



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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MEMORANDUM

TO: Board of Selectmen
FROM: James Murgia, Finance Director 
DATE: August 7, 2009
SUBJECT: **Enterprise Funds' Fiscal 2009 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2009. 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 reserve" balances as of June 30, 2009.

Water's operating deficit was \$667,976 which is considerably higher than budget due to worse than expected revenues primarily from industrial and commercial customers. After considering the fiscal 2009 deficit, the water enterprise fund ended the year with a contingency reserve of \$423,348 which is 8.7% of revenues.

The sewer enterprise finished fiscal 2009 operating at a deficit of \$11,743 which is slightly better than the deficit budgeted. Although sewer revenues were less than expected, sewer expenses (primarily the MWRA assessment) were much lower than budget. Sewer's end of year contingency reserve is \$1.2 million, a healthy 24.9% of revenues.

The rink experienced an operating deficit of \$13,561 during fiscal 2009 primarily due to lower revenues. The rink's end of year contingency reserve amounts to \$61,888 which is 15.8% of revenue.

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

JRM/ejj
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 BUDGETS FOR FISCAL 2009

DESCRIPTION	FISCAL 2009 BUDGET	FISCAL 2009 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	5,386,484	4,851,125	(535,359)
SALARIES & WAGES	831,744	847,160	15,416
MWRA ASSESSMENT	2,291,358	2,274,995	(16,363)
CHARGES FROM GENERAL FUND	611,648	611,648	0
DEBT SERVICE	1,048,885	1,011,218	(37,667)
OTHER EXPENSES	787,927	774,081	(13,846)
TOTAL WATER EXPENSES	<u>5,571,562</u>	<u>5,519,102</u>	<u>(52,460)</u>
WATER OPERATING SURPLUS/(DEFICIT)	<u>(185,078)</u>	<u>(667,976)</u>	<u>(482,898)</u>
END OF YEAR CONTINGENCY RESERVE		<u>423,348</u>	
RESERVE AS % OF REVENUES		<u>8.7%</u>	
SEWER REVENUE	4,966,561	4,787,715	(178,846)
SALARIES & WAGES	349,938	355,505	5,567
MWRA ASSESSMENT	3,414,129	3,242,180	(171,949)
CHARGES FROM GENERAL FUND	331,825	331,825	0
DEBT SERVICE	722,132	752,736	30,604
OTHER EXPENSES	194,999	117,211	(77,788)
TOTAL SEWER EXPENSES	<u>5,013,023</u>	<u>4,799,458</u>	<u>(213,565)</u>
SEWER OPERATING SURPLUS/(DEFICIT)	<u>(46,462)</u>	<u>(11,743)</u>	<u>34,719</u>
END OF YEAR CONTINGENCY RESERVE		<u>1,194,482</u>	
RESERVE AS % OF REVENUES		<u>24.9%</u>	
RINK REVENUE	409,244	391,991	(17,253)
SALARIES & WAGES	187,747	179,911	(7,836)
CHARGES FROM GENERAL FUND	66,456	66,456	(0)
DEBT SERVICE	0	0	0
OTHER EXPENSES	155,041	159,187	4,146
TOTAL RINK EXPENSES	<u>409,244</u>	<u>405,553</u>	<u>(3,691)</u>
RINK OPERATING SURPLUS/(DEFICIT)	<u>0</u>	<u>(13,561)</u>	<u>(13,561)</u>
END OF YEAR CONTINGENCY RESERVE		<u>61,888</u>	
RESERVE AS % OF REVENUES		<u>15.8%</u>	

TOWN OF CANTON ENTERPRISE FUNDS

COMBINED BALANCE SHEET AS OF JUNE 30, 2009

ASSETS	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJ	TOTAL WATER	SKATING RINK	SKATING RINK CAP PROJ	TOTAL RINK	TOTALS
CASH AND SHORT TERM INVESTMENTS	1,382,367.27	332,401.98	1,714,769.25	691,052.18	862,678.10	1,553,730.28	83,085.72	204.36	83,290.08	3,351,789.61
SPECIAL ASSESSMENTS RECEIVABLE	18,339.20	0.00	18,339.20	0.00	0.00	0.00	0.00	0.00	0.00	18,339.20
TAX LIENS	16,595.91	0.00	16,595.91	15,057.02	0.00	15,057.02	0.00	0.00	0.00	31,652.93
USER CHARGES RECEIVABLE	227,537.85	0.00	227,537.85	204,801.95	0.00	204,801.95	740.00	0.00	740.00	433,079.80
UTILITY LIENS ADDED TO TAXES	191,504.70	0.00	191,504.70	189,211.06	0.00	189,211.06	0.00	0.00	0.00	380,715.76
AMOUNT PROVIDED FOR BONDS PAYABLE	4,921,825.00	0.00	4,921,825.00	6,616,543.00	0.00	6,616,543.00	0.00	85,000.00	85,000.00	11,623,368.00
CONSTRUCTION IN PROGRESS	0.00	77,567.35	77,567.35	0.00	2,853,431.30	2,853,431.30	0.00	0.00	0.00	2,930,998.65
TOTAL ASSETS	6,758,169.93	409,969.33	7,168,139.26	7,716,665.21	3,716,109.40	11,432,774.61	83,825.72	85,204.36	169,030.08	18,769,943.95
LIABILITIES										
ACCOUNTS PAYABLE	5,647.02	4,705.75	10,352.77	49,117.41	112,394.66	161,512.07	6,665.20	0.00	6,665.20	178,530.04
ACCRUED PAYROLL	8,809.08	0.00	8,809.08	20,343.63	4,067.32	24,410.95	2,336.61	0.00	2,336.61	35,556.64
INTERFUND PAYABLES	0.00	0.00	0.00	0.00	144,800.00	144,800.00	0.00	0.00	0.00	144,800.00
BONDS PAYABLE	4,921,825.00	0.00	4,921,825.00	6,616,543.00	0.00	6,616,543.00	0.00	85,000.00	85,000.00	11,623,368.00
DEFERRED REVENUES	453,977.66	0.00	453,977.66	409,070.03	0.00	409,070.03	740.00	0.00	740.00	863,787.69
NOTES PAYABLE	0.00	215,000.00	215,000.00	0.00	3,435,600.00	3,435,600.00	0.00	0.00	0.00	3,650,600.00
OTHER LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	5,390,258.76	219,705.75	5,609,964.51	7,095,074.07	3,696,861.98	10,791,936.05	9,741.81	85,000.00	94,741.81	16,496,642.37
FUND EQUITY										
RESERVE FOR ENCUMBRANCES	23,404.52	0.00	23,404.52	138,217.87	0.00	138,217.87	2,195.98	0.00	2,195.98	163,818.37
RESERVE FOR EXPENDITURES	150,000.00	0.00	150,000.00	60,000.00	0.00	60,000.00	10,000.00	0.00	10,000.00	220,000.00
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 PROC	0.00	190,263.58	190,263.58	0.00	19,247.42	19,247.42	0.00	204.36	204.36	209,715.36
UNRESERVED FUND BALANCE	1,194,481.65	0.00	1,194,481.65	423,348.27	0.00	423,348.27	61,887.93	0.00	61,887.93	1,679,717.85
TOTAL FUND EQUITY	1,367,911.17	190,263.58	1,558,174.75	621,591.14	19,247.42	640,838.56	74,083.91	204.36	74,288.27	2,273,301.58
TOTAL LIABILITIES AND FUND EQUITY	6,758,169.93	409,969.33	7,168,139.26	7,716,665.21	3,716,109.40	11,432,774.61	83,825.72	85,204.36	169,030.08	18,769,943.95