



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

JAMES R. MURGIA
FINANCE DIRECTOR
jmurgia@town.canton.ma.us
(781) 575-6612

MEMORIAL HALL
801 WASHINGTON STREET
CANTON, MA 02021
PHONE: 781-575-6610
FAX: 781-575-6608
town.canton.ma.us

KATHLEEN D. BUTTERS
TOWN ACCOUNTANT
kbutters@town.canton.ma.us
(781) 575-6605

SUSAN E. DESJARDINS
ASST. TREASURER/COLLECTOR
sdesjardins@town.canton.ma.us
(781) 821-5006

MEMORANDUM

TO: Board of Selectmen
FROM: James Murgia, Finance Director 
DATE: August 27, 2019
SUBJECT: **Enterprise Funds' Fiscal 2019 Operating Results**

LOUIS M. JUTRAS
INFORMATION
SYSTEMS MANAGER
ljutras@town.canton.ma.us
(781) 821-5069

The attached report shows the enterprise funds' operating results for fiscal 2019 compared to fiscal 2018. Also attached is a balance sheet report which was prepared for the Department of Revenue to certify the enterprise funds' "free cash reserve" balances as of June 30, 2019.

The water enterprise's budgeted deficit of \$864,000 was due to cash reserves appropriated for capital projects (\$364,000) and to supplement the operating budget (\$500,000). The actual fiscal 2019 operating deficit was \$386,917 which is less than budget primarily due to higher revenues received. After considering the fiscal 2019's results, the water enterprise fund ended the year with an estimated cash reserve of \$1.4 million which is 18% of expenses.

The sewer enterprise's budgeted deficit of \$200,000 was due to cash reserves earmarked for cash capital. The actual fiscal 2019 operating surplus was \$211,811 primarily due to higher revenues. Sewer's end of year cash reserve is estimated to be \$2.2 million which is 33% of expenses.

The rink enterprise's budgeted deficit of \$15,430 was due to cash reserves used to fund on-going operating expenses while the rink remained closed from the February 2015 roof collapse. The rink enterprise experienced an operating surplus of \$52,528 during fiscal 2019 primarily due to interest income earned on the insurance proceeds received. The rink's end of year cash reserve amounted to an estimated \$77,000.

