



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 
DATE: August 30, 2017
SUBJECT: **Enterprise Funds' Fiscal 2017 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2017. 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, 2017.

Water enterprise's fiscal 2017 operating deficit was \$27,677 which is better than budget primarily due to higher usage amounts due to last summer's drought and additional revenue received from collecting prior year water bills. After considering the fiscal 2017's results, the water enterprise fund ended the year with an estimated cash reserve of \$1.9 million which is a healthy 26% of expenses.

The sewer enterprise finished fiscal 2017 operating with a deficit of \$85,306 primarily due to reduced spending. Sewer's end of year contingency reserve is estimated to be \$1.3 million which is a healthy 20% of expenses.

The rink enterprise experienced an operating surplus of \$53,604 during fiscal 2017 primarily due to proceeds from the sale of the rink Zamboni. Due to the roof collapse in February 2015, the facility has remained closed for all of fiscal 2017. The rink's end of year contingency reserve amounted to an estimated \$44,350.

The rink enterprise has received approximately \$2.2 million from the Town's insurance company due to the 2015 roof collapse. These insurance funds have been set aside while the Town investigates the costs to build a new rink.

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

JRM/ej
Attachment

cc: Charles Aspinwall, Town Administrator
Rob Barker, Chair, Finance Committee
Kathy Butters, Town Accountant
Liz Francis, Parks & Recreation Director
Mike Trotta, DPW Superintendent

ENTERPRISE FUNDS' OPERATING RESULTS FOR FISCAL 2017

DESCRIPTION	FISCAL 2017 Revised Budget	FISCAL 2017 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	6,396,172	7,026,536	630,364
SALARIES & WAGES	911,854	801,199	110,655
MWRA ASSESSMENT	1,680,349	1,731,331	(50,982)
CHARGES FROM GENERAL FUND	510,539	510,539	(0)
DEBT SERVICE	2,305,670	2,301,260	4,410
CASH CAPITAL	804,500	801,143	3,357
OTHER EXPENSES	987,760	908,741	79,019
TOTAL WATER OPERATING EXPENSES	7,200,672	7,054,213	146,459
WATER SURPLUS/(DEFICIT)	(804,500)	(27,677)	776,823
END OF YEAR CASH RESERVE		1,855,585	
RESERVE AS % OF EXPENSES		26.3%	
SEWER REVENUE	6,496,640	6,408,747	(87,893)
SALARIES & WAGES	427,412	286,500	140,912
MWRA ASSESSMENT	4,178,270	4,137,162	41,108
CHARGES FROM GENERAL FUND	356,442	356,442	0
DEBT SERVICE	1,186,517	1,163,732	22,785
CASH CAPITAL	207,500	207,331	169
OTHER EXPENSES	347,999	342,884	5,115
TOTAL SEWER OPERATING EXPENSES	6,704,140	6,494,052	210,088
SEWER SURPLUS/(DEFICIT)	(207,500)	(85,306)	122,194
END OF YEAR CASH RESERVE		1,312,335	
RESERVE AS % OF EXPENSES		20.2%	
RINK REVENUE	113,444	70,555	(42,889)
SALARIES & WAGES	29,324	5,488	23,836
CHARGES FROM GENERAL FUND	0	0	0
DEBT SERVICE	6,540	6,540	0
CASH CAPITAL	0	0	0
OTHER EXPENSES	77,580	5,123	72,457
TOTAL RINK OPERATING EXPENSES	113,444	17,151	96,293
RINK SURPLUS/(DEFICIT)	0	53,404	53,404
END OF YEAR CASH RESERVE		44,350	
RESERVE AS % OF EXPENSES		258.6%	

