checking accounts, which is better than the returns on CDs, Act 10 Commercial Paper or other allowable securities. M&T also has the added benefit of collateralization of municipal deposits. Accordingly, I have been moving funds from PLGIT to M&T.

### **2021 Budget**

Mark your calendars...the wait for the 2021 Proposed Budget is almost over!

- November 10, 2020—Budget Proposal
- November 11, 2020—Budget Advertisement
- December 1, 2020 (or December 15, if necessary)—Budget Adoption

**EAST GOSHEN TOWNSHIP  
GENERAL FUND SUMMARY  
As of September 30, 2020**

Account Title	2020 Annual Budget	2020 YTD Budget	2020 YTD/Actual	\$ Variance	% Variance
EMERGENCY SERVICES EXPENSES	4,379,933	3,507,436	3,714,072	206,636	5.9%
PUBLIC WORKS EXPENSES	2,774,562	1,890,195	1,471,345	(418,850)	-22.2%
ADMINISTRATION EXPENSES	1,886,456	1,352,135	1,319,297	(32,838)	-2.4%
CODES EXPENSES	522,011	388,967	311,003	(77,964)	-20.0%
PARK AND RECREATION EXPENSES	881,005	713,692	474,513	(239,179)	-33.5%
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,443,967</b>	<b>7,852,425</b>	<b>7,290,229</b>	<b>(562,196)</b>	<b>-7.2%</b>
EMERGENCY SERVICES REVENUES	72,000	60,375	41,179	(19,196)	-31.8%
PUBLIC WORKS REVENUES	1,000,284	331,694	423,813	92,119	27.8%
ADMINISTRATION REVENUES	318,829	270,274	330,327	60,053	22.2%
CODES REVENUES	272,870	223,096	226,723	3,627	1.6%
PARK AND RECREATION REVENUES	132,620	112,914	67,260	(45,654)	-40.4%
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,796,603</b>	<b>998,353</b>	<b>1,089,303</b>	<b>90,950</b>	<b>9.1%</b>
<b>NET EMERGENCY SERVICES</b>	<b>4,307,933</b>	<b>3,447,061</b>	<b>3,672,893</b>	<b>225,832</b>	<b>6.6%</b>
<b>NET PUBLIC WORKS</b>	<b>1,774,278</b>	<b>1,558,501</b>	<b>1,047,531</b>	<b>(510,970)</b>	<b>-32.8%</b>
<b>NET ADMINISTRATION</b>	<b>1,567,627</b>	<b>1,081,861</b>	<b>988,970</b>	<b>(92,891)</b>	<b>-8.6%</b>
<b>NET CODES</b>	<b>249,141</b>	<b>165,871</b>	<b>84,280</b>	<b>(81,591)</b>	<b>-49.2%</b>
<b>NET PARK AND RECREATION</b>	<b>748,385</b>	<b>600,778</b>	<b>407,253</b>	<b>(193,525)</b>	<b>-32.2%</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,647,364</b>	<b>6,854,072</b>	<b>6,200,927</b>	<b>(653,145)</b>	<b>-9.5%</b>
DEBT - PRINCIPAL	349,999	-	-	0	0.0%
DEBT - INTEREST	203,872	117,820	118,309	489	0.4%
<b>TOTAL DEBT</b>	<b>553,871</b>	<b>117,820</b>	<b>118,309</b>	<b>489</b>	<b>0.4%</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>9,201,235</b>	<b>6,971,892</b>	<b>6,319,236</b>	<b>(652,656)</b>	<b>-9.4%</b>
<b>NON-CORE FUNCTION REVENUE</b>					
EARNED INCOME TAX	5,130,800	4,013,946	3,871,934	(142,012)	-3.5%
REAL ESTATE PROPERTY TAX	2,042,779	2,021,430	2,015,140	(6,290)	-0.3%
REAL ESTATE TRANSFER TAX	650,000	490,000	396,029	(93,971)	-19.2%
CABLE TELEVIS.FRANCHISE	457,200	342,900	325,957	(16,943)	-4.9%
LOCAL SERVICES TAX	345,000	260,977	247,574	(13,403)	-5.1%
OTHER INCOME	575,456	79,794	68,070	(11,724)	-14.7%
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>9,201,235</b>	<b>7,209,047</b>	<b>6,924,702</b>	<b>(284,345)</b>	<b>-3.9%</b>
<b>NET RESULT</b>	<b>0</b>	<b>287,155</b>	<b>605,466</b>	<b>968,310</b>	

