



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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MEMORANDUM

TO: Board of Selectmen

FROM: Jim Murgia, Finance Director 

DATE: August 14, 2018

SUBJECT: **General Fund's Fiscal 2018 Operating Results**

LOUIS M. JUTRAS
INFORMATION
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Having recently closed the books for fiscal 2018, the Finance Department prepared the following reports which are attached for your review:

- 1) Summary of Revenues and Expenditures
- 2) Revenue Report (2 pages)
- 3) Operating Expenditure Report (4 pages)
- 4) Balance Sheet as of June 30, 2018

Budgeted Revenues and Expenditures

The summary report compares budgeted revenues and expenditures against actuals for fiscal 2017 and 2018. The fiscal 2018 budgeted deficit of \$2,558,042 was due to free cash reserve used for the following items:

Transfer to School SPED Reserve	\$600,000
Transfer to Stabilization Fund	500,000
Local Chapter 90 Match	500,000
Additional OPEB transfer	200,000
Snow & Ice Budget Supplement	175,000
Master Plan Update	150,000
Health Insurance Budget Supplement	110,000
School HVAC	100,000
Transfer to Solar Stabilization	100,000
School Window Project Supplement	53,042
July 4 th (2018)	35,000
Old Shepard Street Easements	30,000
Community Recognition	<u>5,000</u>
Total Free Cash Reserve Budgeted	<u>\$2,558,042</u>

General Fund's Fiscal 2018 Operating Results

August 14, 2018

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Actual Revenues and Expenditures

Fiscal 2018 was an excellent year with revenues exceeding expenditures by \$538,148. Compared to the budgeted deficit of \$2.6 million this operating surplus was \$3.1 million better than expected.

The reasons for these results are as follows:

Local Receipts (excise taxes, building permits, interest income)	\$1,875,903
Tax Title Revenue	297,266
Transfers from Other funds (Solar facility)	190,332
Property Tax Revenue	41,237
State Aid (shortfall)	<u>(13,355)</u>
Total Surplus revenue	\$2,391,383
Unspent appropriations (mostly municipal budgets and fixed costs)	<u>704,807</u>
Total	<u>\$3,096,190</u>

Status of Cash Reserves

The attached balance sheet report prepared as of June 30, 2018 will be submitted to the Department of Revenue for free cash reserve certification.

We estimate the general fund's free cash reserve to be approximately \$4.5 million as of June 30, 2018. Please know that the final determination as to our free cash reserve is made by the Department of Revenue.

Due to the very positive operating results from fiscal 2018, the Town's cash reserves have increased to an estimated \$16.0 million as follows:

Stabilization Fund	\$7,692,837
Free Cash Reserve	4,500,000
Surplus Overlay Reserve (net of pending ATB cases)	<u>3,774,839</u>
Total	<u>\$15,967,676</u>

These reserves amount to 16.6% of fiscal 2019's budget. In order to maintain our AAA bond rating we target our reserves to be 15% of budget so we have more than achieved that goal in fiscal 2018.

I hope you will find this information to be useful. If you have any questions or comments, please let me know.

JRM/ej

Attachments

cc: Charles Aspinwall, Town Administrator
Rob Barker, Chair, Finance Committee
Kathy Butters, Town Accountant
Jennifer Fischer-Mueller, Superintendent of Schools
Kristin Mirliani, Chair, School Committee
Barry Nectow, School Business Administrator

SUMMARY OF GENERAL REVENUES AND EXPENDITURES

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	FY 2018		FY 2017		FY 2017		FY 2017	
	Revised Budget	ACTUAL	Actual vs. Revised Budget	Revised Budget	ACTUAL	Revised Budget	Actual vs. Revised Budget	
GENERAL FUND REVENUES:								
PROPERTY TAX REVENUE	72,975,332	73,016,569	41,237	69,632,759	70,207,984		575,225	
STATE AID	8,988,466	8,975,111	(13,355)	8,052,320	8,223,481		171,161	
LOCAL RECEIPTS	6,468,816	8,344,719	1,875,903	6,263,040	7,718,943		1,455,903	
TRANSFERS FROM OTHER FUNDS	2,490,524	2,680,855	190,332	2,248,003	2,405,385		157,382	
TAX TITLE / FORECLOSURE REVENUE	0	297,266	297,266	0	172,988		172,988	
TOTAL REVENUES	90,923,138	93,314,521	2,391,383	86,196,122	88,728,781		2,532,659	
GENERAL FUND EXPENDITURES:								
SCHOOL EXPENSES	40,221,559	40,221,559	-	38,509,724	38,498,641		11,083	
MUNICIPAL EXPENSES	20,269,076	19,888,601	380,476	19,039,901	18,864,107		175,794	
FIXED COSTS	28,160,270	27,903,049	257,221	26,892,873	26,625,136		267,737	
TOTAL OPERATING EXPENSES	88,650,905	88,013,208	637,697	84,442,498	83,987,884		454,614	
CASH CAPITAL EXPENDITURES	2,000,000	1,974,820	25,180	2,599,000	2,584,397		14,603	
TRANSFERS TO STABILIZATION FUNDS	600,000	600,000	-	500,000	500,000		-	
SPECIAL APPROPRIATIONS	1,173,042	1,173,042	-	194,265	194,265		-	
STATE & COUNTY CHARGES	1,057,233	1,015,303	41,930	1,002,359	995,573		6,786	
TOTAL EXPENDITURES	93,481,180	92,776,373	704,807	88,738,122	88,262,119		476,003	
OPERATING SURPLUS/(DEFICIT) - GENERAL FUND	(2,558,042)	538,148	3,096,190	(2,542,000)	466,662		3,008,662	

