



Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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MEMORANDUM

TO: Board of Selectmen
FROM: James Murgia, Finance Director 
DATE: August 14, 2014
SUBJECT: **Enterprise Funds' Fiscal 2014 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2014. 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, 2014.

Water enterprise's operating surplus was \$795,573 which is more than budget primarily due to additional revenue received in fiscal 2014 from collecting prior year water bills, connection fees from the Avalon development and receipt of bond premiums when debt was issued in March. After considering the fiscal 2014 surplus, the water enterprise fund ended the year with a contingency reserve of close to \$2 million which is a healthy 31.0% of expenses.

The sewer enterprise finished fiscal 2014 operating at a surplus of \$206,058 due to less than expected sewer revenues. Sewer's end of year contingency reserve is \$800,665 which is an adequate 14.3% of expenses. For fiscal 2015 the sewer rates have been increased 15% while the water rates were reduced approximately 7%.

The rink enterprise experienced an operating surplus of \$48,850 during fiscal 2014 primarily due to increased revenues. The rink's end of year contingency reserve amounted to \$74,919 or an adequate 19.8% of expenses.

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
Janet Maguire, Director of Recreation
Mark Porter, Chairman, Finance Committee
Mike Trotta, DPW Superintendent

ENTERPRISE FUNDS' OPERATING RESULTS FOR FISCAL 2014

DESCRIPTION	FISCAL 2014 BUDGET	FISCAL 2014 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	6,633,538	7,092,091	458,553
SALARIES & WAGES	786,456	821,945	(35,489)
MWRA ASSESSMENT	1,416,652	1,426,900	(10,248)
CHARGES FROM GENERAL FUND	756,170	756,170	(0)
DEBT SERVICE	2,140,372	2,090,328	50,044
OTHER EXPENSES	1,250,005	1,201,175	48,830
TOTAL WATER OPERATING EXPENSES	6,349,655	6,296,518	53,137
WATER SURPLUS/(DEFICIT)	283,883	795,573	511,690
END OF YEAR CONTINGENCY RESERVE		1,955,013	
RESERVE AS % OF EXPENSES		31.0%	
SEWER REVENUE	6,018,389	5,814,387	(204,002)
SALARIES & WAGES	474,552	389,682	84,870
MWRA ASSESSMENT	3,481,903	3,485,020	(3,117)
CHARGES FROM GENERAL FUND	394,399	394,399	0
DEBT SERVICE	934,258	937,830	(3,572)
OTHER EXPENSES	332,999	401,397	(68,398)
TOTAL SEWER OPERATING EXPENSES	5,618,111	5,608,329	9,782
SEWER SURPLUS/(DEFICIT)	400,278	206,058	(194,220)
END OF YEAR CONTINGENCY RESERVE		800,665	
RESERVE AS % OF EXPENSES		14.3%	
RINK REVENUE	380,907	427,027	46,120
SALARIES & WAGES	134,382	131,111	3,271
CHARGES FROM GENERAL FUND	82,015	82,015	0
DEBT SERVICE	9,160	9,160	0
OTHER EXPENSES	155,350	155,891	(541)
TOTAL RINK OPERATING EXPENSES	380,907	378,177	2,730
RINK SURPLUS/(DEFICIT)	0	48,850	48,850
END OF YEAR CONTINGENCY RESERVE		74,919	
RESERVE AS % OF EXPENSES		19.8%	

**TOWN OF CANTON - ENTERPRISE FUNDS
COMBINED BALANCE SHEET AS OF JUNE 30, 2014**

	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJ/GRANTS	TOTAL WATER	SKATING RINK	TOTALS
ASSETS								
CASH AND SHORT TERM INVESTMENTS	2,124,893.71	1,203,657.20	3,328,550.91	1,417,761.27	652,058.78	2,069,820.05	77,278.24	5,475,649.20
OTHER RECEIVABLES	0.00	0.00	0.00	0.00	0.00	0.00	3,196.80	3,196.80
TAX LIENS	24,410.09	0.00	24,410.09	21,026.12	0.00	21,026.12	0.00	45,436.21
USER CHARGES RECEIVABLE	161,540.62	0.00	161,540.62	187,067.21	0.00	187,067.21	0.00	348,607.83
UTILITY LIENS ADDED TO TAXES	212,461.91	0.00	212,461.91	241,385.46	0.00	241,385.46	0.00	453,847.37
AMOUNT PROVIDED FOR BONDS PAYABLE	8,643,555.00	0.00	8,643,555.00	21,971,300.00	0.00	21,971,300.00	34,000.00	30,648,855.00
CONSTRUCTION IN PROGRESS	0.00	0.00	0.00	0.00	93,158.01	93,158.01	0.00	93,158.01
TOTAL ASSETS	11,166,861.33	1,203,657.20	12,370,518.53	23,838,540.06	745,216.79	24,583,756.85	114,475.04	37,068,750.42
LIABILITIES								
ACCOUNTS PAYABLE	1,008.16	80,843.00	81,851.16	29,997.04	66,562.81	96,559.85	2,167.51	180,578.52
ACCRUED PAYROLL	8,126.10	0.00	8,126.10	18,173.63	0.00	18,173.63	191.54	26,491.27
INTERFUND PAYABLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BONDS PAYABLE	9,908,010.00	0.00	9,908,010.00	20,706,845.00	0.00	20,706,845.00	34,000.00	30,648,855.00
DEFERRED REVENUES	398,412.62	0.00	398,412.62	449,478.79	0.00	449,478.79	3,196.80	851,088.21
NOTES PAYABLE	0.00	400,000.00	400,000.00	0.00	530,000.00	530,000.00	0.00	930,000.00
OTHER LIABILITIES	0.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	10,000.00
TOTAL LIABILITIES	10,315,556.88	480,843.00	10,796,399.88	21,214,494.46	596,562.81	21,811,057.27	39,555.85	32,647,013.00
FUND EQUITY								
RESERVE FOR ENCUMBRANCES	4,614.49	412,976.71	417,591.20	37,007.94	11,181.00	48,188.94	0.00	465,780.14
RESERVE FOR EXPENDITURES	46,000.00	0.00	46,000.00	632,000.00	0.00	632,000.00	0.00	678,000.00
RESERVE FOR PETTY CASH	25.00	0.00	25.00	25.00	0.00	25.00	0.00	50.00
RESERVE FOR UNSPENT CONSTRUCTION PROCEEDS	0.00	309,837.49	309,837.49	0.00	75,014.99	75,014.99	0.00	384,852.48
UNRESERVED FUND BALANCE	800,664.96	0.00	800,664.96	1,955,012.66	62,457.99	2,017,470.65	74,919.19	2,893,054.80
TOTAL FUND EQUITY	851,304.45	722,814.20	1,574,118.65	2,624,045.60	148,653.98	2,772,699.58	74,919.19	4,421,737.42
TOTAL LIABILITIES AND FUND EQUITY	11,166,861.33	1,203,657.20	12,370,518.53	23,838,540.06	745,216.79	24,583,756.85	114,475.04	37,068,750.42