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")  
 ALL FUNDS SEPTEMBER 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
01/01/20 BEGINNING BALANCE	\$5,625,871	\$1,148	\$5,410,535	\$911,724	\$976,435	\$629,194	\$2,337,788	\$2,596,124	\$18,488,820	\$24,873	\$3,715,640
<b>RECEIPTS</b>											
310 TAXES	\$6,575,478	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,575,478	\$0	\$0
320 LICENSES & PERMITS	\$333,808	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$333,808	\$0	\$0
330 FINES & FORFEITS	\$39,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,333	\$0	\$0
340 INTERESTS & RENTS	\$134,550	(\$316)	\$164,216	\$2,654	\$4,565	\$2,176	\$36,237	\$33,161	\$377,242	(\$130)	\$20,709
350 INTERGOVERNMENTAL	\$384,430	\$551,495	\$1,082,723	\$0	\$0	\$0	\$0	\$0	\$2,018,649	\$3,231	\$0
360 CHARGES FOR SERVICES	\$297,900	\$0	\$0	\$0	\$2,552,950	\$770,079	\$0	\$0	\$3,620,929	\$8,424	\$0
380 MISCELLANEOUS REVENUES	\$1,096,237	\$0	\$500	\$0	\$1,620	\$0	\$0	\$0	\$1,098,357	\$564	\$0
390 OTHER FINANCING SOURCES	\$389,498	\$0	\$0	\$0	\$70,054	\$0	\$1,451	\$0	\$461,004	\$300,427	\$0
	\$9,251,234	\$551,179	\$1,247,439	\$2,654	\$2,629,189	\$772,255	\$37,689	\$33,161	\$14,524,800	\$312,515	\$20,709
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$953,215	\$0	\$70,425	\$0	\$0	\$0	\$0	\$0	\$1,023,640	\$0	\$0
410 PUBLIC SAFETY	\$5,384,323	\$0	\$162,415	\$0	\$0	\$0	\$0	\$0	\$5,546,737	\$0	\$0
420 HEALTH & WELFARE	\$132,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,171	\$0	\$0
426 SANITATION & REFUSE	\$0	\$0	\$0	\$0	\$1,710,318	\$838,157	\$0	\$0	\$2,548,475	\$332,007	\$0
430 HIGHWAYS,ROADS & STREETS	\$1,127,376	\$0	\$680,997	\$305,342	\$0	\$0	\$0	\$0	\$2,113,715	\$0	\$14,538
450 CULTURE-RECREATION	\$403,102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$403,102	\$0	\$455,432
460 CONSERVATION & DEVELOPMENT	\$1,390	\$0	\$1,186,949	\$0	\$0	\$0	\$0	\$0	\$1,188,338	\$0	\$0
470 DEBT SERVICE	\$142,377	\$0	\$0	\$0	\$746,887	\$0	\$0	\$0	\$889,264	\$0	\$0
480 MISCELLANEOUS EXPENDITURES	\$971,870	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$971,870	\$0	\$0
490 OTHER FINANCING USES	\$0	\$0	\$0	\$0	\$34,447	\$0	\$267,431	\$0	\$301,878	\$0	\$0
	\$9,115,823	\$0	\$2,100,785	\$305,342	\$2,491,651	\$838,157	\$267,431	\$0	\$15,119,189	\$332,007	\$469,969
2020 SURPLUS/(DEFICIT)*	\$135,411	\$551,179	(\$853,346)	(\$302,688)	\$137,538	(\$65,902)	(\$229,743)	\$33,161	(\$594,389)	(\$19,492)	(\$449,261)
CLEARING ACCOUNT ADJUSTMENTS	(\$124)										
09/30/20 ENDING BALANCE	\$5,761,158	\$552,328	\$4,557,189	\$609,036	\$1,113,973	\$563,292	\$2,108,046	\$2,629,285	\$17,894,306	\$5,381	\$3,266,379

