

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

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

MEMORANDUM

TO: Board of Selectmen
FROM: James Murgia, Finance Director 
DATE: August 15, 2011
SUBJECT: **Enterprise Funds' Fiscal 2011 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2011. 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, 2011.

Water's operating surplus was \$1,134,748 which is considerably better than budget due to higher than expected revenues along with reduced debt service expenses. After considering the fiscal 2011 surplus, the water enterprise fund ended the year with a contingency reserve of \$1,243,359 which is a healthy 18.0% of revenues.

The sewer enterprise finished fiscal 2011 operating at a deficit of \$230,475 which is more than the deficit budgeted due to less than expected sewer revenues. Sewer's end of year contingency reserve is \$871,982, a healthy 18.2% of revenues.

The rink experienced an operating deficit of \$18,226 during fiscal 2011 primarily due to a roof repair project. The rink's end of year contingency reserve amounts to only \$8,327 which is a very low 1.9% of revenue.

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

JRM/ej
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 2011

DESCRIPTION	FISCAL 2011 BUDGET	FISCAL 2011 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	6,619,113	6,909,293	290,180
SALARIES & WAGES	770,898	766,447	4,451
MWRA ASSESSMENT	2,245,811	2,250,339	(4,528)
CHARGES FROM GENERAL FUND	668,728	668,728	0
DEBT SERVICE	1,581,226	1,386,284	194,942
OTHER EXPENSES	662,927	702,746	(39,819)
TOTAL WATER EXPENSES	<u>5,929,590</u>	<u>5,774,545</u>	<u>155,045</u>
WATER SURPLUS/(DEFICIT)	<u>689,523</u>	<u>1,134,748</u>	<u>445,225</u>
END OF YEAR CONTINGENCY RESERVE		<u>1,243,359</u>	
RESERVE AS % OF REVENUES		<u>18.0%</u>	
SEWER REVENUE	<u>5,023,671</u>	<u>4,792,007</u>	<u>(231,664)</u>
SALARIES & WAGES	471,527	428,009	43,518
MWRA ASSESSMENT	3,239,776	3,240,704	(928)
CHARGES FROM GENERAL FUND	360,181	360,181	0
DEBT SERVICE	775,330	755,205	20,125
OTHER EXPENSES	183,999	238,383	(54,384)
TOTAL SEWER EXPENSES	<u>5,030,813</u>	<u>5,022,482</u>	<u>8,331</u>
SEWER SURPLUS/(DEFICIT)	<u>(7,142)</u>	<u>(230,475)</u>	<u>(223,333)</u>
END OF YEAR CONTINGENCY RESERVE		<u>871,982</u>	
RESERVE AS % OF REVENUES		<u>18.2%</u>	
RINK REVENUE	<u>445,378</u>	<u>442,288</u>	<u>(3,090)</u>
SALARIES & WAGES	195,841	209,917	(14,076)
CHARGES FROM GENERAL FUND	72,616	72,616	(0)
DEBT SERVICE	13,880	13,880	0
OTHER EXPENSES	183,041	164,101	18,940
TOTAL RINK OPERATING EXPENSES	<u>465,378</u>	<u>460,514</u>	<u>4,864</u>
RINK SURPLUS/(DEFICIT)	<u>(20,000)</u>	<u>(18,226)</u>	<u>1,774</u>
END OF YEAR CONTINGENCY RESERVE		<u>8,327</u>	
RESERVE AS % OF REVENUES		<u>1.9%</u>	

**TOWN OF CANTON - ENTERPRISE FUNDS
COMBINED BALANCE SHEET AS OF JUNE 30, 2011**

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	896,838.01	(679,069.78)	217,768.23	1,389,681.20	561,803.01	1,951,484.21	10,314.87	204.36	10,519.23	2,179,771.67
OTHER RECEIVABLES	18,318.77	659,679.67	677,998.44	0.00	0.00	0.00	0.00	0.00	0.00	677,998.44
TAX LIENS	16,053.45	0.00	16,053.45	12,905.41	0.00	12,905.41	0.00	0.00	0.00	28,958.86
USER CHARGES RECEIVABLE	148,359.61	0.00	148,359.61	174,375.83	0.00	174,375.83	0.00	0.00	0.00	322,735.44
UTILITY LIENS ADDED TO TAXES	201,891.45	0.00	201,891.45	295,559.55	0.00	295,559.55	0.00	0.00	0.00	497,451.00
AMOUNT PROVIDED FOR BONDS PAYABLE	7,693,165.00	0.00	7,693,165.00	15,348,115.00	0.00	15,348,115.00	0.00	60,000.00	60,000.00	23,101,280.00
CONSTRUCTION IN PROGRESS	0.00	137,292.76	137,292.76	0.00	1,032,700.22	1,032,700.22	0.00	0.00	0.00	1,169,992.98
TOTAL ASSETS	8,974,626.29	117,902.65	9,092,528.94	17,220,636.99	1,594,503.23	18,815,140.22	10,314.87	60,204.36	70,519.23	27,978,188.39
LIABILITIES										
ACCOUNTS PAYABLE	9,870.18	0.00	9,870.18	51,420.13	399,369.73	450,789.86	1,987.50	0.00	1,987.50	462,647.54
ACCRUED PAYROLL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTERFUND PAYABLES	0.00	0.00	0.00	0.00	72,400.00	72,400.00	0.00	0.00	0.00	72,400.00
BONDS PAYABLE	7,693,165.00	0.00	7,693,165.00	15,348,115.00	0.00	15,348,115.00	0.00	60,000.00	60,000.00	23,101,280.00
DEFERRED REVENUES	384,829.13	0.00	384,829.13	482,634.94	0.00	482,634.94	0.00	0.00	0.00	867,464.07
NOTES PAYABLE	0.00	100,000.00	100,000.00	0.00	500,000.00	500,000.00	0.00	0.00	0.00	600,000.00
OTHER LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	8,087,864.31	100,000.00	8,187,864.31	15,882,170.07	971,769.73	16,853,939.80	1,987.50	60,000.00	61,987.50	25,103,791.61
FUND EQUITY										
RESERVE FOR ENCUMBRANCES	14,755.42	0.00	14,755.42	40,083.20	0.00	40,083.20	0.00	0.00	0.00	54,838.62
RESERVE FOR EXPENDITURES	0.00	0.00	0.00	55,000.00	0.00	55,000.00	0.00	0.00	0.00	55,000.00
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	17,902.65	17,902.65	0.00	622,733.50	622,733.50	0.00	204.36	204.36	640,840.51
UNRESERVED FUND BALANCE	871,981.56	0.00	871,981.56	1,243,358.72	0.00	1,243,358.72	8,327.37	0.00	8,327.37	2,123,667.65
TOTAL FUND EQUITY	886,761.98	17,902.65	904,664.63	1,338,466.92	622,733.50	1,961,200.42	8,327.37	204.36	8,531.73	2,874,396.78
TOTAL LIABILITIES AND FUND EQUITY	8,974,626.29	117,902.65	9,092,528.94	17,220,636.99	1,594,503.23	18,815,140.22	10,314.87	60,204.36	70,519.23	27,978,188.39