TOWN OF CANTON, MA
REVENUE REPORT
SUMMARY OF REVENUE ACCOUNTS FOR FUND
As of June 30

	FY 2018 ORIGINAL BUDGET	FY 2018 REVISED BUDGET	FY 2018 YTD ACTUAL	% OF ANNUAL BUDGET	FY 2017 YTD ACTUAL	FY 2018 YTD ACTUAL vs. FY 2017 YTD ACTUAL \$\$ VARIANCE % VARIANCE
<u>01-PROPERTY TAXES</u>						
10011 PERSONAL PROPERTY TAXES	4,500,000	4,500,000	4,551,198	101.1	4,267,036	284,162 6.7
10012 REAL ESTATE TAXES	68,573,334	68,475,332	68,465,371	100.0	65,940,948	2,524,423 3.8
TOTAL: 01-PROPERTY TAXES	73,073,334	72,975,332	73,016,569	100.1	70,207,984	2,808,585 4.0
<u>02-LOCAL RECEIPTS</u>						
10015 MOTOR VEHICLE EXCISE	3,850,000	3,850,000	4,703,198	122.2	4,505,384	197,814 4.4
10016 OTHER EXCISE-HOTEL/MEALS TAX	550,000	550,000	603,821	109.8	593,076	10,745 1.8
10017 PENALTIES & INTEREST	300,000	300,000	364,795	121.6	314,625	50,171 15.9
10018 PAYMENTS IN LIEU OF TAXES	236,816	236,816	236,816	100.0	231,040	5,776 2.5
10032 FEES	150,000	150,000	150,461	100.3	159,459	(8,998) (5.6)
10036 RENTALS	200,000	200,000	200,528	100.3	185,417	15,111 8.1
10037 OTHER DEPARTMENT REVENUE	77,000	77,000	122,644	159.3	105,876	16,768 15.8
10041 ALCOHOL LICENSES	70,000	70,000	85,525	122.2	81,300	4,225 5.2
10042 OTHER LICENSES	80,000	80,000	84,858	106.1	76,440	8,418 11.0
10045 PERMITS	650,000	650,000	1,064,773	163.8	984,377	80,395 8.2
10077 FINES AND FORFEITS	100,000	100,000	114,905	114.9	92,821	22,084 23.8
10082 EARNINGS ON INVESTMENTS	80,000	80,000	265,773	332.2	127,091	138,682 109.1
10084 OTHER MISC. REVENUE	25,000	25,000	91,099	364.4	60,896	30,203 49.6
10085 REIMBURSEMENTS	100,000	100,000	255,523	255.5	195,517	60,007 30.7
TOTAL: 02-LOCAL RECEIPTS	6,468,816	6,468,816	8,344,719	129.0	7,718,943	625,776 8.1
<u>03-STATE AID</u>						
10062 EDUCATION DIST & REIMB.	6,385,349	6,525,760	6,513,649	99.8	5,830,315	683,334 11.7
10066 GEN GVMT REIMB & DISTRIB	2,482,731	2,462,706	2,461,462	99.9	2,393,166	68,296 2.9
TOTAL: 03-STATE AID	8,868,080	8,988,466	8,975,111	99.9	8,223,481	751,630 9.1
<u>04-TRNS. FROM OTHER FUNDS</u>						
10097 OTHER FIN SRC-TRANSFERS	2,340,524	2,490,524	2,680,855	107.6	2,405,385	275,470 11.5

TOWN OF CANTON, MA
REVENUE REPORT
SUMMARY OF REVENUE ACCOUNTS FOR FUND
As of June 30

	FY 2018 ORIGINAL BUDGET	FY 2018 REVISED BUDGET	FY 2018 YTD ACTUAL	% OF ANNUAL BUDGET	FY 2017 YTD ACTUAL	FY 2018 YTD ACTUAL vs. FY 2017 YTD ACTUAL \$\$ VARIANCE	% VARIANCE
TOTAL: 04-TRNS. FROM OTHER FUNDS							
05-TAX LIENS/FORECLOSURES							
10014 TAX LIENS/TAX TITLES	0	0	297,266	0.0	172,988	124,279	71.8
TOTAL: 05-TAX LIENS/FORECLOSURES	0	0	297,266	0.0	172,988	124,279	71.8
GRAND TOTAL	90,750,754	90,923,138	93,314,521	102.6	88,728,781	4,585,740	5.2

