



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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MEMORANDUM

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TO: Board of Selectmen
FROM: James Murgia, Finance Director *JM*
DATE: August 11, 2015
SUBJECT: **Enterprise Funds' Fiscal 2015 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2015. Also attached is a balance sheet report showing all the enterprise funds which was prepared for the Department of Revenue to certify the enterprise funds' "free cash reserve" balances as of June 30, 2015.

Water enterprise's operating surplus was \$304,031 which is more than budget primarily due to additional revenue received in fiscal 2015 from collecting prior year water bills and connection fees from the Brightview assisted living facility. After considering the fiscal 2015 surplus, the water enterprise fund ended the year with a contingency reserve of \$2.5 million which is a healthy 39% of expenses.

The sewer enterprise finished fiscal 2015 operating at a surplus of \$745,190 due to better than expected sewer revenues and favorable spending. Sewer's end of year contingency reserve is \$1.6 million which is a healthy 28% of expenses.

The rink enterprise experienced an operating deficit of \$42,673 during fiscal 2015 primarily due to the roof collapse in February causing the facility to be closed. The rink's end of year contingency reserve amounted to \$32,246 or 8.6% of expenses.

Please let me know if you have any questions or comments concerning this information.

JRM/ej
Attachment

cc: Kathy Butters, Town Accountant
William T. Friel, Town Administrator
Janet Maguire, Director of Recreation
Barbara Saint André, Chairman, Finance Committee
Mike Trotta, DPW Superintendent

ENTERPRISE FUNDS' OPERATING RESULTS FOR FISCAL 2015

DESCRIPTION	FISCAL 2015 BUDGET	FISCAL 2015 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	6,118,032	6,783,120	665,088
SALARIES & WAGES	801,852	804,343	(2,491)
MWRA ASSESSMENT	991,374	1,004,356	(12,982)
CHARGES FROM GENERAL FUND	620,022	620,022	0
DEBT SERVICE	2,381,120	2,381,070	50
CASH CAPITAL	632,000	609,338	22,662
OTHER EXPENSES	1,079,005	1,059,959	19,046
TOTAL WATER OPERATING EXPENSES	6,505,373	6,479,088	26,285
WATER SURPLUS/(DEFICIT)	(387,341)	304,031	691,372
END OF YEAR CONTINGENCY RESERVE		2,519,044	
RESERVE AS % OF EXPENSES		38.9%	
SEWER REVENUE	6,172,035	6,430,651	258,616
SALARIES & WAGES	482,730	318,729	164,001
MWRA ASSESSMENT	3,550,219	3,584,952	(34,733)
CHARGES FROM GENERAL FUND	376,369	376,369	0
DEBT SERVICE	1,053,075	1,053,075	(0)
CASH CAPITAL	46,000	45,900	100
OTHER EXPENSES	332,999	306,436	26,563
TOTAL SEWER OPERATING EXPENSES	5,841,392	5,685,461	155,931
SEWER SURPLUS/(DEFICIT)	330,643	745,190	414,547
END OF YEAR CONTINGENCY RESERVE		1,591,856	
RESERVE AS % OF EXPENSES		28.0%	
RINK REVENUE	387,833	330,771	(57,062)
SALARIES & WAGES	135,274	123,233	12,041
CHARGES FROM GENERAL FUND	90,729	90,729	0
DEBT SERVICE	8,980	8,980	0
OTHER EXPENSES	152,850	150,503	2,347
TOTAL RINK OPERATING EXPENSES	387,833	373,444	14,389
RINK SURPLUS/(DEFICIT)	0	(42,673)	(42,673)
END OF YEAR CONTINGENCY RESERVE		32,246	
RESERVE AS % OF EXPENSES		8.6%	

**TOWN OF CANTON - ENTERPRISE FUNDS
COMBINED BALANCE SHEET AS OF JUNE 30, 2015**

	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJ	TOTAL WATER	SKATING RINK	TOTALS
ASSETS								
CASH AND SHORT TERM INVESTMENTS	1,620,569.35	1,090,076.33	2,710,645.68	3,216,138.70	576,723.39	3,792,862.09	36,384.42	6,539,892.19
OTHER RECEIVABLES	0.00	0.00	0.00	0.00	0.00	0.00	39,710.00	39,710.00
TAX LIENS	20,609.30	0.00	20,609.30	20,381.10	0.00	20,381.10	0.00	40,990.40
USER CHARGES RECEIVABLE	255,234.74	0.00	255,234.74	251,420.21	0.00	251,420.21	0.00	506,654.95
UTILITY LIENS ADDED TO TAXES	273,928.53	0.00	273,928.53	292,624.96	0.00	292,624.96	0.00	566,553.49
AMOUNT PROVIDED FOR BONDS PAYABLE	8,359,040.00	0.00	8,359,040.00	20,960,050.00	0.00	20,960,050.00	26,000.00	29,345,090.00
TOTAL ASSETS	10,529,381.92	1,090,076.33	11,619,458.25	24,740,614.97	576,723.39	25,317,338.36	102,094.42	37,038,891.03
LIABILITIES								
ACCOUNTS PAYABLE	4,626.77	0.00	4,626.77	76,828.53	4,046.40	80,874.93	3,595.00	89,096.70
ACCRUED PAYROLL	8,353.91	0.00	8,353.91	23,855.98	0.00	23,855.98	543.47	32,753.36
BONDS PAYABLE	8,359,040.00	0.00	8,359,040.00	20,960,050.00	0.00	20,960,050.00	26,000.00	29,345,090.00
DEFERRED REVENUES	549,772.57	0.00	549,772.57	564,426.27	0.00	564,426.27	39,710.00	1,153,908.84
OTHER LIABILITIES	0.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	10,000.00
TOTAL LIABILITIES	8,921,793.25	0.00	8,921,793.25	21,635,160.78	4,046.40	21,639,207.18	69,848.47	30,630,848.90
FUND EQUITY								
RESERVE FOR ENCUMBRANCES	15,708.08	245,298.13	261,006.21	214,385.15	0.00	214,385.15	0.00	475,391.36
RESERVE FOR EXPENDITURES	0.00	0.00	0.00	372,000.00	0.00	372,000.00	0.00	372,000.00
RESERVE FOR PETTY CASH	25.00	0.00	25.00	25.00	0.00	25.00	0.00	50.00
RESERVE FOR UNSPENT CONSTRUCTION PROCEEDS	0.00	844,778.20	844,778.20	0.00	465,657.42	465,657.42	0.00	1,310,435.62
UNRESERVED FUND BALANCE	1,591,855.59	0.00	1,591,855.59	2,519,044.04	107,019.57	2,626,063.61	32,245.95	4,250,165.15
TOTAL FUND EQUITY	1,607,588.67	1,090,076.33	2,697,665.00	3,105,454.19	572,676.99	3,678,131.18	32,245.95	6,408,042.13
TOTAL LIABILITIES AND FUND EQUITY	10,529,381.92	1,090,076.33	11,619,458.25	24,740,614.97	576,723.39	25,317,338.36	102,094.42	37,038,891.03