



# Town of Canton, Massachusetts

DEPARTMENT OF FINANCE

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## MEMORANDUM

TO: Board of Selectmen  
FROM: James Murgia, Finance Director *JRM*  
DATE: August 15, 2016  
SUBJECT: **Enterprise Funds' Fiscal 2016 Operating Results**

The attached report shows the enterprise funds' operating results for fiscal 2016. 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, 2016.

Water enterprise's fiscal 2016's operating surplus was \$47,217 which is more than budget primarily due to higher usage amounts from residential customers, additional revenue received from collecting prior year water bills and higher connection fees. After considering the fiscal 2016 surplus, the water enterprise fund ended the year with an estimated cash reserve of \$2.5 million which is a healthy 35% of expenses.

The sewer enterprise finished fiscal 2016 operating at a surplus of \$209,785 primarily due to better than expected sewer revenues. Sewer's end of year estimated cash reserve is \$1.6 million which is a healthy 25% of expenses.

The rink enterprise experienced an operating deficit of \$8,390 during fiscal 2016 primarily due to the roof collapse in February 2015 causing the facility to remain closed for all of fiscal 2016. The rink's end of year estimated cash reserve amounted to \$23,856.

During fiscal 2016 the rink enterprise received approximately \$1.8 million from the Town's insurance company due to the 2015 roof collapse. Since the Town leases the rink from the state, these insurance funds have been set aside while discussions continue to take place with the state.

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

JRM/ej  
Attachment

cc: Charles Aspinwall, Town Administrator  
Kathy Butters, Town Accountant  
Janet Maguire, Parks & Recreation Director  
Barbara Saint André, Chair, Finance Committee  
Mike Trotta, DPW Superintendent

# ENTERPRISE FUNDS' OPERATING RESULTS FOR FISCAL 2016

DESCRIPTION	FISCAL 2016 Revised Budget	FISCAL 2016 ACTUALS	ACTUALS VS. BUDGET
WATER REVENUE	6,606,671	7,372,884	766,213
SALARIES & WAGES	886,268	859,516	26,752
MWRA ASSESSMENT	1,286,728	1,299,628	(12,900)
CHARGES FROM GENERAL FUND	978,960	978,960	0
DEBT SERVICE	2,375,260	2,380,554	(5,294)
CASH CAPITAL	722,000	721,510	490
OTHER EXPENSES	1,079,455	1,085,499	(6,044)
<b>TOTAL WATER OPERATING EXPENSES</b>	<b>7,328,671</b>	<b>7,325,667</b>	<b>3,004</b>
WATER SURPLUS/(DEFICIT)	(722,000)	47,217	769,217
END OF YEAR CASH RESERVE		2,533,762	
RESERVE AS % OF EXPENSES		34.6%	
SEWER REVENUE	6,277,059	6,483,588	206,529
SALARIES & WAGES	428,839	320,836	108,003
MWRA ASSESSMENT	3,974,315	3,979,956	(5,641)
CHARGES FROM GENERAL FUND	384,876	384,876	0
DEBT SERVICE	1,123,030	1,122,909	121
CASH CAPITAL	0	0	0
OTHER EXPENSES	365,999	465,226	(99,227)
<b>TOTAL SEWER OPERATING EXPENSES</b>	<b>6,277,059</b>	<b>6,273,803</b>	<b>3,256</b>
SEWER SURPLUS/(DEFICIT)	0	209,785	209,785
END OF YEAR CASH RESERVE		1,594,141	
RESERVE AS % OF EXPENSES		25.4%	
RINK REVENUE	187,458	21,827	(165,631)
SALARIES & WAGES	101,698	9,641	92,257
CHARGES FROM GENERAL FUND	0	0	0
DEBT SERVICE	8,730	8,780	0
CASH CAPITAL	0	0	0
OTHER EXPENSES	76,780	11,796	64,984
<b>TOTAL RINK OPERATING EXPENSES</b>	<b>187,458</b>	<b>30,217</b>	<b>157,241</b>
RINK SURPLUS/(DEFICIT)	0	(8,390)	(8,390)
END OF YEAR CASH RESERVE		23,856	
RESERVE AS % OF EXPENSES		78.9%	