TOWN OF CANTON
OPERATING EXPENSES BY VOTING CATEGORY
FUND 100 EXCLUDING ARTICLES
As of June 30 for Fiscal Years 2017 - 2018

	ORIGINAL BUDGET FY 18	REVISED BUDGET FY18	EXPENDED YTD THRU June 30	% OF BUDGET FY 18	TOTAL EXPENDED & ENCUM. YTD	% OF BUDGET FY 18	REMAINING BUDGET FY 18	% OF BUDGET FY 18	FISCAL YEAR 2017		
									REVISED BUDGET	EXPENDED Y-T-D	% OF BUDGET
129 EXECUTIVE OFFICE	464,449	488,325	463,108	94.8	463,348	94.9	24,977	5.1	465,991	454,017	97.4
151 TOWN COUNSEL	260,300	260,300	247,664	95.1	251,420	96.6	8,880	3.4	279,910	280,879	102.9
154 HUMAN RESOURCES DEPT	151,122	154,672	154,274	99.7	157,824	102.0	(3,152)	(2.0)	147,083	127,511	86.7
179 PLANNING DEPARTMENT	69,520	69,520	52,269	75.2	52,269	75.2	17,251	24.8	68,540	69,755	101.8
195 TOWN REPORTS	4,500	4,500	1,777	39.5	1,777	39.5	2,723	60.5	4,500	1,703	37.8
244 SEALER OF WEIGHTS & MEAS	7,500	7,500	6,750	90.0	6,750	90.0	750	10.0	7,500	6,750	90.0
910 EMPLOYEE CONTRACT BENEFIT	140,712	140,712	128,319	91.2	128,319	91.2	12,393	8.8	133,543	132,003	98.8
TOTAL 01-Executive Branch	1,098,103	1,125,529	1,054,162	93.7	1,061,708	94.3	63,821	5.7	1,100,067	1,072,619	97.5
133 DIRECTOR OF FINANCE	192,170	192,170	191,563	99.7	191,563	99.7	607	0.3	189,212	186,322	98.5
135 ACCOUNTANT	208,669	210,614	212,603	100.9	212,603	100.9	(1,989)	(0.9)	202,614	199,166	98.3
145 TREASURER/TAX COLLECTOR	211,280	212,791	198,741	93.4	198,741	93.4	14,050	6.6	207,639	192,961	92.9
155 INFORMATION SYSTEMS	409,666	495,555	414,949	83.7	495,535	100.0	20	0.0	474,916	402,416	84.7
TOTAL 02-Finance Dept	1,021,785	1,111,130	1,017,856	91.6	1,098,442	98.9	12,688	1.1	1,074,381	980,865	91.3
176 ZONING BOARD	35,858	40,706	23,705	58.2	23,705	58.2	17,001	41.8	39,386	29,906	75.9
241 BUILDING DEPARTMENT	333,387	346,885	317,360	91.5	326,839	94.2	20,046	5.8	326,982	298,998	91.4
TOTAL 03-Building & Zoning	369,245	387,591	341,065	88.0	350,544	90.4	37,047	9.6	366,368	328,904	89.8
215 911 DISPATCHERS - FIRE	225,000	250,608	250,583	100.0	250,583	100.0	26	0.0	150,000	86,566	57.7
220 FIRE DEPARTMENT	5,017,286	5,418,209	5,270,961	97.3	5,275,995	97.4	142,214	2.6	4,925,170	4,923,433	100.0
221 FIRE ALARMS, BOXES, ETC	22,975	22,975	15,231	66.3	15,231	66.3	7,744	33.7	22,975	13,699	59.6
231 AMBULANCE SERVICE	410,770	414,066	505,083	122.0	508,380	122.8	(94,313)	(22.8)	387,479	380,998	98.3
232 UNMANNED AMBULANCE	1,000	1,000	2,200	220.0	2,200	220.0	(1,200)	(120.0)	1,000	0	0.0
291 EMERGENCY MANAGEMENT	24,000	24,000	20,233	84.3	21,271	88.6	2,729	11.4	27,388	23,829	87.0
TOTAL 06-Fire Dept	5,701,031	6,130,859	6,064,291	98.9	6,073,659	99.1	57,199	0.9	5,514,012	5,428,525	98.4
192 PUBLIC BLDGS/PROP MAINT	539,077	545,114	520,034	95.4	536,563	98.4	8,551	1.6	421,050	405,615	96.3
193 POLICE STATION MAINT.	0	60	60	100.0	60	100.0	0	0.0	23,807	33,147	139.2
194 PUBLIC SAFETY FACILITY	0	0	0	0.0	0	0.0	0	0.0	11,140	10,849	97.4
199 ARMANDO RECREATION FACILITY	0	0	0	0.0	0	0.0	0	0.0	8,853	6,331	71.5