



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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MEMORANDUM

TO: Board of Selectmen
FROM: James Murgia, Finance Director *JM*
DATE: August 8, 2008
SUBJECT: **Enterprise Funds' Fiscal 2008 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2008. Also attached is a balance sheet report showing all the enterprise funds. This report was prepared by Paul Gargano for the Department of Revenue to certify the enterprise funds' "free cash" balances as of June 30, 2008.

Water's operating surplus was \$659,905 which is considerably higher than budget due to better than expected revenues from residential and commercial customers. Including the fiscal 2008 surplus, the water enterprise fund ended the year with a contingency reserve of \$1,026,325 which is 20.4% of revenues.

The sewer enterprise finished fiscal 2008 operating at a surplus of \$95,379 which is better than the \$107,500 deficit budgeted. Sewer revenues were \$195,000 ahead of budget, primarily due to revenues from the residential and commercial customers. Sewer's end of year contingency reserve is \$1.3 million, a healthy 25.7% of revenues.

The rink experienced an operating deficit of \$32,875 during fiscal 2008 which was \$12,000 better than the \$45,000 deficit budgeted. The rink's end of year contingency reserve amounts to \$85,449 which is 22.8% of revenue.

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

JRM/eja
Attachment

cc: Dave Emhardt, Chairman, Finance Committee
William T. Friel, Town Administrator
Paul Gargano, Town Accountant
Jeff Kaylor, Director of Recreation
Ed Sullivan, Water/Sewer Rate Policy Committee
Mike Trotta, DPW Superintendent

ENTERPRISE FUNDS' OPERATING RESULTS FOR FISCAL 2008

DESCRIPTION	FISCAL 2008 BUDGET	FISCAL 2008 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	4,417,500	5,026,301	608,801
SALARIES & WAGES	809,981	802,468	7,513
MWRA	1,752,028	1,752,541	(513)
CHARGES FROM GENERAL FUND	586,759	586,759	0
DEBT SERVICE	665,332	611,935	53,397
OTHER EXPENSES	620,927	612,693	8,234
TOTAL WATER EXPENSES	4,435,027	4,366,396	68,631
WATER OPERATING SURPLUS/(DEFICIT)	(17,527)	659,905	677,432
END OF YEAR CONTINGENCY RESERVE		1,026,325	
RESERVE AS % OF REVENUES		20.4%	
SEWER REVENUE	4,848,731	5,043,880	195,149
SALARIES & WAGES	340,880	356,997	(16,117)
MWRA	3,404,173	3,342,320	61,853
CHARGES FROM GENERAL FUND	318,943	318,943	0
DEBT SERVICE	784,836	709,536	75,300
OTHER EXPENSES	107,399	220,706	(113,307)
TOTAL SEWER EXPENSES	4,956,231	4,948,502	7,729
SEWER OPERATING SURPLUS/(DEFICIT)	(107,500)	95,379	202,879
END OF YEAR CONTINGENCY RESERVE		1,296,225	
RESERVE AS % OF REVENUES		25.7%	
RINK REVENUE	374,840	375,275	435
SALARIES & WAGES	171,650	176,574	(4,924)
CHARGES FROM GENERAL FUND	63,399	63,399	0
OTHER EXPENSES	184,791	168,177	16,614
TOTAL RINK EXPENSES	419,840	408,150	11,690
RINK OPERATING SURPLUS/(DEFICIT)	(45,000)	(32,875)	12,125
END OF YEAR CONTINGENCY RESERVE		85,449	
RESERVE AS % OF REVENUES		22.8%	

TOWN OF CANTON - ENTERPRISE FUNDS

COMBINED BALANCE SHEET AS OF JUNE 30, 2008

ASSETS	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJ	TOTAL WATER	SKATING RINK	TOTALS
CASH AND SHORT TERM INVESTMENTS	1,439,616.17	506,990.57	1,946,606.74	1,359,306.70	2,672,497.70	4,031,804.40	97,221.40	6,075,632.54
SPECIAL ASSESSMENTS RECEIVABLE	28,584.14	0.00	28,584.14	0.00	0.00	0.00	0.00	28,584.14
TAX LIENS	25,100.51	0.00	25,100.51	21,552.83	0.00	21,552.83	0.00	46,653.34
USER CHARGES RECEIVABLE	189,498.68	0.00	189,498.68	206,373.42	0.00	206,373.42	740.00	396,612.10
UTILITY LIENS ADDED TO TAXES	128,406.43	0.00	128,406.43	147,639.36	0.00	147,639.36	0.00	276,045.79
AMOUNT PROVIDED FOR BONDS PAYABLE	5,103,640.00	0.00	5,103,640.00	4,450,415.00	0.00	4,450,415.00	0.00	9,554,055.00
CONSTRUCTION IN PROGRESS	0.00	123,332.95	123,332.95	0.00	1,381,410.54	1,381,410.54	0.00	1,504,743.49
TOTAL ASSETS	6,914,845.93	630,323.52	7,545,169.45	6,185,287.31	4,053,908.24	10,239,195.55	97,961.40	17,882,326.40
LIABILITIES								
ACCOUNTS PAYABLE	16,922.15	53,103.35	70,025.50	50,341.56	76,447.12	126,788.68	6,951.39	203,765.57
ACCRUED EXPENSES	8,338.31	0.00	8,338.31	18,328.45	61.12	18,389.57	2,624.65	29,352.53
INTERFUND PAYABLES	0.00	0.00	0.00	0.00	181,000.00	181,000.00	0.00	181,000.00
BONDS PAYABLE	5,103,640.00	0.00	5,103,640.00	4,450,415.00	0.00	4,450,415.00	0.00	9,554,055.00
DEFERRED REVENUES	371,589.76	0.00	371,589.76	375,565.61	0.00	375,565.61	740.00	747,895.37
NOTES PAYABLE	0.00	305,000.00	305,000.00	0.00	3,796,400.00	3,796,400.00	0.00	4,101,400.00
OTHER LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	5,500,490.22	358,103.35	5,858,593.57	4,894,650.62	4,053,908.24	8,948,558.86	10,316.04	14,817,468.47
FUND EQUITY								
RESERVE FOR ENCUMBRANCES	58,105.71	0.00	58,105.71	139,287.07	0.00	139,287.07	2,195.98	199,588.76
RESERVE FOR EXPENDITURES	60,000.00	0.00	60,000.00	125,000.00	0.00	125,000.00	0.00	185,000.00
RESERVE FOR PETTY CASH	25.00	0.00	25.00	25.00	0.00	25.00	0.00	50.00
RESERVE FOR UNSPENT CONSTRUCTION PROC	0.00	272,220.17	272,220.17	0.00	0.00	0.00	0.00	272,220.17
UNRESERVED FUND BALANCE	1,296,225.00	0.00	1,296,225.00	1,026,324.62	0.00	1,026,324.62	85,449.38	2,407,999.00
TOTAL FUND EQUITY	1,414,355.71	272,220.17	1,686,575.88	1,290,636.69	0.00	1,290,636.69	87,645.36	3,064,857.93
TOTAL LIABILITIES AND FUND EQUITY	6,914,845.93	630,323.52	7,545,169.45	6,185,287.31	4,053,908.24	10,239,195.55	97,961.40	17,882,326.40