



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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MEMORANDUM

TO: Board of Selectmen
FROM: James Murgia, Finance Director 
DATE: August 12, 2010
SUBJECT: **Enterprise Funds' Fiscal 2010 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2010. 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, 2010.

Water's operating deficit was \$319,737 which is considerably worse than budget due to much lower than expected revenues despite two rate increases. After considering the fiscal 2010 deficit, the water enterprise fund ended the year with a contingency reserve of only \$163,611 which is 3.2% of revenues.

The sewer enterprise finished fiscal 2010 operating at a deficit of \$242,024 which is slightly more than the deficit budgeted. Sewer revenues were less than expected, while expenses (primarily payments to the Town of Stoughton) were much higher than budget. Sewer's end of year contingency reserve is \$1.1 million, a healthy 22.1% of revenues.

The rink experienced an operating deficit of \$45,335 during fiscal 2010 primarily due to lower revenues and higher salaries. The rink's end of year contingency reserve amounts to only \$6,553 which is a very low 1.7% of revenue.

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

JRM/ejj
Attachment

cc: Kathy Butters, Town Accountant
William T. Friel, Town Administrator
Alan Hines, Chairman, Finance Committee
Jeff Kaylor, Director of Recreation
Mike Trotta, DPW Superintendent

ENTERPRISE FUNDS' OPERATING BUDGETS FOR FISCAL 2010

DESCRIPTION	FISCAL 2010 BUDGET	FISCAL 2010 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	5,806,410	5,128,764	(677,646)
SALARIES & WAGES	846,534	835,945	(10,589)
MWRA ASSESSMENT	2,317,069	2,329,408	12,339
CHARGES FROM GENERAL FUND	638,471	638,471	0
DEBT SERVICE	1,062,883	995,004	(67,879)
OTHER EXPENSES	722,927	649,674	(73,253)
TOTAL WATER EXPENSES	5,587,884	5,448,502	(139,382)
WATER SURPLUS/(DEFICIT)	218,526	(319,737)	(538,263)
END OF YEAR CONTINGENCY RESERVE		163,611	
RESERVE AS % OF REVENUES		3.2%	
SEWER REVENUE	4,808,150	4,777,409	(30,741)
SALARIES & WAGES	356,166	362,017	5,851
MWRA ASSESSMENT	3,301,719	3,256,556	(45,163)
CHARGES FROM GENERAL FUND	346,085	346,085	0
DEBT SERVICE	732,240	726,006	(6,234)
OTHER EXPENSES	284,999	328,770	43,771
TOTAL SEWER EXPENSES	5,021,209	5,019,433	(1,776)
SEWER SURPLUS/(DEFICIT)	(213,059)	(242,024)	(28,965)
END OF YEAR CONTINGENCY RESERVE		1,053,457	
RESERVE AS % OF REVENUES		22.1%	
RINK REVENUE	429,390	393,779	(35,611)
SALARIES & WAGES	187,735	199,850	12,115
CHARGES FROM GENERAL FUND	69,614	69,614	(0)
DEBT SERVICE	17,000	15,270	(1,730)
OTHER EXPENSES	165,041	154,381	(10,660)
TOTAL RINK OPERATING EXPENSES	439,390	439,114	(276)
RINK SURPLUS/(DEFICIT)	(10,000)	(45,335)	(35,335)
END OF YEAR CONTINGENCY RESERVE		6,553	
RESERVE AS % OF REVENUES		1.7%	

**TOWN OF CANTON - ENTERPRISE FUNDS
COMBINED BALANCE SHEET AS OF JUNE 30, 2010**

	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJ	TOTAL WATER	SKATING RINK	SKATING RINK CAP PROJ	TOTAL RINK	TOTALS
ASSETS										
CASH AND SHORT TERM INVESTMENTS	1,267,492.55	(78,990.76)	1,188,501.79	294,958.13	5,165,249.68	5,460,207.81	32,425.15	204.36	32,629.51	6,681,339.11
SPECIAL ASSESSMENTS RECEIVABLE	18,970.66	0.00	18,970.66	0.00	0.00	0.00	0.00	0.00	0.00	18,970.66
TAX LIENS	8,630.78	0.00	8,630.78	11,770.84	0.00	11,770.84	0.00	0.00	0.00	20,401.62
USER CHARGES RECEIVABLE	177,594.72	0.00	177,594.72	218,072.89	0.00	218,072.89	11,410.00	0.00	11,410.00	407,077.61
UTILITY LIENS ADDED TO TAXES	174,241.97	0.00	174,241.97	202,535.47	0.00	202,535.47	0.00	0.00	0.00	376,777.44
AMOUNT PROVIDED FOR BONDS PAYABLE	4,446,030.00	0.00	4,446,030.00	10,650,283.00	0.00	10,650,283.00	0.00	72,000.00	72,000.00	15,168,313.00
CONSTRUCTION IN PROGRESS	0.00	361,183.26	361,183.26	0.00	701,493.47	701,493.47	0.00	0.00	0.00	1,062,676.73
TOTAL ASSETS	6,092,960.68	282,192.50	6,375,153.18	11,377,620.33	5,866,743.15	17,244,363.48	43,835.15	72,204.36	116,039.51	23,735,556.17
LIABILITIES										
ACCOUNTS PAYABLE	7,242.00	3,942.50	11,184.50	23,197.97	176,095.73	199,293.70	1,568.44	0.00	1,568.44	212,046.64
ACCRUED PAYROLL	15,682.97	0.00	15,682.97	16,403.91	0.00	16,403.91	4,303.80	0.00	4,303.80	36,390.68
INTERFUND PAYABLES	0.00	0.00	0.00	0.00	108,600.00	108,600.00	0.00	0.00	0.00	108,600.00
BONDS PAYABLE	4,446,030.00	0.00	4,446,030.00	10,650,283.00	0.00	10,650,283.00	0.00	72,000.00	72,000.00	15,168,313.00
DEFERRED REVENUES	379,438.13	0.00	379,438.13	432,379.20	0.00	432,379.20	11,410.00	0.00	11,410.00	823,227.33
NOTES PAYABLE	0.00	278,250.00	278,250.00	0.00	5,562,800.00	5,562,800.00	0.00	0.00	0.00	5,841,050.00
OTHER LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	4,848,393.10	282,192.50	5,130,585.60	11,122,264.08	5,847,495.73	16,969,759.81	17,282.24	72,000.00	89,282.24	22,189,627.65
FUND EQUITY										
RESERVE FOR ENCUMBRANCES	142,085.38	0.00	142,085.38	91,720.39	0.00	91,720.39	0.00	0.00	0.00	233,805.77
RESERVE FOR EXPENDITURES	49,000.00	0.00	49,000.00	0.00	0.00	0.00	20,000.00	0.00	20,000.00	69,000.00
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 PROCEEDS	0.00	0.00	0.00	0.00	19,247.42	19,247.42	0.00	204.36	204.36	19,451.78
UNRESERVED FUND BALANCE	1,053,457.20	0.00	1,053,457.20	163,610.86	0.00	163,610.86	6,552.91	0.00	6,552.91	1,223,620.97
TOTAL FUND EQUITY	1,244,567.58	0.00	1,244,567.58	255,356.25	19,247.42	274,603.67	26,552.91	204.36	26,757.27	1,545,928.52
TOTAL LIABILITIES AND FUND EQUITY	6,092,960.68	282,192.50	6,375,153.18	11,377,620.33	5,866,743.15	17,244,363.48	43,835.15	72,204.36	116,039.51	23,735,556.17