**TOWN OF CANTON - ENTERPRISE FUNDS
COMBINED BALANCE SHEET AS OF JUNE 30, 2017**

	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJGRNTS	TOTAL WATER	SKATING RINK	SKATING RINK CAP PROJ	TOTAL RINK	TOTALS
ASSETS										
CASH AND SHORT TERM INVESTMENTS	1,982,051.83	1,127,865.96	3,109,917.79	3,327,309.16	357,043.08	3,684,352.24	78,239.94	2,153,009.80	2,231,249.74	9,025,519.77
OTHER RECEIVABLES	0.00	0.00	0.00	0.00	0.00	0.00	19,710.00	0.00	19,710.00	19,710.00
TAX LIENS	20,046.51	0.00	20,046.51	19,013.21	0.00	19,013.21	0.00	0.00	0.00	39,059.72
USER CHARGES RECEIVABLE	248,955.97	0.00	248,955.97	232,326.98	0.00	232,326.98	0.00	0.00	0.00	481,282.95
UTILITY LIENS ADDED TO TAXES	297,878.68	0.00	297,878.68	306,500.33	0.00	306,500.33	0.00	0.00	0.00	604,379.01
AMOUNT PROVIDED FOR BONDS PAYABLE	7,065,393.00	0.00	7,065,393.00	20,180,900.00	0.00	20,180,900.00	0.00	13,000.00	13,000.00	27,259,293.00
TOTAL ASSETS	9,614,325.99	1,127,865.96	10,742,191.95	24,066,049.68	357,043.08	24,423,092.76	97,949.94	2,166,009.80	2,263,959.74	37,429,244.45
LIABILITIES										
ACCOUNTS PAYABLE	5,405.34	0.00	5,405.34	33,955.03	20,243.96	54,198.99	180.12	0.00	180.12	59,784.45
ACCRUED PAYROLL	4,559.71	0.00	4,559.71	15,746.30	0.00	15,746.30	800.00	0.00	800.00	21,106.01
BONDS PAYABLE	7,065,393.00	0.00	7,065,393.00	20,180,900.00	0.00	20,180,900.00	0.00	13,000.00	13,000.00	27,259,293.00
DEFERRED REVENUES	566,881.16	0.00	566,881.16	557,840.52	0.00	557,840.52	19,710.00	0.00	19,710.00	1,144,431.68
OTHER LIABILITIES	0.00	0.00	0.00	8,521.82	0.00	8,521.82	0.00	0.00	0.00	8,521.82
TOTAL LIABILITIES	7,642,239.21	0.00	7,642,239.21	20,796,963.67	20,243.96	20,817,207.63	20,690.12	13,000.00	33,690.12	28,493,136.96
FUND EQUITY										
RESERVE FOR ENCUMBRANCES	255,726.59	241,219.54	496,946.13	358,476.04	110,721.68	469,197.72	0.00	0.00	0.00	966,143.85
RESERVE FOR EXPENDITURES	404,000.00	0.00	404,000.00	1,055,000.00	0.00	1,055,000.00	32,910.00	0.00	32,910.00	1,491,910.00
RESERVE FOR PETTY CASH	25.00	0.00	25.00	25.00	0.00	25.00	0.00	0.00	0.00	50.00
RESERVE FOR UNSPENT CONSTRUCTION PROCEEDS	0.00	886,646.42	886,646.42	0.00	226,077.44	226,077.44	0.00	2,153,009.80	2,153,009.80	3,265,733.66
UNRESERVED FUND BALANCE	1,312,335.19	0.00	1,312,335.19	1,855,584.97	0.00	1,855,584.97	44,349.82	0.00	44,349.82	3,212,269.98
TOTAL FUND EQUITY	1,972,086.78	1,127,865.96	3,099,952.74	3,269,086.01	336,799.12	3,605,885.13	77,259.82	2,153,009.80	2,230,269.62	8,936,107.49
TOTAL LIABILITIES AND FUND EQUITY	9,614,325.99	1,127,865.96	10,742,191.95	24,066,049.68	357,043.08	24,423,092.76	97,949.94	2,166,009.80	2,263,959.74	37,429,244.45