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

JRM/ej
Attachment

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

ENTERPRISE FUNDS' OPERATING BUDGETS

DESCRIPTION	CURRENT FISCAL YEAR			PRIOR FISCAL YEAR		
	FISCAL	FISCAL	Actuals	FISCAL	FISCAL	Actuals
	2019	2019	VS.	2018	2018	VS.
	BUDGET	ACTUALS	Budget	BUDGET	ACTUALS	Budget
WATER REVENUE	6,667,549	7,013,139	345,590	6,957,882	7,365,806	407,924
SALARIES & WAGES	926,018	1,010,552	(84,534)	948,271	874,844	73,427
MWRA ASSESSMENT	1,887,795	1,884,292	3,503	2,548,346	2,551,203	(2,857)
DEBT SERVICE	2,281,132	2,238,918	42,214	2,358,680	2,352,219	6,461
CHARGES FROM GENERAL FUND	584,844	584,844	-	514,825	514,825	-
OTHER EXPENSES	1,487,760	1,317,761	169,999	1,237,760	1,271,914	(34,154)
TOTAL WATER OPERATING EXPENSES	7,167,549	7,036,368	131,181	7,607,882	7,565,005	42,877
CASH CAPITAL	364,000	363,688	312	735,000	732,332	2,668
TOTAL WATER ENTERPRISE EXPENSES	7,531,549	7,400,056	131,493	8,342,882	8,297,337	45,545
WATER SURPLUS/(DEFICIT)	(864,000)	(386,917)	477,083	(1,385,000)	(931,531)	453,469
SEWER REVENUE	6,646,625	6,976,818	330,193	6,536,733	7,423,938	887,205
SALARIES & WAGES	454,159	435,301	18,858	459,130	304,448	154,682
MWRA ASSESSMENT	4,433,841	4,425,854	7,987	4,244,707	4,252,646	(7,939)
DEBT SERVICE	1,083,956	1,030,120	53,836	1,126,032	1,126,658	(626)
CHARGES FROM GENERAL FUND	326,670	326,670	-	358,865	358,865	-
OTHER EXPENSES	347,999	347,713	286	347,999	466,191	(118,192)
TOTAL SEWER OPERATING EXPENSES	6,646,625	6,565,658	80,968	6,536,733	6,508,808	27,925
CASH CAPITAL	200,000	199,350	650	404,000	403,380	620
TOTAL SEWER ENTERPRISE EXPENSES	6,846,625	6,765,008	81,618	6,940,733	6,912,188	28,545
SEWER SURPLUS/(DEFICIT)	(200,000)	211,811	411,811	(404,000)	511,750	915,750
RINK REVENUE	0	64,871	64,871	0	29,351	29,351
SALARIES & WAGES	0	1,331	(1,331)	0	0	-
CHARGES FROM GENERAL FUND	0	0	-	0	0	-
DEBT SERVICE	6,180	6,120	60	6,360	7,289	(929)
OTHER EXPENSES	9,250	4,892	4,358	13,550	4,870	8,680
TOTAL RINK OPERATING EXPENSES	15,430	12,343	3,087	19,910	12,159	7,751
CASH CAPITAL	0	0	-	0	0	-
TOTAL RINK ENTERPRISE EXPENSES	15,430	12,343	3,087	19,910	12,159	7,751
RINK SURPLUS/(DEFICIT)	(15,430)	52,528	67,958	(19,910)	17,192	37,102

TOWN OF CANTON, MASSACHUSETTS				
Combining Balance Sheet - Enterprise Funds				
as of June 30, 2019 (Unaudited)				
	Water	Sewer	Rink	Total
	Operations	Operations	Operations	Enterprises
<u>ASSETS</u>				
Cash and cash equivalents	2,409,266.65	2,757,316.52	147,515.67	5,314,098.84
Receivables:				-
Special assessments	251,535.07	233,225.39	-	484,760.46
Tax liens	15,592.07	15,594.45	-	31,186.52
Utility Charges	206,729.50	198,944.51	-	405,674.01
Departmental	-	-	19,710.00	19,710.00
Amounts to be provided - payment of bonds	16,347,500.00	5,192,855.00	-	21,540,355.00
Amounts to be provided - vacation and sick leave	-	-	-	
Total Assets	19,230,623.29	8,397,935.87	167,225.67	27,795,784.83
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Deferred revenue				
Special assessments	251,535.07	233,225.39	-	484,760.46
Tax liens	15,592.07	15,594.45	-	31,186.52
Utility Charges	206,729.50	198,944.51	-	405,674.01
Departmental	-	-	19,710.00	19,710.00
Accounts payable	41,158.81	8,722.71	80.00	49,961.52
Accrued payroll and withholdings	18,480.60	8,695.92	-	27,176.52
Other liabilities	8,596.82	-	-	8,596.82
Bonds payable	16,347,500.00	5,192,855.00	-	21,540,355.00
Total Liabilities	16,889,592.87	5,658,037.98	19,790.00	22,567,420.85
Fund Equity:				
Reserved for encumbrances	748,868.49	299,976.05	455.43	1,049,299.97
Reserved for expenditures	235,000.00	200,000.00	70,000.00	505,000.00
Reserved for continuing appropriations	-	-	-	-
Reserved for petty cash	25.00	25.00	-	50.00
Unreserved retained earnings	1,357,136.93	2,239,896.84	76,980.24	3,674,014.01
Total Fund Equity	2,341,030.42	2,739,897.89	147,435.67	5,228,363.98
Total Liabilities and Fund Equity	19,230,623.29	8,397,935.87	167,225.67	27,795,784.83