**East Goshen Township**  
**2020 General Fund Year-End Projection as of 9-30-20**

Account Title	2020 Adopted	2020 Projected	Dollar Variance	Percentage Variance
POLICE EXPENSES	3,884,680	4,113,962	229,282	5.9%
OTHER EMERGENCY SERVICE EXPENSES	495,253	469,096	(26,157)	-5.3%
PUBLIC WORKS EXPENSES	2,760,338	2,444,563	(315,775)	-11.4%
ADMINISTRATION EXPENSES	1,900,680	1,866,806	(33,874)	-1.8%
ZONING/PERMITS/CODES EXPENSES	522,011	449,192	(72,819)	-13.9%
PARK AND RECREATION EXPENSES	881,005	630,817	(250,188)	-28.4%
<b>TOTAL CORE FUNCTION EXPENSES</b>	<b>10,443,967</b>	<b>9,974,436</b>	<b>(469,531)</b>	<b>-4.5%</b>
POLICE REVENUES	38,000	32,000	(6,000)	-15.8%
OTHER EMERGENCY SERVICES REVENUES	34,000	21,646	(12,354)	-36.3%
PUBLIC WORKS REVENUES	1,000,284	1,112,386	112,102	11.2%
ADMINISTRATION REVENUES	318,829	355,518	36,689	11.5%
ZONING/PERMITS/CODES REVENUES	272,870	250,892	(21,978)	-8.1%
PARK AND RECREATION REVENUES	132,620	75,307	(57,313)	-43.2%
<b>TOTAL CORE FUNCTION REVENUES</b>	<b>1,796,603</b>	<b>1,847,749</b>	<b>51,146</b>	<b>2.8%</b>
<b>NET POLICE</b>	<b>3,846,680</b>	<b>4,081,962</b>	<b>235,282</b>	<b>6.1%</b>
<b>NET OTHER EMERGENCY SERVICES</b>	<b>461,253</b>	<b>447,450</b>	<b>(13,803)</b>	<b>-3.0%</b>
<b>NET PUBLIC WORKS</b>	<b>1,760,054</b>	<b>1,332,177</b>	<b>(427,877)</b>	<b>-24.3%</b>
<b>NET ADMINISTRATION</b>	<b>1,581,851</b>	<b>1,511,288</b>	<b>(70,563)</b>	<b>-4.5%</b>
<b>NET ZONING/PERMITS/CODES</b>	<b>249,141</b>	<b>198,300</b>	<b>(50,841)</b>	<b>-20.4%</b>
<b>NET PARK AND RECREATION</b>	<b>748,385</b>	<b>555,510</b>	<b>(192,875)</b>	<b>-25.8%</b>
<b>CORE FUNCTION NET SUBTOTAL</b>	<b>8,647,364</b>	<b>8,126,687</b>	<b>(520,677)</b>	<b>-6.0%</b>
DEBT - PRINCIPAL	349,999	349,999	0	0.0%
DEBT - INTEREST	203,872	203,872	0	0.0%
<b>TOTAL DEBT SERVICE</b>	<b>553,871</b>	<b>553,871</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL CORE FUNCTION NET</b>	<b>9,201,235</b>	<b>8,680,558</b>	<b>(520,677)</b>	<b>-5.7%</b>
<b>NON-CORE FUNCTION REVENUE</b>				
EARNED INCOME TAXES	5,130,800	4,950,000	(180,800)	-3.5%
REAL ESTATE PROPERTY TAX	2,042,779	2,032,779	(10,000)	-0.5%
REAL ESTATE TRANSFER TAX	650,000	600,000	(50,000)	-7.7%
CABLE TV FRANCHISE TAX	457,200	440,000	(17,200)	-3.8%
LOCAL SERVICES TAX	345,000	315,000	(30,000)	-8.7%
OTHER INCOME	113,895	93,895	(20,000)	-17.6%
<b>TOTAL NON CORE FUNCTION REVENUE</b>	<b>8,739,674</b>	<b>8,431,674</b>	<b>(308,000)</b>	<b>-3.5%</b>
<b>NET RESULT</b>	<b>(461,561)</b>	<b>(248,884)</b>		