**TOWN OF CANTON - ENTERPRISE FUNDS  
COMBINED BALANCE SHEET AS OF JUNE 30, 2016**

	SEWER OPERATIONS	SEWER CAP PROJ	TOTAL SEWER	WATER OPERATIONS	WATER CAP PROJ/GRNTS	TOTAL WATER	SKATING RINK	SKATING RINK CAP PROJ	TOTAL RINK	TOTALS
<b>ASSETS</b>										
CASH AND SHORT TERM INVESTMENTS	1,936,888.56	1,243,080.88	3,179,969.44	3,493,691.71	1,138,970.38	4,632,662.09	24,360.38	1,787,051.52	1,811,411.90	9,624,043.43
OTHER RECEIVABLES	0.00	0.00	0.00	0.00	0.00	0.00	19,710.00	0.00	19,710.00	19,710.00
TAX LIENS	16,329.94	0.00	16,329.94	13,820.22	0.00	13,820.22	0.00	0.00	0.00	30,150.16
USER CHARGES RECEIVABLE	245,959.65	0.00	245,959.65	230,465.88	0.00	230,465.88	0.00	0.00	0.00	476,425.53
UTILITY LIENS ADDED TO TAXES	292,099.51	0.00	292,099.51	309,765.70	0.00	309,765.70	0.00	0.00	0.00	601,865.21
AMOUNT PROVIDED FOR BONDS PAYABLE	8,020,525.00	0.00	8,020,525.00	19,251,300.00	0.00	19,251,300.00	0.00	18,000.00	18,000.00	27,289,825.00
<b>TOTAL ASSETS</b>	<b>10,511,802.66</b>	<b>1,243,080.88</b>	<b>11,754,883.54</b>	<b>23,299,043.51</b>	<b>1,138,970.38</b>	<b>24,438,013.89</b>	<b>44,070.38</b>	<b>1,805,051.52</b>	<b>1,849,121.90</b>	<b>38,042,019.33</b>
<b>LIABILITIES</b>										
ACCOUNTS PAYABLE	613.49	0.00	613.49	76,732.44	428,070.09	504,802.53	377.00	0.00	377.00	505,793.02
ACCRUED PAYROLL	4,822.52	0.00	4,822.52	14,054.04	4,973.63	19,027.67	127.70	0.00	127.70	23,977.89
BONDS PAYABLE	8,020,525.00	0.00	8,020,525.00	19,251,300.00	0.00	19,251,300.00	0.00	18,000.00	18,000.00	27,289,825.00
DEFERRED REVENUES	554,389.10	0.00	554,389.10	554,052.15	0.00	554,052.15	19,710.00	0.00	19,710.00	1,128,151.25
OTHER LIABILITIES	0.00	0.00	0.00	10,000.00	0.00	10,000.00	0.00	0.00	0.00	10,000.00
<b>TOTAL LIABILITIES</b>	<b>8,580,350.11</b>	<b>0.00</b>	<b>8,580,350.11</b>	<b>19,906,138.63</b>	<b>1,733,043.72</b>	<b>21,639,182.35</b>	<b>20,214.70</b>	<b>18,000.00</b>	<b>38,214.70</b>	<b>30,257,747.16</b>
<b>FUND EQUITY</b>										
RESERVE FOR ENCUMBRANCES	129,786.46	360,184.46	489,970.92	454,618.11	1,451,430.10	1,906,048.21	0.00	0.00	0.00	2,396,019.13
RESERVE FOR EXPENDITURES	207,500.00	0.00	207,500.00	404,500.00	0.00	404,500.00	0.00	0.00	0.00	612,000.00
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	882,896.42	882,896.42	0.00	19,247.42	19,247.42	0.00	0.00	0.00	902,143.84
UNRESERVED FUND BALANCE	1,594,141.09	0.00	1,594,141.09	2,533,761.77	(2,064,750.86)	469,010.91	23,855.68	1,787,051.52	1,810,907.20	3,874,059.20
<b>TOTAL FUND EQUITY</b>	<b>1,931,452.55</b>	<b>1,243,080.88</b>	<b>3,174,533.43</b>	<b>3,392,904.88</b>	<b>(594,073.34)</b>	<b>2,798,831.54</b>	<b>23,855.68</b>	<b>1,787,051.52</b>	<b>1,810,907.20</b>	<b>7,784,272.17</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>10,511,802.66</b>	<b>1,243,080.88</b>	<b>11,754,883.54</b>	<b>23,299,043.51</b>	<b>1,138,970.38</b>	<b>24,438,013.89</b>	<b>44,070.38</b>	<b>1,805,051.52</b>	<b>1,849,121.90</b>	<b>38,042,019.33</b>