SUMMARY OF FUNDS REPORT (AKA "JOE REPORT")  
2020 YEAR END PROJECTION ALL FUNDS, AS OF SEPTEMBER 30, 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
1/1/20 FUND BALANCE	\$5,625,871	\$1,148	\$5,410,535	\$911,724	\$976,435	\$629,194	\$2,337,788	\$2,596,124	\$18,488,820	\$24,873	\$3,715,640
310 TAXES	\$7,894,979								7,894,979		\$0
320 LICENSES & PERMITS	\$448,159								448,159		\$0
330 FINES & FORFEITS	\$52,000								52,000		\$0
340 INTERESTS & RENTS	\$175,120	\$7,445	\$165,556	\$3,093	\$5,000	\$2,400	\$37,000	\$34,693	430,307		\$21,941
350 INTERGOVERNMENTAL	\$394,766	\$551,495	\$3,011,000						3,957,261	\$3,231	\$0
360 CHARGES FOR SERVICES	\$345,372				\$3,654,125	\$1,050,698	\$160,000		5,210,195	\$846	\$0
380 MISCELLANEOUS REVENUES	\$2,003,169								2,003,169	\$565	\$0
390 OTHER FINANCING SOURCES	\$1,072,758		\$566,308						1,639,066	\$346,417	\$0
	12,386,323	558,940	3,742,864	3,093	3,659,125	1,053,098	197,000	34,693	21,635,136	\$351,059	\$21,941
<b>EXPENDITURES</b>											
400 GENERAL GOVERNMENT	\$1,350,904		\$313,459						1,664,363		
410 PUBLIC SAFETY	\$6,736,013								6,736,013		
420 HEALTH & WELFARE	\$6,000								6,000		
426 SANITATION & REFUSE	\$126,739				\$2,278,861	\$1,134,398			3,539,998	\$351,059	\$14,538
430 HIGHWAYS,ROADS & STREETS	\$2,057,827	558,940	\$686,326	\$304,481					3,607,574	\$0	\$0
450 CULTURE-RECREATION	\$567,643		\$0						567,643	\$0	\$919,862
460 CONSERVATION & DEVELOPMENT	\$2,277		\$2,916,158						2,918,435	\$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	\$0				\$229,417		\$277,000		506,417	\$0	\$0
	\$12,635,207	\$558,940	\$3,915,943	\$304,481	\$3,485,788	\$1,134,398	\$277,000	\$0	22,311,757	\$351,059	\$934,400
SURPLUS/(DEFICIT)	(\$248,884)	\$0	(\$173,079)	(\$301,388)	\$173,337	(\$81,300)	(\$80,000)	\$34,693	(\$676,621)	\$0	(\$912,459)
PROJECTED YEAR-END FUND BALANCE	\$5,376,988	\$1,148	\$5,237,456	\$610,336	\$1,149,772	\$547,894	\$2,257,788	\$2,630,817	\$17,812,199	\$24,873	\$2,803,181